

TEXAS PROJECT DELIVERY FRAMEWORK
BUSINESS CASE



Railroad Commission of Texas
Alternative Energy Divisions (AED)
Online Filing Project

VERSION: 1.6

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Approval of the Business Case indicates an understanding of the purpose and content described in this deliverable. Approval of the Business Case constitutes approval of the business case analysis results and hereby certifies the overall accuracy, viability, and defensibility of the content and estimates. By signing this deliverable, each individual agrees the proposed business solution has been analyzed effectively as described herein.

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Section 1. Executive Summary

For a standard Business Case, complete this section *after* completing all other sections.

1.1 Issue

Briefly describe the business issue that the recommended project would solve without describing how the problem will be addressed. Include a brief statement of any mandates that require processes and/or services not currently in place.

The Railroad Commission's Alternative Energy Division (AED) administers and enforces Texas' laws concerning the handling, storage, and transportation of liquefied petroleum gas (LPG, propane), compressed natural gas (CNG) and liquefied natural gas (LNG). AED licenses LPG, CNG and LNG companies, including their branch outlets; registers vehicles that haul LPG, CNG or LNG; certifies by examination and provides training for individuals who perform regulated activities; registers plumbers and contractors who qualify for exemptions from Railroad Commission licensing and examination requirements; permits new stationary installations, conducts safety inspections of mobile equipment and stationary facilities, and processes notices of non-compliance with state statutes and Railroad Commission safety regulations.

These programs involve annual processing of many thousands of applications, payments, and related documents. Records are kept in an Oracle application called the LP-Gas Information System (LIS). Payments associated with these processes are partially automated through the Commission's online payment portal and recorded in the Commission's Receipts Management System (RMS). In fiscal 2012, 40 percent of certification renewal payments were made online by credit card through the payment portal (up from 28 percent in 2010). However, the process is still mostly manual; the payment portal and RMS do not communicate directly with LIS. No automated system exists to enter online payment data directly into LIS or to match a company's payment to its related information (e.g., personnel or name changes, address changes, data corrections). Companies submit this related information separately in hard copy, which staff matches with payment data and enters manually into LIS.

Transaction volumes have increased in recent years, due in part to increased production of natural gas and natural gas liquids in Texas. In fiscal 2012 AED staff processed a total of 28,422 applications and renewals, an overall increase of 15 percent from 26,342 in fiscal 2010. Of these transactions, 4,992 were company licenses (up 24 percent from 4,039 in fiscal 2010), 4,155 were truck registrations (up 11 percent from 3,730 in 2010), 15,374 were new or renewed qualifying examinations (up 17 percent from 13,149 in fiscal 2010) and 3,901 were exempt registrations (up 5 percent from 3,714 in 2010). An estimate of cost and time savings achievable from automating these transactions is included in section 1.2D below.

LIS is a comprehensive database with subsystems for Licensing (including license-related Truck Registration, Insurance and Branch Outlets subsystems), Exams (including records of individuals' certification and exempt registrations), Training/Continuing Education, and Inspections (including type of installations, inspection dates, violations cited and non-compliance correspondence). It is

critical that all subsystems in LIS related to online renewals and filings be upgraded and integrated to maximize efficiency for customers and staff, minimize transcription errors, and accommodate increased demand with existing staff.

1.2 Anticipated Outcomes

Describe the anticipated outcomes of implementing a project that specifically addresses the business issue. The description should include answers to questions such as “What are we aiming for?” and “What are the expected benefits to business operations?”

Anticipated outcomes are:

- A. The project will streamline processing and improve accuracy and data integrity for new and renewed company licenses, individual managers’ and employees’ certifications, exempt registrations, completion reports, LPG/CNG/LNG safety inspections, accident and complaint investigations, non-compliance and cease-operation notices.
- B. The proposed system will be faster, more accurate, more transparent, and more convenient for both customers and staff.
- C. The proposed system will give the LPG, CNG and LNG industries online access to Commission records and the ability to reply and save correspondence via the internet.
- D. The proposed system will reduce processing time for the regulated community and Railroad Commission staff. Additional efficiency may also be gained by reducing the time required to process and allocate payments through the Commission’s payment portal and Receipts Management System; record transfers and other changes; correct data-entry errors; respond to phone inquiries for inspection records, completion reports and licensing data; and from reducing the volume of returned mail. Overall savings to industry cannot be estimated exactly, but would likely be substantial, due to time saved in querying the system directly on demand and saving reports electronically, rather than phoning, faxing or e-mailing AED staff with requests for documents, questions or clarifications.

1.3 Recommendation

Describe the project that is being recommended to achieve the anticipated business outcomes by summarizing the approach for how the project will address the business issue. Identify the stakeholders/customers involved in determining whether the desired results are achievable by implementing the project.

The foundation of this project will be business analysis. This will determine process efficiency and a more robust system architecture to ensure that internal business functions and external

customer requests can be met without impacting system performance and efficiency. New internal permitting and external filing services not currently offered within existing systems will be made available based on the results of the foundational business analysis. In addition, the system will be built using current technology and software versions.

The approach that will be used for this project is an iterative development process. This means developing a system through repeated cycles (iterative) and in smaller portions at a time (incremental), allowing software developers to take advantage of what was learned during development of earlier parts or versions of the system.

The Railroad Commission Software Development Life Cycle is comprised of the following phases:

- Project Organization
- Current Process Analysis
- Re-engineered Process Development
- Software Requirements Analysis
- Software Design and Development
- System Testing and Evaluation
- User Acceptance
- User Training
- User Acceptance
- Product Release Management
- Deployment – Software /Business

The project will address the business issues by developing an integrated online system that allows licensees, certified individuals, exempt plumbers and contractors, and individuals receiving non-compliance and cease-operation notices to complete, save and submit Commission forms and payments via a web-based application that uses the current RRC/Texas online payment portal, Receipts Management System and LIS.

The system would have the following features:

- A. Public access to Commission data (an agency Strategic Goal).
- B. Commission business practices that are better aligned with those of the private sector (a common request from industry).
- C. Online filing of certification and registration applications and renewals.
- D. Online filing of licenses, completion reports, non-compliance notices and other filings.
- E. The ability for companies and individuals to track progress of their submissions and receive notice of any deficiencies.

- F. Integrated processes for depositing and allocating fees associated with applications and renewals.

1.4 Justification

Justify why the recommended project should be implemented and the rationale for why the project was selected above the other alternative solutions. Provide a compelling argument by summarizing key quantitative and qualitative information from the Project Evaluation section, including a description of the impact of not implementing the project.

Determine and include analysis information that is necessary to provide a clear justification for the project. The type and extent of information included in the justification will vary based on the best approach for making a compelling and accurate argument. Charts from the Project Selection, Results section may be copied to support justification for selecting this project.

Justification for the project is:

- A. The current system is manual and Oracle based. It is currently not scalable and cannot be easily be integrated into the new online web-based applications at the Commission.
- B. Industry needs transparency and public access to Commission data (an agency Strategic Goal).
- C. The Commission's business practices are currently not aligned with those of the private sector (a common request from industry).
- D. Most industry filings are still manual. The Commission needs:
 - Online filing of certification and registration applications and renewals.
 - Online filing of licenses, completion reports, non-compliance notices and other filings.
- E. If no changes are made, additional staff will be needed to handle recent and future growth in the LPG, CNG and LNG industries.
- F. The volume of telephone and written communications necessary to accurately complete and manually record data on filings submitted by licensees, stakeholders continues to be a burden to staff.
- G. Companies and individuals are currently unable to track progress of their submissions and receive notice of any deficiencies.
- H. Increased accuracy of the RRC data because of transcription errors from processing paper forms will improve with online filing.
- I. The manual mailings to licensees are expensive and time consuming for staff.

- J. Manually depositing and allocating fees associated with applications and renewals are inefficient.
- K. Summary:

Summary: All Project Evaluation Factors			
Line	Factor	Maximum Rating Possible	Rating
SF	Statutory Fulfillment	35	17
SA	Strategic Alignment	45	43
IA	Agency Impact Analysis	35	31
FA	Financial Analysis - Government/Constituent	60	18
RC	Initial Risk Consideration	45	45
AA	Alternatives Analysis	30	20
	Total, All Project Factors	250	174

1.5 Assumptions

List and describe any assumptions relevant to the project that is being recommended to achieve the anticipated business outcomes.

Assumptions are:

- A. New RRC ITS staff, existing RRC ITS staff and contract staff will be needed to complete the project on schedule.
- B. The Data Center Services (DCS) Server Transformation and Application Remediation project is approved and implemented in conjunction.
- C. Subject Matter Experts (SME's) from the Alternative Energy Division (AED) will be able to devote approximately 50% of their time to the project.
- D. This project assumes there will be a substantial time savings for Commission staff, regulated industries and stakeholders in processing, reviewing and storing documents required by statute or Commission regulations.
- E. This project assumes that the recent increase in the share of payments made online will be repeated with online renewals, leading to online processing of 90 percent of licensing-related transactions and 2/3 of certification and registration transactions online within three years.

- F. The project assumes that the existing LIS database will need to be migrated to a database that supports a web-based architecture.
- G. The project assumes that the existing Security Administrator Designation (SAD) procedures already in use by other Commission divisions will be used.

1.6 Limitations

List and describe any limiting factors, or constraints, relevant to the project that is being recommended to achieve the anticipated business outcomes.

Some licensees, certificate holders, registrants, and stakeholders may lack internet access and wish to continue submitting documents in hard copy. The proposed system will provide a manual option for these individuals.

Section 2. Governance and Business Case Analysis Team

2.1 Governance

Describe the IT governance processes and structures within the agency.

The Railroad Commission has an established Information Technology (IT) governance process to guide the selection and oversight of major information technology projects. Strategic goals and priorities are set by the three elected Railroad Commissioners. The Executive Director sets tactical goals and priorities in support of the Commission's strategic goals. The Executive team and Division Directors determine the Commission's IT initiatives, priorities, strategies and approaches. Initiatives that have been identified by the executive team, in support of Commission goals, are evaluated and analyzed by the Information Technology Services Division in partnership with the business divisions. For major projects, the Texas Project Delivery Framework is used to provide a consistent method for project selection, control, and evaluation based on alignment with business goals and objectives. The results of project evaluations are provided to the executive team. Based on the project evaluations, the Executive Director will make recommendations to the Commissioners regarding major projects and initiatives. The Commissioners ultimately support projects and initiatives that sustain and enhance the capability to meet the Railroad Commission mission and goals.

2.2 Business Case Analysis Team Members

Describe the roles on the business case analysis team. Provide the names and titles of agency staff that will fulfill them.

Role	Description	Name/Title
IT Director	Provides ITS Management support for project and interaction with leadership and other divisions.	
Business Unit Director	Provides Business Management support for project and interaction with leadership and other divisions.	
Project Manager	Overall management of the scope, cost, schedule and communication.	
Technical Subject Matter Expert (s)	Provides subject matter expertise related to technology	
Business Subject Matter Expert (s)	Provides subject matter expertise related to business needs	

Role	Description	Name/Title
Lead Business Analyst	Leads requirements, design and testing in collaboration with Business SMEs, PM and Technical SMEs.	

Section 3. Problem Definition

3.1 Problem Statement

Describe the problem the project would address, including any problems related to technology, processes and/or services, without presupposing a solution.

The problems that this project will address are:

- A. Staff uses an outdated Oracle software application to process new and renewal licenses, certifications, and exempt registrations; completion reports; safety inspection reports and non-compliance notices. Staff manually enters the data for completion and safety inspection reports, and tracks non-compliance notifications from paper forms submitted by licensees, Commission staff and stakeholders.
- B. In March 2007 the RRC launched a Texas Online RRC Payment Portal to receive payments electronically; however, individuals and licensed companies must still complete and submit hard copies of the associated documents, and staff must manually match renewals and other correspondence with payment data and enter it into LIS. Staff manually enters data for new applications, examinations, renewals, transfers and registrations from paper forms sent in by companies and individuals.
- C. The current online system for renewing cards and submitting Commission forms is confusing to the public. Most businesses are used to updating their data and paying simultaneously online (“one-stop shopping”). As a result, many LPG, CNG and LNG licensees assume that when they have paid online, their renewal or form is properly filed and the process is complete. When a licensee pays online without notifying Railroad Commission staff (via e-mail/fax/U.S. mail) what the payment is for, LIS cannot be updated or renewals issued until staff resolves the discrepancy. In some cases duplicate payments compound the original problem, and in extreme cases cease-operations letters may be sent in error.
- D. Complaint and accident data are currently entered into an outdated (Microsoft Access) program that is no longer supported by ITS. These data are included in Railroad Commission Output Measure 1.3.3.3, number of special investigations, which is reported to the Legislative Budget Board (LBB).
- E. The volume of transactions supported by LIS is difficult to manage effectively in the old system. LPG/CNG/LNG qualifying examinations and licenses, certifications, and registrations issued or renewed are recorded in LIS. This data, Railroad Commission Output Measure 1.3.3.4, is reported to the LBB.

3.2 Agency and Constituent Environment

Identify and briefly describe the relation of each stakeholder/customer to the project.

Stakeholders/Customers	Description
RRC Management	RRC management staff uses RRC data as part of their ongoing regulatory functions.
RRC AED Staff	RRC state office staff uses RRC data as part of their ongoing regulatory functions.
Industry	Regulated entities that will use the Commission's online systems to submit forms, other filings and payments as required by law or Commission regulations.
Stakeholders	Individuals receiving and replying to non-compliance notices and other correspondence
ITS	Maintains and modifies system at request of RRC Staff.

Describe the processes and/or services that would be modified or automated by the project. Include processes and/or services for agencies and constituents (citizens, employers, other agencies).

Processes/Services	Description of Modifications/Automation
Renew company license (Forms 1, 1001, 2001)	Provide Online License processing
Renew exempt registration (16B, 1016B and renewal letters)	Provide Online Exempt Registration processing
Register delivery vehicle (Forms 7, 1007, 2007)	Provide Online Delivery Vehicle Registration processing
Examinations tab/system (Forms 16, 1016, 2016 and renewal letters)	Provide Online application and renewal processing
Training/Continuing Ed tab/system	Verify integration with all LIS functions
Completion Report Data Entry (Forms 501/1501/2501)	Develop a new external (online) system to allow data entry and ability to save electronic copies of completion reports submitted by licensees
GPS Coordinates	Integrate a map into data entry process to assist licensee in entering site location. GPS coordinates entered by licensee will be formatted to transfer accurately to the mapping program used by staff.
Payment Portal	Provide online payment availability that links payment to completion reports.
Tracking	Provide link between inspection reports, accident & complaint investigations and non-compliance correspondence

Processes/Services	Description of Modifications/Automation
Location Information	Enhanced locational data will be stored and available for field and Austin staff to access.

3.3 Current Technology Environment

3.3.1 Current Software

Describe the agency's existing software that will be modified or replaced by the proposed project.

Software Items	Description
BEA Web Logic 8.1X	Application development
Oracle 10.XX	Database software (RDBMS)
Oracle 9.XX	Database software
Oracle Forms 9.X	Application development and reporting
JDeveloper 10g	Oracle application development tool
Oracle Business Intelligence 10g	Business Intelligence environment (data warehouse)
ESRI ArcGIS 9.X	GIS software

3.3.2 Current Hardware

Describe the agency's existing hardware that will be modified or replaced by the proposed project.

At present, the RRC is in the middle of transformation to the State Data Center. The information shown below is derived from a Transformation plan 10/11/12. Some items are to be decommissioned as part of transformation, but are included to represent our current environment.

The hardware environment changes periodically due to transformation efforts at the State Data Centers.

Hardware Items	Description
Mainframe	Austin Data Center- Z Series Multiprise 3000
Linux Servers	Database, Print Queues, File Shares, Applications, Webhosting, DNS, DHCP
Windows Servers	Database, Middleware, WebProxy, Security Apps, Reporting Services and Performance Monitoring Apps, DNS, DHCP, Domain Controllers, Email
Unix Servers	Database, Middleware, Webhosting, Security Apps, Reporting Services and Performance Monitoring Apps

Section 4. Project Overview

4.1 Project Description

Describe the approach the project will use to address the business problem. Include the project sequence number(s) for the project from the Information Technology Detail (ITD).

Description of Project

Description of Project

The project will streamline LP-Gas Information System (LIS) processing and improve accuracy and data integrity for new and renewed company licenses, individual managers' and employees' certifications, exempt registrations, completion reports, LPG/CNG/LNG safety inspections, accident and complaint investigations, non-compliance and cease-operation notices.

The approach that will be used for this project is an iterative development process. This means developing a system through repeated cycles (iterative) and in smaller portions at a time (incremental), allowing software developers to take advantage of what was learned during development of earlier parts or versions of the system. Key steps in the process start with a simple implementation of a subset of the software requirements and iteratively enhance the evolving versions until the full system is implemented. During each iteration, design modifications are made and new functional capabilities are added.

The procedure itself consists of the initialization step and subsequent iteration steps. The initialization step creates a base version of the system. The goal for this initial implementation is to create a product to which the user can react. It should offer a sampling of the key aspects of the problem and provide a solution that is simple enough to understand and implement easily. To guide the iteration process, a Work Breakdown Structure (WBS) is created that contains a list of all tasks that need to be performed. It includes such items as new features to be implemented and areas of redesign of the existing solution. The control list is constantly being revised as a result of the analysis phase.

Each iteration involves the redesign and implementation of a task from the project WBS, and the analysis of the current version of the system. The goal for the design and implementation of any iteration is to be simple, straightforward, and modular, supporting redesign at that stage or as a task added to the project WBS. The level of design detail is not dictated by the iterative approach. In a light-weight iterative project the code may represent the major source of documentation of the system; however, in a critical iterative project a formal Software Requirements Specification (SRS) and Software Design Document may be created. The analysis of each iteration is based upon user feedback. It involves analysis of the structure, modularity, usability, reliability, efficiency, and achievement of goals. The project WBS is modified in light of the analysis results.

The RRC Software Development Life Cycle is comprised of the following phases:

- Project Organization
- Current Process Analysis
- Re-engineered Process Development
- Software Requirements Analysis
- Software Design and Development
- System Testing and Evaluation
- User Acceptance
- User Training
- User Acceptance
- Product Release Management
- Deployment – Software (Production Verification)
- Deployment – Business

The system would have the following features:

- Public access to Commission data (an agency Strategic Goal).
- Commission business practices that are better aligned with those of the private sector (a common request from industry).
- Online filing of certification and registration applications and renewals.
- Online filing of licenses, completion reports, non-compliance notices and other filings.
- The ability for companies and individuals to track progress of their submissions and receive notice of any deficiencies.
- Integrated processes for depositing and allocating fees associated with applications and renewals.

The system would have the following features:

ITD Project Sequence Number(s): (Component of "IT Modernization") ITD #11

4.2 Goals and Objectives

Describe the business goals and objectives of the project. Ensure the goals and objectives support business needs.

Business Goal/Objective	Description
Save processing time	Reduce need for manual processing and data entry; improve work flow to minimize time spent manually entering data; eliminate distractions and unnecessary fields
Improve accuracy	Reduce errors produced by old programming logic and redundant processing
Improve data integrity	Data can be queried or updated in real time by authorized company personnel, reducing errors due to re-keying.
Improve transparency, save customer time	Make company data available online; eliminate time lag due to mailings; allow users to correct data, confirm renewal, pay online and electronically save copies of documents submitted to the RRC

4.3 Performance Measures

Describe performance measures that will be used to gauge the project's business outcomes for key processes and services.

The AED Online Filing project will affect several agency performance measures.

Key Process/Services	Performance Measure
Online License and Truck Registration	Up to 90% online processing within three years for LPG, CNG and LNG licenses issued and the number of trucks registered.
Online Certification and Exempt Registration Renewals	Up to 67% online processing within three years for LPG, CNG and LNG certification renewals and LPG/CNG plumber/contractor exempt registrations
Online filings for LPG/CNG/LNG stationary installations	Up to 90% online processing of completion reports for LPG/CNG/LNG stationary facilities
Non-compliance notices and follow-up inquires	Up to 80% reduction in follow-up phone calls from licensees and stakeholders regarding non-compliance notices

4.4 Assumptions

List the assumptions regarding the agency processes and/or services affected by the proposed project.

Assumptions are:

- A. The Commission needs to license, certify and register LPG, CNG and LNG companies, individuals, vehicles and exemptions as efficiently and effectively as possible, to remain within budgetary and resource limitations as demand for these services increases.
- B. The AED Division will commit adequate Subject Matter Expert (SME) resources to complete the LIS overhaul needed to implement online filings.
- C. The LPG, CNG and LNG industries will benefit from the additional transparency and efficiencies that result from the proposed project.
- D. Industry and the public will support the development of a new electronic filing and permitting system if it will streamline the filing process, produce a more usable system, and reduce manual paper handling.
- E. After system implementation, the Commission will monitor and track adoption rates of online filing or submittals.
- F. The Commission plans to engage the vendor community through DIR cooperative contracts to provide the contract resources necessary to implement a project of this scope and magnitude.
- G. Appropriate security, accessibility, and other applicable state or other mandates will be requirements for the new system during its development and implementation.

4.5 Constraints

List the limitations or constraints regarding the agency processes and/or services affected by the proposed project.

- A. The current system is manual and Oracle based. It is currently not scalable and cannot be easily integrated into the new online web-based applications at the Commission.
- B. Industry does not have access to Commission data (an agency Strategic Goal).
- C. The Commission's business practices are currently not aligned with those of the private sector (a common request from industry).
- D. Most industry filings are still manual.

- E. Companies and individuals are currently unable to track progress of their submissions and receive notice of any deficiencies.
- F. Increased accuracy of the RRC data because of transcription errors from processing paper forms will improve with online filing.
- G. The manual mailings to licensees are expensive and time consuming for staff.
- H. IT Resources
- I. The Commission mainframe will continue to provide data and services to support the business functions and interface with the planned open systems technology environment.
- J. The Data Center Services contract administered by DIR will be used to provide necessary hardware and software components. Historic service delivery issues have existed which could, if they continue, impact this project's schedule and deliverables.

4.6 Proposed Technology Environment

4.6.1 Proposed Software

Describe software for the project, including technical factors that may be critical to project selection if applicable.

Software Item	Description
BEA Web Logic 11g	Middle Tier Java EE Application Server
Oracle Database Server 11gR2	Database software
Oracle Forms 11g	Application development and reporting
JDeveloper 11g	Oracle application development tool
Oracle Business Intelligence 11g	Business Intelligence environment (data warehouse)
ESRI ArcGIS 10.1	GIS software

4.6.2 Proposed Hardware

Describe the hardware for the project, including technical factors that may be critical to project selection if applicable.

Hardware Item	Description
Mainframe	Austin Data Center- Z Series Multiprise 3000

Hardware Item	Description
Linux Servers	38 File shares, print queues, applications
Windows Servers	Database, Middleware, Webhosting/Web Proxy, Security Apps, Reporting Services and Performance Monitoring Apps, DNS, DHCP, Radius, WINS, Domain Controllers, Active Directory
Unix Servers	Middleware, Webhosting/Web Proxy, Security Apps, Reporting Services and Performance Monitoring Apps

4.7 Major Project Milestones

Describe the project's preliminary major milestones, deliverables, and target dates.

Project timelines and milestones will be revised to support an iterative/incremental development cycle once initial requirement gathering and validation is complete.

Milestones/Deliverables	Target Date
Selection of Vendor	December 2013
Project Initiation/Kickoff	December 2013
Requirements Gathering & Validation	April 2014
Project Design	June 2014
Development	April 2015
Testing & Acceptance	July 2015
Deployment	August 2015

Section 5. Project Evaluation

The Business Case Workbook is completed as part of this section. Once completed, the Business Case Workbook evaluation factors are summarized in this section.

5.1 Statutory Fulfillment

Describe the direct and derived mandate(s) related to the project and cite reference(s) for federal and state statutes, rules, and regulatory requirements. Describe any penalties or funding losses.

Mandates Related to Project	Statutory Citations	Penalties/Funding Losses
Texas Natural Resources Code	Chapters 113, 116	
License LPG companies and outlets; register trucks; verify insurance	Tex. Nat. Res. Code Ch. 113; 16 TAC, Ch. 9	
License CNG companies and outlets; register trucks; verify insurance	Tex. Nat. Res. Code Ch. 116; 16 TAC, Ch. 13	
License LNG companies and outlets; register trucks; verify insurance	Tex. Nat. Res. Code Ch. 116; 16 TAC, Ch. 14	
Certify by examination individuals who perform regulated LPG activities	Tex. Nat. Res. Code Ch. 113; 16 TAC, Ch. 9	
Certify by examination individuals who perform regulated CNG activities	Tex. Nat. Res. Code Ch. 116; 16 TAC, Ch. 13	
Certify by examination individuals who perform regulated LNG activities	Tex. Nat. Res. Code Ch. 116; 16 TAC, Ch.14	
Register individuals who perform LPG activities and qualify for exemptions from RRC licensing	Tex. Nat. Res. Code Ch. 113; 16 TAC, Ch. 9	
Register individuals who perform CNG activities and qualify for exemptions from RRC licensing	Tex. Nat. Res. Code Ch. 116; 16 TAC, Ch.13	
Notify licensees and registrants of probable violations or non-compliance with state statutes and LPG safety regulations	Tex. Nat. Res. Code Ch.113	
Notify licensees and registrants of probable violations or non-compliance with state statutes and CNG & LNG safety regulations	Tex. Nat. Res. Code Ch. 116	
Filings required for stationary LPG installations	16 TAC, Ch. 9	
Filings required for stationary CNG installations	16 TAC, Ch. 13	
Filings required for stationary LNG installations	16 TAC, Ch. 14	

5.2 Strategic Alignment

Identify titles of strategic plans the project addresses, including the State Strategic Plan for Information Resources Management, agency strategic plan, and any other applicable plans. Cite

the specific goals and objectives in each plan that are related to the project. Describe the relationship of the project to each of the plans based on how the project aligns and meets the goals and objectives cited in the strategic plans.

Plan	Goals/Objectives	Relationship to Project
RRC Strategic Plan – Fiscal Years 2013-2017	Goal 4	Continued availability of mission critical computing resources supporting the efficient delivery of services. Increase efficiency in providing public access to information and provide more efficient interaction with regulated industries.
State Strategic Plan for Information Resources Management	P3 – Data Sharing P4 – Infrastructure P5 – Legacy Applications	The project will improve the usability of the Data. Updating technical environment to current technology will address the “Connect” guiding principle by allowing improvements to methods of gaining access to data. The legacy applications will be updated.
RRC Strategy 1.3.3. Regulate Alternative Energy Sources	1.3.3.1 Number of LPG/CNG/LNG Inspections Performed	Reduction in data entry errors and improved accuracy for online filings will increase the efficiency of the inspection staff and allow more time to perform inspections.
RRC Strategy 1.3.3. Regulate Alternative Energy Sources	1.3.3.4 Number of LPG/CNG/LNG qualifying examinations administered and licenses, certifications and registrations issued or renewed.	Increased efficiency will improve customer service and allow the Commission to handle anticipated growth in the CNG, LNG and LPG industries with current staff.

5.3 Agency Impact Analysis

Summarize how the project would impact the use of technology resources at the agency level, including support of the defined architecture and standards for the agency and state.

As a result of this project, the RRC AED Division will move to a flexible and agile web-based environment. The Commission will have:

- A. Developed a user-friendly online system for the LPG, CNG and LNG industries to review, file, amend and renew company licenses and individuals’ certifications, exempt registrations and other filings.
- B. Reduced incomplete filings and invalid data that conflicts with existing license information.
- C. Reduced paper waste, postage and staff hours maintaining paper records.
- D. Streamlined LIS Permitting processes that will improve compliance and staff efficiency.

5.4 Financial Analysis

Using the level of detail illustrated in the instructions, describe methods used to calculate business case cost and quantitative project benefit estimates. Describe estimate factors and underlying assumptions.

Methods: Business Case Cost Estimates	Estimate Factors/Underlying Assumptions
Comparing analogous RRC projects Technical RRC Staff Expert estimates	50% variable depending on scope as defined in the Requirements Phase.
Methods: Agency and Constituent Quantitative Project Benefits	Estimate Factors/Underlying Assumptions
Business staff expert projections based on past experience with business process reengineering efforts.	50% variable based on projected growth patterns vs. anticipated benefits.

5.5 Initial Risk Consideration

Identify each additional initial risk and rate it consistent with the instructions provided in the Business Case Workbook Evaluation Factor worksheet. These are initial risks that were not already identified in the Evaluation Factor worksheet.

Risk	Rating
Inadequate and insufficient detail in requirements of project and resulting contracts	3
Change Federal, State, and/or Agency mandates	5
Cost over-runs	3
Inadequate database model and application design	5
Incorrect or inadequate interfaces	5
Contractor availability and expertise	3
Complexity and size of the project contributes to the risk of failure, delay and cost over-runs.	3

5.6 Alternatives Analysis

Describe alternative options, including the option of not implementing any project at all and at least one non-selected project option. State the reasons for not selecting each alternative. If at least one rejected alternative is not included, explain why.

No Project (Status Quo)	Reasons For Not Selecting Alternative
Continue using the existing LIS System	System is inefficient and antiquated. Continuing to depend on obsolete software to run mission critical systems constitutes a major business risk to the Commission.
Alternative Option	Reasons For Not Selecting Alternative
Maintain and modify existing programs as needed.	Would not be able to integrate applications or make applications scalable for future growth. This option would not provide the changes necessary to manage the anticipated increased number of online filings.
Purchase an off-the-shelf solution.	The AED Filing and regulatory environment in Texas is unique. No COTS are available for these applications.

Section 6. Project Selection

6.1 Methodology

Describe the agency-developed methodology used for project selection.

The Railroad Commission has an established Information Technology (IT) governance process to guide the selection and oversight of major information technology projects. Strategic goals and priorities are set by the three elected Railroad Commissioners. The Executive Director sets tactical goals and priorities in support of the Commission's strategic goals. The Executive team and Division Directors determine the Commission's IT initiatives, priorities, strategies, and approaches. Initiatives that have been identified by the executive team in support of Commission goals are evaluated and analyzed by the Information Technology Services Division in partnership with the business divisions. For major projects, the Texas Project Delivery Framework is used to provide a consistent method for project selection, control, and evaluation based on alignment with business goals and objectives. The results of project evaluations are provided to the executive team. Based on the project evaluations, the Executive Director will make recommendations to the Commissioners regarding major projects and initiatives. The Commissioners ultimately support projects and initiatives that sustain and enhance the capability to meet the Railroad Commission mission and goals.

This project was selected based on the recommendation of the Executive Committee following a review of all prioritized projects within the agency.

6.2 Results

State the rationale for why the project was selected above the other alternative solutions. Cite any market research that was conducted.

To carry out its regulatory responsibilities, the RRC requires the industries it regulates to file many forms and reports. These industries represent a large part of the overall Texas economy. Creating an IT environment to make filing requirements quick and efficient for both the industry and the RRC staff who review the results is an economic gain for the state as a whole. Adoption rates of online filings when new forms are added to RRC Online quickly reach 80% to 90% in a very short period of time. This project will allow the RRC to keep up with its regulatory requirements while not putting a burden on the industries it regulates or stakeholders. For example:

- A. Public access to Commission data (an agency Strategic Goal).
- B. Commission business practices that are better aligned with those of the private sector (a common request from industry).
- C. Online filing of certification and registration applications and renewals.

- D. Online filing of licenses, completion reports, non-compliance notices and other filings.
- E. The ability for companies and individuals to track progress of their submissions and receive notice of any deficiencies.
- F. Integrated processes for depositing and allocating fees associated with applications and renewals.

Replace the blank graphical summary charts below with the completed charts located in the Selection Results worksheet of the Business Case Workbook. The charts may also be copied to the Executive Summary depending on the desired approach for justifying selection of the project.

Copy and paste the Summary: All Project Evaluation Factors chart to this section by completely replacing the blank chart.

Summary: All Project Evaluation Factors			
Line	Factor	Maximum Rating Possible	Rating
SF	Statutory Fulfillment	35	17
SA	Strategic Alignment	45	43
IA	Agency Impact Analysis	35	31
FA	Financial Analysis - Government/Constituent	60	18
RC	Initial Risk Consideration	45	45
AA	Alternatives Analysis	30	20
	Total, All Project Factors	250	174

Copy and paste the Financial Analysis: Agency/State chart to this section by completely replacing the blank chart.

It is expected that multiple vendors will be evaluated to implement the AED Online Filing project and the best value alternative will be selected.

Financial Analysis: Agency/State							
Line	Measure	Year 1	Year 2	Year 3	Year 4	Year 5	10 Year Total

Copy and paste the Financial Analysis: Constituents chart to this section by completely replacing the blank chart.

It is expected that multiple vendors will be evaluated to implement the AED Online Filing project and the best value alternative will be selected.

Financial Analysis: Constituents							
Line	Measure	Year 1	Year 2	Year 3	Year 4	Year 5	10 Year Total

Section 7. Glossary

Define all terms and acronyms required to interpret the Business Case properly.

AED - The Alternative Energy Division of the Railroad Commission of Texas.

AFRED – The organizational unit of the AED that administers the Commission’s alternative fuels research and education program, including LPG/CNG/LNG certification, exempt registration, training, and continuing education programs.

LIS - LP-Gas Information System, the Commission’s Oracle database for LP-gas (LPG), compressed natural gas (CNG), and liquefied natural gas (LNG) information. LIS is the electronic depository for, among other things, data related to LPG/CNG/LNG licenses, branch outlets, truck registrations, insurance requirements, exempt plumber and air-conditioning contractor registrations, stationary inspection sites, mobile equipment inspections, and non-compliance notices.

LP-Gas Operations – The organizational unit of the AED that administers the LP-Gas, Compressed Natural Gas and Liquefied Natural Gas safety program, including licensing, truck registration, installation approvals, complaint and accident investigations, inspections of stationary facilities and vehicles, and code enforcement.

RMS - Receipts Management System. The Railroad Commission’s system used to allocate and account for online payments; an intermediary system between the online payment portal and LIS.

Section 8. Revision History

Identify changes to the Business Case.

Version	Date	Name	Description
1.2	12/11/2012		Initial creation
1.3	01/09/2013		First operating division review
1.4	01/16/2013		Second operating division review
1.5	01/30/2013		Updates following internal ITS review
1.6	02/14/2013		Updates following QAT Review (after meeting with P.J. Vilanilam of DIR)

Section 9. Appendices

Include any relevant appendices.