CHAPTER 10
STATEWIDE ENTERPRISE APPROACH FOR DECISION PACKAGES THAT INCLUDE INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY PLANNING AND BUDGET REQUESTS

Information technology (IT) is a common part of any initiative or investment, and the state recognizes that there is a fundamental difference between standard Information Technology expenditures and IT projects. In RCW 43.88.092 the Legislature has clearly indicated a desire for transparency in all IT expenditures, yet the degree to which these expenditures are separately scrutinized will depend on the type and purpose of the investment. These budget instructions enable the Office of the Chief Information Officer (OCIO) and Office of Financial Management (OFM) to evaluate proposed information technology expenditures and establish priority ranking categories of the proposals.

IT definitions per RCW 43.105.020:

"Information technology" includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications, requisite system controls, simulation, electronic commerce, radio technologies, and all related interactions between people and machines.

"Telecommunications" includes, but is not limited to, wireless or wired systems for transport of voice, video, and data communications, network systems, requisite facilities, equipment, system controls, simulation, electronic commerce, and all related interactions between people and machines.

For the purposes of IT budgeting, IT expenditures include the following:
- IT hardware (computers, laptops, telephones, servers, networking equipment, etc.)
- Software (licenses, development of custom software)
- IT services (software-as-a-service, infrastructure-as-a-service, platform-as-a-service)
- IT contracts, including project management, quality assurance, independent verification and validation and other professional and consultative services related to information technology and/or telecommunications
- IT staff or staff who will be performing IT functions

IT INVESTMENTS MUST COMPLY WITH IT POLICY FOR REUSE

To support the reuse of existing state resources, all IT investments - including project IT expenditures - are expected to comply with IT statutes and policies. For a comprehensive list of state policies and standards see OCIO technology policies. Some of the most frequently used requirements are listed here for convenience.

Use of the State Data Center. State Technology Policy 184 - Data Center Investments outlines the requirements for agencies to locate physical servers and related equipment in the state data center. The policy describes the limited nature of equipment that may be housed at agency locations. These requirements do not apply to cloud based services.

Radio, radio over internet protocol and public safety communications investments. Agencies must receive written approval from the State Interoperability Executive Committee (SIEC) before beginning any significant investment in radio, Radio over Internet Protocol (ROIP) or public safety communication systems development, enhancement or acquisition. For the purpose of these instructions, significant investments shall be defined as greater than or equal to $250,000. Approval is required regardless of the funding source or whether the request is for additional funding or for a previously approved or funded effort. The OCIO can provide more information about this requirement upon request. The SIEC can be contacted by emailing Robert.connal@watech.wa.gov (RCW 43.105.331).

Administrative & financial system approval. The Statewide Administrative and Accounting Manual (SAAM) Section 80.30.88 requires the approval of the OCIO and OFM before an agency invests in a new or existing administrative/financial system. As part of the review process, agencies are required to demonstrate due diligence in investigating similar solutions in use in state government for reuse. Requests will also be evaluated for their relationship to the One Washington program. This approval is required for new investments and enhancements to existing systems.

This approval must be obtained prior to submission of a decision package and the approval letter attached to the decision package. To initiate a request, agencies may submit an IT Project Assessment and include a note in the description that this is related to a proposed decision package or send an email request to the OCIO Policy and Waiver mailbox. A table containing Administrative & Financial system categories and functions is below and can be found on the OCIO Website under Administrative and Financial Systems Definitions.

Administrative/Financial Category	Business Capability
Finance	Government Accounting General Ledger Capital Asset Management/Fixed Asset Management Accounts Payable Accounts Receivable Cash Flows General Ledger Reconciliation
Management Accounting	Cost Estimate Cost Management and Control Cost Accounting/ Activity Based Costing (ABC)
Budgeting	Budgetary Control Performance Budgeting

Administrative/Financial Category	Business Capability
Human Resources	Appointment Change Benefits Management Diversity Management Grievance Hiring Job Application Job Classification Payroll Recruitment HR Reporting, Business Intelligence, and HR Visual Analytics Retirement Separation / Termination Strategic Workforce Planning Succession Planning Telework/Flexible work Time and Attendance Training/Development Travel Management Wellness and Safety Information Scheduling
Enterprise Risk Management	Enterprise Risk Management
Grant Management	Grant Management
Procurement	Purchasing Contracting Vendor Management Planning Inventory Management Inventory Control
Performance Audit	Performance Audit

DECISION PACKAGE CONTENT WHEN THERE ARE IT COSTS

Guidance on narrative content to include in the body of the decision package when there are IT Costs. The responses in the body of the decision package will be included in the OCIO evaluation and priority ranking process:

- Within the decision package section entitled **Package Description**, include a description of the feasibility study, market research or other due diligence activities leading to the proposed technology solution. More detailed documentation of these activities should be included as attachments to the decision package.
- Within the detailed **Assumptions and Calculations** section, agencies should provide a summary of assumptions influencing the requested technology amounts (e.g., CTS rates, vendor quotes, feasibility/workload studies etc.)
- Within the **Strategic and Performance Outcomes** agencies should identify how this proposed IT investment improves business outcomes within your agency. The decision package should provide specific examples of business outcomes in use within your agency, and how those outcomes will be improved as a result of this technology.

- Within the **Other Collateral Connections** section identify the business impact if this decision package (or the IT portion of the decision package) is not funded. More detailed information in this section will be used when evaluating the urgency of the decision package request.

When developing the budget associated with the decision package, agencies should take onboarding and start up activities into consideration. It is not unusual for a project to take several months to onboard project staff and develop any required approval documents that are prerequisites to starting work.

GUIDANCE ON COMPLETING THE IT ADDENDUM

The IT Addendum is component part of the ABS Decision Package and agencies must attest Yes or No on IT content. All decision packages with IT costs must include a completed IT Addendum.

The IT Addendum has four parts:

- **Part 1** requires agencies to fill out the 2021-23 IT fiscal estimate workbook with an itemized breakdown of information technology costs. This information is needed because the costs noted in the DP are likely a blend of IT and non-IT costs. This allows OFM and the OCIO to meet reporting requirements.
  This section also includes itemized breakdown of planned cost that will come out of the existing agency base. These costs are defined as in-kind costs. This information provides OFM and OCIO information on the total cost associated with this request.
  The itemized 2021-23 IT fiscal estimate workbook is available on the OFM budget forms website at https://ofm.wa.gov/budget/budget-instructions/budget-forms.

- **Part 2** contains questions that support the reuse of existing state resources. The answer to these questions will help OCIO and OFM determine if the decision package will be funded. In some cases, the agency will need to attach copies of supporting documents.
  NOTE: If this decision package request is for OneWa only, please refer to instructions at the end of this chapter.

- **Part 3** needs to be answered for all IT maintenance and policy level decision packages and contains questions that determine if the request needs to be evaluated and ranked by the OCIO as required by RCW 43.88.092.

  For maintenance level decision packages, if an agency has answered yes to any of the questions in **Part 3**, then the additional questions listed in **Part 4** must be answered and the decision package will be evaluated as an IT project/system/investment and ranked by the OCIO, as required by RCW 43.88.092. All policy level decision packages must answer the additional questions listed in **Part 4**.

- **Part 4** contains questions relating to the criteria used to evaluate and prioritize IT decision packages.

The OCIO will review <u>all</u> decision packages containing any IT costs. Through this process, other decision packages may be identified as needing an IT addendum or excluded from the prioritization process. In cases where a decision package is later determined to be an IT investment, but no IT addendum has been submitted, the OCIO will contact the agency to request the IT Addendum and provide a deadline for submission.

Decision packages submitted in the Agency Budget System (ABS) with an IT addendum and 2021-23 IT fiscal estimate workbook will be retrieved from that system by the OCIO to complete the evaluation and prioritization process. Agencies will not have to perform additional work to intersect with the OCIO decision package evaluation process.

IT projects/systems/investments requiring consultation with Consolidated Technology Services (WaTech)

Enterprise technology impact review before final submission of decision package: The agency must submit the draft Decision Package or plan to WaTech at support@watech.wa.gov to obtain estimates and other impacts.

WaTech consult(s) are required for the following:
- Request to fund migration to the cloud
- Request for network connections, increased bandwidth requests, hardware replacements and wireless expansion
- Requests for security hardware, software and systems
- Request to add disaster recovery
- Request for new software solution
- Request for telephony equipment and service

The outcome of this review will provide documentation summarizing the understanding of the project and the impacts considered, which may include budgetary estimates for WaTech services.

Coordination with the OCIO prior to final submission of decision package: The OCIO understands how important a strong decision package is and is available to support agencies. Agencies are encouraged to take advantage of the following resources to help them align their decision packages with state IT strategy and best practice as well as with the evaluation criteria below.
- Tip sheet – Top 12 Tips for Writing Your DP for IT Investments
- Short 20-minute meetings to discuss the investment concept, review the OCIO's decision package evaluation process and allow the agencies to ask specific questions regarding their decision package. The cutoff date in scheduling a meeting with the OCIO is July 31, 2020, and all meetings will be completed by August 31, 2020. For agencies wanting a 20-minute consult with the OCIO, send an email request to OCIOConsultants@ocio.wa.gov .

Decision package criteria

The following table contains the criteria used to evaluate 2021-23 decision packages. The criteria scoring scale being used by the OCIO to evaluate and rank decision packages is available on the OCIO website.

2021-23 Biennium Decision Package Criteria

Parent Criteria	Sub Criteria	Description
Agency readiness	Due diligence	Assess the evidence of needs assessment, high-level requirements and feasibility study or similar due diligence to understand business needs, complete market research and select technology solution.
	Governance and management	Assess the planned project governance and project management approach and resourcing, including project sponsorship, project management and project quality assurance.
	Planning and readiness	Assess the planned project approach and implementation staffing/resourcing, including assumptions about onboarding/staffing, etc.
Technical alignment	Strategic alignment	Assess agency proposal against statewide technology strategies (e.g., buy versus build, modern hosting, early value delivery, modular implementation).
	Technical alignment	Assess agency proposal against technical implementation of strategy: privacy security, open data, mobility, and accessibility.
	Reuse and interoperability	Assess degree to which solution uses systems or components that are already in place in this or any agency and how approach plans for interoperation between systems, services or solutions.
Business alignment	Business driven technology	Assess plans for business transformation or streamlining organization change management activities and approach to keeping customer at the center of the technology project.
	Measurable business outcomes	Assess the presence of anticipated business outcomes, measures and targets as a result of this investment, (see decision package chapter 2 "Strategic and performance outcomes" and decision package chapter 3 "performance measure incremental estimates").
Urgency	Taken into consideration when ranking request	During the evaluation and ranking process, the OCIO will take into consideration, the urgency of the decision package request. Agencies will need to describe the urgency of implementing the technology investment in this cycle and impacts to business if the technology effort doesn't proceed as planned.

If you have additional question on the decision package scoring process or criteria, contact ociotbmprogramoffice@ocio.wa.gov.

STATEWIDE IT PLAN AND TECHNOLOGY BUDGET

The OCIO and OFM will work together to develop the Governor's 2021-23 IT plan and technology budget, as required by RCW 43.88.092. This document will be an appendix to the Governor's budget proposal that will include the following information:

- Agency detail of the previous biennium's IT expenditures will be obtained using existing data from the state's Technology Business Management Program.
- IT projects included in the Governor's 2019-21 budget using information contained in the associated decision packages for each project.
- Budget information for existing IT projects under OCIO oversight, as reported by agencies to the OCIO.

Agency chief financial officers and chief information officers should ensure that IT accounting and other data are accurate, as it will be published in the Governor's 2021–23 IT Plan and Technology Budget.

2021-23 BUDGET INSTRUCTIONS FOR ONE WASHINGTON PROJECTS

Background

One Washington (OneWa) is an OFM business transformation program tasked with modernizing the systems that support enterprise administrative operations (including finance, procurement, budget, human resources and payroll) via an Enterprise Resource Planning (ERP) system. Since 2014, OneWa has conducted readiness activities in preparation for ERP implementation including: a due diligence process to select the ERP software vendor followed by a competitive process to select a system integrator to assist the state in implementing the new ERP system beginning in fiscal year 2021. Initial finance module implementation, for core financials, begins in fiscal year 2021. Core financials is planned to go live July 2022. Expanded financials implementation begins in fiscal year 2022 and is scheduled to go live in July 2023, with additional modules (procurement, budget, human resources and payroll) being added progressively. It is intended that the ERP system will be fully implemented by July 2025 as outlined in the Modernization Roadmap found on the OneWa Agency Resource site.

OneWa 2021-23 scope

There are two phases of the OneWa program relevant to the 2021-23 budget build:
1. Core financials and
2. Expanded financials.

As a result, the 2021-23 budget request focus for OneWa and agencies will be constrained within this scope.

OneWa 2021-23 budget request and related agency budget requests.

All OneWa-related requests, including agency requests, will be reviewed and refined by the OneWa program to develop a single consolidated enterprise-wide decision package. OneWa will coordinate closely with the OFM Budget Division, the OCIO and agencies to insure agency budget needs are identified for successful implementation. Please review the OneWa 2021-23 Budget Development Timeline.

All completed OneWa-related agency requests must be submitted to OneWa **no later than August 15, 2020** to be considered for inclusion in the OneWa decision package. Note: *Due to the complexity of decision package development, late submissions will not be considered.*

Agencies able to request OneWa resources

Since fall 2019, the OneWa tech team has been engaged with agencies to collect data and system inventory to help identify agency systems and interfaces impacted by OneWa. This self-reported data identified 44 agencies with affected systems and interfaces. Of these 44 agencies, only those with impacted finance systems and interfaces, will have an opportunity to make resource requests for inclusion in the consolidated OneWa 2021-23 budget request.

OneWa agency resource requests

The 44 agencies who self-reported affected systems and interfaces related to the new ERP system may request funding for resource needs related to only those impacted finance systems and interfaces.

Three ongoing OneWa work streams will inform the development of agency resource needs:
1. OneWa data and system inventory
2. Chart of accounts modeling, and
3. Functionality

OneWa will work closely with agencies to determine impacts based on all of these work streams. Below are the details for each:
1. **OneWa data and system inventory.** This is the starting point for understanding agency resource needs. Your agency may request resource needs for systems and interfaces that relate to OneWa finance functionality if those systems and interfaces:
   - Will not be replaced by the ERP system.
   - Need to be modified to interact with the ERP system.
   - Do not have agency internal resources to support the necessary modifications.

2. **Chart of accounts modeling.** Work is underway to redesign the chart of accounts, but cannot be finalized until the system integrator is onboard. There will be changes to statewide chart of accounts which will likely impact agency systems and interfaces.
   - OneWa, in conjunction with statewide accounting, has compiled informational guidance related to how the chart of accounts may change as a result of the ERP.
   - This work will help agencies to determine potential impacts to systems and the work needed to modify those systems (e.g. legacy systems that are hard coded with AFRS data).

3. **Functionality.** Work is underway to map current state functionality to future ERP functionality, but cannot be finalized until the system integrator is onboard. There will be differences between the current functionality that AFRS provides and what functionality will be available in the new ERP software system. These changes will likely impact agency systems and interfaces.
   - OneWa/OFM IT have developed a detailed business process mapping tool outlining when functionality is anticipated to be implemented for finance, procurement, HR/ payroll and budget.
   - This work will help inform agencies of when to anticipate their systems/interfaces will need to be modified and when they might be able to decommission systems.

How OneWa will support agencies

For those 44 agencies with self-reported impacts, OneWa will contact each agency to provide a customized tool and instructions related to how to calculate resource needs. During summer 2020, OneWa will provide workshops for agencies to assist in the development of their OneWa-related budget requests.

OneWa is fully committed to supporting all agencies through this business transformation. The modernization and replacement of current systems will impact all agencies resulting in readiness, training, organizational change management and other resource needs. *Agencies should not request other OneWa-related resources* (FTEs, OCM, contractors, etc.) besides those related to agency system/interface modifications. OneWa will provide support to all agencies, not just the 44 agencies that can request resources.

OneWa will work with agencies to outline the resources required to complete people and process readiness activities in addition to system and interface readiness. OneWa will calculate organizational change management needs for all agencies and request the funding to support those needs. This may include a readiness pool or other methods for ensuring agency readiness resource needs are addressed.

OneWa will continue to communicate through agency points of contact and other means to ensure agencies are supported and ready for each phase of the modernization.

If the determination is made that your agency's system(s) and associated funding needs are not related to functionality being modernized by OneWa (budget, finance, procurement, HR/payroll), please refer to the beginning of this chapter (Chapter 10) for guidance.

For more information see the OneWa site, and/or the OneWa budget page, contact your OneWa agency point of contact or the OneWa Budget Manager, Briana Samuela, at Briana.Samuela@ofm.wa.gov.