




EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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MEMORANDUM FOR: CHIEF INFORMATION OFFICERS

From: Karen S. Evans 
Administrator
Office of E-Government and Information Technology

SUBJECT: Expanded Electronic Government (E-Gov) President's
Management Agenda (PMA) Scorecard Cost, Schedule and
Performance Standard for Success

This memorandum provides additional information on the President's Management Agenda (PMA) Expanded Electronic Government (E-Gov) initiative and the standard for success concerning cost, schedule, and performance goals. As you know, to achieve a "green" level of performance for this initiative, your agency's actual performance cannot vary from its cost, schedule and performance goals by more than 10 percent. To achieve a "yellow" level of performance, your agency's cost, schedule and performance overruns and shortfalls for all major information technology (IT) projects must average less than 30 percent.¹ The following provides additional evidence that OMB looks for in evaluating whether your agency meets these performance levels.

OMB looks forward to hearing from your agency before the end of the applicable Scorecard evaluation period with any additional evidence you may wish to provide. Questions about this e-Gov Scorecard element should be directed to Lauren Uher at luher@omb.eop.gov.

Additional Background Evidence

In evaluating whether an agency meets the "green" standard for cost/schedule/performance adherence, OMB looks for affirmative answers to the following questions:

- *Is the agency using earned value management to plan and manage development activities for major IT investments (including development effort under a*

¹ This standard is based on the policy in OMB Circular A-11, Part 7, requiring agencies use earned value management (EVM) to plan and manage major IT development efforts to achieve, on average, 90 percent of approved cost, schedule, and performance goals. (OMB Circular A-11, Part 7, found at: <http://www.whitehouse.gov/omb/circulars/a11/04toc.html>)

mixed-lifecycle investment), and operational analyses for steady state performance? Evidence should include:

- a documented agency policy for using EVM and performing operational analyses (e.g., agency's system development lifecycle management methodology, capital planning and investment control process, and/or acquisition management directives);
 - established cost, schedule and performance baselines for affected projects, and;
 - examples of how the agency uses data and analysis to make project management and IT portfolio management decisions (i.e., how and when is performance data received by the agency; who reviews it; is further analysis done; does the agency use a tool to manage the data reported; how is performance information reported to senior management, and what do they do with the information).
- ***Are the earned value data and analysis used to measure and report work progress on these investments produced by EVM systems (either departmental and/or contractor, as appropriate, depending on where the work is performed) that meet the EVMS guidelines in ANSI/EIA-STD-748?*** Evidence should include contract language and/or project charter (for in-house projects) requiring the use of EVMS that meets the ANSI/EIA-STD (and specifying what data and analysis the contractor(s) or in-house team must report and when) or independent validation that the EVMS system is ANSI/EIA-STD compliant.
 - ***Using earned value or operational analyses, as appropriate, how does actual cumulative performance measure up against the approved cost and schedule baselines, i.e., are variances equal to or less than 10 percent? Is the project generally on-track to deliver capabilities as originally intended, or have technical requirements been reduced or otherwise modified?*** Evidence should include current cumulative EVM data and variance analyses, and corrective action plans (if necessary).

As a reminder, for operational investments, agencies are expected to use operational analyses to determine how close the investment is to meeting its operational cost, schedule and performance goals.