



Chandler ♦ Arizona

<Enter Project Name>

<Enter Project Number>

Project Proposal

Prepared by: [<prepared by>](#)

Version Number: [<version>](#)

Date: [<date>](#)

Document History

Date	Version	Name	Description of Change

Approval Signatures

Approvals

Name:
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Name: <name>
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Date:

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Disapproved

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1. Proposal Overview

Project Name				
Sponsor		IT Responsible Person		Priority
				Risk Level
Tracking #	Cost Center	Fund	GAP type	Program Name

Vision Statement – How will this project contribute to the overall vision/strategy of the City of Chandler
Current Situation/Problem (Business Case)
Objective Statement – Succinctly describe the goals of this project

Scope – Succinctly define the high-level deliverables that are “in scope”	
In Scope	Out of Scope
Alternatives Considered	
Proposed Solution	
Business/Technology Assumptions	
Business/Technology Constraints	
Risk Factors	
Stakeholders	

2. Prioritization Criteria

There are 10 criteria upon which projects are scored. Please provide details of your proposal in the context of each criterion. The IT Oversight Committee will use these as a basis for scoring and ranking the proposal.

Under each category a project is awarded a number of points out of 10 reflecting the priority of that project. The higher the score in any category, the higher priority is being assigned to that project. As an example if a project had very high one-time costs it might impact funding for other projects and so may be prioritized lower and thus given a lower score.

Description of project in context of criteria					
1. Strategic for Future Plans (IT Strategic Plan)					
2. Feasibility of Implementation					
3. Related Projects					
4. Anticipated resources needed					
5. Regulatory, Environment or Government Mandate					
6. City of Chandler Values or Mission Statement and strategic goals of the City					
7. Intangible Benefits					
8. Customer/Citizen Service Level Impact/Expectations					
9. Uncertainty of information supplied					
10. Costs					
	<\$50k	\$50k<\$100k	\$100k<\$250k	\$250k<\$500k	>\$500k
Business Case Development Costs					
One time Costs					
Ongoing Costs					
Indicate for each cost type the range into which the proposal falls with an 'X'					

3. Detailed Costs and Benefits

	FY 04/05	FY05/06	FY06/07	FY07/08	FY08/09
Business Case Development					
One-Time Direct Project costs					
Hardware					
Software					
Consulting					
Backfill Staff					
Training					
Other					
Less: Direct Cost Savings					
Less: Revenue Increases					
Total Net Direct Costs	-	-	-	-	-
Indirect Costs					
Internal Staffing					
Other Internal Costs					
Total Indirect Costs	-	-	-	-	-
Ongoing Costs					
Support and Maintenance					
Staff Costs					
Other					
Total Ongoing Costs	-	-	-	-	-
Funded By Cost Centers					
Ongoing Funding Requested (S/B Zero)	-	-	-	-	-
Total Project Cost	-	-	-	-	-
Evaluation of Project Benefits					
Salary Savings					
OT Savings (non-exempt)					
Training Savings (Formal Training)					
Other Professional/Contract Services					
Technology Savings					
Hardware					
Software					
Printing Supplies & Charges					
Postage & Freight					
Telephone					
Other Cost Savings					
External Customer Time Savings					
Miscellaneous Savings					
Revenue Increases					
Total Project Benefit	-	-	-	-	-
Project Cost Benefit	-	-	-	-	-
Return on Investment	NA	NA	NA	NA	NA
Funding Requested					
One Time costs of Business Case	\$ -				
One Time Funding					
Ongoing (S/B zero)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Funding Requested	\$ -	\$ -	\$ -	\$ -	\$ -

Note: The cost benefit analysis focuses on issues that can be assigned monetary values. A true cost benefit analysis would also include items that are more qualitative in nature.

Note: The City is encouraging requests for project appraisals with a view to presentation for funding in the next budget cycle. Such appraisals will better define proposals and lead to greater understanding of requests that are presented.

4. Additional Information

Include any other pertinent project requirements documentation in this section. For example, more detailed information on the project requirements, i.e. user list, location list, etc. Delete this text when done.

5. Guidance Notes

5.1. Document Purpose and Instructions

This document is the medium used by City staff to develop information pertinent to a request for funding of a prospective IT project. This document is presented to the Oversight Committee by the sponsoring organization and is the basis for prioritizing the project. Prioritized projects are then presented to City Executives for funding approval as part of the GAP process.

The document is structured for your convenience. The proposal itself is contained in section 1 and is presented to the Oversight Committee. The rest of the document is for your guidance only.

5.2. Understanding what is a project

Projects and operations differ in that operations are repetitive and ongoing. Projects have unique characteristics and a definite beginning and a definite end. A project can be defined as a temporary endeavor undertaken to create a unique product or service. For the City of Chandler the prioritization of IT projects is the responsibility of the IT Oversight Committees. It is the responsibility of the Oversight Committee to present proposed projects for funding approval during the budget process.

5.3. The rationale for project prioritization

To ensure that Chandler addresses the City's highest priorities, especially during times of economic uncertainty and reduced growth, we have developed a mechanism that channels funding to those projects that provide the biggest contribution to citywide goals. This is achieved by convening a Committee with one representative from each department that will evaluate all proposed projects based on the fixed criteria detailed on the following pages. A scoring system is applied and the scores aggregated. The aggregated score is a representation of how high a priority the project is when viewed from an enterprise perspective.

5.4. Business Case Development

The past difficulties of developing a business case and specifics of the proposed solution have been recognized. To a certain extent this is inevitable because of the cycle of funding requiring information well in advance of implementation. This budget cycle we are encouraging expenditures to develop a business case for a potential project. Such a study would enable the City to understand the business environment and the problem being addressed. Details of the proposed solution would be developed together with costs and benefits. Such a process will

significantly improve knowledge of the project before funds are committed to the implementation. Business case development costs are one time funds and should be requested if an organization sees a significant opportunity that might be addressed if FY 05/06. Funds for the study should be requested as one-time costs during the FY 04/05-project prioritization process. Please note that if you are completing a project proposal, you should consult an IT project manager if you are unclear or need assistance in completing any of the impact categories. This is the key information that communicates the importance of the project. You should fill in all sections, if possible. The score obtained in each of these categories directly impacts the projects prioritization, and thereby, the chances of securing funding for the project.

5.5. Guidance Notes on Business Impacts

5.5.1. Strategic for Future Plans (IT Strategic Plan)

Strategic for future plans (IT Strategic Plan – Positive or negative impact to the ability to complete future projects or future goals for the city).

The IT Strategic plan contains the following recommended initiatives:

- *Enhance IT Service Delivery*
 - *Migrate to a centralized IT organization structure*
 - *Evaluate External service provider capabilities and costs to deliver IT infrastructure services*
 - *Establish standards and training programs for core IT competencies*
 - *Strengthen security management practices across the city*
 - *Establish comprehensive IT business continuity and disaster recovery policies and procedures*
 - *Formalize policies and procedures to support key IT business activities and processes (e.g., project/program management, security, procurement, etc.)*
- *Develop enhanced customer-centric programs and services through electronic delivery channels*
 - *Evaluate establishing a single portal for City electronic services and integrate current fragmented City web activities*
 - *Provide employee solutions that enable self-service*
- *Support City Growth*
 - *Strengthen data and application development and maintenance services pertaining to geographic information*
 - *Review current enterprise-wide implementation of electronic document management system*
 - *Evaluate existing applications portfolio for improvement opportunities*

- *Consider enhancing police re cored management functions through more integrated, seamless department-specific applications.*
- *Enhance communications infrastructure for seamless information access and sharing across the city*
- *Evaluate existing applications for constituent relationship management/complaint tracking system for more integrated, centralized access and management of constituent service*
- *Leverage Data to Support Effective Business Management*
 - *Provide measurement, monitoring, and evaluation tools for more effective enterprise wide business management*
 - *Enhance business decision-making processes for budgeting and forecasting functions*
- *Improve Business-Driven IT Decision Making*
 - *Establish robust IT governance structure and processes*
 - *Formalize IT investment management practices*
 - *Clearly define IT enterprise architecture*

Example: It was the recommendation of the IT Strategic Plan compiled by Gartner that the City further develops electronic communication channels to its Citizens. Specifically such an initiative would include making Citizen Service requests available over the web. This initiative is founded upon that recommendation.

*Example: It was the recommendation of the IT Strategic Plan compiled by Gartner that the City **Aggressively Maintain and Develop City Facilities and Infrastructure Through Capital Improvement Projects.** This initiative improves connectivity of existing and future City facilities.*

5.5.2. Feasibility of Implementation

This element is a measure of any implementation issues that significantly affect the likelihood of the project being successful.

Examples:

Technology – any known physical or technological integration issues make a project less feasible; the longer the length of time estimated between project initiation and go-live the less feasible is a project. Business - the existence of a proven track record in implementing the anticipated technology in comparable environments renders a project more feasible.

5.5.3. Related Projects

Project dependencies/interdependencies – When one project is dependent on another project, either to begin, end, or at a task level.

Example: This project cannot start until the Network Upgrade project is completed. Dependencies on other projects increase complexity and add risk.

5.5.4. Anticipated Resources Needed

Anticipated resource commitments required from city departments or external agencies to work on this project. An agreement with each department regarding internal resources needed must be agreed upon and commitments made by the impacted department.

Examples:

Internal Resource: This project will require approximately two Public Works Senior Engineers full time for two months, one analyst from PD half time for three months, one vendor implementation consultant full time for three weeks and one IT Database analyst full time for two weeks. If significant resources are required from functional or technical staff with only limited availability, the project is less likely to be successful.

External Resource: If using known third party vendors with a proven track record, or there is an available skill set pool that will be used and is included in the costs, the project will score higher in this category. If the project will require “500 consulting hours of Microsoft SQL scripts”, there is an available pool for such skills that the City can utilize. The project will score higher if the resource availability is more certain and is included in the costs.

5.5.5. Regulatory, Environment or Government Mandate

Regulatory, environmental or governmental mandate – Any mandate made by City, State or Federal governments such as EPA, IRS, etc.

Example: Data currently being fed to the IRS for W2 and tax collection had changed format. It is a mandate of the IRS that the new format be utilized by 01/01/02.

5.5.6. Business Drivers and Strategic Imperatives

As part of the process of developing the IT Strategic Plan, Gartner met with City executives to understand the goals of the organization and the expectations of IT going forward. Work sessions resulted in the definition of the business drivers and strategic imperatives of the organization. These are detailed below and a project should describe

in the context of the business drivers and strategic imperatives because that is the direction for the organization as defined by senior management.

Business Drivers: *Definition and Description*

Business Drivers are the forces that require the City to take action in response to environmental trends over the next three to five years. Environmental trends are the social, political, economic and technological directions and events that affect the County at large. Example business drivers include:

Growth in Service Demand—As the “resource of last resort” in hard economic times, the City needs to meet growth in service demand.

Equity in Service Delivery—Need to ensure equity in the provision of City services.

Balance City Budget—City needs to balance its budget despite downturn in economy.

Based on workshops with City staff, Gartner has identified a number of business drivers for the City to consider during this strategic planning process. These business drivers include the following:

Rapid City Expansion and Build-Out—This driver is due to strong residential growth, with revised projections showing 90 percent build-out of residential areas in 10 years.

City Economic Development—This driver seeks to increase quality of life for City residents by generating quality employment opportunities and economic activities; revitalizing downtown and addressing commercial vacancies; and managing modest growth in commercial and industrial growth as compared to other communities.

Aging City Residential and Commercial Centers—This driver seeks to revitalize and preserve older neighborhoods; and identify and address distressed commercial centers.

Stressed and Aging City Support Infrastructure—This driver is due to current City support infrastructure being strained by coping with City expansion and build-out. Older elements of the current infrastructure require maintenance and enhancement to cope with current and future needs. In addition, this driver recognizes the need to increase capacity of transportation routes and improve public transit.

Changing City Social and Political Environment—The City will soon be challenged to integrate a new Council, City Manager and Police Chief and respond to changing management directives and priorities. Additionally, City demographics are changing with population growth, forcing the City to respond to changing customer expectations and service demand.

Reduced State Funding and Increasing Internal City Costs—State-shared revenues to Chandler have been reduced by more than \$3.5 million dollars for the 2003–2004 fiscal year. Meanwhile, internal costs for retirement and medical benefits have increased by about \$2.5 million, resulting in a reduction of ongoing funds available for distribution. In

addition, the City faces compliance with new Federal and State mandates such as environmental regulations for air and water quality and Homeland Security requirements for emergency response and enhanced public security.

Business Strategic Imperatives

These are approaches to meeting the demands of business drivers that are essential to ensure viability of the enterprise in the next three to five years, and are critical to meeting its mission. Example Business Imperatives include:

Budget Constraints—Find new or increase current revenue sources, reduce service costs or discontinue some services

Self-Service—Enable constituent and staff self-service

Security Threats—Increase health and safety emergency readiness.

Based on workshops with City staff, Gartner has identified a number of business strategic imperatives for the City to consider during this strategic planning process. These imperatives include the following:

Aggressively Maintain and Develop City Facilities and Infrastructure Through Capital Improvement Projects—This imperative implies a commercial investment and reinvestment program as well as efforts to improve transportation, water, waste, water recreation, public safety facilities and infrastructure.

Attract Quality Commercial Development to the City—The goal of this imperative is to diversify the City's employment base and enhance the City's ability to compete effectively against other communities for employment and commercial development.

Manage Residential Development and Quality of Life—This imperative ensures that City service availability reflects the growth and development of the City while improving the quality of older neighborhoods through neighborhood revitalization and preservation.

Improve Program Resource Management Practices—This imperative seeks to ensure that project funding accounts for both one-time and ongoing operational costs. Better understanding promotes more insight to changing priorities (e.g., staff asked to re-prioritize capital projects over the upcoming five-year period and whenever possible, defer the building of facilities needing new personnel or ongoing costs).

Evaluate and Improve Internal Business Processes that Support City Services—This imperative focuses on both efficiency and effectiveness. One example is to automate and streamline end-to-end processes, rather than automating inefficiencies and fragmented processes. For instance, moving City services closer to the customer through more remote field sites, e.g., police, fire and public works sub-stations would promote efficiency and effectiveness. Additional examples include:

Enhance citywide collaboration and information sharing as informational requirements and business processes span business functions across the City, e.g., public safety and criminal justice

Enhance customer self-sufficiency in their use of City services

Example: *Evaluate and Improve Internal Business Processes that Support City Services*

- *Implementing specialized software for the IT help desk uses open communication, the communication channel is open because all City staff can track their support calls and are given the opportunity for feedback for every desktop support ticket. Feedback can also be measured and service levels improvements be tracked and communicated.*

5.5.7. Intangible Benefits

Intangible Benefits – Positive or negative impacts that are not directly quantifiable but are real benefits (or the opposite, negative impacts). Such intangible or qualitative factors should be detailed to enable a full understanding of the benefits of the project. Where savings are direct and quantifiable these should be detailed in the separate one-time and recurring cost impacts, items 10 and 11 below.

Example: *With this project, the citizen will no longer be required to visit City Hall to conduct business.*

Example: *This project will significantly improve customer satisfaction by improving response time for Internet access in peak periods.*

5.5.8. Customer / Citizen Service Level Impact / Expectation

Department/division/citizen service level improvements

Example: *Web enablement of this application will significantly improve the citizen's interface to the City and reduce the time spent on addressing customer service requests.*

5.5.9. Uncertainty of Information Supplied

This criterion reflects the amount of 'uncertainty and risk' with the proposal. Every proposed IT/GIS project requires professional estimates. When the uncertainties are substantial regarding any of the evaluation criteria, this allows for estimating that uncertainty. Projects that have little risk should score higher in this category.

Example: *If the planned technology is found to be infeasible, this may significantly increase the project costs. If anticipated resource commitments are found to be*

unrealistic then project costs could escalate or the project become infeasible or be delayed.

5.5.10. Costs

Business Case Development Costs

This budget cycle expenditures to develop a business case for a potential project are encouraged. Such a study would enable the City to understand the business environment and the problem being addressed. Details of the proposed solution would be developed together with costs and benefits. Such a process will significantly improve knowledge of the project before funds are committed to the implementation. Business case development costs are one time funds and should be requested if an organization sees a significant opportunity that might be addressed if FY 05/06. Funds for the study should be requested as one-time costs during the FY04/05 project prioritization process.

One Time Costs

*One Time Costs – An understanding of the total initial cost of the project is required. Because typically there is significant uncertainty in this area, we assign the project to broad bands of one-time costs. If the project will result in cost savings in the year of implementation you should detail this by showing the total cost of the project, the cost saving in the year of implementation, and the net cost to the City in the year of implementation. You should enter a check mark against the band into which the net cost of the project falls. Account should also be taken of the indirect costs in the cost band specified. Indirect costs, especially staffing costs, should be included in the total costs. Thus, the costs of using City staff on projects should be costed at mid step hourly rate of pay for the skill set plus one third for overhead. If the rates of pay for a Systems Analyst is 18.95-26.54, a per hour cost of 30.33 $((18.95+26.54)/2*1.33)$ and usage for 1000 hours increases the cost of the project by \$30,330. These internal costs should be clearly noted in the details below. You may also show costs avoided by this project. For example, if the project will eliminate the need for the recruitment of an extra member of staff, this is a cost avoidance and can be detailed. The net cost of the project to the City is the total cost of the project less cost savings less costs avoided.*

Example: *Use Sample Worksheet Below*

Ongoing Costs

Ongoing Costs - An understanding of the recurring costs of the project is required. Because typically there is significant uncertainty in this area, we assign the project to broad bands ongoing costs. If the project will result in recurring cost savings in the years following implementation you should provide details of the recurring cost savings

by showing the total recurring cost of the project, the recurring cost saving and the net cost to the City in the years after implementation. For example if a project has an average of \$55,000 recurring cost and results in an average cost saving in future years of \$10,000, the net recurring cost is \$45,000. You should enter a check mark against the band into which the average net recurring cost of the project falls. Internal costs, especially staffing costs, should be accounted for in this category, in a similar manner to the treatment of one-time costs detailed above, you should include such recurring costs in the total and clearly detail these costs below. Recurring costs avoided can also be treated in a manner similar to above.

Please note that recurring costs should be funded from existing budget resources unless additional recurring costs can be justified by emergency or mandated requirements. Projects that request ongoing funding without such justification will not be funded.

Example: A software implementation will generally require annual support and maintenance fees. These costs recur each year that the software is in use and are thus an ongoing cost of the project. Projects that will require permanent staffing would include the costs of staffing in ongoing costs.