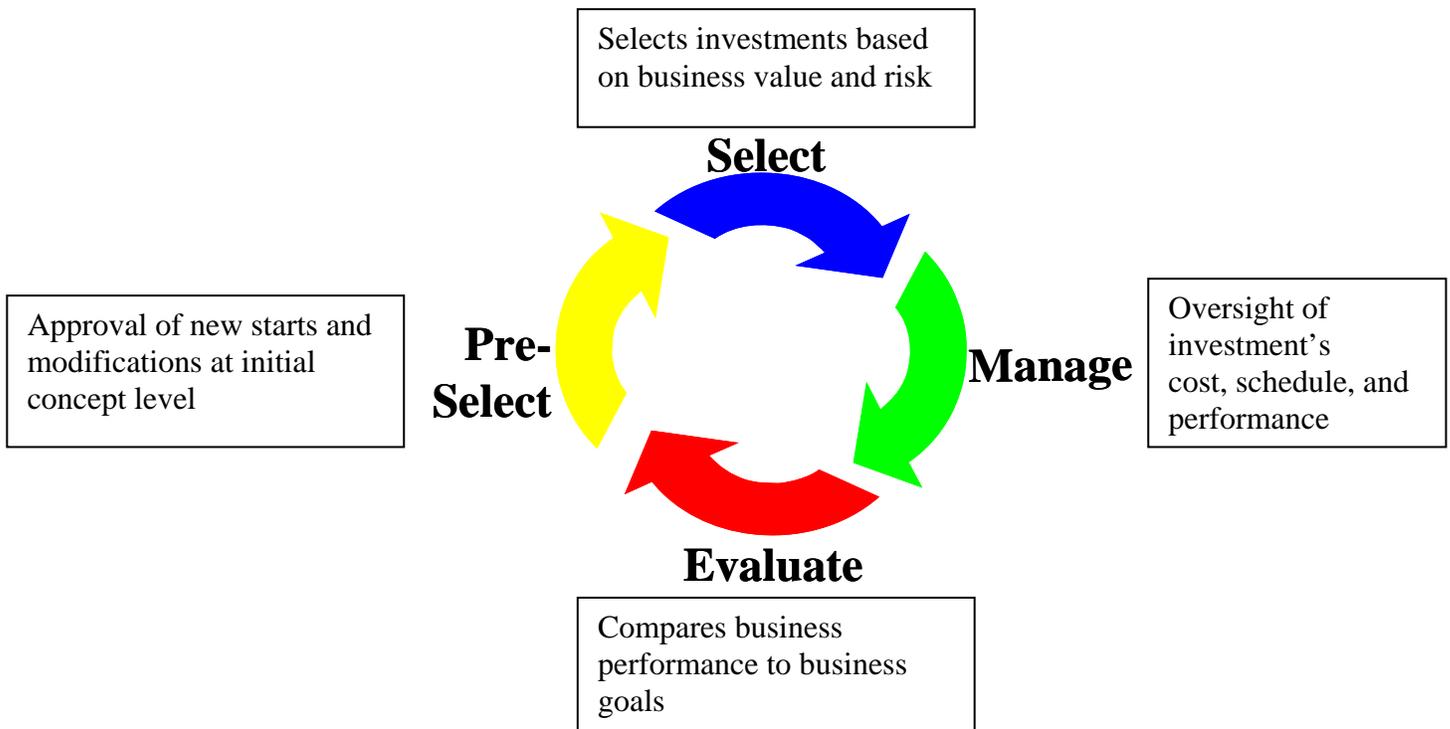


**APPENDIX C**  
**IT Capital Planning and Investment Management (CPIM) Process**

**OVERVIEW**

1. **IT CPIM Process.**

a. The Clinger Cohen Act of 1996 requires Federal agencies to implement a process that provides for: Selection of information technology investments; management of the investments; and the evaluation of the results of the investments. The Act also requires that the process be integrated with the process for making budget, financial, and program management decisions within the agency. The USACE CPIM process links the USACE mission needs, information, and information technology in an effective and efficient manner. The CPIM process includes all stages of capital programming - planning, budgeting, procurement, management, and assessment. The process is iterative as depicted in Figure 1, and the process' components are interrelated with inputs from USACE business operations and requirements and the outputs feeding into the budget process. The goal is to link resources to results. The CPIM process builds from the Corps Enterprise Architecture and its transition from the current architecture to a target architecture. The CPIM governance process provides its outputs to the Headquarters Prioritization Group. The CPIM process has four components (Figure 1):



(Figure 1)

- (1) **Pre-Select Component** – Chief Information Officer/Senior Regional Information Officer (CIO)/(SRIO) and the CeA Program Manager approve new starts and major modifications of IT investments at the initial concept level for further consideration during the Select Component. The Pre-Select component applies to all directorates and offices within HQUSACE. The Pre-Select process also applies to local and regional IT Investments based on the established dollar threshold of \$100K. SRIOs may tailor the process to meet regional needs for investments under \$100K. See appendix C.1 for details. Pre-Select Component can occur at any time.
  
- (2) **Select Component** – Provides for the selection of new starts or major modifications of IT investments which will support the USACE missions and goals. Creates a portfolio of IT investments that maximizes the business value and assesses and manages the risks of the investments by prioritizing and selecting investments using quantitative and qualitative criteria including a quantitatively expressed projected net, risk-adjusted return on investment. The Select component involves the Cross Functional Assessment Team (CFAT) and the Executive Functional Assessment Team (EFAT) (see below for CFAT/EFAT membership). The Select Component applies to all directorates and offices within HQUSACE. Normally, the Select Component occurs in the November – April timeframe following ITIPS data input/update window (September – October). Project Managers/Executive Sponsors can submit out of cycle requests to the HQ CIO if needed between 1 - 15 October, 1 - 15 January, 1 - 15 April, or 1 - 15 July each year. The CFAT Co-Chairs have the discretion to decide the evaluation/processing of the out of cycle requests. The Select process also applies to the local and regional IT Investments based on the established dollar threshold of \$100K. SRIOs may tailor the process to meet regional needs for investments under \$100K. See appendix C.2 for details.
  - (a) **CFAT Membership.** The membership of the CFAT consists of senior representatives from each of the organizations identified below:
    - Civil Works
    - Military Programs
    - Resource Management
    - Strategy and Integration
    - Human Resources
    - Research and Development
    - Contracting
    - Chief Counsel
    - The Deputy CoS represents the following offices:
      - Logistics
      - Equal Employment Opportunity
      - Safety and Occupational Health
      - Internal Review
      - History
      - Public Affairs
      - Small Business
      - Humphreys Engineer Center Support Activity.
    - Senior representatives from each of the Regional Business Centers

- Senior representatives from each of the following:
  - U.S. Army Engineering and Support Center (Huntsville)
  - Engineer Research and Development Center
  - Transatlantic Programs Center (TAC)

(b) **EFAT Membership.** The membership of the EFAT consists of Directors/Commanders from each of the organizations identified below:

- Civil Works
- Military Programs
- Corporate Information
- Resource Management
- Strategy and Integration
- Human Resources
- Research and Development
- Contracting
- Chief Counsel;
- The Chief of Staff represents the following offices:
  - Logistics
  - Equal Employment Opportunity
  - Safety and Occupational Health
  - Internal Review
  - History
  - Public Affairs
  - Small Business
- Commanders from each of the Regional Business Centers
- Commanders/Directors from:
  - U.S. Army Engineering and Support Center (Huntsville)
  - Engineer Research and Development Center
  - Transatlantic Programs Center (TAC)
  - Humphreys Engineer Center Support Activity.

(3) **Manage Component** – IT investments are monitored for cost, schedule and performance progress, and necessary adjustments are made. Project Managers and the Chief Information Officer/Senior Regional Information Officer continuously measure ongoing investments against their projected cost, schedule, and performance goals, and operational analysis, and take action to continue, modify, or cancel the investment. The Management process applies to all directorates and offices within HQUSACE. The Management process also applies to the local and regional IT investments based on the established dollar threshold of \$100K. SRIOs may tailor the process to meet regional needs for investments under \$100K See appendix C.3 for details.

(4) **Evaluate Component** - IT investments are assessed by the Executive Sponsor for their impact on business outcomes relative to USACE missions and goals. Actual business performance is measured against goals to be achieved by the IT investments. The Evaluate process applies to all directorates and offices within HQUSACE. The Evaluate process also applies to local and regional IT investments based on the established dollar threshold of

\$100K. SRIOs may tailor the process to meet regional needs for investments under \$100K.  
See appendix C.4 for details.

**APPENDIX C.1**  
**IT Capital Planning and Investment Management (CPIM) Process**

**PRESELECT COMPONENT PROCEDURES**

**Responsibilities.**

**HQUSACE and Regional Executive Sponsors**

- Appoints IT Program/Project Managers
- Collects/solicits requirements and provides them to IT Project Manager.

**Project Manager.**

- Develops Business Case.
- Registers the investment's requirements into the automated investment portfolio system.
- Refines requirements as necessary or terminates as directed.

**Corps Enterprise Architecture/e-Government Program Managers.**

- Reviews requirements against CeA and e-Government initiatives.
- Provides recommendation for approval/disapproval.

**Chief Information Officer (CIO)/Senior Regional Information Officer (SRIO).**

- Reviews requirements and documents.
- Provides approval/disapproval.

**Procedures.**

**(1) Requirement Determination**

- HQUSACE and Regional Executive Sponsors collects/solicits requirements for new initiatives and major modifications and provides to Project Manager.

**(2) Business Case Development**

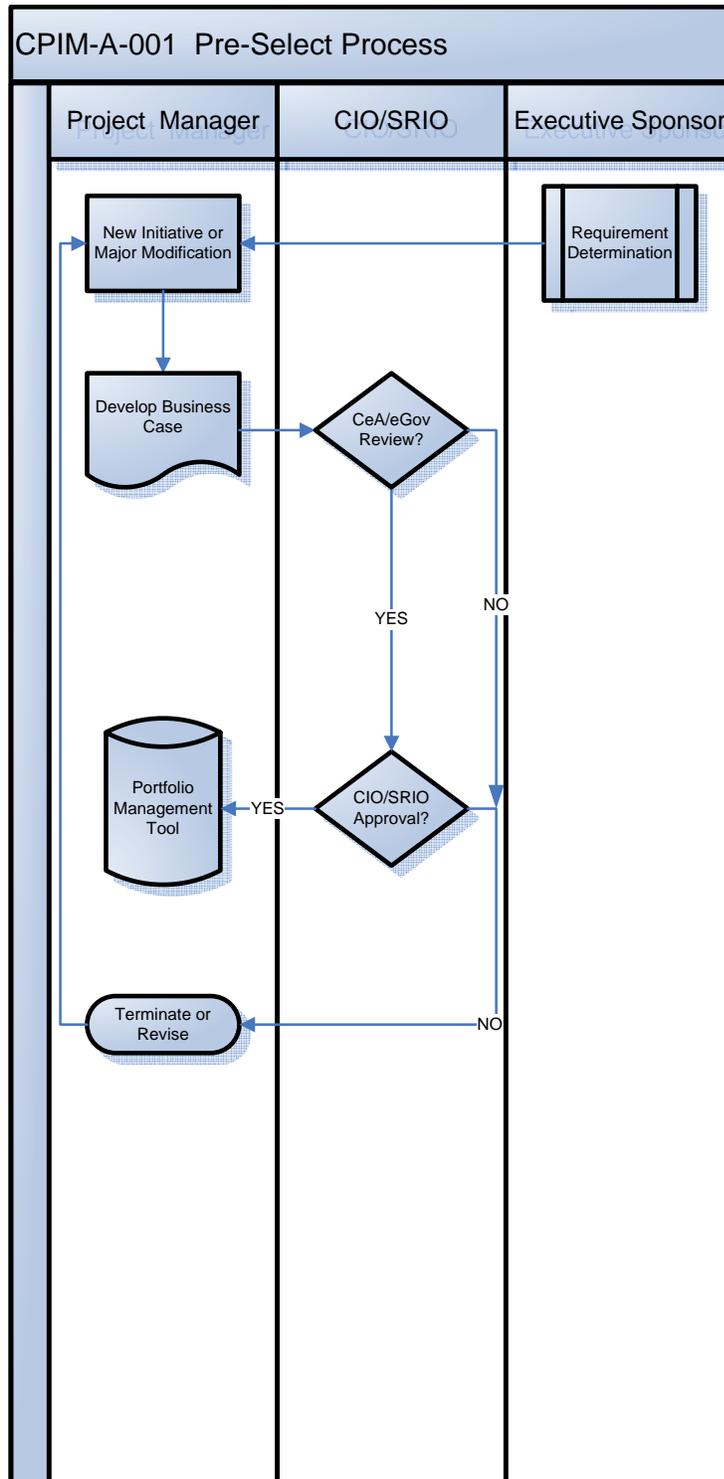
- Project Manager develops business case
- Project Manager submits business case to CeA/eGovernment Program Managers.

**(3) CeA/eGovernment Review**

- CeA/eGovernment Program Managers review requirements.
  - ✓ If does not meet CeA/e-Government criteria, recommends termination or revision and return requirements to Project Manager.
  - ✓ If meets criteria, requirements forwarded to CIO/SRIO.

**(4) CIO/SRIO Review.**

- CIO/SRIO reviews requirements and documentation.
  - ✓ If not approved, terminate or revise and return requirements to Project Manager.
  - ✓ If approved, requirements are input into Portfolio Management Tool.



(Figure 2)

**APPENDIX C.2**  
**IT Capital Planning and Investment Management (CPIM) Process**

**SELECT COMPONENT PROCEDURES**

**Responsibilities.**

**Executive Sponsor.**

- Receives portfolio reports from CIO/SRIO.
- Validates requirements and Business Cases.
- Oversees Functional Analysis Team (FAT) review of the requirements and Business Cases.
- Prioritizes requirements and recommends budget authority levels to the Cross-Functional Assessment Team (CFAT).
- Makes Reclama as appropriate.
- Seeks appropriate funding sources.

**Chief Information Officer (CIO)/Senior Regional Information Officer (SRIO).**

- Provides annual portfolio analysis reports to Executive Sponsor.
- Conducts annual portfolio analysis.
- Develops IT investment recommendation and provides to the CFAT.
- Facilitates the CFAT actions.
- Facilitates CFAT recommendations and provides to EFAT.
- Facilitates EFAT actions.
- Facilitates EFAT recommendations and provides to DCG.
- Enters budget authority into portfolio management tool.

**External.**

- CERM and appropriation managers provide budget affordability review to EFAT.
- CERM conducts/leads annual budgeting processes.
- Offices, Regional Business Centers, etc., participate in budgeting processes.

**Procedures.**

**(1) Portfolio Reports**

- CIO/SRIO generates portfolio reports and provides to Executive Sponsor.

**(2) Executive Sponsor Validation, Prioritization and Authority Levels.**

- Executive Sponsor validates the requirements.
- Executive Sponsor oversees FAT review of requirements.
- Executive Sponsor/FAT prioritizes requirements and recommends budget authority levels to the Cross-Functional Assessment Team (CFAT).

**(3) CIO/SRIO Portfolio Analysis.**

- Conducts the annual portfolio analysis.

- Develops IT investment recommendations and provides to CFAT.

(4) **CFAT Actions.**

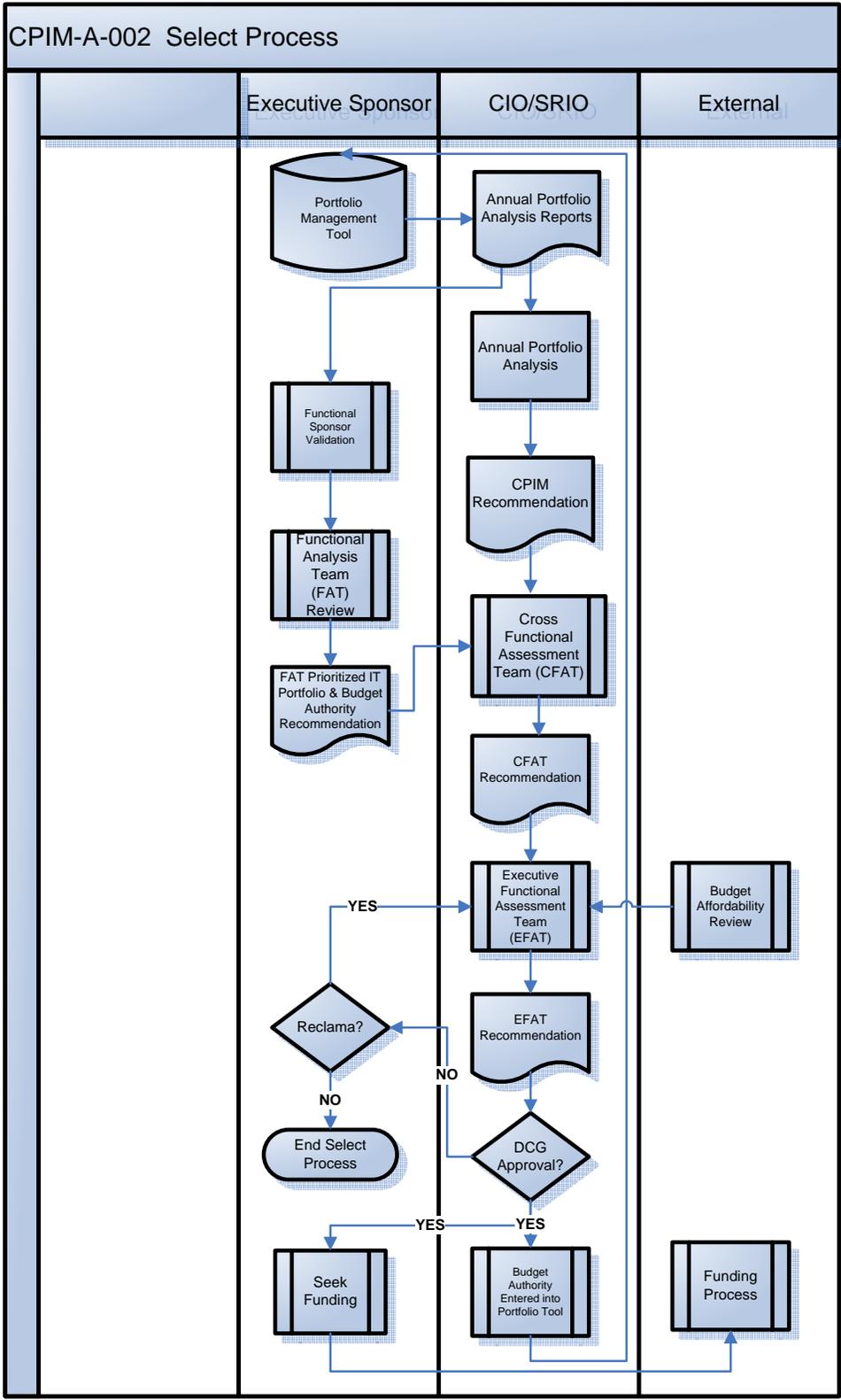
- CFAT conducts business value and risk analysis.
- Provides recommendations to EFAT.

(5) **EFAT Actions.**

- Receives and evaluates the budget affordability review.
- Evaluates and validates CFAT recommendations.
- Provides recommendations to the DCG.

(6) **DCG Approval/Disapproval.**

- If DCG Disapproves.
  - ✓ Does Executive Sponsors Reclama?
    - If no, end Select Process.
    - If yes, resubmit to the EFAT.
- IF DCG Approves.
  - ✓ CIO/SRIO enters budget authority into the portfolio management tool.
  - ✓ Executive Sponsors seek funding.



(Figure 3)

**APPENDIX C.3**  
**IT Capital Planning and Investment Management (CPIM) Process**

**MANAGE COMPONENT PROCEDURES**

**Responsibilities.**

**Project Manager.**

- Provides detailed quarterly reviews to the CIO/SRIO for cost, performance, schedule of IT investments in development, modernization, and enhancement (DME), and operational analysis of IT investments in steady state to identify issues for resolution.
- If DME requirements, then develops and provides to the CIO/SRIO the Earned Value Management (EVM) and Performance Measures Quarterly Report.
- If Steady State requirements, then develops and provides to the CIO/SRIO the Operational Analysis and Performance Measures Quarterly Report.
- Develops and provides to the CIO/SRIO recommendations on resolutions.
- Adjusts cost, schedule and performance as necessary/directed based on issue resolution guidance from CIO/SRIO.
- Enters data into portfolio management tool.

**Chief Information Officer (CIO)/Senior Regional Information Officer (SRIO).**

- Conducts detailed quarterly review and capital planning and architectural review of reports.
- Reports results of capital planning and architectural analysis to CIO and PMs.
- Considers termination of project.
- Considers modification of project.
- Considers if project evaluation is needed.

**Procedures.**

**(1) Quarterly Review.**

- Project Managers (PM) conduct a quarterly review to determine any development, modernization or enhancement (DME).
  - ✓ If no to DME, then PM develops and provides to the CIO/SRIO an operational analysis and Performance Measures Quarterly Report.
  - ✓ If yes to DME, then PM develops and provides to CIO/SRIO Earned Value Measurement (EVM) and Performance Measures Quarterly Report.

**(2) Capital Planning and Architectural Review.**

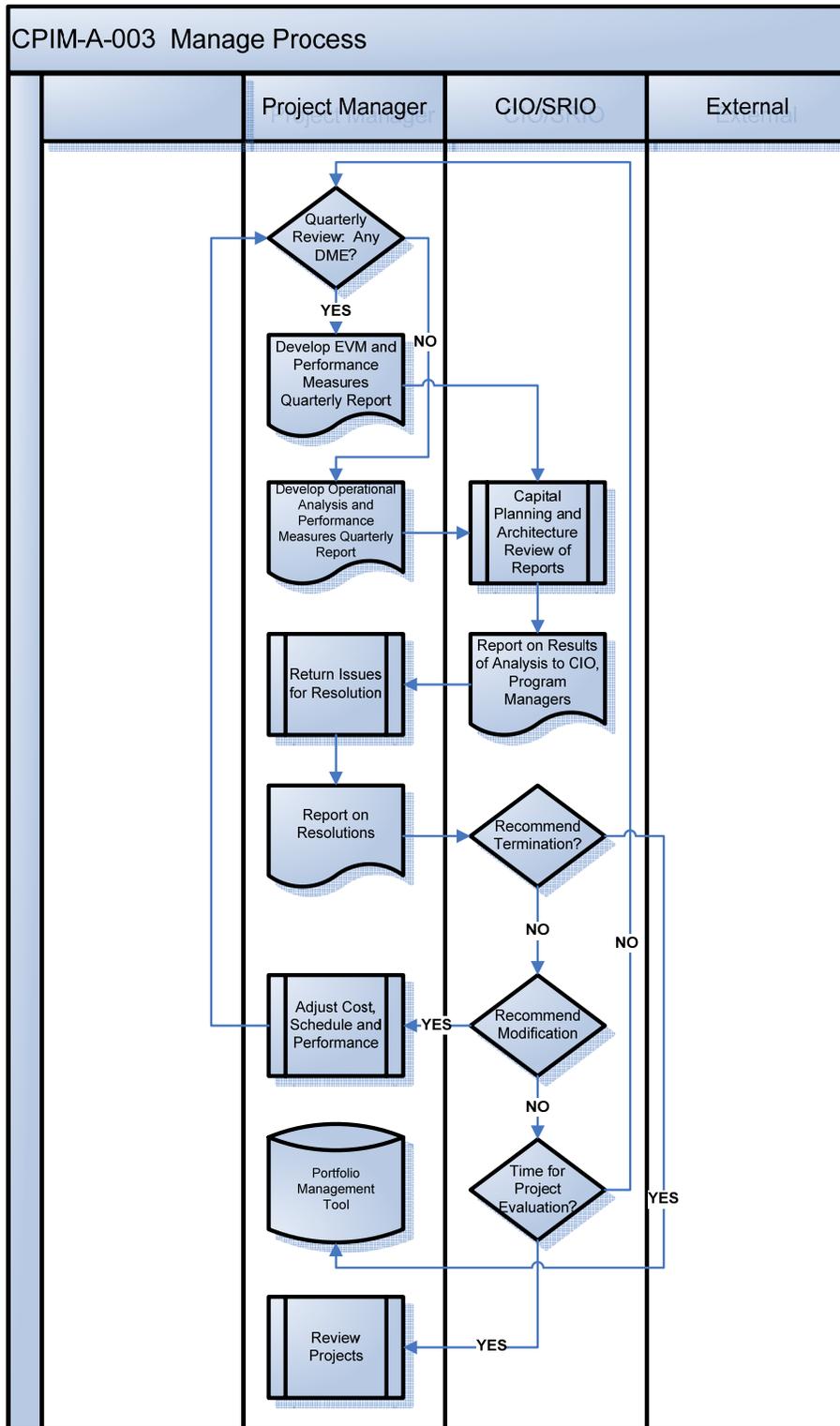
- CIO/SRIO conducts capital planning and architecture review of reports.
- CIO/SRIO provides report on results of analysis to the CIO and PMs.

**(3) Issues Resolution.**

- The CIO/SRIO returns issues for resolution to the PM.
- PMs provide report on resolutions to CIO/SRIO.

**(4) Recommend Termination, Modification or Evaluation.**

- CIO/SRIO considers termination.
  - ✓ If yes to termination, PM terminates and updates Portfolio Management Tool.
  - ✓ If no to termination, then CIO/SRIO considers modification.
    - If yes to modification, then PM adjusts cost, schedule and performance and returns project for quarterly reviews.
    - If no to modification, then CIO/SRIO considers if project evaluation is needed.
      - If no to project evaluation, then project continues with quarterly reviews.
      - If yes to project evaluation, then PM conducts project review.



(Figure 4)

**APPENDIX C.4**  
**IT Capital Planning and Investment Management (CPIM) Process**

**EVALUATE COMPONENT PROCEDURES**

**Responsibilities.**

**Executive Sponsor.**

- Executive Sponsor conducts project review.
- Decides whether investment meets business objectives.
- Coordinates for termination/modification of investment and updates Portfolio Investment Tool.

**Chief Information Officer (CIO)/Senior Regional Information Officer (SRIO).**

- Determines whether investment meets technical objectives.
- CIO/SRIO approves project status/milestone in life cycle.
- In conjunction with Executive Sponsor directs that investment be terminated or modified and that Investment Management Tool be updated.

**Procedures.**

**(1) Project Review**

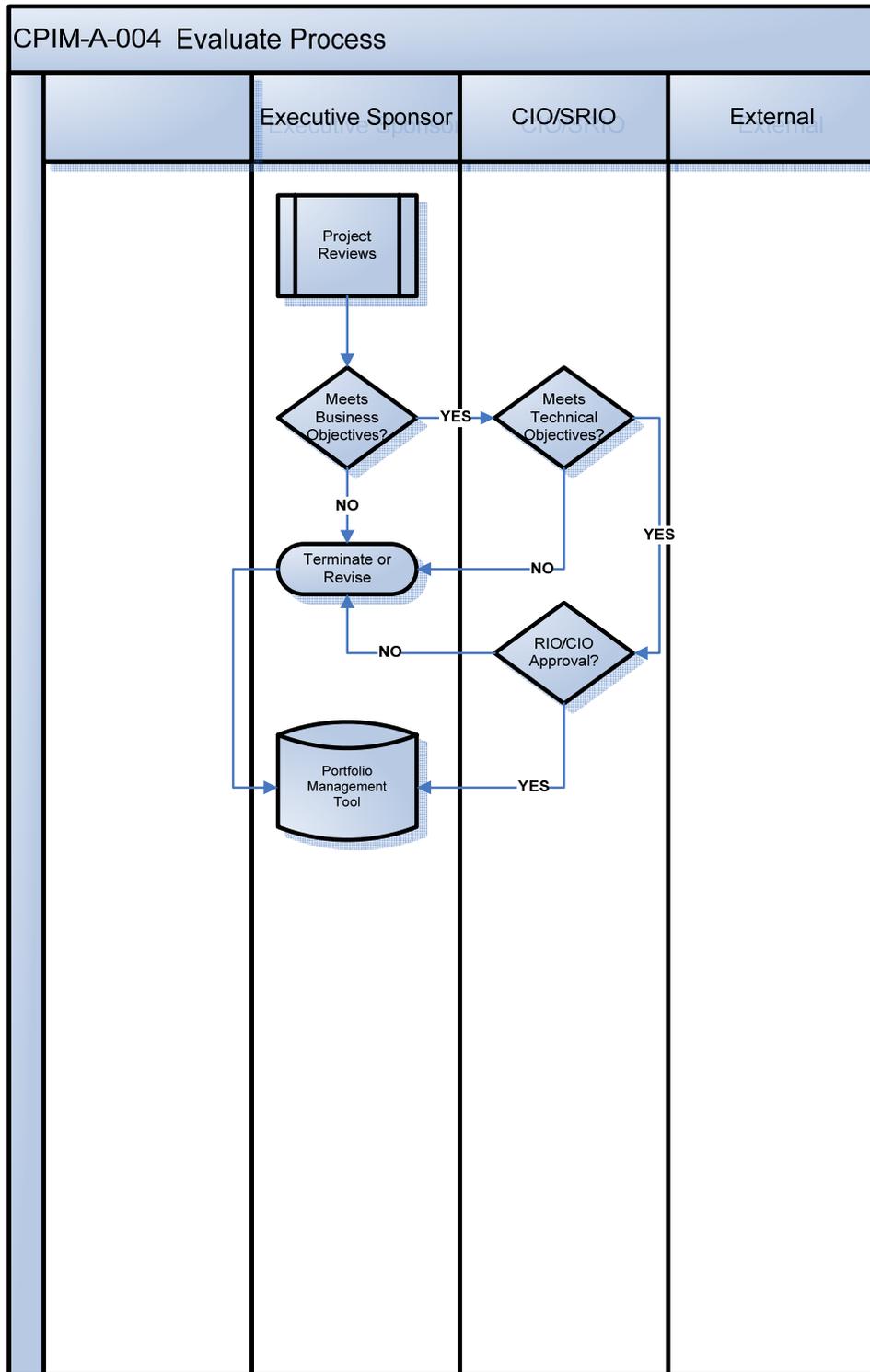
- Executive Sponsor conducts project review.
  - ✓ If project does not meet business objectives, then terminate or revise project.
    - Update Portfolio Management Tool.
  - ✓ If project does meet business objectives, then send project for technical review.

**(2) Technical Review.**

- ITL conducts technical review.
  - ✓ If project does not meet technical objectives, then terminate or revise project.
    - Update Portfolio Management Tool.
  - ✓ If project does meet technical objectives, then send project to CIO/SRIO.

**(3) Milestone Decision Approval.**

- If CIO/SRIO does not approve milestone, then terminate or revise.
  - Update Portfolio Management Tool.
- If CIO/SRIO approves project, then update Project Management Tool.



(Figure 5)

**APPENDIX C.5**  
**IT Capital Planning and Investment Management (CPIM) Process**

<b>CPIM Process Calendar</b>			
<b>1st Quarter</b>	<p align="center"><b>October</b></p> <ul style="list-style-type: none"> <li>Quarterly Reviews of Cost, Schedule and Performance</li> <li>Out-of-Cycle requirements submitted</li> </ul>	<p align="center"><b>November</b></p> <ul style="list-style-type: none"> <li>Initial screening of ITIPS IT Portfolio</li> </ul>	<p align="center"><b>December</b></p> <ul style="list-style-type: none"> <li>ITIPS screening continues</li> </ul>
<b>2<sup>nd</sup> Quarter</b>	<p align="center"><b>January</b></p> <ul style="list-style-type: none"> <li>Quarterly Reviews of Cost, Schedule and Performance</li> <li>Out-of-Cycle requirements submitted</li> <li>FAT sponsor/program analysis team recommendations to CFAT</li> <li>CPIM recommendations to CFAT</li> </ul>	<p align="center"><b>February</b></p> <ul style="list-style-type: none"> <li>CFAT analysis &amp; recommendations to EFAT</li> </ul>	<p align="center"><b>March</b></p> <ul style="list-style-type: none"> <li>EFAT recommends authority levels to DCG</li> </ul>
<b>3<sup>rd</sup> Quarter</b>	<p align="center"><b>April</b></p> <ul style="list-style-type: none"> <li>Quarterly Reviews of Cost, Schedule and Performance</li> <li>Out-of-Cycle requirements submitted</li> <li>DCG decisions</li> </ul>	<b>May</b>	<b>June</b>
<b>4<sup>th</sup> Quarter</b>	<p align="center"><b>July</b></p> <ul style="list-style-type: none"> <li>Quarterly Reviews of Cost, Schedule and Performance</li> <li>Out-of-Cycle requirements submitted</li> </ul>	<b>August</b>	<p align="center"><b>September</b></p> <ul style="list-style-type: none"> <li>ITIPS opened for updates</li> </ul>

\* PMs can conduct the Pre-Select Component for new requirements at any time of the year.

\*\* Executive Sponsors can conduct the Evaluate Component for on-going requirements at any time of the year.