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| <Title of Investment Proposal> |
| **SINGLE-STAGE BUSINESS CASE - MEDIUM VALUE AND RISK - ($250K TO $2 MILLION VALUE OF PROCUREMENT)** |
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| |  |  | | --- | --- | | **Project Sponsor** |  | | **Project Manager** |  | | **Entity** |  | |

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| This template is based on the Five Case Model and follows the Better Business case guidance. It has been developed by the SRIU in partnership with the International Better Business Case Programme. For support or guidance email sriu@gov.ky. |

**<Title of Investment Proposal>**

1. **INTRODUCTION**

*<State the purpose of the business case and the spend for which approval is being sought, specifically, “to procure X and/or to do X at the cost of $Y”. Provide an overview of sections 1-5 of your proposal in no more than half a page.>*

1. **STRATEGIC CASE**
   1. **Context**

*<Provide a high-level overview of the nature and work of the Organisation in which this procurement or project is taking place.>*

*<Describe how the proposed investment supports public sector policy/Unit/Department/ Ministry objectives, and any links to other programmes or projects.>*

**1.2 Case for Change**

***1.2.1 Investment Objectives***

*<Specify the key objectives for undertaking the investment proposal, expressed in terms of what you are seeking to achieve by way of targeted outcomes.>*

*<Key Note 1: Make your objectives SMART (specific, measurable, achievable, realistic and time-bound).>*

*<Key Note 2: Be guided by the generic drivers for intervention and spend:*

* *to improve the quality of public services by delivering better social outcomes, e.g. to meet new policies and operational targets (effectiveness);*
* *to improve the delivery of public services through better use of inputs and outputs (efficiency);*
* *to reduce the costs of public services (economy);*
* *to meet legal, regulatory or organisational requirements and accepted best-practice (compliance and conformance);*
* *to re-procure services or equipment to avert service failure and provide business continuity (replacement).>*

*<Key Note 3: Consider a workshop (See Appendix I for details) for “Making the Case for Change” consisting of stakeholders, end users, the Sponsor/SRO and other key participants.>*

***1.2.2 Existing Arrangements***

*< Describe any arrangements currently in place (business as usual): how services are presently organised and provided to users; including associated throughput, costs, current asset availability, utilisation and condition.>*

***1.2.3 Business Needs***

*<Describe the problems and difficulties with the existing arrangements and what needs to be done to fill the service gap, i.e. the difference between where we are now and where we want to be in terms of our investment objectives.>*

***Potential Scope and Services***

*<Describe the potential scope for service improvement on a continuum of need as follows:*

* *“core” coverage - the “essential” requirements without which the procurement will not be judged a success;*
* *“desirable” coverage - the “additional” requirements which the procurement “optional” coverage - the “possible” requirements which the procurement may may justify the extra spend on a value for money basis; and*
* *justify on a marginal low cost and affordability basis. >*

***1.2.4 Main Benefits***

*<Specify the beneficiaries and the benefits that will accrue from the achievement of the anticipated outcomes, taking into account: direct public sector benefits (to originating organisation); indirect public sector benefits (to other public sector organisations); and wider benefits to the Cayman Islands (households, individuals and businesses).>*

***1.2.5 Main Risks***

*<Specify the risks associated with the achievement of the anticipated outcomes and the proposed counter measures for the mitigation and management of risk. Focus on the business risks (those that are retained by the organisation) and the service risks (those that may be shared with the supply side, as required, in the design, build, funding and operational phases of the investment proposal).>*

***1.2.6 Constraints***

*<Specify any constraints that have been placed on the investment proposal, including any external conditions and agreed parameters within which it must be delivered).>*

***1.2.7 Dependencies***

*<Specify any dependencies outside the scope of the investment proposal upon which successful delivery is dependent.>*

2. **OPTIONS ANALYSIS**

2.1 **Critical Success Factors**

*<Specify the critical success factors for the investment proposal, i.e. the attributes essential for successful delivery, against which the options will be appraised, together with the agreed investment objectives.>*

*<Key Note 1: Consider the following and tailor as required for your investment proposal:*

* *Strategic fit*
* *Business needs*
* *Optimisation of cost and benefits*
* *Supply side capacity and capability*
* *Affordability*
* *Achievability>*

2.2 **Main Options**

*<Identify and complete the financial appraisal for each option at Annex A, and attach as an Appendix to the Business Case. Your options must include:*

* *Business as usual (the baseline from which improvement will be measured)*
* *The “do minimum” (a realistic option that meets core requirements)*
* *Any additional options considered (see Key Note 2).*

*<Key Note 1: Notwithstanding the procurement value, for novel, contentious proposals that pose significant risks to the public or the Government, use the three stage process (SOC, OBC and FBC) for the development of the business case. This will enable you to identify, quantify, manage and mitigate the risks to the required standard during the design, build and operational phases. For further advice and guidance email* [*SRIU@gov.ky*](mailto:SRIU@gov.ky)*.>*

*<Complete Table 1 below for each option, referencing the benefits and risks in relation to Sections 1.2.4 and 1.2.5 and the costs as shown in the financial appraisal in Annex A.>*

*<Key Note 2: consider a workshop (See Appendix II for details) for “Identifying and Assessing the Options” consisting of stakeholders, end users, the Sponsor/SRO and other key participants; and use of the Options Framework.>*

Table 1: Summary of Options Appraisals

|  |  |
| --- | --- |
| **OPTION 1** | **BUSINESS AS USUAL** |
| **Description** | *<Potential scope, solution, delivery, implementation, and funding stream >* |
| **Net**  **Costs** |  |
| **Advantages\*** |  |
| **Disadvantages\*** |  |
| **Conclusion** | *<How well it meets the agreed investment objectives and critical success factors (CSFs) for the procurement.>* |
| **OPTION 2** | **DO MINIMUM:** |
| **Description** | *<Potential scope, solution, delivery, implementation, and funding stream>* |
| **Net**  **Costs** |  |
| **Advantages\*** |  |
| **Disadvantages\*** |  |
| **Conclusion** | *<How well it meets the agreed investment objectives and critical success factors (CSFs) for the procurement.>* |
| **OPTION 3** |  |
| **Description** | *<Potential scope, solution, delivery, implementation, and funding stream>* |
| **Net**  **Costs** |  |
| **Advantages\*** |  |
| **Disadvantages\*** |  |

\*Include an assessment of the extent to which the option will deliver the main benefits (Section 1.2.4 refers) and incur the main risks (Section 1.2.5 refers).

2.3 **Recommended option**

*<Justify the recommended option (which will be taken forward for further analysis in Sections 3, 4 and 5).>*

3. **PROCUREMENT ROUTE**

*<Describe the outputs - goods, services and works - that will be procured in relation to the recommended option, and how they will be paid for.>*

*<Describe the procurement route and how it complies with the Procurement Law and any other relevant Department or Ministry policy.>*

*<Describe how the goods, works or service will be paid for and risks tied down in the payment mechanism - e.g. pay against milestones, delivery of services, performance, availability, usage.>*

*<Describe how the procurement will be contracted for and whether a standard or bespoke contract will be required.>*

*<Explain any legal or personnel implications of the recommended option, if applicable, and how they will be managed.>*

4. **FUNDING AND AFFORDABILITY**

<*Complete Table 2 and 3 to specify* *the capital (CAPEX) and revenue (OPEX) requirements for the investment proposal and provide an overall statement on affordability and funding. Ensure any affordability gaps are highlighted.>*

*<Key Note 1: This should reflect the whole life cost of the investment proposal, i.e. the expected lifespan of the proposal. For investment proposals exceeding five years, expand the table accordingly.>*

Table 2: Cost and Funding for the Recommended Option

| **Lifespan** | | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Capital Expenditure** | |  |  |  |  |  |  |
| 1 | Fixed assets |  |  |  |  |  |  |
| 2 | Software |  |  |  |  |  |  |
| 3 | Other Capital item |  |  |  |  |  |  |
| **4** | **Total Capital costs (CAPEX)** |  |  |  |  |  |  |
| **Operating Expenditure** | |  |  |  |  |  |  |
| 5 | Personnel |  |  |  |  |  |  |
| 6 | Depreciation |  |  |  |  |  |  |
| 7 | Maintenance |  |  |  |  |  |  |
| 8 | Operating licences etc. |  |  |  |  |  |  |
| 9 | Training |  |  |  |  |  |  |
| 10 | Other Operating costs |  |  |  |  |  |  |
| **11** | **Total Operating costs (OPEX)** |  |  |  |  |  |  |
| **Total Expenditure** | |  |  |  |  |  |  |
| **12** | **Total Project Costs (CAPEX + OPEX)** |  |  |  |  |  |  |
| **Funding** | |  |  |  |  |  |  |
| 13 | CAPEX funding from Cabinet |  |  |  |  |  |  |
| 14 | OPEX funding from Cabinet |  |  |  |  |  |  |
| 15 | Third party funding (CAPEX if any) |  |  |  |  |  |  |
| 16 | Third party funding (OPEX if any) |  |  |  |  |  |  |
| **17** | **Total funding** |  |  |  |  |  |  |
| **Affordability Assessment** | | | | | | | |
| **18** | **Shortfall/Overage CAPEX (CAPEX Costs – Total CAPEX Funding**) |  |  |  |  |  |  |
| **19** | **Shortfall/Overage OPEX (OPEX Costs – Total OPEX Funding**) |  |  |  |  |  |  |

**Revenue Generation**

Table 3: Revenue Projections for the Recommended Option

| **Recommended Option** | | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Revenues** | |  |  |  |  |  |  |
| 1 | Sales and other Revenue |  |  |  |  |  |  |

**Balance Sheet Treatment**

*<Explain any impacts on the balance sheet of the Organisation and how these will be dealt with.>*

5. **DELIVERY ARRANGEMENTS**

*<Describe what arrangements have been put in place to ensure the successful delivery of the investment proposal, including:*

* *Project management arrangements: standards, governance arrangements, roles and responsibilities and plans.*
* *Project assurance (independent and impartial reviews) at different stages of the project lifespan.*
* *Change management arrangements, if required.*
* *Benefits realisation and plans, including benefits register.*
* *Risk management arrangements and plans, including risk register.*
* *Contract management arrangements and plans, if required.*
* *Post evaluation arrangements and plans including:* 
  + *(1) the date the Project Closure Report will be delivered (i.e. to evaluate whether the project has been delivered to time, cost, and specifications, and to identify lessons learned); and*
  + *(2) proposals for a post-implementation report, if applicable (i.e. to evaluate outcomes and benefits achieved).*
* *Contingency Plan (if applicable).>*

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| --- | --- | --- | --- |
|  | **Name** | **Signature** | **Date** |
| Prepared By |  |  |  |
| Reviewed By |  |  |  |
| Approved By |  |  |  |