Minerals Management Service
Interim Policy Document

Effective Date: **IPD No. 05-07**
Series: Administrative
Title: Information Technology Capital Planning

1. Purpose. This Interim Policy Document (IPD) defines the Minerals Management Service (MMS) policies and responsibilities for planning and managing investments in Information Technology (IT). It outlines a framework to manage the MMS IT investment portfolio through the Capital Planning Investment Control (CPIC) process.

2. Objective. Through the establishment of capital planning, the MMS will ensure that investments in IT are made, managed and documented on a sound business basis; reflect the strategic goals of the MMS; and comply with applicable MMS, Departmental, and Federal policies. Furthermore, it will promote the concept that IT is a critical corporate asset. It will provide a framework to improve the productivity, efficiency, and effectiveness of MMS programs by ensuring that investments in IT are linked to mission critical goals and budget initiatives and are managed in accordance with validated business processes. The goal of the MMS's CPIC process is to provide a comprehensive approach to ensure bureau IT investments that will:

A. Link to the accomplishment of MMS missions, strategic goals and objectives.

B. Provide the best value and return on investment.

C. Adhere to the President's Management Agenda (PMA) initiative to link performance goals to program activities in MMS budget requests.

D. Integrate critical IT security requirements during all phases of project development.

E. Support the PMA on electronic government (e-Gov). Existing and proposed IT investments will be evaluated to ensure that Internet-based and other electronic information, services, and program delivery channels have been sufficiently considered. The MMS process embodies the Secretary of the Interior's 4 Cs vision: consultation, cooperation, communication--all in the service of conservation.

3. Scope. The IT CPIC policies described herein are applicable to all components of the Minerals Management Service.

4. Authority.

A. The Chief Financial Officer (CFO) Act of 1990.

B. Government Performance and Results Act (GPRA) of 1993.

C. The Federal Acquisition Streamlining Act (FASA) of 1994.

D. The Paperwork Reduction Act (PRA) of 1995.

E. The Clinger-Cohen Act (CCA) of 1996. Also referred to as the Information Technology Management Reform Act (ITMRA).

F. The Government Paperwork Elimination Act (GPEA) of 1998.

G. Executive order 13011, Federal Information Technology, dated July 16, 1996.

5. References.

A. The DOI Information Technology Capital Planning and Investment Control Guide, version 2.0, dated February 2005.

B. OMB Circular A-11, Preparation, Submission and Execution of the Budget.

C. OMB Circular A-130, as amended, Management of Federal Information Resources, dated November 2000.

D. OMB Capital Programming Guide, July 1997.

E. OMB Circular A-94, Discount Rates to be used in Evaluating Time-Distributed Costs and Benefits, 1992.

F. The Federal Information Security Management Act of 2002.

6. Definitions.

A. Capital assets are land, structures, equipment, intellectual property (e.g., software), and information technology (includes IT service contracts) that are used by the Federal Government and have an estimated useful life of 2 years or more.

B. Capital Planning and Investment Control (CPIC) is a decision making process for ensuring that IT investments integrate strategic planning, budgeting, procurement, and the management of IT investment in support of agency missions and business needs. MMS program areas must ensure systematic and timely reporting for determining if IT investments have succeeded in meeting established costs, schedules, and performance milestones. The term comes from the Clinger-Cohen Act of 1996. The CPIC is a structured process in which proposed and ongoing IT investments are continually monitored and flow throughout their life cycle. The CPIC relies on a 5-phase systematic process: (1) preselection (assess proposed investments); (2) selection (investments reviewed within the agency; DOI approved; entered into the budget process); (3)

control (determine if meeting cost, schedules, performance goals); (4) evaluation (actual results compared to performance goals; identify needed modifications); and (5) steady state (assess investment's continued effectiveness; consider retirement or replacement) to ensure each investment's objectives support the business and mission needs of the MMS.

Detailed capital planning guidance can be found in the Department's IT CPIC Guide and is to be followed by all MMS offices. A link to the guide can be found on the MMS Pipeline under Budget & Finance, Capital Planning, CPIC in Detail. An overview of the CPIC review process is included as Appendix 1.

C. Development/modernization/enhancement (DME) – The program cost for new systems, changes or modifications to existing systems that improve capability or performance, changes mandated by Congress or agency leadership, personnel costs for project management, and direct support. This amount equals the sum of amounts reported for planning and full acquisition of that system in the Exhibit 300 or 300-1 and is required for all systems.

D. Enterprise Architecture is an agency wide framework for incorporating business processes, information flows, applications, and infrastructure to support agency goals.

E. Exhibits 300 is a major investment's business case detailing all aspects of the investment, provided to the Department and OMB as a budget request document.

F. Earned Value Management is a management technique to compare schedule, cost, and work accomplished. EVM provides an accurate, objective assessment of a project's health Work is planned, budgeted and scheduled in time-phased increments called work packages. Work packages form the cost and schedule baseline representing the "planned value". As work is accomplished, value is "earned" on the same basis as it was planned. Planned value is compared with the earned value to determine schedule variance. Earned value is compared to the actual cost of work performed to determine cost variance. A variance of 10% or greater requires a corrective action plan.

G. Information System means a discrete set of information technology, data, and related resources, such as personnel, hardware, software, and associated information technology services organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.

H. Information Technology, as defined by the Clinger-Cohen Act of 1996, sections 5002, 5141, and 5142, means any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching interchange, transmission, or reception of data or information. For purposes of this definition, equipment is "used" by an agency whether the agency uses the equipment directly or it is used by a contractor under a contract with the agency that (1) requires the use of such equipment, or (2) requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product. Information technology includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and

related resources. It does not include any equipment that is acquired by a Federal contractor incidental to a Federal contract.

I. Information Technology Investment Management (ITIM) is a five level GAO framework for assessing CPIC process maturity. The five stages are: (1) Creating Investment Awareness; (2) Building the Investment Foundation; (3) Developing a Complete Investment Portfolio; (4) Improving the Investment Process; and (5) Leveraging IT for Strategic Outcomes.

J. Information Technology Investment Review Board is the governing and approval body responsible for ensuring that proposed investments meet MMS strategic, business, and technical objectives. It is comprised of the Deputy Director and the Associate Directors/CIO, as voting members. The Chief, Information Management Division/Deputy CIO; Chief, Budget Division; Chief, Procurement Division, Bureau CPIC Coordinator; Chief, Planning and Management Division; Manager, Information Technology Center; Chief, Information Technology Division; and the A&B Information Technology Manager will serve as ex officio non-voting members.

K. Integrated Project Team (IPT) means a multidisciplinary team lead by a program manager responsible and accountable for planning, budgeting, procurement, and life cycle management of the project to achieve its cost, schedule, and performance goals. Team skills include budgetary, financial, capital planning, procurement, user, program, earned value management, and other staff as appropriate.

L. IT Investment Portfolio Management ensures that an optimal IT investment portfolio, an inventory of all IT investments, with manageable risk and returns is selected and funded.

M. Life Cycle Costs means the overall estimated costs for a particular project over the time period corresponding to the life of the program, including planning, acquisition, implementation, operation and maintenance, and disposal.

N. Major IT Investment –IT investments that meet at least one of the following criteria:

- $5M annual cost or greater than $35M lifecycle cost.
- Importance to the mission or its significant role in administration of programs, finances, property, or other resources.
- Is an integral part of the agency's Enterprise Architecture modernization blueprint;
- Mandated by legislation or executive order, or identified by the Secretary as critical.
- All financial systems with an annual cost greater than $500,000.
- High risk as determined by OMB, GAO, Congress and/or the CIO.
- Directly support the President's Management Agenda items of "high executive visibility".
- E-Government, Departmental, cross-cutting (across more than one agency or bureau).
- Lines to the first two layers of the Federal Enterprise Architecture.

O. Mixed life-cycle means an investment that has both development/modernization/ enhancement (DME) and steady state aspects. For example, a service contract for steady state on the current system with a DME requirement for system upgrade or replacement.

P. Operational Analysis is performed annually on Steady State projects to assess how well an investment is meeting program objectives, customer needs, and is performing within baseline cost, schedule, and performance goals.

Q. Non-major IT Investment is any IT investment not meeting the criteria of a major IT investment.

R. Project Manager means a trained or experienced official responsible for management and completion of one or more IT investment projects.

S. Project Sponsor/System Owner means a business official responsible for the strategic business processes under development or enhancement and for ensuring their integrity.

T. Steady State is the maintenance and operation costs at an investment's current capability and performance level including costs for personnel, maintenance of existing information systems, corrective software maintenance, voice and data communications maintenance, and replacement of broken IT equipment.

U. System Life Cycle means a structured development approach with defined activities, phases, products, and reviews providing a standard to support the development of systems from identification of a business need through implementation, operation, maintenance, and eventual retirement.

7. Policy. The CPIC process will establish a consistent and well-supported decision-making approach that integrates the strategic planning, budgeting, procurement, and asset control processes. Both major and non-major IT investments will follow the CPIC process as outlined in this directive.

8. Responsibilities.

A. The MMS IT Investment Review Board is responsible for:

(1) Advising the MMS Director on the status of IT investments within the MMS so that current and future information systems and technologies support the strategic goals and objectives of the bureau.

(2) Overseeing all significant IT initiatives following Departmental and OMB Capital Planning guidance.

(3) Ensuring IT investments align with agency standards for Enterprise Architecture Planning, Security & Privacy, and e-Gov planning.

(4) Reviewing and approving/disapproving Capital Asset Plans and Business Case (Exhibits 300s) and other appropriate documentation for new and ongoing investments consistent with established budget cycles.

(5) Rating and ranking investments to provide recommendations to the Information Technology Management Council (ITMC) to support its decision to continue, reduce, terminate, or defer IT projects.

(6) Review and approve/disapprove all IT acquisitions and systems development requests that meet the CPIC criteria.\

(7) Ensuring corrective actions are taken for major IT investments not within ten percent of established cost, schedule, and performance goals.

(8) Monitoring corrective actions until the investment is meeting established goals.

(9) Directing special projects and studies concerning IRM activities.

(10) Evaluating quarterly/milestone control review documents, and ensuring IT investments have succeeded in meeting established cost, schedule, and performance milestones.

(11) Ensuring that all capital investments are managed by a certified project manager in accordance with DOI guidelines.

(12) Ensuring that project risks which threaten the integrity and viability of key bureau missions are identified and manager.

(13) Reviewing the operational analysis and determining continuation, modification, retirement or replacement of the system for steady state projects.

B. The MMS Chief Information Officer (CIO) is responsible for:

(1) Recommending bureau wide IT policies and standards for the Director's approval.

(2) Recommending updates to the MMS IT Strategic Plan for the Director's approval.

(3) Providing Department level reporting to the Office of the Chief Information Officer (OCIO), ITMC and Investment Review Board (IRB) as appropriate, concerning the status of MMS IT investments.

(4) Signing CPIC documentation before submission to Department's Office of the Chief Information Officer.

(5) Providing OCIO with investment reviews to assist them in monitoring bureau IT investments.

(6) Confirming new IT investments do not duplicate e-Gov initiatives

(7) Working with IT investment sponsor and project manager to develop solutions to identified issues.

(8) Reviewing and approving/disapproving Post Implementation Review reports.

C. The Bureau Associate Directors are responsible for:

(1) Budgeting for and establishing information management capabilities to meet their programmatic mission requirements and ensuring that their information technology investments are effectively managed throughout their life cycle and in a manner, that supports the policies and objectives of this IPD.

(2) Interpreting and translating information management policies in the context of mission accomplishment.

(3) Implementing business practices for the creation, collection, and use of information as a corporate resource and linking decisions for information management investments to programmatic missions and Departmental objectives and goals.

(4) Participating in the development, maintenance, and continuous improvement of information management business policies, bureau business systems, and processes institutionalized by Departmental functional organizations to achieve performance objectives, measures, and expectations.

(5) Promoting the use of sound business practices in information management and information technology activities consistent with applicable laws and regulations.

(6) Ensuring that this policy and its objectives are incorporated into their program planning, management, contract administration, and performance evaluation activities.

(7) Providing executive sponsorship of IT investments.

(8) Identifying a Project Sponsor/System Owner for each IT capital investment within their program area.

(9) Reviewing the Exhibit 300 for new and ongoing IT investments within their program area.

(10) Identifying funding source and obtaining bureau approvals for new and ongoing IT investments.

(11) Evaluating quarterly/milestone control review documents.

(12) Assessing IT project progress against performance measures.

(13) Ensuring that ITIRB decisions are carried out concerning IT investments in their program area.

D. The Information Management Division (CPIC staff) is responsible for:

(1) Assisting program managers in following OMB Circular A-11 guidelines.

(2) Coordinating with program offices concerning the development of new initiatives that are potential candidates for inclusion in the MMS IT investment portfolio.

(3) Serving as the primary interface for capital asset planning between the investment and OCIO.

(4) Supporting program managers in adhering to DOI Project Management guidelines

(4) Analyzing Exhibit 300 and 300-1 documentation to ensure quality and conformance with OMB and OCIO policies and guidelines.

(5) Ensuring consistency between Exhibit 300s, 300-1s and Exhibit 53.

(6) Coordinating the submission of Exhibit 300s and 300-1s to the Department's Office of the Chief Information Officer.

(7) Preparing and submitting the Exhibit 53 to the Department's Office of Budget.

(8) Evaluating quarterly/milestone control review documents and forwarding them to the Information Technology Investment Review Board (ITIRB).

(9) Tracking corrective actions of underperforming major IT investments and notifying the ITIRB if corrective actions are delayed or not implemented.

(10) Providing capital planning assistance and support to the ITIRB in carrying out their IT investment management responsibilities.

(11) Reviewing the Department's rating and ranking criteria to ensure that the criteria continue to reflect MMS organizational objectives.

(a) Recommending changes to the rating and ranking criteria to the DOI Capital Planning Work Group.

(b) Developing MMS specific rating and ranking criteria as needed.

E. The Budget Division is responsible for:

(1) Serving as liaison for IT investments between the IMD and the Office of Budget; the Office of Management and Budget; and congressional staff.

(2) Reviewing the sufficiency of Exhibit 300 documentation and Exhibit 53 to ensure that all budgetary resources are appropriately addressed and in line with budget submissions and justifications.

(3) Reviewing financial systems projects for conformance with financial guidance and requirements.

(4) Participating in the Integrated Project Team (IPT) as appropriate.

F. The IPT is responsible for:

(1) Addressing concerns and requirements from reviewers in each participating discipline and providing a collaboration of ideas for effective responses/solutions.

(2) Ensuring support for the project across all affected disciplines; e.g., budget, financial, capital planning, procurement, and program.

(3) Sharing knowledge of each discipline for overall success of the project.

G. The Project Manager is responsible for:

(1) Establishing and maintaining project costs, schedule, benefits and risks, and technical baselines to achieve cost, schedule and performance goals.

(2) Preparing and/or updating the Exhibit 300 in accordance with OMB Circular A-11, Section 300, consistent with established budget cycles.

(3) Preparing quarterly/milestone control review documents for submission to the IMD.

(4) Conducting an Operational Analysis for steady state systems on an annual basis.

(5) Ensuring that the IT system follows a documented life cycle methodology.

H. The Project Sponsor is responsible for:

(1) Developing a preliminary business case for new IT initiatives when a mission analysis has identified a business need that can be met through an IT investment.

(2) Ensuring that the planning, budgeting, staffing, acquisition, development, implementation, and maintenance of an IT system under their management comply with OMB Circulars A-11 and A-130 as well as other pertinent guidelines.

(3) Ensuring that the IT investment has a certified project manager in accordance with DOI guidance.

(4) Ensuring that an IPT is assigned to the new or ongoing IT investment.

(5) Appointing the chair of the IPT.

(6) Ensuring that an Exhibit 300 is prepared and/or updated in accordance with OMB Circular A-11, Section 300, as required by established budget cycle.

(7) Evaluating quarterly/milestone control review documents and forward them to the IMD.

(8) Assessing project progress against budget and performance measures.

(9) Conducting a Post Implementation Review of the IT project and presenting results to the agency sponsor and the ITIRB.

(10) Conducting an analysis for steady-state systems to determine if the system continues to meet mission requirements in a cost effective manner.

(11) Ensuring that all major IT systems follow a documented life cycle methodology.

I. The Contracting Officer is responsible for:

(1) Serving as the primary acquisition support for the investment.

(2) Assisting the PM/IPT in developing the Acquisition Strategy Plan.

(3) Assisting in the Post implementation Review of acquisition and contracting strategies.

J. The Enterprise Architect is responsible for:

(1) Reviewing the EA section of the Exhibit 300.

(2) Checking DEAR/BEAR to ensure project is not duplicative.

(3) Assisting PM in assessing technology.

(4) Monitoring and maintaining existing technology and determining technology refresh schedules.

(5) Factoring existing blueprints, need, potential new lines of business or innovative technology.

K. The IT Security Staff is responsible for:

(1) Reviewing the IT security section of the Exhibit 300.

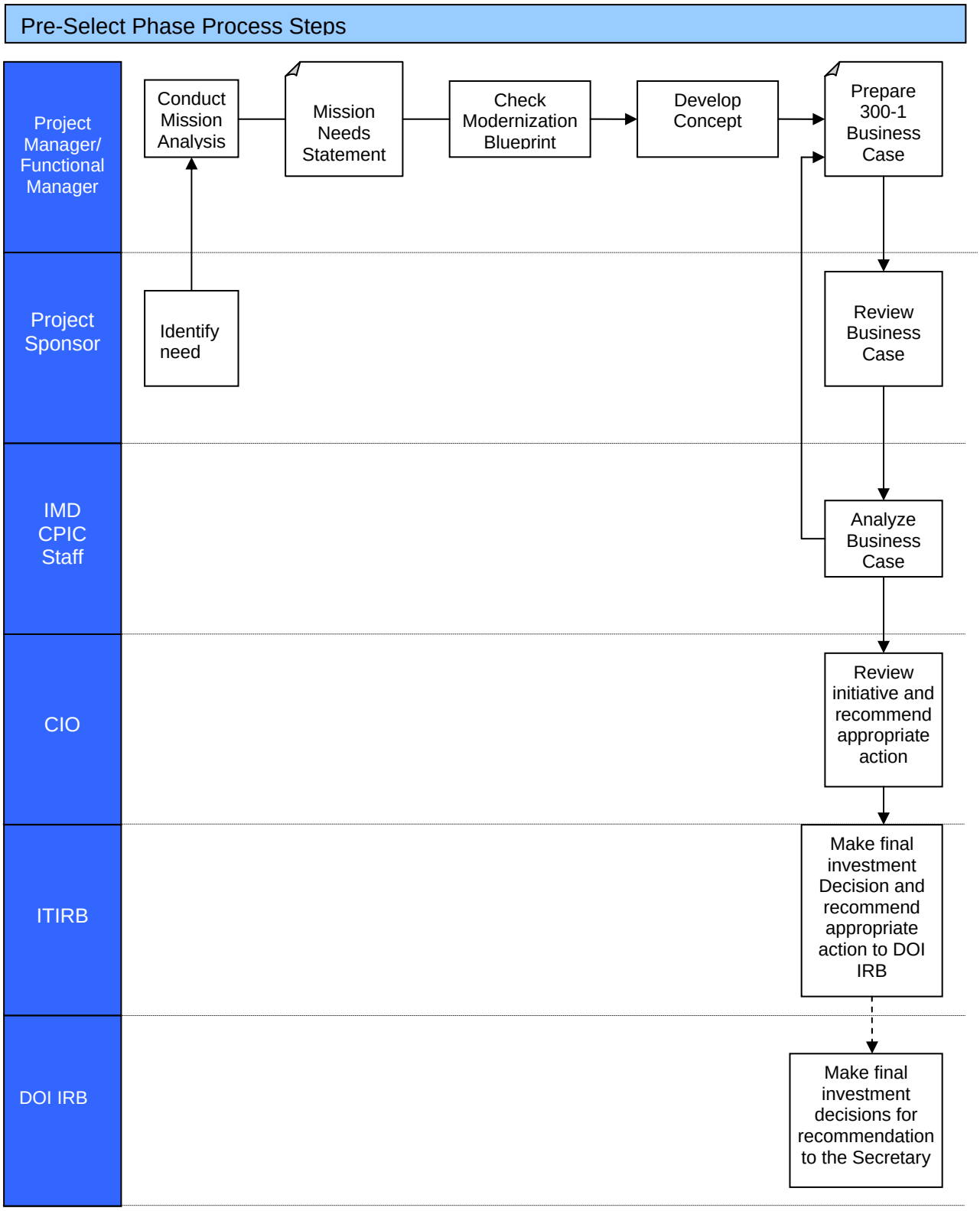
(2) Ensuring IT security costs are explicitly incorporated into life cycle planning.

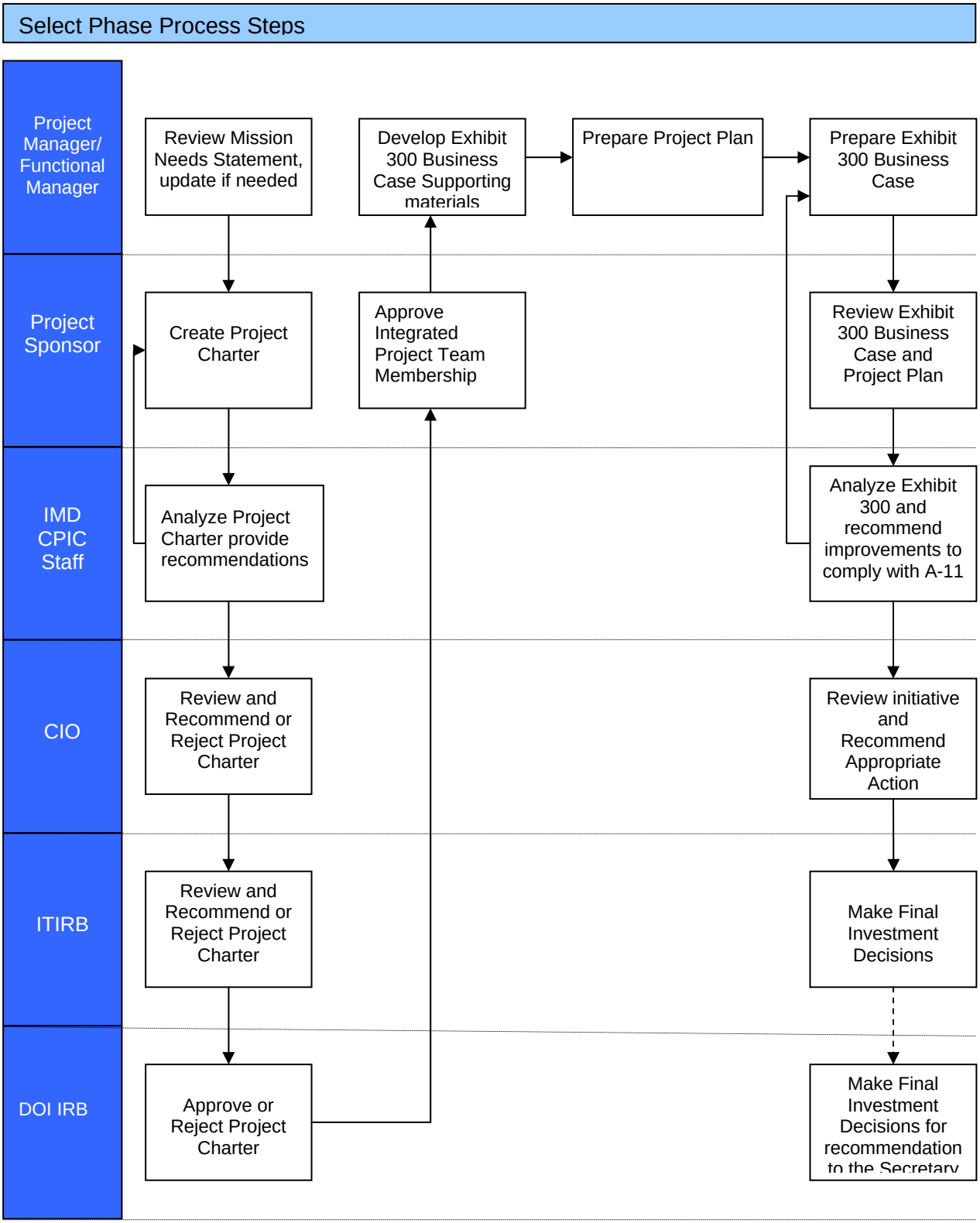
(3) Ensuring security controls are consistent with FISMA and OMB guidance.

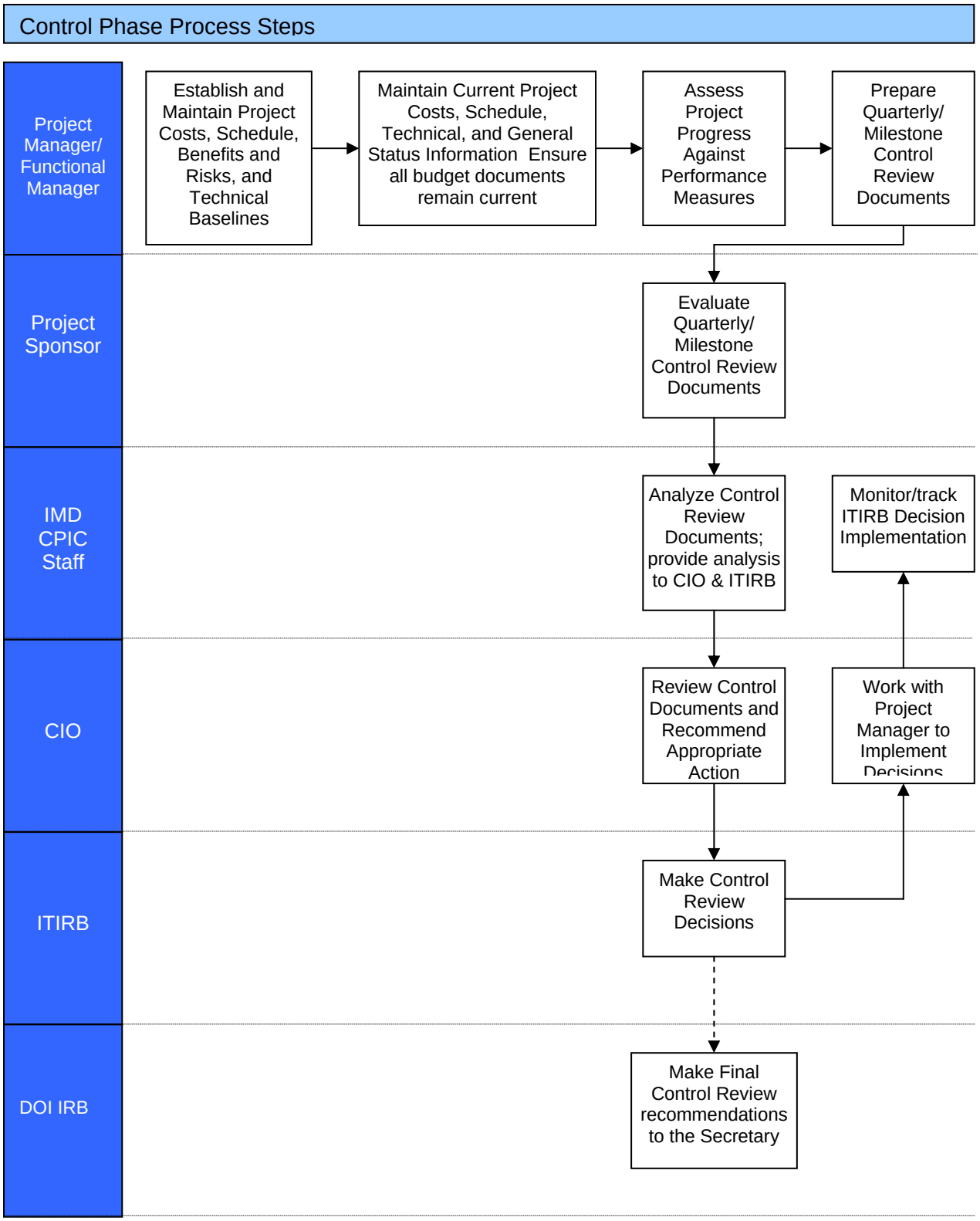
9. Cancellation. This IPD is will remain in effect until no longer needed or until incorporated into the MMS Manual.

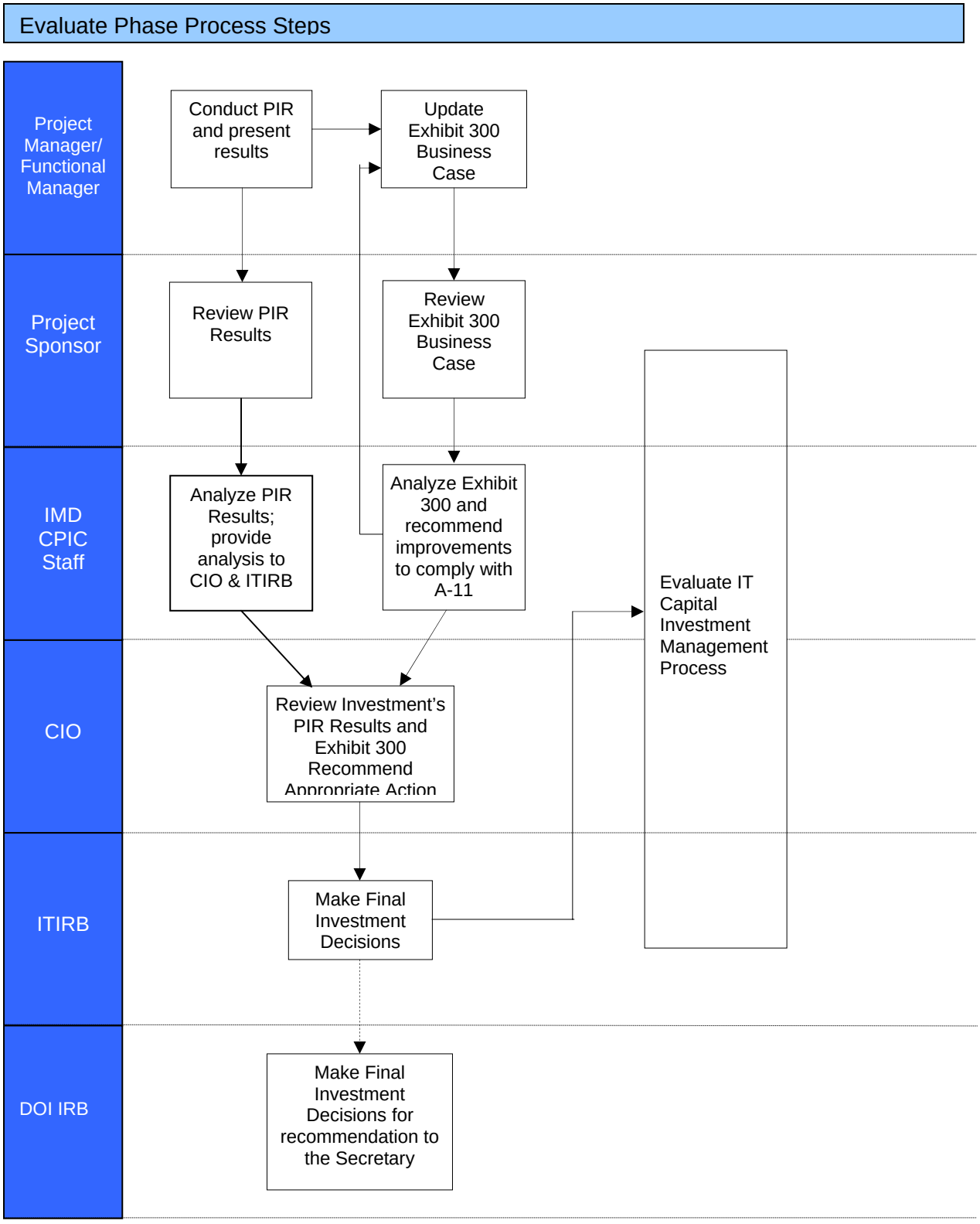
R. M. “Johnnie” Burton
Director

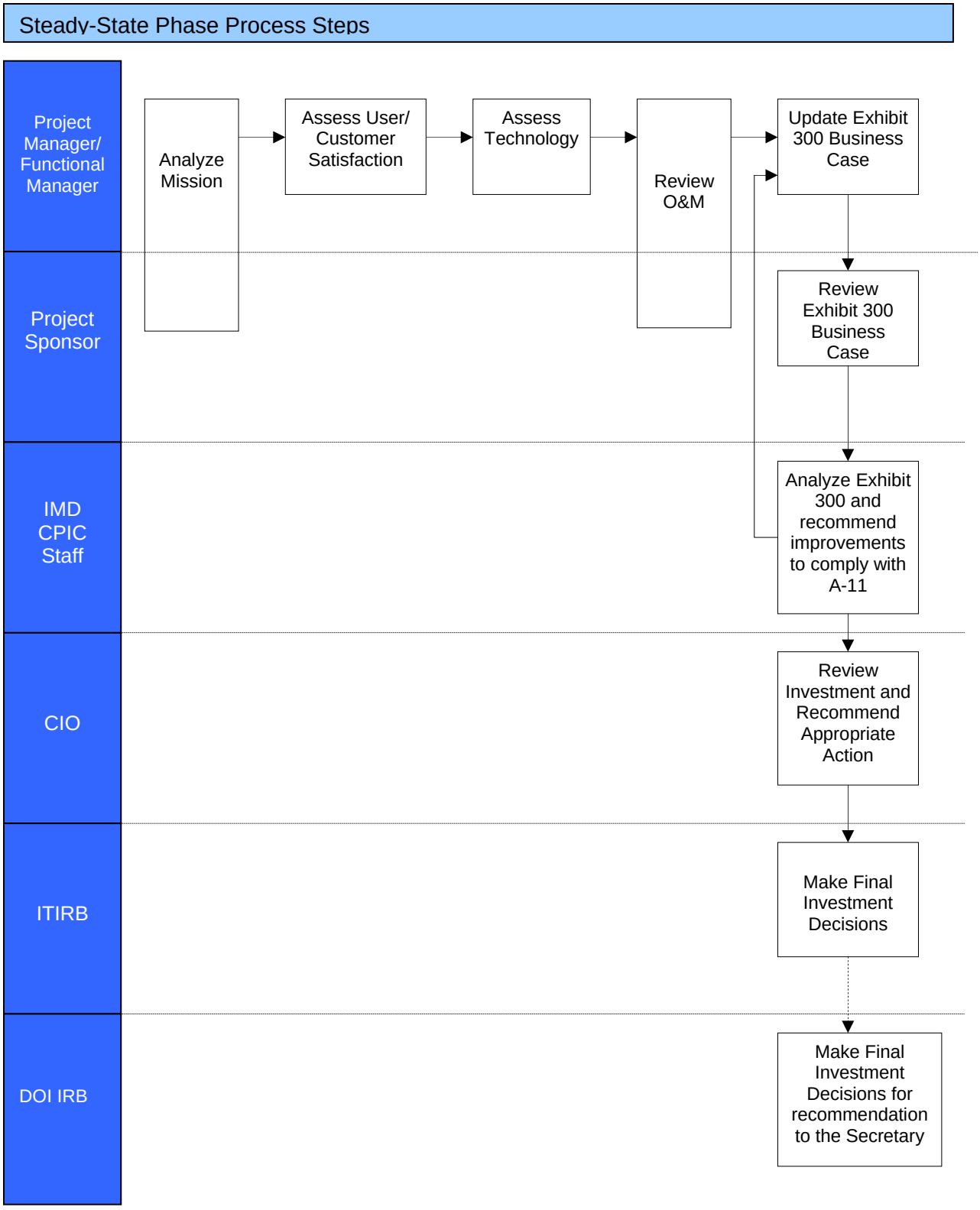
Capital Planning and Investment Control Process Steps




Select Phase Process Steps
Project Manager/ Functional Manager
Project Sponsor
IMD CPIC Staff
CIO
ITIRB
DOI IRB
Review Mission Needs Statement, update if needed
Develop Exhibit 300 Business Case Supporting materials
Prepare Project Plan
Prepare Exhibit 300 Business Case
Create Project Charter
Approve Integrated Project Team Membership
Review Exhibit 300 Business Case and Project Plan
Analyze Project Charter provide recommendations
Analyze Exhibit 300 and recommend improvements to comply with A-11
Review and Recommend or Reject Project Charter
Review initiative and Recommend Appropriate Action
Review and Recommend or Reject Project Charter
Make Final Investment Decisions
Approve or Reject Project Charter
Make Final Investment Decisions for recommendation to the Secretary


Control Phase Process Steps
Project Manager/ Functional Manager
Project Sponsor
IMD CPIC Staff
CIO
ITIRB
DOI IRB
Establish and Maintain Project Costs, Schedule, Benefits and Risks, and Technical Baselines
Maintain Current Project Costs, Schedule, Technical, and General Status Information Ensure all budget documents remain current
Assess Project Progress Against Performance Measures
Prepare Quarterly/ Milestone Control Review Documents
Evaluate Quarterly/ Milestone Control Review Documents
Analyze Control Review Documents; provide analysis to CIO & ITIRB
Monitor/track ITIRB Decision Implementation
Review Control Documents and Recommend Appropriate Action
Work with Project Manager to Implement Decisions
Make Control Review Decisions
Make Final Control Review recommendations to the Secretary


Evaluate Phase Process Steps
Project Manager/ Functional Manager
Project Sponsor
IMD CPIC Staff
CIO
ITIRB
DOI IRB
Conduct PIR and present results
Update Exhibit 300 Business Case
Review PIR Results
Review Exhibit 300 Business Case
Analyze PIR Results; provide analysis to CIO & ITIRB
Analyze Exhibit 300 and recommend improvements to comply with A-11
Review Investment's PIR Results and Exhibit 300 Recommend Appropriate Action
Make Final Investment Decisions
Make Final Investment Decisions for recommendation to the Secretary
Evaluate IT Capital Investment Management Process


Steady-State Phase Process Steps
Project Manager/ Functional Manager
Project Sponsor
IMD CPIC Staff
CIO
ITIRB
DOI IRB
Analyze Mission
Assess User/ Customer Satisfaction
Assess Technology
Review O&M
Update Exhibit 300 Business Case
Review Exhibit 300 Business Case
Analyze Exhibit 300 and recommend improvements to comply with A-11
Review Investment and Recommend Appropriate Action
Make Final Investment Decisions
Make Final Investment Decisions for recommendation to the Secretary