

King County

Office of the Executive

Cost Savings Opportunities from IT Efficiency Projects:

A Methodology for Identifying,
Validating, Capturing, and Reporting

September 2006 (Revised)

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Background

This report describes the methodology to be used in King County to identify, validate, track, capture, and report on cost savings opportunities proposed for information technology (IT) projects. This report responds to the proviso request included in the 2006 budget related to cost savings:

2006 Annual Budget [Ordinance #15333]

Section 114. Capital Improvement Program

...

P2 PROVIDED FURTHER THAT:

*Of the appropriation for CIP project 377108, Law, Safety and Justice Integration, \$50,000 shall not be expended until the executive submits to the council and the council has approved by motion a **report on how to capture cost savings from information technology projects**. The report shall include the following items: (1) a methodology to calculate cost savings opportunities for information technology projects where efficiency is the primary purpose for the information technology investment at the beginning of the project; (2) a methodology to validate cost savings opportunities estimated at the beginning of a project and to capture validated cost savings for efficiency savings at the end of the project; (3) a description of how these methodologies will be incorporated into the county's information technology governance structure; and (4) how cost savings opportunities and associated budget reductions will be reported annually to council.*

The executive shall file by June 1, 2006, the report and a proposed motion in the form of 11 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff for the labor, operations and technology committee or its successor.

For the convenience of comparison, each point requested in the proviso will also be specifically summarized in Appendix A. A glossary of terms has been included as Appendix B. It is important to note that some parts of the methodology are already in place throughout King County for projects involving information technology. This report identifies the elements that already exist as well as those that need to be further developed and implemented. Appendix C displays two key documents already in use: the business case and cost benefit worksheet.

Executive Summary

In its Strategic Technology Plan 2006-2008, King County has established four goals that illustrate the long-term values it has regarding use of technology to serve the public. These goals include:

- Efficiency
- Public Access and Customer Service
- Transparency and Accountability for Decisions
- Risk Management

Efficiency is further defined in the Strategic Technology Plan as offering a positive return on investment (ROI), improving productivity, and/or reducing future expenditures.

This methodology focuses on improving the capability to capture and report on cost savings from IT efficiency projects, where the purpose of the project is creating cost savings for the county by generating operational efficiencies. When an operation becomes more efficient, it means that one of the following will occur:

1. Inputs remain the same while outputs increase
2. Outputs remain the same while inputs decrease
3. Some combination of 1 & 2

Cost savings opportunities include projects that have targeted a reduction to input dollars that go into an operational activity. Funding for these projects is approved based on the expectation that future costs savings outweigh expected project costs.

To ensure that projects approved with the expectation of cost savings end up reducing the appropriate budget accounts, an eight-step methodology has been created which integrates with existing county processes and structures. Introduced with this methodology will be the creation of budget actions based on the project's initial business case submittal. If the project is approved with the expectation of costs savings, then a corresponding budget action will be created by OMB for the amount(s), account(s) and timing(s) indicated in the business case. Furthermore, the methodology allows for updating of initial cost savings projections over the life of the project based on project progress, a changing business climate, or other factors. Implemented budget reductions will be based on actual results. Before changing planned budget actions, OMB will review all change requests for reasonableness. In addition, the project's overall business case will be reviewed based on any changes in value to ensure that its value proposition still supports proceeding with the project.

Methodology

While the goal of a project is to achieve stated efficiencies, the goal of this methodology is to enforce identified and agreed to budget reductions. To do so, the methodology incorporates the following 8 steps (See figure 1 for a graphical depiction of the methodology).

1. Identify new project opportunities
2. Develop a Business Case
3. Approve the project – Set budget action/expectations related to cost savings
4. Execute the project
5. End the project
6. Measure and report on operational benefits realized
7. Implement budget actions based on realized benefits
8. Report on budget actions as part of annual budget submittal

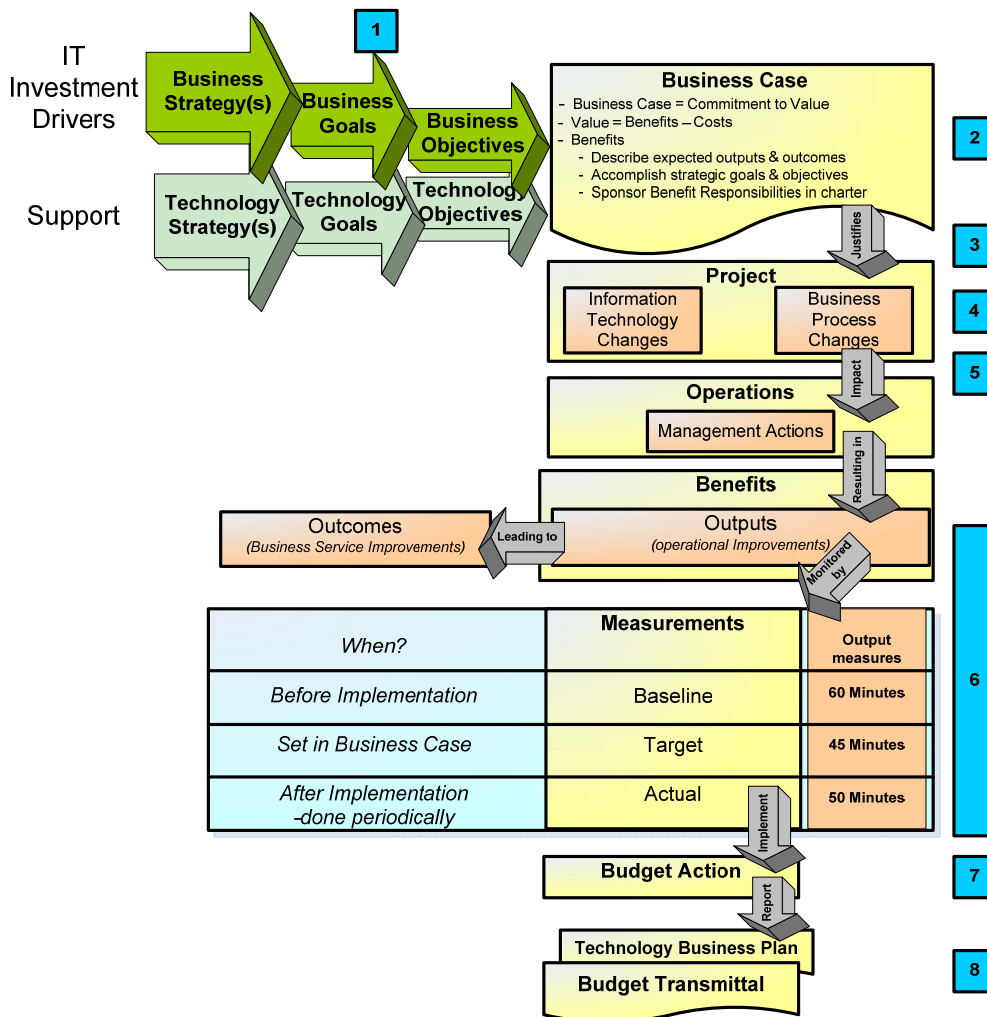


Figure 1 – Cost Savings Methodology

Each of these steps is described in greater detail in the next sections.

1. Identify new project opportunities

Identify opportunities for operational improvement by identifying and aligning projects with business strategies, goals, and objectives. Each Department should have an existing process they utilize to identify, maintain, document, and communicate the vision (and related strategies, goals, and objectives) for their operation and the services that it provides. One of the primary vehicles available for getting to that vision is to identify and execute projects that will impact the operating environment in a way that brings the department closer to its stated vision and purpose.

For those projects that involve IT, the project should also align with the County's technology strategy, goals, and objectives where appropriate. These strategies and goals are documented in the County's Strategic Technology Plan as well as in each Agency's technology plan. While not the primary driver for most projects, alignment ensures that the County is better able to manage and leverage its technology resources in the future.

Note: This step already exists throughout King County. However, it is important to acknowledge this as the first step in the cost savings methodology.

2. Develop a business case

For projects involving information technology, a business case is created and submitted for project approval. The business case identifies the value that is expected from undertaking the project. Included in the value are both the costs and benefits that are expected. In private industry, most projects can be translated into an ROI or return on investment – since primary corporate value is determined by corporate profits. In the public sector, value is diverse and is defined by the services provided: both in quality and in quantity. Delivering these services must be done in a fiscally responsible manner, even when cost savings are not the goal of the project. This cost savings methodology applies to those projects that are specifically identified in order to reduce existing budget allocations through improved operating efficiencies.

The business case is specifically responsible for identifying several things including:

- The project's primary benefit driver from among the following categories:
 - Efficiency
 - Accountability
 - Customer service/access
 - Risk Management
- The timing and amount of projected dollar savings, if any, as a result of the project – this is identified on the cost benefit worksheet that accompanies each business case
- The timing and amount of projected dollar costs to perform the project – also identified on the cost benefit analysis worksheet
- Non-monetary benefits and costs related to the project

Because the business case used in justifying the project is created and submitted before the project has been approved or funded, it is expected that cost and benefit projections are estimated (as accurately as is possible given the information available at this stage of the project) based on management experience and/or limited analysis. There is a need to balance the costs put into creating the most accurate business case possible with the reality that not all projects will be approved. Some

business cases will clearly not provide the value required to proceed. Others, though showing a positive value, will not have enough funding available to proceed. In either case, both situations dictate the prudent usage of resources in creating the business case originally. Management judgment is required to determine the appropriate effort based on the potential impacts of the project as well as current resource availability and the organization's priorities.

Because of this trade-off, it can be expected that original business case forecasts will not always be realized, both on the cost and benefit sides of the value equation. For this reason, oversight and approval organizations should appropriately expect to be provided with updated estimates over the life of the project as more accurate forecasts are based on increased analysis, planning, knowledge, and actual results. It should also be expected that actual budget reductions will be based on the actual operational benefits realized, not the originally forecasted benefits.

Note: The business case component of the proposed cost savings methodology also exists today throughout King County.

- The business case is required for approval of all new projects involving IT (see Appendix C)
- The business case template identifies the proposed value of a project including benefits and costs. Projected cost savings are a specific line item in the submitted worksheets.

3. Approve the project – Set budget expectations related to cost savings

Through the annual budget process or the mid-year project approval process, all projects involving IT will be approved by OMB with CIO or PRB direction and input. This approval will take into account the business goals of the project and compare them with the projected costs. Alignment with the County's and Agency's technology goals will also be assessed.

If the project's primary benefit driver is efficiency with projected costs savings identified in the business case, then these cost savings will be 'ear-marked' for future budget reductions by setting up a budget action that indicates the amount and timing of the action as well as the agency(s) and affected account(s). The amount may be adjusted later based on realized benefits or changed expectations. All adjustments will be reviewed and approved by OMB.

OMB will validate and assign responsibility for delivery of the budget reductions to the project's sponsor as initially identified in the business case and confirmed in the project's charter. In accordance with the county's project management methodology, all projects create a charter that identifies the authorities and responsibilities of the project sponsor and the project manager. Most projects will have one sponsor held accountable for realizing the benefits identified in the business case and for submitting a benefits realization report in step 6. For the few projects that deliver benefits to multiple departments/agencies, OMB will assign benefit realization responsibility to multiple sponsors (each with their own, unique benefits) or to one sponsor agreed to by all benefiting departments/agencies. In either case, the project's charter will clearly identify who is responsible for delivering each of the project's major benefits.

Note: Both IT project approval processes exist today. Setting a budget action is a new process that will be implemented as part of this methodology. Reviewing requested changes to a budget action is also a new process to be implemented with this methodology.

4. Execute the project

Project execution will occur as it currently does throughout the county. As the project gains greater clarity through its analysis, planning, design, and other processes; the specifics of the project's expected benefits should also be more clearly defined. This includes identifying the actual operational activities that will be measured in order to determine if the desired benefits are being achieved. It also includes measuring/documenting current organizational performance related to these measures as well as fully establishing the targeted results required to accomplish the identified cost savings and subsequent budget reductions.

5. End the project

As part of the project's close-out report to the PRB, the project will indicate the timing of when the benefit realization report will be delivered. This should be targeted for when full operational impacts associated with the project are realized. This can be anytime after solution implementation up to one year after implementation – depending on expected adoption/realization of benefits. The target date for delivering the benefit realization report should be identified and agreed to with PRB and OMB before a project can be closed. The project's sponsor(s) will be accountable for delivering the benefit realization report.

Note: The PRB currently expects close-out reports for all projects. The expectations and template for that report will need to be updated to include a section to specifically identify benefit realization report details.

6. Measure and report on benefits realized

The project sponsor(s) will create and deliver the benefit realization report as indicated in the project's close-out documents submitted to the PRB and OMB. In order to create the benefit realization report, each benefiting organization must measure actual performance for the project benefit metrics identified in step 4. If a benefit realization report is not submitted, budget actions will be implemented based on the most recently approved expectations.

Note: Benefit realization reporting is currently part of the PRB's 5 phase process but has not yet been fully implemented. The format and content of the report will need to be updated as part of this methodology to better facilitate the budget office's needs for implementing budget reductions based on report findings. In addition, the report will be delivered directly to OMB and the PRB.

7. Implement budget adjustments based on realized benefits

Once the benefit realization report is received, OMB will evaluate the report to determine if any adjustments to planned budget actions are warranted based on organizational results. Then, OMB will implement a budget adjustment using a designated code in the budget system. This code will be uniquely used to identify budget reduction amounts delivered specifically through the cost savings methodology for projects involving information technology.

8. Report on budget adjustments

All budget reduction amounts for the current period are included as specific budget changes in each department's budget submittal to the executive that is then transmitted to the council. A summary of all budget reductions for the current budget proposal will be included as part of the Technology Business Plan that accompanies the budget transmittal. Not only will current budget reductions be transmitted, but a summary identifying expected future reductions based on new project budget requests as well as existing (but not yet completed) projects will also be included in the Technology Business Plan that accompanies the budget transmittal.

Appendix A - Specific Response to Proviso

The report shall include the following items:

- (1) *a methodology to calculate cost savings opportunities for information technology projects where efficiency is the primary purpose for the information technology investment at the beginning of the project;*

Methodology is provided as an eight-step process (Figure 1). Determining a project's primary goal and identifying the amount of projected cost savings are included in the business case created in step 2. Identification of projects containing cost savings opportunities is addressed in step 3.

- (2) *a methodology to validate cost savings opportunities estimated at the beginning of a project and to capture validated cost savings for efficiency savings at the end of the project;*

Cost savings opportunities are validated at the beginning of a project through the project approval process (step 3). These opportunities are identified in submitted project request forms that are validated by OMB. When the project is approved, a future budget action will be created that reflects the project's cost savings opportunities. The cost savings opportunities are then captured through implemented budget actions that reflect the realized benefits attributable to the project and communicated through the benefit realization report submitted to OMB and the PRB within 1 year after the project's solution is implemented (step 7). Any changes to the project's budget reduction plan must be communicated with and approved by OMB in order to modify budget actions.

- (3) *a description of how these methodologies will be incorporated into the county's information technology governance structure*

Cost savings opportunities will be identified in each project's business case that must be submitted for project approval (steps 2 & 3). Realized benefits will also be reported to the PRB and OMB within one year of project implementation (step 7). This submittal will allow OMB a final review prior to implementing budget reductions for the appropriate amount (based on actual benefit achievement).

- (4) *how cost savings opportunities and associated budget reductions will be reported annually to council.*

A summary of all budget actions impacting the proposed annual budget, and enabled by IT projects resulting in operational efficiency gains will be included in the budget transmittal sent to council (step 8). This information will also be included in the Technology Business Plan that accompanies the budget transmittal. Finally, new projects, and projects underway that have targeted cost savings opportunities will also be summarized and reported in the Technology Business Plan.

Appendix B - Definitions

Efficiency:

When an operation becomes more efficient, it means one of the following will occur:

1. Inputs remain the same while outputs increase
2. Outputs remain the same while inputs decrease
3. Some combination of 1 & 2

Cost Savings:

Reductions to specific operating budget appropriation[s] resulting from operational efficiencies enabled by implementing a specific information technology capability

Cost Savings Opportunities:

Potential reductions to specific operating budget appropriation[s] resulting from operational efficiencies enabled by implementing a specific information technology capability

Validated Cost Savings Opportunities:

Cost savings opportunities that have been measured and reported as realized benefits. Measurements typically are taken of non-financial operational metrics (such as time savings) in order to support the implementation of operational budget reductions.

Captured Cost Savings:

Cost savings opportunities that have been implemented as budget reductions.

Beginning of Project:

A project begins when funding authorization is formally granted for a project, regardless of funding type. This aligns with King County's Project Management Methodology.

End of Project:

If a project is not cancelled or terminated, then it ends once operations and maintenance has been fully transitioned to a support team and a project close-out report has been submitted to the PRB. A benefit realization report must be submitted after the end of a project by the project sponsor(s). This aligns with King County's Project Management Methodology.

Benefit Realization:

Benefit realization is the accomplishment of benefits that are attributable to a project's implemented solution. Realization occurs in the operating environment following the implementation of the project's solution. Short term, middle term, and long term benefits can all accrue due to a project's solution implementation. Multiple benefits are typical, with some benefits (such as captured cost savings) often depending on the realization of other benefits (such as time savings).

Appendix C - Business Case and Cost Benefit Worksheet Templates

Business Case Template

Cover Page 1 of 2

Project Title:	
Project Subtitle:	
Project Number: (If Existing Project)	
Date of Submittal:	
Agency/Department:	
Business Sponsor:	
Prepared By:	

Project Primary Benefit Alignment: [\[Reference: KC IT Goal Definitions\]](#)

	Accountability/Transparency	Customer Service/Access	Efficiency	Risk Management
<i>Check one only</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Business Outcomes: *(Check all that apply)*

Efficiency	<input type="checkbox"/>	Offers a positive return on investment (ROI)
	<input type="checkbox"/>	Improves productivity and/or reduces future expenditures
Public Access & Customer Service	<input type="checkbox"/>	Improves accessibility of public records
	<input type="checkbox"/>	Improves accessibility to county services, resources, and/or officials
	<input type="checkbox"/>	Improves the quality and/or usability of internal and/or external county services
Transparency and Accountability for Decisions	<input type="checkbox"/>	Makes decisions and decision-related materials more easily available
	<input type="checkbox"/>	Supports ability to track long-term outcomes
	<input type="checkbox"/>	Supports visibility into the decision process
	<input type="checkbox"/>	Supports input and feedback related to countywide decisions
Risk Management	<input type="checkbox"/>	Intended to improve security and provide legally mandated services and basic operations support
Other	<input type="checkbox"/>	Fulfill regulatory requirements
	<input type="checkbox"/>	Provide tactical agency operational improvements
	<input type="checkbox"/>	

Technical Outcomes: *(Check all that apply)*

Increases architectural flexibility	<input type="checkbox"/>	Utilizes open standards
	<input type="checkbox"/>	Employs web-based technologies
	<input type="checkbox"/>	Utilizes commercial off the shelf software
	<input type="checkbox"/>	Leverages and/or extends integration architecture
Improves data management	<input type="checkbox"/>	Increases data security
	<input type="checkbox"/>	Increases data privacy

	<input type="checkbox"/>	Improves data accuracy
	<input type="checkbox"/>	Reduces data redundancy
Improves technology operations	<input type="checkbox"/>	Enhances system reliability
	<input type="checkbox"/>	Consolidates hardware/software
	<input type="checkbox"/>	Standardizes or streamlines existing operations
Other	<input type="checkbox"/>	

Project Type: *(Will Help Determine PRB Review Plan)*

	Implementation	Business Case/Study/Plan	IT Equipment Replacement
<i>Check One Only</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Cover Page 2 of 2

Project Phase: (Underline project phase applicable to this submittal)

Budget Request:

- Conceptual Review - **Provide a concise, informative, high level summary for sections 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, and 2.0. Conceptual review summaries should be 1-3 pages only.**
- Formal Budget Request

Project Review Board Business Case Deliverables

- Phase II - PRB Business Case Presentation
 - Update for any major changes to scope, schedule, and budget if significantly different from the Budget Request Business Case.
 - OMB and agency to confirm baseline (current)/ target measurements and identify and plan for future budget actions prior to PRB review.
- Other (Describe Phase as applicable)
 - Update for any major changes to scope, schedule, and budget if significantly different in order to inform or respond to PRB request.

Change Summary from previous submittals of Business Case:

1) Describe any important or significant changes to project scope, schedule, and budget from previous version of business case submittal.

2) Describe any important or significant changes to expected benefits or ongoing O&M costs and other operational impacts from previous version of business case submittal.

Executive Summary

Executive summaries will form the basis for, and be included in, the county-wide proposed Technology Business Plan submitted with the Executive Proposed Budget.

The executive summary should briefly describe the essence of the problem statement, recommendations, expected outcomes, and risks. Also a very high level statement of project cost, financial benefits, and O&M costs should be included. (Do not cut and paste extensive cost detail from section 2.0 in the executive summary)

Problem Statement/Vision and Goals

A problem statement clearly defines the problem, need, or opportunity. A well-defined problem statement will define and shape the rest of your business case.

Vision statement: "How will things be different when this problem is solved?"

[Reference: "[Making Smart IT Choices](#)" – Page 36-7]

Overview / Background

Provide helpful background and historical information regarding the IT initiative.

Constraints, Criteria, Dependencies & Other Issues

List assumption concerning functionality or conditions of the IT project that are certain or fixed. Such as budget, schedule, quality, interface with existing technology, training, support levels, legal requirements.

Discuss major challenges and contingencies for implementing the IT initiative (i.e. staffing, training) and how to address them.

Specific Business Objectives

Correlate project goals to the Strategic Technology Goals, IT Guiding Principles, and your department Strategic Business Plan. Indicate if your department has a strategic technology plan and how this project correlates with it.

Express project goals in specific terms that people will understand.

Projects should tie to specific business objectives that the business case can support convincingly. The project should have a measurable positive impact on these stated objectives.

[Reference: [Strategic Technology Plan 2006-2008](#)]

[Reference: [Strategic Technology Plan 2003-2005](#)– Page 38]

[Reference: [Strategic Technology Plan - IT Guiding Principles](#)]

Project Risks

Maintain a statement of risks associated to the implementation of the project. Include risk mitigation methods and plans, key dates, and responsibilities.

Important Note: Risks and other impacts to existing process, customers, employees, and technology infrastructure resulting from doing or NOT doing this project should be described in section 1.7.

[Reference: "[Making Smart IT Choices](#)" – Page 42]

[Reference: [TQR Guidelines –Risk Assessment](#) Page 5]

[Reference: [TQR Risks Checklist](#)]

Plan of Work, Approach, Timeline ©, Key Milestones

Discuss project approach and tasks that will be performed in order to accomplish stated goals. Timelines are an effective way to demonstrate an overview of project requirements and the associated time estimates for key project tasks and milestones. Ensure that work plans include tasks and milestones for technical components as well as business components.

[Reference: "[Making Smart IT Choices](#)" – Page 43]

Benefits and Other Impacts

The primary reason for a business case is to explain how your IT project will benefit and improve the organization. This section addresses the fundamental questions of what are the specific benefits of implementing the proposed IT action and how are they **related to the stated business objectives**. The supporting models, tables, graphs, expert statements, and analysis that are used should be developed based on the unique needs of your proposal. They must be factual and credible in order to be convincing. This section should also describe other impacts and potential consequences of implementing the IT initiative.

A centerpiece of the business case is the financial model. A summary of this analysis should be presented in the business case text. Supporting analysis spreadsheets should be provided as an appendix.

[Reference: "[Making Smart IT Choices](#)" – Page 40]

[Reference: [TQR Guidelines – Impact analysis and Cost/Benefit Analysis](#) – Page 11]

[Reference: [TQR Benefits Checklist](#)]

Customer Benefits and Other Impacts

Discuss the direct or indirect benefits and other impact the project will have on your existing customers or service levels. This section should address specific constituent issues such as greater transparency and accountability.

Employee Impacts

Describe the direct or indirect impact the project will have on your employees. Describe potential efficiencies, FTE changes, and productivity as well as training requirements and other impacts.

Business Process Benefits and Other Impacts

Describe the direct or indirect impact the project will have on the organizational process. Describe how the IT project will improve business processes and create efficiencies.

Technology Infrastructure Benefits and Other Impacts

Discuss the benefits and other impacts the initiative will have on existing technology infrastructure, including hardware, software, network, support staff and other areas.

Cost Benefit Analysis

Discuss costs and benefits associated with the project and the impacts of the project on the costs of on-going operations. Benefits that can be quantified should be so that cost/benefit numbers can be calculated and discussed. Supporting spreadsheets, calculations and assumptions should be included in section 2.

[Reference: [TQR CBA Worksheet](#)]

Benefit Realization Measurements

Identify the measurement techniques that will be used to prepare the Benefit Realization report in Phase 5 of the project. Measurements should indicate benefit achievement as directly as possible to the benefit and be identified for each significant benefit driving the business case. Baseline and target values must be included for each measurement with the PRB phase 3a business case submittal.

[Reference: "[Making Smart IT Choices](#)" – page 41]

Project Governance

Describe the Governance Structure listing steering committees members and other oversight groups.

Project Management

Describe how the project will be managed.

[Reference: "[Making Smart IT Choices](#)" – Page 44]

Project Staffing

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Conceptual Review – Summary: FTE, TLT and other staffing.

Budget Request – Staffing Plan

PRB Funding Release – Resource Loaded Staffing & Work Plan

[Reference: "[Making Smart IT Choices](#)" – Page 44]

Architecture and Interoperability

Explain how the new initiative will affect current IT environment/architecture and discuss any interoperability issues or concerns.

[Reference: "[Making Smart IT Choices](#)"]

[Reference: [TQR Solution Outline Checklist](#)]

Hardware/Network

Discuss new hardware or network requirements. Will new servers be required? If so, where will they reside? Address any network issues such as increased bandwidth or connectivity issues, internal network concerns, or performance issues.

Software/Integration/Database

Determine if any new software or software upgrades are required. Is a new database needed? Will it function properly with existing software versions? Discuss any system interdependencies, and integration points that will need to be maintained or created.

Internet/Security

Describe how the project fits into the existing internet and security infrastructure. Will any changes be required?

Alternatives and Feasibility

Detail viable alternatives and other potential approaches to achieving the business objectives. For each technical solution identified, complete a brief feasibility analysis and add a column to the alternatives summary table.

[Reference: "[Making Smart IT Choices](#)" – Page 46]

[Reference: [TQR Guidelines – Alternatives Identification and Feasibility Analysis](#)– Pages 10&11]

[Reference: [TQR Alternatives Checklist](#)]

[Reference: [TQR template](#) – (alternatives summary table – page 5 and Feasibility table – Page 7)]

Preferred Approach

Describe the recommended solution.

[Reference: "[Making Smart IT Choices](#)" – Page 39]

[Reference: [TQR Completeness checklist](#)]

[Reference: [TQR sponsorship checklist](#)]

Opposing Arguments and Responses ©

Provide any significant opposing views and discussions that have been raised to date.

[Reference: "[Making Smart IT Choices](#)" – Page 47]

Cost Estimates Guidelines and Key principles

Overview

Costs Estimates are central to establishing the basis for key project decisions, for establishing the metrics against which project success will be measured and for communicating the status of a project at any given point in time.

Logical and reasonable cost estimates are necessary and should gain in confidence and reliability as the life of a project progresses and more detailed information is available.

The basis for the cost estimates should be described with an indication of how dependable the method and source of cost detail information can be relied upon.

Conceptual Review: Order of Magnitude Cost Estimates.

Estimated project costs are not a central focus during Conceptual Review. Cost estimating should rely on broad top-down estimates using rules of thumb, comparisons to other projects, or other available cost estimating relationships based on historical experience.

Budget Requests

For Budget Submittal Requests and PRB reviews use the cost benefit worksheet Forms and attach to the Business Case.

[Reference: "[Making Smart IT Choices](#)" – Page 45]

[Reference: [TQR CBA worksheet](#) – read instructions tab, show supporting calculations and assumptions]

Vendor Evaluation

Vendor Background

Provide any relevant background information.

Current Vendor (if applicable)

List and describe incumbent vendor

Selection Process Overview

Describe the selection process

Selection Criteria

Describe the criteria used to compare and evaluate potential vendors

Potential Vendors

List all considered Vendors. If any have been eliminated, list them separately and provide the reasons for their elimination.

Vendor Comparison

Include company history, experience, financial stability, reputation, and prior experience with the county along with RFP or RFI response comparisons.

Vendor Recommendation and Justification

Name the recommended Vendor and state the reasons for this selection over other potential choices.

Cost Benefit Worksheet

Summary - Form 1									
Project Name		Project X				Solution Alternative		1 - Recommended	
Submittal Date		Jun-05				Version		1 - Budget Submission	
<i>Input data in white cells only</i>									
Year		2006	2007	2008	2009	2010	2011	2012	TOTAL
Project Costs - Current Request		0	0	0	0	0	0	0	0
Contingency % (See Tab A)		20%	20%	20%	20%	20%	20%	20%	20.00%
Contingency \$		0	0	0	0	0	0	0	0
Project Costs - Prior Appropriations		0	0	0	0	0	0	0	0
Total Project Costs		0	0	0	0	0	0	0	0
Operating Costs		0	0	0	0	0	0	0	0
Total Cost Outflows		0	0	0	0	0	0	0	0
Benefits		0	0	0	0	0	0	0	0
Net Annual Cash Flow		0	0	0	0	0	0	0	
Cumulative Cash Flow		0	0	0	0	0	0	0	
Net Present Value		0	0	0	0	0	0	0	
Identify Revenue Sources									
Project									0
Project									0
Project									0
Total Project Revenue		0	0	0	0	0	0	0	0
O&M									0

	Project Submittal Date	Project X 6/1/2005	Solution Alternative					1 - Recommended	
			Version					1 - Budget Submission	
<i>Input data in white cells only</i>									
PROJECT COSTS	Account	2006	2007	2008	2009	2010	2011	2012	TOTAL
IT - Salaries, Wages & Benefits	511XX	0	0	0	0	0	0	0	0
Business Salaries, Wages & Benefits	511XX	0	0	0	0	0	0	0	0
Total Salaries and Benefits		0	0	0	0	0	0	0	0
Supplies	52110	0	0	0	0	0	0	0	0
EDP Supplies	52212	0	0	0	0	0	0	0	0
Consulting IT Services	53127	0	0	0	0	0	0	0	0
Subcontract IT Services	53179	0	0	0	0	0	0	0	0
Travel	53310	0	0	0	0	0	0	0	0
Printing	53806	0	0	0	0	0	0	0	0
Training-IT	53813	0	0	0	0	0	0	0	0
Hardware/Software	56740	0	0	0	0	0	0	0	0
Communication Equipment	56780	0	0	0	0	0	0	0	0
Capital IT Lease - Principal	57303	0	0	0	0	0	0	0	0
Capital IT Lease - Interest	57304	0	0	0	0	0	0	0	0
Other (specify)		0	0	0	0	0	0	0	0
Other (specify)		0	0	0	0	0	0	0	0
Other (specify)		0	0	0	0	0	0	0	0
TOTAL Project Cost		0	0	0	0	0	0	0	0

Ongoing Operations and Maintenance Costs - Form 3



Project X **Solution Alternative** 1 - Recommended
Submittal Date 6/1/200 **Version** 1 - Budget Submission

Input data in white cells only

O&M COSTS	Account	2006	2007	2008	2009	2010	2011	2012	TOTAL
IT - Salaries & Wages	511XX	0	0	0	0	0	0	0	0
Business Salaries & Wages	511XX	0	0	0	0	0	0	0	0
Total Salaries		0	0	0	0	0	0	0	0
Employee Benefit Costs	511XX	0	0	0	0	0	0	0	0
Supplies	52110	0	0	0	0	0	0	0	0
EDP Supplies	52212	0	0	0	0	0	0	0	0
Consulting IT Services	53127	0	0	0	0	0	0	0	0
Subcontract IT Services	53179	0	0	0	0	0	0	0	0
Travel	53310	0	0	0	0	0	0	0	0
Printing	53806	0	0	0	0	0	0	0	0
Training-IT	53813	0	0	0	0	0	0	0	0
IT - Internal Service	55xxx	0	0	0	0	0	0	0	0
Hardware/Software	56740	0	0	0	0	0	0	0	0
Communication Equipment	56780	0	0	0	0	0	0	0	0
Capital IT Lease - Principal	57303	0	0	0	0	0	0	0	0
Capital IT Lease - Interest	57304	0	0	0	0	0	0	0	0
Other (specify)		0	0	0	0	0	0	0	0
Other (specify)		0	0	0	0	0	0	0	0
Other (specify)		0	0	0	0	0	0	0	0
TOTAL O&M Cost		0	0	0	0	0	0	0	0

Benefits Analysis - Form 4



	Project Submittal Date		Project X	Solution Alternative				1 - Recommended
			6/1/2005	Version				1 - Budget Submission
<i>Input data in white cells only</i>								
	2006	2007	2008	2009	2010	2011	2012	
Hard (Tangible) Benefit \$								
Revenues (specify)								0
								0
Reimbursements (specify)								0
								0
Cost Reduction (specify)								0
								0
Other (specify)								0
								0
Total Tangible Benefits	0	0	0	0	0	0	0	0
<u>Soft (Semi-Tangible) Benefits \$</u>								
Cost Avoidance (specify)								0
								0
Other (specify)								0
								0
Total Tangible Benefits	0	0	0	0	0	0	0	0
TOTAL Cost Benefit Inflows	0	0	0	0	0	0	0	0