

CHAPTER 1

INFORMATION TECHNOLOGY (IT) CAPITAL PLANNING AND INVESTMENT CONTROL (CPIC) POLICY

TABLE OF CONTENTS

1.001	Purpose
1.002	Scope
1.003	References
1.004	Definitions
1.005	Policy
1.006	Responsibilities

1.001 Purpose

This policy defines the Department of Transportation's (DOT) Information Technology (IT) Capital Planning and Investment Control (CPIC) requirements as outlined in the Clinger-Cohen Act of 1996 (CCA), the Office of Management and Budget's (OMB) Circular A-130 (Management of Federal Information Resources), and other related guidance and regulations.

The goal of this policy is to establish and maintain long-range strategic planning and a disciplined budget process as the basis for efficient management of the Department's IT Portfolio. For detailed CPIC guidance, refer to the [DOT Capital Planning and Investment Control Implementation Guide](#).

1.002 Scope

All DOT Operating Administrations (OAs) are expected to comply with the intent of this policy. The processes described in the [DOT Capital Planning and Investment Control Implementation Guide](#) represent the overarching framework with which all OAs must comply and integrate. OA processes must support the overall Department process and cannot contradict this policy.

This policy is based on the legal mandates of the CCA, which requires a structured CPIC process to systematically maximize the benefits of IT Investments. The CCA specifically states:

- “The Head of each executive agency shall design and implement in the executive agency a process for maximizing the value and assessing and managing the risk of the information technology acquisitions of the executive agency.”
- “The process shall:
 1. Provide for the selection of information technology investments to be made by the executive agency, the management of such investments, and the evaluation of such investments;
 2. Be integrated with the processes for making budget, financial, and program management decisions within the executive agency;

3. Include minimum criteria to be applied in considering whether to undertake a particular investment in information systems, criteria related to the quantitatively expressed projected net risk adjusted return on investment and specific quantitative and qualitative criteria for comparing and prioritizing alternative information systems investment projects;
4. Provide for identifying information systems investments that would result in shared benefits or costs for other Federal agencies of state or local governments;
5. Require identification of quantifiable measurements for determining the net benefits and risks of a proposed investment; and,
6. Provide the means for senior management to obtain timely information regarding the progress of an investment, including a system of milestones for measuring progress, on an independently verifiable basis, in terms of cost, capability of the system to meet specified requirements, timeliness, and quality.”

1.003 References

- [Clinger-Cohen Act of 1996 \(CCA\)](#)
- [DOT Capital Planning and Investment Control Implementation Guide](#)
- [Government Accountability Office \(GAO\) IT Investment Evaluation Guide](#)
- [Office of Management and Budget \(OMB\) Circular A-130](#)
- [Office of Management and Budget \(OMB\) Circular A-11](#)
- [Office of Management and Budget \(OMB\) Memoranda](#)
- [Related Legislation and Executive Branch Guidance per GAO](#)

1.04 Definitions

- **Capital Planning:** The overall process used to plan, budget for, acquire (whether through purchase or lease) and manage capital assets, regardless of type of funding involved.
- **Control:** The ongoing monitoring and management of the performance of IT investments that comprise DOT’s IT investment portfolio against cost, schedule, risk, and technical baselines, and the identification of corrective actions to manage and mitigate investment risk.
- **Departmental Investment Review Board (IRB):** The Departmental IRB serves as the governing body that approves DOT’s annual IT Portfolio and identifies and resolves IT-related issues, including but not limited to: “cross-cutting” investments common to two or more DOT organizations; single organization mission-specific investments having either sufficient dollar value, DOT mission criticality or public visibility to merit consideration by the Departmental IRB; and Office of the Secretary (OST) investments.
- **Evaluate:** The formal assessment of an operational IT investment (also known as a Post-Implementation Review) to determine the degree to which it satisfies the performance outcomes and expectations established by the business case, investment justification, and/or the current expectations of the investment's stakeholders. Lessons learned during the Evaluation process are used to modify future Select and Control decisions.

- **Select:** The decision making process within which all new, ongoing, and operational IT investments are considered for inclusion in the OAs IT Investment Portfolio. The Selection process combines rigorous multifaceted reviews of investment proposals with the application of uniform portfolio selection criteria.

1.005 Policy

The DOT CPIC process is a structured, integrated approach to managing IT investments. It ensures that all IT Investments align with the Department's mission and support its business needs while minimizing risks and maximizing returns throughout the investment's life cycle.

It is expected that each Operating Administration will have a CPIC process to manage its own IT portfolio. The DOT Office of the Chief Information Officer (OCIO) will only review investments that have been selected by the OAs through their respective CPIC processes. OAs are expected to have pre-select and select processes at the OA-level where funding requests will be examined, evaluated, and selected through an objective process before submitting IT investment requests through the OCIO to the Departmental Investment Review Board (IRB).

The OAs must also have processes in place for managing the acquisition/development phase of newly funded investments and providing timely reporting for the Departmental IRB Control reviews. Additionally, OAs must have processes in place for managing steady state investments, such as post-implementation reviews, operational analytics, and e-Gov strategy reviews. OAs are expected to conduct periodic portfolio evaluations and develop processes to support the Departmental IRB reviews.

1.006 Responsibilities

The OAs are responsible for establishing and implementing their own local CPIC and IRB-equivalent processes in accordance with the concepts set out in the [DOT Capital Planning and Investment Control Implementation Guide](#). The OAs are also required to provide all known investment and/or CPIC-related information to the Department upon request. Responses are to be submitted as electronic files and will be maintained in a DOT CPIC repository.

The Department is responsible for ensuring compliance with Federal IT mandates and the Department's IT capital planning process. The Departmental IRB serves as the governing body that approves DOT's annual IT Portfolio; identifies and resolves IT-related issues; and makes decisions to continue, accelerate, modify, suspend or terminate IT projects.