

APPENDIX D
IT Capital Planning and Investment Management (CPIM) Process

DME AND STEADY STATE DEFINITION EXAMPLES:

Development, Modernization and Enhancements (DME). The costs for new IT investments and any changes or modifications to existing IT investments to improve capability or performance, or to implement changes mandated by Congress or agency leadership, (i.e., Department of Defense, Department of Army, Headquarters USACE); labor costs for project management and direct support. Improved capability or performance achieved as a by-product of the replacement of broken IT equipment to continue an operation at the current service levels is not categorized as DME. Examples of DME include:

a. Costs for new applications and/or infrastructure capabilities that are planned or under development, e.g.:

(1) Designing, developing, testing, and deploying new software for a business or science/or engineering function;

(2) Procuring and deploying new (beyond baseline) commercial off the shelf software for a business or science/or engineering function;

(3) Procuring and deploying equipment and software for local area network, wide area network, telecommunications lines, etc. for users with a new requirement, i.e. beyond baseline.

(4) Labor costs for project management and direct support.

b. Any change or modification to existing applications and infrastructure capabilities which is intended to result in improved capability or performance of the activity. These changes include (a) all modifications to existing operational software (other than corrective software maintenance); and (b) expansion of existing capabilities to new users, e.g;

(1) Designing, developing, testing and deploying application software changes for an existing system based on changes required by law, regulation, policy or business process that provides changed functionality, (i.e., capability), and/or allows for a shorter processing time, (i.e., increase performance), in order to accomplish the mission.

(2) Converting an application from a client/server technology to a web-based technology.

(3) Upgrading the processors and the memory capacity of servers in order to reduce the processing time and/or in order to improve performance.

(4) Replacement of software/hardware that is no longer supported by the manufacturer because of obsolescence.

Steady State. Describes the operational status of an IT investment and includes maintenance and operation costs needed to sustain at the current capability and performance levels including costs for personnel, maintenance of existing information systems, corrective software maintenance, voice and data communications maintenance, and replacement of broken IT equipment, e.g:

- a. Those personnel whose duties relate to the general management and operations of IT investments, including certain overhead costs associated with PM offices;
- b. Maintenance of existing application, infrastructure program or initiative;
- c. Corrective software maintenance, *including* all efforts to diagnose and correct actual errors (i.e., processing or performance errors) in a system;
- d. Maintenance of existing voice and data communications capabilities;
- e. Replacement of broken IT equipment needed to continue operations at the current service level;
- f. All other related costs not identified as DME.