

**Functional Series 500 – Management Services**  
**ADS 577 – Information Technology Capital Planning and Investment Control**

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\* An asterisk indicates that the adjacent material is new or substantively revised.

## **ADS 577 – Information Technology Capital Planning and Investment Control**

### **577.1 OVERVIEW**

Effective date: 6/16/2003

This chapter contains the USAID-specific policy directives and required procedures for planning, budgeting, and managing USAID's capital information technology (IT) assets. The policies and procedures support the achievement of Agency strategic goals and objectives through the preparation, selection, control, and evaluation of IT assets. This chapter also outlines the Agency's Capital Planning and Investment Control (CPIC) process, which is a decision-making process for ensuring that IT investments integrate strategic planning, budgeting, procurement, and the management of IT in support of Agency missions and business needs. It outlines roles and responsibilities for maximizing the value and assessing and managing the risks of USAID IT investments as required by the Clinger-Cohen Act of 1996, the Government Performance and Results Act (GPRA), and the Federal Acquisition Streamlining Act of 1996 (FASA).

#### **Scope of this chapter**

This chapter covers USAID's IT investments. USAID IT investments are IT initiatives or projects funded at Missions or USAID/W, regardless of funding source, that are owned or leased by USAID and operated by USAID or by contractors for Agency operations.

#### **What is not covered by this chapter**

The following IT activities are not covered by this chapter:

- Initiatives or projects funded at Missions or USAID/W, regardless of funding source, that include the use of contractor-owned IT by a contractor for the performance of USAID contracts (e.g., a contract for payroll services); and
- IT activities that are program-funded for use by others (such as a grantee) and are not used by USAID. (Program-funded IT activities are covered by ADS chapters 200-203.)

#### **How does this chapter apply to my IT project?**

There are four categories of IT investments:

- Investment Category 1: USAID/W OE-funded IT (used for USAID operations);
- Investment Category 2: USAID/W and Mission program-funded IT (not used for USAID operations, nor used within USAID offices or Missions);
- Investment Category 3: USAID/W and Mission program-funded IT (used for USAID operations or within USAID offices and Missions); and

\* An asterisk indicates that the adjacent material is new or substantively revised.

- Investment Category 4: Mission OE-funded IT (for USAID operations).

See the Internal Mandatory Reference [Table 1, Investment Category Documentation & Review Requirements](#) to determine whether ADS 577 applies to each investment, and the corresponding documentation and review requirements. When ADS 577 and the CPIC Decision Criteria do not apply to an IT initiative, project sponsors are encouraged to consider them as best practices in selecting, reviewing, and approving the initiative.

## **577.2 PRIMARY RESPONSIBILITIES**

Effective date: 6/16/2003

This section defines CPIC-related responsibilities for the following officials and offices:

- Administrator
- Approver
- Business Transformation Executive Committee (BTEC)
- BTEC Enterprise Architecture (EA) Subcommittee
- BTEC Capital Planning and Investment Control (CPIC) Subcommittee
- Chief Financial Officer (CFO)
- Executive Sponsors
- Chief Information Officer (CIO)
- Deputy CIO for Policy
- Program Management Office (PMO)
- Bureau for Policy and Program Coordination (PPC)
- Deputy CIO for Operations
- Information Systems Security Officer (ISSO)
- Office of Information Resources Management (M/IRM)
- Office of Information Resources Management, Consulting and Information Services Division (M/IRM/CIS)
- Bureau for Economic Growth, Agriculture and Trade (EGAT)
- Management Policy and Metrics Staff (M/MPM)

a. The Administrator reports Agency progress in achieving investment goals to the Office of Management and Budget (OMB) and the Congress.

b. The Approver is the individual whose position has the delegated authority to approve, continue, modify, or terminate an IT investment.

c. The Business Transformation Executive Committee (BTEC) provides Agency-wide leadership for initiatives and investments to transform USAID business systems and organizational performance. The BTEC's focus is primarily strategic. Although it receives tactical information about USAID investments, BTEC focuses on issues and investment decisions related most closely to achieving the Agency's mission. With the support of the BTEC Capital Planning and Investment Control (CPIC) Subcommittee and Program Management Office (PMO), BTEC establishes and monitors the portfolio

\* An asterisk indicates that the adjacent material is new or substantively revised.

of USAID IT investments, which are designated by BTEC, throughout their lifecycle to ensure that they are acquired or developed within planned cost and schedule objectives and that they produce expected benefits. (For more information about the BTEC, see the BTEC web site at <http://inside.usaid.gov/BTEC>)

d. The BTEC Enterprise Architecture (EA) Subcommittee facilitates and validates the construction of the EA and ensures that it reflects the Agency's current and changing states. When complete, the resulting architecture will illustrate focus areas where technology may be applied.

e. The BTEC Capital Planning and Investment Control (CPIC) Subcommittee, chaired by the Deputy Chief Information Officer (CIO) for Policy, performs an executive review of all proposals, project status reports, and assessments for Level II and III investments. The Subcommittee, as a component of the decision-making process, aligns investment requests with the Agency's EA and BTEC priorities. The CPIC Subcommittee also reviews the composition of and changes to the IT investment portfolio for Level II and Level III investments. The Subcommittee includes representatives appointed by the BTEC from each Assistant Administrator area.

f. The Chief Financial Officer (CFO) has a direct role in making the final determination and approval of enhancements and upgrades to the Agency's financial management systems, in compliance with the CFO Act.

g. Executive Sponsors are Agency, Program, and Mission managers who facilitate the identification of IT investments based on recognized programmatic needs. They consult the CIO; the Bureau for Policy and Program Coordination, Office of Resource Allocation (PPC/RA); the CPIC Subcommittee; the Office of Information Resources Management, Consulting and Information Services Division (M/IRM/CIS); the BTEC; and affected organizations on investment design, planning, and implementation in developing IT investment proposals to be submitted to the CPIC Subcommittee. The Executive Sponsor works with the Contracting Officer to select vendors or other sources of services to implement the investment.

h. The Chief Information Officer (CIO), or designee, monitors the performance of USAID IT investments, evaluates the performance of those investments, and advises the Administrator, the Executive Sponsor, and the BTEC to continue, modify, or terminate an IT investment. The CIO draws from the BTEC and analytical resources managed by the Deputy CIO for Policy and Deputy CIO for Operations to make a determination.

i. The Deputy CIO for Policy chairs the CPIC Subcommittee and supports the CIO, as requested, by monitoring and evaluating the performance of USAID IT investments. With the Deputy CIO for Operations, the Deputy CIO for Policy advises the CIO to continue, modify, or terminate an IT project.

j. The Program Management Office (PMO) manages projects in support of the IT investment process, maintains a portfolio of such investments for CPIC Subcommittee and BTEC reference, and monitors the performance of these investments against cost, schedule, and performance goals. The PMO also oversees program management for selected highest risk IT investments and reports on investment performance to the Deputy CIO for Policy, Deputy CIO for Operations, and BTEC.

k. The Bureau for Policy and Program Coordination (PPC) provides the CPIC Subcommittee with overall strategic and budgetary guidance to be applied to the CPIC process. In addition, PPC ensures that CPIC Subcommittee recommendations to the BTEC concerning IT investments are consistent with current or changing strategy and budget.

l. The Deputy CIO for Operations manages the Office of Information Resources Management (M/IRM) and the Program Management Office. The Deputy CIO for Operations also supports the CIO, as requested, by monitoring and evaluating the performance of USAID IT investments. With the Deputy CIO for Policy, the Deputy CIO for Operations advises the CIO to continue, modify, or terminate an IT project. The Deputy CIO for Operations places specific emphasis on the impact of the Agency's technology and information security infrastructure on the investment.

m. The USAID Information Systems Security Officer (ISSO) oversees and directs the implementation of USAID's information systems security program. (For more information see ADS 545, Information Systems Security, section [545.2](#).)

n. The Office of Information Resources Management (M/IRM) acts as the Agency's central IT service provider. As such, M/IRM provides advice and planning support to BTEC, Executive Sponsors, the CPIC Subcommittee, and the CIO on IT acquisition, risk assessment, policies, and standards, including security and infrastructure reliance considerations.

o. The Office of Information Resources Management, Consulting and Information Services Division (M/IRM/CIS) provides technical assistance and support services to advise USAID Missions on program- and OE-funded IT initiatives for internal Mission operations.

p. The Bureau for Economic Growth, Agriculture and Trade (EGAT) advises on the development and implementation of USAID program-funded IT initiatives external to Mission and USAID/W operations.

q. The Management Policy and Metrics Staff (M/MPM) supports the M Bureau, BTEC, CPIC Subcommittee, and the CIO in establishing and assessing customer service standards and performance success metrics, in addition to providing guidance and interaction supporting the Agency's E-Government strategy. The application of these metrics supports the evaluation and control phases of the review processes for each investment level procedure.

## **577.3 POLICY DIRECTIVES AND REQUIRED PROCEDURES**

### **577.3.1 Submitting and Approving IT Investments**

Effective date: 6/16/2003

USAID employees must implement the policy directives and required procedures in this chapter when acquiring or managing IT investments for USAID.

The policies and required procedures that apply to a specific investment vary, depending on such factors as the estimated life-cycle cost of the investment, funding source, and other factors.

[Table 1, Investment Category Documentation & Review Requirements](#), an Internal Mandatory Reference, summarizes those factors and indicates the investment level of the project. Project sponsors must use Table 1 to determine which investment level (if any) will be assigned to their investment and to identify the documentation, required approvals, and frequency of reviews for their investment.

#### **577.3.1.1 Submitting Investment Documentation**

Effective date: 6/16/2003

**USAID 300i Decision Request.** For those investment decisions which require submission of the USAID 300i Decision Request (see Table 1), the Executive Sponsor must submit a memorandum to the CIO through the Deputy CIO for Policy. The attached template provides a format and instructions for preparing and submitting the Request.

**OMB Exhibit 300.** For those investment decisions which require submission of the OMB Exhibit 300 (see Table 1), the Executive Sponsor must prepare the Exhibit in accordance with OMB instructions and submit it to the CIO as part of the annual budget cycle. The Executive Sponsor must inform the CIO or Deputy CIO for Policy of the potential investment. The CIO or designee will provide specific guidance annually to Executive Sponsors as part of budget formulation instructions.

#### **577.3.2 Essential Requirements of the CPIC Process**

Effective date: 6/16/2003

At a minimum the Agency's CPIC process must meet the following requirements, which are outlined in the Clinger-Cohen Act, GPRA, and FASA and related OMB guidance.

##### **a. Portfolio Focus**

USAID must view its investments in relation to all current and proposed investments (i.e., from a "portfolio" view.)

\* An asterisk indicates that the adjacent material is new or substantively revised.

**b. Risk Management**

USAID staff must document and plan for the reduction of project risks throughout the project life cycle when planning for or implementing IT investments. Table 3, CPIC Decision Criteria and Score Sheet, includes risk factors which the Subcommittee must address when reviewing the IT investments it oversees.

**c. Executive Involvement**

Through USAID's Business Transformation Executive Committee (BTEC), USAID senior executives must advise the Administrator on the business considerations of IT investment decisions.

**d. Architecture Driven**

IT investments must correlate to OMB's Federal Enterprise Architecture (FEA) (see <http://www.feapmo.gov/fea.asp>).

**e. Support of the President's Management Agenda**

The Executive Sponsor must evaluate the IT investments that he or she sponsors in terms of their potential for supporting achievement of the President's Management Agenda.

**577.3.3 The BTEC CPIC Subcommittee**

Effective date: 6/16/2003

The BTEC CPIC Subcommittee develops and implements this ADS Chapter, including 577.3.5, CPIC Decision Criteria, and reviews the composition of, and changes to, the investment portfolio. The CPIC Subcommittee, or a component of it, must

- Advise the BTEC on investment selection, considering potential risk, cost, benefit, and priority in relation to other USAID investments and the Agency's EA;
- Recommend issues of strategic importance to the BTEC for consideration;
- Ensure that approved investments comply with OMB Circular A-11, Part 7, Exhibit 300 and 53 Report requirements. (For more information, see Section 300 [Capital Programming Guide](#) and [OMB Circular A-11, Part 7](#));
- Recommend BTEC approval or disapproval of submitted requests for, and continuation of, Level II and Level III investments;
- Develop and help revise ADS policy documents related to CPIC Subcommittee responsibilities in addition to this Chapter; and

\* An asterisk indicates that the adjacent material is new or substantively revised.

- Develop detailed guidance and forms for implementation of CPIC activity and associated IT investment requests.

**577.3.4 CPIC Process: Investment Stages, Responsibilities, Actions, and Outputs**

Effective date: 6/16/2003

The CPIC process occurs in four stages:

- Preparation,
- Selection,
- Control, and
- Evaluation.

[Table 2, The CPIC Process](#), lists the responsibilities and actions that each participant in the CPIC process is required to perform at each stage in the process.

**577.3.5 CPIC Decision Criteria**

Effective date: 6/16/2003

**577.3.5.1 Developing and Maintaining the CPIC Decision Criteria**

Effective date: 6/16/2003

The CPIC Subcommittee must develop, maintain, and use the CPIC Decision Criteria and Score Sheet in Table 3 for IT investments over which it has oversight. The purpose of the CPIC Decision Criteria is to ensure that

- Reviewers apply consistent criteria in assessing proposed investments; and
- Selected investments demonstrate the use of best practices associated with successful project management, including investment value, risk, cost, etc., and address the highest priority issues of the day.

Reviewers of other investments, such as program-funded and Mission OE-funded investments and Level I investments, are encouraged to adapt and use the CPIC Decision Criteria as best practices.

The CPIC Decision Criteria are based on the structure of the documentation required in the OMB 300 Exhibit (OMB Circular A-11, Preparation and Submission of Budget Estimates, Part 7, Section 300, Exhibit 300, Appendix 300) in order to ensure reviews that are consistent with OMB priorities.

\* An asterisk indicates that the adjacent material is new or substantively revised.



### 577.3.5.2 Applying Table 3, the CPIC Decision Criteria and Score Sheet

Effective date: 6/16/2003

The following steps outline how to apply Table 3, the CPIC Decision Criteria and Score Sheet:

- a. The CPIC Subcommittee Chair must give the following documents to each member of the CPIC Subcommittee:
  - (1) One copy of the documentation submitted for each investment proposal (see [Table 1](#)),
  - (2) One score sheet for each proposal (see [Table 3](#)), and
  - (3) Scoring instructions.
- b. Each member of the CPIC Subcommittee, including members posted in field offices who participate “virtually,” must review each proposal. Note: The Subcommittee Chair may adjust the composition of the review panel at his or her discretion to meet review timeframes and priorities set by OMB.

Review panel members must not delegate their responsibilities for scoring proposals. However, they may consult with others to obtain information relevant to the scoring.

Each member must submit his or her completed score sheets to the Chair, CPIC Subcommittee within the timeframe established by the Subcommittee.

- c. The CPIC Subcommittee Chair must prepare a summary sheet for each investment proposal, listing each score assigned by each reviewer. (See [Summary Sheet 1, Reviewer Scores for Each Proposal](#))

The CPIC Subcommittee Chair must note on Summary Sheet 1 any significant differences between reviewer scores.

The Chair must ask those reviewers whose numerical and “Yes/No” scores differ significantly from each other to review the differences and report back with modifications if appropriate. The reviewers may request further clarification from the sponsor or drafter of the investment proposal to facilitate their final scoring.

- d. The Chair must finalize a Summary Sheet 1 for each investment proposal by averaging and recording all reviewer scores for each scoring element of the proposal. For proposals that receive scores of “No” on decision criteria that require a “Yes/No” evaluation, the Chair will review them for further work, additional review, or consultation.

e. The Chair must then create a second summary sheet by recording the average scores for each scoring element for each proposal, totaling the averages for each proposal, and prioritizing them in order by total average score. (See [Summary Sheet 2, Average Scores for Each Scoring Element and Estimated Life-Cycle Cost of Each Investment](#))

f. The Chair must record the estimated life-cycle cost of each investment on Summary Sheet 2 and create [Summary Sheet 3, List of All Proposals](#), listing each investment proposal, its total average score, and estimated life-cycle cost. The Chair must place a dividing line between investments, based on projected IT capital investment budget restrictions, to indicate the point at which the Agency's projected IT capital investment budget would be met.

g. Based on this assessment (Summary Sheet 3), the CPIC Subcommittee members establish a list of projects for the Chair to present to the CIO and the BTEC for consideration, with a notation that projects below a line established by the Subcommittee will be recommended in priority order if the IT capital investment budget is increased.

The CPIC Subcommittee must also advise the BTEC and the CIO of any IT investment proposals that should not be considered. On behalf of the CPIC Subcommittee, the Chair must note such proposals on the list.

The CPIC Subcommittee Chair must also submit Summary Sheet 2 with one copy of each proposal's Summary Sheet 1 to the BTEC Chair for BTEC review and consideration.

h. Upon receiving the CPIC Subcommittee's recommendations, the BTEC must review the recommendations for final determination of IT investments to submit to OMB. The BTEC has the authority to realign priorities as well as to seek clarification regarding weighting decisions from the CPIC Subcommittee or clarification from the OMB 300 Exhibit drafter and Executive Sponsor.

### **577.3.5.3 Components of Table 3, CPIC Decision Criteria and Score Sheet**

Effective date: 6/16/2003

See [Table 3, CPIC Decision Criteria and Score Sheet](#).

#### **a. Topic**

The topic is the area that is being assessed.

The CPIC Subcommittee selected the seven topic areas included in Table 3 based on industry best practices associated with successful IT investment project selection, implementation, and results. The seven topic areas are Value, Risk, Cost, IT Security, Alternatives, Enterprise Architecture Relationships, and Government Function Consideration.

\* An asterisk indicates that the adjacent material is new or substantively revised.

**b. Definition**

The definition clarifies the topic area in non-technical terms.

**c. Total Possible Points for the Topic**

The Total Possible Points for the Topic column represents the relative value that each topic area holds in relation to the others. The CPIC Subcommittee presets these values for an extended period of time and periodically reviews them.

**d. Subcategories and Questions**

Subcategories are groups of questions to assist the reviewers in determining whether the proposal has addressed the specific topic area. The questions provide a framework for assessing the investment proposal documentation (e.g., OMB Exhibit 300).

**e. Total Possible Score**

The Total Possible Score column represents the relative value that each question or group of questions (“subcategories”) holds in relation to the others for a topic. The CPIC Subcommittee presets and periodically reviews each Total Possible Score. Like the Total Possible Points, it is fixed for an extended period of time.

The sum of “Total Possible Scores” for a topic area must equal the “Total Possible Points” for that topic.

**f. Recommended Score**

The reviewer assigns a Recommended Score. Each reviewer must assign numeric scores based on the quality of documented responses to the designated questions, including the extent to which the proposal is based on best practices and is aligned with programmatic and end-user needs. The reviewer must not assign a recommended score that is greater than the Total Possible Score listed for the category or subcategory.

**577.4 MANDATORY REFERENCES****577.4.1 External Mandatory References**

- a. [Capital Programming Guide: Supplement to Part 7 of Circular No. A-11](#)
- b. [Clinger-Cohen Act of 1996](#) (CCA)
- c. [E-Government Act of 2002](#)

\* An asterisk indicates that the adjacent material is new or substantively revised.

- d. [Federal Acquisition Streamlining Act of 1994](#) (Title V – Acquisition Management, Section 313. Performance Based Management: Acquisition Programs) (S. 1587) (P.L. 103-355) (October 13, 1994)
- e. [Government Performance & Results Act of 1993](#) (GPRA)
- f. [OMB Circular A-130, Management of Federal Information Resources](#)
- g. [OMB Exhibit 300 \(OMB Circular A-11, Preparation and Submission of Budget Estimates, Part 7, Section 300, Exhibit 300, Appendix 300\)](#)
- h. [OMB Exhibit 300 Preparation Template](#)
- i. **OMB Federal Enterprise Architecture (FEA)** (under development), available at <http://www.feapmo.gov/fea.asp>
- j. [Paperwork Reduction Act of 1995 \(PRA\)](#)

#### 577.4.2 Internal Mandatory References

- a. [ADS 545, Information Systems Security](#)
- b. [ADS 546, Acquisition of Operating Expense \(OE\)-Funded Federal Information Technology \(IT\) Resources](#)
- c. [ADS 548, Program-Funded Information Technology](#)
- \*d. [Interim Update 04-01, Updated Privacy Policy for USAID Information Technology Systems, Including Publicly Accessible Web Sites](#) [This Interim Update has been added as a mandatory reference to the chapter because it includes policies regarding privacy impact assessments for new or significantly modified IT investments. It also contains privacy-related requirements related to publicly accessible web sites.]
- e. [Summary Sheet 1, Reviewer Scores for Each Proposal](#)
- f. [Summary Sheet 2, Average Scores for Each Scoring Element and Estimated Life-Cycle Cost of Each Investment](#)
- g. [Summary Sheet 3, List of All Proposals](#)
- h. [Table 1, Investment Category Documentation & Review Requirements](#)
- i. [Table 2, The CPIC Process](#)
- \*j. [Table 3, CPIC Decision Criteria and Score Sheet](#)

\* An asterisk indicates that the adjacent material is new or substantively revised.

k. [USAID 300i Decision Request](#)

**577.5 ADDITIONAL HELP**

- a. CIO Council web site at <http://www.cio.gov/> and [http://www.cio.gov/documents/fy\\_2005\\_Budget\\_Submissions.html](http://www.cio.gov/documents/fy_2005_Budget_Submissions.html)
- b. USAID Business Transformation Executive Committee (BTEC) web site at <http://inside.usaid.gov/BTEC>
- c. [President's Management Agenda \(PMA\)](#)

**577.6 DEFINITIONS**

Effective date: 6/16/2003

**Capital Planning and Investment Control (CPIC) process**

A decision-making process for ensuring that information technology (IT) investments integrate strategic planning, budgeting, procurement, and the management of IT in support of Agency missions and business needs. In concert with strategic planning, budget, and procurement processes, the CPIC process is the basis for identifying, prioritizing, and managing a portfolio of IT investments compatible with the Agency enterprise architecture (EA) to achieve performance and compliance goals with the lowest life-cycle costs and risks. (Chapter 577)

**Control**

The third stage in the Capital Planning Investment and Control (CPIC) process. This stage includes investments that are in development, implementation, or steady state. During this stage, Executive Sponsors must report periodically to BTEC on the status of their Level III capital investments. They must include reports of risk assessments, risk mitigation strategies, and progress in mitigating risks; project costs and schedules against baseline goals; and progress in correcting problems related to achieving cost and schedule goals. (Chapter 577)

**E-Government**

The government's use of web-based Internet applications and other information technologies, combined with processes that implement these technologies. (Chapter 577)

**E-Gov project**

A kind of IT Investment that uses web-based Internet applications and other information technologies, combined with processes that implement these technologies, to address Government-to-Citizen, Government-to-Government, and Government-to-Business relationships, internal efficiency and effectiveness, or e-authentication requirements. (Chapter 577)

\* An asterisk indicates that the adjacent material is new or substantively revised.

### **Enterprise Architecture (EA)**

A comprehensive blueprint for the Agency's business processes and IT investments. EA is a basic structure maintaining and providing analysis capacity in relation to all the Agency's functions, modes of delivering services, related information flows, and the technologies that handle them. It provides an encompassing composite of the interrelationships between Agency functions, services, and technology from which focused need areas within the organization can be derived. (Chapter 577)

### **Evaluation**

The fourth stage in the Capital Planning and Investment Control (CPIC) process. During this stage, a completed investment is reviewed to determine its overall worth and to determine lessons learned for improving the CPIC process. (Chapter 577)

### **Information Technology (IT)**

(A) The term 'information technology', with respect to an executive agency 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 by the executive agency. For purposes of the preceding sentence, equipment is used by an executive agency if the equipment is used by the executive agency directly or is used by a contractor under a contract with the executive agency which (i) requires the use of such equipment, or (ii) requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product.

(B) The term 'information technology' includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources.

(C) Notwithstanding subparagraphs (A) and (B), the term 'information technology' does not include any equipment that is acquired by a Federal contractor incidental to a Federal contract. (Source: Clinger-Cohen Act) (Chapters 518, 541-548, 552, 577)

### **USAID IT investments**

IT initiatives or projects funded at Missions or USAID/W, regardless of funding source, that are owned or leased by USAID and operated by USAID or by contractors for Agency operations. (Chapter 577)

### **investment proposal presentations**

Developed by the Executive Sponsor in concert with budget, acquisition, and technical staff, each presentation outlines the proposed investment; details the attendant costs, benefits, and risks; and summarizes the associated analyses and plans. The presentations provide decision-makers with information they need when considering an investment decision. (Chapter 577)

### **life-cycle cost**

The overall estimated cost for a particular program alternative over the time period corresponding to the life of the program, from concept development through termination,

\* An asterisk indicates that the adjacent material is new or substantively revised.

evaluation, and archival. Archival refers to storage and maintenance of an application when it becomes inactive. Life-cycle cost includes direct and indirect initial costs plus any periodic or continuing costs of operation and maintenance. (Chapter 577)

### **OMB Exhibit 300**

Budget justification and reporting requirements for major acquisitions and major information technology (IT) systems or projects established by the Office of Management and Budget (OMB) in OMB Circular No. A-11, Section 300, Exhibit 300, Appendix 300. (Chapter 577)

### **portfolio management**

The process by which assets are

- Selected based on optimal mix for the Agency, including consideration of program impact, relationship to ongoing projects, synergy with other projects, displacement of other projects, and long-term budget projections; and
- Regularly reviewed for risk/return and to ensure their successful contribution to the portfolio. (Chapter 577)

### **Preparation**

The first stage in the Capital Planning and Investment Control (CPIC) process. This stage includes the identification of one or more business problems, the identification and evaluation of possible solutions, the determination of whether one or more capital investments is called for, and the identification of an Executive Sponsor and Project Manager to facilitate and manage each capital investment through the life cycle. Business problems and solutions may be identified through the development and management of USAID's enterprise architecture, planning or performance measurement processes, or managing and planning for specific business functions. (Chapter 577)

### **Selection**

The second stage in the Capital Planning and Investment Control (CPIC) process. This stage includes the CIO's informal review of a proposed capital investment against Agency priorities and resource constraints and the Agency's enterprise architecture. During this stage the CIO confirms the applicable threshold level of detail required for further consideration, provides feedback on proposal consideration to the executive sponsor, and schedules proposal evaluation by the BTEC, if appropriate. During this stage, the Executive Sponsor prepares investment proposal presentations commensurate with the projected life-cycle cost and business risk related to the investment. (Chapter 577)

### **steady state**

An ongoing IT project that is in operational mode. (See OMB Circular A-11, Section 300) (Chapter 577)

**USAID 300i Decision Request**

Budget justification and reporting requirements for IT acquisitions under \$1 million in value, established by USAID. (Chapter 577)

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