

Procedure for Managing SBA IT Investments – Investment Review Board (IRB)

U.S. Small Business Administration



SMALL BUSINESS ADMINISTRATION
STANDARD OPERATING PROCEDURE

SUBJECT: Procedure for Managing SBA IT Investments - Investment Review Board (IRB)	S.O.P.		REV
	SECTION	NO.	
	90	82	

INTRODUCTION

Purpose. To establish the policy and procedures for SBA IT Investment Management

Personnel Concerned. All SBA personnel involved in IT governance

Originator. Office of Chief Information Officer

AUTHORIZED BY: Renee A. Macklin Chief Information Officer		EFFECTIVE DATE 09/30/14
		PAGE

SBA Fonn 989 (5-90) Ref: SOP 00 23

Table of Contents

Paragraph		Page
Chapter 1.	Introduction	4
1.	Background	4
Chapter 2.	Purpose, Scope, Authority	6
1.	Purpose	6
2.	Scope	6
3.	Authority and Reference	6
Chapter 3.	Definitions	7
1.	Business Investment	7
2.	Capital Planning and Investment Control (CPIC)	7
3.	Commodity IT	7
4.	Contract Review Board (CRB)	7
5.	Executive Steering Committee (ESC)	7
6.	Exhibit 300 A and B	7
7.	Exhibit 53	8
8.	Information Technology (IT) Investment	8
9.	IT Dashboard	8
10.	Major IT Investments	8
11.	Mission Applications	8
12.	Non Major IT Investments	8
13.	Projects	8
14.	SBA IT Portfolio Management Framework	8
15.	Tech Stat	8
Chapter 4.	Portfolio and Investment Management	9
1.	Overview	9
2.	Planning and Formulation Phase	9
3.	Review, Approval, and Submission Phase	9
4.	Investment Execution Oversight Phase	10
5.	BTIC Review	10
6.	New Initiative/Investment Proposal	10
7.	Expectation of BTIC Review	11
8.	Data Required for BTIC Review	11
9.	BTIC Review Outcome	11
10.	Monitor Existing Investments	11

11. Expectation of BTIC Review	12
12. Data Required for Review	12
13. BTIC Monitoring Process Outcome	12
Chapter 5. BTIC Meeting	13
1. Frequency	13
2. Agenda Topics	13
3. Membership	13

Chapter 1

Introduction

1. Background

Agencies must seek opportunities to shift to commodity information technology (IT), leverage technology, procurement, and best practices across the whole of government, and build on existing investments. The Federal Government must focus on maximizing the return on American taxpayers' investment in government spending by ensuring it drives efficiency throughout the Federal Government.

The Office of management and Budget (OMB) Memorandum “M-13-09” requires all Executive Departments and Agencies to “*strengthen IT portfolio governance.*” It stated “*strong oversight of spending through the use of effective Investment Review Boards (IRBs) that include Chief Operating Officers (COO), Chief Information Officers (CIO), Chief Human Capital Officers (CHCO), Chief Financial Officers (CFO), Chief Acquisition Officers (CAO), Performance Improvement Officers (PIO), program officials, and other key executive decision makers is essential for efficient and effective IT portfolio management.*” “Agencies with rigorous IRBs ensure that all stakeholder needs are addressed and decisions are made in the best interest of the agency. Effective IRBs include the use of:

- A. **Enterprise-wide architectures** that link business and technology to ensure that IT solutions meet business requirements, as well as identify areas of waste and duplication wherever consolidation is possible. Additionally, the degree of system co-dependence and redundancy will be constantly evaluated and documented to ensure effective continuity of operations; and
- B. **Valuation methodologies** used by decision makers to evaluate investments based on their value to the agency and the cost to the taxpayer. This enables greater consistency and rigor in the process of selecting, controlling, and evaluating investments that an agency decides to fund, de-fund, or terminate.”

The Small Business Administration (SBA) developed the Business Technology Investment Council (BTIC) to serve as the SBA’s IRB. In addition, the BTIC is established as the principal governance body in managing SBA IT investments. Also, the BTIC is responsible for implementing key provisions of the Clinger-Cohen Act (Information Technology Management Reform Act of 1996), 40 USC §1101 et seq and in particular, 40 USC §11312 concerning on Capital Planning and Investment Control (CPIC), and 40 USC §11315 (C) (2), which charges agencies' CIOs with the duty to, “*monitor the performance of information technology programs of the agency, evaluate the performance of those programs on the basis of the applicable performance measurements and advise the head of the agency regarding whether to continue, modify or terminate a program or project.*”

The BTIC provides direction and leadership to review and approve the SBA IT Portfolio that creates the optimum return, supports the Agency’s mission, and ensures the accountability of

SBA Business and IT investments. The BTIC process begins with the requirements phase to initiate the project and continues through the end of a project/investment. The BTIC serves vital roles in:

- A. **Reviewing investments** to ensure they are in compliance with the guidance in SOP 90-52— IT Investment Performance Baseline Management Policy and making recommendations to the Administrator on SBA Business and IT investment portfolio
- B. **Providing oversight** and direction on SBA IT portfolio/investment, including SBA mission applications and commodity IT, ensuring EA compliance, and requiring valuation.
- C. **Conducting on-going quality assurance reviews** of major investments to ensure they are in compliance with the guidance provided in SOP 90 41 - Procedures for Managing and Assessing the Quality of SBA Information Technology Projects.

Chapter 2

Purpose, Scope, Authority

1. Purpose

This SOP establishes the policy and procedures for SBA IT Investment Management. It contains definitions, basic information about IT capital planning and investment control, and roles and responsibilities of all SBA personnel involved in IT governance.

2. Scope

This SOP applies to all SBA personnel involved in IT governance. Specifically, it applies to:

- **All SBA organizational components** including, but not limited to: Headquarters, Program Offices, and Field Offices, as well as external entities with contractual relationships with the SBA involving SBA IT resources.
- **All SBA personnel** involved in the acquisition, development, maintenance, management, and operations of SBA IT capital assets. This includes government employees and non-government personnel who have been cleared by the SBA.

3. Authority and References

- A. Clinger-Cohen Act (Information Technology Management Reform Act of 1996)
- B. Public Law 104- 106, in particular, Section 5122 on Capital Planning and Investment Control (CPIC) and Section 5125 [C] [2], which charges agencies' Chief Information Officers with the duty to, "*monitor the performance of information technology programs of the agency, evaluate the performance of those programs on the basis of the applicable performance measurements and advise the head of the agency regarding whether to continue, modify or terminate a program or project.*"

Chapter 3

Definitions

1. **Business Investment:** Refers to the planning, development, acquisition of a capital asset to meet the identified business operation needs, and the management of the capital asset throughout its usable life after the initial acquisition.
2. **Capital Planning and Investment Control (CPIC):** As defined by OMB Circular A-11, *“means the same as capital programming and is a decision-making process for ensuring IT investments integrate strategic planning, budgeting, procurement, and the management of IT in support of agency missions and business needs. The term comes from the Clinger-Cohen Act of 1996 and generally is used in relationship to IT management issues.”*
3. **Commodity IT:** Commodity IT is defined to include the following:
 - A. **IT Infrastructure:** Data centers, hosting, networks, wireless communications (voice, data, and video), server hardware, memory and storage, network devices, and any managed services, cloud services, or shared services that involve IT infrastructure.
 - B. **Platforms:** Platform-as-a-Service (PaaS), application platforms, and common-operating-environments that are enterprise platforms or are platforms that are shared between two or more systems or applications
 - C. **Enterprise Licenses:** Software licenses that are enterprise licenses or are software products or licenses that support infrastructure or common platforms.
 - D. **End User Devices:** These include, but are not limited to desktops, laptops, tablets, and smartphones.
 - E. **Enterprise IT Services:** Common applications such as e-mail, collaboration tools, identity and access management, cyber security, web infrastructure, or similar common applications provided by a shared service, managed service, or cloud service.
4. **Contract Review Board (CRB):** The CRB plays a vital decision making role with acquisitions that are high dollar, high impact, and high visibility actions that impact our agency goals.
5. **Executive Steering Committee (ESC):** The ESC is comprised of SBA senior executives for in-depth investment review and oversight.
6. **Exhibit 300 A and B:** The Exhibit 300 A is designed to coordinate OMB’s collection of agency information for its reports to the Congress required by the Federal Acquisition Streamlining Act of 1994 (FAS Title V) and the Clinger-Cohen Act of 1996. The business case (Exhibit 300A) for investment should be demonstrated for supporting the mission statements, long-term goals and objectives, and annual performance plans developed pursuant to the GPRA. In addition, the Exhibit 300B establishes reporting requirements through the Federal IT Dashboard to ensure the proper execution of those investments against the established performance plans.

7. **Exhibit 53:** Is a report of all agency IT investments (major, non-major and eGov contributions)
8. **Information Technology (IT) Investment:** Refers to the expenditure of funds for IT resources to address mission delivery and management support. An IT investment may include 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.
9. **IT Dashboard:** Refers to a website (www.itdashboard.gov) that enables Federal agencies, industry, the general public, and other stakeholders to view details regarding the performance of Federal IT investments. The IT Dashboard is used by the Administration and Congress to inform budget and policy decisions.
10. **Major IT Investments:** Refers to an IT investment requiring special management attention because of its importance to the mission or function to the government; significant program or policy implications; high executive visibility; high development, operating, or maintenance costs unusual funding mechanisms.
11. **Mission Applications:** Mission applications directly support Agency programs, business process outcomes, and the Agency strategic plan or legislative mandates. Mission applications are supported by commodity IT, but are not considered part of commodity IT.
12. **Non Major IT Investments:** Investments not considered “major” are “non-major”
13. **Projects:** an individual or collaborative work effort that is carefully planned and designed to achieve specific goals with an investment.
14. **SBA IT Portfolio Management Framework:** This is a sequential set of annual activities that are closely linked to the annual Federal budget cycle. The framework is designed to facilitate a cross-functional, enterprise-wide view for the governance of SBA investments. It enables the SBA BTIC to manage the entire Capital Planning and Investment Control (CPIC) process, align investment decisions with Agency’s mission and strategic goals and provide on-going oversight.
15. **Tech Stat:** Refers to a face-to-face, evidence-based accountability review of an IT program with agency leadership and OMB, as appropriate. TechStat sessions enable the Federal Government to redirect, re-scope or terminate IT investments that do not produce dividends for the American People.

Chapter 4

Portfolio and Investment Management

1. Phases

The SBA Portfolio and Investment management framework provides the SBA BTIC with a mechanism to manage the CPIC process, ensure investments integrate strategic planning, budgeting, and procurement. It facilitates a cross-functional, enterprise-wide view for the governance of SBA investments for review, approval and budget submission for IT investments in both Mission Applications and Commodity IT areas.

In line with Federal IT Budget Submission and Execution Cycle, the SBA BTIC Portfolio and Investment management includes three phases:

2. Planning and Formulation Phase

In alignment with the IRM Strategic Plan, the Enterprise Roadmap documents an agency's current and future views of its business and technology environment from an architecture perspective. It does so by reflecting the implementation of new or updated business capabilities and enabling technologies that support the agency's strategic goals and initiatives. It also contains a transition plan to show the sequence of actions needed to implement the IRM Strategic plan. Moreover, it focuses on increasing shared approaches to IT service delivery across mission, support, and commodity areas. The BTIC will conduct the following reviews to ensure IT initiatives are in alignment with the Agency's IT Mission and appropriate governance.

- A. The BTIC will review new IT initiatives proposed by Investment Sponsor/Owner, and review the business cases presented by investment teams for existing investments.
- B. The BTIC will review the criteria for the budget year SBA portfolio that supports the SBA's missions and strategic plan, as well as the Federal budget guidance for IT investment.
- C. The BTIC will review the criteria for project initiation proposed by Investment Sponsor/Owner, including cost and risks thresholds for project request.

When initiating proposals or preparing for a BTIC Review, Program Offices should work closely with OCIO to develop the required materials and supporting documentation.

3. Review, Approval, and Submission Phase

- A. The BTIC reviews and prioritizes the submitted investments or initiative proposals for inclusion into the SBA portfolio for the budget year.
- B. The BTIC makes recommendations on the SBA IT portfolio for the Administrator's consideration.
- C. The BTIC reviews the final SBA IT portfolio budget request and approves the submission of Exhibit 53s and Exhibit 300s for major IT investments based on the approved IT budget request to the Office of Management and Budget (OMB).
- D. The BTIC reviews the updates to investment budget and justification based on guidance from OMB and approves the re-submission of Exhibits 53s and Exhibits 300s

4. Investment Execution Oversight Phase

Once investments are approved and appropriations are designated, the BTIC shall provide oversight and conduct reviews to ensure that investment scope, outcomes and progresses are aligned with the established stated goals and compliance with the guidance provided in SOP 90 41. The BTIC will leverage the current Agency-wide governance processes as listed below to support our investment oversight:

1. **Monthly IT Dashboard Submission Process:** For Major IT investments, performance progress in investment project schedules, risks, operational metrics, and investment program team (IPT), and contract data are required to be submitted to the Federal IT Dashboard on monthly basis, along with the CIO evaluation.
2. **Project Management:** SBA requires project managers to follow a System Development Methodology (SDM) to manage projects and document supporting artifacts. BTIC will review active projects and if needed assign project managers and review project manager's certificates.
3. **Executive Steering Committee (ESC):** The ESC is another governance body to review and provide oversight to specific investments.
4. **Contract Review Board (CRB):** The CRB provides oversight of contract and acquisition management.
5. **TechStat:** The BTIC has the authority to direct TechStat review as needed. TechStat provides a face-to-face, evidence-based review of an IT investment that enables the SBA to turn around, halt or terminate IT investments that are not effectively performing

5. BTIC Review

The BTIC will review proposed initiatives or existing investments for inclusion into the IT portfolio for budget year. SBA portfolio should support OMB directives and guidance, SBA Strategic Plan, SBA IT Strategic Plan and Enterprise Road Map. Factors to be considered by the BTIC for review include, but are not limited to:

- a. *Is the investment supporting the Agency's missions and strategic priorities?*
- b. *Does the investment support a business operation, function, or activity?*
- c. *Does the investment consist of Commodity IT or require Commodity IT support?*
- d. *Does the investment rely on other systems for interoperability?*
- e. *Does the investment provide sufficient security, redundancy, and mobility?*
- f. *Is there a possible cloud solution that should be considered?*
- g. *What value does initiative provide to the Agency?*
- h. *Does the investment rely on a level of adherence to the SBA Enterprise Architecture Road Map to effectively guide, constrain, and permit interoperable SBA solutions?*

The BTIC will make recommendations to the Administrator with regard to selection, continuation, and termination of IT investments or initiatives.

6. New Initiative/Investment Proposal

The purpose of this process is for the BTIC to ensure that before expending resources on IT investment, the effort is aligned with SBA's goals, objectives, and priorities and compliant with Federal guidance (such as Commodity IT, Shared Services, Digital Strategy, Cloud solution). Following the review, the BTIC makes a decision as to whether there is sufficient justification to recommend the proposal for further analysis and development, rejection or be revised for reconsideration.

7. Expectation of BTIC Review

The BTIC assesses the proposal of a new initiative and determines if the information is sufficiently developed to make a decision. If so, then the BTIC determines if the proposed initiatives can be candidates for inclusion into the SBA IT portfolio.

8. Data required for BTIC Review

1. A proposed investment's high-level business case is informational and includes the completed Investment Initiation Form (IIF) located on the SBA OCIO SharePoint site for initiating IT Investments.
2. During the time of initial request, the high-level business case should describe the following:
 - a. An overview of the investment: Is this a new investment or an enhancement (project) to an existing investment?
 - b. Description of the proposed technology, if applicable. Is the proposed investment a part of the Enterprise Architecture Roadmap?
 - c. Is there a preliminary project plan for the proposed investment? If so, are milestones and dates or proposed start and end dates provided?
 - d. What is the estimated life-cycle cost for the proposed investment?
 - e. Is funding for the proposed investment included in the program's operating budget?
 - f. Is the Investment Sponsor listed? Has a project manager been identified, and what is his/her type of certification? Are the stakeholders identified?
 - g. Is there a possible cloud solution?
 - h. The business case should provide a logical analysis of the impact, cost, and benefits of the investment; demonstrate that the proposed investment is aligned with the Agency's strategic goals; address a documented performance gap; be a viable solution; comply with SBA standards; and have sufficient benefits to warrant investment and further development.
 - i. In addition, four planning documents must be completed:
 - a. Alternative Analysis
 - b. Project Schedule
 - c. Project Acquisition Strategy and Market Research
 - d. Risk Management Plan

9. BTIC Review Outcome:

1. The BTIC determines whether or not the IT initiative should be considered to be included into the SBA Portfolio of initiatives for the Budget Year they plan to begin the investment.
2. If an IT investment is deemed as part of IT portfolio, the BTIC will determine if the initiative should be classified as a Major or Non-Major Investment, or as a project in an existing investment.

10. Monitor Existing Investments

The purpose of this process is for the BTIC to provide adequate oversight to existing investments' progress, performance and ensure the continued alignment with the SBA's strategic goals and compliance with Federal guidance.

11. **Expectation of BTIC Review:** Investment reviews will be conducted on at least an annual basis to determine the overall health of the investment, approve project level requests, and assign project resources, if needed, for the investments.

12. **Data Required for Review:** The detailed investment review will be presented at the BTIC meeting for investment monitoring, including areas in:

1. Investment status, risks, cost and schedule variance, operational metrics, procurement management and contract oversight, staffing and supporting documentation.
2. IT investments (at the project level):
 - A. Active projects that meet established criteria in cost, impact, and risk threshold as determined by OMB A-11 guidance.
 - B. Project cost, schedule, and performance baselines (and changes to those approved baselines) for SBA investments that are governed directly by the SBA BTIC.

13. BTIC Monitoring Process Outcome

1. If an investment is deemed to be at risk or non-performing, the BTIC will recommend if it will be continued, terminated, modified, or retired.
2. The BTIC will review and approve corrective actions or modifications to a project's scope, cost, or schedules or make recommendations on related investments/projects within the portfolio to increase the overall rate of success of a project or investment.

Chapter 5

BTIC Meeting

1. Frequency

The BTIC meeting will be held at least quarterly to ensure that investment oversight and review functions are being met. Ad hoc meetings may be called by the Co-Chairs at any time to deal with urgent issues related to BTIC business or Agency projects.

2. Support

Administrative Support for the Council will be provided by the staff of the Chief Information Officer. This will include:

- a. Secretariat staff support for Council meetings (meeting minutes, agenda and materials distribution, electronic and paper files maintenance, etc.)
- b. Technical expertise on IT matters
- c. Solicitation of agenda items from Council members
- d. Advice and guidance concerning government-wide IT policies and practices

3. Agenda Topics

The BTIC will review IT issues and topics presented before them, as appropriate. Agency-wide approach in Digital Strategy, Commodity IT, Enterprise Roadmap, capital planning, quality assurance as well as IT budget and IT procurement guidance will be standing topics for consideration by the BTIC to ensure compliance with the agency's EA and also alignment with the Agency's mission and strategic goals.

The agenda for each meeting will have a permanent placeholder for an LMAS update.

4. Membership

The BTIC will be co-chaired by the Chief Information Officer (CIO) and the Chief Financial Officer (CFO), and is comprised of the following voting members:

A. Voting Members

Title	Office
Deputy Administrator	Office of the Administrator
Chief of Staff	Office of the Administrator
Chief Operating Officer	Office of Management & Administration
Associate Administrator	Office of International Trade
Associate Administrator	Office of Business Development
Associate Administrator	Office of Performance Management
Associate Administrator	Office of Field Operations
Associate Administrator	Office of Veterans Business Development
Associate Administrator	Office of Capital Access
Associate Administrator	Office of Entrepreneurial Development
Associate Administrator	Office of Disaster Assistance
Associate Administrator	Office of Investment and Innovation
Associate Administrator	Office of Government Contracting & Business Development
Associate Administrator	Office of Small Business Development Centers
Associate Administrator	Office of Entrepreneurship Education
Associate Administrator	Office of Performance Management and Chief Financial Officer
Assistant Administrator	Office of Diversity, Inclusion & Civil Rights
Assistant Administrator	Office of Women's Business Ownership
Assistant Administrator	Office of Communications & Public Liaison
Assistant Administrator	Office of Hearings & Appeals
Assistant Administrator	Office of Native American Affairs
Chief Information Officer	Office of the Chief Information Officer
Chief Financial Officer	Office of the Chief Financial Officer
Director	Office of Disaster Planning and Risk Management

***There will be only one vote per office**

**** Designated voting members within each office can delegate their responsibilities to a deputy within their office. Names of delegate voting members must be submitted to the BTIC in advance of them participating.**

*****All final votes will be determined by simple majority**

B. Non-Voting Members

Title	Office
Chief Counsel for Advocacy	Office of Advocacy
National Ombudsman and Assistant Administrator	Office of the National Ombudsman
Inspector General	Office of Inspector General
Deputy Inspector General	Office of Inspector General
General Counsel	Office of the General Counsel