MANAGEMENT MEMO

NUMBER **MM 02-20**	
SUBJECT: **Statewide Information Technology Policy, Instructions, and Guidelines**	DATE ISSUED: **September 12, 2002** EXPIRES: **October 1, 2004**
REFERENCES: SAM Sections 4800 and 6700 Supersedes MM 98-02, 98-11, 98-13, 00-11, 01-06, 01-10, 01-15, 02-05, 02-06, 02-07, 02-08, 02-16; Technology Directives 01-01, 01-02, 01-03	ISSUING AGENCY: **Department of Finance**

Purpose: Per Executive Order D-59-02 (July 1, 2002), the Department of Finance (Finance) was directed to issue one or more management memoranda providing for continuity and clarity with respect to policies, standards, and guidelines regarding information technology (IT) operations, security, project approval, and oversight. With this Management Memo, Finance begins the process of bringing greater clarity to the IT portions of State Administrative Manual (SAM) Sections 4800 and 6700, and the Statewide Information Management Manual (SIMM). As part of this revision, Finance has incorporated IT policy issues from prior Management Memos and Technology Directives into SAM. Finance will continue to review and update both SAM and SIMM.

Finance's intent in revising both SAM and SIMM is to provide a single location for statewide IT policy, instructions, and guidelines. SAM contains all of the statewide IT policy. SIMM contains the instructions (required use) and guidelines (optional use) needed to implement IT policy. In addition, Finance has completed construction of a new Statewide Information Technology Web site within Finance's Web site (www.dof.ca.gov) to provide agencies with access to the revised IT policies, instructions, and guidelines. The new Web site includes links to SAM, SIMM, Management Memos, Executive Orders, and Budget Letters.

- See Attachment A for a list of changes to SAM.
- See Attachment B for changes made to SIMM.
- See Attachment C for the outline of the new SIMM and instructions for accessing the new Statewide Information Technology Web site.

Policies: SAM Sections 4800 and 6700 have been updated to include policies contained in IT Management Memos and Technology Directives. Management Memos are temporary policies or notification of policy change until SAM can be updated. Technology Directives clarify SAM or SIMM. In addition to incorporating Management Memos and Technology Directives, updates made to SAM reflect current IT terminology and use of IT. References are included in SAM identifying applicable instructions or guidelines in SIMM.

The changes to SAM supersede the following Management Memos and Technology Directives:

Management Memos:

- 98-02 Fundamental Decision Criteria for Approval of IT Projects
- 98-11 Budget Change Proposal Review
- 98-13 Project Initiation, Approval & Change Process
- 00-11 Information Technology Oversight Review
- 01-06 Information Technology Acquisition Policy
- 01-10 California Software Management Policy
- 01-15 IT Project Related Communication with the Legislative Analysts Office

- 02-05 Information Technology Accessibility Policy
- 02-06 Information Technology Infrastructure Policy
- 02-07 Security and Risk Management Policy
- 02-08 Maintenance and Operations Policy

Technology Directives:

- 01-01 Process Control Exclusion for State IT Projects
- 01-02 IT Project Approval Process
- 01-03 IT Procurement Plan

IT Policy, Instructions, and Guidelines for Project Initiation, Reporting, and Approval: Significant changes to IT policy, instructions, and guidelines that impact project initiation, reporting, and approval include the following:

Reporting Criteria: The criteria to determine whether an IT project is reportable to Finance has been changed. An IT project is considered reportable if it meets any of the following criteria:

1) The estimated total development and acquisition costs exceed the agency's cost threshold (See SAM Section 4819.39 and Budget Letter 01-13).
2) The IT project involves a budget action.
3) The IT project involves a new system development or acquisition that is specifically required by legislative mandate or is subject to special legislative review.
4) The IT project involves the acquisition of microcomputer commodities and the agency does not have an approved Workgroup Computing Policy (See SAM Sections 4989-4982).
5) Finance has imposed a reporting requirement (other than the above) on the project.

Agencies that seek exemption from IT project reporting to Finance for a project meeting any of the above criteria must submit a Feasibility Study Report—Reporting Exemption Request (FSR-RER) to Finance (see SAM Section 4819.37 and 4819.38).

Business-Based Procurement IT Proposals: The use of an Alternative Procurement Business Justification or Advance Planning Document is discontinued; all reportable projects must be submitted using the Feasibility Study Report (FSR) (See SIMM Section 20). For those proposals that initially recommend a business-based procurement and the proposed technical solution is not determined in the FSR, the agency must submit a Special Project Report (SPR) to Finance for review and approval prior to contract award. Conditions for proceeding with the procurement process and for initiating any other project activities will be fully outlined in the FSR approval letter from Finance. For a business-based procurement solution, the FSR will be focused on (1) the various alternatives considered to derive the conclusion that a business-based procurement is the best solution; (2) the IT project cost and schedule that detail the planning and procurement resources, milestones, and timelines; and (3) providing a more general estimate of the development, implementation, maintenance/operations resources, costs, milestones, and timelines for the expected duration of the project. The SPR will be focused on the proposed solution selected, the updated project cost, the estimated schedule, and any other changes to the project. (See SIMM Section 10, Introduction to IT Project Reporting.)

Risk Management Plans: The Risk Assessment Model (RAM) is no longer required. Agencies must submit a Risk Management Plan in the FSR and SPR that addresses the specifics of the proposed project (See SIMM Section 20, FSR Section 7.0, and SIMM Section 30, SPR Section 5.0). The Risk Management Plan documents the process and procedures that will be used to manage project risks, identifies the person(s) responsible for managing various areas of risk, how risks will be tracked throughout the life cycle, how contingency plans will be implemented, and how reserves will be allocated to handle risks.

At minimum, Finance requires that the following components be included in the Risk Management Plan: the Risk Management Approach (See Guidelines in SIMM Section 200, Project Management Methodology, Risk Management) and the Risk Management Worksheet (See SIMM Section 20, FSR Instructions).

Procurement Approach: This Management Memo revises the policy described in Management Memo 02-16 for submission of IT project proposals by eliminating the requirement to submit the Department of General Services' (DGS) Information Technology Procurement Plan (ITPP) with the FSR. As part of an FSR or SPR, a description of the acquisition methodology the agency plans to use and the estimated procurement schedule is required. Prior to submitting the FSR or SPR to Finance, agencies must consult with the DGS Procurement Division (DGS-PD) to ensure alignment with current procurement guidelines. FSRs must include a description of the market research conducted that supports the proposed alternative and the procurement strategy, as well as a description of how the procurement approach was selected. If procurement alternatives were considered, the different procurement approaches must be compared and contrasted. (See SAM Sections 5206-5208 and SIMM Section 20, FSR Instructions and Section 5.1, Solution Description).

Agencies must submit two copies of the FSR or SPR to Finance, one copy to DGS, and one copy to the Legislative Analysts' Office.

Each agency is required to establish an ongoing acquisition planning process to develop IT Procurement Plans for IT project acquisition of IT goods and services as determined by DGS. (See SAM Section 4819.31). Please contact DGS for information regarding the Plans.

Project Summary Package: The Project Summary Package (PSP) has been revised and reformatted to eliminate references to electronic submission of the FSR or SPR and to allow all portions of the PSP to be completed by the agency. The Project Profile section has been deleted. (See SIMM Sections 20 and 30.)

Future Communications: All future IT-related policy information will be communicated through Budget Letters issued by the Department of Finance.

Questions regarding this Management Memo may be addressed to the appropriate Technology Investment Review Unit manager in Finance.

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Assistant Director, Operations
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Attachments:

Changes to SAM Sections 4800—5180

SAM Sections		Changes
4800–5180		All references to control agencies were updated. DGS has sole responsibility for IT procurement policies and procedures.
4819.32	Exclusions	This section was updated to reflect clarifications regarding the "single function process control" exclusion.
4819.34	Project Approval Authority	Group 2—Categorical Delegation is replaced with Agency Delegation for Non-Reportable Projects.
4819.35	Feasibility Study Report	For projects reportable to Finance, agencies must submit FSRs that include the proposed IT procurement strategy. The Information Technology Procurement Plan (ITPP) is not required to be submitted with the FSR.
4819.36	Project Reporting/Oversight	This section now includes responsibilities and tasks for Finance and for agencies.
4819.37	Reportable Project Criteria and Feasibility Study Report—Reporting Exemption Requests (FSR-RER)	This section was renamed from "Request for Delegation." The criteria for reporting IT projects to Finance are consistent with BL 01-13. Additional reporting criteria that existed before July 1, 2002 have been deleted.
4819.38	Preparing the FSR-RER	This section has been replaced and now references SIMM Section 40 for instructions on preparing the FSR-RER.
4819.39	Major Project Designation	This section was deleted.
4819.39	Delegated Cost Threshold	This section was added to permanently establish this policy.
4821	Advanced Technology Project Policy	This section was deleted.
4832	Certification of Compliance with Policies	The certification documentation illustration was added to this section.
4846	California Software Management Policy	This section was added to reflect the current Software Management policy.
4852	IT Personnel Management—Organization, Staffing, and Training; General Policies	The section was deleted.
4900.6	Responses to AIMS	This section was deleted.
4903.3	Planned Personal Computer Acquisitions	This section was deleted.
4930	Project Summary Package	This section was revised to replace the Summary Fact Sheet with the Project Summary Package information. Instructions are included in SIMM Sections 20 and 30.
4946	Formal Project Review	This section has been deleted.
4947.1	Post Implementation Evaluation Report (PIER)—Reporting Requirement	This section has been deleted. All PIER requirements are now in SAM Sections 4947 and 4947.2.
5101.1	Application Generators	This section has been deleted.
5177	Computer Output Microfilm	This section has been deleted.

5178 Optical Character Recognition	This section has been deleted.

Changes to SAM Sections 6700—6780

SAM Sections	Changes
6700—6780	All references to control agencies were updated.
6720 Exclusions	Deleted text. References SAM Section 4819.32 only.
6730 Reporting	Updated reporting criteria.

Summary of Changes to the Statewide Information Management Manual (SIMM)

Information in Previous SIMM	Information in New SIMM (See Attachment C for New SIMM outline)
Risk Assessment Model	
• RAM Overview • RAM Questions • RAM Client (Windows Executable)	No longer applicable. Risk planning is included in FSR instructions, SIMM Section 20, and SIMM Section 200 Guidelines for the Project Management Methodology, Risk Management Plans.
Management Memos	Not in SIMM.
Technology Directives	Not in SIMM.
Policies	
• Software Management Policy	Not in SIMM. The policy has been incorporated in SAM Section 4846. SIMM Sections 80 and 120 contain the form and guidelines.
• IT Project Submittal and Approval Policy	Not in SIMM. Instructions for submittal of project documents are in SIMM sections 10, 20, 30, 40, and 50. Policy has been incorporated in SAM Sections 4800 and 6700.
• Policy/Standards Development and Vetting Process Summary • Policy Standards Development and Vetting Diagram	No longer applicable.
• Security Incident Reporting and Response Capability	SIMM Section 140 has the Security Incident Report (SIR) form. See SAM Section 4845 for policy.
• Statewide Internet Usage Policy	SIMM Section 150 has the Sample Statewide Internet Usage Policy (Guideline).
• Project Management Policy	No longer applicable. SIMM Section 200 has the Project Management Methodology (Guidelines).
• Project Oversight Policy	Not in SIMM. See SAM Section 4819.36.
• Preliminary FSR Policy	No longer applicable.
• Feasibility Study Report Policy	See SIMM Section 20 for instructions and forms. See SAM Section 4819.35 and 4920 through 4930 for policy.
• Project Change Request Policy	No longer applicable.
• Special Project Report Policy	See SIMM Section 30 for instructions and

	forms. See SAM Section 4819.36 and 4945 for policy.
Information in Previous SIMM	**Information in New SIMM** (See Attachment C for New SIMM outline)
• FSR Reporting Exemption Request Policy	See SIMM Section 40 for instructions and forms. See SAM Section 4819.37 for policy.
Guidelines	
• Preliminary FSR guidelines	No longer applicable.
• Feasibility Study Report Guidelines	See SIMM Section 20.
• Project Change Request Guidelines	No longer applicable.
• Special Project Report Guidelines	See SIMM Section 30.
• FSR Reporting Exemption Request Guidelines	See SIMM Section 40.
• IT Procurement Plan Template Guidelines	Not in SIMM. Contact DGS-PD for the ITPP template and guidelines.
• Agency Information Management Strategy (AIMS) Documentation Requirements	See SIMM Section 60 and 110 for forms and guidelines.
• Software Management Guidelines	See SIMM Section 120.
• Software Management Handbook	No longer applicable.
• Maintenance and Operations Plan Guidelines	See SIMM Section 160.
Project Management Methodology	See SIMM Section 200.
Checklists	
• Preliminary FSR checklist • Feasibility Study Report Checklist • Project Change Report Checklist • Special Project Report Checklist	No longer applicable.
Outlines	
• Special Project Report Outline • Feasibility Study Report Outline	No longer applicable. See SIMM Sections 20 and 30 for FSR and SPR instructions.
Forms	
• Preliminary Feasibility Study Report Form	No longer applicable.
• Feasibility Study Report Form	See SIMM Section 20.
• Special Project Report Form	See SIMM Section 30.
• Project Change Request Form	No longer applicable.
• FSR Reporting Exemption Request Form	See SIMM Section 40.
• Project Summary Package	See SIMM Sections 20 and 30.

STATEWIDE INFORMATION MANAGEMENT MANUAL

The Statewide Information Management Manual (SIMM) can be accessed from the Department of Finance's Home Page at www.dof.ca.gov. From the **Finance Home Page**, select **Information for Government Agencies**; then select **Statewide Information Technology**. The Statewide Information Technology Web Page includes links to **SAM, SIMM, Management Memos, Executive Orders, Budget Letters,** and the **TIRU Home Page**.

INSTRUCTIONS (REQUIRED USE):

SIMM Sections 10 through 90 contain instructions, forms, and sample letters that State agencies **must use** in complying with the Department of Finance (Finance) established policy relating to information technology (IT). If there are questions about any of this material, please contact the Technology Investment Review Unit (TIRU) Manager at Finance who is assigned to your agency.

10 Introduction to IT Project Reporting

INSTRUCTIONS AND TRANSMITTALS

20 Feasibility Study Report Preparation Instructions
- A. FSR Executive Approval Transmittal
- B. Project Summary Package
- C. Economic Analysis Workbook Package
  1. EAW Worksheets
  2. EAW Worksheets—Extended
  3. Sample EAW Worksheets
  4. Sample EAW Worksheets—Extended

30 Special Project Report Preparation Instructions
- A. SPR Executive Approval Transmittal
- B. Project Summary Package
- C. Economic Analysis Workbook Package
  1. EAW Worksheets
  2. EAW Worksheets—Extended
  3. Sample EAW Worksheets
  4. Sample EAW Worksheets—Extended

40 Feasibility Study Report—Reporting Exemption Request (RER) Preparation Instructions
- A. FSR-RER Executive Approval Transmittal
- B. FSR-RER Request Form

50 Instructions for Completing the Post-Implementation Evaluation Report
- A. PIER Transmittal Letter for Non-Delegated Projects
- B. PIER Transmittal Letter for Delegated Projects
- C. PIER Cost Worksheets

55 Information Management Cost Report
- A. Information Management Cost Report Transmittal
- B. Information Management Cost Worksheets

60 Agency Information Management Strategy
- A. AIMS Transmittal Letter
- B. AIMS Annual Certification Letter

CERTIFICATIONS

70 Risk Management Certification

80 California Software Management Policy Annual Statement of Compliance

90 Workgroup Computing Policy Annual Certification

GUIDELINES (OPTIONAL USE):

SIMM Sections 110 through 160 contain guidelines, models, forms, and sample letters that State agencies will **find useful** in the management of their information technology (IT) programs. Use of any of these guidelines or models is not mandatory, but agencies are encouraged to make use of them if they need help or guidance in a particular area. If there are questions about any of this material, please contact the TIRU Manager at Finance that is assigned to your agency.

110 Agency Information Management Strategy Documentation Guidelines

120 Software Management Plan Guidelines

130 Workgroup Computing Policy—Model Policy
- A. Workgroup Computing Justification Form—Model Form
- B. Workgroup Computing Policy Transmittal

140 Security Incident Report

150 Sample Statewide Internet Usage Policy—Model Policy

160 Maintenance & Operations Plan Guidelines

200 Project Management Methodology