

**Chapter 12****Statewide Enterprise Approach for Information Technology Operation and Investment****12.1 IMPLEMENTATION OF NEW TOOLS TO IMPROVE AND OPTIMIZE THE USE OF THE INFORMATION TECHNOLOGY RESOURCES**

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To facilitate transparency and increase legislative and public confidence in state Information Technology (IT) spending, the Office of the Chief Information Officer (OCIO) has acquired for statewide use an IT financial management (ITFM) application. All state agencies and institutions of higher education are required to implement this new ITFM application in accordance with the schedule developed by the OCIO. The ITFM application will enable state agency IT managers and staff to better understand the costs of all areas of IT infrastructure and application spend using real-time financial, human resources, and IT asset management system data. Using this information, state agencies will be able to identify areas to optimize information technology service delivery, freeing up resources for other essential programmatic or IT investments. The judicial and legislative branches are encouraged to use this application.

**12.2 ROLE OF THE NEW OFFICE OF THE CHIEF INFORMATION OFFICER (OCIO)**

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Chapter 43, Laws of 2011 ([ESSB 5931](#)) created the new Office of Chief Information Officer (OCIO) within the Office of Financial Management. The OCIO is tasked with a number of responsibilities related to effective and efficient IT resource usage. They are as follows:

- Prepares and implements a strategic IT plan and enterprise architecture for the state;
- Works toward standardization and consolidation of IT infrastructure, establishes standards and policies for enterprise architecture, and educates and informs the state on IT matters;
- Prepares a biennial state IT performance report, evaluates current IT spending and budget requests, and oversees major IT projects including procurements;
- Assesses agencies' ability to utilize Consolidated Technology Services' (CTS) services and develops a strategy for increased use of CTS;
- Advises the new Technology Services Board (TSB) in the review and approval of IT-related standards, policies, and procedures; and approves and oversees major IT projects.

Recently, the OCIO developed a new Technology Strategy Document that identifies twelve action strategies. A link to the complete strategy document can be found at:

[http://ofm.wa.gov/ocio/technology\\_strategy\\_022312.pdf](http://ofm.wa.gov/ocio/technology_strategy_022312.pdf)

**12.3 NEW BUDGET INSTRUCTIONS FOR 2013-15 BUDGET INFORMATION TECHNOLOGY REQUESTS**

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The 2013-15 IT budget instructions reflect a simplified process designed to minimize data entry while improving the quality of information to make good IT resource decisions. The OCIO IT Consultants will assist the OFM Budget Division in both review of agency IT-related budget requests and the

development of the Governor's 2013-15 IT budget. The remainder of this section summarizes agency requirements related to supporting 2013-15 budget development.

Agencies must:

- Submit a plan to the OCIO by August 30, 2012, to adopt the Information Technology Financial Management (ITFM) application. The OCIO IT portfolio instructions will contain more detailed guidance concerning the contents of this plan.
- Submit a standard budget decision package for any IT-related requests for new funding with the agency's 2013-15 budget submittal. In addition, e-mail an electronic copy of the decision package and any associated attachments to the OCIO ([ocio@ofm.wa.gov](mailto:ocio@ofm.wa.gov)) no later than the agency budget submission deadline.
- For all major IT projects (regardless of whether or not 2013-15 funding is requested), use the IT Portfolio's project feature to capture all major IT project costs by project phase over the expected life of the project. This information will be included in the Governor's 2013-15 IT Budget appendix. The OCIO IT portfolio instructions (for the August 2012 portfolio submission) will contain more detailed instructions that will instruct state agencies on how to meet this new requirement.

This portrayal of major IT project costs provides a deliberate and transparent approach to planning and designing major IT projects whether funded in the agency's budget base or requested for new funding. The three major phases are described as follows:

- **Predesign phase** – includes work done to initiate the project; conduct business process analysis; define initial requirements; consider common system and shared services solutions; determine most feasible project approach; and provide a high level project schedule.
- **Design, development, and implementation phase** – includes work activities to accomplish the following tasks:
  - ◆ Develop and issue the acquisition (RFP, RFQQ, etc.);
  - ◆ Finalize functional requirements, system design, and other development phase prerequisite activities; and,
  - ◆ Transform plans and designs into the actual application/system; test and deploy the application/system; train stakeholders; and complete application/systems documentation and transition to on-going operations.
- **Maintenance and operations phase** – includes work done to maintain and operate the application/system once the project is completed.

The definition of a major IT project can be found at

[http://www.ofm.wa.gov/ocio/policies/documents/def\\_of\\_major\\_project.pdf](http://www.ofm.wa.gov/ocio/policies/documents/def_of_major_project.pdf).

## 12.4 FORMAT FOR GOVERNOR'S 2013-15 INFORMATION TECHNOLOGY BUDGET

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The OCIO and the Budget Division are working in partnership to develop the Governor's 2013-15 IT Budget that supports the implementation of the state's strategic IT plan and strategies to optimize IT resource usage. IT budget and IT portfolio instructions have been aligned to provide information to inform IT investment and optimization strategies.

The planned components of the Governor's 2013-15 IT budget include the following:

1. Funding plan for major IT projects and initiatives;
2. Budget adjustments to reflect enterprise IT savings and investment opportunities;
3. Cost effective IT enterprise service provider rates;
4. A practice for identifying enacted IT expenditures for agencies and major IT projects in a system such as the Budget Allotment System;
5. An appendix that details (by-agency) IT and major IT project expenditure data as follows:
  - All IT expenditures (by Project X and Y, object of expense, FTE's, and fund sources):
    - Current (actual FY2011 and FY2012) IT expenditures [data source: **Agency Financial Reporting System (AFRS)**]
    - Budgeted (agency proposed 2013-15) IT expenditures [data source: **IT Portfolio**]
    - Budgeted (legislatively enacted 2013-15) IT expenditures [data source: Major IT project expenditures (by Project X and Y, object of expense, FTE's, and fund source)
      - Current (agency self-reported actual FY2011 and FY2012) major IT project expenditures [data source: **IT Portfolio**]
      - Budgeted (agency proposed 2013-15) IT project expenditures [data source: **IT Portfolio**]
      - Budgeted (legislatively enacted 2013-15) IT project expenditures [data source:

OFM's Statewide Accounting Division, Budget Division, and OCIO will work closely with state agency Chief Information Officers (CIOs) and Chief Financial Officers (CFOs) to put into practice these five components. In preparation for these conversations, state agency CFOs and CIOs should ensure that IT accounting and IT portfolio information is accurate as it will be used to develop the Governor's 2013-15 IT Budget.

## 12.5 INFORMATION TECHNOLOGY PORTFOLIOS AND THE BUDGET CONTEXT

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Washington State employs an IT portfolio as the planning and management process for IT resources. The process integrates agency strategic planning, technology planning, and the budget process.

The IT portfolio includes all of an agency's major current and planned IT assets, projects, investments, and acquisitions. Agencies making budget requests for IT investments must do so in the context of their IT portfolios and the state strategic plan.

IT Portfolio policies on portfolio management are available at:  
<http://ofm.wa.gov/ocio/policies/manual.asp>.

**IT portfolio resources**

Agencies should contact their OCIO consultant early in the planning process for any major IT budget request item. The consultant can also be contacted for additional assistance or for information on the IT portfolio. The OCIO Strategic Technology consultant list can be found at:

<http://ofm.wa.gov/ocio/resources/2012%20-%20OCIO%20IT%20Consultant%20List.pdf>

**Agencies should consider existing system solutions first**

From a state enterprise perspective, certain business needs may be best met through existing systems or services. The budget review process will include an evaluation of all planned IT investments in an agency's portfolio for their alignment with existing services and with state strategic IT goals.

**OCIO approval is required for financial or administrative systems investments**

To ensure that system investments support or take advantage of shared services and enterprise system strategies, agencies must seek written approval from the OFM OCIO before beginning any significant financial or administrative system development, enhancement, or acquisition. (Per SAAM 80.30.88.b, "significant" means requiring the equivalent of six or more months of staff effort.) Approval is required regardless of the funding source or whether additional funding is requested.

After receiving the necessary paperwork, the approval process usually takes less than 30 days and focuses on the agency's business need(s) and how well the proposed investment fits with enterprise system strategies. The OCIO will take one of the following actions:

- Approve the request;
- Approve the request with conditions to ensure the project is better aligned with enterprise system strategies;
- Deny the request because the project would duplicate enterprise system functionality or would contradict enterprise system strategies; or
- Ask the agency to study its needs further and resubmit a request at a later time.

More information about the approval process, requirements, and evaluation criteria can be found in Section 80.30.88 of the SAAM at <http://www.ofm.wa.gov/policy/80.30.htm>. The system approval page is <http://www.ofm.wa.gov/systemsapproval/default.asp>. Please send approval requests to the OCIO at [ocio@ofm.wa.gov](mailto:ocio@ofm.wa.gov).

**State Interoperability Executive Committee (SIEC)/OCIO approval is required for radio, Radio over Internet Protocol (RoIP), and public safety communication systems investments**

Agencies must receive written approval from the SIEC before beginning any major investment in radio, Radio over Internet Protocol, or public safety communication systems development, enhancement, or acquisition. (For a definition of a major project, refer to:

[http://www.ofm.wa.gov/ocio/policies/documents/def\\_of\\_major\\_project.pdf](http://www.ofm.wa.gov/ocio/policies/documents/def_of_major_project.pdf).)

Approval is required regardless of the funding source or whether the request is for additional funding or for a previously approved or funded effort.

**Investments must fit with state plans**

The approval process focuses on how well the proposed investment fits with the Technical Implementation Plan (TIP) ([http://siec.wa.gov/pubs/files/tip/TIP\\_v8.0\\_FINAL\\_11302005.pdf](http://siec.wa.gov/pubs/files/tip/TIP_v8.0_FINAL_11302005.pdf)) and the State Communication Interoperability Plan (SCIP) (<http://siec.wa.gov/plan/files/SCIP.pdf>.)

If the SIEC finds that an agency lacks the information to determine if a system will involve a significant investment in radio or RoIP technology, the agency may be asked to study its needs further and resubmit its request at a later time.

Over the next six to 10 years, the SIEC will implement incremental statewide radio, RoIP, and public safety communication systems investments. Wherever possible, agencies are asked to wait for anticipated common solutions rather than invest in agency-unique solutions.

However, the SIEC recognizes that alternative strategies may be necessary to accommodate urgent agency business needs that do not coincide with the established scope and schedule of the TIP and SCIP. Please note that requests to approve systems with a primary or significant focus on TIP and SCIP business processes are likely to be denied or substantially restricted unless they contribute to the state's strategic direction for interoperable public safety communications systems.

For OCIO policies and standards and for enterprise architecture, visit <http://ofm.wa.gov/ocio/policies/manual.asp>.