

Department of Veterans Affairs

OFFICE OF INFORMATION AND TECHNOLOGY



IT PORTFOLIO MANAGEMENT GUIDE
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Department of Veterans Affairs
Office of Information & Technology
IT Portfolio Management Guide

Department of Veterans Affairs
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CHAPTER 1 – EXECUTIVE SUMMARY

Portfolio Management (PfM) facilitates a holistic management approach for aligning capital investments with the VA’s strategic mission and goals. The processes implemented as part of the portfolio management framework provide visibility over competing investments and their resources. It is this visibility which enables the VA to efficiently manage IT investments.

The VA IT Portfolio Management Guide (hereinafter referred to as *guide*) provides a basic reference for the future state vision of the One VA IT Portfolio Management Framework (Figure 2.1) and associated life cycle process (Figure 2.2). Each step throughout the life cycle, i.e., select, control, and evaluate, is aligned with the General Accounting Office (GAO) process flow for managing investments individually. When combined with the GAO’s investment management process, the IT portfolio management framework enables the VA to manage, rank, and prioritize investments across the enterprise by comparing business value with the VA mission and goals. (Refer to Appendix D for further discussion on the GAO IT Investment Management Model.)

In an effort to maintain continuity with existing investment management policies and processes, the *guide* was developed in conjunction with the portfolio management related activities identified in the *VA Capital Investment Methodology Guide* provided by the VA Office of Asset Enterprise Management (OAEM) and in accordance with the VA Capital Asset Management policy as outlined in the VA Directive 4085.

The *guide* describes the future (or “to-be”) state of IT PfM and is intended to facilitate and improve VA IT compliance with new and existing government rules; in particular, the Government Performance and Results Act (GPRA), Clinger-Cohen Act, Federal Acquisition and Streamlining Act (FASA), and the revised Exhibit 300 from the Office of Management and Budget (OMB). (Refer to Appendix B for a summary of key legislation.) Upon implementing a Portfolio Management Framework, VA IT organizations will:

- ▲ Focus limited resources on projects that further the organizations most important goals
- ▲ Maintain close investment oversight to ensure effectiveness and business value, throughout the investment project’s life cycle
- ▲ Discover and eliminate duplicate projects
- ▲ Recognize earlier in the process those projects destined to come in over budget or schedule.

As a guiding principle throughout this *guide*, VA’s IT portfolio should align with the Department’s mission and strategy. Therefore, strategic alignment is built into VA’s Selection process as a critical input to make sure the IT investment portfolio will enable VA to achieve those goals highlighted in VA’s Strategic Plan. This *guide* also outlines an IT investment governance structure that insures compliance with VA’s project management process, enterprise architecture, information security, privacy, system development life cycle, acquisition, and IT operations requirements as well as other guiding government directives. VA’s IT portfolio is also governed by the investment management life cycle, which contains the processes for selecting, controlling, and evaluating organizational investments. It leads to a structured, repeatable approach. Through these processes, VA IT decision makers define what is important to

achieving the department's goals. Portfolio Management is just the beginning. To realize the benefits of the IT investment portfolio, VA relies on a well defined Project Management practice to develop and execute IT projects effectively. The integration of VA's portfolio management and project management processes is key to the success of IT Investment Management. The processes outlined in this *guide* are tool independent. However, technology is the infrastructure that supports VA's missions, people and processes. When implementing VA's portfolio management practice, the artifacts, processes should be customized using the portfolio management tool that was selected by VA management.

As envisioned by the VA Office of Information and Technology (OI&T), Policies, Plans, and Programs Office, the disciplined approach of the One VA IT Portfolio Management Framework described in this *guide* will insure a balanced and optimized portfolio of VA IT investments.

CHAPTER 2 – PORTFOLIO MANAGEMENT OVERVIEW

2.1 What is Portfolio Management?

Many organizations invest heavily in internal and external assets and initiatives. These often include information technology projects and operations, employee education and incentive programs, alliances and partnerships, and projects to develop new products and services. Organizations often spend as much as 20 percent of their operating budgets on systems to automate operations and enable new capabilities throughout the enterprise. Yet they often view each of these investments tactically, assessing them only on their particular attributes and not their synergy with the organization as a whole.

Portfolio Management (PfM) aligns these investments with the organization’s mission and goals and provides visibility over all competing investments. Viewing them together as a “portfolio” provides a total view of all assets and investments across the enterprise and seeks a purposeful prioritization and balance among them. It assesses them together in the context of the whole organization and its pursuit of its mission, goals and strategic plan and addresses the following issues:

- ▲ Do your organization’s investments match the current needs of the business?
- ▲ Do they serve its long-term strategic goals?
- ▲ Is the mix balanced with regard to risk and return?
- ▲ Are any assets underperforming?
- ▲ Are there gaps that indicate where new investments should be made?

In short, Portfolio Management answers the questions “Are we doing the right things?”, “Are we doing things right?”, and “Are we achieving the benefits for which we undertook the investment in the first place?” Priorities can be established for the enterprise based on investments that best satisfy strategic goals and eliminate duplication. Additional analysis includes identifying performance metrics to monitor expected return on investment. A regular portfolio management monitoring process includes reviewing strategic goals and performance against the metrics to ensure the proper alignment exists and projects are delivering on expectations. Any deviation such as a shift of strategic priorities will be easily identified and allow for development of remedial action.

Portfolio Management also ensures that:

- ▲ Enterprise funds are allocated for the right programs
- ▲ Redundant investments are identified eliminating waste
- ▲ New investments are aligned with strategic goals and have performance criteria established
- ▲ Investments focus on needs vs. wants saving valuable funds
- ▲ Executive management can make informed strategic decisions on the direction of the enterprise

2.2 IT Portfolio Management Framework

The following figure illustrates the hierarchical framework guiding VA’s portfolio management practice. The Strategy layer represents the guiding mission and goals of the organization and the strategic plan (including the 5-year IT Strategic Plan) to achieve those goals. The Governance layer contains VA’s investment governance structure that insures compliance with the portfolio management process as well as guiding government directives. The Investment Management life cycle layer identifies the processes for selecting, controlling, and evaluating organizational investments. It leads to a structured, repeatable approach. Through these processes, VA IT decision makers define what is important to achieving the department’s goals. The Project & Operational Management layer is the enabler that implements IT projects and operates and executes IT investments. The Technology layer is the infrastructure that supports VA’s missions, people and processes.

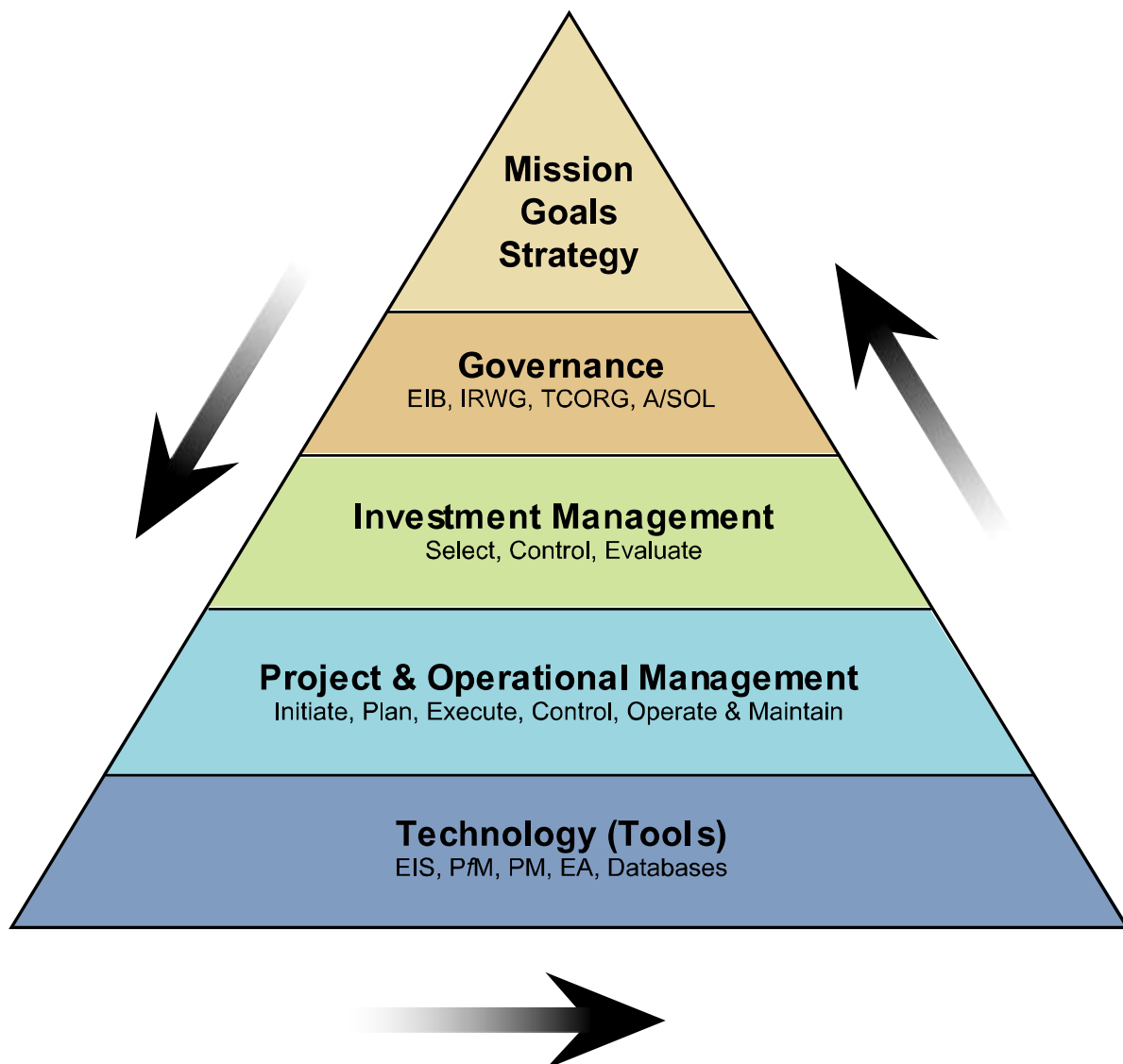


Figure 2.1: IT Portfolio Management Framework

2.3 Investment Management Life Cycle

The investment management life cycle illustrated below represents the continuous, cyclical nature of this methodology. This approach ties an enterprise or unit’s strategic planning with an evaluation of the firm’s assets and investments on a continual basis through a portfolio-centric management process.

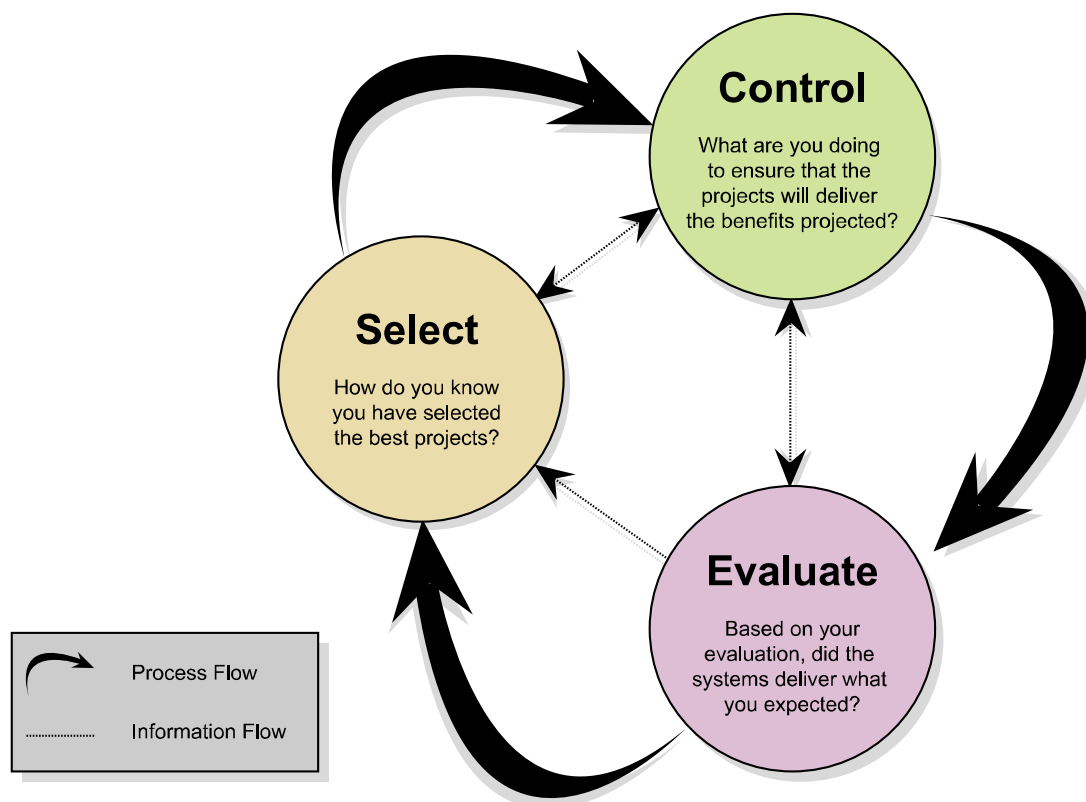


Figure 2.2: IT Investment Management Life Cycle

Management will first consider the “strategic fit” of an initiative through an analysis and “Select” phase. A proposed investment, or initiative, enters the life cycle in this phase. It includes developing business value criteria for evaluating the proposed investment and determining how to allocate resources while maintaining balance among existing assets, initiatives, and projects.

Once the selection process is complete, the initiative becomes a project and is subject to the rigors of project management during the investment “control” phase. These rigors may be more stringent for some projects than others, depending on cost, strategic value, or other parameters. Each project is measured against planned cost, schedule, risk, and technical performance. During the Control phase, as more accurate information becomes available, the portfolio management

process measures progress toward realizing the strategic outcomes projected in the initiative's proposal. Periodic reviews are also used during this phase to ensure that health and outcome projections are being met within thresholds set by senior executives. These reviews are used to redirect, and in some cases terminate, ongoing projects for failure to meet projected performance outcomes or health measures.

In the Evaluate phase after deployment, operational performance outcomes become more visible, and an evaluation report is fed back into the selection process to fine-tune selection criteria. As senior executives review new investments entering the investment management life cycle, they will utilize these new criteria to improve the selection process. An example is an organization's reaction to a rapid change in the business environment. Decision makers may decide to terminate a project that is no longer viable so they can apply more resources to another project to meet a strategic objective. Thus the cycle repeats itself in an iterative nature, constantly improving both the portfolio and the process.

The portfolio management process will provide visibility into all planned, ongoing, and operational investments, highlighting areas of need, exposing chronic investment sinkholes, and empowering management with the ability to maximize organizational value. It guides managers toward the opportunities with the greatest benefits and reminds them to manage the many types of risk that can place those benefits in jeopardy. A portfolio perspective is a valuable approach to managing investments, especially in light of today's volatile, high-risk organizational environment.

CHAPTER 3 – VA PORTFOLIO MANAGEMENT STRATEGY

3.1 Overview

The transition to an IT Portfolio Management Framework is a cultural change for an organization. Operating within this framework means moving the VA IT organization from focusing on just the new investment and scoring investments individually to evaluating all investments together. Taking this enterprise-wide, holistic view of the VA's portfolio of IT investments establishes and maintains only those investments that contribute the most value to the organization.

Shifting to a portfolio management strategy moves VA OI&T from a tactical perspective, focused on near term results, to a strategic view, focused on achieving the Department's mission, goals and objectives. This strategic view can only be achieved when investments are weighted and evaluated together. Initially, this means evaluating existing investment portfolio and project management process flows and life cycle activities against a "to-be" Portfolio Management Framework. The transition for the VA IT organization will be an evolving process that requires a change in operating procedures, organizational acceptance, communications, training, resources, and alignment with constantly revised IT investment management regulations and processes.

This *guide* is an initial step in establishing a One VA IT Portfolio Management process and associated procedures. Based on an initial assessment of the VA IT organization's investment management capabilities, it provides a framework and processes to address current gaps. The *guide* is a forward looking document aimed at achieving an institutionalized process for managing IT investments as a portfolio.

3.2 Portfolio Managers

In the near term, the VA OI&T Policies, Plans, and Programs (005P) organization has assumed an investment oversight and support role. This will focus on the identification and standardization of investment portfolio management policy, processes, and procedures. Specifically, Portfolio Managers will provide oversight and management support to project and program managers at the Exhibit 300 and initiative level. This role will strengthen over time and will become a full life cycle oversight ownership of project and portfolio management artifacts such as an investment's financial, acquisition and milestone approvals.

In partnership with the Lines Of Business (LOB), the Portfolio Managers' goal will be to develop a deep granular breakout of the investment (project / program), its mission, path and structure, as well as codifying the value-add proposition. The Portfolio Manager will work with the investment project / program manager to develop a baseline for the investment's performance and contribution. This will insure that the investment's manager/sponsor management provides a full foundation upon which the Secretary, CIO, and the LOB owner will base rational management decisions.

The development and implementation of the One VA IT Portfolio Management Framework is a process of continuous improvement and is critical to ensure VA IT investments are aligned with the "bottom line mission" of the VA. It is VA's intent that this *guide* be a living document. As

the VA IT organization works through the Select-Control-Evaluate investment management life cycle, there will be inevitable changes to the policy and process required to incorporate both lessons learned and future revisions to the Federal regulations as prescribed by the GAO and OMB. The VA IT organization will continually work to incorporate these changes and leverage this *guide* as both a communication and training tool.

3.3 Investment Review Working Group

The Investment Review Working Group (IRWG) will function as the EIB's decision support body and will play a vital role in the success of the IT PFM process by developing and making recommendations to the EIB. They will analyze IT initiative proposals and performance. IRWG membership will be based on individuals' expertise and knowledge of the Department's business lines, technology, and staff functions. Typical members would be:

- ▲ At the GS 14, 15, or SES level;
- ▲ In a position of trust to EIB members; and
- ▲ Line of business experts.

The IRWG operating procedures would work as follows: The members would be divided into teams and begin review and analysis of Business Cases and Exhibit 300s. These review teams would score initiatives and develop draft recommendations. Then the entire IRWG would validate the prioritizations and funding contingency plans of Administrations and Staff Offices and approve the draft recommendations. The review teams will work with PMs to resolve any outstanding issues. The entire IRWG will finalize the prioritization, funding contingency plans, and recommendations. Finally, the IRWG will provide the funding recommendations to EIB. OI&T's 005P will provide assistance to the IRWG review teams as needed and facilitate IRWG sessions.

3.4 Role of the VA IT Strategic Plan

Portfolio Management is the facilitated process for allocating resources to achieve an organization's strategic objectives. In order to effectively implement a Portfolio Management Framework, an organization must have an updated Strategic Plan.

The *VA IT Strategic Plan* provides the Department, administrations and staff offices with the overarching strategy and priorities they need to guide the capital, budget, operational, and tactical planning for IT within VA. It also provides the foundation on which IT will be applied to support the Department's business operations.

IT strategic planning is approached in context with other Department planning processes. These strategic, performance and capital investment planning processes converge at key executive-level decision points as well as when information must be reported to OMB and Congress. IT strategic goals, performance objectives, high priority projects and budget justifications must agree. Each IT investment must align with one or more of the following VA strategic goals:

- ▲ Goal 1: Restore the capability of veterans with disabilities to the greatest extent possible and improve the quality of their lives and that of their families.

- ▲ Goal 2: Ensure a smooth transition for veterans from active military service to civilian life.
- ▲ Goal 3: Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.
- ▲ Goal 4: Contribute to the public health, emergency management, socioeconomic well-being and history of the Nation.
- ▲ Goal 5: The *Enabling Goal* is to deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology and governance.

3.5 Role of the Enterprise Architecture, Information Security, Privacy, Budgeting, Acquisition, and IT Operations

VA's IT PFM process must integrate with the processes and requirements of enterprise architecture, information security, privacy, budgeting, acquisition, SDLC, and IT operations to ensure projects and portfolios remain aligned and synchronized with these critical requirements and processes throughout their life cycle, and not just at the outset when investment decisions are initially justified. One of the key strategies for achieving this integration is through the use of the Technical & Contracting Officer Review Group (TCORG), which will be comprised of representatives from these organizations and functional areas and who will review the select and control phase documentation for compliance with the requirements of the organizations and functions they represent. The EA and other processes and requirements mentioned above are applicable to all IT projects in the Department. Compliance with them is mandatory throughout the evolution of the IT portfolio. This compliance is to be validated at multiple events and in multiple Departmental processes including the Project Management Oversight process and the IT PFM process.

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CHAPTER 4 – VA IT PORTFOLIO MANAGEMENT GOVERNANCE

4.1 Overview

The implementation of an effective, efficient, and repeatable IT capital planning and investment control process is required by the Clinger-Cohen Act, the Office of Management and Budget, and guidance prescribed by the General Accounting Office.

The management policy of VA IT investments as individual projects and as the IT investment portfolio is identified in the VA Directive 6000.

4.2 Purpose

The VA Directive 6000 applies to the planning, budgeting, procurement, management, and assessment of all IT projects undertaken by the Department. This directive strengthens the:

- ▲ the role of the VA CIO;
- ▲ capital planning and investment control process for IT;
- ▲ IT project management process and procedures;
- ▲ the use of automated IT portfolio and project management tools; and
- ▲ IT project management training and certification.

4.3 Policy Summary

The VA Directive 6000 is summarized into the following six discrete rules for VA IT investment management.

- ▲ The VA CIO manages and has oversight of all IT expenditures and resource management including workforce training,
- ▲ The Deputy CIOs for VHA, VBA, NCA, and staff offices managing each Central Office IT systems report directly to the VA CIO,
- ▲ A Capital Planning and Investment Control process has been defined to manage IT investments. Prior to the expenditure of funds IT projects must be selected and managed in accordance with the *One VA IT Portfolio Management Guide* and the *One VA IT Project Management Guide* respectively.
- ▲ The CIO and EIB determine the IT project information requirements for all investment decisions. The OMB Exhibit 300 and a Business Case will be used to support investment management decisions.
- ▲ VA officials will comply with all applicable investment management related statutes, Federal regulations, policies, guidelines, and VA policies and processes.
- ▲ VA will have a One VA Project Management program, supported by VA officials. This program will focus on developing and maintaining standardization of project management practices including the relationship to the VA IT Portfolio Management program.

4.4 Roles and Responsibilities

Several individuals and groups have roles and responsibilities in VA's IT portfolio management processes. These include the Strategic Management Council (SMC), EIB, VA's CIO, Administration Deputy CIOs, IRWG, and the Technical & Contracting Office Review Groups.

Following is a description of the roles and responsibilities of those individuals and groups that play a direct role in these processes:

Strategic Management Council (SMC): The SMC presides over the Monthly Performance Reviews of every project within the VA Portfolio. The information and direction resulting from these reviews is summarized and is the basis for the quarterly portfolio review.

Department Chief Information Officer (VA CIO): The Department CIO chairs the VA Enterprise Information Board (EIB), serves as the principal advisor to the Secretary on all IT matters, coordinates and manages the Department-wide implementation of the *Clinger-Cohen Act of 1996* and provides oversight for all IT matters.

Administration/Senior Office Leadership (A/SOL): VBA and VHA each have a CIO. These individuals provide direction, leadership, and management of information technology resources at the Administration level. The Administrations' CIOs serve as a bridge between the Department's business components and IT components. Functional leaders within the Department also play a key role as stakeholders in the outcome of IT projects. As a group, they provide a critical layer of oversight and control within the Portfolio Management Process.

Technical & Contracting Officer Review Groups (TCORG): The TCORG is the technical arm of the ITWG. Composed of both IT and contracting technical experts, they are embodied to review project data, concept papers, status summaries etc. and render opinion and advice to the IRWG on the state of the project relative to technical and contracting issues. The Technical part of this group is also charged with the responsibility of determining whether the new investment complies with the Enterprise Architecture (EA) of the organization.

IT Investment Review Working Group (IRWG): The IRWG is the working body of the EIB, coordinating the IT capital planning and investment control process and procedures. It supports and advises the EIB on information technology management issues in the Department.

Enterprise Information Board (EIB): The EIB was established as a forum for deliberation and decisions about Department information technology expenditures needed to achieve the Department's mission and business requirements. It is the executive decision-making body for the IT capital planning and investment control process that provides for the selection of IT investments to be made by the Department, the management of such investments and the evaluation of the results of such investments. It ensures investments in IT are compliant with the Department's Policies, Strategic Plan, and Enterprise Architecture and within funding constraints.

Project Manager (PM): PM manages projects in compliance with plans and strategy briefs in relation to one or multiple, small or highly complex projects. PM is directly responsible for scheduling, tracking, risk analysis, cost management, variances, change management, evaluating,

and controlling projects. The PM is responsible for the IT Initiative and prepares the necessary documentation needed for the IT investment management process. The PM works with the IRWG, 005P, and senior leadership to resolve issues.

Project Sponsor (PS): A Project Sponsor is an executive or senior manager in the permanent line organization who represents the project in executive discussions and policy decisions. If obstacles arise, the sponsor intervenes on behalf of the project. The PS ensures that the PM is complying with his or her responsibilities mentioned above.

Contracting Officers (COs): The CO reviews and approves IT Investment Management documents, especially the Exhibit 300s' Acquisition Strategy, prior to EIB review.

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CHAPTER 5 – PORTFOLIO MANAGEMENT PROCESSES

5.1 Overview – Select/Control/Evaluate (S/C/E)

A new IT investment enters the life cycle through the Select phase (figure 5-1). In this phase, the organization determines priorities and makes decisions about which projects will be funded during the year. A starting point for the Select phase is the screening process. Projects being submitted for funding are compared against a uniform set of screening criteria and thresholds in order to determine whether the projects meet minimal requirements and to identify at what organizational level the projects should be reviewed. (See Section 5.2 below for screening criteria and thresholds.) The costs, benefits, and risks of all IT projects either proposed, under development, or operational are then assessed (usually by an independent group). Then projects are compared against each other and ranked or prioritized. As part of this process, weighting factors may be attached to the ranking criteria. These ranking criteria should, at a minimum, include cost, risk, and benefit factors, as well as an assessment of how well the project meets mission needs. The proposed investment is also assessed to determine if it duplicates the function of another system in operation or development and whether it may be a candidate to become an agency wide standard. (See Appendix I for scoring and ranking factors and criteria.) Finally, a senior management decision-making body makes decisions about which projects to select for funding based on mission needs and organizational priorities. (See Appendix J for a discussion of this process.) The systems and projects that are selected for funding make up the portfolio of IT investments.

The Select phase helps ensure that the organization

1. Selects those IT projects (both new and ongoing) that will best support mission needs and
2. Identifies and analyzes a project's risks and proposed benefits before a significant amount of project funds are spent.

A critical aspect of this phase is management understanding, participation and decision-making that is driven by accurate, up-to-date data and an emphasis on using IT to enhance mission performance.

Once selected, all of the projects in the portfolio enter the Control phase where they are actively managed and controlled. The Control phase helps ensure that as a project is developed it continues to meet cost, schedule and performance expectations. Performance reviews are conducted at set intervals (e.g., quarterly) to ascertain the progress of a project as compared against planned cost, schedule, and performance expectations. (See Appendix E for more details.) The type and frequency of these reviews may also be determined based on the level of risk, complexity, and cost identified during project selection. If a project is late, over cost, or not meeting performance expectations, senior executives take quick actions to mitigate the impact of changes. Decisions made at the Control phase may include:

1. Continuing its development as planned
2. Modifying it to better meet mission requirements
3. Accelerating development of the project

4. Canceling the project if it has exceeded its risk vs reward ratio.

Finally, once projects have been fully implemented, they enter the Evaluate phase where actual versus expected results are evaluated to:

1. Assess the project's impact on mission performance
2. Identify any changes or modifications to the project that may be needed
3. Revise the investment management processes based on lessons learned.

5.2 Notional Project Classification Thresholds

Other

- ▲ Initiatives with less than \$250,000 annual expenditure

Supportive

- ▲ Annual expenditure of \$250,000 or greater, but not meeting criteria below

Significant

▲ VHA

- New initiatives with \$5 million in total development costs; and/or development duration of one year or greater; or
- Existing IT initiatives with IT Costs of \$10 million or greater over 3 years; or

▲ VBA and Staff Offices

- New initiatives with \$2.5 million in total development costs; and/or development duration of one year or greater; or
- Existing IT initiatives with IT Costs of \$6 million or greater over 3 years; or

▲ NCA

- New initiatives with \$1.0 million in total development costs; and/or development duration of one year or greater; or
- Existing IT initiatives with IT Costs of \$1 million or greater over 3 years; or

- ▲ Initiatives with enterprise impact or otherwise deemed Significant by the IRWG or EIB

- ▲ Initiatives that may align with an OMB-designated e-Gov initiative

Major

- ▲ IT costs of \$10 million or greater on FY 2005 and FY 2006 combined
- ▲ Financial Systems with annual cost of \$500,000 or greater (OMB required)
- ▲ Additional mission critical initiatives as determined by the EIB or CIO
- ▲ Any initiative that was submitted to OMB as an Exhibit 300 initiative in the last budget formulation cycle

5.3 Select Phase

IT investment management begins with the project selection process. Projects being proposed for funding are put through a “coarse-grained” screening process to (1) eliminate proposals that fail to pass minimal acceptance criteria and (2) ensure that projects are being reviewed at the most appropriate organizational level (department, bureau, unit, office, etc.). Proposals that pass this screening process have had their costs, benefits, and risks analyzed in-depth.

Using this prioritized list as a guide, senior managers make decisions about which projects will be proposed for funding for the upcoming year. This post-prioritization decision-making on the appropriate mixture of projects is the essence of IT portfolio analysis. Finally, after these funding decisions have been made, schedules for reviewing projects are established or updated.

Following is the detailed process flow for the Select phase within the VA Portfolio Management Life Cycle:

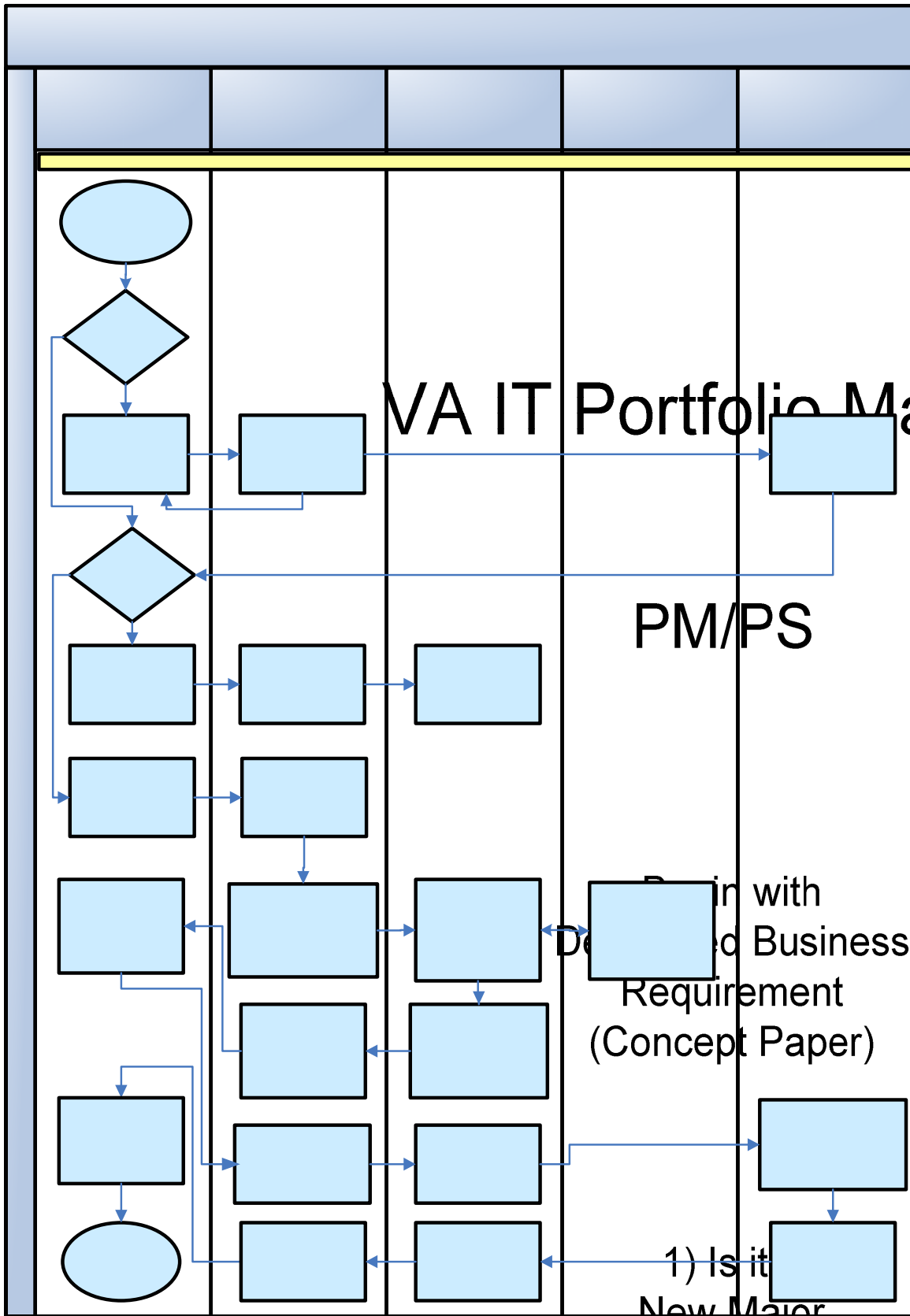


Figure 5.1: Select Phase Process

Beginning State

The Offices of Financial Management and Information & Technology jointly issue an annual planning call. The call describes the capital planning process and provides administrations and staff offices with the timetable, and information that must be submitted for each project, including information technology projects that will require review by the VA Capital Investment Board (CIB). All IT projects are required to be submitted to the investment management process even though they may be below the threshold necessary for CIB review. A draft Concept paper will have been prepared and a sufficient amount of analysis will have been performed on each new investment by the Program Manager/Program Sponsor (PM/PS) in order to answer the questions necessary to the Select process.

Step 1: Is it a new major investment?

Description: If this is a new major investment ready for Milestone 0 review, then PM/PS complete Concept Paper and forward for review in preparation for Milestone 0 briefing

Responsibility: Project Manager (PM)/Sponsor (PS)

Input: Draft Concept Paper (See Chapter 3 and Appendix C of the Project Management Guide)

Decision: Move forward with Milestone 0 preparation

Output: Concept Paper and supporting documentation for Milestone 0 review

Artifact: Concept Paper (See Appendix C of the Project Management Guide)

Timeframe: February (New Investment)

Step 2: Prepare Milestone 0 Review

Description: PM/PS prepares briefing for Milestone 0 review. (See PM Guide's Chapters 1 and 3 and Appendices G and H for details on the steps involved in Milestone 0 briefing development, review and approval.)

Responsibility: PM/PS

Input: Concept Paper and supporting documentation for Milestone 0 review

Decision: Submit investment for Milestone 0 Review to sponsoring Administration or Staff Officer leadership

Output: Milestone 0 Review documentation

Artifact: Milestone 0 briefing (See PM Guide's Appendix G.)

Timeframe: February-March

Step 3: Review and make decision on Milestone 0 Review Document

Description: Review Milestone 0 documentation and determine if it is sufficient to submit to EIB (through 005P) for approval to move into Concept Development.

Responsibility: Administration / Staff Office Leadership (A/SOL)

Input: Milestone 0 Review Documents

Decision: Approve Milestone 0 briefing for EIB review; Revise Concept Paper and Milestone 0 briefing; Disapprove

Output: Approved Milestone 0 Review Documents

Artifact: None

Timeframe: March

Step 4: EIB Reviews and makes decision on Milestone 0 Review Document

Description: EIB reviews Milestone 0 documentation to make sure that the investment supports VA's strategic goals and meets the business needs before pursuing next steps.

Responsibility: EIB

Input: Concept Paper and supporting documentation for Milestone 0 review

Decision: Approve; Disapprove for next step

Output: Approved Milestone 0

Artifact: Milestone 0 EIB Decision Memo (See PM Guide's Appendix G.)

Timeframe: April

Step 5: Determine the categorizations of the IT investment

Description: If not a new and major initiative, determine whether investment is Major (ongoing), Significant, etc. and what track it should follow from here (See section 5.2 of this guide.)

Responsibility: PM/PS

Input: Approved Concept Paper

Decision: Major; Not Major

Output: Categorized investment

Artifact: None

Timeframe: April

Step 6: Prepare Business Justification for not major investment

Description: Given the lower investment level for a “not major” investment, they need less scrutiny than major investments. Business Justification is a “light” version of the Business Case helping the management to answer these questions:

What is the investment?

What is the benefit and cost of this investment?

What is the risk associated with this investment?

How do I measure the success of this investment?

Does this investment comply with the VA Enterprise Architecture and Security standards?

Responsibility: PM/PS

Input: Final Approved Concept Paper

Decision: none

Output: Business Justification

Artifact: Appendix G: Business Justification

Timeframe: April

Step 7: Review and make decision on Business Justification

Description: Officials within A/SOL are delegated general authority by the VA CIO to acquire IT resources valued at less than the blanket threshold (currently \$250,000) without prior EIB approval. IT resources include the cost of equipment, software and services, and all optional quantities over the life of the project. Projects under the blanket threshold will be approved at this step.

Responsibility: A/SOL

Input: Business Justification

Decision: If greater than \$250K, forward to IRWG for review or return for additional development. If less than \$250K, approve or disapprove.

Output: Approved Business Justification (<\$250K) or recommendations to IRWG

Artifact: None

Timeframe: April

Step 8: Add Investment to VA IT Portfolio

Description: IRWG reviews the business justification, approves (or returns it for additional work), and adds it to the IT portfolio. IRWG may also cancel the investment if it feels that it is unnecessary.

Responsibility: IRWG

Input: Investment Business Justification

Decision: Approve business justification and add to IT Portfolio

Output: Approved Business Justification and updated IT portfolio

Artifact: None

Timeframe: May

Step 9: Prepare Business Case and Exhibit 300 for major investment

Description: As a prerequisite, each major project needs to have a business case developed that provides the sponsor's justification for the project. The business case identifies the organizational needs that the project is meeting or proposes to meet; provides information on the benefits, costs, and risks of the project; and establishes proposed project development time frames and delivery schedules. The information in the business case should be continuously updated to ensure that it always reflects the current situation. For a significant investment, this includes the OMB Exhibit 300 for submission as part of the annual Presidential budget preparation.

Responsibility: PM/PS

Input: Concept Paper and other Milestone 0 documentation

Decision: None

Output: Business Case and Exhibit 300

Artifact: Business Case (Appendix H of this Guide); OMB Exhibit 300 (Appendix C of PM Guide)

Timeframe: April

Step 10: Review Business Case and Exhibit 300

Description: The verification and validation of the business case includes:

- ▲ Reviewing assumptions that were made,

- ▲ Assessing all of the alternatives that were analyzed and determining whether others should have been included,
- ▲ Reviewing the cost and benefit estimates to ensure that they were accurate and realistic,
- ▲ Evaluating the risks that were identified and determining whether others may be applicable, and
- ▲ Evaluating the sensitivity analyses that were conducted.

Responsibility: A/SOL

Input: Business Case and Exhibit 300

Decision: Proceed with investment assessment or return to PM for further development

Output: Approved Business Case/Exhibit 300

Artifact: None

Timeframe: May

Step 11: Prepare Portfolio Prioritization, Determine Investment Funding Levels & Funding Contingency Plan

Description: Investment is prioritized relative to other VA investments based on business need and funding availability; required funding levels determined; and a funding contingency plan developed should full funding be an issue

Responsibility: A/SOL

Input: Business Case and Exhibit 300

Decision: Is documentation sufficient to forward to IRWG for review?

Output: Business Case, Exhibit 300 and supportive documentation

Artifact: (See annual 005 guidance.)

Timeframe: May

Step 12: Review, prioritize, and make recommendations on Business Case and Exhibit 300

Description: The benefit, cost and risk information of all projects (initial concept, proposed, under development, operational) should be analyzed and assessed in detail. The 005P organization is responsible for verifying and validating the various analyses and information that are submitted as part of a project's business case. Examples are cost/benefit analyses including feasibility studies, risk assessments, and alternatives analyses.

There are several pieces of information that should arise out of the Select phase, based on the actual decisions that are made. This information includes:

- ▲ Initial project scores and ranked list of projects
- ▲ Investment review group's scores based on any additional decision-support tools
- ▲ Investment group's final list of projects that it is proposing to make up the investment portfolio
- ▲ Documented justification for selecting projects that scored below accepted thresholds (Example: high-risk, high-return projects)
- ▲ Funding information, as well as acquisition and development schedules, for all projects that were selected
- ▲ Net cost and benefit information on the complete portfolio of IT investments

Finally, all of the projects that were selected for funding should be included in the Agency Capital Plan that is submitted to OMB. Information that is submitted in this plan should include baseline cost, schedule, and performance goals for each project.

Responsibility: IRWG

Input: Business Case, Exhibit 300 and supportive documentation

Decision: Is documentation sufficient to rank and compare with other investments?

Output: Prioritization and Recommendations

Artifact: Appendix I: Prioritization Score

Timeframe: June

Step 13: Review Business Case/Exhibit 300 Supporting Materials

Description: Review investment documentation and provide recommendations regarding relevant technical and contracting issues

Responsibility: TCORG

Input: Investment documentation

Decision: None

Output: Recommendations

Artifact: Appendix I: Prioritization Score

Timeframe: June

Step 14: Rank and compare the IT portfolio

Description: After each project's cost, risk and benefit information has been examined and validated, all of the projects are compared against common decision criteria in order to weigh the relative merits of the projects and develop a prioritized listing of projects. The criteria used for assessing and ranking projects consists of elements related to three essential areas. They are benefits, costs, and risks which are contained in the Prioritization Scores.

Responsibility: IRWG

Input: Business Case and Exhibit 300

Decision: Ranking of Investment

Output: Ranking Recommendation: the outcome of the analysis and ranking of projects based on a valid business case and the comparison of projects with the VA IT's decision criteria is a ranked list of IT projects.

Artifact: Appendix I – Prioritization Scores

Timeframe: June

Step 15: Review Recommendations and Adjust Investment Appropriately

Description: The ranking of projects is reviewed. If there is any disagreement as to the relative ranking of this investment, this is the last opportunity to make adjustments prior to submission to the EIB for approval.

Responsibility: A/SOL

Input: IRWG Ranking Recommendations

Decision: Continue to final review

Output: Any recommended adjustments

Artifact: None

Timeframe: June

Step 16: Prepare Investment Summary

Description: Investment Summary is prepared for submission to EIB and final project approval

Responsibility: PM/PS

Input: Prioritization Rankings and A/SOL recommendations

Decision: None

Output: Investment Summary and supportive documents

Artifact: Appendix F: EIB Summary

Timeframe: July

Step 17: Review Investment Summary

Description: The Investment Summary is reviewed to insure it is complete and sufficient for submission to the EIB (through 005P).

Responsibility: A/SOL

Input: Investment Summary and supporting documentation

Decision: Is Investment Summary ready for EIB?

Output: Approved Investment Summary and recommendations

Artifact: None

Timeframe: July

Step 18: Prepare Executive Briefing of IT Portfolio

Description: A briefing package is prepared for the EIB which presents the full VA portfolio, the benefits, performance and ranking of each project, and any issues that must be addressed and resolved by the EIB. It also contains the Investment Summary and recommendations.

Responsibility: IRWG

Input: Initiative Summaries and supporting documentation

Decision: None

Output: EIB Briefing Package

Artifact: Appendix J: EIB Executive Briefing Recommendations

Timeframe: July

Step 19: Review Summary of IT Portfolio

Description: EIB reviews the Briefing package and any other supporting material necessary.

Responsibility: EIB

Input: EIB Briefing Package

Decision: None

Output: None

Artifact: None

Timeframe: July

Step 20: Approve, Cancel or Modify Business Case/Exhibit 300

Description: After reviewing the briefing package and any other supporting material necessary, the EIB renders a decision on whether the portfolio is approved as it stands or requires modification either at the entire portfolio level (balance) or at the project level. Individual projects might be adjusted in priority, changes recommended or canceled outright. Approval or recommendations for modifications are prepared.

Responsibility: EIB

Input: EIB Briefing Package

Decision: Approval of VA Portfolio

Output: EIB Decision Package containing approvals and/or change recommendations

Artifact: None

Timeframe: July

Step 21: Review EIB decisions and provide additional direction as required

Description: Review the EIB's decision package and forward results on to the A/SOL with any additional guidance deemed necessary for them to act on the EIB's decisions.

Responsibility: IRWG

Input: EIB Decision Package containing approvals and/or change recommendations

Decision: Forward as-is or add clarifying guidance

Output: EIB Decision package with additional guidance

Artifact: None

Timeframe: July

Step 22: Review EIB/IRWG decisions and provide additional direction as required

Description: Review the EIB’s decision package and additional guidance provided by IRWG. Act on any issues resolved at this level, provide any additional guidance necessary for PM/PS to act on EIB/IRWG decisions/recommendations.

Responsibility: A/SOL

Input: EIB Decision package with additional IRWG guidance

Decision: Forward as-is or add clarifying guidance

Output: EIB Decision package with additional guidance

Artifact: None

Timeframe: July

Step 23: Continue Investment per the EIB’s Direction. Complete Exhibit 300 preparation

Description: The PM receives the recommendations from the EIB and acts on them accordingly. If decision is to proceed forward with project and the timing is appropriate with regard to the budget cycle, PM completes the Exhibit 300 package and prepares it for budget submission.

Responsibility: PM/PS

Input: EIB Decision package with additional guidance

Decision: None

Output: Exhibit 300 Package as required

Artifact: None

Timeframe: Early August

End State

The purpose of the Select phase is to put the organization in the best possible position to make decisions about which IT proposals or projects to fund. Using all the investment management artifacts in Appendix J, the EIB considers trade-offs between the various projects and operational systems in order to optimize the IT investment portfolio that will be funded for the upcoming year. The projects that are proposed to make up the investment portfolio for the year should represent the best match with organizational goals and business objectives. In instances where a direct tie cannot be made to goals and objectives but the project is deemed necessary, an explanation must be provided detailing the reasons for approving the project. The final approved VA portfolio consists of the best mix of investments that properly balances risk with reward.

Out of Cycle Submissions

If a Business Justification, Business Case, or Exhibit 300 is submitted out-of-cycle, they may be approved if there are no significant issues and the project can be funded within existing budget or perhaps via an emergency appropriation if warranted. However, the investment may also be delayed or perhaps even canceled for one of three reasons:

- ▲ After failing validity assessment the proposing organization required more time than was available to improve the proposal,
- ▲ The proposal was insufficiently developed and was not submitted to the panel by the suspense date, or
- ▲ The project is in response to a totally new requirement and requires further consideration.

The challenge associated with introducing proposals out-of-cycle is that once the budget has been defined for a given fiscal year, any monies required to fund the new projects must come out of the already approved budget.

The IT investment process accommodates late submissions from the time of the initial call until the year of acquisition. This is accomplished quarterly with out-of-cycle information requested at the same time Execution Review data is requested. If a proposal fails and it is so important that it cannot wait for the quarterly Execution Call, the administration or staff office may make a special request for out-of-cycle review with justification to the VA Deputy Secretary who is the Chair of the Capital Investment Board.

5.4 Control Phase

Achieving maximum benefits from a project, while minimizing risks, requires that the project be consistently monitored and managed for successful results. During the Control process, organizational managers continue to monitor the investment portfolio, making decisions and taking actions to change the course of a particular project when necessary. By incorporating their experiences back into the Select phase, they further refine and improve the process.

The Control Review is conducted quarterly. The investment's progress is summarized from the projects performance reports, VA IT Milestone Reviews, and the Monthly Performance Reviews.

A low-cost, low-risk investment might receive limited review other than assessing whether the general approach is sound and feasible. However, projects that are preparing for limited field or full-scale implementation should be reviewed in-depth. This includes cost and performance to date ensuring that the project delivers promised benefits within cost and risk limitations. This allows management to correct any problems before significant dollars are expended.

In addition, as the reviews are conducted, the context of the program that the system or project supports should be factored in. For instance, a project may exceed performance expectations, but if it is contributing to a program that is failing or is no longer needed, then little is gained for the organization.

Following is the detailed process flow for the Control phase within the VA Portfolio Management Life Cycle:

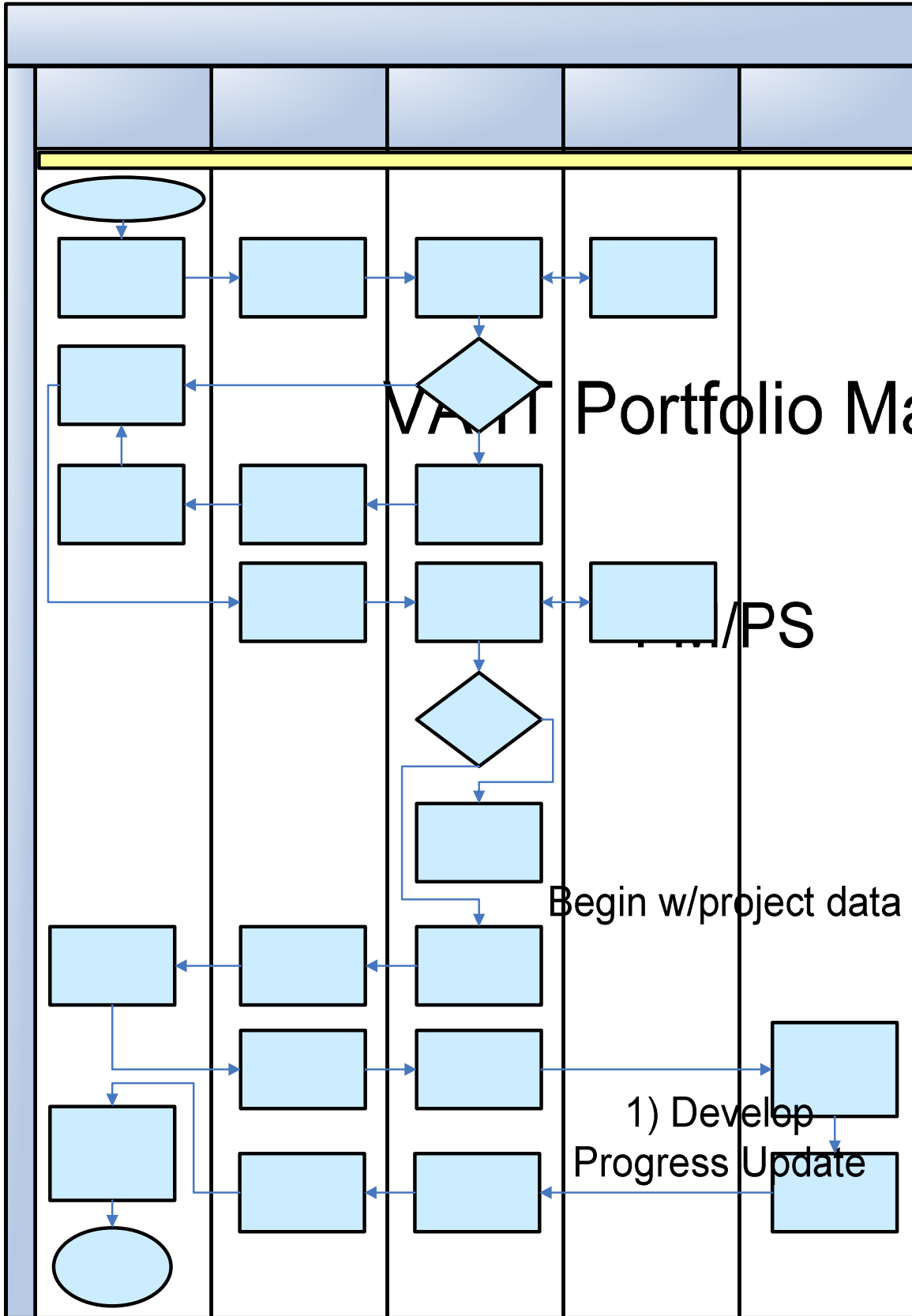


Figure 5.2: Control Phase Process

Beginning State

Step 1:

The Control process begins with PM/PS completing a detailed quarterly Progress Update and forwarding the document to the Administration/Staff Office for approval. The Progress Update should show progress against the project's baseline cost, schedule and performance goals, and progress in eliminating any project deficiencies, issues or risks.

Step 2: Review Progress Update

Description: A/SOL reviews the project update received from PM.

Responsibility: A/SOL

Input: Project Progress Update

Decision: Approve progress update for IRWG review; send back to PM for revision; or, if less than \$250K, approve or, if continuance unwarranted, cancel project

Output: Approved Project Progress Update

Artifact: None

Timeframe: End Of Quarter (EOQ) –11 weeks

Step 3: Review Progress Update against Baseline

Description: IRWG reviews progress update, assesses deviations from baseline and risk posture and determines if project information/status is sufficient to proceed with preparation for EIB review

Responsibility: IRWG

Input: Project Progress Update

Decision: None

Output: None

Artifact: None

Timeframe: EOQ – 10 weeks

Step 4: Support Reviews

Description: The TCORG supports review process by assessing the project's progress update for any technical or contractual issues.

Responsibility: TCORG

Input: Project Progress Update

Decision: None

Output: Advise IRWG

Artifact: None

Timeframe: EOQ – 10 weeks

Step 5: Assess if within variance limits

Description: Determine if the project is within control limits and should continue with the Business Case update or if additional info/action is required.

Responsibility: IRWG

Input: Project Progress Update

Decision: Is project within control limits?

Output: Direction to proceed with Business Case/Justification update or take further action; if project is not significant, approve and update IT portfolio or cancel if continuance unwarranted.

Artifact: Refer to Appendix E: Control Review Guidelines, for discussion of variances

Timeframe: EOQ – 9 weeks

Step 6: Define Issues

Description: If the project is not ready to continue to EIB review, define the issues that must be addressed. Forward them, along with any recommendations, to the PM/PS for action. IRWG may also take action to cancel the project at this point if it does not feel that any further effort is warranted.

Responsibility: IRWG

Input: Project Progress Update and TCORG recommendations

Decision: Prepare action plan; if project is not major, cancel if continuance unwarranted.

Output: Project issues/recommendations/cancellation

Artifact: None

Timeframe: EOQ – 9 weeks

Step 7: Review issues and determine status

Description: Review the issues and recommendations from IRWG and add any additional information or direction necessary for PM/PS to prepare an effective action plan. If the project was cancelled, notify PM/PS of that decision.

Responsibility: A/SOL

Input: Issues/Recommendations from IRWG

Decision: None

Output: Project Issues/Recommendations/Direction

Artifact: None

Timeframe: EOQ – 9 weeks

Step 8: Prepare action plan

Description: Prepare an action plan that addresses the issues raised by the IRWG/TCORG/A/SOL and include this in the Business Case update.

Responsibility: PM/PS

Input: Issues/Recommendations/Direction from A/SOL

Decision: None

Output: Project Action Plan

Artifact: None

Timeframe: EOQ – 8 weeks

Step 9: Update business case/justification as appropriate

Description: Project's Business Case/Justification is updated as required to prepare for quarterly EIB review, including any required action plan resulting from IRWG review.

Responsibility: PM/PS

Input: Project Progress Update and Action Plan

Decision: None

Output: Updated Business Case/Justification

Artifact: Appendix H: Business Case, Appendix G: Business Justification

Timeframe: EOQ – 8 weeks

Step 10: Review updated business case/justification

Description: Review the updated Business Case/Justification to determine if it is current and adequate for EIB review. Provide analysis and recommendations to IRWG.

Responsibility: A/SOL

Input: Updated Business Case/Justification

Decision: Forward to IRWG or send back to PM for additional changes.

Output: Updated Business Case/Justification with analysis

Artifact: None

Timeframe: EOQ – 7 weeks

Step 11: Review business case/justification and TCORG analysis

Description: Review the updated Business Case/Justification and the analysis prepared by A/SOL and TCORG to determine if it is ready for submission to EIB review or if additional changes are still required.

Responsibility: IRWG

Input: Updated Business Case/Justification

Decision: None

Output: None

Artifact: None

Timeframe: EOQ – 5 weeks

Step 12: Review business case/justification supporting materials

Description: The TCORG supports review process by assessing the Business Case/Justification update and supporting materials for any technical or contractual issues.

Responsibility: TCORG

Input: Updated Business Case/Justification

Decision: None

Output: Advise IRWG

Artifact: None

Timeframe: EOQ – 6 weeks

Step 13: Is the Investment Major?

Description: Determine whether or not the investment falls below the threshold for “major” projects. If it does, it is treated as such and will be decided upon by the IRWG. If it is above that threshold, it will continue through the process for EIB review.

Responsibility: IRWG

Input: Updated Business Case/Justification and analysis

Decision: Continue to EIB or disposition at IRWG

Output: Recommendations (major) / Approval (less than major)

Artifact: None

Timeframe: EOQ – 5 weeks

Step 14: Update IT Portfolio

Description: If the project is below the threshold for “major”, add the updated information to the IT Portfolio.

Responsibility: IRWG

Input: Updated Business Justification and analysis

Decision: Approve and add to IT Portfolio

Output: Approved Business Justification and updated IT Portfolio

Artifact: None

Timeframe: EOQ – 5 weeks

Step 15: Make recommendations

Description: Develop recommendations for any adjustments in Business Case or approve as-is for submission to EIB.

Responsibility: IRWG

Input: Updated Business Case

Decision: Approve As-Is or Recommend Changes

Output: Recommendations/Approval

Artifact: None

Timeframe: EOQ – 5 weeks

Step 16: Review recommendations and develop action plan

Description: Review the output from the IRWG and, if required, prepare an action plan for addressing any issues/changes necessary in Business Case.

Responsibility: A/SOL

Input: Recommendations from IRWG

Decision: None

Output: Action Plan as required

Artifact: None

Timeframe: EOQ – 5 weeks

Step 17: Prepare investment summary

Description: Prepare the Investment Summary for EIB Review

Responsibility: PM/PS

Input: Action Plan from A/SOL (or approved Business Case)

Decision: None

Output: Investment Summary

Artifact: Appendix F: EIB Summary

Timeframe: EOQ – 4 weeks

Step 18: Review investment summary

Description: Review summary and determine if it is adequate to forward to IRWG for review. If not, return to PM/PS for changes.

Responsibility: A/SOL

Input: Investment Summary

Decision: Ready for submission?

Output: Investment Summary

Artifact: None

Timeframe: EOQ – 3 weeks

Step 19: Prepare executive briefing

Description: Roll up all investment summaries and prepare the executive briefing for the EIB Review of the entire VA Portfolio.

Responsibility: IRWG

Input: Investment Summaries

Decision: Ready for EIB Review?

Output: Executive Briefing package

Artifact: Appendix J: EIB Executive Briefing Recommendations

Timeframe: EOQ – 2 weeks

Step 20: Review VA IT Portfolio Package (Summary, Analysis, Business Case Materials)

Description: EIB convenes and reviews the briefing package prepared by IRWG on the VA Portfolio. EIB assesses the state of the portfolio. Potential outcomes are:

- ▲ The portfolio as a whole needs adjustment (balance)
- ▲ Particular investments need adjustment
- ▲ Investments need to be cancelled
- ▲ Investments should be put on hold until additional funding available

Responsibility: EIB

Input: Executive Briefing Package

Decision: None

Output: None

Artifact: None

Timeframe: EOQ – 1 week

Step 21: Approve, Cancel or Modify Exhibit 300/Business Case

Description: EIB approves, cancels or directs modifications to the investments within the portfolio. If the timing is appropriate with regard to the current budget cycle, EIB directs that the Exhibit 300 be updated with the latest project information in preparation for budget submission

Responsibility: EIB

Input: Executive Briefing Package

Decision: Approve As-Is or Make adjustments to Portfolio

Output: EIB Decision Package

Artifact: None

Timeframe: EOQ – 1week

Step 22: Review EIB decisions and provide additional direction as required

Description: Review the EIB's decision package and forward results on to the A/SOL with any additional guidance deemed necessary for them to act on the EIB's decisions.

Responsibility: IRWG

Input: EIB Decision Package

Decision: Forward as-is or add clarifying guidance

Output: EIB Decision package with additional guidance

Artifact: None

Timeframe: EOQ

Step 23: Review EIB/IRWG decisions and provide additional direction as required

Description: Review the EIB's decision package and additional guidance provided by IRWG. Act on any issues resolved at this level. Provide any additional guidance necessary for PM/PS to act on EIB decisions.

Responsibility: A/SOL

Input: EIB Decision package with additional IRWG guidance

Decision: Forward as-is or add clarifying guidance

Output: EIB Decision package with additional guidance

Artifact: None

Timeframe: EOQ + 1 week

Step 24: Continue Investment per the EIB’s Direction. Complete Exhibit 300 preparation

Description: The PM receives the recommendations from the EIB and acts on them accordingly. If the decision is to proceed forward with project and the timing is appropriate with regard to the budget cycle, the PM completes the Exhibit 300 package and prepares it for budget submission.

Responsibility: PM/PS

Input: EIB Decision package with additional guidance

Decision: None

Output: Exhibit 300 Package as required

Artifact: None

Timeframe: EOQ+2 weeks

End State

The outcome of the Control process is that, on a quarterly basis, the entire VA Portfolio goes through an extensive review sequence resulting in either the approval of each new or ongoing investment, modification of the investment’s business case, delay or cancellation of the investment.

5.5 Evaluate Phase

The Evaluate phase compares actuals against estimates in order to assess performance and identify areas where future decision-making can be improved. Lessons that are learned during the Evaluate phase should be geared towards modifying future Select and Control decisions. Central to this process is the post-implementation review (PIR) with its evaluation of the historical record of the project.

A number of key decisions will be made during the Evaluate phase, including an assessment of how well the project met its intended objectives, a determination of what changes or modifications to the product are still needed, and an identification of ways to modify or improve the overall investment management process to better maximize results and minimize risks. In addition, the organization may assess the overall performance of its IT investments in improving mission performance. To make these decisions, agency executives must gauge the degree to which past decisions have influenced the outcome of IT projects, understand why these decisions had the effect that they did, and determine how changing the processes for making decisions could create a better outcome for current IT projects and future IT proposals.

Following is the detailed process flow for the Evaluate phase within the VA Portfolio Management Life Cycle:

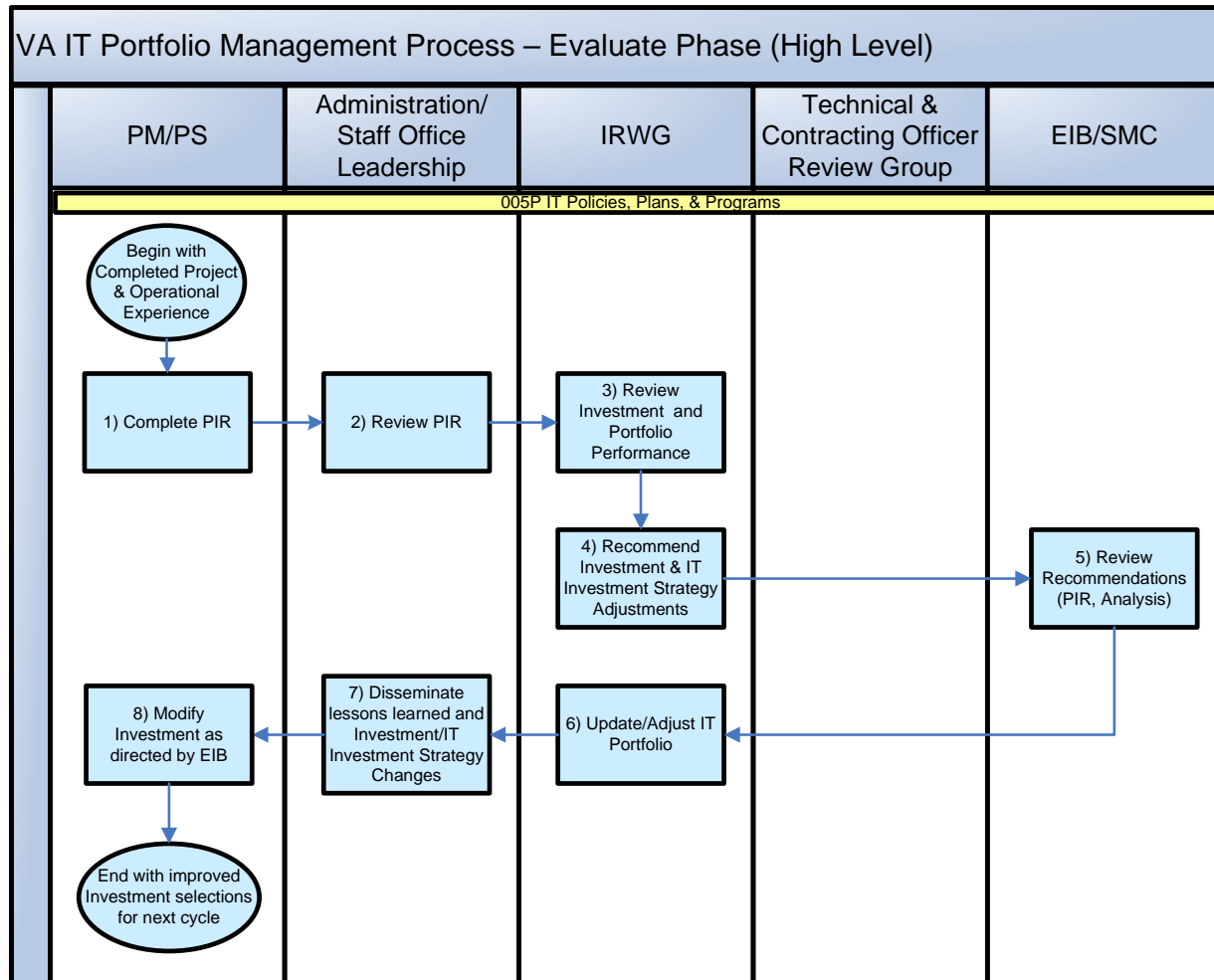


Figure 5.3: Evaluate Phase Process

Begin State

Once a project is either fully implemented or has been cancelled, a Post-Implementation Review (PIR) shall be conducted. For major projects, the PIR is presented to the EIB as a Milestone 4 briefing. (See the PM Guide’s Chapter 8 and Appendices G and H for detailed instructions on developing the Milestone 4 briefing.) The PIR will usually be completed about 6 to 18 months after a project has delivered its product and has been placed in operation. It should be conducted by a group other than the project development team in order to ensure that it is conducted independently and objectively.

Each PIR has a dual focus to:

- ▲ Provide an assessment of the implemented project, including an evaluation of the development process

- ▲ Indicate the extent to which VA’s investment decision-making processes are sustaining or improving the success rate of IT projects

Step 1:

As a minimum, each PIR will evaluate customer and end user satisfaction with the product, mission/program impact and technical capability. It also provides VA decision-makers with lessons learned so that they can improve VA’s investment decision-making processes.

Step 2: Review PIR

Description: The Administration/Staff Office reviews the project PIR documents

Responsibility: A/SOL

Input: PIR Report

Decision: Approve/Disapprove PIR Report for submission

Output: Approved PIR Report

Artifact: For major projects, See PM Guide’s Appendix G.

Timeframe: 6 to 18 months after initial implementation

Step 3: Review VA IT Investment and Portfolio performance

Description: The IRWG first assesses the investment’s actual cost, schedule and performance against the project’s planned targets. The IRWG also evaluates Portfolio performance to assess the overall effectiveness of the Department’s implemented IT investments to assess how they have been instrumental in:

- ▲ Meeting strategic objectives and business needs
- ▲ Delivering useful IT products that support program and functional requirements
- ▲ Providing quality services to the Department’s business partners and customers

Responsibility: IRWG

Input: PIR Report

Decision: none

Output: Investment and portfolio performance assessment

Artifact: None

Timeframe: Annual

Step 4: Recommend VA IT investment strategy Adjustment

Description: Based on analysis, the IRWG recommends if the reviewed investment and portfolio meet organizational needs, whether the investment and portfolio should be modified or any alternatives should be considered within the portfolio. The IRWG also determines if the selection criteria meet VA's needs.

Responsibility: IRWG

Input: Investment and portfolio reviews

Decision: Recommendations to EIB whether VA should continue to fund the investment, make adjustments, or find alternatives

Output: Recommendations to EIB

Artifact: None

Timeframe: Annual

Step 5: Review adjustment recommendations

Description: EIB reviews and make decisions on IRWG's recommendations

Responsibility: EIB

Input: IRWG Recommendations

Decision: Whether VA should continue to fund the investment, make adjustment or find alternatives

Output: Approve IRWG's recommendations

Artifact: None

Timeframe: Annual

Step 6: Update/Adjust IT portfolio

Description: The IRWG adjusts the IT investment and portfolio funding strategy based on the EIB's decisions. IRWG may also adjust project selection criteria upon EIB's approval.

Responsibility: IRWG

Input: EIB's approval and review comments

Decision: none

Output: Lessons Learned and IT investment strategy changes

Artifact: None

Timeframe: Annual

Step 7: Disseminate lessons learned and IT investment strategy changes

Description: Review and disseminate changes from IRWG

Responsibility: Administration/Staff Office

Input: Adjustment, comments, lessons learned from IRWG

Decision: none

Output: How to improve investment and portfolio performance to meet VA's goals

Artifact: None

Timeframe: Annual

End State

The review team identifies and captures ways to improve the overall VA IT Investment selection process. The information from the PIRs helps VA senior management develop better decision criteria during the Selection process and improve the evaluation of ongoing projects during the Control process. The intent is for the EIB to use the collective results of post-implementation reviews of completed systems to modify VA's existing investment selection and control processes based on lessons learned. This key activity represents the feedback loop in the continuous process of portfolio and investment management.