

## TECHNOLOGY PROJECT COST/BENEFIT ANALYSIS

### 1. Analysis Summary

Project Name	
Project Sponsor	
Date (MM/DD/YYYY)	
Initial Project Cost Estimate	
Annual Project Maintenance Cost	
Project Impact and Benefit	

### 2. Project Overview and Background

Provide a brief overview, background and definition for the project. Explain the issue or opportunity that is driving this project. Generally characterize what you have learned about new technology, having done your “due diligence” research to search out potential solutions and solution providers.

#### Project Charter

In complex, multiagency projects, governance agreements are recommended. This section can be used to link to such agreements and supporting documentation.



## 2. Project Overview and Background

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### Project Charter

In complex, multiagency projects, governance agreements are recommended. This section can be used to link to such agreements and supporting documentation.

## 3. Discussion of Alternatives

For each of the topics listed below, discuss the project ground rules and assumptions.

### Do Nothing

### Current Process (Describe the existing, as-is model)

### Impact of Doing Nothing



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### 3. Discussion of Alternatives

For each of the topics listed below, discuss the project ground rules and assumptions.

#### Alternative #1 - Goals and Concepts

**Goals** (What is unique about this alternative approach?)

**Functional Concept** (What will the product or service do?)

**Technical Concept** (How will the product or service work?)

**References/Feedback** (Who else is using this alternative, were they contacted, and what comments or concerns did they have?)

**Project/Program Management Concept** (How will the project/program be managed?)



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### 3. Discussion of Alternatives

For each of the topics listed below, discuss the project ground rules and assumptions.

**Acquisition Strategy** (Methodology for funding and acquisition)

**High-Level Schedule** (insert rows as needed): Provide high-level milestones for each of the alternatives presented. This may show, for example, that lower cost trades off against longer schedule.

**Date:** (MM/DD/YYYY)

**Milestone:**

#### Alternative #2 - Goals and Concepts (Articulate as with Alternative #1)

**Goals** (What is unique about this alternative approach?)

**Functional Concept** (What will the product or service do?)

**Technical Concept** (How will the product or service work?)



### 3. Discussion of Alternatives

**For each of the topics listed below, discuss the project ground rules and assumptions.**

**References/Feedback** (Who else is using this alternative, were they contacted, and what comments or concerns did they have?)

**Project/Program Management Concept** (How will the project/program be managed?)

**Acquisition Strategy** (Methodology for funding and acquisition)

**High-Level Schedule** (insert rows as needed): Provide high-level milestones for each of the alternatives presented. This may show, for example, that lower cost trades off against longer schedule.

**Date:** (MM/DD/YYYY)

**Milestone:**

#### Alternative #3 - Goals and Concepts (Articulate as with Alternative #1)

**Goals** (What is unique about this alternative approach?)



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### 3. Discussion of Alternatives

For each of the topics listed below, discuss the project ground rules and assumptions.

**Functional Concept** (What will the product or service do?)

**Technical Concept** (How will the product or service work?)

**References/Feedback** (Who else is using this alternative, were they contacted, and what comments or concerns did they have?)

**Project/Program Management Concept** (How will the project/program be managed?)

**Acquisition Strategy** (Methodology for funding and acquisition)

**High-Level Schedule** (*insert rows as needed*): Provide high-level milestones for each of the alternatives presented. This may show, for example, that lower cost trades off against longer schedule.

**Date:** (MM/DD/YYYY)

**Milestone:**




## 4. Life-Cycle Costs and Benefits

For each alternative, including “do nothing,” discuss the costs and benefits of the product or service according to its life-cycle.

**Life-Cycle Cost Summary:** *Over the expected lifetime of the product or service in question, add the maintenance, enhancement, training/staffing and one-time costs to the initial project costs to get a Life-Cycle Cost Summary. For example, customization to a commercial off-the-shelf software product may result in substantial maintenance costs, as future releases must also be customized and retested.*

### Do Nothing

Lifetime Maintenance and Operation Costs

Lifetime Enhancement Costs

Training and Staffing Costs

Anticipated One-Time Costs (e.g., upgrades or expansions)

**Total Lifetime Cost**

**Disadvantages** (Why might this be a bad idea?)

**Tangible Benefits** (express in Dollars, Euros, etc.)

**Intangible Benefits** (List)



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## 4. Life-Cycle Costs and Benefits

For each alternative, including “do nothing,” discuss the costs and benefits of the product or service according to its life-cycle.

### Alternative #1

Highest Likely Project Cost	
Lifetime Maintenance and Operation Costs	
Lifetime Enhancement Costs	
Training and Staffing Costs	
Anticipated One-Time Costs (e.g., upgrades or expansions)	
<b>Total Lifetime Cost</b>	
<b>Disadvantages</b> (Why might this be a bad idea?)	
<b>Tangible Benefits</b> (express in Dollars, Euros, etc.)	
<b>Intangible Benefits</b> (List)	
<b>Return on Investment (ROI)</b> (Financial Gain/Cost) <b>OR Total Cost Savings</b>	



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## 4. Life-Cycle Costs and Benefits

For each alternative, including “do nothing,” discuss the costs and benefits of the product or service according to its life-cycle.

Alternative #2 - As in Alternative #1 above

Highest Likely Project Cost	
Lifetime Maintenance and Operation Costs	
Lifetime Enhancement Costs	
Training and Staffing Costs	
Anticipated One-Time Costs (e.g., upgrades or expansions)	
<b>Total Lifetime Cost</b>	
<b>Disadvantages</b> (Why might this be a bad idea?)	
<b>Tangible Benefits</b> (express in Dollars, Euros, etc.)	
<b>Intangible Benefits</b> (List)	
<b>Return on Investment (ROI) (Financial Gain/Cost)</b> <b>OR Total Cost Savings</b>	



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## 4. Life-Cycle Costs and Benefits

For each alternative, including “do nothing,” discuss the costs and benefits of the product or service according to its life-cycle.

Alternative #3 – As in Alternative #1 above

Highest Likely Project Cost	
Lifetime Maintenance and Operation Costs	
Lifetime Enhancement Costs	
Training and Staffing Costs	
Anticipated One-Time Costs (e.g. upgrades or expansions)	
<b>Total Lifetime Cost</b>	
<b>Disadvantages</b> (Why might this be a bad idea?)	
<b>Tangible Benefits</b> (express in Dollars)	
<b>Intangible Benefits</b> (List)	
<b>Return on Investment (ROI)</b> (Financial Gain/Cost) <b>OR Total Cost Savings</b>	



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## 5. Risk Analysis

List **significant** risks to each alternative that could have a negative impact on cost or schedule. Consider the full range of potential risks including technical, organizational, vendor-related, financial, environmental and so on.

### Alternative #1

Risk Description	Impact	Plan to Control Risk

### Alternative #2

Risk Description	Impact on ROI	Plan to Control Risk

### Alternative #3

Risk Description	Impact on ROI	Plan to Control Risk



## 6. Cost/Benefit Analysis

Given anticipated costs, benefits and known risks, which of the alternatives presented above provides the best choice?

Alternative	Rank	Reason (Provide reason(s) for selection/ranking.)
Do Nothing		
1		
2		
3		

## 7. Project Cost/Benefit Analysis/Signatures

<b>Project Name</b>			
<b>Project Sponsor</b>			
<i>Reviewed by:</i>			
<b>Name</b>	<b>Title</b>	<b>Signature</b>	<b>Date (MM/DD/YYYY)</b>



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