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STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION

Enterprise I.T. Services Division

A TECHNOLOGY INVESTMENT REQUEST (TIR) GUIDE
For using the
TIR SERVICE AND RESOURCE PLANNER

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Version 2.2

A TIR Guide: Defining and Evaluating Risks

INTRODUCTION

This is a companion guide to using the ***TIR Service and Resource Planner (S&RP)***. The S&RP is the methodology for capturing five years of cost and financial benefit data for the TIR. It can be used to characterize costs and benefits for a single IT solution, or used to make cost and benefit comparisons between viable alternative solutions. Completion of cost and financial benefit information in the S&RPS worksheets results in the calculation of a five year Total Cost of Ownership and ROI measures.

Sections of the Service and Resource Planner include:

- C-0: Project Setup
- C-1: Vendor Services
- C-2: Vendor Deliverables
- C-3: EITS Hourly Services
- C-4: EITS Infrastructure Service and Support
- C-5: Agency Project Infrastructure
- C-6: New State Staff (project related**)
- C-7: Miscellaneous & Facility Costs
- C-8: Financial Benefits
- C-9: ROI

The following provides general guidance to completing these sections in the S&RP Workbook. Similar guidance is provided in each worksheet in the S&RP.

SETTING UP THE IT PROJECT

C-0: PROJECT SETUP

The first section of the S&RP Workbook captures basic TIR/project information for a solution alternative for the proposed IT project. The information input on **C-0** will automatically be portrayed at the top of each subsequent S&RP worksheet, avoiding unnecessary re-entry.

Project definition information entered here is automatically input to each of the subsequent worksheets. It includes:

TIR Name: This should correspond with the name used on the other TIR documents.

Agency Name: This includes Department as well as Division and section/program.

Budget Account: The 4 letter budget account.

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Decision Unit: This is the primary decision unit used for a Biennial TIR. Please refer to **A TIR Guide: A General Guide to Developing the TIR Business Case** for picking an appropriate decision unit number.

Fiscal Year: This is the beginning TIR fiscal year. It should correspond with the beginning year for this Technology Investment Request. The year entered here will automatically update each subsequent worksheet, cascading across all worksheet tables to set the five year period.

Alternative ID: A name should be provided for the alternatives being portrayed in this workbook. The name should necessarily correspond with the name that was evaluated earlier when the *Alternatives Evaluation Table* was used to show this as a viable alternative (see **A TIR Guide: Comparing IT Alternatives to Find Viable Solutions**). It is suggested that a separate *S&RP* workbook be created for each viable alternative to allow for a cost and ROI comparison. The summary *S&RP ROI* measures for competing viable alternatives should be copied to the **CBA Workbook** for further comparison. A CBA comparison is required for all projects costing more than \$500,000 that have more than one viable alternative. [see **A TIR Guide: Cost Benefit Analysis** for further explanation].

CAPTURING COSTS

C-1: MSA & VENDOR SERVICES

The *Service Unit and Cost* table of this worksheet captures the number of service hours required for vendors and Master Services Agreement (MSA) contractors or contract vendors. Service hours should be input for both implementation and support for an IT solution. It is recommended that implementation hours be broken into meaningful parts/phases of a project. Examples are provided in the table under *Implementation Costs*. Please stay with this general lifecycle implementation scheme, but the names of the particular project service activities may be modified. Please enter the associated hourly rates in the column provided. Supporting cost documentation from vendors should be kept for reference. Current MSA Rates are available from the State Purchasing Division.

If there are previous project expenditures for vendor or MSA services, please capture the total cost in the cell provided (Prior Service Expenditure), allowing a more complete picture of total project costs.

Vendor/MSA service costs are automatically calculated and displayed in the *Calculated Costs* table, as well as the *Five Year Cost* table of this **C1** worksheet.

C-2: VENDOR DELIVERABLES

This worksheet is used to capture vendor fixed cost deliverables. As with the **C1** worksheet, the examples that are provided in the table under *Implementation Costs* should

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be replaced with the meaningful cost categories for the deliverables characterized by the solution vendors. Costs are input in the cells provided by year for implementation and annual support deliverables. All costs should have supporting cost details.

If there were prior expenditures for vendor deliverables on this project, please capture that cost in the cell provided (*Prior Expenditure – Vendor Deliverables*). Five years of deliverable costs are calculated and shown in a summary table on this worksheet.

Please note that the total 7060 vendor costs entered for the project in NEBS will be the total of all the costs related to vendor services (**C-1 MSA&Vendor Services**) added to the total costs for vendor deliverables on this **C-2** worksheet).

C-3: EITS SERVICES

This sheet captures service hours required for application design, development and support, as well as database analyst support from the EITS Enterprise Application Development (EAD). These hours should be based on a quote provided by EAD. The rates shown for programming and DBA support are from NEBS and contained in the rate table on **C10a- FY10-11 EITS Rates**. The example line item descriptions provided in the table *EITS Hourly Services* table should be replaced with the actual categories of service used in the EITS EAD quote. The EAD quote should accompany the **S&RP** when submitted with the TIR.

As with the other worksheets, if there are prior EITS service expenditures for this project, please input the total amount in the cell provided (*Prior EITS Hourly Project Expenditures*).

If you have questions or need assistance regarding service quotes for budgeting, contact EITS's Help Desk (775-684-4333; Helpdesk@doit.nv.gov).

Descriptions of EITS's services can be found on EITS's Web site:

<http://doit.nv.gov/DoITServices.htm>

C-4: EITS INFRASTRUCTURE

This sheet captures planned EITS utilization for established units of service for development and production support for the project's application/system/environment.

The rates shown in the *Infrastructure Support* table are driven by current EITS rates in tables **C10a** and **C10b**. Based on the project's startup year (entered on **C0-Project Setup**), the appropriate 5 year timeline will be shown on this sheet and the appropriate rates will be used for each year. Enter the service units in the cells provided and costs will be automatically calculated. Also, as with the other worksheets, enter any prior project expenditures in the cell provided (*Prior EITS Infrastructure Expenditures*).

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Some of EITS's technical support services are tiered based on utilization related to capacity and throughput. *Units of Service* should be estimated in collaboration with the service manager for the particular service being planned. EITS's Capacity Planner is available to assist in estimating your needs to assure that an adequate plan for support is created.

If services involve wide area network support, please provide cable wire drawings to include workstation, printers and data closet locations. This information is required for the bid process. Contact the EITS Helpdesk (775-684-4333; Helpdesk@doit.nv.gov) to be connected to the EITS Communications Division for all fiber or new cable runs in excess of 50 new termination points. The EITS Helpdesk can also provide connection to other appropriate service managers to estimate utilization.

If you are uncertain about this process or have any questions, please call EITS's general number (775-684-5800) and request assistance from EITS Planning.

EITS's Service Catalog describes available services:

<<http://doit.nv.gov/DoITServices.htm>>

C-5: AGENCY PROJECT INFRASTRUCTURE

The **C-5** worksheet captures the cost of departmental computing resources (hardware, software and local agency networking equipment) for the proposed project solution. Costs for standard equipment are from NEBS (see **C-11: Hardware & Software Costs**). Requests for equipment not included in the **C5** table, or costs exceeding minimum standards must include justification for the larger configuration or unit cost. This can be provided as a TIR attachment. Items not in the list can be entered in the *Other Amounts* table at the bottom of the worksheet. Please refer to **State of Nevada Policy, Standards, and Procedures 2.3** and **3.3** located at <http://psp.state.nv.us/psp.htm> for more information regarding IT equipment standards.

To complete this worksheet, fill in the total number of units of each item. New rows (not in the prior version of this worksheet) have been provided for including *Ongoing Costs*. These are costs for necessary replacement of equipment acquired specifically for this project. This was not a consideration when only two years of cost data were being captured in the S&RP. However, it is a necessary consideration now, as there is a larger cost projection timeframe.

Contact the EITS Technical Services Unit at (775) 684-5800 if you require assistance completing this form, or in establishing appropriate system configurations for your agency. Note that initial budgeting costs are included from NEBS. Please refer to the date above that indicates when the unit costs were last updated in this spreadsheet. Contact EITS [775-684-5800] if it appears you have an older worksheet with outdated costs.

As with the other worksheets, please indicate any prior expenditures that are specifically committed to this project. This cost should be input in the cell marked *Prior Agency Project Infrastructure Expenditures*.

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PLEASE NOTE: For items not in the list, please contact State Purchasing first in acquiring costs, as they may already have vendor quotes. Items with costs not in the standard list will require supporting cost quotes. If you have technical questions, please contact EITS (775-684-5800).

C-6: NEW STATE STAFF

Personnel costs are now captured in the S&RP to allow for a more complete total cost of project ownership. It is important to note that these costs *DO NOT* go into the Decision Unit for the TIR. The budget office has instructed agencies to create a separate decision unit in NEBS if they request state staff for their IT project. Therefore the TIR decision unit will be for all costs related to the TIR except for the state staff and their related ancillary costs. The other decision unit will be for the state staff and those staff support costs captured on this **C-6** worksheet. The staffing decision unit number should be input in the cell provided at the top of this worksheet. Agencies must reference the two decision units in their TIR and budget narratives to ensure the budget office knows the two are dependent on each other. This process allows the budget office to transfer non-personnel costs to BA 1325 if the TIR is approved and leave the related personnel costs in the agency's budget.

Occasionally, positions will be required to backfill subject matter experts needed on the project. *DO NOT* include staff that are still needed if this project is not funded. You should only include staff that directly relate to the implementation and ongoing support of this IT project and its resulting system/application/IT environment. NPD19's are required for all State positions. All State IT positions will require approval from the Governor's Staffing Review Panel.

To complete this worksheet, you must first create the positions needed in a working version of NEBS (refer to Chapter 17 of the current Department of Administration's ***State of Nevada Biennium Budget Instructions***). This will allow you to capture benefits and all of the other associated costs for the position. With this information you can complete the **C-6** worksheet. Include the number of FTE you need. For costs, use the Employer Paid retirement option [as per the Budget Instructions, Appendix E, under Cat. 01] for each class Title/Option. The total costs from NEBS for one FTE for that position classification should be input in the **C-6** table. Positions are generally budgeted to start in October of the first year. If this is the case, enter .75 FTE for that first year and the accurate salary and fringe benefits will be calculated. Also, adjust the FTE accordingly for late starts or for positions that are not full time. Indicate in the column provided if this is to be a EITS housed position. If uncertain, input a "?."

C-7:-- MISCELLANEOUS AND FACILITY COSTS

This **C-7** worksheet captures miscellaneous project and facility costs. *DO NOT* use this sheet to capture ancillary costs for new staff (see guidance for **C-6** worksheet above). Categories and Object Codes are provided here that correspond with NEBS.

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Standard categories for travel have been included. Please describe the travel involved and input associated costs in the cells provided. Most travel may be associated with implementation. However, space is provided for ongoing travel, such as reoccurring trips to National meetings that relate specifically to the project, whether they are related to the business solution or technical support for the solution.

Operating costs and other miscellaneous cost categories have been included. Object Codes (“Cat.”) and GL can be determined by the agency and input in the cells provided.

As in the other worksheets, please capture the costs of prior agency expenditures in the cell provided.

C-8:– FINANCIAL BENEFITS

This **C-8** worksheet captures financial benefits for the project. The benefits for increased revenue or savings (cost reductions or cost avoidance) that were mapped using the TIR benefits mapping methodology can be input here. Please refer to ***A TIR Guide: Defining, Mapping and Tracking Benefits*** for more information on capturing financial benefits.

C-9:– ROI

This **C-9 ROI** worksheet presents a cost and benefit summary for the IT project solution. The five years of implementation and ongoing costs captured on the **C1** to **C7** worksheets are shown as line item summaries. ROI calculations are automatically created based on these costs and the **C-8: \$Benefits** worksheet. These can be copied to the **CBA Workbook** for further cost benefit analysis (see ***A TIR Guide: Cost Benefit Analysis***).

For further information please contact EITS Planning (775-684-5800).