

# OPERATIONAL ANALYSIS REVIEW

## *Template for Federal IT Capital Investments*

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# METHODOLOGY

The P2C2 Group, Inc. has applied the methodology outlined in the Office of Management and Budget (OMB) Capital Programming Guide, a supplement to Circular A-11, Part 7. The methodology is applicable to major capital investments, including information technology.

Operational Analysis Reviews are an important tool for the strategic management of IT systems, alignment with Enterprise Architecture (EA), and successful execution of the Capital Planning and Investment Control (CPIC) process. Such reviews compare the performance of an IT asset or system to an established baseline. It measures ongoing performance of Management-In-Use (Operations & Maintenance) investments against established cost, schedule, and performance goals. It should also include a review of related enterprise management issues such as risk, information security, harmonization with the EA transition strategy, and any updates to the agency's strategic plans/objectives.

Note that the review is conducted against a baseline, which should be consistent with the investment's system planning and OMB Exhibit 300 documents. In addition, any weaknesses identified in the Operational Analysis Review should be considered when making future decisions about the investment. For example, the results of the review may indicate that certain enhancements are needed to meet user requirements. Findings may also suggest the need to pursue an alternatives analysis about how to resolve major issues identified.

In conducting the Operational Analysis Review, the P2C2 Group has collected CPIC and other related documentation, compared costs to historic budgets, and has considered system performance, user satisfaction, and other operational data. The review reports the following:

- Identification of System
- Lifecycle Summary for this Investment
- Summary of Recommended Actions
- Description of the System
- Summary of Review Findings
- OMB Dashboard Indicators
- Customer Assessment
- Operational Cost Analysis
- Stakeholder Input
- Operational Assessment (by IPT)
- Investment Evaluation



# OPERATIONAL ANALYSIS REVIEW

*For IT Systems and Applications in Steady State or Management-In-Use Phase*

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The Operational Analysis Review should compare the performance of an IT asset or system to the established baseline. The review measures ongoing performance of Management-In-Use (Steady State) investments against established cost and performance goals. It should also include a review of related enterprise management issues such as risk, information security, harmonization with the EA transition strategy, and any updates to the agency's business processes or strategic plans.

## Identification of System

Name of System or Application	
Agency	
Program/Business Function Supported by this Investment	
Time Period Covered by Review	
Number of Users	
Business Owner	
Project Manager	
Key Personnel Participating in this Review (IPT – Stakeholders)	
Date of Review	
Signature/Title	

## Lifecycle Summary for this Investment

The total lifecycle for this investment (all phases) is from FY \_\_\_\_\_ through FY \_\_\_\_\_

The total lifecycle cost is \$\_\_\_\_\_ Million

The Operations & Maintenance Phase for this investment is from FY \_\_\_\_\_ through FY \_\_\_\_\_

## Summary Recommended Actions

Attach Plan of Action & Milestones if appropriate – See Below



**Description of System or Investment**

*Use brief project description from the Exhibit 300 (2500 characters or less)*

**Summary of Review Findings**



**OMB Dashboard Indicators**

Performance								
<i>Use same measures as in Exhibit 300 and Dashboard Reporting</i>								
Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results

<i>Customer Assessment (date)</i>
<i>Summarize the level of end-user satisfaction with the system. For example, address indicators such as effectiveness, productivity, availability, and reliability:</i>
<i>Based upon the results of the survey, are there planned changes to the investment?</i>
<i>Next Customer Assessment:</i>

**DME Cost Analysis – List all cost, schedule, or performance variances that are 10% or greater:**  
 ✓ Attach a complete analysis of each, or provide an overall Gap Analysis.

For further details refer to document: (file)

FY2009:  
 Cost variance of -??.??% for open DME  
 Cost variance of -??.??% for all DME  
 No schedule or performance variances

The variance for all DME milestones is attributed to the following reasons:

**Is this investment consistent with EA and EA Transition Plan?**



## Operational Cost Analysis

Compare planned and actual Operations & Maintenance costs for the most appropriate comparison period (either cumulative cost through current or just-completed fiscal year, or for a single fiscal year (current or just-completed)).

**Current Fiscal Year:**

**Period of Review, (date range)**

Description of Milestone	Milestone Type	Current Start Date	Current End Date	BAC (Planned Costs)	Planned % Comp	BCWS	Actual Start Date	Actual End Date	Actual % Comp	BCWP	ACWP (Actual Costs)

Source: IT Dashboard, FY \_\_\_\_\_

Description of Milestone	Milestone Type	Cost Variance Current-Actual	Cost Variance (CV) BCWP-ACWP	CV %	CV % Health	Schedule Variance (# of days)	Schedule Variance (SV)	SV %	SV % Health

Source: IT Dashboard, FY \_\_\_\_\_

### Open Milestones:

This fiscal year through Sept, _____	Planned Costs (BAC)	Planned % Complete	Budgeted Cost Work Scheduled (BCWS)	Actual % Complete	Budgeted Cost Work Planned (BCWP)	Actual Cost Work Planned (ACWP)
<b>FY09 Steady State</b>						

Source: FY \_\_\_\_\_ Details –



**Stakeholder Input**

*Conduct one or more meetings with representatives of users and other stakeholder groups to obtain their recommendations and assessment of the system/investment. Summarize their feedback below.*

**Operational Assessment**

Assessment Factor	Rating					√ Correction Desirable?	Brief Description of Potential Correction Action	Estimated Cost of Correction
	Excellent	Good	Fair	Poor	Unacceptable			
<b>This investment supports:</b>								
Functional Requirements for which it was planned								
The agency's mission and programs								
"Green Lights" on OMB Scorecards								
User and stakeholder satisfaction with the as-is investment								
Applicable legal and regulatory requirements								
Performance goals and metrics (such as those in Exhibit 300)								
Cost efficiency in government operations and business functions								
Reliable and available information processing, storage and retrieval								
Productivity for system/application users								
Maintainability for the system owner and administrator								
Information security and privacy								
Risk Mitigation and Management								
Continuity of Government and Disaster Recovery								
Enterprise Architecture (Transition Plan and Target EA)								



## Investment Evaluation (Questionnaire)

- A. Describe how well this investment meets current and future business needs of the agency.
- B. Are the functions performed by this system/investment still a priority for the agency?
- C. Can business processes be simplified?
- D. Can this system/investment be eliminated or consolidated with other systems or assets?
- E. How can this system/asset be maintained/managed with fewer Federal or contractor FTEs?
- F. Are new technologies available that could perform this function of this investment better and/or at a lower cost?
- G. Could spending more on this investment close any identified gaps and/or achieve improved results?
- H. Are alternatives available that would lead to greater customer service and satisfaction, and should they be considered as a replacement to the current investment?
- I. Could the functions be performed better or cheaper through partnerships with other agencies and/or the private sector?
- J. Discuss Options for Desirable Corrections, Improvements, Alternatives, and Changes.
- K. Summarize Proposed Decisions about Agency's Response to Desirable Corrections, Improvements, Alternatives and Changes.



**APPENDICES**

*Provide key documents referenced in the Operational Review. Lengthy documents may be incorporated by reference and location of availability.*

