

Purpose:

The purpose of this guidance is to define the process, roles, and responsibilities related to reviewing an agency's request for an investment of a new or modernized technology or services in functional areas that have a pre-designated or formally designated Quality Service Management Office (QSMO) per OMB Memorandum M-19-16, *Centralized Mission Support Capabilities for the Federal Government*.

"Once an agency is pre-designated as a QSMO for a particular set of mission support functions, agencies shall not issue new solicitations for new or modernized technology or services for these functions unless they have developed a business case, approved by the agency's SAPOC, CIO, QSMO and OMB, to demonstrate that a separate procurement for these services results in better value, considering price, timeline and other appropriate factors."

QSMOs are tasked with working with agencies on alternative strategies to help them build a business case if a QSMO marketplace is not operational or the existing marketplace solutions do not meet the agency's needs. This procedure documents how an agency¹ will coordinate with the respective QSMO, the General Services Administration's (GSA) Office of Shared Services and Performance Improvement (OSSPI), the Office of Management and Budget (OMB) and Standards Leads to plan, analyze business needs and leverage the marketplaces for acquiring solutions.

The purpose of this process is to help the government meet key objectives for shared services as defined below:

Standardize processes and data

- Reduce the number of system software instances, duplicative feeder systems (e.g., property, fixed assets) and interfaces to the system
- Leverage and integrate existing enterprise risk management efforts, including strategic planning and internal control processes

Reduce operation and maintenance costs for customer agencies

- Consolidate the number of data centers hosting the system software
- Consolidate business functions within and across agencies

Modernize and automate processes

- Enable delivery of an innovative, flexible, and competitive set of solutions and services
- Transition agencies from outdated and unsupported software
- Adopt new technologies and centralized solutions

Enhance customer satisfaction

- Improve service delivery and performance
- Increase accountability

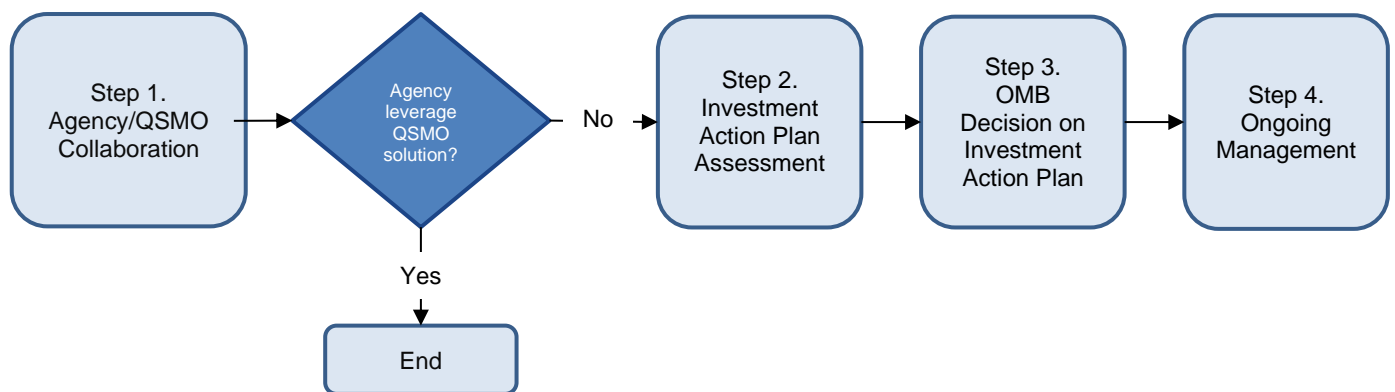
¹ [CFO Act Agencies](#)

Process Overview and Scope:

Per Memo M-19-16, each agency is expected to seek OMB's approval of proposed investments (definition of investments will be determined by the respective QSMO) for technology or services related to functions where a QSMO is designated or pre-designated (see <https://ussm.gsa.gov> for full list). In addition to providing a path for using QSMO solutions, the below process provides a path for agencies to prepare a business case for an exception to the QSMO solution(s) referred to as the Investment Action Plan (IAP).

The guidance includes four key steps: (1) Agency/QSMO Collaboration, (2) IAP Assessment (3) OMB Decision and (4) Ongoing Management. This guidance allows for a streamlined or comprehensive IAP, depending on circumstances.

- In the absence of a marketplace, the streamlined IAP will be the default position unless certain escalation criteria exist that trigger a more comprehensive review. Escalation criteria include:
 - Acquisition of new and/or replacement system
 - The proposed investment crosses multiple QSMOs
 - The facts and circumstances warrant it from the QSMO's perspective
- Once marketplaces are operational, a comprehensive IAP will be the default for services and solutions outside of a QSMO marketplace unless the marketplace does not include offerings designed to address the functional scope being sought by the agency. The IAP development process will give QSMO's an opportunity to identify gaps in their offerings and plan for future updates accordingly
- There is no need to develop an IAP if a customer agency will utilize a solution in the QSMO marketplace



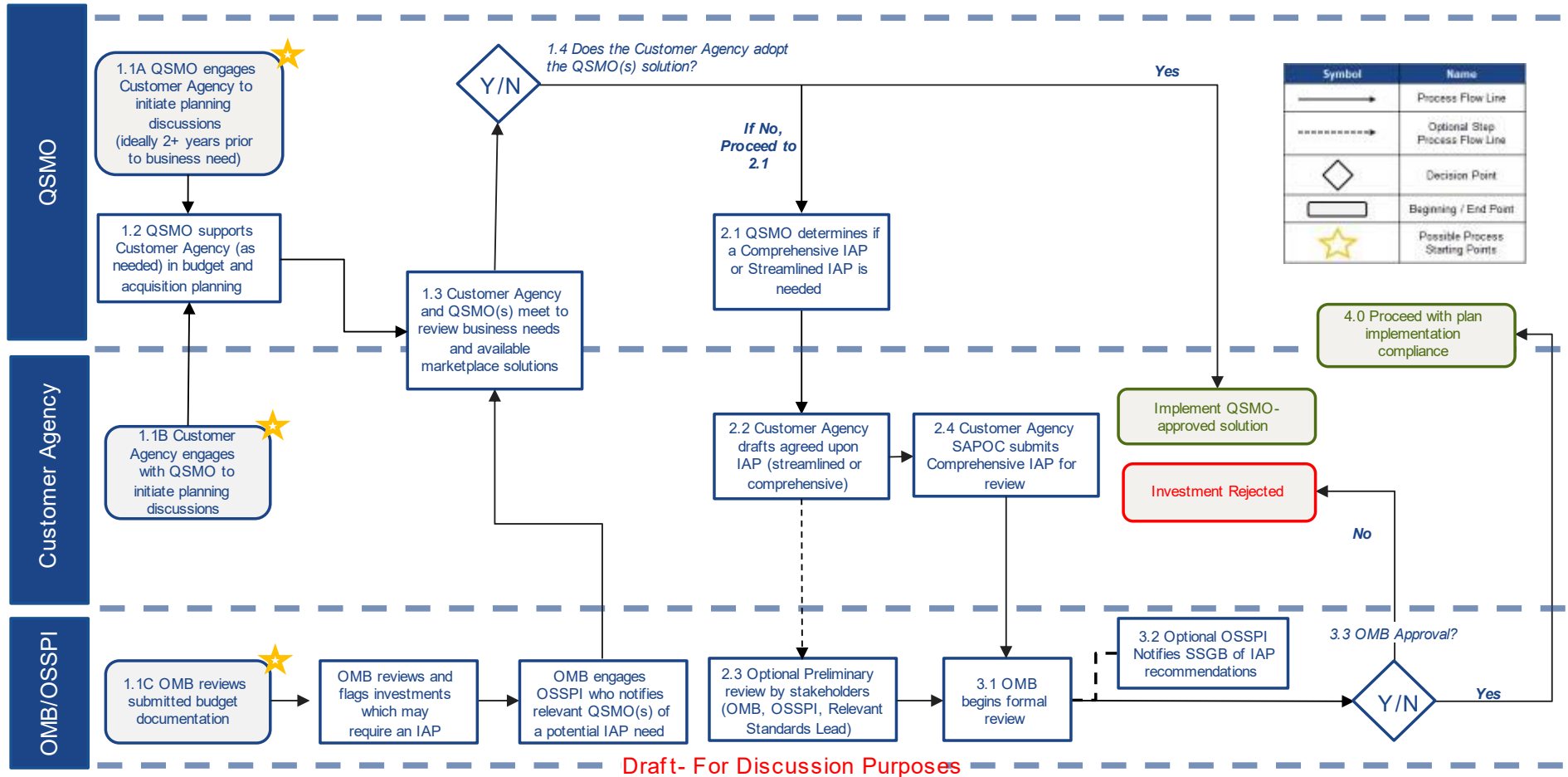
It is important to note that all agencies begin the process at Step 1, working to identify their business needs and reviewing those with the QSMO. **Steps 2, 3 and 4 are only needed if an agency requests approval to acquire a solution outside of the QSMO services.** The agency's request for an exception to the QSMO-provided solution is conducted through the submission of the IAP as shown in Step 2. This process shall precede any formal market research or formal budget submission from the agency. The IAP must be approved by the agency's Senior Accountable Point of Contact (SAPOC), the agency Chief Information Officer (CIO), the QSMO(s) and OMB, and must demonstrate that a separate procurement for these services results in better value, considering price, timeline, and other factors as needed.

Collaboration and communication between the QSMO(s) and a requesting agency are critical in

ensuring successful investment planning. Requesting agencies that partner with the QSMO(s) early on can benefit from the QSMO's expertise in the relevant service area and by gaining support for the proposed path forward. Should there be a need for an IAP, a QSMO recommendation in support of the requesting agency will be critical to the approval of any proposed alternatives to the QSMO marketplace offerings.

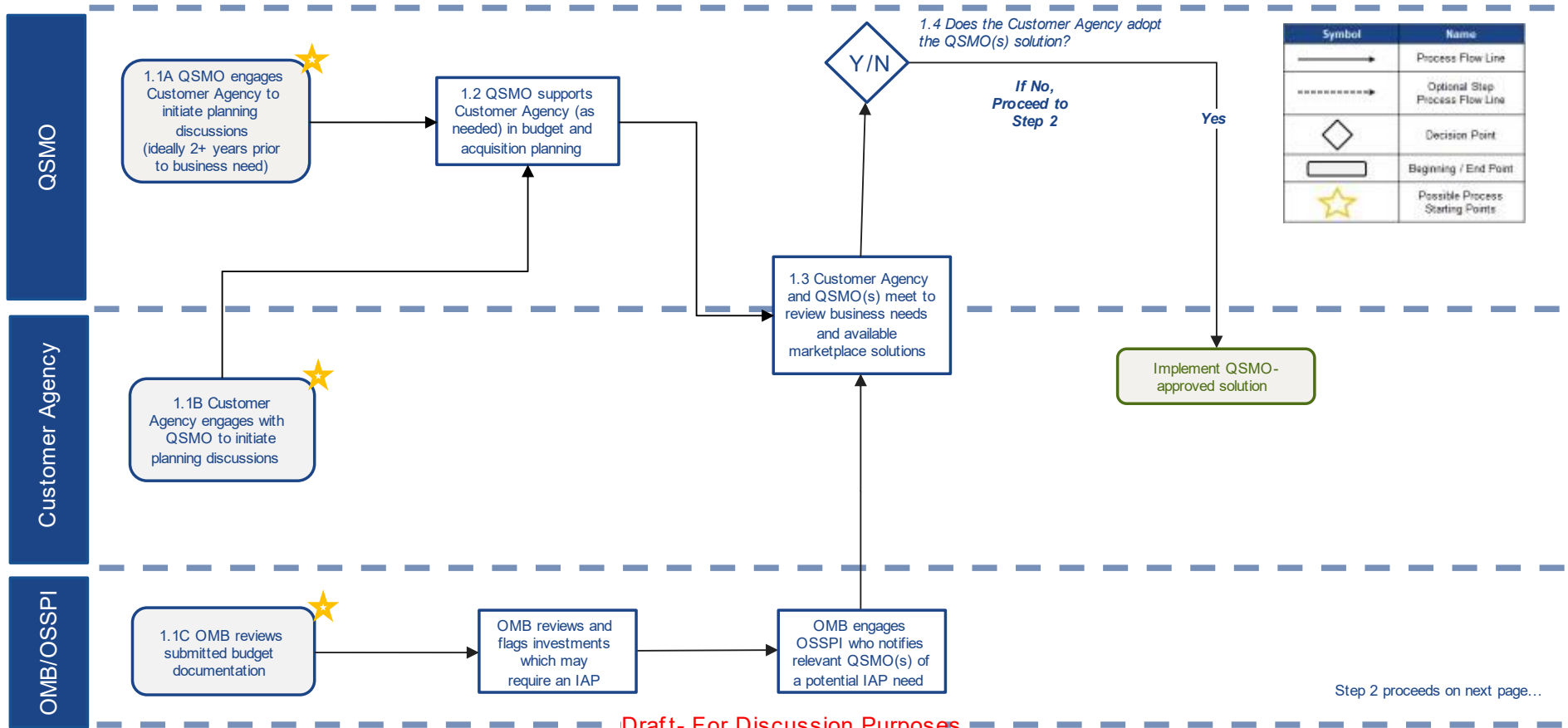
Additionally, M-19-16 provides guidance to legacy Shared Service Providers (SSPs) offering services for which there is a pre-designated or designated QSMO. Specifically, the guidance addresses the requirement to propose a joint business case with the QSMO to accept any new customers, expand services to existing customers, or make investments in technology or services for these functions. See Appendix B: *Legacy SSP and QSMO Joint Business Case Guidance* for specific guidance relating to the joint business case that will be developed by the QSMO and Legacy SSP and approved by OMB in consultation with the Shared Solutions Governance Board (SSGB), as needed.

Investment Planning Process Flow



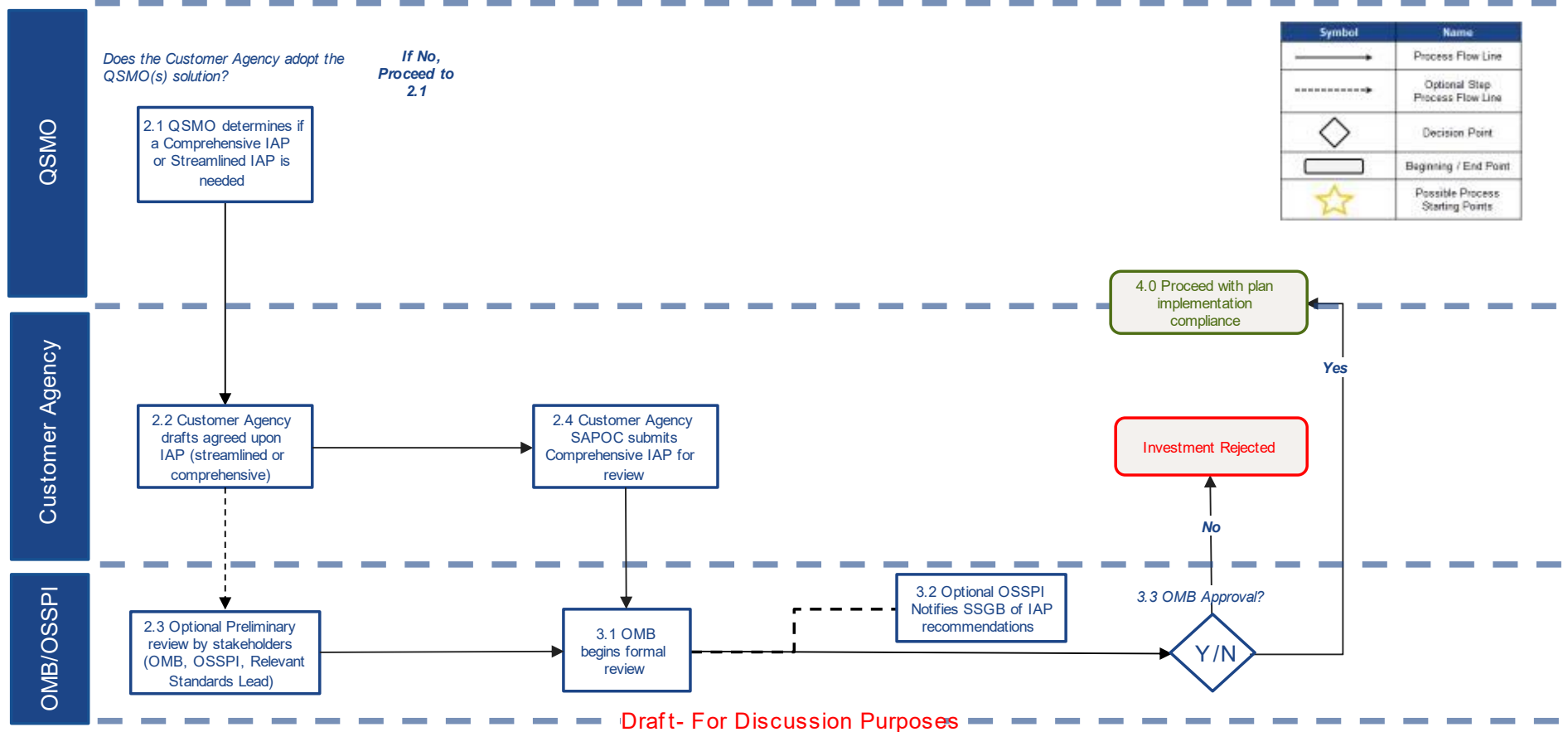
Investment Planning Process Flow

Step 1 - Agency/QSMO Collaboration



Investment Planning Process Flow

Steps 2-4 - Investment Action Plan



Investment Review Process		
1. Agency/QSMO Collaboration ²	Output:	Owner:
1.1. Vision/ Business Need <ul style="list-style-type: none"> Agencies and QSMOs may begin collaboration on an investment in one of three ways: <ul style="list-style-type: none"> A. QSMO engages customer agency to initiate investment planning discussions and provides support (as needed) in budget and acquisition planning B. Customer Agency engages with QSMO to initiate planning discussions C. OMB or OSSPI notifies the QSMO of a potential IAP need Requesting agency submits the vision and appropriate funding documentation in support of the agency's Capital Planning and Investment Control (CPIC) process Requesting agency provides appropriate documentation to define their business needs, as determined by the QSMO, (see Business Needs Workbook) by: <ul style="list-style-type: none"> Reviewing the standard business activities, and capabilities, and use cases Documenting additional mission critical and unique capabilities Defining transaction counts and migration needs <p>M3 Activity 1.12 provides additional guidance and a link to the Business Needs Workbook</p>	Business Needs Workbook Initiate Investment Planning	Requesting agency SAPOC Requesting agency CXO ³ and CIO
1.2. Engagement <ul style="list-style-type: none"> Agency & QSMO mutually agree on engagement approach Requesting agency meets with QSMO to present business needs and gain a strong understanding of QSMO offerings and timelines QSMO reviews business needs and requirements 	Updated Business Needs Workbook with QSMO input	Requesting agency Business Owner/PMO

² The QSMO may develop further engagement guidance for agencies based on specific functional expertise and strategic goals.

³ The relevant CXO for the functional area, such as the CFO for a financial management system, or the CHCO for the human resources system

<p>1.3. Comparison</p> <ul style="list-style-type: none"> Agency and QSMO meet to review business need and available marketplace solutions. <u>If no marketplace exists</u>, QSMO and requesting agency shall discuss timing around business needs and impact of waiting until the marketplace solution is available for use. <u>If a marketplace has been established</u>, review agency requirements against marketplace solutions QSMO and customer agency collectively assess if QSMO marketplace solutions meet agency's needs, based on results from the Fit-Gap Analysis, and provides a recommendation with supporting rationale for proposed path forward. If an exception to using a marketplace solution is contemplated, Requesting Agencies shall consider the following in making a business decision: <ul style="list-style-type: none"> A. Acquisition method for propose path forward B. Proposed plan to adopt a QSMO solution in the future C. Potential to postpone the execution of an investment until after a marketplace has a suitable solution 	<p>QSMO Recommendation for Path Forward based on Fit-Gap Analysis</p>	<p>Relevant QSMO</p>
<p>1.4. Decision</p> <ul style="list-style-type: none"> If no marketplace exists or marketplace solutions do not meet the need, proceed to Step 2: IAP Assessment. If the requesting agency decides to leverage the QSMO solution, then no further action in this procedure is required. Otherwise, proceed to Step 2 IAP Assessment 	<p>Determination on if an IAP will be needed</p>	<p>Requesting Agency</p>

2. IAP Assessment	Output:	Owner:
<p>2.1. Communicate</p> <ul style="list-style-type: none"> QSMO is responsible for providing the agency with guidance on using the Migration & Modernization Management (M3) Playbook. QSMO and agency will review existing documents or artifacts against the IAP requirements to reduce any duplication of effort in developing justification for the exception Agency & QSMO will determine any conditions (see Appendix A- Detailed Instructions for a list of Potential Conditions) that may exist should the IAP be approved. In the absence of operational QSMO marketplaces, both streamlined and comprehensive IAPs must demonstrate how the agency will incorporate business standards into any proposed investment, identify a clear plan to off-ramp the selected solution once there is a viable alternative available in the QSMO marketplace, and include a plan to execute the guidance provided in the M3 playbook. 	Initial Feedback on IAP	QSMO
<p>2.2. Draft IAP</p> <ul style="list-style-type: none"> Determine whether a streamlined IAP is sufficient, or if conditions exist which require a comprehensive IAP. A comprehensive IAP will be required for the following: <ul style="list-style-type: none"> Acquisition of a new and/or replacement system Proposed Investment crosses multiple QSMOs Adopting services and/or solutions from providers external to an operational QSMO marketplace Facts and circumstances warrant it from the QSMO's perspective. The agreed-upon IAP (streamlined or comprehensive) is created, demonstrating why deviating from existing shared services solutions is the best value for the government taking price, timeliness and other factors into consideration. All applicable supporting documents (system architecture, QSMO 	Draft Investment Action Plan	Requesting Agency

recommendation based on fit-gap analysis, acquisition strategy, etc.) must be gathered or developed as well (see Appendix A for IAP Guidance).		
2.3. IAP Preliminary Review (Optional) <ul style="list-style-type: none"> Requesting Agency disseminates draft IAP (including supporting documentation) and QSMO recommendation to stakeholders requesting feedback within 10 business days. Stakeholders should leverage list of Key Considerations during IAP Review found in Appendix A – Detailed Instructions Stakeholders include: <ol style="list-style-type: none"> OMB Relevant Management Office OMB Resource Management Officer OMB Relevant Agency Liaison (OFCIO) Shared Solutions Governance Chair (SSGC) QSMO(s) OSSPI Relevant Standards Lead If warranted, stakeholders listed above and requesting agency meet to answer questions, address gaps, and gain clarity where needed about the IAP Recommendations and edits are incorporated into final IAP 	Recommendations and Initial Feedback on IAP	Requesting Agency
2.4. Dissemination <ul style="list-style-type: none"> Requesting Agency Senior Accountable Point of Contact (SAPOC) submits Investment Action Plan and required supporting documentation relating to request to pursue a non-QSMO solution to the appropriate OMB Offices 	Formal Submission of IAP	Requesting Agency SAPOC
3. OMB Decision	Output:	Owner:
3.1. OMB Decision OMB begins its review of the IAP and supporting documents	Review Period	OMB
3.2. SSGB Awareness (optional) OSSPI notifies SSGB on the IAP recommendations and receives advisement, as needed	SSGB Input	OSSPI

3.3. Decision Memorandum OMB finalizes its decision memo to include conditions (see Appendix A III for a List of Potential Conditions), if applicable, in coordination with OMB RMO, SSGC, and the Deputy Director of Management (DDM)	OMB Decision Memo	OMB SQS Policy Lead
3.4. Memo Distribution SSGC distributes decision memo to requesting agency and stakeholders	Decision Awareness	SSGC
4. Ongoing Management	Output:	Owner:
4.1. Consultation QSMOs continue to serve in a consulting role throughout the acquisition of all investments of functional areas/services in which the QSMO has been designated or pre-designated. 4.2. Compliance <ul style="list-style-type: none"> • The Request for Proposal (RFP) issued for services purchased under the authority of an approved IAP must incorporate established business standards • All IAP conditions must be satisfied 	Compliance with IAP conditions	Customer Agency/QSMO

Appendix A - Detailed Instructions

Investment Action Plan Guidance for Requesting Agency

The IAP must include detailed and concrete evidence that supports the agency's justification for not using the QSMO solution and demonstrate why another option is needed to support improved operations and the long-term goals of the agency. The requesting agency must provide supporting documentation as detailed below. The default position for an IAP is a Streamlined approach unless certain escalation criteria exist, triggering a Comprehensive plan.

	Streamlined IAP	Comprehensive IAP
Criteria:	<ul style="list-style-type: none"> The streamlined IAP is the default process that Customer Agencies follow when the need for an IAP is identified Adopting services and/or solutions from providers in the absence of an operational QSMO marketplace As part of the justification for using a Streamlined IAP, a customer agency must demonstrate that the investment does not trigger any of the requirements for a comprehensive IAP 	<p>Customer Agencies develop a comprehensive IAP when the investment meets one of the following criteria:</p> <ul style="list-style-type: none"> Acquisition of new, replacement system Proposed Investment crosses multiple QSMOs Adopting services and/or solutions from providers external to an operational QSMO marketplace Facts and circumstances warrant it from the QSMO's perspective
Key Features:	<ul style="list-style-type: none"> Reduced level of coordination needed between customer agency and QSMO Less rigorous content requirements Streamlined review and approval process 	<ul style="list-style-type: none"> Increased content, elements in IAP documentation Multiple iterations of content development may be required Increased time required for review and approval
Conditional Requirements:	<p>In the absence of operational QSMO marketplaces, Customer Agencies must demonstrate the following for both Streamlined and Comprehensive IAPs:</p> <ol style="list-style-type: none"> Demonstrate the business standards are incorporated in any proposed investment Clear plan to off-ramp the selected solution once the QSMO has a viable alternative available in its marketplace Reference the Migration & Modernization Management (M3) Playbook and develop a plan to execute the guidance provided in the playbook 	

Key Requirements of an IAP

The following table reflects the suggested table of contents for an IAP. If a document or artifact addresses any key requirement listed below, attach the artifact to the IAP as an appendix and refer the reviewer accordingly.

Key Requirement	Streamlined	Comprehensive
Statement of need/purpose of request including an overview of the proposed investment, documented business needs and identification of any unique requirements	Required	Required
Agency must include an assertion that the proposed investment does not trigger the need for a Comprehensive plan	Required	NA
Agency's narrative justification to deviate from use of QSMO standard solutions set must include, at a minimum, expected benefits and cost savings (or an explanation of why additional cost is justified), expected operational end state timeline, scope, and improved processes that will demonstrate efficiency, savings, and reduced risk for the agency in alignment with agency strategic plans and priority goals	NA	Required
In the absence of operational QSMO marketplaces, customer agency's narrative justification as to why waiting for a marketplace solution is not an option.	Required if applicable	Required if applicable
In the absence of operational QSMO marketplaces, customer agencies must include the following for both streamlined and comprehensive IAPs at minimum: <ol style="list-style-type: none"> 1. Demonstrate the business standards are incorporated in any proposed investment 2. Clear plan to off-ramp the selected solution once the QSMO has a viable alternative available in its marketplace 3. Reference the Migration & Modernization Management (M3) Playbook and develop a plan to execute the guidance provided in the playbook 	Required	Required
Agency CPIC documentation, including vision, expected benefits, and high-level timeline (see Phase 0 of the M3 playbook)	NA	Required

Full cost assessment, by FY, following the shared services financial model template	NA	Required
Overview of current system(s) including age, number, and expected plan to decommission; contracts; and security risks (if applicable)	Required	Required
Detailed narrative on any known conditional requirements. Note the conditional requirements stated above in the absence of operational QSMO marketplaces.	Required	Required
QSMO recommendation, based on results from fit-gap analysis, and supporting rationale for path forward	Required	Required
<p>Agency leadership endorsements of the IAP request including the names and job titles of agency executives who support this request. At minimum, this list must include the agency Head or his/her Deputy</p> <p>*For a streamlined IAP, only the requesting agency SAPOC must provide endorsement of the IAP.</p>	Required*	Required
Acquisition strategy for the alternative solution	NA	Required
Workforce impact assessment	NA	Required
Name of program owner at agency	Required	Required

Key Considerations During Investment Action Plan Review

Reviewers should use the questions below during their review of the IAP submitted by the requesting agency.

Justification for Exception to QSMO Marketplace

- Why is the agency not able to use a QSMO solution?
- How will this impact the QSMO operations? What are the agency's plans to migrate to the QSMO?
- Does the QSMO offer any reasonable alternatives that should be considered?

Business Risk

- What operational efficiencies, audit findings, etc. will be addressed by the alternative solution? How does this compare to how they will be addressed by the QSMO solution?
- What is the "burning platform" forcing the timeline?
- When does the agency's contract for the current solution expire? Are there options for extension?
- Does the scope and operational end state make sense for the agency?
- Does the workforce assessment clearly identify impacted workforce and a strategy for addressing the impact?

Technical Risk

- How old is the agency's current system?
- Does the current system have security risks/vulnerabilities?
- Will the implementation of the new solution result in a reduced number of legacy systems (assuming the legacy systems will be decommissioned)?

Alignment to Standards

- How are you aligning to the government-wide standards?
- Are there deviations or unique requirements? Are they justified by legislation?

Program Management and Cost

- Is there a sponsor for the program and does the program have cross-CXO support?
- Is the cost reasonable in comparison to similar programs?
- Is there a clear implementation plan in place that demonstrates an agile, phased approach?

Potential Conditions for Approval

In the absence of operational QSMO marketplaces, customer agencies must include the following for both streamlined and comprehensive IAPs at minimum:

1. Demonstrate the business standards are incorporated in any proposed investment
2. Clear plan to off-ramp the selected solution once the QSMO has a viable alternative available in its marketplace
3. Reference the [Migration & Modernization Management \(M3\) Playbook](#) and develop a plan to execute the guidance provided in the playbook

The following is a list of additional potential conditions that may be required upon the approval of an IAP. This is not a comprehensive list and is only provided for consideration by the requesting agency & the QSMO.

- Modernize and standardize business processes and data interchanges to the maximum extent possible, using technology to automate when cost effective to do so
- Standardize business processes and data with a view towards eliminating duplicative feeder systems and the number of core financial, acquisition, and property system instances within the agency
- Reduce operation and maintenance costs through consolidation of applications within the agency and making use of existing shared and centralized services
- Adopt existing data interchanges between the core system and other standard applications to the maximum extent practicable
- Approach the project with modular technology and applications to remain consistent with the expected SaaS outcomes
- Coordinate directly with the QSMOs identified for targeted functions to align and coordinate activities to reduce duplication, leverage common resources, and accelerate path forward for both the agency and government-wide QSMO efforts
- Further justify (i.e., business case) the need for modernizing the financial system and obtain agreement to proceed
- Further planning work needs to be done related to process improvement, data cleansing, program management, etc.
- Follow the [M3 process](#) (Modernization Framework) to ensure that a clear vision and change management approach are articulated early and in partnership with the QSMO
- The contract shall be structured in such a way to allow for an “off ramp” whereby the agency can transition off its contract vehicle and move to government-wide solutions when they become available, and when it is cost effective to do so
- The contract shall be constructed in a modular fashion, is aligned with all OMB IT acquisition guidance and policies, and should use M3 reporting language to the greatest extent possible

- The contract shall be established to only provide services to the agency and no other federal agencies
- The contract requires the vendor to adopt all standards established by the Federal Integrated Business Framework (FIBF) and must ensure that the vendor is contractually required to address any new or modified standards into future software releases
- Customization must be limited, to the maximum extent practicable, and any need for customization must be approved by the standards lead and OMB
- The IT requirements for multiple functional areas are modular rather than integrated to afford the agency maximum practicable opportunity for competition and flexibility should other solutions become available during the acquisition planning and award, and to avoid a customized, vendor specific solution
- Implementation shall follow a phased, agile approach to reduce risk and increase the likelihood of success
- Conduct a comprehensive workforce impact assessment to identify any individuals impacted by improved business processes or technology and identify strategies to address impact

Appendix B - Legacy Shared Service Provider (SSP) & QSMO Joint Business Case Guidance

Purpose:

Per OMB memo M-19-16 *Centralized Mission Support Capabilities for the Federal Government*, “legacy providers offering services for which there is a pre-designated or designated QSMO must propose a joint business case with the QSMO to accept any new customers, expand services to existing customers, or make investments in technology or services for these functions. These joint business cases must be approved by OMB, in consultation with the SSGB as needed.” This Appendix provides guidance and process steps to the Legacy SSPs and QSMOs in developing their joint business cases.

Process Steps:

Steps 1-5 must be completed in place of Steps 1.1-2.1 documented in the *Investment Action Plan Standard Operating Procedure*. The Legacy SSP and the QSMO are the owners of these steps, and the output is a Joint Business Case as defined in the “Process Guidance” section below.

1. Legacy SSP and QSMO meet to discuss initial thoughts to accept any new customers, expand services to existing customers, or make investments in technology or services based on the Legacy SSP’s existing solution(s)
2. Legacy SSP develops initial business case to justify requested action and submits to QSMO
3. QSMO reviews the initial business case and works with Legacy SSP to either develop a Joint Business Case or disapproves the initial business case. Once the Joint Business Case is developed, the QSMO submits the Joint Business Case along with a memorandum to OMB requesting OMB approval to execute the action defined in the Joint Business Case. If the QSMO does not recommend approval of the initial business case (and is not able to negotiate an agreed upon Joint Business Case with the Legacy SSP), the Legacy SSP may escalate the draft business case to the SSGB for advisement prior to appealing to the relevant OMB Management Office. The decision of OMB is final, and there is no further appeal
4. If a Joint Business Case is developed, then the Legacy SSP and QSMO submit the Joint Business Case and supporting documentation to the relevant OMB Management Office
5. The Legacy SSP and QSMO meet with the Investment Review Board (IRB) and the IRB makes a recommendation (as defined in Steps 2.2-2.3 of the *Investment Action Plan SOP*)
6. The OMB RMO makes a recommendation, SSGB is updated as needed, and the OMB Management Office reviews RMO recommendation and finalizes decision memorandum in coordination with OMB RMO, SSGC, and DDM (as defined in Steps 3.1-3.3 of the *Investment Action Plan SOP*)

Joint Business Case Guidance:

The Joint Business Case shall define how the approval of an alternative solution to that of the QSMO would aid the Federal government in meeting its key objectives of standardizing processes and data, reducing operations and maintenance costs, modernizing and automating processes, and improving customer experience and overall satisfaction. Additionally, the Joint Business Case must include justification for one or more of the below options with the respective supporting documentation. Refer to the [Modernization and Migration Management \(M3\) Playbook](#) for the Business Needs Workbook and Major IT Business Case guidance referenced below.

- Option 1: Accept New Customer(s)
 - Customer's narrative justification as to why it should deviate from use of QSMO standard solutions set
 - Customer's defined business needs and QSMO feedback (i.e., completed Business Needs Workbook) from the Investment Action Plan SOP
 - Customer's funding documentation in support of the Capital Planning and Investment Control (CPIC) process (i.e., Major IT Business Case) including vision, expected benefits, and high-level timeline
 - Full cost assessment, by FY, following the shared service financial model template
 - Overview of new customer(s) profile
 - Expected benefit to result from implementation of new customer and how it aligns with the QSMO objectives
 - Expected business outcomes and improved processes that will demonstrate efficiency and savings for the customer agency
 - Legacy SSP's leadership endorsements of the request including the names and job titles of agency executives who support the request
 - Workforce impact assessment
 - Name of program owner at Legacy SSP
- Option 2: Expand Services to Existing Customers of the Legacy SSP
 - Customer Agency's narrative justification as to why it should deviate from use of QSMO standard solutions set
 - Customer's Business Needs Workbook (inclusive of QSMO feedback)-from the Investment Action Plan SOP
 - Business Case documentation from the Customer Agency's CPIC process including vision, expected benefits, and high-level timeline
 - Full cost assessment, by FY, following the shared service financial model template
 - Overview of existing customers' profiles
 - Expected benefit to result from expanding service for existing customer(s)
 - Expected business outcomes and improved processes that will demonstrate efficiency and savings for the customer agency
 - Legacy SSP's leadership endorsements of the request including the names and job titles of agency executives that support the request
 - Workforce impact assessment
- Option 3: Make Investments in Technology or Services (for functions which are part of the designated QSMO)
 - Acquisition strategy
 - Major IT Business Case including vision, expected benefits, and high-level timeline
 - Full cost assessment, by FY, following the shared service financial model template
 - Overview of current system, contracts, and security risks (if applicable) and expected benefit to result from implementation of new solution
 - Expected business outcomes and improved processes that will demonstrate efficiency and savings for the agency and how it aligns with the QSMO objectives
 - Legacy SSP's leadership endorsements of the request including the names and job titles of agency executives that support the request
 - Workforce impact assessment
 - Name of program owner at Legacy SSP