

GENERAL SERVICES ADMINISTRATION
Washington, DC 20405

CIO 2135.2C
October 31, 2018

GSA ORDER

SUBJECT: GSA Policy for Information Technology (IT) Capital Planning and Investment Control (CPIC)

1. Purpose. This Order establishes agency-wide policies, roles and responsibilities for GSA's IT Capital Planning and Investment Control (CPIC) process. CPIC is an integrated management process for the continuous selection, control, and evaluation of IT investments over their life cycles and is focused on achieving desired outcomes in support of GSA's missions, goals, and objectives. The term "IT investment" by definition from OMB as a project or projects for the development, modernization, enhancement, or maintenance of a single IT asset or group of IT assets with related functionality, and the subsequent operation of those assets in a production environment. (June 2018, FY2020 IT Budget guidance <https://www.whitehouse.gov/wp-content/uploads/2018/06/fy-2020-it-budget-guidance.pdfm>) GSA's CPIC process must be closely aligned to GSA IT's governance, enterprise architecture (EA), IT security, IT acquisition, strategic planning, and capital budgeting processes. This Order updates GSA's CPIC policy, making it consistent with the Federal Information Technology Acquisition Reform Act of 2013 (FITARA) and Office of Management and Budget (OMB) guidance.

2. Cancellation. This Order cancels CIO 2135.2B, GSA Information Technology (IT) Capital Planning and Investment Control, dated November 26, 2008.

3. Background.

a. The Clinger-Cohen Act of 1996 (CCA) and FITARA define the roles of the Office of the Chief Information Officer (OCIO) in Federal agencies and mandate that CPIC be established to significantly improve how agencies plan, select, fund, control, and evaluate IT investments. These laws also require agencies to develop enterprise architectures to guide the IT investment decision process.

b. [OMB Circular A-130](#), Managing Information as a Strategic Resource, provides general guidance for the CCA, including a focus on linking budget formulation and execution and achieving agency missions and specific program outcomes. OMB Circular A-130 requires management to devote attention to information resources

management (IRM) strategic planning, by providing a one-to-five year focus on agency IT activities and projects.

c. [OMB Circular A-11](#), Preparation, Submission and Execution of the Budget, Section 55, Information Technology Investments, provides technical and specific requirements for agencies to prepare and submit their IT budgets on an annual basis. Currently, OMB is moving to adopt and integrate Technology Business Management (TBM) framework into the CPIC process.

4. Applicability.

a. This Order applies to all GSA Service and Staff Offices (SSOs) including the Regional Offices. All IT investments within GSA are to be managed as set forth in this Order. This Order includes IT investments in which we receive fees for the services we provide to other agencies. However, this Order does not apply to non-IT programs or an interagency agreement for the program in which we perform acquisition activities on behalf of other agencies, such as awarding a contract, task order, or delivery order interagency assisted acquisitions which are on behalf of the requesting agencies.

b. This policy applies to the Office of Inspector General (OIG) only to the extent that the OIG determines it is consistent with the OIG's independent authority under the IG Act and it does not conflict with other OIG policies or the OIG mission.

c. This policy applies to the Civilian Board of Contract Appeals (CBCA) only to the extent that the CBCA determines it is consistent with the CBCA's independent authority under the Contract Disputes Act and other authorities and it does not conflict with the CBCA's policies or the CBCA mission.

5. CPIC objectives. The goal of CPIC is to achieve the best balance in IT investments at the lowest cost with the least risk while ensuring the mission and business goals are met. Specifically, CPIC is designed to:

a. Demonstrate and document clear alignment of the IT portfolio to GSA's mission and business objectives, and with the strategic and tactical goals specified in the GSA IT Strategic Plan and GSA's Strategic Plan;

b. Ensure sufficient and appropriate business planning and justification in the selection and control of GSA IT capital investments;

c. Drive the organization to utilize strategic IT planning in a way that enables implementing their future roadmap in accordance with GSA IT and GSA strategic plans. Long-term activities will focus on addressing gaps in the organization to reflect delivery of overall services and continuing to consolidate tools and service contracts;

d. Implement a decision making process in accordance with approved governance policies that appropriately balances investment benefits, costs, risks, performance, and business priorities;

e. Monitor performance by measuring actual achievement of cost, schedule, risks and performance milestones against approved baselines;

f. Report monthly performance and progress for major IT investments and standard IT investments to enable portfolio transparency and oversight to the CIO;

g. Support timely and effective monitoring and reporting of initiatives' performance to established management and governance bodies; and

h. Implement TBM framework and taxonomy into CPIC reporting for all IT investments and costs.

6. Linkages between CPIC and other management processes. CPIC links to the following agency planning and management processes.

a. Agency strategic and performance planning. The [Government Performance and Results Act of 1993 \(GPRA\)](#) and [GPRA Modernization Act of 2010](#) require Federal agencies to develop strategic plans and annual performance plans that are tied to the agency mission, goals, and budget allocation, and to report actual results against performance plans. In the CPIC process, IT investments must demonstrate how they are aligned to the agency's strategic business goals and how they support the long-term and annual performance plan goals.

b. Performance management. GSA's strategic planning, budget, and performance processes are managed by the Office of the Chief Financial Officer (OCFO). This process is designed to enable sound long-term strategic, operational, and tactical business plans based on past performance data and future performance targets established by GSA's SSOs. The IT Capital Planning process supports these processes by aligning ongoing and proposed IT initiatives to the agency's strategic plans.

c. IT planning. The agency annually updates its IT Operating Plan which addresses all of the agency's information resources under the IT Strategic Plan. The IT Strategic Plan:

(1) Is updated every three years and supports the GSA Strategic Plan;

(2) Provides a description of IT goals, objectives, initiatives, and influences; and

(3) Describes the strategy for assuring the agency IT vision and goals are supported and that IT decisions are consistent with agency planning, budget,

procurement, financial management, human resources management, and program decisions.

d. Enterprise Governance. GSA Enterprise Governance provides a decision making framework to identify, select, prioritize, and approve IT portfolio-specific initiatives, priorities, and changes to established budgets. SSO leaders and experts across GSA work together to understand and define portfolio and enterprise needs and priorities. The IT Capital Planning process supports the GSA Enterprise Governance framework by aligning the budget formulation and execution processes.

e. Enterprise Architecture (EA). EA is an essential tool for taking a strategic approach to planning and managing IT investments. It is required by the CCA and serves as GSA's Business Modernization Blueprint. IT investments must be consistent with the mission/business functions outlined in the GSA EA, and aligned to GSA's Strategic Plan. Capital planning and investment activities should be based on inputs from the GSA EA, and the outputs of the CPIC process will inform/update the GSA EA baseline and future state such that transition planning can be conducted in sufficient detail to satisfy portfolio management decision support across GSA.

f. Security. The [Federal Information Security Modernization Act of 2014 \(FISMA\)](#), requires agencies to integrate security into the capital planning and EA processes. IT security controls are incorporated into the lifecycle planning costs of the overall system.

g. Budget formulation. During budget formulation, agencies are required to submit, in accordance with the requirements of OMB Circular A-11, the proposed IT portfolio of investments as part of the agency's budget request, after obtaining approval from the CIO and CFO. IT investments must be included in the budget request whether they are existing projects and systems, incremental increases for existing projects and systems, or new initiatives.

h. Budget execution. The Control Phase of the CPIC process occurs at the beginning of the fiscal year following the annual CPIC IT budget submission. Actual spent costs, schedules, performance metrics, and risks for the major IT investments and the standard investments are reported to the CIO on a monthly basis to enable transparency and oversight of the agency portfolio. This information is also reported on [OMB's Federal IT Dashboard website](#).

i. Solutions Life Cycle (SLC). SLC is a disciplined approach to the development, enhancements, and modifications of software solutions. The SLC phases identify the appropriate activities and deliverables through the lifecycle of a system. These activities and deliverables are essential references in preparing business cases. Movement from one SLC phase to another is an appropriate milestone for measuring the degree of accomplishing planned progress.

j. Acquisition strategy. Both the Federal Acquisition Regulation (FAR) and the GSA Acquisition Manual (GSAM) Part 507 require acquisition planning. [OMB Circular A-11, Section 51, Basic Justification Materials](#), also requires appropriate earned value management (EVM) clauses in all applicable planning, solicitations, and contracts. The Services Acquisition Reform Act also requires the Chief Acquisition Officer to ensure compliance with all acquisition laws and regulations in planning acquisitions.

k. Project/Program Manager (PM). The Federal Acquisition Certification for Program and Project Managers (FAC-P/PM) core certification program certifies program and project managers at three levels: Entry, Mid, and Senior. This certification program is based upon a competency model of performance outcomes which measures the knowledge, skills, and abilities gained by program and project managers through professional training, job experience, and continuous learning. Office of Federal Procurement Policy memorandum, Revisions to the Federal Acquisition Certification for Program and Project Managers, December 16, 2013, revised the minimum requirement for Federal certification for PM, as well as requiring the project managers for major IT investments to hold a FAC P/PM senior level certification.

7. Policy. The following policy statements are based on OMB and Government Accountability Office (GAO) guidance and best practices.

a. The GSA IT capital planning process will be accomplished in accordance with established GSA governance processes and mandates.

b. The GSA IT capital planning process will integrate with and leverage GSA's Governance, EA, Acquisition, Security, Financial Management Planning, Budget Formulation and Execution, and Performance Planning programs and processes to:

(1) Reduce risks. Reduce risks by:

(a) Avoiding or isolating custom designed components;

(b) Using components that can be fully tested or prototyped prior to full implementation or production; and

(c) Ensuring involvement and support of users in the design and testing of the asset.

(2) Deliver useful segments. Structure major acquisitions into useful segments with a narrow scope and short duration; make adequate use of competition and appropriately allocate risk between government and contractor.

(3) Ensure EA consistency. Investments having IT systems should be described and consistent with the principles of the GSA Enterprise Architecture Policy.

(4) Ensure SLC consistency. IT investments will use the SLC discipline to plan and execute projects. The project scope, cost, and complexity will determine the level of SLC documentation and reviews that are required.

(5) Align with strategic plans and annual performance plans. IT investments will be aligned with the agency's strategic and annual performance plans which in turn are aligned with the President's Management Agenda.

(6) Enhance IT security. IT investments will include security costs and adhere to GSA security standards and the IT Security policy.

c. GSA's CPIC process follows the GSA SLC guidance, including preparing and maintaining the required documentation for each phase and milestone decision point. Solution owners will have the information needed to successfully prepare and annually update the OMB Business Case for a major IT investment. The process incorporates the full IT capital planning lifecycle, as follows:

(1) Select Phase. As part of the annual budget cycle, GSA SSOs will prepare business cases to justify and document proposed new and continuing IT capital initiatives. Business cases will be prepared and submitted, following annual budget and IT capital planning guidance issued jointly by the GSA OCFO and GSA IT. The guidance will establish the requirements, milestones, and processes to document and approve submitted business cases. Business cases must:

(a) Provide estimated cost, schedule and performance baselines, including high level milestones that are consistent with GSA's strategic goals, enterprise-wide policies, and guidance documents;

(b) Demonstrate projected return on investment that is clearly equal to or better than alternative uses, when applicable;

(c) Identify the use of incremental development and/or funding as part of the budget formulation and execution processes; and

(d) Provide a high level plan to ensure the use of Agile Methodology when applicable and perform iterative reviews for project activities for all major IT business cases. The program will use an Agile methodology for iterative delivery unless otherwise justified;

(e) PMs are required to deliver usable functionality at intervals of no more than six months when developing the project activities' delivery plans and will try to meet an internal deadline of three months when feasible.

(f) Identify high level risks and provide mitigation strategies;

(g) Demonstrate compliance with applicable IT security and accessibility requirements; and

(h) Demonstrate compliance with applicable acquisition planning requirements.

(2) Control Phase. Institutes performance measures and management processes that monitor and compare actual performance to planned results. The Control phase includes the following activities:

(a) TBM Taxonomy. As part of OMB policy to promote alignment between IT, budget, and business owners and capabilities, TBM was created and provides a standard taxonomy to describe cost sources, technologies, IT resources (IT towers), applications, and services. GSA has begun implementing TBM across GSA IT, and data will be reported to OMB based on the TBM Taxonomy as instructed in the annual [A-11 Section 55 IT Budget Guidance](#);

(b) Maintaining up-to-date information on the OMB IT Dashboard (ITDB) on a monthly basis. This includes updating EVM data, performance measurements, and risks;

(c) Providing the CIO with the current project health of all major IT investments and obtaining the CIO rating on a monthly basis for the ITDB;

(d) Establishing rigorous EVM implementations to plan, control and report cost and schedule performance in accordance with applicable [ANSI/EIA Standard - 748](#) criteria.

(e) Conducting periodic Compliance and Surveillance Reviews of EVM implementations;

(f) Developing and executing plans to address performance variances outside acceptable tolerances;

(g) Presenting periodic in-progress reviews of initiative status to established governance bodies; and

(h) Certifying continued use of incremental development, by reviewing the cost and schedule data for project milestones and presenting this data to the CIO for final review and approval each month, prior to submitting data to the OMB ITDB.

(3) Evaluate Phase. The purpose of the Evaluate Phase is to examine whether an IT investment has met its intended objectives and yielded expected benefits as projected in the business case. The Evaluate phase includes the following activities:

(a) Conducting Post Implementation Reviews (PIRs) of all major IT investments that are transitioning from development, modernization, and enhancement (DME)/Mixed lifecycle to Steady State (Operations & Maintenance) within six months of the investments going operational; and

(b) Conducting annual Operational Analyses of investments that have steady state costs to determine how close the investment is to meeting its operational cost, schedule and performance goals.

8. CPIC responsibilities. CPIC is managed by GSA IT through the Office of Enterprise Planning and Governance. The effort is carried out collaboratively with the SSOs.

a. GSA CIO. The GSA CIO champions the implementation of the CPIC process and coordinates capital planning processes with the governance, EA, IT security, budgeting, performance management, and program management processes.

b. GSA CFO. The GSA CFO champions the alignment of budget formulation processes and activities with the CPIC program to ensure necessary collaboration and consistency.

c. GSA Heads of Service and Staff Offices (HSSOs) or equivalent. HSSOs establish and participate in GSA IT governance bodies; champion the implementation and alignment of related governance processes at the SSO level; and ensure appropriate planning, documentation, and reporting of IT investments that support agency strategic business and IT plans. HSSO's also must coordinate with GSA IT for approval and oversight of all IT investments per FITARA. In addition they:

(1) Develop IT investment submissions in conformance with [OMB Circular A-11 guidance](#), [GSA's Strategic Plan](#), [GSA's IT Strategic Plan](#), GSA IT CPIC Guide, and related GSA and external requirements. Ensure the SSO IT investment submissions contain the IT activities of the total organization including the requirements of Regional Offices;

(2) Develop IT performance goals and measures for the IT investment proposals that are consistent with and support business mission and the goals in the GSA and IRM Strategic Plans and the SSO performance plans;

(3) Ensure the contractors supporting IT investments have appropriately compliant ANSI/EIA Standard 748 EVM systems from which the contractor's report earned value performance data to the government;

(4) Ensure that designated IT investments with DME activities are closely monitored, using EVM data, and that corrective action is taken if variances exceed established thresholds;

(5) Ensure that IT investments in steady state are monitored using operational analysis, and take corrective action as necessary to ensure successful performance;

(6) Perform and document analyses as necessary and appropriate to the life cycle phase of the IT investment. Provide required life cycle and acquisition management documentation to GSA IT and established governance bodies upon request;

(7) Ensure that Program/Project Managers have appropriate training in the project management discipline in accordance with OMB and GSA guidelines; and

(8) Ensure the monthly control reporting is submitted to the CPIC office in a timely manner.

d. Program/Project Managers. Program/Project Managers prepare business cases and manage IT investments in accordance with this Order and other relevant Orders, the CPIC Guide, and associated best practices. They also:

(1) Use, for DME projects or those in mixed life cycle, an appropriately compliant ANSI Standard 748 EVM system to collect government earned value data and merges that data with the contractor's earned value data for a full picture of the IT investment performance;

(2) Conduct periodic Compliance and Surveillance Reviews to ensure the contractor's earned value management system is appropriately compliant with ANSI Standard 748 criteria and follows its guidelines;

(3) Provide surveillance over contractors to assure they are planning and controlling investment activities and providing timely and accurate reports;

(4) Perform annual operational analyses for steady state projects, to determine if assets are performing within baseline cost, schedule, and performance goals;

(5) Provide monthly reports to GSA IT and as necessary to applicable governance bodies; and

(6) Perform regular analysis of earned value data and provide reports to GSA-IT and applicable governance bodies for DME projects. Develop and implement get-well plans and report results to applicable governance bodies.

9. Waivers. Any request for a waiver from these requirements should be submitted in writing to the Chief Information Officer (CIO).

10. References. The following documents provide further guidance.

- a. [The GSA IT Capital Planning and Investment Control \(CPIC\) Guide](#). The IT CPIC guide is found on the CIO web site under Capital Planning.
- b. [OMB Circular A-11](#). This circular provides updated guidance for budget formulation annually for Major and Non-Major Investments. It contains instructions for Major IT Business Cases, Major IT Business Case details and the Agency IT Portfolio Summary.
- c. [OMB Circular A-130](#). This circular provides guidance for the CPIC process.
- d. [OMB Capital Planning Guide](#). The Capital Planning Guide is a supplement to the OMB Circular A-11, Part 3: Planning, Budgeting, and Acquisition of Capital Assets.
- e. [OMB Memorandum M-05-23](#). Improving Information Technology (IT) Project Planning and Execution.
- f. [GAO Information Technology and Investment Management: An Overview of GAO's Assessment Framework](#). The GAO framework provides investment management maturity stages and critical processes.
- g. [ANSI Standard 748, Earned Value Management System \(EVM\)](#). The EVMS standard prescribes criteria that an EVM system must meet in order to report earned value of work completed.
- h. [Federal Acquisition Regulation \(FAR\) Subpart 34.2, FAR 34.2](#) Earned Value Management System; 34.201.
- i. [A Guide to the Project Management Body of Knowledge](#) (also called the PMBOK® Guide). Published by the Project Management Institute (PMI). A recognized standard handbook for project managers.
- j. [OPM 2210 Series IT Project Management Guidance](#). The Office of Personnel Management's guidance of the competencies expected from IT project managers.
- k. GSA Order [CIO 1878.1, GSA Privacy Act Program](#).
- l. GSA Order [CIO 2101.1 Enterprise Information Technology Management \(ITM\) Policy](#).
- m. GSA Order [CIO 2110.4, GSA Enterprise Architecture Policy](#).
- n. GSA Order [CIO 2130.2, CIO Enterprise IT Governance](#).
- o. GSA Order [CIO 2100.1, GSA Information Technology \(IT\) Security Policy](#).

p. [GSA Order APD P 2800.12B CHGE 32, Acquisition Planning Part 507.](#)

11. Legal authority. The following legal authorities apply to the IT CPIC process:

- a. [Management and Oversight of Federal Information Technology and Acquisition Reform Act \(FITARA\) of 2014.](#)
- b. [The Clinger-Cohen Act of 1996 \(Pub. L. 104-106, Division E\).](#)
- c. [The Federal Information Security Modernization Act of 2014 – Public Law 113-28.](#)
- d. [The Government Performance and Results Act \(GPRA\) of 1993 and 2010.](#)
- e. [The Federal Acquisition Streamlining Act of 1994.](#)
- f. [The E-GOV Act of 2002.](#)
- g. [The Paperwork Reduction Act of 1995.](#)
- h. [Services Acquisition Reform Act of 2003.](#)
- i. [Chief Financial Officers Act of 1990.](#)

12. Signature.

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