

# Appendix B – Project Business Case and Decision Support Tool

## Form 1. Basic Project Information Form

This form collects basic project information for all IT initiatives, projects, systems, and other IT related expenditures, hereinafter referred to as IT projects. The form will be used as a project justification during budget formulation and it will be used during budget execution for IT acquisitions.

### Instructions

#### a. Budget Formulation

1. If the funding request is for general office automation equipment that does not support another project and is not infrastructure related, then please complete/update Parts 1, 2, 6, and 8; or
2. If the funding request is for an IT development project<sup>1</sup> with a total lifecycle cost less than \$150,000, then please complete/update Parts 1, 2, 6, 8, and 9; or
3. Otherwise, please complete/update the entire form.

#### b. Budget Execution

1. If the acquisition supports a project for which this form has already been completed, then please complete Part 1 only and update any parts of the previously submitted information, where applicable; or
2. If the acquisition is associated with general office automation equipment that does not support another project and is not infrastructure related, then please complete Parts 1, 2, 6, and 8; or
3. If the acquisition is for an IT development project with a total lifecycle cost less than \$150,000, then please complete/update Parts 1, 2, 6, 8, and 9; or
4. Otherwise, please complete/update the entire form.

## Part 1. Basic Project/System Data

a. Complete the form below.

Form Preparation Date	December 8, 2000
Project Name	Union Station Infrastructure Implementation
Principal Office	SFA/CIO
Group/Team within Principal Office	CIO
Budget Line Item & ID	
Project Manager (PM)	Denise Hill (202) 708-8436 Keith Wilson (202) 708-4842
PM Phone #	
COTR	Tina Hunter

b. Provide a general description of the project. (Use additional space for your response as needed).

<sup>1</sup> An IT development project can be a new initiative or it can be an enhancement to an existing system. In the case of the latter, only the total lifecycle cost of the enhancement should be compared against the \$150,000 threshold.

SFA will be consolidating offices (currently located in Portals and ROB-3) to their new campus located near Union Station. SFA has completed the requirements analysis and high-level design of the IT infrastructure. This project is to complete design, planning, installation and implementation of the fully integrated infrastructure to support telecommunication and network systems for the new Department of Education/Student Financial Assistance headquarters building. The designed systems will integrate data, voice, audio visual, and teleconferencing requirements that follow the most proven technology currently available.

## Part 2. Budget Request and Lifecycle Cost Information

### a. Budget Request Information, including how the funds will be used in FY 2001 and 2002 and a justification for FY 2001 changes. (Use additional space for your response as needed).

	Funding Year 1999 Project Actual	Funding Year 2000 Estimate	Funding Year 2001 President's Budget	Funding Year 2001 Revised Office Request	Funding Year 2002 Office Request
Budget Level (in thousands)	0.0 (A)	0.0 (B)	0.0	0.0 (C)	0.0 (D)

SFA has a budget allocation of 5 million dollars for the purchase and installation of IT equipment in the new headquarters building. Refer to Attachment A for a detailed equipment and cost breakdown.

### b. Total Lifecycle Cost Information

Estimated Total Lifecycle Costs (In Thousands)	FY1999 Actual	FY2000 Forecast	FY2001 Forecast	FY2002 Forecas t	FY2003 Forecast	FY2004 Forecast	Total (FY01- FY04)
Budget Level:							
1 - IT Costs			\$5,436,978				\$5,436,978
2 - Other Costs Maintenance (3% inflation factor applied in FY03 and FY04)				658,020	677,761	698,093	\$2,033,874
3 - Subtotal (1 + 2)	0.0 (A)	0.0 (B)	\$5,436,978 (C)	658,020 (D)	677,761	698,093	\$7,470,872
Department FTE Costs:							
4 - IT Costs							
5 - Other Costs							
6 - Subtotal (4 + 5)							

7 - Total Costs (3 + 6)	0.0	0.0	\$5,436,978	658,021	677,761	698,093	\$7,470,872
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FY2005+ is the sum of the forecast for FY2005 and any remaining fiscal years in the project's lifecycle.

**Summary of FY01 cost estimate:**

	<b>Integrated</b>
Install & Training	1,647,515
A/V Equip	968,951
TP SVCS Equip	157,122
Net Svcs Equip	141,250
WAN Equip	101,287
Total Cable	980,000
LAN Equip	1,440,853
<b>Total</b>	<b>5,436,978</b>

The network services that have been identified to reside within the Union Station building will be managed via a performance contract with a seat management service provider. The seat management cost are not included in these numbers.

**Part 3. Raines' Rules**

Information Technology (IT) projects need to meet minimum screening criteria for inclusion in an IT Investment Portfolio. Franklin Raines, former Director of OMB, is credited with the creation of what are often referred to as the "Raines' Rules." The 8 rules are a collection of best practices for implementing IT investments. The first three of these rules, known as the "Three Pesky Questions," are designed to keep the Government from making sub-optimal investments. The four questions below are meant to eliminate projects that do not comply with Raines' Rules. The first three are based on the "Three Pesky Questions." If all questions are answered with a "Yes" the minimum screening criteria has been met. Answers of "No" or "N/A" indicate that either more information is needed or the project is not an appropriate candidate for funding, meaning inclusion in the IT Portfolio.

a. Answer the following questions.

		YES	NO	N/A
1.	Support Mission – Is the function central to the achievement of the Department's Mission? If yes, note linkage to the Department of Education's Strategic Plan. Goal: <u>3</u> and Objective: <u>C</u>	Yes		
2.	No Alternative Source – Can the Department accomplish this function better than the private sector or another Government entity?		No	
3.	Work Process Reengineering – Have work processes that comprise the function been simplified or otherwise redesigned to reduce costs, improve effectiveness, and make maximum use of commercial, off-the-shelf technology?	Yes		

4.	Consistent with IT Architecture – Is the project consistent with: (i) hardware and software supported under the Product Support Plan;	Yes		
	(ii) Department accessibility guidelines; and	Yes		

### Part 3. Raines' Rules, continued.

b. Explain all answers of "No" or "N/A" (Not Applicable). As an example, if the answer to number 4(i) was no, then explain how resources and support will be provided for deviating from the Product Support Plan. (Use additional space for your response as needed).

2) This project provides for the design, installation, test, and implementation of a complete Information Technology Infrastructure in a newly constructed building. The Department is not equipped to perform the services and supply the products needed without resources (people and equipment) from the private sector. There are no other Government agencies provisioned to supply these services to the Student Financial Assistance project.

### Part 4. Project Status

a. In terms of Systems Development Lifecycle Methodology, if applicable.

Identify the lifecycle stage of the project	Selection
<b>Plan</b> – In this stage, a development need (e.g., an idea or a mandate) is taken from initial concept to an approved funding request.	
<b>Analyze</b> – This stage documents the functional, quality, and interface requirements of the project. Data, process, and event models are created.	
<b>Design</b> – The technical solution is designed and test plans are created.	X
<b>Build</b> – The technical solution is developed.	X
<b>Test</b> – The technical solution is product tested.	X
<b>Roll-out</b> – The outcome of this stage is a technical solution suitable for transfer to operations.	X
<b>Evolve</b> – Document project results, lessons-learned from using the systems lifecycle development methodology and implement the necessary changes.	X

b. Project timetable.

Estimated or Actual Project Start Date	March 2001
Estimated or Actual Project Development Completion Date	May 2001
Estimated or Actual Project Deployment Date	May 2001

## Part 5. Mission Statement of Need

a. Briefly describe the (i) project mission, (ii) needs or opportunities that the project meets, (iii) business processes to be supported, and (iv) how the project supports the Department's Strategic Plan. (Use additional space for your response as needed).

(i) The mission is to implement an IT Infrastructure that supports the needs and requirements of SFA, (ii) positioning SFA to meet the performance goals of the Performance Based Organization. (iii) The Infrastructure will support SFA's business processes through robust deployment of voice, video, document management, and data services. The detailed business processes are outlined in the Modernization Blueprint and SFA's Strategic Plan.

The project:

- Recognizes that Union Station building is uniquely SFA occupancy
- Meet the SFA specified requirements
- Employs state of the art technology early on in the development cycle rather than end of life
- Provides high availability via reasonable redundancy and no single point of failure
- Provide for future capacity to meet anticipated IT growth via a scalable architecture
- Select most cost effective solution with best practices in industry
- Provide for optional solutions
- Simplify management to work under seat management

b. Briefly describe (i) expected benefits and outcomes (e.g., cost savings/cost avoidance, performance improvements), and (ii) how the project will help achieve these. (Use additional space for your response as needed).

(i) These specific benefits and outcomes are in addition to the benefits stated above:

- Lower recurring costs
- Simplified Management
- Supports enhanced productivity
- Potential 3 year maintenance cost savings of \$816,033

(ii) The project will help achieve the above-mentioned benefits and outcomes by:

- Direct High Speed Connection to VDC

- Alternate Paths through Dept of ED
- Direct Connections to Ed w/Security
- Two active switched 100Mbps to work space
- Relocate Call Center
- Upgraded Training Facility
- Upgraded Conference & Meeting Rooms (LAN ports, video teleconferencing equipment)
- Video to the desktop
- Teleconference over LAN / WAN
- Building Network Services Support integrated to Dept of Ed
- Employs state of the art (feature rich) technology early on in the development cycle rather than end of life
- Modular, upgradeable (provisions SFA to retain currency with industry partners)
- Telephony, Video & Teleconference share common infrastructure
- A sustainable architecture for continuity of operations

## Part 6. Acquisition Strategy

Describe the project acquisition strategy, including the (i) use of competition, (ii) the contract type, (iii) the use of performance measures, (iv) contract expiration date, and (v) indicate whether the acquisition strategy makes use of modular contracting, two-phase acquisitions, and/or competitive prototyping. (Use additional space for your response as needed).

This is a Firm Fixed Price contract. All equipment and services will be acquired from GSA schedules. SFA is a Performance Based Organization and will continue to include performance measures in all contract vehicles. The contract expiration date is August 2001. This will provide the time needed to conduct a post-implementation review.

There are 5 phases of the contract activities: Procurement, Installation, Test, Implementation (Move-in support), and post-implementation review.

## Part 7. Cost, Schedule, and Performance Information

a. Identify the high-level project schedule of milestones and associated costs. If the project is a development project, please incorporate the remaining lifecycle stages in the schedule of milestones. (Use additional space for your response as needed).

- One time installation costs - \$5,436,978
- 3 year maintenance cost savings - \$ 816,033

- b. Identify project performance goals. (Use additional space for your response as needed).

## Part 8. Technology Planned and/or Employed

- a. Identify all of the software of the project, *i.e.*, software development tools, database, application server, middleware, web server, network protocols other than TCP/IP, and utilities. (Use additional space for your response as needed).

Please refer to Attachment B. for a detailed equipment list.

- b. Identify the hardware components of your project. (Use additional space for your response as needed).

Please refer to Attachment B. for a detailed equipment list.

## Part 9. Information Management

If this project involves collection of information from respondents external to the Department, then identify (i) the respondents, *e.g.*, all state education agencies, and (ii) the timeframe for the collection. (Use additional space for your response as needed).

N/A

### OMB Definition of Information Technology

Information technology, as defined in the Clinger-Cohen Act of 1996, is any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. For purposes of the preceding sentence, equipment is used by the agency directly or is used by a contractor under a contract with the agency which (i) requires the use of such equipment or (ii) requires the use to a significant extent, of such equipment in the performance of a service or the furnishing of a product. It includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources. It does not include any equipment that is acquired by a Federal contractor incidental to a Federal contract.