## 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 those responsible for the agency's IT Strategic Plan (ITSP) to successfully write the plan.  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 2020 - 2022 biennium ITSP is due to the CIO of the Commonwealth by July 12, 2019.

## What is the Business Value of IT?

The Business Value of IT demonstrates how an IT investment contributes value 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 an *agency productivity measure*
- improving performance in an *agency administrative measure*
- improving performance in ano*ther agency measure*
- participating with other agencies in a shared service solution
- participating with other agencies in an enterprise or collaborative 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 six components:

1. Agency Head-approved IT Summary Section of the agency strategic plan in the Commonwealth Technology Portfolio (CTP) system;
2. Agency Head-approved IT Budget Estimation Tables for the first time in the CTP system;
3. Agency Head-approved Business Requirements for Technologies Section of the agency strategic plan in the CTP system;
4. Agency Head-approved Operational Risk/Issues Section of the agency strategic plan in the CTP system;
5. Agency Head-approved Appendix A in the CTP system which include business requirements for technology as well as investments; and,
6. Agency Head-certified agency Application Portfolio in the ARCHER Application

The consolidation of the IT Summary Section, IT Budget Estimation Tables, BRT, and investments within one system allows for pre-population of the budget tables eliminating time-consuming reconciliation processes and procedures.

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 https://www.vita.virginia.gov/it-governance/it-investment-management/it-strategic-planning/ . All in-scope agencies must complete all six components.


### 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 CTP system, the agency must discuss how these business requirements and investments support the business environment.  .

The IT Summary Section consists of three sections:

_Current Operational IT Investments_

In this section, the agency will report whether current operational IT investments are meeting the agency's business needs and strategies.


If the current operational IT investments are not meeting the agency's business needs, the agency will describe how each investment is not doing so and any existing operational IT that

will be required 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 system.

> *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.*

### External 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 reason for 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 BReT entered into the CTP system.

> *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 BRnT entered into the CTP system.

***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 define 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 system, 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 solution request for infrastructure is considered an operations and maintenance expense and is included in Current IT Services table if it is less than

$250,000. Solutions requests equal to or greater than $250,000 are under commonwealth oversight and governance and will be documented as a commonwealth investment in the CTP. Solution requests that supports IT projects are 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 | | | | |
|---|---|---|---|---|
| | Costs Year 1 | | Costs Year 2 | |
| **Category** | **General Fund** | **Non-general Fund** | **General Fund** | **Non-general Fund** |
| Projected Service Fees | Pre-populated | Pre-populated | Pre-populated | Pre-populated |
| Changes (+/-) to VITA Infrastructure | | | | |
| Estimated VITA Infrastructure | Total of rows 1 and 2 | Total of rows 1 and 2 | Total of rows 1 and 2 | 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 8 | Total of rows 3 through 8 | Total of rows 3 through 8 | Total of rows 3 through 8 |
| Comments | | | | |

### *Projected VITA Service Fees*

VITA will provide each agency with its projected service fees by pre-filling the 'Projected Service Fees' row in the table above. The projection is equal to the agency's FY 2020 base service fees plus 3%. 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 row.

### *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 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. | |
| 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. | |

| Estimating the Agency IT Staff Cost for the Previous Year | | |
|---|---|---|
| **Step** | **Action** | **Cost** |
| 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.

### *Proposed IT Investments Table*

Proposed IT Investments represent the estimated costs of all 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 carry over into the following 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 CTP system 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.

The Proposed IT Investments table will be populated for the agency with the existing values in the CTP system.  To make changes to the table below, the agency must change the data in the CTP system.  The only data entry the agency has to complete is the 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 | | | | |
| Procurement Adjustment for Staffing Contracts | See Description below | See Description below | See Description below | See Description below |
| Total | Calculated | Calculated | Calculated | Calculated |

### Major IT Projects
The total cost of all Major IT Projects proposed for the upcoming biennium will be prefilled for the agency.  A major IT project is 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 CIO pursuant to the Commonwealth Project Management Standard developed under § 2.2-2016.1." 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.

### Non-major IT Projects
Non-major IT Projects are those technology projects with a total estimated cost greater than or equal to $250,000 and less than $1 million that are not designated as Major IT Projects by the Secretary of Administration.  The total cost of all Non-major IT Projects proposed for the upcoming biennium will be calculated from within the CTP system and pre-populated for the agency.  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 (IBC) approval will have their data distributed appropriately across the BRnT or 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.

### 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 Administration.  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.

This row is the only row that the agency has to enter for project costs.

### 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 a solution request 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.

### *Agency-level Stand Alone IT Procurements*

Agency-level IT Procurements are those technology procurements with a total estimated cost less than $250,000.  IT Procurement costs must include the amount of the agency's operating appropriation that will be spent on procurement activities.  Note that this row is the only row that the agency has to enter for procurement costs.

### Procurement Adjustment for Staffing Contracts

For agencies with staff augmentation procurements, the staff augment procurement cost is included in the Major or Non-Major Procurement cost line.  These resources and associated costs may already be included in the Non-Agency IT Staff line (for O&M) or in a project on the Major or Non-Major IT project line. The Procurement Adjustment for Staffing Contracts line should be a negative number that cancels out the double count that occurs with the staff augment contract and the project or the Non-Agency IT Staff line.

### *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 | | | | | |
|---|---|---|---|---|---|
| | Costs – Year One | | Costs – Year Two | | |
| **Category** | **General Fund** | **Non-general Fund** | **General Fund** | **Non-general Fund** | **Total Cost** |
| Current IT Services | Calculated from other tables | Calculated from other tables | Calculated from other tables | Calculated from other tables | Calculated from other tables |
| Proposed IT Investments | Calculated from other tables | Calculated from other tables | Calculated from other tables | Calculated from other tables | Calculated from other tables |
| Total | Calculated from other tables | Calculated from other tables | Calculated from other tables | Calculated from other tables | 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 CTP system.  Agencies must document all Business Requirements for Technology (i.e., 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 CTP system. These projects or procurements are considered Commonwealth IT Investments.

If the agency has an ongoing 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 CTP.  Embedded within the CTP system workflow is specific guidance regarding the completion of agency IT Investment information.  The CTP system may be accessed by authorized users at https://ctp.vita.virginia.gov/prosight/.

General information about the CTP is available at the following website: https://www.vita.virginia.gov/it-governance/it-investment-management/governance-tools/commonwealth-technology-portfolio/. The AITR has access to the CTP system, and is generally responsible for ensuring the accuracy of Commonwealth Technology Portfolio entries. For additional information about your agency's use of the CTP system, please contact your AITR.

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

### Commonwealth Procurements

Agencies are to generate a list of all IT expenditures that were made in the previous biennium from eVA; determine which ones are reoccurring; and enter the BRT plus the procurement business alignments for these procurements into the CTP system for the upcoming biennium.  In addition, agencies are to identify all new procurements expected to commence in the upcoming biennium and complete a BRT plus the corresponding procurement business alignment (PBA) form in the CTP system.

### Commonwealth Projects

Agencies are to identify all projects that are expected to commence in the upcoming biennium (which begins on July 1 for commonwealth agencies for a given fiscal year) and submit a corresponding IBC for approval.   Note that this IBC must be linked to a BRT.  If a BRT does not exist, one must be entered at the time the IBC is entered.

## Investment Categories

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

- **Business Requirements for Technology (BRT) –** Business Requirements for Technology addresses agencies' need to capture valid long term business needs before it can be determined what type of investment is required.  Note that a BRT must be entered for each agency Operational Risk or Issue (ORI). There are two types of BRTs (mentioned earlier):  Business Requirements for new Technology (BRnT) and Business Requirements for existing Technology (BReT).

  A BRnT is entered when the following applies:

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

  A BReT is entered when the following applies:

  o Release upgrades
  o Specialized hardware/software upgrades
  o Infrastructure
  o Contract renewals
  o Business requirements for supporting existing technology
  o Replacement of an existing investment

  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 CIO pursuant to the Commonwealth Project Management Standard developed under § 2.2-2016.1by the Secretary [of Technology]."


- **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 Administration, with a total cost greater than or equal to $250,000 and less than or equal to $1 Million.

- **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 <u>not</u> 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 <u>not</u> associated with a project.

- **Agency-level IT Projects and Procurements** – Investments with a total cost below $250,000 are not entered in *Appendix A: Information Technology Investments*, **although their biennial costs must be estimated and entered into the <u>Proposed IT Investments – Estimated Costs for Projects and New IT Investments</u> table in the IT Budget Estimation Tables by the agency.**

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 <u>Proposed IT Investments – Estimated Costs for Projects and New IT Investments</u> 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 <u>not</u> reported separately.

A Major IT Project can have:

- Major IT Project-related procurements and/or
- Non-major IT Project-related procurements

 A Non-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 <u>*submitting*</u> 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%_ | | | |
| 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.<br><br>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.<br><br>The MCMS will improve overall performance in four agency service areas.  The system will also improve agency performance in:<br><br>• Virginia Performs Key Measure - Improve the quality of medical case services provided to Virginia citizens;<br>• Virginia Performs Productivity Measure - Decrease time required to process to a citizen's medical case;<br>• Virginia Performs Productivity Measure - Provide efficient and effective administration and support to case management services provided by the agency; and,<br>• Virginia Performs Administrative Measure – Increase compliance with IT Accessibility and Information Security standards.<br><br>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.<br><br>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. | | | | |
| **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** |

| Budget Category: Major Projects | | | | |
|---|---|---|---|---|
| **Medical Case Management System (MCMS) Project – (please note this is an example, not an actual project)** | | | | |
| **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%** |
| 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.<br><br>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.<br><br>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. | |

| Budget Category: Non-major IT Projects | | | | |
|---|---|---|---|---|
| Processing Application Enhancement (PAE) Project – (please note this is an example, not an actual project) | | | | |
| 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) |
|---|---|
| Procurement Description: | 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: <br>• Track and report the scope and impact of chemical disasters in real-time; <br>• Disseminate medical treatment information to first responders and hospitals; and, <br>• Manage containment and clean-up activities, including personnel and supplies; <br><br>The CDMS will improve overall performance in three agency service areas.  The system will also improve agency performance in: <br>• Virginia Performs Key Measure - Protect Virginia citizens against chemical disasters; <br>• Virginia Performs Productivity Measure - Decrease time required to respond to chemical disasters; <br>• Virginia Performs Productivity Measure - Provide efficient and effective administration and support to chemical disaster response services provided by the agency; and, <br>• Virginia Performs Administrative Measure – Increase compliance with IT Accessibility and Information Security standards. |

| Procurement Name: | Chemical Disaster Management System (CDMS) Procurement – (please note this is an example, not an actual procurement) | | |
|---|---|---|---|
| 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: | 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:<br>• Provide staff to resolve tickets in the agency's application support queue; and,<br>• Provide staff to execute small (less than $250,000 total cost) enhancements to agency applications as needed.<br><br>The five agency applications served by this procurement support performance in four agency service areas. | | |
| 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 ARCHER

Archer is the tool of record for maintaining an agency's information related to their applications and associated business processes, devices and data set names. Prior to submitting the agency ITSP for review and approval, agencies must update records in Archer and then certify that the application is accurate.

Archer may be accessed by going to
https://itgrcs.vita.virginia.gov/apps/ArcherApp/Home.aspx#home   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 Archer may be accessed at
https://www.vita.virginia.gov/media/vitavirginiagov/it-governance/psgs/pdf/Archer-AITR-
Users-Guide.pdf

## 5.  CIO Approval

To submit the agency ITSP for CIO review and approval, both AITR and agency head approvals
must have been entered in the CTP system for the IT strategic plan.

## 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.   The ITP is posted on the VITA website which DPB links to
from their site.

A few agencies have a service area dedicated to IT; e.g., DSS, VDOT.  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.