



IT Activity Business Case & Cost Analysis (IT ABC Form)

Enter the requested information in the fillable fields in each section.

1. General Information

Date Submitted		Agency		Department	
IT Activity/Project Name					
Primary Objective		Agency IT Lead			
Sponsor		Project Manager			
Business Lead		Business Manager			
Program Code		Customer Code			
High Level Project Description (<i>in ≥ 2 lines</i>)					
Describe the Business Problem you are trying to solve					
What is your Proposed Solution and Procurement Plan (i.e., RFP, contract extension, sole source, etc.)?					

2. Information Security

Does the proposed solution store/transport/control access to confidential/sensitive/nonpublic information and/or represent significant reputational risk to the State?	
If Yes to the above, check all that apply below:	
<input type="checkbox"/> Personally Identifiable Information <input type="checkbox"/> Information regarding Credit Card payments <input type="checkbox"/> Health related information <input type="checkbox"/> Tax Information obtained from the Federal government <input type="checkbox"/> Information associated with minor children <input type="checkbox"/> Other Sensitive, Confidential, or Non-Public Information	



IT Activity Business Case & Cost Analysis (IT ABC Form)

3. Business Justification

IT projects are undertaken to achieve business objectives/values. EPMO categorizes Business Value (BV) into 4 types: Financial, Customer Service, Risk Reduction and Compliance. *Tip: If you expect to gain efficiencies, think about how the State will benefit from those efficiencies to determine your BV Type. Efficiencies should save the State money (BV= Financial) and/or improve customer service (BV= Customer Service). Note customer service improvements could come from freed-up resources that can be reallocated to other services provided by your Agency/Department.*

BV Types	Definition
Financial	A net decrease to State costs resulting from: a reduction in operating costs, State labor costs, and/or infrastructure costs. **Section 6 of this form MUST show a decrease to claim a financial business value.
Customer Service	A new or improved customer service (for internal or external customers). Examples include service automation, improved access to information, improved service quality, faster turnaround times, etc.
Risk Reduction	A reduction of a risk to the State as a result of replacing an unstable system, improving security, implementing a sustainable solution, etc.
Compliance	Meets a previously unmet State or Federal compliance requirement.

In the table below, enter a separate line for each Business Value you plan to achieve. You may have more than one of each Business Value type. Use Section 10 if needed for more space.

Business Value Type	Business Value Description	How will Achievement be Measured?



IT Activity Business Case & Cost Analysis (IT ABC Form)

Business Value Type	Business Value Description	How will Achievement be Measured?



IT Activity Business Case & Cost Analysis (IT ABC Form)

4. Proposed Solution Costs

Lifecycle of Proposed Solution <i>(Max is 20 years)</i>	Yrs
---	-----

Was a Request for Information (RFI) done?	
If no RFI, indicate your cost est. source:	

Description of Costs	Implementation Costs <i>(One Time Project Costs)</i>	Annual Operating Costs <i>(Reoccurring Costs)*</i>			
Configuration/Installation/Implementation	\$	\$			
Contracted Services for Project Management	\$	\$			
Other Contracted Professional Services for Implementation	\$	\$			
State Labor for Project Management**	\$	\$			
Other State Labor to Implement the Solution**	\$	\$			
Software/Licenses	\$	\$			
Hosting Provider	\$	\$			
Hardware	\$	\$			
Equipment or Supplies	\$	\$			
Vendor Annual Maintenance/Service Costs	\$	\$			
State Labor to Operate & Maintain the Solution**	\$	\$			
Other Costs (please describe):	\$	\$			
Total Annual Operating Costs					
Total Lifecycle Operating Costs					
Operating Costs of Proposed Solution By Fiscal Year <i>(take into account when you expect to implement):</i>					
Current FY	\$	FY2	\$	FY3	\$
FY4	\$	FY5	\$		
Sub-Total Implementation Costs					
• Add 3% ADS Estimated Charge for EA & Project Oversight					
Revised Sub-Total Implementation Costs w/ ADS estimated costs					
Sub-Total Lifecycle Costs (Implementation + Operating)					
• Add Independent Review cost if above is over a million					
Total Implementation Costs					
Implementation Costs By Fiscal Year:					
Current FY	\$	FY2	\$	FY3	\$
FY4	\$	FY5	\$		
Total Lifecycle Costs					

**Divide one-time costs by the number of years in the lifecycle to determine an annual cost.*

***Estimate State labor costs at \$55 an hour if the exact fully loaded hourly rate(s) are unknown.*



IT Activity Business Case & Cost Analysis (IT ABC Form)

Proposed Solution Costs to the State:

% of Implementation Costs to be paid with State funds*	%
Total Implementation Costs to be paid with State funds	
% of Lifecycle Operating Costs to be paid with State funds*	%
Total Lifecycle Operating Costs to be paid with State funds	
Total Lifecycle Costs to be paid with State funds	

**Use an average if you expect the percentage to change from year to year.*

5. Current Solution Costs

Description	Annual Operating Costs (Reoccurring Costs)*				
Software/Licenses	\$				
Hosting Provider	\$				
Hardware	\$				
Equipment or Supplies	\$				
State Labor to Operate & Maintain current Solution**	\$				
Vendor Annual Maintenance/Service Costs	\$				
State Labor Costs that will be <u>eliminated</u> as a result of automation provided by the new Solution.** (Leave line blank if freed-up resources will be reallocated to other work.)	\$				
Other Costs (Please describe)***:	\$				
Total Annual Operating Costs					
Total Lifecycle Costs (using the new Proposed Solution's lifecycle)					
Current Operating Costs By Fiscal Yr <i>(take into account when you expect the new solution to be implemented):</i>					
Current FY	\$	FY2	\$	FY3	\$
FY4	\$	FY5	\$		

Current Solution Costs to the State:

% of Current Operating Costs paid for with State funds	%
Total Lifecycle Costs to be paid with State funds	

**Divide one-time costs by the number of years in the lifecycle to determine an annual cost.*

***Estimate State labor costs at \$55 an hour if the exact fully loaded hourly rate(s) are unknown.*

**** IMPORTANT: Include any additional agency, dept. or program costs to be eliminated or reduced once the new solution is implemented.*



IT Activity Business Case & Cost Analysis (IT ABC Form)

6. Net Impact to State Costs

The following costs will be auto-populated based on the information entered in Sections 4 and 5.

Cost	Dollar Amount
Proposed Solution Lifecycle Costs to be paid by the State	
Current Solution Lifecycle Costs to be paid by the State	
Amount of Increase	
Amount of Decrease	

If the above table shows an Increase in costs, enter the name and title of the authorizing official (Secretary, Commissioner or their Deputy) that should approve the increase. *The OPM will route this form for his/her signature once the review process is complete.*

Authorizing Official Name	
Authorizing Official Title	

7. Budget Information

Are your Business Office & Commissioner aware of this project and the plans for funding it?	
If State funding is required do you have the money to pay for this year's costs out of your current fiscal year budget?	
If "No" to the above, what is your plan to obtain funding?	
Was the cost of this solution approved in your most recent budget submission to Finance & Management?	



IT Activity Business Case & Cost Analysis (IT ABC Form)

8. Leveraging the Success of Others

Are other State, Federal or Municipal government entities using the proposed solution to meet a similar business need?		
If yes to the above, what governmental entity or entities?		
If no, why are we choosing a solution that no other government entity uses?		

9. Risks

What are the risks of doing nothing (i.e., staying with the current solution)?		
What are the risks of moving forward with the proposed solution?		



IT Activity Business Case & Cost Analysis (IT ABC Form)

10. Comments

Please enter any additional comments or Business Justifications that should be taken into consideration.



IT Activity Business Case & Cost Analysis (IT ABC Form)

11. Approvals

The Oversight Project Manager (OPM) will collect all electronic signatures once the review process is complete.

Approval is required from:

- The Agency’s IT Lead: OPM will route to the person you listed on Section 1 of this form. It should be the Chief Information Officer (CIO) or the Agency’s/Department’s Senior IT Manager if the Agency does not have a CIO. No signature is required if your entity does not have any IT staff.
- A Secretary, Deputy Secretary, Commissioner or Deputy Commissioner **only if the impact to net operating costs is an increase**. The OPM will route to the person you listed in Section 6 of this form.
- The Chief Technology Officer for the State of Vermont and ADS Secretary.

Approver	Signature
Agency’s IT Lead	
Authorizing Official (<i>Secretary, Commissioner or their Deputy</i>)	
State CIO & ADS Secretary	

12. Revision History

Version	Date	Author	Revision Notes