

**Business Case Evaluation Criteria  
(06-14-04)**

Criteria	Guidelines	Threshold
<p><b>1.0</b> At least one of the business models, described in the business case, clearly shows a compelling reduction in “current state” data center operating budget.</p>	<p><b>1.1</b> All costing assumptions and rationale for each assumption are clearly documented.</p> <p><b>1.2</b> The business case clearly describes the “current state” business model and at least one “future state” alternative in a format that allows direct comparisons between the operating cost of the current and future models.</p> <p><b>1.3</b> The “in scope” cost components of the “current state” and “future state” business model(s) are clearly identified.</p> <p><b>1.4</b> “In scope” transition costs and costs of transition risk mitigation strategies must be clearly delineated from “future state” projected operating costs.</p> <p><b>1.5</b> The business case must clearly identify any anticipated future “current state” expenditures that will be avoided in the “future state” model.</p>	<p>The “future state” operating budget should clearly show a 15-30 percent reduction in the “current state” operating budget.</p>
<p><b>2.0</b> “One-time” costs of implementing the “future state” business model(s) must be recovered in a short period of time.</p>	<p><b>2.1</b> “One-time” costs of implementing the “future state” business model(s) must be clearly identified in the business case. Costs of long-term financing, other than those included in repayment of COPs,</p>	<p>“One-time” costs of implementing the “future state” business model(s) must be recovered in 24-36 months after the “future state” business model is fully operational.</p>

	<p>must be treated as “one-time” costs.</p> <p><b>2.2</b> “One-time” costs must be netted against the estimated savings attributed to the “future state” business model.</p>	
<p><b>3.0</b> The business case must clearly describe a credible strategy for preventing degradation to the performance of “in scope” systems, applications and connectivity to other systems.</p>	<p><b>3.1</b> The service levels must address all systems and applications that agency CIOs and business owners have identified as “in scope”.</p> <p><b>3.2</b> At minimum, the “future state” environment(s) must address the following factors:</p> <ul style="list-style-type: none"> <li>• System and application availability;</li> <li>• Transaction response time for both on-line and batch processes;</li> <li>• Staffing levels to achieve assumed response time for responding to questions and troubleshooting;</li> <li>• Mean time to restore service in the event of a failure.</li> </ul> <p><b>3.3</b> The business case must include a disaster recovery strategy and the cost of implementing the strategy.</p> <p><b>3.4</b> All costs of each strategy must be considered “one-time” costs for the purposes of the business case.</p> <p><b>3.5</b> The means of finance for each strategy must be clearly identified and classified as “one-time” or “recurring” costs.</p>	<p>The CNIC Technology &amp; Finance Subcommittees judge the strategy as credible and that the business case reasonably estimates the cost of the strategy.</p> <p>Assumes performance thresholds that meet or exceed “as is” performance requirements.</p>
<p><b>4.0</b> The “one-time” and “recurring” facility(ies)</p>	<p><b>4.1</b> The costs of acquiring an appropriate</p>	<p>The CNIC Finance Subcommittee judges that</p>

<p>cost of implementing the “future state” business model(s) includes the “one-time” and “recurring” costs of facility(ies) acquisition and operation.</p>	<p>facility(ies) for the “future state” business model(s), other than those included in repayment of a COP, must be identified as “one-time” costs in the business case.</p> <p><b>4.2</b> The costs of maintaining, securing, and operating a facility(ies) for the “future state” business model(s), in the time between taking possession of the facility(ies) and the date that the consolidated data center(s) is fully operational, must be identified as “one-time” costs in the business case.</p> <p><b>4.3</b> Principle, interest and other fees and charges, not associated with the issuance of a debt instrument, incurred in repayment of debt for “future state” facility(ies) must be identified as “recurring” costs in the business case.</p>	<p>facility(ies) costs have been reasonably estimated, properly classified, and evaluated appropriately.</p> <p>The Facilities Subcommittee judges that the strategies and assumptions of the business case are reasonable.</p>
<p><b>5.0</b> The business case concludes that there are no federal funds (OMB Circular A-87) barriers that are insurmountable.</p>	<p><b>5.1</b> The business case identifies significant FF (OMB Circular A-87) issues that must be addressed in the “Implementation Planning Phase.”</p>	<p>CNIC Finance Subcommittee judges that the business case has considered any significant FF issues and that the risk of proceeding to the “Implementation Planning Phase” is reasonable.</p>
<p><b>6.0</b> The business case includes an estimate of the “one-time” and “recurring” human resources expenditures in the transitional and “future state” business model(s).</p>	<p><b>6.1</b> The business case clearly describes the underlying assumptions regarding human resource costs.</p> <p><b>6.2</b> The business case identifies the “one-time” and “recurring” human resources costs associated with the “future state” business model(s).</p> <p><b>6.3</b> The business case identifies potential impact of the “future state” business</p>	<p>CNIC Human Resources and Finance Subcommittees judge the assumptions and mitigating strategies to be credible and that costs are reasonably estimated and properly classified.</p>

	<p>model(s) on retention of mission critical personnel, training, labor relations, etc. and identifies mitigating strategies (including the costs of those strategies).</p>	
<p><b>7.0</b> The business case proposes a credible “future state” business model(s) and methods for classifying and analyzing information.</p>	<p><b>7.1</b> The “future state” business model(s) is credible; information contained/used in the business case is adequate, properly classified and analyzed using generally acceptable methods.</p>	<p>The CNIC Technology and Finance Subcommittees judge the business case to be based on adequate information; that the information is properly classified; and that the analytic methods used are generally acceptable.</p>
<p><b>8.0</b> The business case includes a risk analysis which includes risk mitigation strategies.</p>	<p><b>8.1</b> The business case identifies risks inherent in each proposed strategy.</p> <p><b>8.2</b> Each risk is ranked and identified as a “high”, “medium”, or “low risk”.</p> <p><b>8.3</b> The costs of transition state risk mitigation strategies and risk mitigation strategies associated with “future state” risks (i.e., physical security of the “future state” configuration, network security) must be clearly delineated.</p>	<p>The business case clearly and discretely identifies risks; and classifies each risk as “high”, “medium”, or “low”. Cost estimates of risk mitigation are included and clearly classified as “transition” or “future state” risks.</p>