

## CHAPTER 10

# INFORMATION TECHNOLOGY (IT) REQUESTS

## 10.1 INTRODUCTION

This chapter provides instructions for making information technology operating and capital requests. Please note that all IT budget documents are provided on the OSPB and the Office of Information Technology (OIT) websites at:

- <http://www.colorado.gov/cs/Satellite?c=Page&cid=1206604919125&pagename=GovRitter%2FGOVRLayout>; and
- <http://www.colorado.gov/cs/Satellite/OIT-New/OITX/1167928259160>

In accordance with Section 24-37.5-106(1)(d) and (f), C.R.S., the Office of State Planning and Budgeting together with the Office of Information Technology (OIT) formed the following policies and procedures for state agencies to follow in developing technology-related budget requests. Departments will be responsible for preparing and submitting Change Requests for the August 1, 2008 OSPB deadline. If SB 08-155 relating to Information Technology Consolidation is enacted, all subsequent Change Requests will be submitted by OIT.

The following topics are addressed in this chapter:

- Screening of IT Requests (Section 10.2)
- Capital versus Operating Information Technology Requests (Section 10.3);
- Requirements for Operating Information Technology Change Requests (Section 10.4); and
- Calculation for Request and Cost Benefit Analysis (Section 10.5).

## 10.2 PREPARING IT REQUESTS

Declaring a Change Request an “IT request” has traditionally been a mechanism for triggering additional review of the request by OIT. Departments are required to coordinate with the OIT prior to submitting such requests on August 1. This will prevent unnecessary agency workload in the form of the additional analytical and documentation requirements that come with a request labeled as “IT.” If SB 08-155 is enacted, all IT Change Requests after August 1 will be prepared and submitted under the direction of OIT.

Also, if SB 08-155 is enacted with the following language, OIT shall have two processes for requests:

*24-37.5-112. Information technology revolving fund. (1) There is hereby established in the state treasury the Information Technology Revolving Fund... Moneys in the revolving fund shall be continuously appropriated to the office of information technology to pay the*

*costs of consolidation and information technology maintenance and upgrades. Any moneys credited to the revolving fund and unexpended and unencumbered at the end of any given fiscal year shall remain in the fund and shall not revert to the General Fund.*

**First Process:** All IT requests which utilize any General Fund, Cash Fund, Reappropriated Funds, or Federal Funds will be submitted by the Department for OIT and OSPB to be considered as part of the Executive Budget Request. They will subsequently be submitted to the Joint Budget Committee and follow all of the processes of Chapter 4.

**Second Process:** IT requests utilizing 100% funding from the Information Technology Revolving Fund, which is continuously appropriated, will be submitted to OSPB by OIT for review and approval according to the established timelines, but will not be submitted to the Joint Budget Committee as Change Requests. Instead, OSPB-approved requests must be reflected in the Base Budget Request, that is sent to the Joint Budget Committee on November 1, as informational only.

Should the bill not be enacted or if this language is stricken from the final bill, then only the first process will apply.

Examples of information technology requests that may be exempted from the requirements of Chapter 10 include, but are not limited to, the following examples:

- A routine contract renewal or contract-generated cost increase except where such a renewal would result in a major adjustment to the business requirements of the affected systems or significant impacts to system users or clientele;
- A transfer or refinancing of funding in support of an information technology system;
- A successive phase of a multi-year project except where the OSPB requires annual funding requests for a large-scale or critical system development (e.g., operating funding tied to a capital project); or,
- A technical budget request.

Departments must ensure that the budgetary data presented on OIT forms match the budgetary information in the Change Request.

### **10.3 CAPITAL VERSUS OPERATING IT REQUESTS**

Funding for IT-related projects (those that include, in their entirety or in part, IT products and/or services) can be requested through the operating or capital budget processes. Some projects may require both operating and capital funding. The following guidelines can be used to determine which type of funding to request.

- All IT projects totaling less than \$500,000 should be requested through the operating budget process. For projects under \$500,000, the operating request should include both one-time and on-going costs.

- IT projects totaling \$500,000 or more should be requested through the capital budget process. The capital request should be for one-time costs only. Ongoing operating and maintenance costs associated with IT projects over \$500,000 should be requested through the operating budget process (see Chapter 11 for further clarification of capital requests).

A department or OIT can apply for a waiver of the \$500,000 limit. The waiver process is addressed in Chapter 11. Contact OSPB if there are questions about the waiver process.

## **10.4 REQUIREMENTS FOR OPERATING IT CHANGE REQUESTS**

This section gives an overview of the documents required for operating IT requests. In addition to OSPB's requirements for all Change Requests in Chapter 6, there are some additional requirements for information technology Change Requests. All information technology Change Requests should be indicated as such on the Schedule 13 (see Chapter 4). Information technology requests should also be indicated in the appropriate column on the Schedule 10, Schedule 11, and Schedule 12 (see Chapter 4).

An IT Project Plan (ITPP) is required for all information technology Change Requests that include more than 500 hours of IT work or more than \$25,000 of IT products or services. The ITPP form can be located on the OSPB and OIT websites and should be submitted to OIT and OSPB with the Change Requests; for the regular FY 09-10 Budget Request cycle, this is August 1, 2008. The ITPP must demonstrate an informed decision on the initiative through collaboration and planning with OIT. OSPB and OIT approved ITPP are submitted to OSPB for distribution to the Joint Budget Committee on the same dates as the corresponding Change Request (including Supplementals and Amendments).

An Architecture Review Scorecard (ARS) form is also required for all information technology Change Requests that include more than 500 hours of IT work or more than \$25,000 of IT products or services. This form can also be downloaded from the OIT or the OSPB web site. This form is due to OIT and OSPB on the same date that all Change Requests are due to OSPB (including Supplementals and Amendments); for the regular FY 09-10 Budget Request cycle, this is August 1, 2008.

## **10.5 CALCULATION FOR REQUEST AND COST BENEFIT ANALYSIS**

A cost benefit analysis is required for all Change Request for which it applies (see Chapter 4), including all information technology requests. The format for a cost benefit analysis on IT requests differs from other requests only in the type of analysis required. OIT's required format can be found at Appendix N of these Budget Instructions. All IT cost assumptions should adhere to OIT policies and directives. Costs and benefits should be quantified to the greatest extent possible for the lifecycle of the project including planning, development, and ongoing operations and maintenance. The OIT separate Cost Benefit Analysis forms at Appendix N are to be submitted to OIT and OSPB on the date the corresponding Change Request is submitted to OIT and OSPB.

To assist in the detailed review of IT requests, the Change Request should encompass justification for the request in the following sections: General Description of Request, Calculation for Request, and Cost Benefit Analysis.

*General Description of Request.* The description must clearly demonstrate that initiative development was accomplished through collaboration with the Office of Information Technology. This section must clearly describe all components of the request and clearly defend the need for each individual component.

*Calculation for Request.* Utilizing the IT Category Definitions and the OIT Cost Benefit Analysis Template contained in Appendix N, the department must identify the cost components required for this change request.

Within OSPB's required Change Request form, each request year has a separate table to identify costs. The initial request year as well as subsequent development year(s) and operation and maintenance year(s) should be indicated on each table by funding source. At a minimum, tables should be added to the Calculation for Request section of OSPB's form that delineate the funds needed, by fund source, for the Request Year and out year.

*Cost Benefit Analysis.* This section of OSPB's Change Request form should outline the costs as they must match the tables in the "Calculations of Request" section and benefits of the request. If it includes an actual savings for the state, indicate the line from which the savings can be taken. In addition, OIT requires the use of the forms provided at Appendix N, which are provided directly to OIT and not attached to the OSPB-required form.

Exhibit 10-1 provides an overview of required schedules and documents.

**Exhibit 10-1**  
**Documenting IT Requests for Operating Funds**

<b>Document</b>	<b>Description</b>	<b>Instruction Location</b>	<b>When to submit</b>
Architecture Review Scorecard (ARS)	Measures the compliance of the proposed technology architecture with the State's Information Technology Enterprise Architecture Standards.	OIT and OSPB websites	IT requests that include more than 500 hours of IT work or more than \$25,000 of IT products or services.
IT Project Plan (ITPP)	Provides a technology-focused overview of the associated IT components and related IT efforts.	OIT and OSPB websites	IT requests that include more than 500 hours of IT work or more than \$25,000 of IT products or services.
Cost Benefit Analysis	Provides data on the requested incremental change in spending authority, cost components, and FTE identified by line item.	Appendix N of OSPB's Budget Instructions	All IT budget change requests