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**Project Name Here Prepared By: (Your Name)**

**Cost Benefit Analysis Date of Publication: mm/dd/yyyy**

**Revision History**

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| --- | --- | --- | --- |
| **Version** | **Date** | **Author(s)** | **Revision Notes** |
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**Costs**

Summarized below are the costs associated with this effort. <Cost information may be taken directly from a vendor proposal, subject matter expert (SME) research, or other appropriate source. Use the table below as a guide. Minimum requirements are included in the mandatory items column. Provide all known costs and/or estimates as reflected in your internal budget documentation. Our current benchmark for final estimates is +/- 10 percent. Please maintain supporting documentation in accordance with your records schedules, and we will file the record copy of the final CBA. Feel free to leave this comment in the final document.>

| **Cost Heading** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| --- | --- | --- | --- | --- | --- |
| Hardware |  |  |  |  |  |
| Server Hardware |  |  |  |  |  |
| Network Upgrades |  |  |  |  |  |
| Desktop Hardware |  |  |  |  |  |
| Software |  |  |  |  |  |
| Product License |  |  |  |  |  |
| Product Per-User Charges |  |  |  |  |  |
| Database |  |  |  |  |  |
| Operating System Software |  |  |  |  |  |
| Additional Server Software |  |  |  |  |  |
| Additional Network |  |  |  |  |  |
| Consulting |  |  |  |  |  |
| Third-Party - Technical |  |  |  |  |  |
| Third-Party - Business |  |  |  |  |  |
| Deployment |  |  |  |  |  |
| Upgrade |  |  |  |  |  |
| Training |  |  |  |  |  |
| Trainer |  |  |  |  |  |
| Personnel - Additional |  |  |  |  |  |
| Technical Staff |  |  |  |  |  |
| Business Staff |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Items Total** |  |  |  |  |  |

**Quantitative Benefits**

**Quantitative benefits statement**: The following table represents best efforts to assign dollar values to a few of the ‘Quantitative Benefits’. <Please maintain supporting documentation in accordance with your records schedules. A quantitative attribute is one that exists in a range of magnitudes, and can therefore be measured. Measurements of any particular quantitative property are expressed as a specific quantity, referred to as a unit, multiplied by a number. >

| **Quantitative Benefits** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| --- | --- | --- | --- | --- | --- |
| Improved Business Processes |  |  |  |  |  |
| Reduced Number of Errors |  |  |  |  |  |
| Reduced Development Time |  |  |  |  |  |
| Reduced Maintenance |  |  |  |  |  |
| Reduced Number of Supporting Staff |  |  |  |  |  |
| (Other) |  |  |  |  |  |
| TOTAL SAVINGS |  |  |  |  |  |

The assumptions made (in this report) to assign a dollar value to Human Resources Cost Savings are:

<Please augment the dollar value calculations for ‘Quantitative Benefits’, by filling in the following table using the scoring system below :>

The following table presents a summary of scores assigned to quantitative benefits:

|  |  |
| --- | --- |
| **Benefit** | **Score Assigned\*** |
| Improved Business Processes |  |
| Reduced Number of Errors |  |
| Reduced Development Time |  |
| Reduced Maintenance |  |
| Reduced Number of Supporting Staff |  |
| (Other) |  |
| TOTAL |  |

**Scoring Scheme:**

1 The benefit is either not present or of little value to the State/Agency/customer.

3 The benefit has moderate value to the State/Agency/customer.

5 The benefit must be delivered in the project and provides high value to the State/Agency/customer

**Qualitative Benefits**

A Qualitative Benefits model was created using the scoring system described above. Presented below is a summary of the scores assigned to the different categories of identified qualitative benefits. The term qualitative data is used to describe certain types of information. This is almost the converse of quantitative data, in which items are more precisely described as data in terms of quantity and in which numerical values are used.

|  |  |
| --- | --- |
| **Benefit** | **Score Assigned\*** |
| Improved Working Procedures |  |
| Enhanced Communication |  |
| Redefine Job Specification |  |
| Improved Data Accessibility |  |
| TOTAL |  |

**Scoring Scheme:**

1 The benefit is either not present or of little value to the State/Agency/customer.

3 The benefit has moderate value to the State/Agency/customer.

5 The benefit must be delivered in the project and provides high value to the State/Agency/customer

**Project Benefits**

The following sub-sections present scores, and therefore prioritizes various benefits that were identified as either quantitative or qualitative.

**Scoring Scheme:**

1 The benefit is either not present or of little value to the State/Agency/customer.

3 The benefit has moderate value to the State/Agency/customer.

5 The benefit must be delivered in the project and provides high value to the State/Agency/customer

**Scores assigned to Quantitative Benefits**

| **Category** | **Scores** |
| --- | --- |
| **Agency and State Benefits** |  |
| **Cost Savings: Improved Efficiency / Productivity** |  |
| Reduced IT and non-IT FTE costs |  |
| Reduced IT and non-IT contractors/consultants |  |
| Reduced outsourced labor costs |  |
| Improved workflow/business processes |  |
| Reduced error rate |  |
| Reduced hardware maintenance/upgrade expense |  |
| Reduced software maintenance/upgrade expense |  |
| Reduced facilities rental/maintenance expense |  |
| Reduced equipment rental/supplies and materials expense |  |
|  |  |
| **Subtotal Cost Savings** |  |
| **Cost Avoidance: Compliance / Protection** |  |
| Avoid penalties |  |
| Avoid loss of funding |  |
| Improved enforcement actions |  |
| Asset protection |  |
|  |  |
| **Subtotal Cost Avoidance** |  |
| **Revenue Generation** |  |
| Additional revenue generated |  |
| Increased interest earned |  |
|  |  |
| Subtotal Revenue Generation |  |
| **Service Delivery Savings** |  |
| Reduced constituent transaction costs |  |
| Reduced service delivery cycle time |  |
| Increased service availability/accessibility |  |
| Expansion of services |  |
|  |  |
| **Subtotal Service Delivery Savings** |  |
| **Regulatory Savings** |  |
| Reduced (paper) reporting requirements |  |
| Improved ability to locate regulatory requirements |  |
| Improved accountability/compliance |  |
| Greater consistency in constituent/state transactions |  |
|  |  |
| Subtotal Regulatory Savings |  |
| **Total Quantitative Benefits** |  |

**Scores assigned to Qualitative Benefits**

| **Benefits Analysis: Qualitative Project Benefits** | | |
| --- | --- | --- |
|  | **Factor** | **Scores** |
| **1) Statutory Fulfillment** | | |
|  | The project results in systems or infrastructure that can be adapted to meet future needs of the agency and state |  |
|  | The project satisfies a mandate or regulation that cannot be fulfilled more efficiently by other means |  |
|  | The project improves the turnaround time for enhancements in response to legislative or regulatory requirements |  |
|  | The project results in agency compliance and avoidance of enforcement actions |  |
|  | The project results in conformance with agency, state and national standards |  |
|  | The project produces a substantive examination of alternatives to ensure that the solution delivers best value to the agency and state |  |
|  | The project is integrated into the state's IT infrastructure and service delivery network |  |
| **Statutory Fulfillment Total** | |  |
|  | | |
| **2) Strategic Alignment** | | |
|  | The project is aligned with, and delivers business outcomes that support, agency and statewide goals |  |
|  | The project satisfies an agency or state mission critical need that cannot be fulfilled more efficiently by other means |  |
|  | The project results in the ability of the agency or state to better share resources with other agencies or states |  |
|  | The project enables agency and state officials to obtain better measurement data about government operations and communicate that information to constituents |  |
|  | The project consolidates and streamlines business practices and administrative processes |  |
|  | The project provides greater flexibility in responding to stakeholder requests, by providing a more scalable application |  |
|  | The project provides consistent methods for assessing the value of investment |  |
|  | The project improves security, confidentiality, privacy and protection of information |  |
|  | The project provides an enterprise approach to leveraging statewide infrastructure by eliminating duplicate infrastructure and support services and leveraging economies of scale where appropriate |  |
| **Strategic Alignment Total** | |  |
|  | | |
| **3) Agency Impact Analysis** | | |
| The project results in system(s) which: | |  |
|  | - support the defined architecture/standards for the agency and state |  |
|  | - reduce or eliminate redundant systems |  |
|  | - enable reuse of code/components available from other state or federal agencies |  |
|  | - improve consistency between systems within the agency through standardization |  |
|  | - leverage the technical capability of commercial-off-the-shelf (COTS) software packages |  |
|  | - provide the ability to evolve as new technologies emerge |  |
|  | - reduce integration complexity conclusion |  |
| **Agency Impact Analysis Total** | |  |

|  |  |  |
| --- | --- | --- |
| **4) Financial Analysis** | | |
|  | Project Net Present Value (NPV): Greater than 0 = 5; Equal to 0 = 3; Less than 0 = 1 |  |
|  | Project Breakeven Point:  Years 1-3 = 5; Years 4-6 = 3; Years 7-10 (or beyond) = 1 |  |
|  | Project Return on Investment (ROI): Greater than 70% = 5; Range between 20-69% = 3; Less than 20% = 1 |  |
|  | Project Benefits:  Greater than project cost = 5; Equal to project cost = 3; Less than project cost = 1 |  |
|  | The project reduces agency staff or allows staff reassignment through efficiencies such as:  - requiring fewer staff to do the work  - reducing or eliminating manual processes and/or paperwork  - reducing the turnaround time for business processes |  |
|  | The project improves/reduces the use of existing resources (hardware, software, runtime) |  |
|  | The project improves the agency's ability to increase collections or other revenue generation |  |
|  | The project results in a lower cost of transacting services for constituents |  |
|  | The project results in a service being available at more-convenient times (24x7) or more locations |  |
|  | The project results in greater ease of use for constituents because of fewer interactions required and presentation is organized around consumer |  |
|  | The project results in constituents having their needs met with fewer contacts to government or fewer interactions with government employees |  |
| **Financial Analysis Total** | |  |