

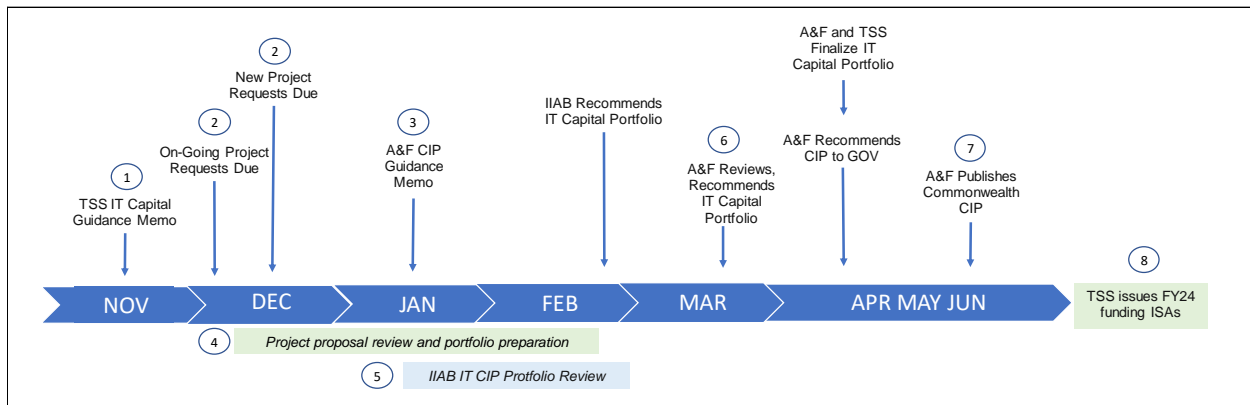
Executive Office of Technology Services and Security
Office of Capital Planning
The capital planning framework

The capital planning framework

The Executive Office of Technology Services and Security (EOTSS) oversees the information technology (IT) capital investment portfolio through the Office of Capital Planning. The EOTSS secretary, in collaboration with the IT Investment Advisory Board (IIAB), reviews and recommends projects for inclusion in the annual IT Capital Investment Plan (CIP) based on this capital planning framework. The Framework also includes the tools and processes that govern individual project governance and implementations, and how completed projects are assessed for benefits realization.

The framework provides guidelines and standards for the annual IT capital planning process of the executive branch secretariats and agencies (hereafter referred to as ‘agencies’) and is recommended best practice for all other agencies outside of the executive branch.

This document provides information on how proposed IT projects are included in the IIAB recommended Capital Investment Program (CIP) portfolio (Section 1 below). How CIP projects are governed and monitored is the subject of a second document.

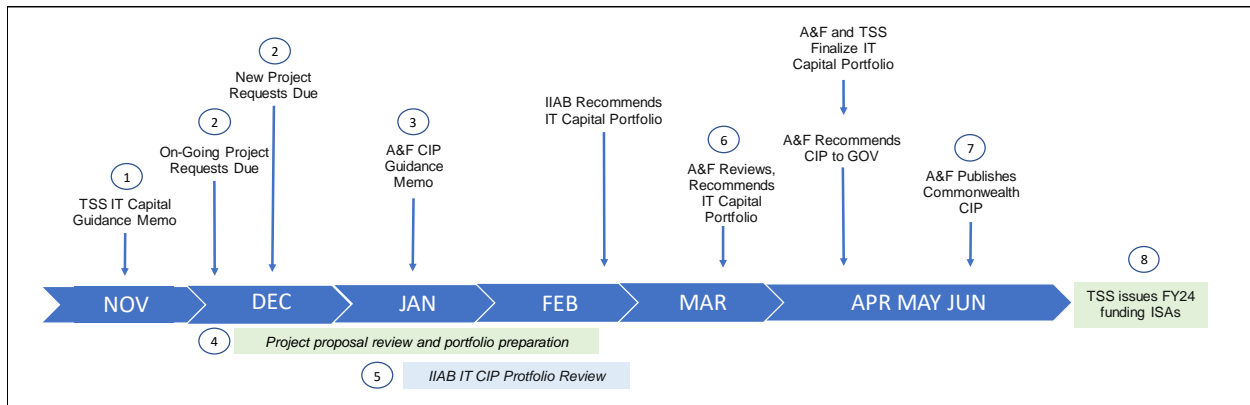


Section 1: Projects proposed and portfolio recommendations

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The Office of Capital Planning issues standards and guidance on how IT investment proposals should be written and presented, reviews IT investment proposals, assists the IT Investment Advisory Board in making funding recommendations to the EOTSS Secretary, and shepherds the Secretary's final recommendations through the Administration & Finance funding process.



The projects proposed and portfolio recommendation process

① EOTSS IT capital funding request guidance

This memo summarizes the information and processes that the Executive Office of Technology Services and Security (EOTSS) utilizes for the review and consideration of IT capital funding requests.

② CIP capital planning template

For both active and proposed investments business sponsors are expected to show how these investments fit the Administration's and Agency's business priorities, and the overall IT strategy. For active projects, business sponsors are expected to have reviewed current project schedules, milestones, and budgets and to take the opportunity to recast the expectation for the new planning cycle.

③ A&F IT CIP development guidance

This memo summarizes the information and processes that the Executive Office of Administration & Finance requires secretariats and agencies to follow when developing the annual CIP. This document is published after the distribution of the EOTS guidance and contains information requests not specifically required by EOTSS, such as Climate Resilience Evaluation and location specific benefits.

④ Project proposal review and portfolio preparation

Proposed CIP investments projects undergo a process of review and negotiation before they are included in the final recommended CIP that is presented to the Executive Office of Administration & Finance (A&F) for approval, and subsequently for approval by the Governor. Ultimately the cost of the EOTSS recommended CIP must fit within the bond funding 'cap'.

Capital spending limits and bond cap

There are limits placed on capital spending in part because the Commonwealth wants to make sure that the debt service needed to support this spending stays at a manageable level. To handle this, the state has put into

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place three primary measures: creation of a Capital Debt Affordability Committee to provide guidance and oversight; creating a bond cap; and establishing a direct debt limit.

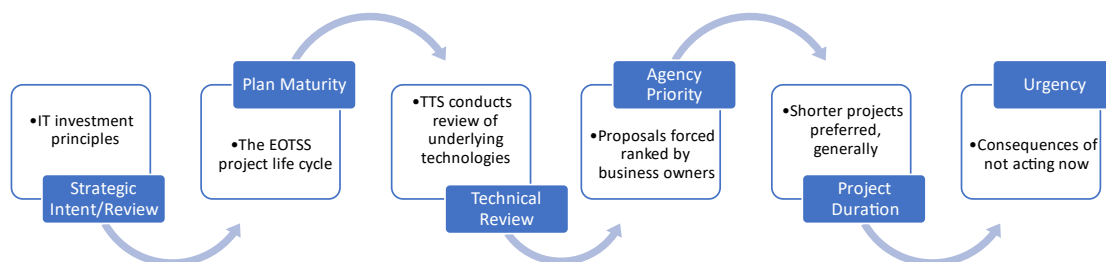
The investment proposal review process

The investment proposal review process begins in mid-December and ends before the end of February when the IIAB makes its recommendations to the EOTSS Secretary. The EOTSS Secretary then submits a recommended CIP for A&F at the beginning of March.

When the Office of Capital Planning reviews an investment proposal the following characteristics are taken into consideration:

- a) have the benefits to the Commonwealth been clearly articulated?
- b) does the project focus on business process first, then the technology solution?
- c) is there a detailed project plan available?
- d) is there a plan for milestones/outcomes within 6 month timeframes
- e) has the operational support necessary to ensure successful project outcomes been identified by the project sponsors/managers and agreed with the operations managers?
- f) is the project team striving to achieve 80% solution functionality to declare success? - DONE is always better than PERFECT.

Typical steps in the project selection and review process, bearing these six characteristics in mind, follow a generalized process as follows:-



Strategic intent/Strategy review

As a general principal technology investments should be used to improve the delivery of government services and make them more accessible to the public, to improve the efficiency of government operations, to protect the security and privacy of government information and the personal information of Massachusetts residents, to improve the transparency and accountability of government, and to promote economic growth and opportunity in Massachusetts.

We therefore parse our investment opportunities into the following strategic cohorts:

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Strategic cohort	Desired outcomes
Citizen-centric	These are projects that focus on providing new or better services to citizens, businesses, and visitors.
Operational efficiencies	These are projects that focus on improving government performance and making internal operations more efficient and cost effective.
Transparency & Accountability	These projects focus on using digital tools to better work and collaborate with citizens.
Infrastructure and Networks	Ensuring that foundational technologies like communications networks, infrastructure components and data and applications hosting environment are resilient, scalable, flexible, and always available.
Cybersecurity	Ensuring that government assets and applications, and citizen data, is secure and properly protected.

Strategic intent/Strategy review

Proposed capital projects will also be reviewed in the context of (updated) Secretariat IT Strategic Plans and Administration priorities.

The EOTSS Office of Strategy Management will conduct a review of proposed projects to ensure that they conform to EOTSS standards and are optimized across all project proposals.

Plan maturity

Projects that pass the Strategic Intent/Strategy review gate will be reviewed for maturity of the business case and project plans. The business case must comply with the requirements of the EOTSS Business case standard. Each of the elements outlined in the standard must be addressed and, where appropriate, supporting material provided.

Please review the *Project Management Principals* section. To the extent that you need assistance with Project Management Principals you may request access to the Project Management Panel of Experts (PMPE) who can provide advice and recommendations for the implementation of a project management practice or improvement thereof.

Technical review

The IT Technical Review Panel is established to provide technical review and guidance for all proposed IT CIP projects ensuring that all technology initiatives align with the EOTSS standards and comply with industry best practices. The panel is responsible for reviewing the technology in proposed initiatives, providing feedback, and making recommendations for improvements.

Agency priority

We ask all Secretariats and Agencies requesting funding for both active and new projects to score each project for strategic fit (business and IT), investment urgency, risk identification and remediation, complexity and business case maturity, each factor on a scale of 1 to 5 (low to high). This results in a score over a base 30, the higher the score, the higher the perceived value of outcomes. These scores are used to rank projects and help with setting priorities.

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when addressing limited funding allocations. In addition, we do ask that all Secretariat Chief Information Officers force rank their projects and explain the implications to desired outcomes if any projects are partially funded or not funded at all.

Project duration

A Program is a collection of related projects. The CIP portfolio could be considered a 'program', for instance. Where programs are active it is required that each individual project within the program be submitted to individual review. Programs tend to have long durations; projects are expected to have shorted durations. Shorter duration projects are preferred over long term programs.

Urgency

Project urgency refers to the level of time-sensitivity or priority assigned to a particular project. It indicates how quickly the project needs to be completed or how soon the deliverables are required. Urgency can be influenced by various factors, such as business risk management and remediation, stakeholders' expectations, or regulatory requirements. It is important to determine and communicate the level of urgency for a project to ensure that funding is prioritized, and resources are allocated effectively.

⑤ The IIAB IT CIP Portfolio Review

The Executive Office of Technology Services and Security (EOTSS) oversees the information technology (IT) capital investment portfolio through the Office of Capital Planning (OCP). The IT Investment Advisory Board (IIAB), in collaboration with the Office of Capital Planning, reviews and recommends an IT Capital Investment Plan portfolio to the EOTSS Secretary. The Secretary then presents his recommendations to A&F for inclusion in the Governor's annual IT Capital Investment Plan (CIP). This process plays out in December, January, and February of each fiscal year.

The IIAB meets three times during the months of January and February to review drafts of the proposed investment plan prepared by the Office of Capital Planning (OCP). Between each of these meetings OCP meets with all business sponsors to review the status of their proposed investment plans and consider feedback as funding decisions are made. This consultative process is a fundamental part of the CIP portfolio review.

Contingency

Contingency planning is an important part of project management and involves identifying potential risks and developing a plan to mitigate them. The contingency plan typically includes a list of possible risks, the likelihood of each risk occurring, and the impact it could have on the project. It also outlines the steps that will be taken to address each risk if it occurs, including the resources that will be required and the timeline for implementation. Every CIP project should have a contingency/risk management plan.

CIP contingency is held at the portfolio level and to the extent that individual projects need contingency funding Secretariat Chief Information Officers should in the first instance contact the Office of Capital Planning. OCP will assist in preparing an application to the IIAB, which must hear all contingency requests and make recommendations to the EOTSS Secretary.

⑥ A&F Reviews, Recommends IT Capital Portfolio

The recommended CIP portfolio for the upcoming planning cycle is submitted in some detail to the Capital Team at A&F in the first week of March. A meeting is scheduled for the EOTSS Secretary to present the recommended CIP to the Secretary of Administration & Finance towards the middle to end of March. In the

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meantime, the EOTSS capital team interact with the A&F capital team to ensure that the A&F side fully understand the recommended CIP.

⑦ A&F Publishes Commonwealth CIP

After the Secretary to Secretary meetings A&F consolidates all Commonwealth wide CIP requests and determines what level of funding can be provided. The EOTSS CIP request may therefore be amended by A&F in the context of Commonwealth and Administration priorities. This (potentially) amended CIP request becomes the basis of an A&F presentation to the Governor, which takes place towards the end of April. If the Governor, or the Governor's Office has no additional requirements that have not already made their way into the CIP, this version of the EOTSS CIP funding request becomes final.

A Commonwealth CIP must be published before June 30.

⑧ The Interdepartmental Service Agreement (ISA)

The Interdepartmental Service Agreement (ISA) is the contract that documents the business agreement (joint venture) between two Commonwealth departments within any branch of state government. The ISA must comply with funding language in any appropriation act (General Appropriations Act, interim budget, or supplemental budget) funding the ISA, as well as all applicable general and special state or federal laws, regulations, policies, and procedures.

It is important to read and understand the terms and conditions of the ISA. Particular attention should be paid to, *ATTACHMENT A – TERMS OF PERFORMANCE AND JUSTIFICATIONS Section 8*. For convenience, this section is reproduced here:

[REQUIRED] Identify the format and timing of ISA reports to the Buyer/Parent Department. Include the type of reports (e.g., progress or status, data, etc.), timing of reports (e.g., weekly, monthly, final) and the medium for submission of reports (e.g., e-mail, Excel spreadsheet, paper, telephone):

Monthly Status Reporting (Dashboard):

The Seller shall submit to EOTSS, on a monthly basis, project performance metrics that will be sufficient to derive a project status representation to date. Performance metrics to be reported on are (but are not limited to) the following:

- **Project Assessment** – Clear and succinct summary stating the overall state/status of the project and its likely outcomes. The Project Assessment should address 3 areas: 1.) the state of the project as of a particular moment in time; 2.) a brief statement of where the project expects to be in the next 1-3 months and 3.) a concise statement which describes the outlook of the major objectives of the project throughout the project's life.
- **Current Fiscal Year Objectives** – The Current Fiscal Year Objectives should reflect what was documented in the most current Capital Investment Plan (CIP) submission. Additionally, any objectives that were added to the project scope during the course of the current fiscal year should also be captured and tracked in the WBS of the project plan and schedule.
- **Current Fiscal Year Plan Performance** – This metric references the cumulative total number of tasks planned to start and finish each month as compared to the cumulative total number of tasks that actually started and finished.
- **Change Control** – The intent of the Change Control metric is to display, in an easy-to-read format, the changes to the project's schedule and/or budget as it relates to the project's defined fiscal year objectives.
- **Schedule Overview** – The Schedule Overview depicts the percent complete for each project objective and major phase (Initiation, Planning, Execution, & Closure) of the project.

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- Current Fiscal Year Financial Performance – The Current Fiscal Year Financial Performance metric summarizes the project’s financial activity with respect to the approved capital budget, forecasted spend plan, commitments, and expenditures for the current fiscal year. Moreover, this metric should also factor in total estimated project cost over the life of the project.
- Project Risks – The Project Risks list is used to provide management with the highest level and most critical risks impacting the project. The top risks should be taken directly from the project’s risks log.
- Project Issues – The Project Issues list is used to provide management with the highest level and most critical issues impacting the project. The top issues should be taken directly from the project’s issues log.
- Executive Attention – Very clear synopsis of any issues the team feels needs immediate executive support or action on, or to give an executive clear warning of a major concern or action of the team.

The Buyer (EOTSS) may communicate the status on any capital project, derived from monthly performance metrics, both internally and externally as a means of transparency. Additional and/or more frequent and detailed reporting may be required as it is deemed necessary to oversee the project.

This section of the ISA is the foundation of the Project Performance Metrics component **Portfolio governance and implementation** function undertaken by the TSS Office of Capital Planning.

End/...