

Agency IT Strategic Plan (ITSP)

Writing the Information Technology (IT) Strategic Plan is a collaborative effort between the business, finance, and IT leaders within the agency. It cannot be written without input and involvement from all parties. The resources responsible for preparing the agency strategic plan must provide input to the resources responsible for the agency's IT Strategic Plan (ITSP) to successfully write this section. The primary resource responsible for preparing the IT Strategic Plan is the Agency Information Technology Resource (AITR).

The ITSP is the primary tool for communicating how agency business needs drive IT investment decisions, and how the agency's IT investments support the business goals and objectives of the agency and the commonwealth. The ITSP provides a detailed view of the *business value* of agency IT investments, identifies the alignment of each individual IT investment to the agency's service area objectives and performance measures, and provides additional information for each investment (i.e., costs, start and end dates, service area owner, etc.)

After all components of the agency ITSP have been approved or certified by the agency head, the ITSP must be submitted to the CIO of the Commonwealth for review and approval. The 2014- 2016 biennium ITSP is due to the CIO of the Commonwealth by August 8, 2014. The rest of the agency strategic plan is due to the Department of Planning and Budget (DPB) by July 25, 2014. The additional time for submission of the ITSP has been granted to allow agencies additional time to match IT investments to approved agency business strategies.

Requirements for the Health and Human Resources Secretariat

For the 2014- 2016 biennium, agencies in the Health and Human Resources Secretariat continue to have additional requirements, due to the Secretariat's focus on fulfilling federal mandates under the Commonwealth's Health IT/Medicaid Information Technology Architecture (HIT/MITA) Program. Per the Secretary, Health and Human Resources agencies will:

- use a single Secretary-approved Appendix A for the entire Secretariat;
- use common descriptions for all projects and procurements in the HIT/MITA program. The descriptions will be provided by the HIT/MITA program office;
- establish relevant outcome based metrics for those investments that are projects and include them at the time the project charter is submitted for approval; and,
- obtain Secretary approval on their ITSPs in addition to agency head approval and prior to submitting their ITSP for CIO approval.

What is the Business Value of IT?

The Business Value of IT demonstrates how an IT investment contributes value to one of the following three value categories: improved constituent service levels, agency operational efficiencies, and the strategic goals of the agency and the commonwealth. IT investments may provide value in one, two or all three of these value categories. Investments can apply to more than one category.

Constituent Service

Constituent service is the measure of how well an IT investment helps the citizens of the commonwealth. This can include offering financial benefits such as lower cost of interaction with citizens, reduced fees, or quicker reimbursements. It can also include service improvements such as reduced wait times, improved access, and new services leading to constituent benefits, or a greater focus on constituent needs. The fulfillment of federal or state mandates is also considered a constituent service.

Examples of how an IT investment provides value to constituents are:

- improving customer experience
- reducing request/form processing times
- providing better access to information
- increasing ease of use
- adding new services
- meeting federal or state mandates
- increasing service quality
- reducing constituent-facing error rates
- reducing user fees
- enhancing public relations
- decreasing environmental impact

Operational Efficiency

Operational efficiency is the measure of an IT investment's capability to reduce agency operational and inventory costs, or provide other financial benefits such as streamlined supply chains, new revenue streams, higher productivity, error reductions, faster merging of administrative processes, or an improvement in agency performance against Department of Planning and Budget (DPB) productivity measures.

Examples of how an IT investment provides operational efficiencies are:

- reducing ongoing operations and maintenance costs
- reducing personnel costs
- redeploying personnel to another task
- reducing error rates
- increasing production volume
- reducing material waste
- reducing raw material use
- reducing costs through a shared service
- reducing costs through an enterprise application

Strategic Alignment

Strategic alignment is the measure of an IT investment's support for commonwealth goals and objectives as expressed in the individual agency strategic plans, the Commonwealth of Virginia

Strategic Plan for Information Technology, the Governor's initiatives, and the Commonwealth's Enterprise Architecture. It also includes the applicability of the investment across the enterprise.

Examples of an IT investment's strategic alignment are:

- improving performance in a Governor's key measure
- improving performance in an *agency productivity measure*
- improving performance in an *agency administrative measure*
- improving performance in an *other agency measure*
- improving performance in a Council on Virginia's Future societal indicator
- participating with other agencies in a shared service solution
- participating with other agencies in an enterprise solution
- incorporating enterprise data standards into the solution

Agency service area performance measures can be aligned with one of the IT investment value categories. In the performance-based budgeting model, each agency service area has at least one objective, and each objective has one or more performance measure. The impact of a proposed IT investment on service area performance should be identified for each investment discussed in the IT Summary section.

ITSP Components

The ITSP has four components:

1. agency head-approved IT Summary Section of the agency strategic plan for the first time in the Commonwealth Technology Portfolio (CTP) system;
2. agency head-approved IT Budget Estimation Tables for the first time in the in the CTP system;
3. agency head-approved Appendix A in the CTP which include for the first time business requirements for technology as well as investments; and,
4. agency head-certified agency Application Portfolio in the Commonwealth Enterprise Technologies Repository.

All in-scope agencies must complete all four of these components. For a complete list of in-scope agency ITSP requirements and instructions for accessing ITSP components, please go to the IT Strategic Planning web page at <http://www.vita.virginia.gov/oversight/projects/default.aspx?id=7778>. The consolidation of the ITSP into one system will allow for pre-population of the budget tables eliminating time consuming reconciliation processes and procedures. The AITR is the official link between VITA, the CIO and the executive branch agency they represent. In the past, while the AITR has been responsible for developing the ITSP, they have not necessarily had access to both systems. By consolidating the process within the CTP, they will be able to have better control thereby making the ITSP process more efficient and effective.

1. IT Summary Section of the Agency IT Strategic Plan

The purpose of the IT Summary Section of the agency strategic plan is to provide a business value perspective on the agency's information technology investments and to demonstrate how these investments support the goals and objectives of the agency and the commonwealth.

The agency should identify all business needs that, from the agency's perspective, can be supported by an enterprise or collaborative IT solution.

If the agency has any business requirements for new or existing technology, IT projects or procurements for the upcoming budget biennium documented in the Commonwealth Technology Portfolio, the agency must describe the business value of each in the IT Summary Section.

The IT Summary Section is divided into three fields:

Current Operational IT Investments

In this field, the agency will describe any existing operational IT business requirements that are not meeting the agency's business needs and will require enhancement in order to produce the desired business value. Include all enhancement opportunities, even those that are not funded at this time, and focus on the business value of improving the IT agency performance. In your discussion, be sure to note whether the proposed enhancements are funded or not. Each existing operational IT business requirement must have a corresponding Business Requirement for Existing Technology (BReT) entered into the CTP.

***Hypothetical generic example:** A service area is using an aging IT solution to manage a business process that refunds excess fee payments to citizens. The current IT solution has to be updated to match needed changes in the service area's operational processes. Use of the IT solution as-is results in delayed constituent receipt of refunds, decreased service quality, negative public relations, increased error rates requiring manual double checking and the reallocation of staff from other tasks to process handling. Subsequently, the aging of the IT solution has resulted in the service area not meeting its performance measure for the business process. The agency does not have funding for this solution update.*

If the agency's existing operational IT investments are meeting the agency's business needs and will not require enhancement in the foreseeable future, the agency should enter the following text rather than leave the *Current Operational IT Investments* section blank:

At this time, the agency anticipates that all Current Operational IT Investments will continue to meet agency business needs in the foreseeable future, and will not need enhancement or additional investment.

Factors Impacting the Current IT

In this section, the agency will describe the changes in their business environment that will require or mandate changes to the agency's current business requirements or IT investments. These are requirements and mandates from external sources, such as other agencies or business partners, the agency's customer base, product and service providers, or new federal or state legislation or regulations. The agency must identify

the business value of the change, any important deadlines that must be met, and the consequences if the deadlines are not met. In your discussion, be sure to note whether the proposed enhancements are funded or not. Each requirement or mandate from an external source must have a corresponding Business Requirement for New Technology (BRnT) or Business Requirement for Existing Technology (BReT) entered into the CTP.

Hypothetical generic example: *The federal government has established a performance standard and review schedule for a service provided by an agency, and the federal standard is a key performance measure for the agency. In order to meet the new performance standard, the service area has identified a number of business processes that will have to be improved. In the service area's estimation, the current technology that supports these processes will not be able to accommodate the business process changes, and will have to be modified by June 2013. The agency will be required to meet the federal performance standard for a scheduled November 2013 review. The agency has received a grant from the federal government that will fully fund a replacement information management system.*

If the agency's existing current IT investments will not need enhancement due to requirements or mandates from external sources in the foreseeable future, the agency should enter the following text rather than leave the *Factors Impacting the Current IT* section blank:

At this time, the agency is not aware of any external factors, requirements or mandates that will require IT investments by the agency in the foreseeable future.

Proposed IT Solutions

In this section, the agency will discuss the business value of proposed IT solutions or investments that support agency strategic objectives, service area strategic objectives, commonwealth, enterprise, or secretariat-level strategic priorities, agency performance measures and/or societal indicators. This section must discuss the business value of any agency IT investments for the upcoming budget biennium. In your discussion, be sure to note whether the proposed solutions are funded or not. Each requirement must have a corresponding Business Requirement for New Technology (BRnT) entered into the CTP.

Hypothetical generic example: *Management of the commercial use of natural resources is an agency strategic objective. In coordination with other commonwealth agencies, the agency is planning to lead a partnership consisting of several states and the federal government that will initiate an ongoing program to manage commercial use of natural resources in a multi-state region. The goal of the partnership is to restore resources that have been depleted by over-use, and assist in the rebuilding of industries that use the resources. In coordination with the partners, the agency plans to implement and maintain a shared partnership activity development, monitoring, and reporting application that will support research into methods for sustainable commercial resource use, improvement of overall resource quality, restoration of damaged resources, and the protection of commercial interests while the broader quality issues are pursued. The agency will budget funding for its portion of the shared application's development and maintenance costs.*

If the agency does not have any Proposed IT Investments, the agency should enter the following text rather than leave the *Proposed IT Solutions* section blank:

At this time, the agency does not have any Proposed IT Solutions or investments that will support agency strategic objectives, service area strategic objectives, commonwealth, enterprise, or secretariat-level strategic priorities, agency performance measures, or societal indicators.

2. IT Budget Estimation Tables

Agencies will use the IT Budget Estimation Tables to determine the estimated cost of agency IT investments for the upcoming biennium. Agencies must look across all of their service areas and programs to identify all IT investment costs for the previous year, and use the previous year's costs, in addition to the base budget for all IT expenditures provided by DPB, as the basis for estimating the future agency-wide IT budget.

All in-scope agencies must fill out the Current IT Services and Proposed IT Investments tables in the CTP, using the instructions below, prior to submitting the agency ITSP for CIO review and approval.

Current IT Services Table

Current IT Services represent the costs of ongoing IT operations and maintenance. Items in this category cover estimated costs for the entire next biennium. These items do not need project or procurement review and approval. A work request for infrastructure is considered an operations and maintenance expense and is included in Current IT Services table. A work request in support of an IT Project is included in the appropriate project cost row in the Proposed IT Investments table.

Current IT Services – Estimated Ongoing Operations and Maintenance Costs for Existing IT Investments				
Category	Costs Year 1		Costs Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Projected Service Fees	Pre-fill	Pre-fill	Pre-fill	Pre-fill
Changes (+/-) to VITA Infrastructure				
Estimated VITA Infrastructure	Total of rows 1 and 2			
Specialized Infrastructure				
Agency IT Staff				
Non-agency IT Staff				
Cloud Computing Services				
Other Application Costs				
Total	Total of rows 3 through 7			
Comments				

Projected VITA Service Fees

VITA will provide each agency with its projected service fees. The projection is equal to the agency's FY 2011 service fees plus a factor of 1.5 percent added to the previous year's expenses, assuming a small increase in IT spend each year. Agencies will use the projection as a basis for estimating service fees in the upcoming biennium.

Changes (+/-) to VITA Infrastructure

If the agency expects VITA Infrastructure costs to increase or decrease during the upcoming biennium, the amount of change in VITA Infrastructure costs should be entered in the Changes (+/-) to VITA Infrastructure row.

Estimated VITA Infrastructure

Estimate VITA Infrastructure costs including all networking, hardware, data storage, mainframes, telecommunications, project and procurement oversight services, and any other equipment and services provided by VITA. This row is a subtotal of the previous year's VITA infrastructure and changes (+/-) to VITA infrastructure rows.

Specialized Infrastructure

Estimate the agency's specialized infrastructure costs including all networking, hardware, data storage, mainframes, telecommunications, and information technology equipment **not** provided by VITA. This includes the infrastructure portion of fees paid to application service providers and infrastructure services that may be included in building rental and lease agreements. If the agency expects specialized infrastructure costs to increase or decrease during the upcoming biennium the change in specialized infrastructure costs should be reflected in the estimate the agency provides in the Current IT Services table.

Agency IT Staff

The estimated agency IT staff cost should be based on an estimate of the agency IT staff cost for the previous year, then adjusted based on anticipated increases or decreases in staffing. Do not include the cost of non-agency IT staff that will be acquired through a staff augmentation contract, the cost of staff that will be borrowed from another agency, or the cost of staff that will be assigned to an IT project in this estimate. To estimate the agency IT staff cost for the previous year, please use the following process:

Estimating the Agency IT Staff Cost for the Previous Year		
Step	Action	Cost
1	Sum total salary costs for all personnel classified as IT for the previous year. Do not include the salary for personnel loaned to another agency if that agency is paying reimbursing your agency for the salary cost. Subtract any salary paid to staff for work done as a part of an agency IT Project, per project, and keep that total for use in the Proposed IT Investments table.	

Estimating the Agency IT Staff Cost for the Previous Year		
Step	Action	Cost
2	Identify all non-IT classified personnel (including managers, administrative staff, data entry staff doing application support, etc.) who did IT work during the previous year and the percentage of time they spent doing IT work during the previous year. For each non-IT classified person identified, calculate salary costs by multiplying non-IT classified personnel salary by percentage of time spent doing IT work, then adding all costs together. Subtract any salary paid to staff for work done as a part of an agency IT Project, per project, and keep that total for use in the Proposed IT Investments table.	
3	Sum all bonuses paid to IT classified personnel and the percentage of bonuses paid to non-IT classified personnel using the same percentage as in Step 2. Subtract any bonuses or the percentage of bonuses paid to staff for work done as a part of an agency IT Project, per project, and keep that total for use in the Proposed IT Investments table.	
4	Subtotal costs identified in Steps 1, 2, and 3.	
5	Multiply the subtotal from Step 4 by .28. This represents the average cost of benefits for personnel.	
6	Sum all IT-related training costs not included in an IT project budget (including tuition, books, fees, etc.).	
7	Sum all IT-related travel costs not included in an IT project budget (including gas, mileage, accommodation, fares, etc.).	
8	Total costs identified in Steps 4, 5, 6, and 7. This represents the estimated base Agency IT Staff costs for the previous year.	
9	Adjust the total identified in Step 8 up or down depending on anticipated changes in agency IT staffing needs for the first year of the next biennium. Do not include the cost of non-agency IT staff acquired through a staff augmentation contract or the staff assigned to an IT project in this estimate.	
10	Determine how much of the Agency IT Staff costs identified in Step 9 will be funded from general fund dollars.	
11	Determine how much of the Agency IT Staff costs identified in Step 9 will be funded from non-general fund dollars.	
12	Adjust the total identified in Step 9 up or down depending on anticipated changes in agency IT staffing needs for the second year of the next biennium. Do not include the cost of non-agency IT staff acquired through a staff augmentation contract or the staff assigned to an IT project in this estimate.	
13	Determine how much of the Agency IT Staff costs identified in Step 12 will be funded from general fund dollars.	
14	Determine how much of the Agency IT Staff costs identified in Step 12 will be funded from non-general fund dollars.	

Non-agency IT Staff

Estimate the cost of non-agency IT staff acquired through an existing, approved staff augmentation contract for IT service or support. This includes the IT staffing portion of fees paid to application service providers. In addition, if non-agency non-IT staff will be assigned IT work during the biennium; include the portion of non-agency non-IT staff salaries paid for IT work. Also include the cost of staff on loan from another agency, unless that staff salary is included in a project budget. Do not include the estimated cost of non-agency IT staff that will be acquired through a newly proposed IT staff augmentation contract, or the cost of non-agency IT staff assigned to an IT project in this estimate.

Cloud Computing Service

Estimate the ongoing costs of cloud computing services not covered under VITA infrastructure. Includes the application cost portion of fees paid to application service providers. Do not include the estimated purchase cost of applications that will be acquired through a newly proposed IT procurement.

Other Application Costs

Estimate the ongoing costs of application fees and licensing not covered under VITA infrastructure. Includes the application cost portion of fees paid to application service providers. Do not include the estimated purchase cost of applications that will be acquired through a newly proposed IT procurement.

Comments

If the agency entered a value in the Changes (+/-) to VITA Infrastructure row, use this field to describe the business changes that prompted the agency to change the estimated amount it will spend on VITA infrastructure in the coming biennium.

Proposed IT Investments Table

Proposed IT Investments represent the estimated costs of projects and procurements that will be incurred during the upcoming biennium. These estimated costs come from either new projects or procurements, or from existing projects or procurements that will not be completed until after the biennium starts. The agency must include in this table estimated costs for all IT investments for which the project or procurement review, approval, and implementing process has not started or has not been completed prior to the beginning of the biennium. The costs of supporting applications beyond the implementing project or procurement end date will be estimated in the Current IT Service table.

Note that any proposed investments that are associated with a grant must be entered into the Commonwealth Technology Portfolio prior to, or at the time of, submitting the grant application. Many grants have very strict timelines; and in order to meet these timelines, it is important for the agency to obtain planning approval as soon as the decision is made to apply.

An IT project is a temporary endeavor undertaken to create a unique IT product, service, or result. An IT procurement is a temporary endeavor undertaken to obtain goods or services. Included are all activities from the planning steps and preparation and processing of a requisition, through receipt and acceptance of delivery, to the processing of a final invoice for payment. The estimated costs of ongoing IT operations and maintenance activities are entered into the Current IT Services table.

If the agency has projects and/or procurements for the upcoming biennium, the estimate in the Proposed IT Investments table must match the costs in the agency's *Appendix A*. Note that this table will be prefilled for the agency with the existing values in the CTP. The only data entry the agency has to do is for agency-level IT projects or projects that fall below the \$250,000 threshold.

Proposed IT Investments – Estimated Costs for Projects and New IT Investments				
Category	Costs – Year One		Costs – Year Two	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Major IT Projects	Pre-populated	Pre-populated	Pre-populated	Pre-populated
Non-major IT Projects	Pre-populated	Pre-populated	Pre-populated	Pre-populated
Agency-level Projects				
Major Stand Alone IT Procurements	Pre-populated	Pre-populated	Pre-populated	Pre-populated
Non-major Stand Alone IT Procurements	Pre-populated	Pre-populated	Pre-populated	Pre-populated
Agency –level Stand Alone IT Procurements				
Total	Calculated	Calculated	Calculated	Calculated

Major IT Projects

The total cost of all Major IT Projects proposed for the upcoming biennium will be estimated and prefilled for the agency. Major IT Projects are defined in the *Code of Virginia* (§ 2.2-2006) as “any Commonwealth information technology project that has a total estimated cost of more than \$1 million or that has been designated a Major information technology project by the Secretary [of Technology].” Agencies are required to estimate and track the cost of current agency and non-agency IT staff who will be assigned to work on any agency Major IT Project. The estimated cost of current agency and non-agency IT staff assigned to Major IT Projects **must not** be included in the Agency and Non-agency IT Staff cost estimates in the Current IT Services table. IT Project costs must include the amount of the agency's operating appropriation that will be spent on project activities.

Agencies are required to identify Major IT Projects in the agency’s budget per the *Code of Virginia* (§ 2.2-1509.3). If funding for a Major IT Project or related procurement has not been included in the budget bill in accordance with § 2.2-1509.3, the Major IT Project and the agency ITSP cannot be approved by the CIO. However, upon a determination by the Governor that an emergency exists and a Major IT Project is necessary to address the emergency, the Major IT Project and ITSP can be approved.

Note: Major projects that have Investment Business Case approval will have their data distributed appropriately across the Business Requirements for New Technology (BRnT) or Business Requirements for Existing Technology (BReT) and the Investment Business Case forms. Agencies are to review the data; enter any new data requirements; and submit the project for approval. These changes are administrative only. The project will not have to re-qualify for IBC approval. Projects that are identified for preliminary planning need a complete corresponding BRnT or BReT only. An investment business case form does not have to be completed.

Non-major IT Projects

The total cost of all Non-major IT Projects proposed for the upcoming biennium will be calculated from within the CTP and pre-populated for the agency. Non-major IT Projects are those technology projects with a total estimated cost greater than or equal to \$250,000 and

less than or equal to \$1 million that are not designated as Major IT Projects by the Secretary of Technology. The estimated costs of current agency and non-agency IT staff assigned to Non-major IT Projects **must not** be included in the agency and Non-agency IT Staff cost estimates in the current IT Services table—those costs are included here. IT Project costs must include the amount of the agency's operating appropriation that will be spent on project activities.

Note: Non-major projects that have Investment Business Case approval will have their data distributed appropriately across the Business Requirements for New Technology (BRnT) or Business Requirements for Existing Technology (BReT) and the Investment Business Case forms. Agencies are to review the data; enter any new data requirements; and submit the project for approval. These changes are administrative only. The project will not have to re-qualify for IBC approval. Projects that are identified for preliminary planning need a complete corresponding BRnT or BReT only. An investment business case form does not have to be completed.

Agency-level IT Projects

Agency-level IT Projects are those technology projects with a total estimated cost less than \$250,000 that are not designated as Major IT Projects by the Secretary of Technology. The estimated costs of current agency and non-agency IT staff assigned to agency-level IT Projects must **not** be included in the agency and Non-agency IT Staff cost estimates in the Current IT Services table—those costs are included here. IT Project costs must include the amount of the agency's operating appropriation that will be spent on project activities. Note that this row is the only row that the agency has to enter.

Major Stand Alone IT Procurements

Procurements are used to obtain goods or services and include all activities from the planning steps, preparation and processing of a requisition, through receipt and acceptance of delivery and processing of a final invoice for payment. Major IT procurements are those procurements with an estimate cost equal to or greater than \$1 million. A Stand Alone Procurement is a procurement not associated with an IT project: for example, a procurement for non-agency IT staff that will be acquired through a proposed staff augmentation contract for IT service or support, or a procurement to pay the costs, fees, and licensing of a new commercial, off-the-shelf application. For application procurements, the estimate will include the application costs portion of fees that will be paid to application service providers under a newly proposed contract. A major IT procurement or an RFS that must be executed in order to complete a project will be included in the IT project cost estimate. This row in the table will be calculated and pre-populated for the agency.

Non-major Stand Alone IT Procurements

Procurements are used to obtain goods or services and include all activities from the planning steps, preparation and processing of a requisition, through receipt and acceptance of delivery and processing of a final invoice for payment. Non-major IT procurements are those procurements with an estimate greater than or equal to \$250,000 and less than \$1 million. A Stand Alone Procurement is a procurement not associated with an IT project: for example, a

procurement for non-agency IT staff that will be acquired through a proposed staff augmentation contract for IT service or support, or a procurement to pay the costs, fees, and licensing of a new commercial, off-the-shelf application. For application procurements, the estimate will include the application costs portion of fees that will be paid to application service providers under a newly proposed contract. A non-major IT procurement or an RFS that must be executed in order to complete a project will be included in the IT project cost estimate. This row in the table will be calculated and pre-populated for the agency.

Projected Total IT Budget Table

The values in the Total IT investments table are calculated from the values entered into the previous tables.

Projected Total IT Budget					
Category	Costs – Year One		Costs – Year Two		Total Cost
	General Fund	Non-general Fund	General Fund	Non-general Fund	
Current IT Services	Calculated from other tables				
Proposed IT Investments	Calculated from other tables				
Total	Calculated from other tables				

3. Appendix A

Appendix A: Information Technology Business Requirements and Investments is an appendix to the agency ITSP that provides details on Commonwealth IT Business Requirements and Investments for the upcoming budget biennium. *Appendix A: Information Technology Business Requirements and Investments* is an output from the Commonwealth Technology Portfolio. Agencies must document all Business Requirements for Technology, BRnTs and BReTs, as well as IT projects with a total cost over \$250,000 or IT procurements with a total cost over \$250,000 in the Commonwealth Technology Portfolio. These projects or procurements are considered Commonwealth IT Investments. If the agency does not have any business requirements or proposed or funded Commonwealth IT investments for the upcoming budget biennium, the *Appendix A: Information Technology Business Requirements and Investments* flag must be set to ‘No’ which will generate a message in lieu of Appendix A which will be posted on the Virginia Performs website in the agency ITSP.

If the agency has a Commonwealth IT Investment for the upcoming budget biennium, and the estimated IT project and procurement costs in Appendix A need revision, changes must be made to the actual project or procurement in the Commonwealth Technology Portfolio with the appropriate CIO approvals to change costs in the ITSP budget table.

Appendix A: Information Technology Business Requirements and Investments is a detailed view of the agency’s IT business requirements and investments that identifies the alignment of each

to the agency's service areas as well as to commonwealth goals and objectives. In addition Appendix A provides detailed views of an agency's commonwealth investments or projects and procurements which include more detailed information (i.e., costs, start and end dates, service area owner, funding status) provided by the agency. The agency will enter this information into the Commonwealth Technology Portfolio. Embedded within the Commonwealth Technology Portfolio workflow is specific guidance regarding the completion of agency IT Investment information. The Commonwealth Technology Portfolio may be accessed at <https://ctp.vita.virginia.gov/prosight/Portfolios/View.htm?window=form&itemID=11509&formID=33&tabID=0>.

The Commonwealth Technology Portfolio may be accessed by following the instructions at <http://www.vita.virginia.gov/oversight/projects/default.aspx?id=505>. The AITR has access to the Commonwealth Technology Portfolio, and is generally responsible for ensuring the accuracy of Commonwealth Technology Portfolio entries. For additional information about your agency's use of the Commonwealth Technology Portfolio, please contact your AITR.

Although the estimated cost at completion for procurements is entered into the Commonwealth Technology Portfolio, it is intentionally left blank when the procurement is published in *Appendix A: Information Technology Business Requirements and Investments*.

Investment Categories

In *Appendix A: Information Technology Investments*, Commonwealth IT investments are classified into one of four categories:

- **Business Requirements for Technology** – Business Requirements for Technology is a new concept for this budget biennium and addresses agencies' need to capture valid long term business needs before it can be determined what type of investment is required. There are two types of BRTs: business requirements for new technology (BRnT) and business requirements for existing technology (BReT).

A BRnT is entered when the following applies:

- Business requirements for NEW FUNCTIONS (e.g., adding new functionality to an existing app, implementing support for new business functions or reorganizing existing business functions)
- No technology answer exists at this time

A BReT is entered when the following applies:

- Release upgrades
- Specialized hardware/software upgrades
- Infrastructure
- Contract renewals
- Business requirements for supporting existing technology

Note that an agency can get as granular as necessary with documenting BReTs but the minimum threshold is as follows. It is acceptable to group Operations and Maintenance BReTs into logical functional groups (for example, a BReT for

renewals). When setting up a BReT for a logical functional group, it is important for the agency to document the details in the BReT description category.

- **Major IT Projects** – Major IT Project is a budget category defined in the Code of Virginia (§ 2.2-2006) as “any Commonwealth information technology project that has a total estimated cost of more than \$1 million or that has been designated a Major information technology project by the Secretary [of Technology].” Major IT Projects identified in the CTP will be incorporated into the Governor’s Budget and subsequently, the Appropriation Act.
- **Non-major IT Projects** – Non-major IT Project is a budget category for all IT Projects, except those designated as Major IT Projects by the Secretary of Technology, with a total cost greater than or equal to \$250,000 and less than or equal to \$1 Million. Agency-level IT Projects with a total cost below \$250,000 are not entered in *Appendix A: Information Technology Investments*, although their biennial costs are estimated in the Proposed IT Investments – Estimated Costs for Projects and New IT Investments table in the IT Budget Estimation Tables.
- **Major Stand Alone IT Procurements** – Major Stand Alone IT Procurements are those procurements with a total cost greater than or equal to \$1 million that are used to obtain IT goods or services not associated with a project.
- **Non-major Stand Alone IT Procurements** – Non-major Stand Alone IT Procurements are those procurements with a total cost between \$250,000 and \$1 million that are used to obtain IT goods or services not associated with a project.

The total costs of Major IT Projects, Non-major IT Projects, Major Stand Alone IT Procurements, and Non-major Stand Alone IT Procurements identified in *Appendix A: Information Technology Business Requirements and Investments* will be preloaded in the IT investment costs estimated in the Proposed IT Investments – Estimated Costs for Projects and New IT Investments table in the IT Budget Estimation Tables.

Project-related Procurements

Procurements which must be executed in order to complete a project are called Project-related Procurements. Project-related Procurement costs are included in the total project cost and are not reported separately. A Major IT Project can have Major and/or Non-major IT Project-related procurements. However, an IT Project that is not a Major IT Project can only have Non-major IT Project-related procurements.

Examples of project-related procurements are:

- A procurement of software used to complete a project;
- A procurement of specialized hardware deployed as the result of a project, such as a point-of-sale system; or,
- A procurement for contract IT staff to work on a specific project.

Grants

Any IT investments that are associated with a grant must be entered into the Commonwealth Technology Portfolio prior to or at the time of submitting the grant application. This is in addition to the requirements found in §4-1.04 of the Appropriation Act.

Many grants have strict timelines. In order to meet these timelines, it is important for the agency to obtain planning approval as soon as the decision is made to apply for the grant.

Some secretariats require agencies to submit grants that require an IT investment to the secretariat for approval prior to submitting the grant application to the grantor. If your grant-related IT investments require secretariat approval, please obtain approval before entering the grant-related IT investments into the Commonwealth Technology Portfolio.

Major IT Project Example

Budget Category: Major Projects	
Medical Case Management System (MCMS) Project – (please note this is an example, not an actual project)	
Oversight and Governance Category: Category 1: High/High	
Appropriation Act/Funding Status	Project Initiation Approval - Fully Funded GF/NGF 100%
<p>The Medical Case Management System (MCMS) Project will identify the requirements, plan, and execute development of an application which will streamline all of the agency’s medical case management business processes. Currently the agency uses multiple legacy systems to manage stages in the case management cycle. The legacy systems are expensive to maintain (compared to more modern systems with similar functionality), are not fully integrated and subsequently duplicate case data, and are not flexible enough to quickly adapt to changes in regulation. The legacy systems’ decreasing performance is the primary driver of a trend toward lower agency case productivity. The MCMS Project will produce a system that automates case workflow, manages the agency’s compliance needs, reports on agency case management productivity, and eliminates redundant data storage. In addition to the operational benefits, the agencies anticipates that the MCMS application will reduce the time the agency spends in non-treatment case administration by at least 50%, thereby providing the agency’s patients with a significant decrease in wait times.</p> <p>The agency’s case management performance reporting needs are well within the capabilities of leading COTS (Commercial, Off-The-Shelf) reporting software. The MCMS Project will procure and install a COTS reporting tool, and integrate the tool into the MCMS application.</p> <p>The MCMS will improve overall performance in four agency service areas. The system will also improve agency performance in:</p> <ul style="list-style-type: none"> • Virginia Performs Key Measure - Improve the quality of medical case services provided to Virginia citizens; • Virginia Performs Productivity Measure - Decrease time required to process to a citizen’s medical case; • Virginia Performs Productivity Measure - Provide efficient and effective administration and support to case management services provided by the agency; and, • Virginia Performs Administrative Measure – Increase compliance with IT Accessibility and Information Security standards. 	

Budget Category: Major Projects				
Medical Case Management System (MCMS) Project – (please note this is an example, not an actual project)				
<p>The current legacy case management systems use data provided by other agencies, and in turn provides data to our partner agencies. When we discussed the MCMS Project with our partner agencies they expressed a strong interest in participating in the project, e.g., adding their case management requirements to ours and building a single system for use across all participating agencies. Our agency is willing to act as the lead agency in a Commonwealth-wide MCMS Project.</p> <p>Per Code of Virginia mandate, the funding for this Major IT Project has been identified in the agency's budget. Please note that the Estimated Costs, the Procurement Cost, and the Planned Project End Date are for the agency-only MCMS Project. A Commonwealth-wide MCMS Project will require additional funds and additional time for completion.</p>				
Is this a proposed project or the continuation of an active project?				Proposed
Planned Project Start Date:	02/01/2012	Planned Project End Date:		10/31/2013
Estimated Costs:	Total	General Fund	Non-general Fund	Non-general Funding Source
Project Cost (estimate at completion):	\$6,500,000	\$5,000,000	\$1,500,000	Non-general State
Estimated project expenditures first year of biennium:	\$2,500,000	\$1,750,000	\$750,000	Non-general State
Estimated project expenditures second year of biennium:	\$4,000,000	\$3,250,000	\$750,000	Non-general State
Funding Required:	Total	General Fund	Non-general Fund	Non-general Funding Source
Funding required for first year of biennium:	\$0	\$0	\$0	N/A
Funding required for second year of biennium:	\$0	\$0	\$0	N/A
Service Area		Weight		
Service Area ID# Medical Case Intake		Secondary		
Service Area ID# Medical Case Administration		Primary		
Service Area ID# Medical Services		Secondary		
Service Area ID# Information Technology Services		Secondary		
Project Related Procurements				
Medical Case Management System (MCMS) Reporting Tool				
Procurement Description:		The agency's case management performance reporting needs are well within the capabilities of leading C.O.T.S. (Commercial, Off-The-Shelf) reporting software. The MCMS Project will procure and install a COTS reporting tool with a minimum 5-year license, and integrate the tool into the MCMS application.		
Planned Delivery Date:	06/01/2012	Procurement Cost:	\$125,000	

Non-major IT Project Example

Budget Category: Non-major IT Projects	
Processing Application Enhancement (PAE) Project – (please note this is an example, not an actual project)	
Oversight and Governance Category: Category 4: Low/Medium, Low/Low	
Appropriation Act/Funding Status	Identified for Preliminary Planning - Fully Funded GF 100%

Budget Category: Non-major IT Projects				
Processing Application Enhancement (PAE) Project – (please note this is an example, not an actual project)				
<p>The Processing Application Enhancement (PAE) Project will identify the requirements, plan, and execute a workflow routing enhancement to the agency’s processing application. Currently, the processing application doesn’t have workflow functionality, and requires managers to log into the system and assign work to agency staff. The planned enhancement will automatically route work to staff using a role-based system. The workflow enhancement will improve agency productivity, eliminate duplicate work assignments, and improve process exception handling.</p> <p>The agency’s processing service area has an objective to complete 95% of the processing within 3 business days of receipt. The PAE Project performance will be measured on its ability to contribute to the service area’s performance measure. For the last four quarters the service area has averaged 89% completion against the measure. Barring unforeseen process changes, for each quarter after the PAE Project is complete the service area expects to perform at or above the 95% mark.</p> <p>The contract application development team that developed the Processing Application in 2005, and did the development work on a previous upgrade in 2007, has quoted the agency a price of \$400,000 +/- 10% based detailed requirements. This cost includes a development team and a Commonwealth-qualified project manager.</p>				
Is this a proposed project or the continuation of an active project?				Proposed
Planned Project Start Date:	10/01/2012	Planned Project End Date:		08/01/2013
Estimated Costs:	Total	General Fund	Non-general Fund	Non-general Funding Source
Project Cost (estimate at completion):	\$440,000	\$440,000	\$0	General State
Estimated project expenditures first year of biennium:	\$150,000	\$150,000	\$0	General State
Estimated project expenditures second year of biennium:	\$290,000	\$290,000	\$0	General State
Funding Required:	Total	General Fund	Non-general Fund	Non-general Funding Source
Funding required for first year of biennium:	\$150,000	\$150,000	\$0	N/A
Funding required for second year of biennium	\$290,000	\$290,000	\$0	N/A
Service Area		Weight		
Service Area ID# Processing Service Area		Primary		
Service Area ID# Information Technology Services		Secondary		
Project Related Procurements				
There are no procurements for this project.				
Procurement Description:				
Planned Delivery Date:		Procurement Cost:		

Major Stand Alone IT Procurement Example

Procurement Name:	Chemical Disaster Management System (CDMS) Procurement – (please note this is an example, not an actual procurement)
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Procurement Name:	Chemical Disaster Management System (CDMS) Procurement – (please note this is an example, not an actual procurement)		
Procurement Description:	<p>The agency will procure a web-based, industry-leading commercial, off-the-shelf software suite for managing emergency responses to large-scale chemical hazards such as chemical spills, chemical-fueled fires, and industrial accidents. CDMS will integrate agency facilities and response teams into the emergency management systems in use by federal, state and local agencies during actual declared states of emergency or preparedness events such as training and exercises. CDMS will:</p> <ul style="list-style-type: none"> • Track and report the scope and impact of chemical disasters in real-time; • Disseminate medical treatment information to first responders and hospitals; and, • Manage containment and clean-up activities, including personnel and supplies; <p>The CDMS will improve overall performance in three agency service areas. The system will also improve agency performance in:</p> <ul style="list-style-type: none"> • Virginia Performs Key Measure - Protect Virginia citizens against chemical disasters; • Virginia Performs Productivity Measure - Decrease time required to respond to chemical disasters; • Virginia Performs Productivity Measure - Provide efficient and effective administration and support to chemical disaster response services provided by the agency; and, • Virginia Performs Administrative Measure – Increase compliance with IT Accessibility and Information Security standards. 		
Procurement Planned Start Date	05/01/2012	Procurement Planned Completion Date	06/01/2012
Procurement cost (estimate at completion):	Intentionally Left Blank	Appropriation Act Status	
Service Area		Weight	
Service Area ID# Chemical Disaster Response	Primary		
Service Area ID# Chemical Disaster Containment	Secondary		
Service Area ID# Information Technology Services	Secondary		

Non-major Stand Alone IT Procurement Example

Procurement Name:	IT Staff Augmentation Procurement – (please note this is an example, not an actual procurement)		
Procurement Description:	<p>This procurement is to augment existing agency staff with one senior database administrator and three junior application developers to support the agency's applications. The agency has five applications which need hands-on data, user interface, and general troubleshooting support. The IT Staff Augmentation procurement will:</p> <ul style="list-style-type: none"> • Provide staff to resolve tickets in the agency's application support queue; and, • Provide staff to execute small (less than \$250,000 total cost) enhancements to agency applications as needed. <p>The five agency applications served by this procurement support performance in four agency service areas.</p>		
Procurement Planned Start Date	07/15/2012	Procurement Planned Completion Date	08/01/2013
Procurement cost (estimate at completion):	Intentionally Left Blank	Appropriation Act Status	
Service Area		Weight	

Service Area ID# Information Technology Services	Primary
Service Area ID# Citizen Request Services	Secondary
Service Area ID# Request Processing Services	Secondary
Service Area ID# Exception Processing Services	Secondary
Service Area ID# Material Delivery Services	Secondary

4. Agency Application Portfolio in CETR

In 2009, agencies were introduced to the Commonwealth Enterprise Technology Repository (CETR) that catalogs the applications, data assets and software tools used by executive branch agencies to support their business. Prior to submitting the agency ITSP for review and approval, agencies must update records in CETR and then certify that the agency portfolio is accurate.

It is important to remember that the agency portfolio in CETR cannot be certified until all of the issues identified in the application's Quality Control tab are resolved.

CETR may be accessed by going to <https://ssl01.apps.vita.virginia.gov/cetr>. If you do not already have a COV account (i.e., your agency has not been message-transformed), you will need to request a new COV account. Contact the VCCC at (866) 637-8482 or vccc@vita.virginia.gov and request that you be sent a COV account request form.

Instructions for the agency Application Portfolio update and the agency head certification in CETR may be accessed at https://ssl01.apps.vita.virginia.gov/CETR/CETR_Reference_Guide.pdf.

5. CIO Approval

Once the agency head has approved or certified each of the four components of the ITSP, the agency must submit the ITSP for CIO review and approval.

To submit the agency ITSP for CIO review, enter both AITR and agency head approvals in the Commonwealth Technology Portfolio (CTP) for the IT strategic plan. Please email Constance Scott (constance.scott@vita.virginia.gov) in VITA's IT Investment Management (ITIM) Division with any questions regarding the Guidance and Pat Morrissey (pat.morrissey@vita.virginia.gov) or Jan Van Horn (jan.vanhorn@vita.virginia.gov) with any questions regarding the CTP.

6. The Relationship between the Agency ITSP and an Agency Service Area Plan for IT

While the entire ITSP is entered into the Commonwealth Technology Portfolio, it is still part of the DPB strategic planning process and will be posted on the Va. Performs Web site.

A few agencies, DSS is one as is VDOT, have a service area dedicated to IT. If an agency has an IT service area, that service area provides the foundation for the agency ITSP. However, the service area is more of an operational or tactical plan. The budget numbers that are keyed into the service area are constrained or must reconcile to the Budget so the only investments that are addressed in the service area plan are those investments that are funded.

The ITSP is a strategic plan and it is not constrained. This allows agencies to document all their business needs (both from an operational perspective as well as proposed investment perspective) whether they are funded or not. As a result, the content in the ITSP will not match exactly what is in the service area plan for IT. The ITSP has a much broader scope.