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| **Feasibility Study** |

**Document Information**

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| **Sponsor** |  | **Business Owner** |  |
| **Project Manager** |  | **Estimated Budget** |  |
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| Project Sponsor |  |  |  |
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Template Guide

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**What is a Feasibility Study?**

The feasibility study documents the analysis of a business problem, including the determination of whether it can be solved effectively. The operational (will it work?), economical (costs and benefits) and technical (can it be built?) aspects are part of the study. Results of the study determine whether the solution should be implemented.

**Why create a Feasibility Study?**

Agencies must make crucial decisions during the early stages of an information technology (IT) investment: whether to seek resources to support full-scale development and implementation, or to suspend activities due to a lack of clear benefits (tangible, intangible, or both), and/or unacceptable risks. The feasibility study is a structured, modular process to gather the information needed to support stakeholders in making this crucial decision.

This template is based on the requirements provided in OCIO Policy 121 [Appendix E: Feasibility Study Requirements for IT Investments](https://ocio.wa.gov/sites/default/files/public/121%20Appendix%20E%20-%20Feasibility%20Study%20Requirements%20for%20IT%20Investments_3_0.docx?w86su).

**How to use this template**

This template provides a guide to develop a feasibility study. Additional sections may be added or removed according to the specific business circumstance and need.

*Italicized instructions are included throughout this template to explain the purpose of and how to complete each section of the template.* ***These should be deleted from the final document.***

# Executive Summary

*[This section provides a brief summary of the business objectives, approach, expected costs, benefits, and risks of the proposed investment.]*

## Business Objectives

*[This section should briefly describe the business objectives that the proposed project will address.]*

## Recommendation

*[This section summarizes the recommended approach for how the project will address the business problem. This section should also describe how desirable results will be achieved by moving forward with the project.]*

## Expected Costs

*[This section describes the anticipated cost of implementing the proposed project or initiative.]*

## Justification and Expected Benefits

*[This section justifies why the recommended project should be implemented and why it was selected over other alternatives. It should include how the project will benefit the business and describe what the end state of the project should be. Where applicable, quantitative support should be provided and the impact of not implementing the project should also be stated.]*

## Risks

*[This section briefly describes the risks associated with the recommended investment, and how those risks might be mitigated.]*

# Background and Needs Assessment

*[Discuss the reasons for the proposal, such as:*

* *Business environment*
* *Business need(s)*
* *Current State*
* *Business opportunities*
* *Business service goals*
* *Statutory requirements*
* *Other]*

# Objectives (as applicable)

*[Discuss the primary objectives of the investment, such as:*

* *Problems to be solved / Opportunities to be gained*
* *Service delivery enhancements*
* *Response to statutory requirements*
* *Other]*

# Impacts (as applicable)

*[Identify the entities which will be impacted by the proposed investment, such as:*

* *Inter-agency*
* *Intra-agency*
* *Program(s)*
* *Subprogram(s)*
* *Customers of agency activities (e.g., clients, constituencies, taxpayers, etc.)*
* *Other]*

# Organizational Effects (as applicable)

*[Discuss how implementation of the investment may affect the agency's organization, such as:*

* *Impact on work processes*
* *Training needs*
* *Job content*
* *Impact on organizational structure*
* *Other]*

# Proposed Solution

*[Describe the proposed solution that will meet the objectives outlined above. Present the solution in terms of:*

* *Specific work products*
* *Technical tools used to support the solution*
* *Major functions to be provided*
* *New organizational structures and processes necessary to support implementation.]*

# Major Alternatives Considered

*[Present the major alternatives considered and compare these with the proposed solution. Note that the current state can be considered one alternative. Describe why the alternatives not chosen were rejected.]*

# Conformity with Agency IT Portfolio

*[Discuss how the proposed project supports the agency IT Portfolio.*

* *Strategic focus (business and IT goals)*
* *Effect on technology infrastructure*
* *Other]*

# Project Management and Organization (including external resources)

*[Describe the project management approach.*

* *Roles and responsibilities*
* *Decision-making process*
* *Management qualifications*
* *Project team organization*
* *Quality assurance strategies]*

# Estimated Timeframe and Work Plan

*[Provide an estimated timeframe, by project phase, for the proposed investment through implementation. Identify major tasks and resources required for each project phase, including external and internal staff resources. Identify key milestones and decision points.]*

# Cost Benefit Analysis (CBA)

*[In this section include the approach cost and benefit estimates associated to each option considered, the cost and benefit estimates, and the assumptions related to those costs and benefits. The* [*feasibility CBA forms*](https://ocio.wa.gov/sites/default/files/Feasibility_Study_CBAFORMS.xls) *is a suggested approach to assist in completing this section. The forms provide a structured, calculated method for delivering data in a usable format.]*

## Incremental Costs

*[Incremental costs are the difference between costs of current methods of operation and cost of implementing and operating new methods. Summarize the investment's incremental costs and provide the detail using the CBA forms. Provide both development and operations cost estimates as appropriate. Costs should be presented for at least five years of operation after implementation or until breakeven and/or pay back is achieved.*

*The estimates of costs are expected to be stated with a very high degree of confidence. As a result, costs should be presented as single point, not-to-exceed limits. Future dollars should reflect the best estimate of what the cost levels will be in the future periods. Net Present Value (effect of the projected costs and benefits stated in today's dollars), Internal Rate of Return, and breakeven period calculations will be derived from the projected future expenditures.*

*Note: Net Present Value is incorporated for financial decision-making purposes only and should not be used to define funding levels in future years of a project.*

*Provide rationale for the cost estimates and reference documents containing the detailed estimates and work breakdown structures. As appropriate, reference the costs incurred by similar investments in other states, comparative projects in Washington, etc.]*

## Benefits

*[Summarize the investment's expected quantitative tangible and intangible benefits and provide the detail using the CBA forms. Future estimates should reflect the benefit levels expected in the future periods. Net Present Value (effect of the projected costs and benefits stated in today's dollars), Internal Rate of Return, and break-even period calculations will be derived from these amounts. Provide justification rationale for the benefit estimates. Describe how a baseline and measurements will be established to confirm each benefit. Also provide a narrative of the intangible benefits associated with the project.]*

# Risk Assessment

*[Assess the risk of the investment using* [*IT Project Assessment Tool*](https://stofwadeptofenterpriseservices.formstack.com/forms/it_project_assessment_tool)*. In addition, include medium or high risks to this investment and describe how these risks will be managed. Indicate whether the project will use external quality assurance and/or internal agency quality assurance.]*

# Appendices

*[Additional information that could be included as part of the feasibility study such as glossary and terms, reference materials, and market research.]*