

***US Department of Housing and Urban Development
Public and Indian Housing – Real Estate Assessment Center
(PIH-REAC)***



SDM Initiate Phase Cost Benefit Analysis

for the

**Financial Assessment Subsystem – Public Housing
(FASS PH)**

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Subsystem:	FASS-PH
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COST/BENEFIT ANALYSIS (DRAFT)

*Financial Assessment Subsystem - Public Housing
(FASS-PH)*

U.S. Department of Housing and Urban Development

June 2005

Revision Sheet

Revision Sheet

Release No.	Date	Revision Description
Rev. 1.0	08/26/2005	Document Updated for Release 8.1.0.0
Rev. 1.1	06/06/2005	Revised by QA Manager for SDM Compliance
Rev. 1.2	06/09/2005	Revised by Analyst to Incorporate QA Recommendations
Rev. 1.3	06/21/2005	Revised by Analyst to incorporate new requirements/Peer Review
Rev. 1.4	06/30/2005	Incorporate IT Managers Comments



Cost/Benefit Analysis Authorization Memorandum

I have carefully assessed the Cost/Benefit Analysis for the FASS-PH subsystem. This document has been completed in accordance with the requirements of the Department of HUD System Development Methodology (SDM).

MANAGEMENT CERTIFICATION - Please check the appropriate statement.

_____ The document is accepted.

_____ The document is accepted pending the changes noted.

_____ The document is not accepted.

We fully accept the changes as needed improvements and authorize initiation of work to proceed. Based on our authority and judgment, the continued operation of this system is authorized.

Freddie Harrison
FASS-PH IT Manager

DATE

Nick Miele
FASS-PH Business Program Manager

DATE

COST/BENEFIT ANALYSIS

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1.0 GENERAL INFORMATION

1.0 General Information

1.0 GENERAL INFORMATION

1.1 Purpose

The Cost/Benefit Analysis provides adequate cost and benefit information, including the impact of security, privacy, and internal control requirements to analyze and evaluate alternative approaches to meeting mission deficiencies.

1.2 Scope

The scope of the Release 8.1.0.0 is determined by requirements documented in the Release 8.1.0.0 Statement of Work.

These requirements are displayed in a table format. The column header, “#”, indicates the sequential order of the requirements. The column header, “Req. #”, indicates the requirement number noted in Release 8.1.0.0 Statement of Work Document. The column header, “Title” and “Description”, are self-explanatory.

Requirement Table			
Cap. #	Req. #	Title	Description
1	2	Line Item G3000-010	First, the DCF/Financial Statement/G3000-010 Type of Audit Report/G3000-060 & 070 will now reflect Fund Type and Opinion of the Fund rather than Program. Auditors should only be entering opinion for funds within the PHA.
2	3	View Prior Fiscal Year Submission Comments	Allow analysts to review prior year submission comments while still reviewing the current FYE submission. This will allow the analyst to review prior submission comments without navigating between multiple submissions.
3	4	Line Item G4200-010 & G4200-050	Modify Line Item 4200-050 to default to “N/A”; if and only if Line Item 4200-010 is selected “No” for Non-Major Programs audited A133, there will be no penalty when this opinion is selected.
4	5	Line Item G1102	New logic will be in place, so that the external user will not be able to enter any amount on Line Item G1102. This new methodology should begin for all 9/30/2005 submissions.
5	6.2	FASS Analyst Column	Modify the FASS Analyst column for the external user inbox only to display the name of the Business Manager or Analyst.
6	6.7	FDS Report	Repair the FDS report page to print correctly from MS Internet Explorer.
7	7.1	Storing Assessment Attachments	Change the storage of permanent file attachments from being part of the UNIX /Windows file system to being stored as Binary Large Objects (BLOB’s) in the database. All file attachments need to be stored and retrieved on the REACS database.
8	7.2	HTTPS on port 443 (default)	Remove any instances of http port in ColdFusion templates and replace http port with the relative server.
9	7.7	WASS – Guest Checkbox	WASS will remove the guest checkbox on the Login interface. Have the system automatically recognized a guest user.
10	7.9	Remove Identity Type from the Participant Assessment Table.	Remove identity attribute from the column definition in the assessment table and replace the attribute with a stored procedure to find the sequential primary key value.

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Requirement Table			
Cap. #	Req. #	Title	Description
11	7.10	LOCCS/HUDCAPS Storing Data.	Remove storing Line of Credit Control System/ HUD Central Accounting Processing System (LOCCS/HUDCAPS) data in permanent tables and pipe the HOCCS/HUDCAPS data directly into the REAC database.
12	8	Alter Financial Review Instructions	On the Review Submission Page under the Financial Statement tab the instructions need to be modified. The first bullet of the instructions will be separated into two distinct bullets. The first bullet will read, "Government-Wide Financial Statements, If Applicable." The second bullet will read, "Fund Financial Statements."

1.0 General Information

1.3 System Overview

The FASS-PH is a subsystem of the Real Estate Assessment Center System (REACS). FASS-PH will help enable centralized financial analysis that can be used to identify where HUD should focus its limited resources to improve service delivery and manage its housing programs proactively. To achieve this goal, the following objectives have been identified:

- Gather standard financial data pertaining to each Public Housing Agency (PHA) and Section 8 Entity by combining standard fiscal audit information with reporting and compliance factors as defined by the Single Audit Act;
- Assess the financial condition of all PHAs and Section 8 Entities using a comprehensive protocol;
- Assess financial risk using standard financial data;
- Determine an objective, numerical score for each PHA and Section 8 Entity using standard protocols for financial performance review;
- Enable HUD staff to focus on the most troubled PHAs and Section 8 Entities based on the risk associated with the score;
- Eliminate or address existing material weaknesses identified through IG Audits. This includes mitigating potential risks;
- Support HUD's mission;
- Implement OMB Circular A-123 compliant policies and procedures;
- Support HUD's eGov Strategic Plan;
- Automate paper based forms to support the Government Paperwork Elimination Act (GPEA);
- Provide payback as early in the system lifecycle as possible;
- Provide significant benefits to HUD;
- All new functionality meets the Rehabilitation Act Section 508 requirements.

System Overview Table	
System and Subsystem Description	
System	Real Estate Assessment Center System (REACS)
Subsystem	Financial Assessment Subsystem - Public Housing (FASS-PH)
Responsible Party Description	
Sponsor	Public and Indian Housing – Real Estate Assessment Center (PIH-REAC)
Requirements	Avineon Inc.
Design	Avineon Inc.
Development	Avineon Inc.
System and Integration	Avineon Inc., DCG
Testing	
User Acceptance Testing	To be determined by PIH-REAC Management
Deployment	Avineon Inc., DCG
Maintenance	Avineon Inc., DCG
System Environment, Code, and Category: and Operational Status Description	
PCAS	307820
System Code	P093
System Category	Non- Major
Operational Status	Operational
System Environment	Web Based

1.0 General Information

1.4 Project References

The following documents are available to provide a comprehensive understanding of the PHA financial assessment process. Most documents are available via the REAC Document Library. Additionally, several of the documents listed below are available through the PHA Financial Assessment Internet site at

<http://www.hud.gov/offices/reac/products/prodpha.cfm>.

References Table	
Document Name	Date
FASS-PH 8.1.0.0	
FASS-PH Release 8.1.0.0 SDM Initiate Phase – Needs Statement Document	06/10/2005
FASS-PH Release 8.1.0.0 SDM Initiate Phase – Feasibility Study Document	06/14/2005
FASS-PH 7.3.0.0	
FASS-PH Release 7.3.0.0 SDM Initiate Phase – Cost/Benefit Document	03/25/2003
Policies	
PHAS: Physical Condition Scoring Process and Financial Condition Scoring Process	10/21/2003
Changes to the Public Housing Assessment System (PHAS); Proposed Rule, 24 CFR Part 902	02/06/2003
PHAS; Notice Adopting Interim Scoring Methodologies for PHAS Physical Condition and Financial Conditions Indicators	03/15/2002
PHAS Information About PHAS Interim Scoring Methodology for PHAs With Fiscal Years Ending On or After September 30, 2001: Introduction; Notice	11/26/2001
PHAS; Financial Condition Scoring Process Notice	12/21/2000
PHAS Financial Condition Scoring Process	06/28/2000
Uniform Financial Reporting Standards: 24 CFR Part 5, et al	03/27/2000
Technical Correction to PHAS Final Rule	06/06/2000
Public Housing Assessment System (PHAS) Amendments; Final Rule,” 24 CFR Part 902	01/11/2000
PHAS Proposed Amendments to 24 CFR Part 902	06/22/1999
Public Housing Assessment System; Financial Condition Scoring Process Notice	06/23/1999
Uniform Financial Reporting Standards for HUD Housing Programs; Final Rule,” 24 CFR Part 5, et al	09/1/1998
Public Housing Assessment System Final Rule,” 24 CFR Parts 901 and 902	09/1/1998
Additional References	
OMB: “Information Collection; Request for Public Comments	08/15/2003
Federal Audit Clearinghouse (FAC) Summary of Proposed Changes to the Data Collection Form (SF-SAC)	08/15/2003
Draft Data Collection Form (SF-SAC) for Fiscal Year Ending Dates in 2004, 2005, or 2006	08/15/2003
Instructions for Completing Form SF-SAC, ... for Fiscal Periods Ending in 2004, 2005, or 2006	08/15/2003
Summary of Changes to SF-SAC	11/16/2000
Financial Data Schedule Line Definitions and Crosswalk Guide	09/14/2001
HUD PHA GAAP Conversion Guide,” 01/31/2000.	N/A
Detailed System Requirements Document for the AFS Version 2.0.”	N/A
Annual Financial Data Submission Requirements for the AFS Version 2.0.”	N/A
Addendum to the Data Standardization Results for the AFS Version 2.0.”	N/A
System Development Methodology Release 6.01,” January 2000.	N/A
Preliminary Scoring Methodology and Thresholds for Financial Indicators	06/30/1999
Financial Indicators Methodology & Analysis Guide	12/14/1999
PHA Financial Assessment Lab Financial Assessment Operations Design and Procedures	03/31/1999
Financial Assessment Lab – Business Process Documentation and Flow Maps	09/21/1999
PHAS Appeals Business Process	11/28/2000
HUD Business Resumption Plan	10/2000

1.0 General Information

1.5 Acronyms and Abbreviations

The following table defines terms and acronyms used throughout this document.

Term	Definition
ACWP	Actual Cost of Work Performed
APP	Annual Performance Plan
BCWP	Budgeted Cost of Work Performed
BCWS	Budgeted Cost of Work Scheduled
BRD	Business Requirements Document
CCB	Change Control Board
CCD	Change Control Board
CDR	Critical Design Review
CFDA	Catalog of Federal Domestic Assistance
CI	Configuration Item
CIO	Chief Information Officer
CLIN	Contract Line Item Number
CM	Configuration Management
CMM	Capability Maturity Model
CMMI	Capability Maturity Model Integrated
CMP	Configuration Management Plan
CO	Contracting Office
COR	Contracting Office Representative
COTS	Commercial Off The Shelf
CPI	Cost Performance Index
CR	Change Request
CSCI	Computer Software Configuration Item
CV	Cost Variance
DB	Database
DCF	Data Collection Form
DCG	Development Coordination Group
DMM	Deliverable Management Module
DOA	Date of Award
DR	Design Review
EAC	Estimate At Completion
EIN	Employer Identification Number
ETC	Estimate To Complete
EV	Earned Value
EVA	Earned Value Analysis
EVM	Earned Value Management
FASS	Financial Assessment Subsystem
FASS-PH	Financial Assessment Subsystem – Public Housing
FCA	Functional Configuration Audit
FDS	Financial Data Schedule
FEDSIM	Federal Systems Integration and Management Center
FOIA	Freedom Of Information Act
FQR	Formal Qualification Review

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Term	Definition
FRD	Functional Requirements Document
FY	Fiscal Year
FYE	Fiscal Year End
GAAP	Generally Accepted Accounting Principles
GAGAS	Generally Accepted Government Auditing Standards
GAO	Government Accounting Office
GASB	Governmental Accounting Standards Board
GPEA	Government Paperwork Elimination Act
GSA	General Services Administration
GTM	Government Technical Monitor
HA(s)	Housing Authority
HTML	Hypertext Markup Language
HUD	Department of Housing and Urban Development
HUD OIG	HUD Office of Inspector General
HUDCAPS	HUD Central Accounting Processing System
HUDWeb	HUD's Intranet Web Site
ICD	Interface Control Deliverable
IG	Inspector General
IG	Inspector General
IPA	Independent Public Accountant
IPR	In Progress Reviews
ISG	Internet Services Group
IT	Information Technology
IV&V	Independent Verification & Validation
JAD	Joint Application Development
LOCCS	Line of Credit Control System
LPF	Late Presumptive Failure
MF	Multi-Family
NASS	Integrated Assessment Subsystem
NDS	Non-Developmental Software
ODC	Other Direct Costs
OMB	Office of Management and Budget
PASS	Physical Assessment Subsystem
PCA	Physical Configuration Audit
PD&R	Policy Development and Research
PDR	Preliminary Design Review
PH	Public Housing
PHA	Public Housing Agency/Public Housing Authority
PHAS	Public Housing Assessment System
PIH	Public and Indian Housing
PIH-REAC	Public Indian Housing - Real Estate Assessment Center
PM	Project Manager
PMC	Project Monitoring and Control
PMP	Project Management Plan
PNR	Problem Notification Report

1.0 General Information

Term	Definition
POC	Points of Contact
PP	Project Plan
PP&O	Project Planning & Oversight
PPQA	Product & Process Quality Assurance
PR	Problem Reports
PRR	Product Readiness Review
QA	Quality Assurance
QAG	Quality Assurance Guidelines
QAP	Quality Assurance Plan
QASS	Quality Assessment Subsystem
RAF	Risk Analysis Form
RASS	Residential Assessment Subsystem
REAC	Real Estate Assessment Center
REACS	Real Estate Assessment Center System
RM	Risk Management
RR	Requirements Review
SAC	PHAS invalidation action code
SCI	Software Configuration Item
SCR	Software Change Request
SDD	Software Design Description
SDF	Software Development File
SDL	Software Development Library
SDM	Software Development Methodology
SDP	System Decision Paper
SDR	Software Design Review
SMP	Software Measurement Plan
SOW	Statement Of Work
SPI	Schedule Performance Index
SQA	Software Quality Assurance
SQL	Standard Query Language
SR	Specification Review
SRS	Software Requirements Specification
SSDD	System/Subsystem Specification
SSR	Software Specification Review
SSS	System/Subsystem Specification
SV	Schedule Variance
SW	Software
TAC	Technical Assistance Center (formerly the Customer Service Center)
TBD	To Be Defined
TOR	Task Order Request
TOS	Tracking & Ordering System
TRB	Technical Review Board
TRR	Test Readiness Review
UAT	User Acceptance Testing
UDF	Unit Development Folder

1.0 General Information

Term	Definition
UFI	Unique Fee Accountant Identifier
UFRS	Unified Financial Recording Standards
UII	Unique IPA Identifier
WASS	Web Access Security System
WBS	Work Breakdown Structure
WDDX	Web Dynamic Exchange
XML	eXtensible Mark-up Language

1.6 Points of Contact

1.6.1 Information

The following table lists Points of Organizational Contact (POC's). The following table lists Points of Organizational Contact (POC's).

Points of Organizational Contacts Table				
Contact Name	Organization	Position	Telephone Number	Email
Nick Miele	PIH-REAC	FASS-PH Business Program Manager	202-475-8788	Nicholas_X.Miele@hud.gov
Steve Bolden	PIH-REAC	FASS-PH Assessment Manager for Systems Operations	202-475-8706	Steve_A.Bolden@hud.gov
Freddie Harrison	PIH-REAC	FASS-PH IT Manager	202-475-8639	Frieddie_Harrison@hud.gov
Keith Bennett	Avineon Inc.	Project Manager	202-475-8903	Keith_Bennett@HUD.gov
Joneff Chung	Avineon Inc.	FASS-PH Requirements Lead	202-475-8889	Joneff_Chung@HUD.gov
Surafiel Berek	Avineon Inc.	FASS-PH Development Lead	202-475-8828	Surafiel_Berek@HUD.gov
Mohammed Hasan (Ashraf)	Avineon Inc.	FASS-PH Maintenance Lead	202-475-8898	Mohammed_A.Hasan@HUD.gov

1.0 General Information

1.6.2 Coordination

FASS-PH will coordinate with the following organizations to successfully implement the FASS-PH functionality:

Coordination Table	
Organization	Support Function
PIH-REAC	Business Requirements Support, Project Management
Avineon	Requirements, Design, Development, Testing, Installation, Deployment, Maintenance, Technical Support /Operations, Project Management
DCG	Customer Support/Operations, Development Coordination, Integration Test Coordination, Deployment, and Maintenance
HUD IT	Implementation Coordination
FASS-PH Lab	Business Requirements Support
WASS	Web-based Systems Security
NASS	PHAS Integrated Scoring
QASS	IPA referral information

2.0 MANAGEMENT SUMMARY

2.0 MANAGEMENT SUMMARY

2.1 Assumptions and Constraints

In developing this Cost-Benefit Analysis, the team made the following assumptions:

- The FASS-PH system will have an economic life of eight years
- Regulatory and policy changes will continue to require new systems development funding to complete
- The system operational life will be eight years or greater

The team also identified some constraints that limit the alternatives to the current proposal. These constraints led the team to select the current environment to continue building the FASS-PH capabilities:

- The system must be available to users 24 hours per day, every day with only minimal downtime
- The system must be available to users external to the Department of HUD
- The system must not require software upgrades to user's computers each time a new functionality is released
- The system must be able to seamlessly interact in the PIH-REAC/HUD Enterprise Architecture
- The system must be able to interact seamlessly with other PHAS systems in the REACS data model

2.2 Methodology

The FASS-PH (REAC Program and IT) team developed the cost figures in Section 4.0 using the prescribed calculations and the project estimation tool. The project also used OMB Circular A-94 to develop present values for future costs and benefits. The past cost amounts were taken from actuals while the future cost amounts were based upon current maintenance funding levels with the present value calculation.

The project did not evaluate alternatives for FY 2005 for the following reasons:

- The project assessed alternatives at the beginning of the overall effort in 1998. The team determined at that time to use the HUD/PIH-REAC Enterprise Architecture
- The assumptions and constraints in Section 2.1 of the Feasibility Study require the current architecture be utilized
- The FASS-PH is approximately 85% developed. To switch solutions at this point would not be beneficial as the Department of HUD would have to reinvest significant money to reach the current status of the system
- The FASS-PH platform is innovative and will have a long lifespan, which is required to receive payback

2.3 Evaluation Criteria

The team evaluated the cost/benefit analysis based on the benefits and costs outlined in the later sections in compliance with the Department of HUD and OMB standards. The project also reviewed the Cost/Benefit analysis in terms of the Department of HUD CIO goals.

2.4 Recommendations

The project recommends that FASS-PH continue to use the HUD/PIH-REAC Enterprise Architecture for the reasons stated in Section 2.2 above. The Department of HUD CIO evaluation assessment is provided previously in section 1.7.

3.0 DESCRIPTION OF ALTERNATIVES

3.0 Description of Alternatives

3.0 DESCRIPTION OF ALTERNATIVES

This section identifies the alternative approaches for the development and operation of the system, as determined in the Feasibility Study, and provides a brief description of each

3.1 Current System

The FASS-PH system uses the PIH-REAC/HUD Enterprise Architecture. This architecture leverages a web farm of Solaris servers running Cold Fusion. These servers connect to the REACS Sybase database on a Dell database server. This configuration is to be proven stable and manages most PIH systems.

FASS-PH receives the financial statements from Public Housing Agencies in an electronic format. This is the first time the Department of HUD has had access to this information throughout the organization, prior to the implementation for the FASS-PH online system, PHAs submitted hard copies to the local PIH office. Once PIH-REAC receives the financial data from a PHA, the data is scored and the internal business team reviews the data to determine the risk that PHA presents to the department. The ultimate output of the system is a risk ranking relative to the PHAs peers in the form of a FASS-PH score, and a PHAS score.

3.2 Proposed System

The proposed FASS-PH Release 8.1.0.0 enhancements have the technical and operational characteristics of the existing system.

3.3 Alternatives

REAC has already established Enterprise Architecture and a FASS-PH baseline. As a result, all current and future efforts will utilize this architecture for the reasons stated in Section 2.2. As this system is approximately 85% developed, it is not in the best interested of the Department of HUD to change to a different approach when FASS-PH has shown to be a model system. It has even been recognized in the eGov awards to further demonstrate this.

4.0 COSTS

4.0 COSTS

This section will describe the costs to develop and operate the proposed FASS-PH functionality, as described in Section 1.2. There is no alternative solution provided for the following reasons:

- The assumptions and constraints in Section 1.2 require the current architecture be utilized;
- The FASS-PH is approximately 85% developed. To switch solutions at this point would not be beneficial as the Department of HUD would have to reinvest significant money to reach the current status of the system;
- The FASS-PH platform is innovative and will have a long life span, which is required to receive payback.
- FASS-PH has shown to be a stable, innovative solution that received recognition at the eGov awards.

4.1 Development Costs

The FASS-PH FY 2005 Development effort will incur a cost of approximately \$485,000 to deliver the enhancements proposed in Section 1.2. This estimate was developed using the PIH-REAC development estimating method and the requirements described in section 2.2. Please reference the FASS-PH ITIPS documentation for detailed FY 2005 funding and for the total lifecycle development cost.

4.2 Operational Costs

The FASS-PH FY 2005 operations effort will incur a cost of \$419,000 to maintain the system. This estimate was developed using the PIH-REAC maintenance estimating method. Please reference the FASS-PH ITIPS documentation for the total maintenance lifecycle cost.

4.3 Non-Recurring Costs

The FASS-PH system will incur a non-recurring cost of \$25,000 for FY 2005. This estimate was developed using the PIH-REAC maintenance estimating method. Please reference the FASS-PH ITIPS documentation for the total maintenance lifecycle cost.

4.3.1 Capital Investment Costs

At this time, there is no FASS-PH capital investment cost identified for FY 2005.

4.3.2 Other Non-Recurring Costs

At this time, there are no additional non-recurring costs identified for FY 2005.

4.4 Recurring Costs

The FASS-PH system will incur a Recurring Cost of \$10,000 for FY 2005. This estimate was developed using the PIH-REAC maintenance estimating method. Please reference the FASS-PH ITIPS documentation for the total maintenance lifecycle cost.

5.0 BENEFITS

5.0 Benefits

5.0 BENEFITS

This section describes the benefits that can be assigned dollar values for the proposed functionality. Benefits will be described in terms of Non-Recurring Benefits, Recurring Benefits, and Non-Quantifiable Benefits. This is only provided for the approach to use the current system as was documented in Section 4.0.

5.1 Non-Recurring Benefits

The following sections describe the benefits that are realized through the implementation of FASS-PH.

5.1.1 Cost Reduction

There are no cost reductions noted at this time.

5.1.2 Value Enhancement

FASS-PH has already demonstrated its value enhancement potential in the following manners:

- FASS-PH allows the Department of HUD to focus resources on fixing troubled PHAs, rather than looking for those PHAs. This makes much more effective use of limited Department of HUD resources.
- FASS-PH makes financial information available to anyone at the Department of HUD. Previously, financial information was only available to the person who received the paper financial report. Now every employee at the Department of HUD is empowered to review the financial information for any PHA in a standard format.
- The Department of HUD now has a peer comparison of PHA financial information. The Department of HUD can now make a case against one PHA using the peers as justification. The Department of HUD has done this against an audit firm who was providing substandard audits for PHAs. This firm was performing in excess of \$1 million in audit fees annually. FASS-PH provided the information needed to identify this firm and begin debarment procedures.
- Increase HUD's operational efficiency by centralizing and standardizing the process of evaluating the condition of PHAs and by automating manual processes.
- A decrease of 60% in the number of people needed to review financial information submitted by PHAs by automating the quantitative analysis of the financial data. This will enable HUD staff to focus resources on taking action to improve the condition of the most troubled PHAs.
- The PIH-REAC will provide timely and accurate financial and physical condition information regarding the PHA's other business partners' housing properties that will be used by other HUD offices and centers to support their performance measures. This should aid the Department in producing a more outcome oriented annual performance report. The systems specifically will provide improvement in customer service assessment methods and procedures via electronic medium.
- Increase the frequency of financial assessment reviews to 100% of all PHAs on an annual basis.
- Increase the accuracy and quality of financial data by:
 - Collecting financial information electronically in a consistent format as defined by GAAP;
 - Completing extensive automated data validation;
 - Comparing unaudited data to audited results.
- Increase accuracy of financial risk assessment by developing an objective numerical score for each PHA using standard protocols for financial performance reviews.
- Improve timeliness of available financial information and valuable financial assessment feedback that will be used by HUD in determining which PHAs to focus their efforts on.
- Increase overall condition of Public Housing by developing an overall performance scorecard for PHAs based on the physical, management, financial and residential component scores and leveraging audited financial data collected by FASS to validate management and residential information. This integrated scorecard will be used to focus resources and take action to improve the condition of troubled PHAs.

5.0 Benefits

- Increase the average financial condition of PHAs.

5.1.3 Other

There are no other known benefits at this time.

5.2 Recurring Benefits

Please reference the FASS-PH ITIPS Cost/Benefit Analysis document for information related to recurring benefits.

5.3 Non-Quantifiable Benefits

Some non-quantifiable benefits are provided in section 5.1.2 above. In addition, FASS-PH is also working to provide the following benefits:

Non-Quantifiable Items	Benefits
Enhanced Organizational Image	FASS-PH is a cornerstone in the Department's drive to regain the public's trust, otherwise known as the Management 2020 Reform. FASS-PH is accomplishing this by providing a vehicle to verify that the PHAs are accountable for their financial responsibilities.
Improved Service	The Department of HUD is now able to assess a PHA's financial condition in relation to its peers and assist that PHA through the field office. This is designed to not only help the PHA achieve financial health, but to also help the residents of that PHA receive better housing.
Reduced Risk of Incorrect Processing	FASS-PH standardizes the financial review process to confirm that each PHA receives a consistent risk ranking. Prior to FASS-PH, PHAs submitted their financials to the local Department of HUD field office. These financials, in the form of an audit, were provided in inconsistent formats and even accounting methods. FASS-PH has standardized the financials to promote accurate reviews and risk ranking of data.

6.0 COMPARATIVE COST/BENEFIT SUMMARY

6.0 COMPARATIVE COST/BENEFIT SUMMARY

As documented before, FASS-PH does not have any viable alternatives as described in section 4.0. Instead, the following discussion will be kept to a strict Cost/Benefit analysis of the proposed functionality.

6.1 Cost of the Proposed Functionality over the System Life

The following sections will provide the costs for the proposed functionality (see section 1.2) over the life of the system.

6.1.1 Non-Recurring Costs

The FASS-PH FY 2005 Development effort will incur a cost of \$25,000 to deliver the enhancements proposed in Section 1.2 and throughout the end of the FY 2005.

6.1.2 Recurring Costs

The FASS-PH FY 2005 operations effort will incur a cost of \$10,000 to maintain the system.

6.1.3 Total Cost

The total FY 2005 cost for FASS-PH is \$939,000. This includes the cost of the development effort identified in Section 1.2, as well as the FY 2005 maintenance cost.

6.1.4 System Life Costs

The system life cost is provided in section 6.1.3.

6.1.5 Present Value Cost

Please reference the FASS-PH ITIPS Cost/Benefit Analysis document for the Present Value Cost.

6.1.6 Residual Value Estimate

There will be little or no residual assets at the end of the system lifecycle.

6.1.7 Adjusted Cost

Please reference the FASS-PH ITIPS Cost/Benefit Analysis document for the Adjusted Cost.

6.2 Benefits

To use a consistent snapshot of data, benefits will be realized only for the period of the system lifecycle. This period begins in FY 2000 and ends in FY 2008. REAC realizes that benefits should continue after that point, but feels that the benefits realized during this period will suffice. Please reference the FASS-PH ITIPS Cost/Benefit Analysis document for information related to the present value benefit.

6.3 Net Present Value

Please reference the FASS-PH ITIPS Cost/Benefit Analysis document for the Net Present Value.

6.4 Benefit/Cost Ratio

Please reference the FASS-PH ITIPS Cost/Benefit Analysis document for the Benefit/Cost Ratio.

6.5 Payback Period

Please reference the FASS-PH ITIPS Cost/Benefit Analysis document for information related to the Payback Period.