

INVESTMENT MATRIX

- 1. REASON FOR ISSUE:** The directive establishes a Department wide standard methodology for identifying capital investment options at the beginning of the planning and selection process.
- 2. SUMMARY OF CONTENTS:** This directive sets forth the policy that all administrations and staff offices will follow the Investment Matrix when making capital asset investment decisions.
- 3. RESPONSIBLE OFFICE:** The Office of Management (004) is responsible for the contents of this directive.
- 4. RELATED HANDBOOK:** None.
- 5. RESCISSIONS:** None.

CERTIFIED BY:

**BY DIRECTION OF THE SECRETARY
OF VETERANS AFFAIRS**

/s/
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Distribution: RPC: 0735, 0005
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INVESTMENT MATRIX

1. PURPOSE

2. a. The VA Investment Matrix (IM) establishes a Department wide standard methodology for identifying capital investment options at the beginning of the planning and selection process. It will help decision-makers throughout VA to identify the option(s) to consider for appropriate development.
- a. b. The IM is a systematic approach intended to ensure all viable capital asset investment options have been explored, and reasons for viability or non-viability provided.
- b. c. The IM institutes a comprehensive and uniform corporate capital asset system to ensure a consistent and coordinated approach to capital asset decision-making.
- d. The IM helps to ensure all capital asset investments throughout the Department have undergone the appropriate rigor and level of analysis required for sound investment decisions.
- e. The IM helps to ensure that the VA capital asset portfolio contributes to achieving key Departmental performance measures and targets, and that capital investment decisions will result in achieving VA strategic goals and objectives.

2. POLICY

- a. All administrations and staff offices will follow the IM when making capital asset investment decisions.
- b. An “investment comparison matrix” tool (see appendix A) has been designed to assist in the capital asset investment decision-making process. The electronic (MS Excel) matrix template is available on the Office of Asset Enterprise Management (OAEM) Web site (<http://vaww.va.gov/budget/capital/>). Administrations and staff offices will use this tool to help identify all viable investment options and to ensure sufficient information is explored and gathered to facilitate informed and substantiated capital asset investment decisions, for both above and below-threshold investments.
- c. Existing applicable laws, regulations, and policy directives, including VA capital asset program-specific guidance, will be consulted when completing the investment matrix.
- d. Completed matrices, to include supporting documentation, will be maintained by the asset holder for a minimum of 3 years.
- e. In general, level of effort and supporting documentation should be commensurate with the acquisition’s impact on resources and/or mission.
- f. Above-threshold capital asset investments: Completed matrices are to be provided to OAEM for all above-threshold investments that meet VA capital investment criteria, as part of the Department’s capital investment planning process.

g. Below-threshold capital asset investments: Completed matrices are to be available upon request, but are not required to be submitted to OAEM for approval on a recurring basis.

h. Completion of the IM supplements existing requirements for determining the best investment option for a capital asset acquisition; an alternatives and risk analysis will be completed for each viable alternative identified by the investment matrix to determine the optimal acquisition choice for VA.

i. Completed matrices with the lowest scores help determine the best investment options. However, if low-scored investment options are not selected, an accompanying explanatory narrative must be developed and included with those completed matrices.

j. Administrations and staff offices are expected to manage all capital assets in accordance with established policy. The OAEM's involvement will be exception-based.

3. RESPONSIBILITIES

a. **VA Strategic Management Council (SMC).** The SMC is the decision making body for the capital asset planning process. The SMC establishes capital policy and makes decisions on major capital investments, including providing guidance about the percentage of funding that should be invested in capital assets each fiscal year in support of the Secretary's priorities.

b. **VA Capital Investment Panel (CIP) and CIP Working Group (CIPWG).** The CIP supports the SMC and provides input on policy/guidance development in addition to their role of reviewing investment proposals. The CIPWG serves as a vehicle for appropriately vetting capital asset policies throughout the Department. The CIPWG reviews proposed capital asset policies and procedures and provides input to the CIP.

c. **Assistant Secretary for Management.** The Assistant Secretary for Management serves on the SMC, participates in setting VA's capital asset management policy direction, and ensures fiscal integrity of VA's portfolio of assets.

d. **Assistant Secretary for Information and Technology.** Under the Clinger-Cohen Act (PL 104-106, Div. E, as amended), the VA Chief Information Officer (CIO) is responsible for ensuring that information technology (IT) is acquired and information resources are managed for VA in a manner consistent with the requirements of the Act. In addition, the VA CIO has been delegated, by the Secretary: (1) the responsibility for approving planning and technical documentation prior to expending funds for any information technology program, project, or initiative; and (2) execution authority over VA IT appropriations.

e. **Under Secretaries, Assistant Secretaries, and Other Key Officials.**

(1) Participate in setting Departmental capital asset policy direction;

(2) Ensure that the policies set forth in this directive are implemented within their respective organizations and field activities; and

(3) The Administrations, the Office of Information and Technology, and the Office of Human Resources and Administration are required to have a focal point or centralized capital asset management function within their organization to interface with OAEM.

f. **Capital Asset Focal Points.** Focal points are responsible for working closely with OAEM to ensure capital assets are managed in a strategic, fiscally sound manner throughout the Department. Focal points bridge the oversight responsibilities of OAEM with the operational responsibilities for capital assets within the Administrations and staff offices. Specifically, focal points are responsible for:

- (1) Ensuring conformity to Department policies and procedures;
- (2) Instituting procedures for investments both above and below-threshold;
- (3) Coordinating submission of a long-term capital asset plan;
- (4) Contributing to, and participating in, maintenance of VA's portfolio of existing assets; and
- (5) Maintaining operational responsibility for asset management activities.

g. **Office of Asset Enterprise Management (OAEM).** OAEM is responsible for providing oversight in the capital asset arena to ensure a consistent and cohesive Department approach to capital asset management.

4. REFERENCES

See VA Directive 4085, Capital Asset Management

5. DEFINITIONS

See VA Directive 4085, Capital Asset Management