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OFFICE OF MANAGEMENT AND BUDGET
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THE DIRECTOR

M-18-19

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Mick Mulvaney
Director

SUBJECT: Improving the Management of Federal Programs and Projects through
Implementing the Program Management Improvement Accountability Act
(PMIAA)

On December 14, 2016, the Program Management Improvement Accountability Act (the Act or the PMIAA), [Pub. L. No. 114-264](#), was signed into law. The Act aims to improve program and project management (P/PM) practices within the Federal Government, requires Government-wide standards and policies for program management, and establishes a new interagency council to improve P/PM practices among agencies. The Act establishes a new role, the Program Management Improvement Officer (PMIO). The responsibility of PMIOs is to implement program management policies established by their respective agencies and develop strategies to enhance the role of program management and managers within their departments. Additionally, the PMIAA requires that agencies conduct annual portfolio reviews of programs in coordination with the Office of Management and Budget (OMB) to ensure major programs are being managed effectively, and that OMB conduct reviews of areas identified by the Government Accountability Office (GAO) as “high risk.”

The Act complements implementation of the [President’s Management Agenda](#) and the broader Administration goal of ensuring taxpayer dollars are providing critical Federal services to citizens efficiently and cost-effectively. This Memorandum establishes initial implementation guidance to begin a coordinated and Government-wide approach to strengthen P/PM practices in Federal agencies and improve Government performance.

Improving P/PM practices across the Federal Government will require sustained and focused efforts by agency leadership. OMB will issue updated guidance as agency and Federal manager competencies in P/PM continue to develop. This guidance will also be incorporated into future revisions of OMB Circular A-11, Part 6, to reinforce the importance of P/PM practices as part of a broader complement of enterprise-wide management-related competencies that agency Chief Operating Officers (COOs) must prioritize to enable improved program outcomes and performance of the Federal Government.¹

¹ Applicable provisions of this guidance will also be incorporated into the OMB Information Technology Capital Planning guidance to ensure effective P/PM for major information technology (IT) investments.

5-Year Strategic Outline for Improving P/PM (Executive Summary)

Federal program and project managers have an important obligation to ensure programs and projects deliver critical services to the American public efficiently and effectively. To accomplish this, OMB and Federal agencies will leverage three key strategies as part of a 5-year strategic plan for implementing the PMIAA. Outlined below, these strategies focus on clarifying key roles and responsibilities, identifying principles-based standards, holding managers accountable for results, and building a capable program management workforce.

- 1. Strategy 1 – Coordinated Governance:** Leverage a coordinated approach and governance structure that clarifies key roles and responsibilities for senior leader engagement in strengthening P/PM, and establishes broadly applicable program management principles and standards.

Improving program management will require leadership from each agency COO and agency PMIO, with close collaboration across all agency mission and mission-support functions.

- **Agency COOs** will provide organizational leadership to improve program performance by ensuring organizational and staff expertise across a range of management skills and disciplines, including but not limited to P/PM.
- **Agency PMIOs**, reporting directly to the COO (or other equivalent senior agency official responsible for agency program performance), will lead efforts to enhance the role and practice of program management.
- **The Program Management Policy Council (the Council or PMPC)**, comprising OMB and agency officials, will oversee implementation of the Act's major provisions and strengthen agency program management by developing capacity, facilitating cross-agency learning, improving cooperation, and sharing best practices identified by agencies and the private sector.

To facilitate common understanding and implementation across agencies, key terms related to P/PM are also described in [Appendix 7](#) to this guidance.

The PMIAA also requires the establishment of Government-wide P/PM standards, policies, and guidelines for P/PM for agencies. A set of common, principle-based Government-wide program management standards provide foundational resources that agencies can leverage to ensure they produce their desired outcomes and effectively contribute towards the achievement of agency mission and strategic goals and objectives.

- 2. Strategy 2 – Regular OMB/Agency Engagement and Reviews:** Hold managers accountable for results through annual program portfolio reviews. These reviews will assess performance and identify opportunities for improvement as well as point out barriers to achieving program outcomes. These portfolio reviews will be conducted in

coordination with the agency internal review processes supporting the analyses generated for the agency's annual Strategic Review meeting with OMB. Portfolio reviews will incorporate a set of broadly applicable program management principles, practices and standards associated with successful program outcomes, in addition to more specific standards based on the type of program being reviewed. Agency managers will be held accountable for addressing areas identified for improvement during the review. OMB will also coordinate reviews of programs identified by the GAO as most "at risk" for fraud, waste, abuse, and mismanagement, or most in need of transformation to address economic, efficiency, or effectiveness challenges.

3. Strategy 3 – Strengthening Program Management Capacity to Build a Capable PM

Workforce: Utilize a new or updated job series, or a job identifier, to better track the P/PM workforce and investment in building program management capacity and capability over time through increased training opportunities, career pathways, and mentorship opportunities.

Improving the management of Government programs will require agencies to professionalize this critical workforce on an increasing basis, encouraging the application of education, training, and experience to inform critical thinking and expert analysis that will support decision-making and overcome challenges to program implementation and execution. Agencies will develop program and project managers via a career path that provides experience and mentorship opportunities designed to teach these skillsets.

Implementation Phases: The complexity and diversity of Federal programs will require sustained and long-term focus to improve P/PM. As such, implementation across these three strategies will proceed in a phased approach, with learning from the initial years of implementation informing future phases. The initial focus will be placed on non-information technology (IT) major acquisition programs, with additional program areas being added in future phases. Agencies should immediately begin implementing the governance, standards and talent management initiatives contained in this guidance. Agencies also should inform OMB of their approaches through a PMIAA implementation plan (see [Appendix 6](#) to this guidance), which they should review and update periodically to reflect progress towards agency implementation. Focus areas of each implementation phase as part of the broader 5-year approach are summarized below. Additional detail including key milestones are provided in [Appendix 1](#) and available on the [MAX Community page](#) established for PMIAA implementation. OMB will be an active partner with agencies, monitoring progress, convening PMPC meetings and setting meeting agendas, and incorporating lessons learned to develop future P/PM guidance as agency program management capabilities improve.

- **Phase I** will focus on agency appointments of the various PMIOs; OMB establishment of the PMPC; publication of an initial framework that outlines general program management standards applicable to all program types; establishing portfolio reviews for major acquisition programs that, for major IT acquisitions, build on the portfolio reviews conducted pursuant to the Federal Information Technology Acquisition Reform Act (FITARA); and the establishment of a job series and/or job identifier by OPM.

- **Phase II** will focus on expanding portfolio reviews of programs to include grants. OMB will coordinate this interagency process.
- **Phase III** will focus on the issuance of a revised 5-year strategic plan with updated strategies, identification of additional programmatic areas for portfolio reviews, and continued refinement of P/PM standards for additional program types. OMB will incorporate lessons learned while working with individual agencies to implement the Act.

Agency Applicability: This guidance is generally applicable to the 24 Federal agencies covered by the Chief Financial Officers (CFO) Act of 1990 (31 U.S.C. § 901(b)) unless otherwise specified. The PMIAA exempts the Department of Defense (DOD) where program management guidance would significantly overlap or duplicate (1) the provisions of chapter 87 of title 10, or (2) policy, guidance, or instruction of the Department related to program management.

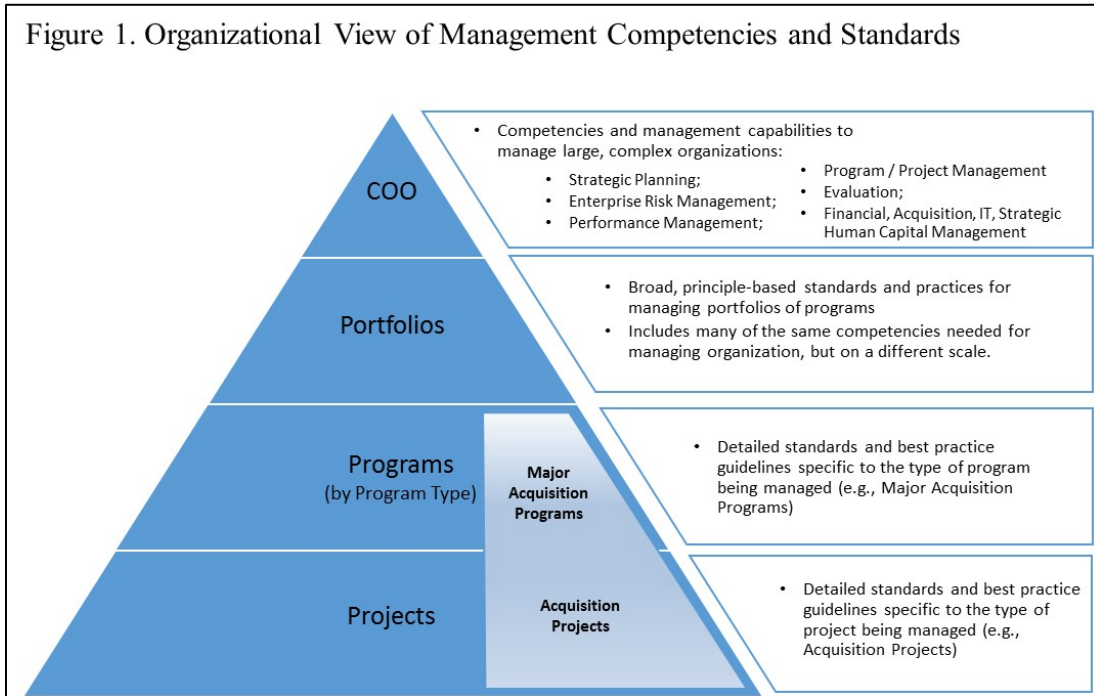
Implementing Strategy 1, Coordinated Governance: Overview of Organizational Changes.

The PMIAA establishes a new governance structure and function at agencies for advancing the practice of P/PM across the Federal Government. This section provides guidance to agencies by describing how agency COOs should integrate P/PM as a component of the agencies' broader management capabilities, providing the role and responsibilities of the PMIO, and defining the functions and composition of the PMPC.

- A. Chief Operating Officer:** As envisioned by the Government Performance and Results Act (GPR) Modernization Act of 2010 (GPRAMA), the agency COO is responsible for providing overall organization management to improve and achieve the mission and goals of the agency. COOs provide organizational leadership to improve performance of both mission and management functions. They bring together other leaders and staff within the agency, including component managers, program and project managers, research and evaluation experts, and other leaders of key management functions such as the Chief Information Officer (CIO), the Chief Financial Officer (CFO), the Chief Human Capital Officer (CHCO), the Chief Acquisition Officer (CAO), and the Performance Improvement Officer (PIO). With leadership from the COO, these and other agency leaders collectively solve problems and pursue opportunities that help the agency operate more effectively and efficiently. COOs empower these senior accountable officials to lead within their area of expertise, drive results, and ensure these officials have the tools and authority needed to manage both within and across organizational boundaries to improve results. COOs also ensure that senior officials and supporting staff offices are organized to leverage agency expertise in a range of management activities and functions, and develop these skills where needed within various levels of the organization.

To achieve success, COOs require organizational expertise across a range of management skills and fields, including P/PM, and should ensure these skills are leveraged effectively to support agency needs at various levels of organizational complexity (e.g., departmental headquarters, bureau or component level, implementation of a program at the field office level). COOs must ensure that agency officials work collaboratively to provide analysis

that informs the decision-making of senior leaders, and aids in identifying improvements to achieve greater efficiencies or effectiveness in the delivery of agency programs and services. Figure 1 provides an overview of the relationship of management competencies across various levels of the organization.



B. Program Management Improvement Officer:

Designation and Role: No later than July 27, 2018, the heads of each CFO-Act agency shall designate a senior executive of the agency to serve as the agency’s PMIO, if different than the submission initially provided to OMB in May 2018 per OMB Memorandum M-18-15. The name of the agency PMIO and any updates to that designation shall be provided to OMB’s Office of Performance and Personnel Management via email at Performance@omb.eop.gov.

PMIOs will focus on professionalizing agency program and project managers and enhancing the utilization of P/PM practices to build greater capability at agencies over time. PMIOs will be designated based on the agency’s organizational structure and management processes, and will report directly to the agency COO, Deputy Secretary, or other equivalent senior agency official responsible for agency performance and management. When designating the PMIO, agency heads should consider lines of accountability and coordination needed to ensure the PMIO is aligned and partnered with supporting management offices and CXO functions such as the CFO, CHCO, CAO, and CIO to effectively perform their roles and responsibilities. Agency heads should also ensure that the PMIO has program management expertise. Agencies may either establish the PMIO as a separate position, or assign the responsibilities to a senior official already

performing related functions (e.g., the PIO, CAO, etc.), where the agency has determined the designation to be effective in carrying out PMIO responsibilities. The Act gives specific direction to the designation of the PMIO at DOD. More detailed roles and functions of the PMIO are provided in [Appendix 2](#) to this guidance.

C. **Program Management Policy Council:**

Establishment: The PMIAA established the PMPC to serve as the principal interagency forum for improving agency practices related to P/PM across the Federal Government.

Council Composition: OMB's Deputy Director for Management, or his or her designee, will hold the title of Chairperson and will chair the Council. The Chairperson is responsible for presiding at meetings, determining the agenda of the Council, and directing its work to enhance program management within the Federal Government.

Council members include:

- OMB's Administrator of the Office of E-Government and Information Technology;
- OMB's Administrator of Federal Procurement Policy;
- OMB's Controller of the Office of Federal Financial Management;
- OMB's Associate Director of the Office of Performance and Personnel Management;
- Rotating Program Associate Director from an OMB Resource Management Office;
- PMIOs from the 24 CFO-Act agencies; and
- Chair of the Federal Program and Project Management Community of Practice.²

Purpose, Functions, and Meeting Frequency: The Council will oversee implementation of the Act and adoption of P/PM practices among agencies to drive improvements in program performance and efficiency. The Council will at a minimum convene at least twice annually and focus on sharing best practices and lessons learned across the Federal Government. Additionally, joint meetings may also be held with other interagency groups that share a similar focus on driving shared solutions to Government-wide management improvement initiatives (e.g., the President's Management Council, the Chief Acquisition Officers Council, etc.), and where policy areas overlap. The Council will also engage the Federal Program and Project Management Community of Practice, in addition to other stakeholder groups as appropriate, to work collaboratively and leverage their ability to connect Federal employees to a wide array of resources and networking opportunities. More detailed roles and functions of the PMPC are provided in [Appendix 3](#) to this guidance.

D. **Government-wide Standards and Principles for Managing Programs.** The PMIAA requires the establishment of Government-wide P/PM standards, policies, and guidelines for P/PM for agencies. Identified below are a set of principle-based Government-wide program management standards that agencies can leverage to ensure they produce their

² The Federal Program and Project Management Community of Practice (FedPM CoP) seeks to improve project execution on a Government-wide scale by connecting employees and serving as a source of information and best practices for program and project managers. The FedPM CoP facilitates collaboration and discussion across Government, as well as develops and recognizes excellence in the profession of P/PM. To learn more about the FedPM CoP, visit its [MAX Community page](#).

desired outcomes and effectively contribute towards the achievement of agency mission and strategic goals and objectives. These principle-based standards have been developed with consideration given to the variation among programs implemented by agencies. Published on a provisional basis, they will continue to be developed and refined over time by the PMPC in collaboration with private industry and stakeholders with expertise in P/PM.

Agency managers should apply these standards to internal management processes for planning, implementing, and reviewing the performance of programs and activities. Adoption and application of these principles should be incorporated or aligned with existing agency-specific program management policies and practices. They also should be tailored to reflect the size, scope, structure, organizational placement, and characteristics that affect delivery of the program. Standards and descriptions of each Area identified in Table 1 are available in the Appendices to this guidance.

Table 1. Areas for Program Management Standards and Principles³

Area	
Change Management	Performance Management
Communications Planning, Stakeholder Engagement, and Coalition Building	Portfolio Management
Contracting and Acquisition Management	Process Improvement
Customer Service	Project Management
Evaluation	Requirements Development and Management
Financial Management	Risk Management
Human Capital Management	Strategic Planning
Information Management	

- 1. Use of Standards Developed by External Consensus Standards Bodies or Internally Developed Agency-Specific Policies, Procedures, and Standards for Program Management:** Many Federal agencies have established policies, procedures, and standards for managing programs currently in place, which reflect the specific organizational and programmatic characteristics of the agency. Agencies may continue to utilize existing standards developed internally by the agency for managing agency programs, but they must generally align and be equivalent to or encompassed by the management practices and principles outlined in Table 1 above.

Agencies may also use program management standards that have been developed and endorsed by external voluntary consensus standards bodies. Agency PMIOs will determine whether adopting the program management standards of external voluntary consensus standards bodies are most effective for managing agency specific programs and activities.

³ Standards for each area are detailed in [Appendix 4](#) to this guidance and available on the MAX Community page.

As part of the agency's PMIAA implementation plan, agency PMIOs will identify instances in which agency-specific program management policies do not align to the management standard listed in Table 1, or where they are using an external consensus standards body's framework. These discussions will help inform ongoing work by the PMPC to refine the Government-wide P/PM standards as needed.

- 2. Additional Resources and Performance Aids:** Agencies, GAO, and other organizations have published several program-specific assessment guides for implementing and managing programs. The PMPC will leverage such efforts, and will establish a centralized location to make these additional resources available for agencies to use in developing agency-specific program management policies.

Implementing Strategy 2, Regular OMB/Agency Engagement and Reviews. The PMIAA requires that two types of program reviews be conducted to assess the effectiveness of an agency program's management and performance. Guidance is provided below for implementing annual agency portfolio reviews of programs in coordination with the annual Strategic Reviews established by the GPRAMA, and reviews of items identified by GAO on its "High Risk List."

- A. Program Portfolio Reviews⁴:** Required by the PMIAA, agencies and OMB will regularly review portfolios of programs to identify opportunities for improvement. These reviews will be conducted in coordination with the agency's strategic review – an agency's management process or set of processes that synthesizes available performance information and other evidence, including evaluations, to assess progress on the agency's strategic objectives. Findings and analyses from the agency's strategic review will be shared with OMB during Strategic Review meetings each spring. Agencies will integrate to the extent practical program portfolio reviews required by the Act as part of their internal strategic review processes for discussion with OMB during the spring meeting.

Most Federal agencies will require multiple years to fully implement the program portfolio reviews requirements of the PMIAA. OMB will initially focus on implementation of program portfolio reviews in the area of non-IT major acquisition programs, and conduct a pilot with select agencies beginning with the 2018 Strategic Review engagements. The purpose of the pilot is to determine how well agency program portfolios of non-IT major acquisition programs are performing throughout the lifecycle of the investment using a set of standards and practices, and refine the process for coordinating program portfolio reviews as a component of the OMB/agency Strategic Reviews required by the GPRAMA. Detailed information for conducting these reviews including program management standards and policies specific to non-IT major acquisitions programs is outlined in [Appendix 5](#) accompanying this guidance.

⁴ Relationship of FITARA to the PMIAA: Pursuant to 40 U.S.C. § 11319, agency CIOs, in conjunction with COOs and Deputy Secretaries, are required to conduct an annual review of the IT portfolio of the covered agency with OMB. To the extent practical, the annual IT portfolio reviews required by FITARA will be coordinated with the portfolio review requirements of the PMIAA and integrated into the agency's internal review processes in preparing materials for the annual Strategic Review meeting with OMB each spring.

B. GAO High Risk Areas: Since 1990, GAO has released a biennial report (in alignment with the start of each Congress) on Federal programs and operations deemed “high risk” due to their vulnerabilities to waste, fraud, abuse, and mismanagement, or those most in need of transformative change to address economic, efficiency, or effectiveness challenges. OMB will conduct portfolio reviews of the most at-risk agency programs designated as high risk by GAO in its February 2017 report (see [GAO-17-317](#)) and will follow an annual cadence for conducting future portfolio reviews. As revised “high risk list” reports are published by GAO, new areas may be added to the annual review process for engagement with OMB. Since the first GAO high risk report, more than one-third of the areas designated as high risk have successfully resolved concerns and have been subsequently removed from the list. However, many issues are longstanding; six of the areas identified in the original 1990 report remain on the high-risk list today. This and other factors will be taken into consideration as OMB reviews the high-risk list and prioritizes areas for initial implementation.

- 1. High Risk Criteria:** Portfolio reviews of GAO high-risk programs will focus on reducing each portfolio’s vulnerability to waste, fraud, abuse, and mismanagement. The focus of high-risk program portfolio reviews by OMB and agencies will be aligned with the criteria used by GAO in evaluating each high-risk issue, examining progress, and proposing improvements in the following areas.
 - **Leadership Commitment** – Demonstrated strong commitment and top leadership support.
 - **Capacity** – Agency has the capacity (i.e., people and resources) to resolve the risk(s).
 - **Action Plan** – A corrective action plan exists that defines the root cause, recommends solutions, and provides for substantially completing corrective measures, including steps necessary to implement recommended solutions.
 - **Monitoring** – A program has been instituted to monitor and independently validate the effectiveness and sustainability of corrective measures.
 - **Demonstrated Progress** – Ability to demonstrate progress in implementing corrective measures and resolving the high-risk area.
- 2. Update to OMB:** As part of the 2018 Strategic Review, each agency with an action identified on GAO’s High Risk list shall provide OMB with an update that addresses specific items related to the “high risk” area or segment of areas. See OMB Memorandum [M-18-15](#) for additional information.
- 3. Follow-up Meetings on Priority High Risk Areas:** After reviewing agencies’ May 2018 submissions, OMB will arrange meetings focused on areas where additional management attention could be beneficial. These reviews will be cross-cutting in nature and will generally occur as tri-lateral engagements among senior management officials within OMB, applicable agencies, and GAO. OMB’s Deputy Director for Management will coordinate and lead engagements during the review process and will convene GAO high risk meetings to review status updates and provide direction to address identified risks and challenges.

4. **Application to IT Programs:** Agencies will conduct TechStats as outlined by FITARA implementation guidance for IT programs that are listed on the GAO High Risk list.

Implementing Strategy 3, Talent Management and Training. Effective program management requires a trained and competent workforce equipped with program management experience, knowledge, and expertise, including the use of critical thinking that supports decision-making to solve program management challenges. This section provides guidance to agencies for developing strategies to improve the competencies of their P/PM workforce across all areas and identifying and tracking program managers throughout the agency to match their skillsets to better meet agency program management requirements. It also provides additional guidance targeted to acquisition-specific program and project managers.

- A. **Program Management Job Series / Identifier:** OPM, working in consultation with OMB and the PMPC, will identify the key skills and competencies needed for agency P/PM work and establish a new series or update and improve an existing occupational series for program and project management. As part of this work, OPM will review its current policy guidance on program and project management work performed across established occupational series, to include a review of 0340, the existing Program Management Series. Additionally, following the completion of their review of the existing Program Management job series, OPM will also review the appropriateness of a program management job identifier which, when combined with an existing occupational series, will identify and code Federal positions with program management functions. Utilization of the job identifier would allow the Federal Government to pinpoint these critical positions throughout the agency workforce.
- B. **Training and Development:** OPM will conduct a competency assessment of program and project managers throughout the Government to identify competency gaps. Working in consultation with OMB, CHCOs, CLOs, and the PMPC, OPM will leverage these communities as well as the expertise of applicable Government-wide Councils (e.g., CHCO Council, CAO Council, PIC, etc.) to lead a review of existing Government-wide training and recommend training and development options to the PMIOs. PMIOs will review OPM recommendations and existing agency-specific training to determine gaps in the training and development of program and project managers. In collaboration with agency CHCOs and CLOs, PMIOs will identify strategies to close competency gaps, develop program managers to their fullest potential, and ensure agencies have personnel who can readily assume senior program management positions.
- C. **Career Paths:** Career paths are a critical success factor for establishing an effective job progression process, enabling capable and competent program managers to successfully manage Federal programs of all sizes and levels of complexity. In addition to improving performance, established career paths also facilitate program manager recruitment and retention. OPM will build upon the model used during previous work with IT program managers to:
 - Identify key skills and competencies.
 - Establish a career path to develop capable and competent program managers.

D. Mentoring Programs: PMIOs will work with agency CHCOs to develop and implement a mentoring strategy for agency program and project managers, leveraging existing programs within the agency where applicable. Mentoring programs will pair program and project managers at various levels of experience to share institutional knowledge and allow senior leaders to offer junior and mid-level colleagues their insights and guidance. Agency mentoring strategies should be included as a component of the PMIAA implementation plan detailed above.

E. Policies Specific to Acquisition Project and Program Managers:⁵

- 1. Identification of Project and Program Managers:** OPM is required to identify Federal program managers by establishing a new job series or updating and improving an existing job series. Additionally, OPM's creation of a job identifier would provide another means of identifying program managers in the Federal Government. Agency HR systems, OPM's Enterprise Human Resources Integration (EHRI) system and the Federal Acquisition Institute's Federal Acquisition Institute Training Application System (FAITAS) shall be updated to reflect the job series and/or identifier, once established, allowing agencies and OMB to track acquisition project and program managers. Agencies will verify the information in the FAITAS annually and certify that they have completed the review in the agency's Acquisition Human Capital Plan.
- 2. Competency Review:** Competencies are the foundation of training and developing project and program managers. Regularly reviewing and assessing competencies will help determine where gaps exist and need to be addressed. While both DOD and the Office of Federal Procurement Policy (OFPP) have independently developed acquisition project and program manager competencies, civilian agencies may benefit by more closely aligning to DOD's model and leveraging their work in this management area. To advance this effort, the FAI and the PM Functional Advisory Board (FAB), will conduct a study comparing civilian agency PM competencies and training against the DOD PM competencies. This study, to be completed by fall of 2019, will include a recommendation to OFPP whether civilian agency competencies and training should align more closely to the DOD PM competencies. Moving forward, the PM FAB will review competencies every two years and recommend changes to OFPP as necessary.
- 3. Cross-Functional Training:** Collaboration between contracting officers, contracting officer's representatives (CORs) and acquisition project and program managers, is key to developing requirements, obtaining the best solutions through contracts, and achieving program goals. By December 2018, FAI will pilot a cross-functional class based on input from the contracting officer, contracting officer's representative and PM Functional Advisory Boards (FABs).

⁵ These policies and efforts will be aligned to accommodate, where applicable, agency-specific requirements related to P/PM enacted in other legislation (e.g., the annual National Defense Authorization Act).

- 4. Acquisition Human Capital Plan:** OFPP will track certification rates of acquisition project and program managers through the FAITAS and the Acquisition Human Capital Plans. OFPP will add a section to the annual Acquisition Human Capital Plans to ascertain how agencies are strengthening their acquisition project and program managers.
- 5. Federal Employee Viewpoint Survey (FEVS):** After acquisition program managers have been identified, OFPP will obtain the results of the FEVS for project and program managers and will share the results with agency PMIOs. Agency PMIOs should use this information and analysis to update any strategies that will improve and enhance acquisition project and program management within their agencies.
- 6. Toolkit:** FAI, in conjunction with the Federal Program and Project Management Community of Practice and PM Functional Advisory Board, will scan the Federal landscape for P/M tools, and develop a one-stop toolkit with leading program management resources and practices for civilian agency project and program managers on its website. The toolkit will be a centralized knowledge sharing asset with embedded performance support to help agencies improve program outcomes.
- 7. Centralized Agency Repository and Communication Portal:** Acquisition project and program managers should have the ability to leverage existing tools and resources that other agency project and program managers have found effective. Agency PMIOs will establish centralized repository and communication portals to facilitate access to agency-specific tools and resources that will aid program and project managers in accomplishing their duties.
- 8. Recognition of Performance:** The recognition of superior performance is an important factor in improving the professionalism of acquisition program managers and sharing case studies and best practices. Beginning in 2018, the Chief Acquisition Officers Council will establish an annual award to recognize award-worthy efforts of excellence in program management as part of its Acquisition Excellence Awards Program.

APPENDIX 1: PHASED APPROACH FOR PMIAA IMPLEMENTATION AND TIMELINE

The complexity and diversity of Federal programs will require sustained focus over the course of many years to improve program and project management (P/PM). As such, implementation across the three strategies outlined in this memorandum will proceed in a phased approach, with learning from the initial years of implementation informing future phases. Initial focus will be placed on non-IT major acquisition programs, with additional program areas being added in future phases. Agencies will immediately begin implementing the governance and talent management initiatives, with key milestones summarized below.

Phase I: Coordinated Governance, Talent Management, and Pilot of Non-IT Major Acquisitions

Phase I will focus on:

- Establishing the PMIOs and PMPC.
- Outlining high-level program management standards applicable to all program types.
- Establishing portfolio reviews for major acquisition programs that are integrated with program reviews throughout the entire lifecycle of the program and that, for major IT acquisitions, build on the IT acquisition portfolio reviews conducted pursuant to the Federal Information Technology Acquisition Reform Act (FITARA).
- Assessing the program management capabilities at the COO level, as part of a broader review of agency enterprise organizational management capabilities.
- Establishing a job series and/or job identifier.

During this initial phase:

- All CFO Act agencies will appoint a senior executive to serve as the agency’s PMIO and develop a 5-year implementation plan.
- OMB will begin convening the PMPC on a semi-annual basis (starting in the 3rd quarter of 2018), conduct annual Strategic Review meetings with agencies (in Summer 2018), and update talent management guidance.
- OMB’s Office of Federal Procurement Policy (OFPP) will initiate with agencies acquisition portfolio reviews (beginning in Winter 2019), after conducting a pilot in which select agencies meet with OFPP to share cost and schedule data for identified programs of non-IT major acquisitions. A focus of these meetings will be to understand how agencies are using cost and schedule data to inform decision-making.

Date	Action
FY 2018 Q3	<ul style="list-style-type: none"> • Outline of PMIAA Implementation Plan: In coordination with agency materials submitted for the 2018 Strategic Review, agencies submit preliminary outline of PMIAA implementation plan to OMB. Implementation Plan outlines will include:

	<ol style="list-style-type: none"> 1) PMIO designation 2) A preliminary organizational governance chart showing the relationship of the agency’s PMIO, Acquisition Program Management function, IRB, agency CXOs, portfolio managers, and program managers. 3) Identification of portfolios, and a short description of how they tie to agency strategic objectives. 4) A discussion of the agency’s proposed methodology for determining non-IT major acquisition programs to be reviewed as part of the PMIAA’s Portfolio Reviews beginning with the 2019 Strategic Review meetings with OMB. <ul style="list-style-type: none"> ● Acquisition Portfolio Review Pilot for Non-IT Major Acquisitions: Select pilot agencies meet with OFPP to share and discuss cost, schedule and performance data for identified programs of non-IT major acquisitions. A focus of these meetings will be to understand how agencies are using cost and schedule data to inform decision-making. For non-IT programs that have an IT component, program managers shall be expected to collaborate with the CIO for implementation of systems. The portfolio review pilot continues through FY 2019, Q2. ● 2018 Strategic Review: OMB conducts Strategic Review meetings with CFO Act agencies (see OMB Memorandum M-18-15).
<p>FY 2018 Q4</p>	<ul style="list-style-type: none"> ● PMIO Appointment: The head of each CFO Act agency designates a senior executive to serve as the agency’s PMIO (July 27, 2018). ● PMPC Meeting: OMB convenes the Council. ● Talent Management: <ol style="list-style-type: none"> 1) OPM issues regulations and guidance on PM job series. 2) OPM issues regulations, guidance, and policy on Program Manager career path. ● Acquisition Portfolio Review Pilot: Pilot agencies continue working with OFPP to share and discuss their use of cost, schedule and performance data to inform decision-making.
<p>FY 2019 Q1</p>	<ul style="list-style-type: none"> ● Agency PMIAA Implementation Plan: Agencies submit 5-year PMIAA implementation plans. ● OMB Report: OMB releases report on agency strategies for implementing PMIAA and enhancing the role of PMs.

	<ul style="list-style-type: none"> • OMB Guidance for 2019 Strategic Review: OMB issues guidance for 2019 Strategic Review meetings. • Talent Management: OMB reviews and updates, where appropriate, PM talent management policy and guidance. Federal Acquisition Institute (FAI) and PM Functional Advisory Board reviews acquisition program manager competencies (including IT) and their alignment to Department of Defense (DOD) PM competencies • Acquisition Portfolio Review Pilot: Pilot agencies continue working with OFPP to share and discuss their use of cost, schedule and performance data to inform decision making.
FY 2019 Q2	<ul style="list-style-type: none"> • PMPC Meeting: OMB convenes the Council in advance of upcoming OMB/agency Strategic Review meetings. • Tracking of Non-IT Major Acquisitions: All CFO Act agencies begin working with OFPP to share and discuss their use of cost, schedule and performance data to inform decision-making on non-IT major acquisitions identified in their implementation plans. • 2019 Acquisition Portfolio Review: OFPP conducts acquisition portfolio reviews with CFO Act agencies, with focus on: <ol style="list-style-type: none"> 1) Governance and talent management activities. 2) Use of cost and schedule data to support decision making. 3) Identification of acquisition issues, if any, for discussion as part of OMB Strategic Review meetings.
FY 2019 Q3	<ul style="list-style-type: none"> • 2019 Strategic Review: OMB conducts 2019 Strategic Review meetings with CFO Act agencies.
FY 2019 Q4	<ul style="list-style-type: none"> • PMPC Meeting: OMB convenes the Council to review findings and outcomes from 2019 Strategic Review meetings; develops standards for conducting portfolio reviews of grants.

Phase II: Expanding Portfolio Reviews of Programs to Include Grants

Date	Action
FY 2020 Q1	<ul style="list-style-type: none"> ● OMB Guidance for 2020 Strategic Review: OMB issues guidance for 2020 Strategic Review that expands portfolio reviews to include grants.
FY 2020 Q2	<ul style="list-style-type: none"> ● PMPC Meeting: OMB convenes the Council in advance of upcoming OMB/agency Strategic Review meetings. ● Talent Management: FAI pilots a cross-functional training class. ● Acquisition Portfolio Reviews (Ongoing): OFPP conducts acquisition portfolio review with CFO Act agencies, with focus on: <ol style="list-style-type: none"> 1) Governance and talent management activities. 2) Use of cost and schedule data to support decision-making. 3) Identification of acquisition issues, if any, for discussion as part of OMB Strategic Review meetings.
FY 2020 Q3	<ul style="list-style-type: none"> ● 2020 Strategic Review: OMB conducts 2020 Strategic Review meetings with CFO Act agencies, by which agencies will develop a methodology and criteria for conducting portfolio reviews of grants while continuing acquisition portfolio reviews with OFPP as part of the agency's routine management processes.
FY 2020 Q4	<ul style="list-style-type: none"> ● PMPC Meeting: OMB convenes the Council to review findings and outcomes from 2020 Strategic Review meetings; updates P/PM standards based on findings and feedback from the Council.
FY 2021 Q1	<ul style="list-style-type: none"> ● OMB Guidance for 2021 Strategic Review: OMB issues guidance for 2021 Strategic Review meetings.
FY 2021 Q2	<ul style="list-style-type: none"> ● PMPC Meeting: OMB convenes the Council in advance of upcoming OMB/agency Strategic Review meetings. ● Acquisition Portfolio Reviews (ongoing): OFPP conducts acquisition portfolio reviews with CFO Act agencies, with focus on: <ol style="list-style-type: none"> 1) Governance and talent management activities. 2) Use of cost and schedule data to support decision-making. 3) Identification of acquisition issues, if any, for discussion as part of OMB Strategic Review meetings.
FY 2021 Q3	<ul style="list-style-type: none"> ● 2021 Strategic Review: OMB conducts 2021 Strategic Review meetings with CFO Act agencies, discussing findings as appropriate from agency portfolio reviews of non-IT major acquisitions programs and grants.

FY 2021 Q4	<ul style="list-style-type: none"> • PMPC Meeting: OMB convenes the Council to review findings and outcomes from 2021 Strategic Review meetings, and develop revised strategies, initiatives, and priorities to be reflected in an updated 5-year strategic plan for enhancing program management.
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Phase III: Updated 5-year Strategic Plan, Expanding Portfolio Reviews

Date	Action
FY 2022	<ul style="list-style-type: none"> • OMB Guidance: OMB, in collaboration with the PMPC, will issue a revised 5-year strategic plan with updated strategies and path for prioritizing development of P/PM standards for additional program types. • PMPC Meeting: The Council will continue to meet bi-annually. • Strategic Review: Portfolio Reviews integrated with and inform Agency/OMB Strategic Review meetings.

APPENDIX 2: ROLES AND FUNCTIONS OF THE PROGRAM MANAGEMENT IMPROVEMENT OFFICER (PMIO)

Improvements in program management should lead to improved program performance and effectiveness that advance progress towards the achievement of agency strategic goals and objectives. In order to enhance and coordinate the practice and application of program management at agencies, PMIOs will:

- **Coordinate development** of agency-specific program management policies and processes (which are aligned to the Government-wide standards and principles for managing programs provided in Appendix 4), and refine to reflect best practices as needed over time.
- **Oversee and ensure implementation** of program management policies established by the agency.
- **Coordinate reviews of agency programs and portfolios** with agency PIOs as an activity that is integrated into the agency's annual Strategic Review process.
- **Collaborate and partner with other management functions, bureaus, component program offices, and goal leaders** to oversee and improve the execution of program management policies and processes that improve the effectiveness and efficiency of programs where needed.
- **Collaborate with and support CIOs** to ensure IT programs and projects have trained and qualified program and project managers with the appropriate qualifications per the approved Federal IT PM Guidance Matrix and to enforce FITARA, OMB Memorandum [M-04-19](#), and OMB Memorandum [M-10-27](#) policy for IT programs.
- **Collaborate and partner with OPM, CHCOs, and Chief Learning Officers** to:
 - Develop, refine, or tailor training programs that enhance the practice of program management within the agency.
 - Develop a talent management plan that is appropriately integrated into agency strategic, performance, and human capital and acquisition human capital plans to ensure the agency has an effectively trained and equipped program management workforce.
- **Serve on the PMPC** and share agency best practices and lessons learned for the benefit of broader community of Federal program and project managers and staff.
- **Instill and reinforce a culture of professionalism and excellence within agencies for performance and program management** to:
 - Empower program and project managers to develop strategies to successfully manage their projects and programs.
 - Hold program and project managers accountable for achieving results, such as action plans, to improve program effectiveness to overcome barriers to program performance.
- **Encourage program and project managers to apply** their education, training and experience through critical thinking and expert analysis that supports decision-making to solve problems and challenges in implementing and executing programs.

APPENDIX 3: ROLES AND FUNCTIONS OF THE PROGRAM MANAGEMENT POLICY COUNCIL (PMPC)

As the primary interagency forum for improving agency practices related to P/PM, the Council will:

- **Oversee agency adoption** and provide a central, coordinating body for implementation of the Act’s major provisions.
- **Share program management best practices and lessons learned** (case studies, templates, agency-specific guidelines, technology resources, etc.) for the benefit of Council members, and encourage their adoption where applicable within agencies.
- **Discuss areas of focus** and emphasis related to the training and competency of program and project managers.
- **Identify barriers and challenges** to P/PM within agencies to foster cross-agency dialogue and shared solutions to common problems.
- **Identify, develop, and refine core P/PM** capabilities and expertise associated with successful program outcomes, as needed.
- **Develop tips, tools, training, and other capacity-building** mechanisms to strengthen agency P/PM.
- **Facilitate cross-agency learning and cooperation** by considering the program management experiences of entities both within and outside the Federal Government.
- **Review and advise** on the results of program reviews conducted by OMB, agencies, and GAO on programs identified by GAO as “high risk.”
- **Advise on the development and continued refinement** of general and program-specific government-wide standards, policies, guidelines, and principles for P/PM for executive agencies.

APPENDIX 4: INITIAL PROGRAM MANAGEMENT STANDARDS AND PRINCIPLES

Program Management Standards and Principles: The standards and principles depicted in **Table 1** (below) represent an initial listing of general management areas Federal P/PM managers should consider when developing program implementation plans. Agency managers should apply these standards to internal management processes for planning, implementing, and reviewing the performance of programs and activities. Adoption of these principles and application of their practice should be incorporated or aligned with existing agency-specific program management policies and practices, and tailored to reflect the size, scope, structure, organizational placement, and characteristics that effect delivery of the program.

Table 1. Initial Program Management Standards and Principles

Areas	Standard / Principle
Change Management	Development of methods for recording changes to established baselines and requirements within a program lifecycle on a procedural, operational or organizational level.
Communications Planning, Stakeholder Engagement, and Coalition Building	Building coalitions internally and with other Federal agencies, State and local governments, or nonprofit and private sector organizations to achieve program goals. Includes aspects of: <ul style="list-style-type: none"> • Partnering and Team Building – developing networks, building teams and alliances, and collaborating across boundaries to build strategic relationships to achieve program goals. • Understanding Human Factor – Identifying internal and external relationships that may impact the program. • Influencing / Negotiating – Persuading others, building consensus, and gaining cooperation to achieve program goals.
Contracting and Acquisition Management	Development of statements of objectives, statements of work, concept of operations, cost, schedule, scope, earned value management, and supporting documents to best plan and track the procurement of program requirements and projects.
Customer Service	Delivering customer satisfaction by employing effective time management skills, clear communication, product/service knowledge and goal-oriented focus in program implementation.
Evaluation	Systematically assessing how well an entire program, or a specific strategy or an aspect of a program, is working to achieve intended result or outcomes.
Financial Management	Applying budget, accounting, financial controls and audit principles to ensure the stewardship of taxpayer resources throughout program execution.
Human Capital Management	Building and managing the program’s workforce requirements based on organizational and program goals, budget considerations, and staffing needs. Includes strategies and actions for ensuring employees are

Areas	Standard / Principle
	appropriately recruited, selected, appraised, and rewarded, and action taken to address performance problems.
Information Management	Activities related to the planning, budgeting, manipulating, and controlling of information throughout the program's life cycle, encompassing both information itself and the related resources, such as personnel, equipment, funds, and information technology that support the program.
Performance Management	Use of goals, measurement, evaluation, analysis, and data-driven reviews to improve program results.
Portfolio Management	Defining a set of programs, projects, contracts and other work that support strategic goals.
Process Improvement	Employing a systematic application of disciplined problem solving techniques to impact the operations of systems or programs. Uses Continuous Process Improvement (CPI) models to leverage strategy and performance management data to identify and eliminate waste, reduce variation, and satisfy the needs of customers.
Project Management	Applying general and specialized knowledge, skills, expertise, and practices to a temporary endeavor with a defined scope, cost and completion date. A project may be part of a larger program or portfolio.
Requirements Development and Management	Identifying program needs and matching identified needs to the organization's mission and goals. Developing preliminary and subsequent capital planning, budget formulation, cost/ benefit analysis, and investment decision document for evaluation and justification of program costs.
Risk Management	Coordinated activities to direct and control challenges or threats to achieving a program's goals and objectives, and includes developing risk mitigation plans to overcome potential barriers to program performance.
Strategic Planning	Planning activity to present the long-term objectives the program hopes to accomplish, what actions the agency will take to realize those goals, and how the agency will deal with the challenges likely to arise as barriers to achieving the desired outcomes.

APPENDIX 5: IMPLEMENTING ACQUISITION PORTFOLIO REVIEWS

Acquisition Program Management. Several laws, regulations, and policies have provided direction for acquisition program management, including provisions in the Federal Acquisition Streamlining Act (FASA), the Clinger-Cohen Act, OMB's Capital Programming Guide, and Part 34 of the Federal Acquisition Regulation (FAR). Agencies have developed detailed policies and procedures to implement these requirements, but too often, this guidance has not been reflected adequately in agency governance structures and protocols. In addition, insufficient attention has been given to these capabilities during human capital planning for the acquisition workforce. This general lack of emphasis has limited agencies' ability to identify and address problems early in the lifecycle. When efforts have been made to address acquisition program management, the focus frequently has been on compliance activities and documentation, rather than effective risk management. Implementation of the PMIAA for major acquisition programs will shift the focus to execution and outcomes. The objective is to strengthen program management by promoting a culture that emphasizes critical thinking.

1. Organizational Structure and Governance:

- a. **Acquisition Program Management Office:** An agency's organizational structure must support its mission, which requires effective management of major investments. Therefore, agencies covered by the CFO Act must have an acquisition program management office or equivalent to provide support and guidance, and to ensure agency policies are implemented. Though the authority and responsibilities of this function may vary between agencies, it should be involved in all phases of a program lifecycle. One of the primary duties of the acquisition program management office (or its equivalent office) shall be to ensure major acquisitions are well planned before financial commitments are made and throughout the investment's lifecycle.
- b. **Roles and Responsibilities:** Most agencies have an established IRB. The roles and responsibilities of the IRB, in conjunction with those of the PMIO, shall be reviewed to prevent duplication while also ensuring the appropriate individuals control the allocation of resources and have the authority to continue or terminate projects and programs. As part of the PMIAA implementation plan and the annual acquisition portfolio review, agencies will submit an organizational governance chart to OMB showing the relationship between the PMIO, the acquisition program management function, IRB, agency CXOs, portfolio managers, and program managers. The chart should summarize roles and responsibilities as well as identify the individuals who control the allocation of resources and who have the authority to continue or terminate programs and projects.

2. Project / Program Management Policy:

- a. **Agency P/PM Policies:** Agencies covered by the CFO Act must have comprehensive policies and procedures for P/PM. At a minimum, the policies and procedures must address:
 - Programs/projects covered.

- Investment decision process including the phases, decision points, and decision authorities.
- Reporting and review requirements.
- Cost, schedule and performance.
- Roles and responsibilities.

Most agencies already have detailed documentation to guide their investment decisions. As such, OMB anticipates only minor adjustments will be needed, and will work with agencies directly in instances where significant burden is anticipated by the agency's PMIO or Chief Acquisition Officer.

- b. Alignment with Government-wide Standards and the FAR:** Agencies have considerable latitude to develop P/PM policies and procedures that meet their unique needs. However, the policies and procedures must be consistent with Federal regulations and guidance. Specifically, agencies must ensure their program/project management policy is consistent with:
- [OMB's Capital Programming Guide](#), which establishes fundamental P/PM principles.
 - [OMB Circular A-130](#), Managing Information as a Strategic Resource, which provides standards for information technology management and security.
 - FAR Part 34 (Major System Acquisition) which addresses acquisition strategy, full and open competition, and Earned Value Management.
 - FAR Part 39 (Acquisition of Information Technology) which addresses risk management and modular contracting for information technology.
- c. Mapping Terminology:** Federal agencies routinely acquire a wide range of capital assets. Depending on the agency, different terminology may be utilized to express similar concepts. While agencies may continue to use their own terminology internally, agencies will map their terminology to equivalent terms in the Capital Programming Guide and use the Capital Programming Guide terminology for Federal level reporting with respect to major acquisition programs. A common set of terms will allow aggregation and comparison of the data, similar to the way the Federal financial community uses standard accounting terminology in financial reports.
- d. Cost, Schedule and Performance:** During the planning phase of the lifecycle, agencies must establish, approve and document the cost estimate, completion date, and outcomes. The process should include:
- Coordination with all stakeholders, both in headquarters and components, so there is a common understanding of the goals and expectations.
 - The program manager will regularly review data for cost growth, schedule delays, and performance shortfalls.
 - The portfolio manager and other appropriate officials will receive status reports at least monthly.
 - The data and reports will be used to support critical thinking, evidence-based decisions and risk management as opposed to driving rigid decision-making or risk avoidance. For example, a number of modern and innovative acquisition

strategies anticipate and embrace rework and adjustments, especially during development work with the contractor. The effects of such strategies should be taken into appropriate consideration when data are being analyzed.

In addition, high-level policies and procedures typically apply to a wide range of situations. Some requirements may not be relevant for all programs. The program manager should identify the relevant requirements and tailor the concepts to their unique circumstances.

Implementing Acquisition Portfolio Reviews: OMB will continuously monitor the progress of major acquisitions throughout their lifecycle, working with agencies to identify portfolios and the major acquisitions within those programs to inform this review. Portfolio reviews will be held annually with OFPP, and in advance of the agency's Strategic Review meeting with OMB, the outcome of which may become an input to the agency's Strategic Review meeting with OMB.

The portfolio reviews will take a practical approach, focusing on fundamentals, and evaluating the performance of programs, projects, or individual contracts. Agencies should be prepared to provide planning documents and performance reports ensuring cost, schedule and performance data for each item in a portfolio is readily available as well as any items required by agency policy.

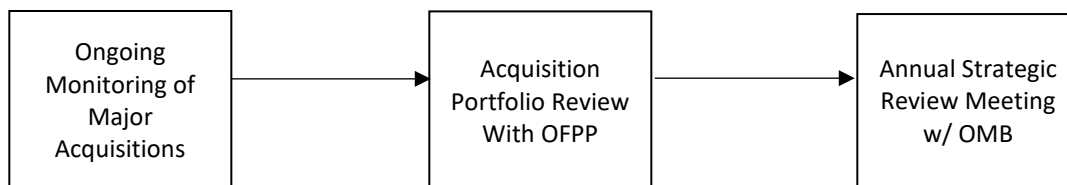


Figure 2. Workflow for the Monitoring and Review of Major Acquisitions

- 1. Phase 1 Requirements and Pilot:** Most Federal agencies will require a number of years to fully implement PMIAA. As a result, select agencies will “Pilot” the portfolio review of non-IT major acquisition programs beginning with the 2018 Strategic Review engagements. The **purpose of the pilot** is to determine how well agency portfolios of major acquisition programs are performing using a set of standards and practices. While only select agencies will be required to conduct the portfolio reviews in coordination with OMB during the “Pilot,” all CFO Act agencies will be required to provide the PMIAA Implementation Plan outline as part of the 2018 Strategic Review submission to OMB (see Appendix 6).
- 2. Identifying Non-IT Major Acquisitions Programs for the Purpose of the Portfolio Reviews:** PMIAA portfolio reviews will focus initially on non-IT major acquisition programs. Agencies, in consultation with their Resource Management Office (RMO), have flexibility in their identification of specific non-IT major acquisition programs to be

reviewed as part of PMIAA portfolio reviews. Agencies shall develop their own methodology for determining non-IT major acquisitions programs to be included in the portfolio reviews and be prepared to discuss their methodology with OMB as part of submitting their materials supporting the 2018 Strategic Review. When developing their methodology, agencies should consider the following factors to use in identifying non-IT major acquisitions programs:

- a. **Program/Project Cost:** agencies may develop and utilize a dollar cost threshold for the purposes of identifying non-IT major acquisitions programs.¹ Note: Given the size, complexity, and differences in scope of agency programs and missions, a minimum amount to be applied Government-wide has not been established.
- b. **Significance of the program's contribution to the agency's mission,** are strategic in nature, and which risk or impact to agency mission in the event of implementation challenges would be high. Agencies may include acquisitions that procure capital assets or services for identifying non-IT major acquisition programs to be covered by the Portfolio Review.
- c. **Length or duration** of program implementation.
- d. **Program is in an area identified by the IG** as susceptible to agency management challenges.

3. **Identifying IT Programs vs. Non-IT Programs:** Reviews of major acquisitions supporting IT programs shall build on portfolio reviews conducted pursuant to FITARA, 44 U.S.C. § 11319. Programs shall be considered IT programs if the investment scope is primarily information technology as defined in FAR Subpart 2.1. Programs with embedded systems or small IT components shall be considered non-IT, but collaboration with CIOs is expected for any significant components of the investment that involve IT.
4. **Portfolio Management Dashboard:** To support implementation of portfolio management, OMB will develop and manage a dashboard that displays agency portfolios and summarizes performance information for each item in a portfolio. The dashboard is not intended to be project management software. Agencies should continue to use their current tools to manage their projects. Periodically, summary information will be requested for the dashboard. Initially, access to the dashboard will be restricted to authorized government employees. As the portfolio management process matures, the dashboard may be available to the public, similar to the IT Dashboard (www.itdashboard.gov).
5. **Incentives to Drive Superior Contract Performance:** Members of the multi-functional team must also collaborate to develop appropriate incentives to drive superior contract performance in major acquisitions and other acquisitions that support high-priority and high-risk programs. These efforts might include public display of ratings measuring the contractor's effectiveness in support of the program, and use of industry specific performance evaluation criteria. These steps and related actions to track contractor performance on program management dashboards should help to ensure the CAO, the CIO, portfolio managers and other agency accountable officials are aware of the

¹ A DOD Major Defense Acquisition Program (MDAP) is equivalent to the term major acquisition as used in the guidance. Reference Paragraph I.2.C on mapping terminology for additional information.

performance successes and challenges of the contractors supporting the agency’s most critical acquisition activities.

- 6. Forward-Looking Requirements Development:** To ensure major investments are supporting mission goals and are effectively integrated with the programs and projects they support, agencies should take full advantage of strategies and methodologies that emphasize cross-functional and user-driven requirements development. Approaches that have been used with increasing success in recent years include, among others, agile and related iterative methodologies and facilitated requirements development workshops. Agile methodologies are designed to produce workable solutions within required timeframes with heavy collaboration between end-users, product owners and program managers. Facilitated requirements development workshops, known as Service Acquisition Workshops (SAWs), apply performance-based techniques to service acquisitions and result in better defined and refined requirements for a more successful outcome.² Some agencies have leveraged joint venture authority by partnering with private sector consultants to help develop problem statements (e.g., business requirements and critical success factors) before tackling functional and technical requirements.³
- 7. Timeline.** Throughout the pilot, OFPP will work with agency PMIOs refine and mature the review process. To maximize the value of portfolio reviews, OFPP will phase-in key milestones detailed below.

Date	Action
FY 2018, Q3	As part of their outline for PMIAA implementation, agencies shall share with OFPP: <ul style="list-style-type: none"> • An organizational chart showing the relationship between the PMIO, acquisition program management office or equivalent, IRB, agency CXOs, portfolio managers, and program managers. • Their portfolios and a description of how they tie to agency strategic objectives. • A list of major acquisition programs (if any) within each portfolio.
FY 2018, Q3 – FY 2019, Q1	Select pilot agencies will meet with OFPP quarterly to share and discuss cost, schedule, and performance data for certain non-IT major acquisitions supporting select programs and its use to support critical thinking.

² DOD has proven that this process improves the requirements documents while reducing costs, increasing effective competition and shortening acquisition lead time. DOD guidance addressing the use of SAWs is available [online](#).

³ These joint venture activities have been conducted through the Department of Commerce’s National Technical Information Service in accordance with 15 U.S.C. 3704(b).

FY 2019, Q2	OFPP will conduct the first full acquisition portfolio reviews with all CFO Act agencies in advance of the agency’s Strategic Review meeting. As part of this portfolio review, agencies shall: <ul style="list-style-type: none">• Provide an update to their organizational chart.• Provide updates to their list of major acquisitions supporting programs and projects.• Share cost, schedule, and performance information for major acquisitions and discuss how it is being used to support critical thinking.
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APPENDIX 6: AGENCY PMIAA IMPLEMENTATION PLAN

PMIAA Implementation Plan Full Draft: NLT November 30, 2018, agency PMIOs will submit to OMB their PMIAA Implementation Plan that addresses how the agency intends to improve its program management capabilities over time. Strategies reflected in agency draft plans will be used to inform the development of the OMB report issued in Winter 2018.

Implementation Plan Elements: Agency PMIAA implementation plans should include elements of the agency's initial PMIAA implementation outline as well as address the following items for institutionalizing P/PM:

- Identification of the agency's PMIO;
- Governance chart and/or description that illustrates how the work of the PMIO will align with the work of other management functions, including an organizational chart showing the relationship between the PMIO, acquisition program management function, Investment Review Board (IRB), agency CXOs, portfolio managers, and program and project managers;
- Identification of the agencies major acquisition portfolios, a short description or depiction of how they tie to agency strategic objectives, and methodology used for determining non-IT major acquisition programs to be reviewed as part of the PMIAA's Portfolio Reviews beginning with the 2019 Strategic Review meetings with OMB;
- Discussion of the agency's approach for integrating agency portfolio reviews as an input to their internal strategic review process(es);
- Strategies and actions for:
 - Enhancing training and educational opportunities for program and project managers.
 - Improving the recruitment and retention of managers with program and project management expertise within the agency.
 - Utilizing career paths to expand opportunities for programs and project managers within the agency and ensure they get the appropriate training and experience to successfully manage increasingly complex programs.
 - Implementing a mentorship program to leverage the experience and expertise of more senior executives and program managers within the agency.
- Process for the collection and dissemination of agency-specific policies, best practices, lessons learned, templates, tools, etc., that enhance program management at agencies and support improved data gathering for analysis;
- Plan for assessing current P/PM staffing, skills, and competencies in order to focus on priority training and development areas.

APPENDIX 7: KEY TERMINOLOGY

This Appendix section outlines common terms related to P/PM. These terms are provided to ensure consistency across agencies in implementing key provisions of the Act, and applicable to PMIAA implementation and guidance only.

- **Investment:** The entire lifecycle of a program/project.
- **Portfolio Manager:** A senior official, typically at the Assistant Secretary or Bureau Administrator level, responsible for defining the vision and roadmap for a logical, coordinated grouping of programs or systems. The Portfolio Manager principally focuses on the high-level, executive aspects of managing programs throughout the portfolio, and addresses such key strategic areas as long-term financial health and resource requirements, policy considerations and direction, risk management, stakeholder management, and the impact of environmental factors on the portfolio's effectiveness to achieve the agency's overall mission and objectives.
- **Program (for PMIAA Implementation):** The exercise of delegated or statutory authority to carry out activities, functions or services constitutes the essential purpose for the establishment and continuing existence of an agency; therefore, a **program** is described as the mission, functions, projects, activities, laws, rules, and regulations which an agency is authorized and funded by statute to administer and enforce. The focus of a program may be on providing products and services to the public, State and local government, private industry, foreign countries, or Federal agencies. Additionally, a program may be professional, scientific, technical, administrative, or fiscal in nature. Typically, programs involve broad objectives, including national defense; law enforcement; public health, safety, and well-being; collection of revenue; regulation of trade; collection and dissemination of information; and the delivery of benefits or services. However, specialized or staff programs may be considerably narrower in scope (e.g., merit systems protection; nuclear safety; and agency-wide personnel or budget programs). Programs are usually of such magnitude that they must be carried out through a combination of mission and mission-support functions. *This description of program is adapted from OPM's definition of program and provided only to inform agency implementation of PMIAA.*
- **Portfolio:** A strategically structured, organized grouping of programs, activities, resources, or other efforts whose coordination and coherence in implementation enables the achievement of agency goals and objectives. Agencies will group programs and associated activities into portfolio in a manner that will best enable effective management and oversight of the portfolio.
- **Program Management:** The coordinated application of general and specialized knowledge, skills, expertise, and practices to a program for effective implementation. Effective program management requires programs be managed by both individuals and organizations as whole that work in concert to achieve benefits and advance outcomes towards the accomplishment of the agency mission, goals, and objectives.

- **Project Management:** The coordinated application of general and specialized knowledge, skills, expertise, and practices to a project to achieve its stated goals and outcomes.
- **Project:** A temporary endeavor to create a unique product or service with a start date, a completion date, and a defined scope. Projects are executed in a manner to improve the efficient and effective implementation of program.