

 IT Project and Procurement Guidelines	Guideline No.	ITS-1004-G	Rev	A
	Owner:	IT Security and Compliance		
	Approved by:	Sheryl Okuno, Director		
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1. Purpose

In compliance with CSU Executive Order 862, this guideline establishes the process to follow for all University information technology projects, including both goods and services, that is neither routine nor recurring but:

- a) Has an estimated cost for procurement and implementation which is \$500,000 or more, or
- b) Comprises an activity that regardless of costs poses a high project risk or will have a high impact on the CSU.

2. Entities Affected by This Guideline

These guidelines applies to any University employees who are authorized by position or job responsibilities to prepare, evaluate, select, approve or implement any information technology projects estimated to cost \$500,000 or more, or that pose a high risk or impact on the campus.

3. Definitions

- a) **IT Project:** For the purpose of this document, a procurement of information technology goods or services that is neither routine nor reoccurring, but that has an estimated cost for procurement and implementation that is \$500,000 or more, including personnel costs; or that comprises an activity that, regardless of cost, poses a high project risk or will have a high impact to the CSU.
- b) **Level 1 Confidential Data:** Confidential data is information maintained by the University that is exempt from disclosure under the provisions of the California Public Records Act or other applicable state or federal laws. Its unauthorized use, access, disclosure, acquisition, loss or deletion could result in severe damage to the CSU, its students, employees or customers. Financial loss, damage to the CSU's reputation and legal action could occur if data is lost, stolen, unlawfully shared or otherwise compromised. Level 1 data is intended solely for use within the CSU and limited to those with a "business need-to-know." Statutes, regulations, other legal obligations or mandates protect much of this information. Disclosure of level 1 data to persons outside of the University is governed by specific standards and controls designed to protect the information.
- c) **Level 2 Internal Use Data:** Internal use data is information that must be protected due to proprietary, ethical or privacy considerations. Although not specifically protected by statute, regulations or other legal obligations or mandates, unauthorized use, access, disclosure, acquisition, modification, loss or deletion of information at this level could cause financial loss, damage to the CSU's reputation, violate an individual's privacy rights or make legal action necessary. Non-directory educational information may not be released except under certain prescribed conditions.
- d) **Third-party Service Provider:** Refers to an entity that is undertaking an outsourced activity on behalf of the University or is performing system administrator duties on their offsite system that contains University protected data (e.g., vendors, vendor's subcontractors, business partners, consultants, etc.).

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4. Guidelines

4.1 General Guidelines

According to EO 862, an IT Project is defined as a procurement of information technology goods or services that is neither routine nor reoccurring, but that has an estimated cost for procurement and implementation that is \$500,000 or more, including personnel costs; or that comprises an activity that, regardless of cost, poses a high project risk or will have a high impact to the CSU.

- An example of a high impact project is an e-mail system conversion that has to be implemented at one time, rather than phased in over time. Though less than \$500,000, this kind of project would affect every individual on campus.
- Another example would be the implementation of a single application where users are already using a different product, or many different products.

EO 862 covers IT goods and services purchased through the general fund or other non-capital funding source(s). Capital projects are subject to the rules governing capital outlay and are not covered by EO 862.

A software upgrade of a product already in use does not require a feasibility study, nor does a maintenance agreement for existing hardware and software. These costs are considered a routine and recurring. Routine and recurring purchase are defined as ongoing, regularized, and budgeted as part of an on-going service such as the desktop equipment replacement cycle.

The replacement of an existing product or service that is no longer viable requires a feasibility study if the acquisition and implementation cost exceeds \$500K. However, the feasibility study does not have to address justifying the need for the product or service. For example, if the campus e-mail system could not be expanded beyond its existing capacity, the feasibility study would have to include this fact, but not the justification for the e-mail system itself. The other requirements of the feasibility study, such as the solicitation plan and implementation plan, would have to be met. But, if a vendor of an existing product or service offers products or services that provide added functionality, a feasibility study is required to add the new product or service if the combined acquisition and implementation costs exceed \$500K.

The acquisition and implementation of goods or services that are part of the Integrated Technology Strategy defined baseline do not require a feasibility study unless such acquisition/implementation goes beyond baseline AND the cost exceeds \$500K.

Partnerships and/or unsolicited proposals should be considered as comprising “an activity that, regardless of cost, poses a high project risk or will have a high impact to the CSU.” Therefore, a feasibility study should be completed prior to proceeding with a final cost proposal. Once the feasibility study is approved, the solicitation plan must address the sole-source nature of this activity, if any, and why a sole source would be justified.

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4.2 Feasibility Study

4.2.1 Statement of Need and Project Description

Responsibility: ITS director and the project manager/department manager from the requesting college or division.

Describe the project to be procured and provide a clearly defined statement of business problems or opportunities being addressed by the project. Discuss feasible procurement alternatives, the impact of prior procurements on those alternatives, and any related in-house effort.

4.2.2 Applicable Conditions

Responsibility: ITS director and the project manager/department manager from the requesting college or division.

State all significant conditions affecting the procurement, such as:

- Requirements for compatibility with existing or future systems/programs
- Known costs(including personnel costs), schedule, and capability or performance constraints
- Current environment at Cal State L.A.
- Short and long term price trends
- Stability of the technology or requirements

4.2.3 Cost

Set forth the procurement's established cost goals and the rationale supporting them. Discuss related cost concepts to be employed, including, as appropriate, the following items:

4.2.3.1 Life-Cycle Cost

Discuss life-cycle costs, including spares, repair parts, and maintenance. If appropriate, discuss the cost model used to develop life-cycle cost estimates.

4.2.3.2 Fair Cost Estimate

Develop an estimate of the "should-cost" given Cal State L.A.'s requirements and current market trends. This estimate will be used as a benchmark for the evaluation of the reasonableness of the prices proposed.

4.2.3.3 Comparison Analysis

Compare the benefits/costs of the current method of operation with the expected benefits/costs of the proposed project.

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4.2.3.4 Personnel Costs

Determine the approximate costs (salary, benefits, and training) of temporary, new, and/or permanent personnel fully allocated to the project.

Example 1: The price of a new hardware/software installation (i.e., one that would not pose a high impact risk to the CSU) is \$300K. Half of a full-time employee (FTE) will be required for three months at a cost of \$25K (salary and benefits). The system will be operated by existing personnel who will require training at a cost of \$25K. Contract maintenance on the system for three years will be \$50K. A feasibility study is not required for this installation because the total cost of acquisition and implementation is \$400K.

Example 2: The price of a new hardware/software installation (again, one that would not pose a high impact risk) is \$300K. It would require the addition of two new FTE at a cost of \$125K per year for salary and benefits and a total of \$50K for training. The new FTE will handle maintenance, rather than purchasing a 3-year maintenance contract. The total cost of this project would be \$675K for a 3-year cycle, and therefore, a feasibility study is required.

4.2.4 Capability or Performance

Responsibility: ITS director and the project manager/department manager from the requesting college or division.

Define the project's scope by identifying the specific functionality and performance necessary to achieve the University's expectations. State how these specifics compare to the current method of operation.

4.2.5 Delivery or Performance-period Requirements

Responsibility: ITS director and the project manager/department manager from the requesting college or division.

Describe the basis for establishing delivery or performance-period requirements. Explain and provide reasons for any urgency resulting in a requirement for an abbreviated or expedited procurement process, or if it constitutes a justification for not providing for full and open competition.

4.2.6 Trade-offs

Responsibility: ITS director and the project manager/department manager from the requesting college or division.

Discuss the expected consequences of trade-offs among the various cost, capability/performance, and schedule goals. Discuss 1) any non-standard product or service requirements and the reasons why a standard product or service, if available, cannot be used to fulfill the needs of Cal State L.A., and 2) the trade-offs that were considered in arriving at Cal State L.A.'s requirements for a non-standard product or service.

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4.2.7 Risks

Responsibility: ITS director and the project manager/department manager from the requesting college or division.

Discuss technical, cost and schedule risks, and describe what efforts are planned or underway to reduce those risks. Describe the methods that will be used to ensure that development, implementation, and integration meet requirements. Describe the consequences of failure to achieve goals. Address protections such as:

- Payment Holdbacks and Performance Bond Requirements
Responsibility: Procurement
- Warranty provisions, liquidated damage provisions, letter of credit or other special insurance requirements.
Responsibility: Procurement

4.2.8 Evaluation of Business Processes against Vendor Products

Responsibility: Procurement

Discuss plans and procedures to encourage industry participation by using draft solicitations, pre-solicitation conferences, and other means of stimulating industry involvement during design and development. Recommend the most appropriate application and tailor only the necessary and cost-effective requirements. Address the extent market research and its results, and indicate their impact on the various elements of the feasibility study.

4.3 Solicitation Plan

4.3.1 Sources

Responsibility: Procurement, with input from ITS

Indicate the prospective sources of supplies or services that can meet Cal State L.A.'s requirements. Consider the use of small business, including those that are disabled veteran-owned.

4.3.2 Competition

Responsibility: Procurement

Identify the major components of the project, and the component breakout plans relative to the project as a whole. Describe how competition will be sought, promoted and sustained for these components throughout the course of the procurement. If full and open competition is not contemplated or achievable, explain why, under current CSU policies, the decision for a sole source and/or sole brand should be considered. Identify key logistic milestones that may affect competition.

4.3.3 Source Selection Procedures

Responsibility: Procurement

Discuss the source selection procedures for the procurement, including submission timing, proposal evaluation, timing, and the relationship of evaluation factors to the attainment of the procurement objectives. For best value solicitations, describe the evaluation criteria and quantitative values assigned.

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4.3.4 Procurement Considerations

Responsibility: Procurement

For each contract contemplated, discuss contract type selection; use of multi-year contracting, options, or other special contracting methods; any special clauses, special solicitation provisions, or deviations from standard terms and conditions required; whether bidding or negotiation will be used and why; whether equipment will be acquired by lease or purchase and why; and any other contracting considerations. Provide rationale if a performance-based contract for services is contemplated on other than a firm fixed price basis.

4.3.5 Budgeting and Funding

Responsibility: ITS director and the project manager/department manager from the requesting college or division

Include budget estimates. Explain how they were derived, their relationship to the Fair Cost Estimate, and the schedule for obtaining adequate funds at the time they are required.

4.3.6 Priorities

Responsibility: ITS director and the project manager/department manager from the requesting college or division

When an urgent requirement dictates a particularly short delivery and/or performance schedule or other deviation from standard practices, certain priorities may apply and deviations may be required. If so, specify the method for obtaining and using priorities and the reasons for the required deviation(s).

4.3.7 Contract Management Approach

Responsibility: The core team

Describe how the matrix team will manage the contract from award to closeout. The approach should reflect the project's complexity and risks. Identify the roles and responsibilities of the matrix team during the contract management phase of the procurement. Describe how the contract will be administered and include the following:

- Contract Dispute Resolution
- Contract Status Reporting
- Acceptance Process
(Describe the acceptance process and how inspection and acceptance corresponding to the work statement's performance criteria will be enforced.)
- Deliverable Approval Process
- Invoice Review Process
- Contractor Deficiency Reporting
- Contract Changes and Amendments Process

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4.3.8 Cal State L.A.-Furnished Property

Responsibility: Procurement

Indicate any property to be furnished to the contractors, including material and facilities. Discuss any associated considerations, such as the property’s availability or schedule for its procurement.

4.3.9 Cal State L.A.-Furnished Information

Responsibility: Procurement

Discuss any information and access to it that will be provided to prospective vendors and contractors. Identify confidential and/or sensitive information or live or test data that may be required to be used in, or be the result of, the project’s performance. Add any special language or necessary directions in discussing any confidentiality statements that will be executed by Cal State L.A., and include copies of confidentiality agreements. Define what may and may not be done with any of the provided or derived information.

4.3.10 Environmental and Energy Conservation Objectives

Responsibility: Environmental Health and Safety

Discuss all applicable environmental and energy conservation objectives associated with the procurement and any environmentally-related requirements to be included in solicitations and contracts.

4.3.11 Procurement Cycle Milestones

Responsibility: Procurement, ITS director, and the project manager/department manager from the requesting college or division

Address the following steps and any others that may be appropriate.

- Procurement Plan Approval
- Statement of Work
- Specifications
- Data Requirements
- Procurement Package Preparation Completion
- Purchase Requisition
- Sole Source and/or Sole Brand Justification and Approval where Applicable
- Issuance of Solicitation
- Evaluation of Proposals
- Beginning and Completion of Negotiations
- Contract Preparation, Review, and Approval
- Contract Award

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4.4 Proposed Project Plan

Responsibility: ITS director and the project manager/department manager from the requesting college or division

A comprehensive project plan should include the following components:

4.4.1 Goals and Objectives

Explain the expected outcomes for this project, including benefits to the campus.

4.4.2 Project Description

4.4.3 Approvals

List the titles of the positions required to approve this project.

4.4.4 Priorities

4.4.5 Stakeholders

4.4.6 Criteria for Completion

4.4.7 Milestones and Schedule of Deliverables

4.4.8 Project Organization

Include the management structure and supporting staff, expertise of the project team, and the responsibilities and authorities of the team.

4.4.9 Requirements

Discuss hardware, software, access, facilities and any other requirements for this project. Include any existing infrastructure or systems that must be retrofitted or upgraded to accommodate this project.

4.4.10 Testing and Assessment

Discuss the types of pre-release testing planned, the acceptance or tolerance thresholds, and any additional environments that must be created for testing.

4.4.11 Required Maintenance

Include both ongoing hardware maintenance costs and annual software licensing fees. If applicable, include future equipment refresh costs based on a 36-month and 48-month refresh cycle.

4.4.12 Communication Plan

Describe what key messages the stakeholders and user communities need to receive, how the messages will be communicated and the timeline for delivering the messages.

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4.4.13 Training

Indicate both technical training required for ongoing staff support of the project and end-user training.

4.4.14 Fault Management

Define the process to detect and isolate problems, and to predict and prevent future problems.

4.4.15 Configuration Management

Describe how the configuration of all systems and processes will be documented, updated regularly and securely stored for immediate retrieval and reinstallation, if needed.

4.4.16 Accounting Management

Outline how information, costs and metrics are gathered, recorded, analyzed and charged back.

4.4.17 Efficiency/Effectiveness Management

Describe the standards for any procedures or processes. How will performance be monitored to meet or exceed standards?

4.4.18 Security Management

Identify whether the system will store or provide access to Level 1 confidential data or Level 2 internal use data. Explain the methodology for ensuring infrastructure integrity and security from cyber attacks; compliance with all state and federal laws and regulations, CSU policy and campus standards and guidelines; proper user authorization and authentication; and mitigation of University risk.

4.4.19 Change Management

Establish the procedures to review, test and schedule system or operational changes in a manner that minimizes disruption to systems and users.

4.4.20 Disaster Recovery and Business Continuity Management

Explain the technical and operational process to recover from a failure, fault or stoppage of support systems (disaster recovery). Explain the process for continuing to provide critical services during disaster recovery in the event that the support systems are unavailable (business continuity).

4.4.21 Customer Service Management

Identify the methodologies, strategies, information, communications, online services, training and technological capabilities necessary to rapidly, accurately and comprehensively serve users.

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4.5 60-day Review

Responsibility: ITS director shall develop a list of deliverables that the internal auditor will require.

Within 60 days of project completion, a review needs to be conducted to assess whether the project achieved its stated goals. The divisional vice president shall select a senior executive not associated with the project to conduct this review. Findings shall be reported on Form ITS-4806 in the following manner:

4.5.1 Project Description and Expected Outcomes

4.5.2 Outcomes Status

Describe how outcomes were met. If the expected outcomes weren't met, explain why not? What remedies were put in place? For multi-faceted projects, subdivide this section into subsections by project components if necessary.

4.5.3 Goals Status

Describe how the project achieved its stated goals. If the goals weren't achieved, explain why not? What remedies were put in place? If necessary, use subsections to report on each goal.

4.5.4 Cost Status

Was the project completed in line with costs estimated in the feasibility study report? If not, why not?

4.5.5 Operational Transition

Did the transition from project to ongoing operation occur successfully? If not, why not? What steps are being taken to remedy this situation?

4.5.6 Documentation

Has all the required documentation (such as system testing, operating procedures, schematics, etc.) been turned over to the campus? If not, why not? State the expected submission date(s).

4.5.7 Subsequent Actions/Projects

Are any subsequent actions and/or projects required? Describe.

4.5.8 Subsequent Reviews

Are subsequent reviews required? Describe.

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5 Contacts and Resources

- a) Address questions regarding these guidelines or questions about the IT project's security considerations to: ITSecurity@calstatela.edu.
- b) Direct questions about the IT project's risk and/or impact to the CSU to the following:
 - Vice President, Information Technology Services and Chief Technology Officer
323-343-2700
 - Director, Facilities Services
323-343-3445
 - Director, Risk Management and Environmental Health and Safety
323-343-3527
- c) Direct questions about the procurement process to:
 - Director, Procurement and Contracts
323-343-3480

6 Related Documents

CSULA	Title
ITS-2524	<p>Cal State L.A. Information Security Program http://www.calstatela.edu/its/itsecurity/guidelines/Campus_Information_Security_Plan_2012.pdf</p> <p>This document establishes the University's Information Security Program in support of its obligation to protect the technology resources and information assets entrusted to it.</p>
ITS-4805	<p>IT Project and Procurement Plan Form http://www.calstatela.edu/its/forms/</p> <p>This form is used to prepare the preliminary project plan for all IT projects that meet the criteria outlined in CSU EO 862, Information Technology Project Management.</p>
ITS-4806	<p>IT Project / Procurement Assessment Form http://www.calstatela.edu/its/forms/</p> <p>This form is used to perform the 60-day review of completed IT projects that meet the criteria outlined in CSU EO 862, Information Technology Project Management.</p>



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Chancellor's Office	Title
CSU Executive Order 862	Information Technology Project Management http://www.calstate.edu/EO/EO-862.pdf This Executive Order establishes the process for information technology projects with an estimated cost of \$500,000 or more, or that pose a high project risk or high impact on the campus or CSU.