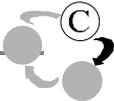
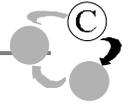


Chapter II
Control Phase







CHAPTER II—CONTROL PHASE

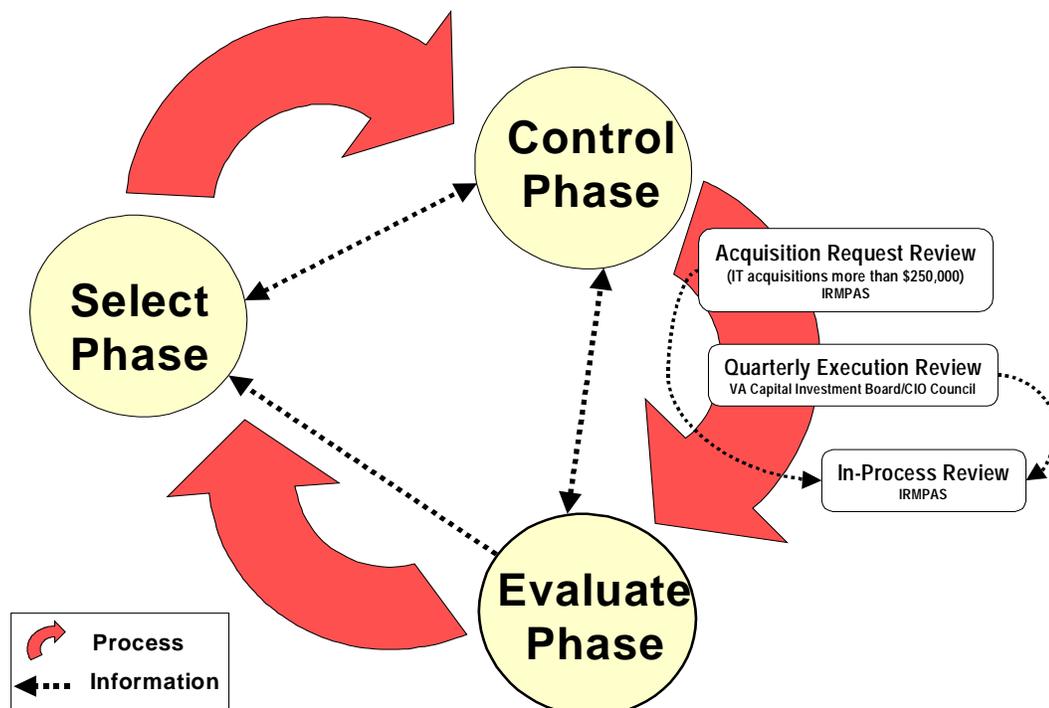
II.A INTRODUCTION

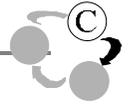
During the Control phase, VA Information Technology (IT) decision-makers:

- Actively monitor all of the projects in the Department's investment portfolio,
- Make decisions and take actions to change the course of a project when necessary, and
- Incorporate their experiences back into the Selection phase to further refine and improve the process.

II.B. MONITORING PROJECTS

VA IT decision-makers have a number of tools available to assist them in actively monitoring IT projects. Among these tools are Acquisition Request Reviews, Quarterly Execution Reviews, In-Process Reviews, and the Information Technology Investment Portfolio System (I-TIPS).





II.B.1 Acquisition Request Reviews

VA manages all of its IT investments, not just those projects that have been approved by the Chief Information Officer (CIO) Council and Capital Investment Board (CIB). While acquisitions that fall under organizational thresholds are managed and controlled at the administration and staff office level, any acquisitions that fall under the threshold, but cost more than \$250,000 must be approved by the CIO.

II.B.1.a—IRM Acquisition Approval for Requests that Cost More Than \$250,000 and Less Than the Organization’s Established Threshold.

VA organizations requesting supplies or services that cost more than \$250,000 and less than the organization’s VA CIB established IT threshold must submit an *IRM Acquisition Approval Application* (next page) to the IRM Planning and Acquisitions Service (IRMPAS) for CIO approval.

EXCEPTIONS & WAIVERS:

The VA CIO has delegated authority to the VHA and VBA CIOs to approve the acquisition of IT resources from **PCHS contract vehicles** regardless of dollar amount.

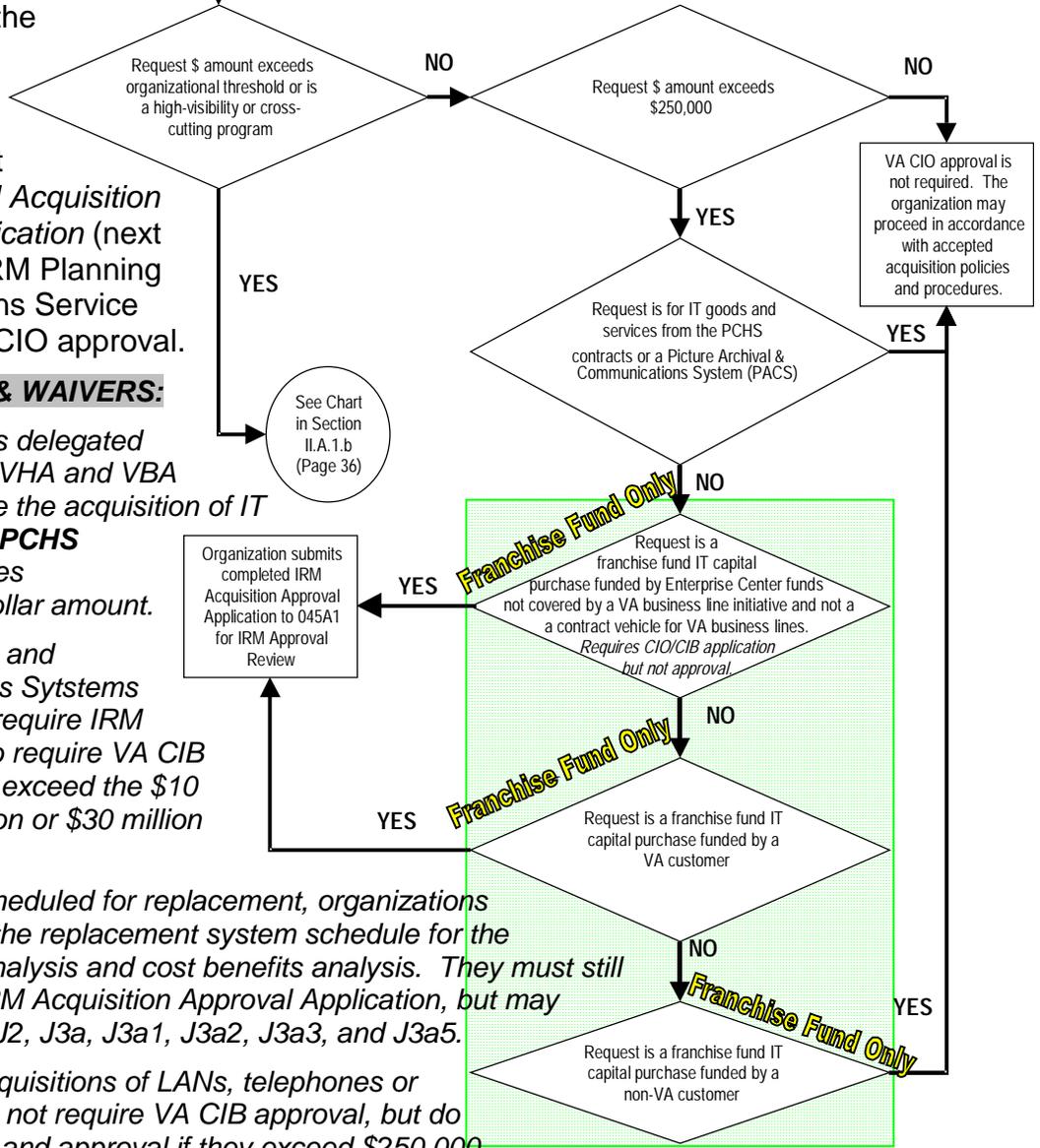
Picture Archival and Communications Systems (PACS) do not require IRM approval, but do require VA CIB approval if they exceed the \$10 million acquisition or \$30 million life cycle costs.

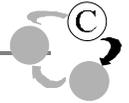
For systems scheduled for replacement, organizations may substitute the replacement system schedule for the requirements analysis and cost benefits analysis. They must still complete the IRM Acquisition Approval Application, but may skip blocks J1, J2, J3a, J3a1, J3a2, J3a3, and J3a5.

Independent acquisitions of LANs, telephones or workstations do not require VA CIB approval, but do require VA CIO and approval if they exceed \$250,000.

Organization submits an acquisition request

Thresholds				
Category	VHA	VBA	NCA	Staff Offices
IT Total Acquisition Cost	\$10M	\$2M	\$1M	\$1M
IT Life Cycle Costs	\$30M	\$6M	\$3M	\$3M





IRM Acquisition Approval Application

IRM Acquisition Approval Application

Project Number

(IRM use only)

VA organizations should use this application for information technology (IT) related requests for supplies or services that exceed \$250,000 and are less than the organization's Capital Investment Board (CIB) established threshold. This application does not apply to requests that are part of projects that have been approved by the CIO Council and CIB.

This application identifies the minimum required data elements necessary for the VA Chief Information Officer to provide reasonable assurance to the Secretary of the Department of Veterans Affairs, the President, and the Congress that VA's information technology acquisitions have been made in accordance with established acquisition policies and procedures.

A. Project Title:

B. Submitting Office/Agency:

C. Reference Number: (This only applies if this acquisition represents a change to a previously approved acquisition request.)

D. Project Manager and Contact Information:

- **Name:**
- **Telephone:**
- **Fax Telephone:**
- **E-mail Address:**
- **Postal Address:**

E. Date Submitted:

F. Budget Request (Estimate): \$

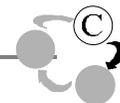
G. Project Type: (Choose one of the following)

- Mission Critical
- Program Specific
- Infrastructure
- R & D
- Cross-Cutting
- Administrative)

H. Project Phase: (Choose one of the following)

- Initial Concept (Research and Development.)
- New
- Ongoing (Contract has been awarded but project has not been completely implemented. This includes pilot and prototype deployment.)
- Operational/ Maintenance System (including legacy systems) is completely implemented. The requested assets or activities are needed to sustain the system and ensure it is operating at the optimal level of performance.)

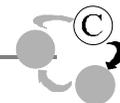
I. Location of Proposed/Actual Asset:



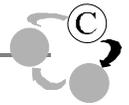
IRM Acquisition Approval Application (Continued)

J. Required Supporting Documentation Checklist: Supporting documentation will vary depending on the nature of the acquisition. This checklist is designed to assist organizations to determine what documentation must be submitted with the acquisition approval application.)

Tab	Response	Contents
	<input type="checkbox"/> Yes <input type="checkbox"/> No	Transmittal memorandum from the organization CIO to the Director of IRM Planning and Acquisition Service requesting IRM review.
1		The Three Pesky Questions:
	<input type="checkbox"/> Yes <input type="checkbox"/> No*	1. Does the investment support the core VA Mission?
	<input type="checkbox"/> Yes <input type="checkbox"/> No*	1. Is the investment contingent on VA as the sole alternative?
	<input type="checkbox"/> Yes <input type="checkbox"/> No*	1. Does the investment support re-engineering/COTS?
* If you answered "No" to any of these three questions, attach a memorandum for record explaining each "No" response.		
2		Documentation for Legislative Mandates or Federal Requirements:
	<input type="checkbox"/> Yes* <input type="checkbox"/> No	Is there:
	<input type="checkbox"/> Yes* <input type="checkbox"/> No	1. a specific law that mandates or justifies this acquisition?
	<input type="checkbox"/> Yes* <input type="checkbox"/> No	1. a specific Executive Order(s) directing actions requiring this acquisition?
	<input type="checkbox"/> Yes* <input type="checkbox"/> No	1. a directive from GSA, OMB, or another regulatory body that requires this acquisition?
*If yes to any of these, attach a summary portion of the law, order or special appropriation. Be sure to include the appropriate title and number. It is not necessary to reproduce the entire document.		
3		Project Description** (Choose either 3a or 3b)
3a	<input type="checkbox"/> Yes <input type="checkbox"/> No	Attach a requirements analysis (RA) and a cost benefit analysis (CBA);
Or		
3b	<input type="checkbox"/> Yes <input type="checkbox"/> No	Attach a completed business case study (BCS) and a statement of work (SOW).
The following items are probably already included in the RA & CBA or the BCS & SOW. If they are not, attach them to the package. All documentation should be commensurate with the size, scope and complexity of the project. Review will be facilitated if these items are "flagged" or "tabbed" in the appropriate documents.		
	<input type="checkbox"/> Yes	(1) <u>Project Description</u> explains what the project is. (Found in RA or SOW.)
	<input type="checkbox"/> Yes	(2) <u>Scope</u> summarizes the impact of the project on the organization. Scope should include information concerning such things as the number of users, work processes, locations, systems impacted, etc. (Found in RA or BCS.)


IRM Acquisition Approval Application (Continued)

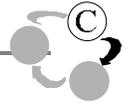
Tab	Response	Contents
	__Yes	(3) <u>Project Goals and Objectives</u> summarize project expectations. If the project is being initiated because it corrects identified deficiencies and/or is required by law, court ruling, or directive, state this clearly within this segment. (Found in RA or BCS.)
	__Yes	(4) <u>Total Acquisition Costs</u> must be described. Use the method described in <i>Appendix F. As of October 1, 2000, IRM Acquisition Approval Applications must include personnel costs.</i> (Usually found in the CBA or BCS)
	__Yes	(5) <u>Project Schedule</u> that includes, as a minimum, estimated start, end and major milestone dates for each phase. (Found in RA or SOW.)
	__Yes	(6) <u>Project Management</u> details that address acquisition strategy and risk management analysis and include when and how the Project Manager and organization will address achievement or deviation from the cost and schedule. This section should also include control details such as monetary penalties for contractor deviations from the contract. (Found in RA or SOW.)
	__Yes	(7) <u>Performance Measures</u> explain how project progression and completion will be measured. These measures must be: <ul style="list-style-type: none"> ▪ Targeted to reflect results rather than inputs or outputs. ▪ Understood by people who evaluate and use the measures. ▪ Accurate, reliable, valid, and verifiable. ▪ Based on data that is available at reasonable cost and that is appropriate and timely for the purpose. ▪ Able to guide prioritization of efforts. ▪ Able to facilitate resource allocation decisions. ▪ Useful for the evaluation and reporting of day-to-day management of tasks, dollars and personnel (including whether or not the project is on schedule and within budget). (Found in RA or SOW.)
	__Yes	(8) <u>Security Program</u> has been reviewed by the Cyber Security Office (045C)
	__Yes	(9) <u>IT Technical Architecture</u> has been reviewed by the Program Coordination Staff (045APC).
	__Yes	(10) <u>Equipment and Software Specifications</u> including version numbers and quantities. (Found in RA or SOW.)
4		Special Documentation (As Necessary)
	__Yes __NA	Attach organization specific approvals. (For example, an approval from the VBA Investment Board.)
5		Concurrence Documentation
5a	__Yes	Budget (041F for VHA) (041E for VBA) (041C for all others)
5b	__Yes	Procurement (93) Include the following information:
		<input type="checkbox"/> Contracting Office _____ <input type="checkbox"/> Contracting Officer _____ <input type="checkbox"/> Contract Type _____



IRM Acquisition Approval Application (Continued)

Tab	Response	Contents
5c		Technical Concurrence Documentation)
5c(1)	__Yes	<u>IT Technical Architecture Concurrence—Standards:</u> Show the extent to which the project’s overall design and individual system hardware, software, and communications elements use the applicable standards and products set forth in the VA Standards Profile (Section 4, VA Technical Architecture).
5c(2)	__Yes	<u>IT Technical Architecture Concurrence—Interoperability:</u> <ul style="list-style-type: none"> ▪ Describe the degree to which the project implements networked data exchange and sharing. ▪ Describe the degree to which the project implements integration among applications and multi-vendor or multi-platform equipment. ▪ Identify how the project does or does not have the capability to interoperate with organizations internal to the VA or with external organizations.
5c(3)	__Yes	<u>IT Technical Architecture Concurrence—Security:</u> <ul style="list-style-type: none"> ▪ Describe or indicate the current status of the Security Plan for this project that ensures appropriate confidentiality, integrity and availability. (Refer to OMB Cir. A-130, Appendix III, VA Directive 6210, Computer Security Act of 1987 (PL 100-135) for guidance and NIST Special Publication 800-18 for required content.) ▪ Provide current accreditation status. ▪ Cite any areas of non-conformance to existing VA and Administration/Staff Office policies for security, privacy, and records retention. ▪ Summarize key life-cycle information security milestones for the initiative, including dates and associated costs. ▪ Name the Project Security Officer with phone number and internet address.
		Office of Telecommunications (045B) if the request involves telecommunications or integration with the VA WAN.
5c(4)	__Yes __No	Will this initiative use the General Services Administration’s (GSA) Federal Technology Service (FTS) program to fulfill telecommunications requirements for voice, video, and data services? If not, explain the grounds on which a waiver will be requested.
5c(6)	__Yes __Yes	Program Coordination Staff (045APC) when there is a possibility of Department-wide impact or cross-cutting use. <ul style="list-style-type: none"> ▪ Are the other administrations or staffs faced with similar issues? ▪ Is the technology requested one of the concepts listed in the IT Vision?

❖End of Application



Supporting Documentation (Additional Instructions)

(1) The organization CIO must specifically address each of The Three Pesky Questions:

Does the investment support the core VA mission? (*Does this investment support the core or priority mission functions that need to be performed by the Federal Government?*)

Is the investment contingent on VA as the sole alternative? (*Does the investment need to be done by VA because no alternative private sector or government source can better support the function?*)

Does the investment support re-engineering/COTS? (*Does the investment support work processes that have been simplified or otherwise redesigned to reduce costs, improve effectiveness, and make maximum use of commercial, off-the-shelf technology?*)

If the organization CIO answers "No" to any of these three questions, then he or she must attach a memorandum for record explaining each "No" response.

(2) When an organization documents any Legislative Mandates or Federal Requirements it may either transcribe the appropriate sections or forward appropriately marked copies of the appropriate page(s). Ensure that the appropriate title and numbers are neatly printed or typed on each page.

Review Process [**Special Section—Applies to IRMPAS Personnel Only**]

On receipt of a completed application, IRMPAS will assign an acquisition request project number and will forward it to the Acquisition Review Team Leader. The Team Leader will assign the package to an acquisition review analyst. The analyst will:

- Review the package for completeness (memorandum and appropriate tabs for supporting documentation).
- Ensure that the package includes the appropriate concurrence documentation .
- Review the package to ensure that budget request, project type and project phase have been appropriately identified.
- Review the following items for completeness, consistency and accuracy (use the request form as a checklist to ensure all required items are present):

Project Description

Scope

Project Goals and Objectives

Total Acquisition Costs

Project Schedule

Project Management Details

Performance Measures

Equipment and Software

Specifications



Note: As of October 1, 2000, IRM Acquisition Approval Applications (for FY 2001) must include personnel costs in the Total Acquisition Costs. This brings the Department's requirements for below threshold projects into compliance with the standards being applied to CIO Council and VACIB approved projects.

If the package is complete, including all concurrence documentation, the review should be completed within 15 working days. Review time could be shortened by as much as 2 days if these items (see previous paragraph) are "flagged" or "tabbed" in the appropriate documents.

If the analyst finds discrepancies or requires more detailed information, the analyst will contact the organization point of contact to resolve the discrepancy as quickly and conveniently as possible. (For instance the analyst can use electronic-mail or records of telephone conversations and conference calls to complete the record with respect to minor discrepancies.) If the package is missing significant documentation, the analyst will return the package to the organization point of contact and log the package out of IRMPAS with the Acquisition Review Team Leader.

If the package has incomplete concurrence documentation, the analyst will forward the package to the appropriate office(s) for concurrence review. The analyst will inform the organization point of contact and will log the package out with the Acquisition Review Team Leader. Once the package returns from concurrence review, the analyst will log it back in and resume the review process. Organizations that do not submit complete concurrence documentation should anticipate at least an additional 5 working day delay for each missing concurrence item.

Upon completion of review, the analyst will prepare the approval letter for the VA CIO's signature and return the reviewed package, with any corrections, to the Acquisition Review Team Leader. The Team Leader will forward the package through the IRMPAS Director to the CIO or designated representative for final approval and signature.

[End Special Section]

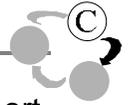
Reporting Requirements

These reports, which organizations must submit at predetermined intervals, chronicle events as the project/acquisition contract proceeds toward completion. *Organizations should send the following reports to the Director, IRMPAS. Effective with the date of IRM approval*

- Quarterly project status reports (PSRs) that:

Detail the status of contract award (pending or awarded) and, once awarded, provide the name of the contractor, contract award date, and estimated dollar amount of the award.

Include a summary of accomplishments, problems encountered, and corrective actions taken.



Detail the status of all issued task orders and associated deliverables (The report should clearly state which deliverables have been received and accepted during the quarter.)

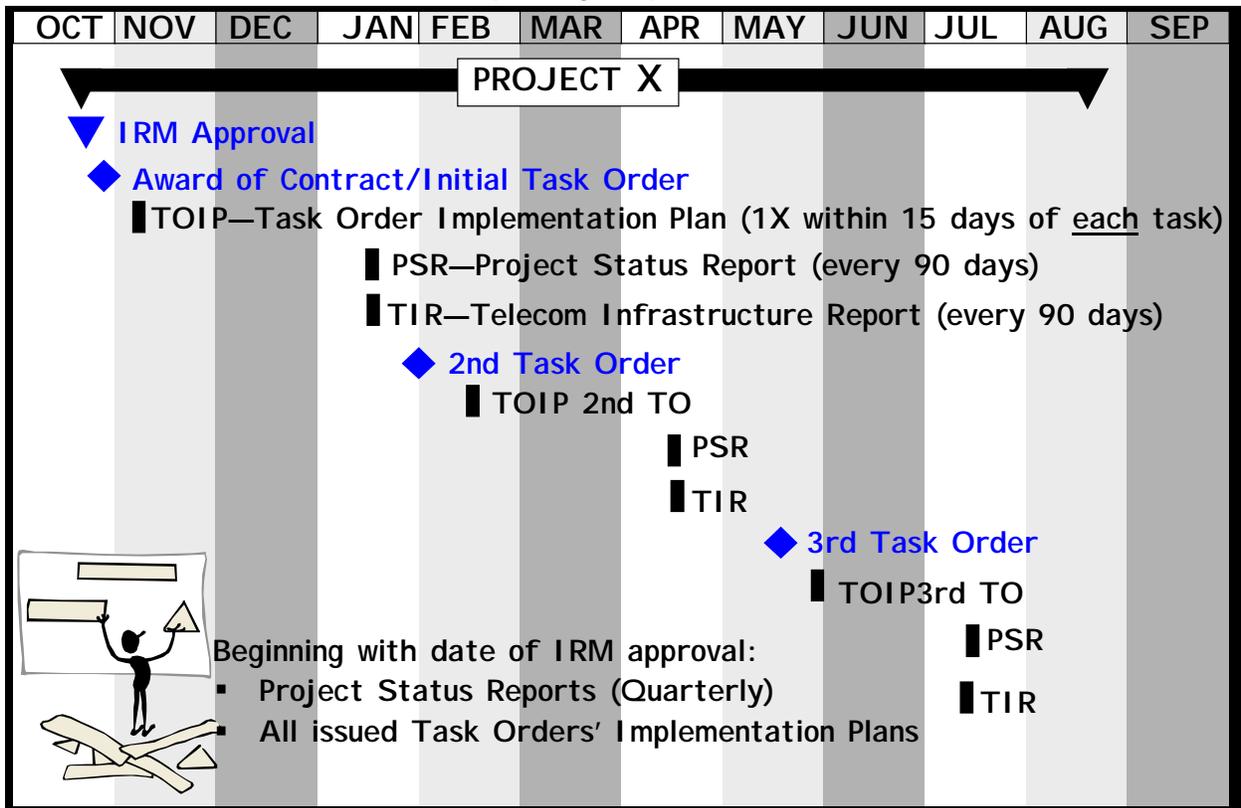
Include contractor-generated monthly progress reports.

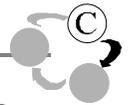
(The Director, IRMPASS, may request copies of other deliverables identified in the SOW. These reports are due every three months on the anniversary of IRM approval. If the IRM approval was dated November 15, then PSRs are due each February 15, May 15, August 15, and November 15 until the project is completed.)

- Quarterly Telecommunications Infrastructure Reports (required if the project involves telecommunications or integration with the VA WAN) detailing project scope, financial data, VISN milestones and improvement status. In addition, for each facility, enumerate performance measures, milestones, contract information and problems encountered.
- Within fifteen (15) days of receipt from the contractor, a copy of the contractor's implementation plan for each Task Order (the Task Order Implementation Plan (TOIP)).

In addition to these reports, organizations should notify the Director, IRMPAS, of any significant changes to the overall project plan, schedule, or benefit-cost information at the time those changes are made.

Reporting Requirements



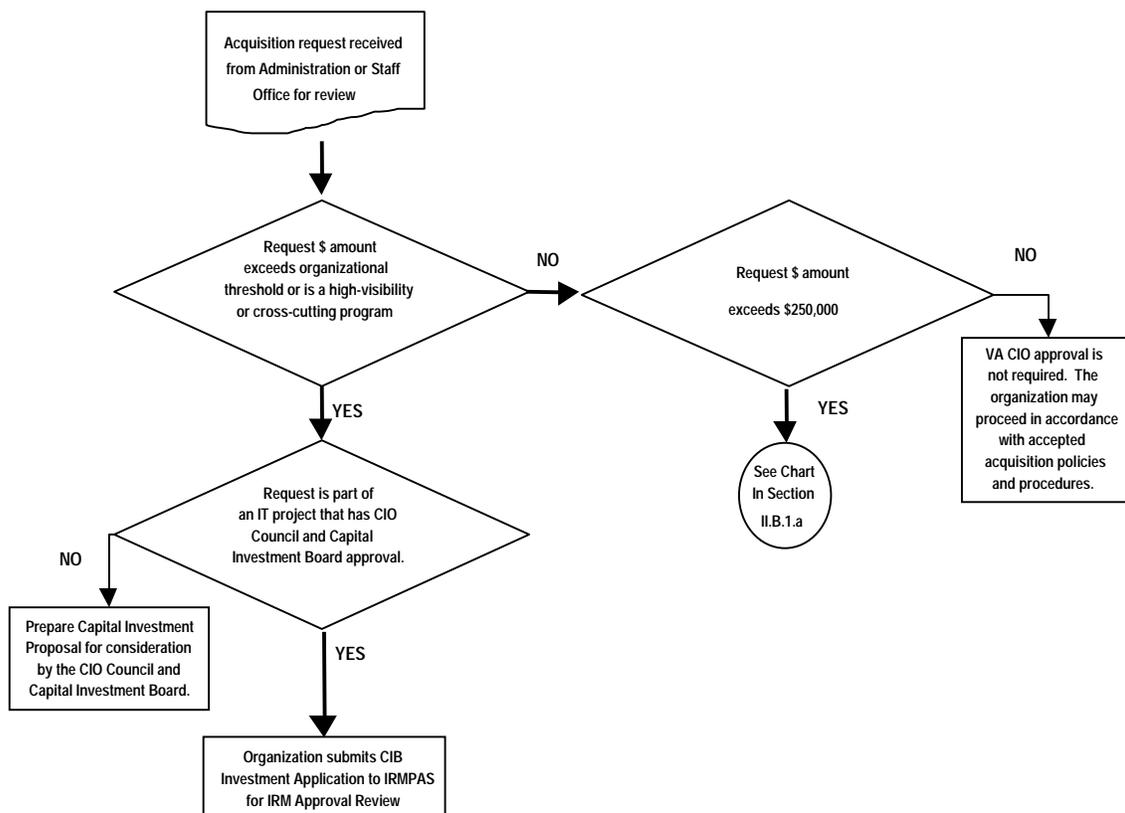


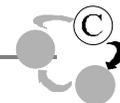
II.B.1.b—IRM Acquisition Approval for Requests That Are Part of Projects That Have Been Approved By the CIO Council.

VA organizations requesting supplies or services as part of projects that have been approved by the CIO Council and VA CIB should submit an *IRM Acquisition Approval Application for Projects that Have Been Approved—CIO Council and Capital Investment Board* (next page) to IRMPAS for CIO approval.

The application identifies the minimum required data elements necessary for the VA CIO to provide reasonable assurance to the Secretary of the Department of Veterans Affairs, the President, and the Congress that VA's information technology acquisitions have been made in accordance with accepted acquisition policies and procedures.

These elements include project title, project manager contact information, date submitted and supporting documentation.





IRM Acquisition Approval Application for CIO Council Approved Projects

IRM Acquisition Approval Application	Project Number
CIO Council and Capital Investment Board Approved Projects	<u>(IRM use only)</u>

VA organizations should use this application for information technology related requests that are part of projects that have been approved by the CIO Council and Capital Investment Board.

A. Project Title:

B. Submitting Office/Agency:

C. Project Manager and Contact Information:

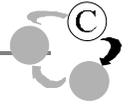
- **Name:**
- **Telephone:**
- **Fax Telephone:**
- **E-mail Address:**
- **Postal Address:**

D. Date Submitted:

E. Required Supporting Documentation Checklist: Most supporting documentation is already available in the approved IT Investment Proposal on file with IRMPAS. The following checklist is designed to assist organizations to determine what additional documentation must be submitted.

Tab	Response	Contents
1	<input type="checkbox"/> Yes	Transmittal memorandum from the organization CIO to the Director of IRMPAS:
1a	<input type="checkbox"/> Yes	Does the memorandum summarize the request (including dollar amount and fiscal years covered)?
1b	<input type="checkbox"/> Yes	Does the memorandum identify the IT Capital Investment being supported, including year of approval?
2		Attach a list of hardware, software, and services being sought.
3		Concurrence Documentation
3a	<input type="checkbox"/> Yes	Capital Budgeting and Oversight Service (041G)
	<input type="checkbox"/> Yes	Appropriate Budget Service—either Medical Service (041F) or GOE Service (041E).
3b	<input type="checkbox"/> Yes	Office of Acquisition and Materiel Management (93)

❖ End of Application



Supporting Documentation

The supporting documentation for this request includes a transmittal memorandum from the organization CIO to the Director of IRM Planning and Acquisition Service (IRMPAS) requesting IRM review. This memorandum must:

- Summarize the request (including dollar amount and fiscal years covered)
- Identify the IT Capital Investment being supported, including year of approval.
- Attach a list of hardware, software, and services being sought.
- Include Concurrence Documentation* in the form of approvals from:

- Capital Budgeting and Oversight Service (041G)
- Appropriate Budget Service—either Medical Service (041F) or GOE Service (041E).
- Office of Acquisition and Materiel Management (90)

*If an organization does not include this documentation, IRMPAS will coordinate the concurrence process. This will, however, slow the approval process.

Review Process **[Special Section—Applies to IRMPAS Personnel Only]**

On receipt of the completed application, IRMPAS will assign the package an acquisition request project number, and the IRMPAS Director will forward it to the Acquisition Review Team Leader. The Team Leader will assign the package to an acquisition review analyst. The analyst will:

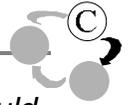
Review the package for completeness (memorandum and appropriate supporting documentation).

Ensure that the package includes the appropriate concurrence documentation.

Review the package to ensure that budget request, project type and project phase have been appropriately identified.

Review the following items for completeness, consistency and accuracy:

- Transmittal memorandum from the organization CIO to the Director, IRMPAS:
- Does the memorandum summarize the request (including dollar amount and fiscal years covered)?
- Does the memorandum identify the IT Capital Investment being supported, including year of approval?
- List of hardware, software, and services being sought.



If the package is complete, including all concurrence documentation, the analyst should be able to complete the review within 5 working days. As noted earlier, if the analyst must coordinate the concurrence documentation the review process will take longer.

If the analyst finds any discrepancies in the package, the analyst will contact the organization point of contact to resolve the discrepancy as quickly and conveniently as possible. (For instance the analyst can use either electronic-mail or records of telephone conversations to complete the record with respect to minor discrepancies.)

If the package has incomplete concurrence documentation, the analyst will forward the package to the appropriate office(s) for concurrence review. The analyst will inform the organization point of contact and will log the package out with the Acquisition Review Team Leader. Once the package returns from concurrence review, the analyst will log it back in and resume the review process.

Upon completion of review, the analyst will prepare the approval letter for the VA CIO's signature and return the reviewed package, with any corrections, to the Acquisition Review Team Leader. The Team Leader will forward the package through the IRMPAS Director to the CIO or designated representative for final approval and signature.

[End Special Section]

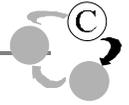
Reporting Requirements

- A quarterly execution review response on the progress made on this project.
- In addition to this report, organizations should notify the Director, IRMPAS, of any significant changes to the overall project plan, schedule, or benefit-cost information.

II.B.1.c—Acquisition Approval for Supplies and Services Less than \$250,000.

IT acquisitions that cost less than \$250,000 are managed and controlled at the administration and staff office level. Administration and staff offices must keep track of the following information in order to meet ongoing reporting requirements and to prepare for future audits and reviews:

- (1) Project Description
- (2) Actual Costs
- (3) Project Type: (Choose one of the following)
 - Mission Critical
 - Program Specific
 - Infrastructure
 - R & D
 - Cross-Cutting



- Administrative)
- (4) Project Phase: (Choose one of the following)
 - Initial Concept (Research and Development.)
 - New
 - Ongoing (Project has been awarded but has not been completely implemented. This includes pilot and prototype deployment.)
 - Operational/ Maintenance (System—including legacy systems—is completely implemented. The requested assets or activities are needed to sustain the system and ensure it is operating at the optimal level of performance.)
- (5) Location of Proposed/Actual Asset:

II.B.1.d—Streamlined Acquisition Approvals

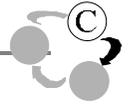
VA organizations may bundle requests to streamline the acquisition approval process for items such as workstations and servers, or telecommunications products. The “bundled request” approach eliminates redundancy and the need to submit individual acquisition requests for multiple buys of similar items. Organizations have the option to submit an annual plan that consolidates requirements and bundles acquisition requests.

Approval requests over the last couple of years were evaluated and it was found that the largest percentage of requests were telecommunications (voice communications) and workstations. The items requested varied little; differences in the request were primarily related to the scope of the effort. As a result, a streamlined acquisition approval process was developed.

Organizations are encouraged to determine all of their requirements throughout their organization in advance, and consolidate their IRM acquisition approval requests and estimated plans into one annual Advanced Management Plan. Formats for developing the Statement of Work (SOW), Requirements Analysis (RA) and Cost Benefits Analysis (CBA) to be included in the bundled request have been modified to accommodate this process. Multiple facility requirements will be included in a single RA and CBA.

II.B.1.e—Capital Planning Process for Franchise Fund Requirements

Capital purchases funded by Enterprise Center’s Funds—For each item meeting the CIB thresholds, Enterprise Centers will complete a VA IT Capital Investment Application per *Appendix C* of this guide. IRMPAS staff will perform validity checks on these projects and report the results of these checks to the Franchise Fund Board. It will be the responsibility of the Franchise Fund Board to ensure efficient and effective oversight of IT resources is applied. Each Enterprise Center must establish and maintain processes for submission, review and certification of the investment application. It is incumbent upon the Board to comply with this process, which is subject to management audit reviews by internal and external oversight bodies.



II.B.2 Quarterly Execution Reviews

The CIO Council conducts quarterly reviews to monitor the progress of IT projects by tracking costs and schedule performance.

Quarterly reviews enable VA's IT decision-makers to develop a well-informed picture of current and potential problems for each ongoing IT project. They also enable the CIO Council to ensure that project managers take action to correct identified deficiencies.

The CIO Council receives a quarterly report for each project on a standardized *IT Capital Investment Execution Review Form*. (This form will soon be replaced by or supplement the *Earned Value Analysis Template* described in *Appendix I*.) IRMPAS will work with administrations and staff offices to ensure that projects that have deficiencies or problems identified (actuals exceed estimated levels, risks are increasing, requirements have changed, etc.) are brought to the attention of the CIO Council.

During the Quarterly Review meeting that coincides with the development of the IT Portfolio for the next budget cycle, the CIO Council receives a more detailed annual report that, in addition to the regular quarterly review questions, answers the following questions:

Are the answers to the "Three Pesky Questions" still "yes"?

Does the project still adhere to the VA IT architecture?

Have new requirements "crept" into the project?

Have goals, objectives, scope or mission changed since the original application was submitted?

Have any other planning assumptions changed?

Is there sufficient confidence that the acquisition plan and accountability to ensure the success of the project are still high?

Has a viable operational analysis been developed?

Has a maintenance plan been developed to maximize the life of the investment and minimize operating costs?

Have outcome performance measures been determined to ensure the project is viable? Do those measure support VA strategic goals?

Each project should be reviewed at key milestones in its life cycle (a project review schedule should have been approved when the initial funding decision was made). The focus of these reviews should expand as projects move from initial design and pilot through full implementation and as the dollar amounts that are expended increase.

GAO/AIMD-10.1.13, February 1997

IT Capital Investment Execution Review Form

1. Investment:											
2. Description:											

5. Costs Assessment:	FY1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY2007	FY 2008	FY 2009
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Planned costs below are from the application.

Planned Acquisition Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Planned Recurring Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Planned FY Total Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Planned Cumulative Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Enter most recent actual project information below:

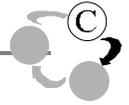
Congress FY Budget Approval	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Actual Acquisition Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Actual Recurring Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Actual Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Actual Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost Variance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Cost Variance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Edit milestone topics to be project specific. Insert dates under Planned & Actual. Insert # of days under Variance.

6. Schedule Milestones:	Planned	Actual	Variance	Explain schedule milestone variances.
(suggested)				
Application				
Design				
Pilot				
Alpha (testing)				
Contract Award				
Contract Completion				
Implementation Phase I				
Phase II				
Phase III				
Total Days Elapsed				

Earned Value Analysis

Total Project Value										
Project Start Date										
Project End Date										
Today's Date										
Total Budget Expended										
Critical Milestone	Planned Percentage of Total Hourly Effort	Actual Percentage of Total Hourly Effort Expended	Planned Completion Date	Actual Completion Date	Planned Expenditures	Actual Expenditures	Individual Milestone Variance in Hourly Effort	Sum Variance in Hourly Effort	Individual Milestone Variance in Budget	Sum Variance in Budget
Requirements Analysis										
Design										
Development										
Implementation										
Testing										
Training										



In the process of answering these questions, VA decision-makers develop an informed understanding of the current and potential problems for each ongoing IT project.

If a project is late, over cost, or not being developed according to expectations, then VA senior management must decide whether to continue the project as is, modify the project, cancel the project, or accelerate the project's development.

Decisions of this sort require careful study and consideration. In some

instances, the project manager will be requested to present a project status report to the CIO Council. The CIO Council may then determine whether to continue the project as is, modify the project, cancel the project, or request that an in-process review be conducted. In other instances, the CIO Council may request an in-process review prior to making any decisions or requesting project managers to present a project status report.

Senior managers need to compare the preliminary results being achieved by a project against its projected costs, benefits and risks, and to identify actual or potential managerial, organizational, or technical problems.

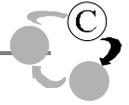
Senior management should be able to judge whether a project is on track to achieve its projected mission benefits. The key is to use a set of performance measures consistently so that senior program managers are provided early warning of potential or actual problems. It is essential to refresh these measures as costs, benefits, and risks become better known to ensure the continued viability of an information system prior to and during implementation.

Examples of problems that could affect a project or system include 1) lack of input by program management into the requirements phase of a project, 2) a project that was intended to be cross-functional becomes stove-piped because other offices in the agency do not support it, 3) new requirements have been added, and 4) it is more difficult to use the technology than was anticipated.

Evaluating Information Technology Investments, OMB, 1997

Project reviews, while helping to ensure accountability, should not be totally viewed as a "gotcha" opportunity, in which project managers are punished when problems are identified. Rather, the reviews should be considered opportunities for raising problems early, when they may be easier to address, rather than allowing the problems to be buried, creating a risk that they will arise later when costs are higher and the potential impact is greater.

GAO/AIMD-10.1.13, February 1997



II.B.3 In-Process Reviews (IPRs)

The CIO Council will request an in-process review in order to answer specific questions related to an ongoing project's performance. For instance, the Council might request an IPR to determine why an IT acquisition is off schedule, exceeding budget, or if it can actually achieve its stated objectives.

If the CIO Council is considering delaying or canceling an IT project, it might request an IPR to investigate the ramifications of such a decision on agency stakeholders, other IT projects, and the overall IT Capital Investment Program.

IPRs are not routinely scheduled reviews. They are conducted on an exception basis.

They are usually requested by the CIO Council in response to a discrepancy noted during a Quarterly Review, but they may also be requested by the VA CIO and other key officials to gain additional information concerning an IT project.



The review team will use the standard format in this guide to plan and conduct an IPR to specifically address the issues and concerns raised by the CIO Council during the quarterly review process.

The review team will carefully review all documentation, including the Capital Investment Proposal package and project management reports. If the team finds it necessary to interview customers and IT technical staffs at selected field stations, the IPR will be time-consuming and requires up to 90 days from start to presentation of findings to management. Less complex reviews can be conducted with minimal or no visits, reducing the total required

time from start to report to as little as a few weeks. As appropriate, reviewers will:

Verify the specific measures of performance being used to track costs, schedule, benefits and risks.

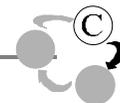
Ensure that the project office has tracked actual project performance (interim results) against the estimates that were used to justify the project.

Analyze gaps and differences between estimates and actual results and prepare explanatory documentation for positive and negative variances.

Ensure documentation exists to support reported interim results such as cost, schedule, benefit, and risk information.

Determine if business assumptions or environmental factors (political, funding, stakeholder support) have changed. If so, evaluate the impacts of those factors on project outcome.

If the project is behind schedule, review explanatory factors and ensure that risk mitigation plans have been updated.



II.B.3.a Initiating an IPR

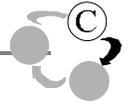
An IPR may be initiated for any of the following reasons.

Reason	Comments
Requested by the CIO Council (Most Likely Case)	<i>The CIO Council wants to answer specific questions related to an ongoing project's performance.</i>
Requested by the VA CIO	<i>The VA CIO requires additional information on an IT investment.</i>
Requested by senior VA management	<i>Management from within an Administration or Key Staff Office requires additional information concerning the IT initiative.</i>
Oversight agency raises an issue(s)	<i>While conducting one of their IT reviews, the oversight agency uncovers an issue, which requires further research by VA personnel.</i>
Major or critical milestone reached or a critical decision is required	<i>An automatic review previously set up when the IT investment reached a certain point or a decision point has been reached on whether to continue or delay.</i>
Expanded oversight responsibility	<i>An IPR is required to ensure more efficient oversight of IT funding and acquisitions.</i>

II.B.3.b IPR Team

Once an IT investment has been selected for review, the IRMPAS Director will assign a review team leader. The IRMPAS Director and the review team leader will, based on the nature of the review, establish the review team. In addition to members of the Office of Information and Technology, the Director might expand the team to include:

- Personnel assigned from the Administration or Key Staff Office responsible for the IT initiative;
- Subject matter experts detailed from any VA organization; and/or
- Contractor personnel who possess the necessary level of expertise.



II.B.3.c Focus Elements

Every IPR will address the same focus elements. These are:

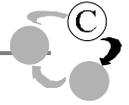
Focus Element	Corresponding IT Investment Proposal Criteria
Mission Alignment	<i>Mission</i> <i>Organizational Improvement</i> <i>One VA Service</i>
IT Architecture and Telecommunications Infrastructure (including Security and Internal Controls)	<i>IT Architecture</i> <i>Standards</i> <i>Interoperability</i> <i>Security</i>
Performance Measures	<i>Performance Measures</i>
Project Management	<i>Project Management</i> <i>Acquisition Strategy</i> <i>Project Structure</i> <i>Technical Approach</i>
Customer Acceptance	<i>Customer Acceptance</i> <i>Experience with Technology</i> <i>Operational Support</i> <i>Ease of Use</i>
Business Process Support	<i>Three Pesky Questions, and</i> <i>1.1 Organizational Improvement</i>
High Performance Workforce	<i>1.2 One VA Service</i>
Cost versus Anticipated Savings	<i>Cost Benefit Analysis</i>

The IPR Team will address all focus elements, but it will put special emphasis on any elements related to the specific questions that caused the CIO Council or other VA decision-maker to request the IPR.

II.B.3.d Phases of an IPR

There are four phases in conducting an IPR. Each phase has a number of tasks.





Phase 1 - Plan: After the review team has been selected, the team must collect documentation on the IT investment and develop a review plan. The plan should include an introduction, list review objectives, identify the focus elements, and provide a proposed schedule.

Once the review plan is complete, the team leader should schedule an initial meeting with the program office. At this meeting, the review team will describe the review plan and identify a point of contact (POC) from the program office. In addition, the review team will identify any information it needs from the program office. (Much of the background information will already be available from sources such as the original cost benefit analysis, project support plan, and performance measures which are readily available in the Capital Investment Proposal or the IT Acquisition Request Package on file with IRMPAS). Additional documentation the team might require from the program office could include updated performance information, training guides, and local architecture schematics.

Phase 2 - Coordinate: Working with the POC from the program office(s), the review team will finalize the review plan, determine any sites to be visited and schedule site visits (as necessary). If sites will be visited, the review team leader should have the program office identify a POC for each site. A review team member will contact each site POC concerning the team's role and responsibilities, the objective of the review and the focus elements. The team member will ask the POC to notify specific interviewees (identified by the team) and also to recommend additional interviewees.

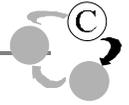
The site POC will:

- Notify site management of the pending visit;
- Arrange for the entrance briefing;
- Coordinate and schedule interviews; and
- Ensure all interviewees have copies of the interview questions.

The review team will provide the site POC with copies of the review plan and questions at least 10 days in advance of each visit.

Phase 3 - Execute: The review team executes the review plan. If the plan includes site visits, the team members will conduct entrance and exit briefings with site management and each interviewee, and conduct scheduled interviews. After a site visit, members of the review team consolidate their individual notes taken during each interview. The team leader will use these consolidated notes to prepare the team trip report, to provide documentation for team findings, and as preparatory information before visiting the next site (if other visits are scheduled). The team leader will regularly brief the Director, IRMPAS concerning the team's progress.

Phase 4 - Report: Once the team has completed its review and analysis, it will prepare a draft report. (See Appendix A) The team leader will forward the draft report to the program office(s) for review and comment on findings and recommendations. Upon receiving comments from the program office(s), the team leader will finalize the report



for presentation to the CIO Council. The CIO Council will review and, as necessary, amend the report, paying special attention to findings and recommendations. Once the CIO Council has approved the report, the IRMPAS Director will forward it to the program office(s) for action.

Follow-up: The program office(s) will provide the CIO Council with an action plan that details what actions the organization will take in response to each recommendation and when those actions will be completed.

II.B.4 Legacy System Continuation Reviews

Once a system has been implemented and has received a Post-Implementation Review it becomes an ongoing project, commonly referred to within VA as a “Legacy System.” An effective capital investment program requires senior management to review ongoing projects along with new projects and to make go/no-go decisions. The program offices report project status for legacy systems on a quarterly basis. Additionally, the CIO Council requires program offices to resubmit a new cost benefit analysis for each legacy system every three years following the date of effective deployment.

By periodically challenging legacy systems, the CIO Council ensures that VA does not continue funding ineffective or nonessential programs. The triennial review is a **legacy system continuation review**.

Documenting All Actions and Decisions

All of the information in the business case, including the various analyses that were conducted to justify the project, should be updated to reflect the current state as project implementation continues and dollar amounts increase.

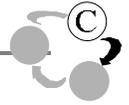
Some leading organizations estimate that often they cannot accurately estimate costs or quantify benefits until almost 40 percent of the way into the project.

The organization should have a uniform mechanism (e.g., management information system) for collecting, automating, and processing data on expected versus actual outcomes. Specifically, this mechanism should: provide the cost and performance data needed to monitor and evaluate investments individually and strategically, provide feedback on the project's adherence to strategic initiatives and plans, and allow for the review of unexpected costs or benefits that resulted from investment decisions.

Data in this system should be easily accessible to both the program team and senior managers.

Collecting and maintaining project information is important, not only from a project review standpoint, but also from the standpoint of establishing an organizational memory. Decisions in all three phases of the investment cycle (Select, Control, and Evaluate) will depend on this information being accessible and up-to-date.

GAO/AIMD-10.1.13, February 1997



II.B.5 Information Technology Investment Portfolio System (I-TIPS)

The Information Technology Investment Portfolio System (I-TIPS) is an innovative web-based Intranet application used by VA to manage IT investments. I-TIPS helps ensure uniformity within and across VA. I-TIPS is comprised of four discrete, yet highly integrated modules that address the selection, control, evaluation and reporting of capital investments.

Selection Module: The Selection Module will facilitate the identification, shared use and maintenance of up-to-date cost, return, and risk data to support IT investment decision making. It helps IT investment managers formulate and quickly assess the impact of alternative IT investment scenarios toward the development and adoption of a “balanced” IT investment portfolio

Control Module: The Control Module will support and document decisions regarding the continuation of ongoing, not-yet-fully operational IT initiatives. It enables decision-makers to collect, maintain, and monitor initiative-related information such as initiative type, life cycle financial information, performance measures, and cost and schedule information. It provides initiative status information, including control decision, decision date, and review requirements. The decision to continue, defer, accelerate, or cancel an ongoing initiative will be based on the reconsideration of an initiative in response to changing business conditions: revised expectations about its likely costs, benefits, or risks and its continuing attractiveness to the organization when compared to other competing IT investment opportunities.

Evaluation Module: The Evaluation Module will support the collection, analysis, dissemination and storage of information concerning the degree to which each completed and fully operational IT initiative within an agency’s portfolio has met its planned functional, technical, cost and schedule goals and fulfilled its projected contribution to the organization’s mission. The evaluation module will be used to help assess and improve the performance of the selection and control phases of an organization’s IT capital planning investment process.

Enhanced Analysis and Reporting Module: The Enhanced Analysis and Reporting Module will be developed following the completion and integration of the first three modules, and will provide I-TIPS users with more extensive data analysis and reporting capabilities. The module will support scenario development and manipulation at the initiative and portfolio levels; on-line comparative analyses of initiatives and portfolios within and across the selection, control, and evaluation phases of an organization’s IT capital planning and investment process; and an increased capacity to analyze individual or aggregate data on initiative or portfolio performance. The module will provide a set of easy-to-use tools for generating custom and ad hoc reports and graphical depictions of statistical and analytical results (such as pie, line, and bar charts).

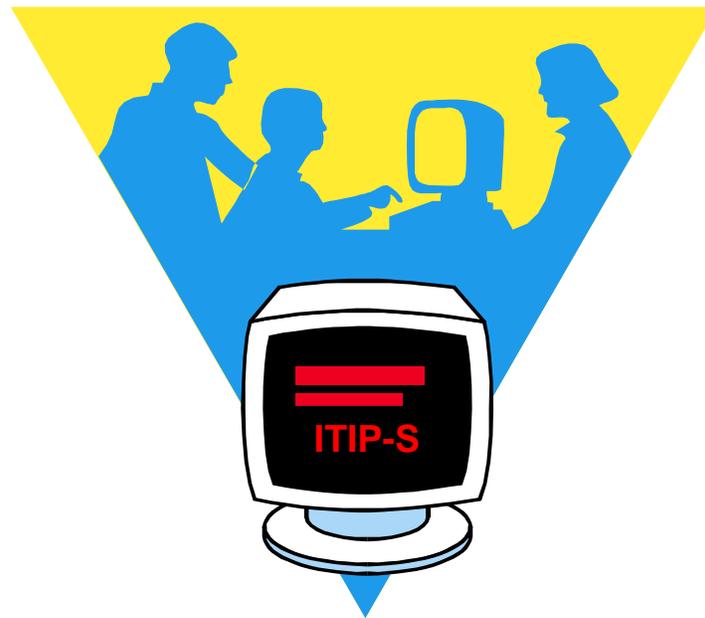
I-TIPS also supports the IT capital planning and investment process by providing several collaborative features, including a collaborative discussion forum, an event

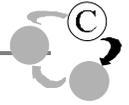


calendar, a task manager, and a document repository. The resource library is a location for collecting initiative or portfolio specific documentation and resources.

The reporting features of I-TIPS enables VA to meet OMB reporting requirements, including *Exhibit 53, Agency-wide Summary of Obligations for Information Technology*, and *Exhibit 300B, Capital Asset Plan and Justification*. Both of these reports include information on planned and on-going initiatives.

The Information Technology Investment Portfolio System (I-TIPS) User's Guide (Version 3.0) is a complete and comprehensive guide to the functions and features of I-TIPS.





II.C. TAKING ACTION TO CORRECT DEFICIENCIES

Project monitoring pinpoints those projects that require the VA CIO Council's attention. Based on input received from the various reports as well as the project manager and affected organization, the Council takes action that results in either the deliberate continuation, modification, or cancellation of each project that it considers.

The CIO Council ensures that:

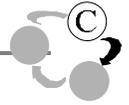
- *The solution to problems are not the sole province of the IT organization.* Even when senior management is aware of problems with projects or systems, the solution to the problem is too often left with the information systems organization. The CIO Council will ensure that program officials are involved in the solution, since in many instances it may be the business side of the organization that provides a solution.
- *All management decisions are documented along with data supporting the required changes. Common problems and their solutions, which are applicable to one IT project, should be evaluated as to how they apply to other IT projects under management's purview.* To avoid unnecessary effort, IRMPAS will work with all VA organizations to assist them in documenting IT-related project management decisions. Rather than treat each budget year as isolated and provide funding for whatever can be supported each year, VA IT decision makers will evaluate IT projects from historical perspective, revising selection processes and IT funding decisions based upon the outcomes from previous years.

When appropriate, VA organizations should prototype IT projects before moving into the implementation stage. Monitoring the mission results gained by the prototype allows senior program management to make informed decisions about whether to stop or modify a project at this stage, rather than letting the project continue into implementation automatically.

Proper control of IT investments enables VA senior management to mitigate risk of schedule, cost overruns, and development of a product that does not meet the goals originally intended. The *One VA Capital Investment Process* is highly dependent on facts provided through continual measurement of new and ongoing projects. The data fed from the Selection process to the Control process supports this requirement, as do the measurements taken throughout the life of a project.

Involving the Right People

VA's senior IT managers are actively involved in the ongoing project reviews and are responsible for making decisions about whether to continue, accelerate, modify, or cancel a project. While members of the development team are part of the decision-making process, they do not have unilateral responsibility or authority to make all project decisions. In addition, site managers and project managers will take part in devising and approving the solution to any problems that are identified.



II.D FEEDING LESSONS LEARNED BACK INTO THE SELECTION PHASE

VA feeds information learned during the Control phase back in to the Selection phase to help make future selection decisions and to modify and enhance the screening and selection decision criteria.

The Quarterly Execution Review process monitors on-going IT projects. Once the CIO Council becomes aware that a project is experiencing difficulties, it will have the project manager brief the Council and/or request an in-process review (IPR). Findings from these briefings and reviews

will, as appropriate, include recommendations for changes to existing Control phase processes. (Additional information concerning lessons learned during the Control phase will become available following each project's post-implementation review (PIR).)

IRMPAS documents VA senior management decision-making changes. Project-level management changes are captured in project briefings and in-process reviews. All of these documents are accessible through I-TIPS.

The IRMPAS Director is responsible for capturing specific lessons learned during the Control phase (from project briefings, in-process, and post-implementation reviews) and placing them in the I-TIPS library for future reference.

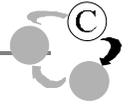
IRMPAS reviews all lessons learned during the Control phase and, as appropriate, prepares briefings for the CIO Investment Panel and CIO Council to recommend changes to selection criteria, both for screening and ranking.

Using tools such as the Earned Value Template and the IT Capital Investment Execution Review Form, IRMPAS collects data/information for all major IT projects (and spending categories) and uses that information to compile a record of organizational costs. Additionally, IT acquisition requests exceeding \$250,000 will receive an IRM project number that will enable IRMPAS to track costs as monies are obligated through the Financial Management System (FMS).

VA will track capital investment benefits by means of the PIR process conducted during the Review phase. Limited information concerning benefits will be available during the Control phase as a result of IPRs. As appropriate, IRMPAS will brief cost and benefit information to the CIO Investment Panel and CIO Council.

Document the warning signs that, with hindsight, preceded the problem, and identify what remedial steps were taken and what the outcome of this approach was. Such documentation will help to make future acquisition decisions and identify recurring problems on existing programs.

GAO/AIMD-10.1.13, February 1997



II.E IT DISPOSAL

At some point, the benefit of maintaining an existing IT asset will decrease and costs will increase to the point where that asset should be replaced. Well before completion of the full lifecycle, an organization should start planning to obtain a suitable replacement. This process, defined in Federal regulations, begins with obsolescence reviews. These reviews should be an integral part of the initial planning steps of any IT initiative.

GSA publishes Federal regulations governing IT obsolescence determination and disposal, specifically, *41CFR101-43.601 - .603*. VA's Office of Financial Management, (004) and Office of Acquisition and Materiel Management, (OA&MM) also have guidance on their WEB sites for depreciating and disposing of IT assets. These are:

- *OFM BULLETIN 96GA1.05, 7/16/96, FINANCIAL POLICY FOR PROPERTY, PLANT, AND EQUIPMENT*
- *VA Handbook 7343, Utilization of Personal Property*
- *VA Handbook 7345, Sale, Abandonment, or Destruction of Personal Property*
- *VA Directive 7345.1, General – Sale of Personal Property*
- *VA Directive 7346, Utilization and Disposal of Personal Property Pursuant to Exchange/Sale Authority*
- *Executive Order (EO) 12999, April 17, 1996, Educational Technology*

Federal regulations require Federal agencies to properly dispose of IT equipment assets that are no longer needed for the purpose for which they were acquired. These assets must be either:

- (1) Reassigned within the agency;
- (2) Declared excess to the agency's needs and made available to another agency;
- (3) Exchanged or sold as part of a transaction to acquire replacement equipment; or
- (4) Declared surplus and made available for donation (EO 12999).

Software assets no longer needed for the purpose for which they were acquired are either reassigned within the agency consistent with the limitations of any applicable license; or otherwise disposed of consistent with the limitations of any applicable license.

Cost Benefit Analyses provide critical input to managers who determine the lifecycles of hardware and/or software. Cost benefit analysis components of capital investment and acquisition applications include depreciation calculations. These calculations support VA decision-makers deciding whether IT equipment and software is excess or obsolete.

Organizations should address disposition of excess and/or obsolete IT equipment and software in their Capital Investment and acquisition funding request applications. These applications should include relevant portions of the asset disposal reports required by OA&MM as supporting documents.