

U.S. DEPARTMENT OF COMMERCE
DEPARTMENTAL MANAGEMENT



FY 2016 CONGRESSIONAL SUBMISSION

[This page intentionally left blank]

Department of Commerce
 Departmental Management
 Budget Estimates, Fiscal Year 2016
 Congressional Submission

Table of Contents

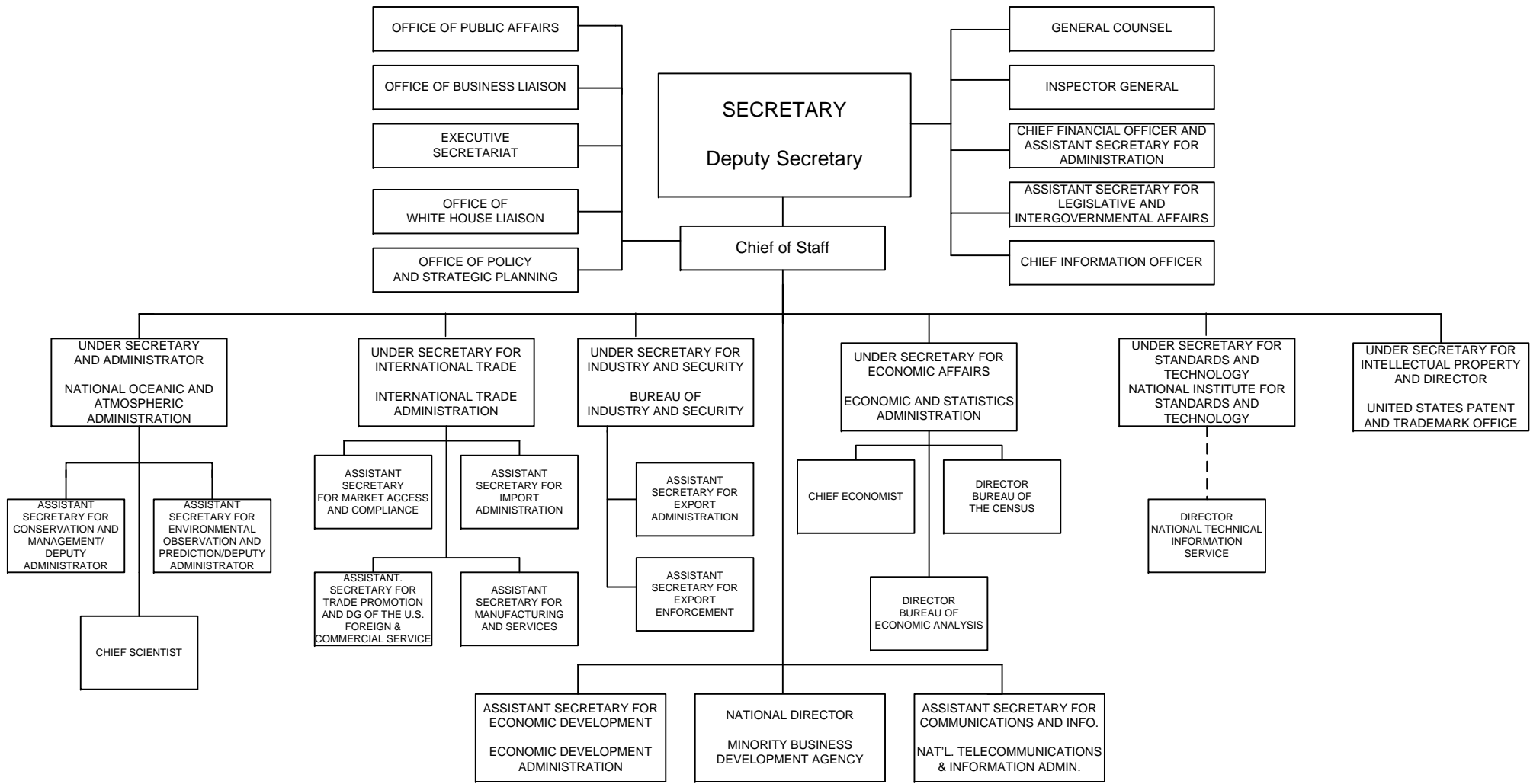
	<u>Exhibit Description</u>	<u>Page</u>
2	Organization Chart	DM - 1
3	Executive Summary	DM - 3
	<u>Salaries and Expenses:</u>	
5	Summary of Resource Requirements: Direct Obligations.	DM - 7
6	Summary of Reimbursable Obligations.	DM - 9
7	Summary of Financing.	DM - 10
9	Justification of Adjustments-to-Base.	DM - 11
10	Program and Performance: Direct Obligations.	DM - 14
12-15	Justification of Program and Performance - Salaries and Expenses Overview.	DM - 15
12-15	Justification of Program and Performance - Digital Services Team.	DM - 20
12-15	Justification of Program and Performance - Idea Lab	DM - 24
12-15	Justification of Program and Performance - FOIA/PA Staffing	DM - 27
16	Summary of Requirements by Object Class.	DM - 32
18	Activity/Subactivity Change Crosswalk - CY.	DM - 34
19	Activity/Subactivity Change Crosswalk - BY.	DM - 35
32	Justification of Proposed Language Changes.	DM - 36
33	Appropriation Language and Code Citation	DM - 37
34	Advisory and Assistance Services.	DM - 38
35	Periodicals, Pamphlets, and Audiovisual Products	DM - 39
36	Average Grade and Salaries.	DM - 40
	<u>HCHB Renovation and Modernization:</u>	
5	Summary of Resource Requirements: Direct obligations.	DM - 41
7	Summary of Financing.	DM - 43
9	Justification of Adjustments to Base.	DM - 44
10	Program and Performance: Direct Obligations.	DM - 46
12-15	Justification of Program and Performance - HCHB Renovation and Modernization.	DM - 47
16	Summary of Requirements by Object Class.	DM - 51
33	Appropriation Language and Code Citation.	DM - 52
	<u>Franchise Fund:</u>	
5	Summary of Resource Requirements: Reimbursable obligations.	DM - 55
12	Justification of Program and Performance.	DM - 57
16	Summary of Requirements by Object Class.	DM - 58
	<u>Emergency Steel Guaranteed Loan Program:</u>	
5	Summary of Resource Requirements: Direct obligations.	DM - 59
7	Summary of Financing.	DM - 61
16	Summary of Requirements by Object Class.	DM - 62
	<u>Working Capital Fund:</u>	
5	Summary of Resource Requirements: Reimbursable obligations.	DM - 63
9	Justification of Adjustments-to-Base.	DM - 65
12-15	Justification of Program and Performance - WCF Overview.	DM - 68
12-15	Justification of Program and Performance - Human Resource Management System (HRMS) Adjustments and Improvements.	DM - 72
12-15	Justification of Program and Performance - Business Application Solutions (BAS).	DM - 75
12-15	Justification of Program and Performance - Department-wide Electronic Travel System 2 (ETS2).	DM - 85
12-15	Justification of Program and Performance - Executive Protection.	DM - 88
12-15	Justification of Program and Performance - HCHB Maintenance & Repair and Building Automation System.	DM - 91
12-15	Justification of Program and Performance - HCHB Network Security Operations and Incident Response Enhancement.	DM - 98
12-15	Justification of Program and Performance - Federal Identity, Credential, and Access Management (FICAM).	DM - 103
12-15	Justification of Program and Performance - OS IT Security Team Enhancements.	DM - 108
12-15	Justification of Program and Performance - IT Program and Project Management Support for Shared Services.	DM - 116
12-15	Justification of Program and Performance - DOC Website Development.	DM - 122
12-15	Justification of Program and Performance - Multi-Protocol Label Switching (MPLS).	DM - 126
12-15	Justification of Program and Performance - Enterprise Architecture (EA).	DM - 128
12-15	Justification of Program and Performance - OCIO SharePoint Collaboration System (OSCS)	DM - 133
12-15	Justification of Program and Performance - Supply Chain Risk Management (SCRM).	DM - 137
12-15	Justification of Program and Performance - Commerce Incident Response Improvement (CIRI).	DM - 140
12-15	Justification of Program and Performance - Commerce Research Library Subscriptions.	DM - 144
12-15	Justification of Program and Performance - OGC Succession and Retention.	DM - 147

Department of Commerce
Departmental Management
Budget Estimates, Fiscal Year 2016
Congressional Submission

Table of Contents

	<u>Exhibit Description</u>	<u>Page</u>
12-15	Justification of Program and Performance - Big Data Legal Support.	DM - 149
16	Summary of Requirements by Object Class.	DM - 152
18	Activity/Subactivity Change Crosswalk - CY.	DM - 154
19	Activity/Subactivity Change Crosswalk - BY.	DM - 155
	WCF Direct costs by Office.	DM - 156
	WCF Direct costs by Bureau.	DM - 157
34	Advisory and Assistance Services.	DM - 158
	<u>APP/APR:</u>	
	Summary of Goals, Objectives and Performance Measures.	DM - 159

U.S. DEPARTMENT OF COMMERCE



[This page intentionally left blank]

Department of Commerce Departmental Management

Executive Summary

The President is again asking Congress to revive an authority enabling him to submit fast-track proposals to reorganize or consolidate Federal programs and agencies in order to reduce the size of Government or cut costs. The Budget includes a variety of proposed reforms across government designed to drive efficiency and accountability, prevent duplication, and make government work better and smarter for the American people. One of these reorganizations the President would propose with this authority reiterates his previous proposal to consolidate federal business and trade programs into one more efficient and effective department dedicated to promoting U.S. competitiveness, exports, and American businesses and jobs. The proposal would integrate the six federal agencies that focus primarily on business and trade, along with other related programs. These include the Department of Commerce's core business and trade functions, the Small Business Administration, the Office of the U.S. Trade Representative, the Export-Import Bank, the Overseas Private Investment Corporation, and the U.S. Trade and Development Agency, as well as rural business programs at the Department of Agriculture, Treasury's Community Development Financial Institution Program, and statistical agencies at the Department of Labor and National Science Foundation. To strengthen the new department's focus on business and economic growth, the National Oceanic and Atmospheric Administration would be consolidated into the Department of Interior, strengthening stewardship and conservation efforts and enhancing scientific resources. The Budget schedules for these agencies and programs continue to reflect them in their current alignment.

The mission of the Department of Commerce (DOC) is to create the conditions for economic growth and opportunity. The Department works with businesses, universities, communities, and the Nation's workers to promote job creation, economic growth, sustainable development, and improved standards of living for Americans.

The DOC Strategic Plan for Fiscal Years (FY) 2014-2018 provides a broad foundation for economic growth and opportunity by focusing on five key priorities:

- Trade and Investment. Expanding the U.S. economy through increased exports and foreign direct investment that leads to more and better American jobs.
- Innovation. Fostering a more innovative U.S. economy—one that is better at inventing, improving, and commercializing products and technologies that lead to higher productivity and competitiveness.
- Data. Improve government, business, and community decisions and knowledge by transforming Department data capabilities and supporting a data-enabled economy.
- Environment. Ensuring communities and businesses have the necessary information, products, and services to prepare for and prosper in a changing environment.
- Operational Excellence. Delivering better services, solutions, and outcomes that benefit the American people.

The full DOC Strategic Plan for FY 2014-2018 can be accessed via:

<http://www.commerce.gov/blog/2014/03/10/department-commerce-releases-fy-2014-2018-strategic-plan>.

Departmental Management's (DM) objective is to develop and provide policies and procedures for administrative planning, oversight, coordination, direction, and guidance to ensure implementation of the Department's mission.

DM is comprised of the following:

- The **Salaries and Expenses** appropriation provides funding for the development and implementation of Departmental policies, coordinates the bureaus' program activities to accomplish the Departmental mission, provides funds for the development and implementation of the Department's internal policies, procedures, and other administrative guidelines. In FY 2016, DM is seeking increases that would:
 - support the development of a Digital Service team to ensure the effectiveness of the Department's digital services for high-priority programs;
 - support the development of an Idea Lab which will house a team dedicated to incubating and investing in innovative approaches to more efficiently and effectively meet the Department's mission goals; and
 - enable the Department to meet its operational and statutory requirements under the Freedom of Information Act/Privacy Act (5 USC 552 and 552a).
- The **Working Capital Fund** is a reimbursable fund, providing necessary centralized services to the client bureaus. These services include the Office of General Counsel, Chief Information Officer, Public Affairs, Security, Human Resources Management, Civil Rights, Financial Management, Facilities and Environmental Quality, Acquisition Management, Program Evaluation and Risk Management, and Privacy and Open Government, among others. In FY 2016, the Department requests funding for HCHB Network and Security Operations and Incident Response Enhancement for several upgrades necessary to stabilize the network infrastructure and provide a safe and secure operational computing improvement. This includes technology and equipment upgrades and replacement, in addition to necessary contractor staff support in the areas of Network Infrastructure Upgrades, Security and Incident Response Enhancements, Configuration Management and HCHB Data Center and IT Renovation Support. The Department also requests an increase for Federated Identity, Credential, and Access Management (FICAM) system that leverages existing investments by DOC operating units to develop a federated virtual directory, manage DOC identities, and reduce passwords. These initiatives will operate through DM's Working Capital Fund account.
- The **Herbert C. Hoover Building (HCHB) Renovation and Modernization** account provides no-year funding for the Department's expenses associated with the renovation and modernization of HCHB. Renovation and modernization of the Department's headquarters by the General Services Administration (GSA) will extend the building's useful life through infrastructure upgrades, security upgrades, and historic preservation of some features. The FY 2016 request reflects the Department's continued focus on improving building infrastructure components including IT/telecommunications, emergency power requirements, and fire and life safety improvements operating beyond their useful life and deteriorating.
- The **Franchise Fund** is a fee-for-service account. Congress established the Franchise Fund Pilot Program in the Government Management Reform Act of 1994 to allow market forces to improve the delivery of common administrative services. In FY 1996, DOC Office of Computer Services (OCS) began operating as a federal franchise fund, providing IT support services to organizations within DOC and other federal agencies. In FY 2004, Commerce's authorization to operate a Federal franchise fund was made permanent. In FY 2011, the Department closed the OCS. Although OCS services no longer exist, franchise fund authority remains. Pursuant to P.L. 113-235, the Consolidated and Further Continuing Appropriations Act, 2015, unobligated balances in the fund were rescinded.

- The **Emergency Steel Guaranteed Loan Program and the Emergency Oil and Gas Guaranteed Loan Program** are subsidized loan programs enacted in 1999 to assist the steel and the oil and gas industries. Authority and the Board for the Emergency Oil and Gas Guaranteed Loan Program expired in 2001 and the Emergency Steel Loan Guarantee Program expired in 2011.

Other Information

e-Government: The DOC supports and is an active participant in Government-wide E-Government (E-Gov) Initiatives and Lines of Business (LoB). Each E-Gov initiative or LoB is managed by another federal agency, such as GSA, and was implemented in part to avoid redundancy and duplication of government-wide activities such as rulemaking, human resource servicing, financial management, and grants management. The E-Gov initiatives and LoB play a key role in the Department’s enterprise architecture, particularly for administrative systems. These initiatives and LoB promote internal efficiency in acquisition and other administrative activities. The Department’s external customers benefit from a single source for grant postings, grant application submission and applying for benefit programs. The Department’s participation provides better services to the citizen, promotes transparency, and actively supports our stakeholders in the business community.

SUMMARY OF REQUESTED APPROPRIATIONS
(Dollar amounts in thousands)

		2015		2016		Increase (+) Decrease (-)	
		Enacted		Estimate			
<u>Appropriation</u>		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Salaries and Expenses	Pos./ Approp.	197	56,000	200	71,095	3	15,095
	FTE	156		159		3	
HCHB Renovation and Modernization	Pos./ Approp.	5	4,500	5	24,062	0	19,562
	FTE	5		5		0	
Total Budget Authority	Pos./ Approp.	202	60,500	205	95,157	3	34,657
	FTE	161		164		3	

[This page intentionally left blank]

Department of Commerce
 Departmental Management
 Salaries and Expenses
 SUMMARY OF RESOURCE REQUIREMENTS
 (Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Direct Obligations
2015 Enacted	197	156	56,000	59,086
less: Obligations from prior years			0	(3,086)
plus: 2016 Adjustments to base	0	0	5,587	5,587
2016 Base	197	156	61,587	61,587
plus: 2016 Program Changes	3	3	9,508	9,508
2016 Estimate	200	159	71,095	71,095

Comparison by activity:	2014 Actual		2015 Enacted		2016 Base		2016 Estimate		Increase/(Decrease) Over 2016 Base		
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Operations and Administration	Pos./BA	193	58,529	197	56,000	197	61,587	200	71,095	3	9,508
	FTE/Obl.	152	58,189	156	59,086	156		159		3	
TOTALS	Pos./BA	193	58,529	197	56,000	197	61,587	200	71,095	3	9,508
	FTE/Obl.	152	58,189	156	59,086	156		159		3	
Adjustments to Obligations:											
Recoveries			0								
Unobligated balance, start of year			(2,444)		(3,086)						
Unobligated balance, transferred			(1,000)								
Unobligated balance, rescission											
Unobligated balance, end of year			3,086								
Unobligated balance, expiring			698								
Financing from Transfers:											
Transfer from other accounts (-)			(3,029)								
Transfer to other accounts (+)											
Appropriation		55,500	56,000		61,587		71,095		9,508		

[This page intentionally left blank]

Department of Commerce
 Departmental Management
 Salaries and Expenses
 SUMMARY OF REIMBURSABLE OBLIGATIONS
 (Dollar amounts in thousands)

		2014 Actual		2015 Enacted		2016 Base		2016 Estimate		Increase/(Decrease) Over 2016 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Operations and Administration	Pos./BA	63		73		73		73		0	
	FTE/Obl.	63	83,377	73	102,335	73	101,355	73	101,355	0	0
1/ COMMITS	Pos./BA	0		0		0		0		0	
	FTE/Obl.	0	326	0	0	0		0	0	0	0
TOTALS	Pos./BA	63		73		73		73		0	
	FTE/Obl.	63	83,703	73	102,335	73	101,355	73	101,355	0	0
Adjustments to Obligations:											
	Recoveries (COMMITTS)		(570)								
	Unobligated balance, start of year (COMMITTS)		(736)		(980)						
	Unobligated balance, transferred										
	Unobligated balance, end of year		980								
	Unobligated balance, expiring										
Financing from Transfers:											
	Transfer from other accounts (-)										
	Transfer to other accounts (+)										
Reimbursable Authority			83,377		101,355		101,355		101,355		0

1/ Commerce Information Technology Solutions - Transferred COMMITTS to GSA October 2007 and remains active until contracts are outlaid

Department of Commerce
 Departmental Management
 Salaries and Expenses
 SUMMARY OF FINANCING
 (Dollar amounts in thousands)

	2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease) Over 2016 Base
Total Obligations	141,892	161,421	162,942	172,450	9,508
Offsetting collections from:					
Federal funds	(83,377)	(101,355)	(101,355)	(101,355)	0
Trust funds					
Non-Federal sources					
Recoveries	(570)				
Unobligated balance, start of year	(3,180)	(4,066)			
Unobligated balance, transferred	(1,000)				
Unobligated balance, end of year	4,066				
Unobligated balance, expiring	698				
Budget Authority	<u>58,529</u>	<u>56,000</u>	<u>61,587</u>	<u>71,095</u>	<u>9,508</u>
Financing:					
Transfer from other accounts (-)	(3,029)	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	<u>55,500</u>	<u>56,000</u>	<u>61,587</u>	<u>71,095</u>	<u>9,508</u>

Department of Commerce
 Departmental Management
 Salaries and Expenses
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

Exhibit 9

	<u>FTE</u>	<u>Amount</u>
<u>Adjustments:</u>		
General Service Administration (GSA) Cross-Agency Priority Goals (E-Gov) Under Section 721 of P.L. 113-76, the Department currently contributes to the GSA in support interagency management councils, which have supported numerous cross-agency management reforms and efficiencies for more than a decade. This increase will support implementation of the Cross-Agency Priority Goals.	337	
<u>Other Changes:</u>		
Pay Raises		434
Annualization of FY 2015 Pay Raise Pay raise of 1.0% assumed to be effective Jan. 1, 2015.		
Total cost in FY 2016 of the FY 2015 pay increase		349,000
Less amount requested in FY 2015		<u>(262,000)</u>
Amount requested in FY 2016 for FY 2015 pay increase		87,000
FY 2016 Pay Raise A general pay raise of 1.3% is assumed to be effective Jan. 1, 2016.		
Amount requested in FY 2016 for FY 2016 pay increase		347,000
Changes in compensable days The increased cost of one more compensable day in 2016 compared to 2015 is calculated by dividing the 2015 estimated personnel compensation (\$21,694,000) and applicable benefits (\$4,631,000) by 261 compensable days. The cost increase of one compensable day is \$100,862.		101
Civil Service Retirement System-(CSRS) The cost of agency contributions for CSRS will decrease due to the decrease in the number of employees covered by CSRS from 6% in FY 2015 to 4.2% in FY 2016. The contribution rate will remain the same at 7.00% for FY 2015 and FY 2016.		(27)
FY 2016 (\$21,694,000 x .042 x .070)		63,780
FY 2015 (\$21,694,000 x .060 x .070)		<u>91,115</u>
Total adjustment to base		(27,335)
Federal Employees' Retirement System-(FERS) The estimated percentage of payroll for employees covered by FERS will increase from 94% in 2015 to 95.8% in FY 2016. The contribution rate will increase from 13.2% to 13.7% in FY 2016.		155
FY 2016 (\$21,694,000 x .958 x .137)		2,847,251
FY 2015 (\$21,694,000 x .940 x .132)		<u>2,691,792</u>
Total adjustment to base		155,459

Department of Commerce
 Departmental Management
 Salaries and Expenses
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	FTE	Amount
Thrift Savings Plan (TSP)	16	
<p>The cost of agency contributions for TSP will increase from 94% in 2015 to 95.8% in FY 2016. The contribution rate is expected to remain 4.1%.</p>		
FY 2016 (\$21,694,000 x .958 x .041)		852,097
FY 2015 (\$21,694,000 x .940 x .041)		836,087
Total adjustment to base		16,010
Federal Insurance Contributions Act (FICA) - OASDI	22	
<p>The annual salary subject to the OASDI tax will increase from \$118,800 in FY 2015 to \$122,100 in FY 2016. The percent of salaries below the cap will increase from 94% in FY 2015 to 95.8% in FY 2016. The total salaries taxable by OASDI will remain at 89.5% for FY 2015 and FY 2016. The OASDI tax rate remains the same 6.2% in FY 2016. The combination of the above adjustments results in a net increase of \$22,083.</p>		
FERS payroll subject to FICA tax in FY 2016 (\$21,694,000 x .958 x .895 x .062)		1,153,240
FERS payroll subject to FICA tax in FY 2015 (\$21,694,000 x .940 x .895 x .062)		1,131,572
Subtotal		21,668
Other payroll subject to FICA tax in FY 2016 (\$416,000 x .958 x .895 x .062)		22,114
Other payroll subject to FICA tax in FY 2015 (\$416,000 x .940 x .895 x .062)		21,699
Subtotal		415
Total adjustment to base		22,083
Health Insurance	54	
<p>Effective January 2014, the cost of the U.S. Government's contribution to the Federal employee's health insurance premium increased by 3.4%. Applied against the FY 2015 estimate of \$1,587,000 the additional amount required is \$53,958.</p>		
Employee Compensation	16	
<p>The Employees Compensation Fund is based on an actual billing from the Department of Labor.</p>		
Travel, Per Diem	9	
<p>GSA has established standard travel per diem rates for destinations within the Continental United States resulting in a 4.9% increase. This percentage applied against the FY 2015 estimate of \$191,000 results in an increases of \$9,359.</p>		

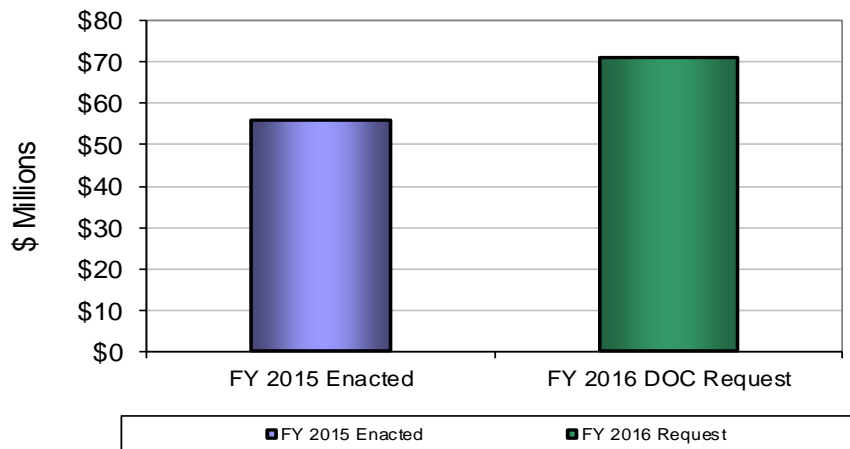
Department of Commerce
 Departmental Management
 Salaries and Expenses
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	FTE	Amount
Rental Payments to GSA The Herbert C. Hoover Building rent is projected to increase in FY 2016. An additional increase of \$573,905 is required to fund this increase.		574
Utilities, Pepco The average decrease for PEPCO electricity is projected to be -2%. This percentage was applied to the 2015 electricity estimate of \$580,000 for a decrease of \$12,000.		(12)
National Archives and Records Administration Storage Costs The National Archives and Records Administration (NARA) costs are expected to increase from \$104,876 in FY 2015 to \$135,518 in FY 2016 for a total increase of \$30,642.		31
Working Capital Fund An increase of \$2,701,000 is requested in the payment to the Department's Working Capital Fund as a result of inflationary and program cost increases to the centralized services provided by the Department.		2,701
General Pricing Level Adjustment This request applies OMB economic assumptions for FY 2016 of 1.6% to sub-object classes where the prices that the Government pays are established through the market system. Factors are applied to communications, utilities, and miscellaneous charges (excluding postage & FTS) (\$3,504); rental payments to others (\$128); other services (\$1,161,608); supplies and materials (\$2,464); equipment (\$7,520); Printing and Reproduction (\$640); for a total increase of \$1,175,864.		1,176
Subtotal, Other Changes	0	5,250
Total FY 2016 Adjustments to Base	0	5,587

Department of Commerce
 Departmental Management
 Salaries and Expenses
 PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Compare by activity:	2014 Actual		2015 Enacted		2016 Base		2016 Estimate		Increase/(Decrease) Over 2016 Base		
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Operations and Administration	Pos./BA	193	58,529	197	56,000	197	61,587	200	71,095	3	9,508
	FTE/Obl.	152	58,189	156		156	0	159	0	3	0
TOTALS	Pos./BA	193	58,529	197	56,000	197	61,587	200	71,095	3	9,508
	FTE/Obl.	152	58,189	156	59,086	156		159		3	

Department of Commerce
 Departmental Management
 Salaries and Expenses



APPROPRIATION ACCOUNT: Salaries and Expenses

BUDGET PROGRAM: Operations and Administration

For FY 2016, Departmental Management (DM) requests a total of \$71,095,000 and 159 FTE for Salaries and Expenses (S&E) (including inflationary adjustments). This funding includes a net increase of \$15,095,000 and 3 FTE, with programmatic changes of \$9,508,000 and 3 FTE and an increase of \$5,587,000 in inflationary adjustments.

PROGRAM JUSTIFICATION:

Salaries and Expenses Overview

DM provides Departmental policies, planning, and administrative guidance to ensure the efficient and effective implementation of the Department’s mission statement. DM develops and implements policy affecting U.S. and international activities as well as internal goals and operations of the Department. DM serves as the primary liaison with the executive branch, for legislative affairs, and private sector groups. Furthermore, DM is the management and administrative control point for the Department. The S&E Appropriation funds the senior officials and support staff responsible for providing leadership in ensuring the accomplishment of the Department’s mission.

S&E Operations and Administration funding supports coordination of bureau program activities and development and implementation of the Department’s internal policies, procedures, and other administrative guidelines. Functions include the oversight, direction and coordination of the Department’s many activities and the representation of the Administration before the public, the business community, the Congress and other executive agencies and departments. This funding is also used to assist the Secretary in planning, supervising, and directing resources and programs and executing her obligations under law, providing consistency in the bureaus’ administrative operations. Activities of DM S&E relate to DOC’s Performance Goal of identifying and effectively managing human and material resources critical to the success of the Department’s strategic goals.

Key offices that support these functions are the Office of the Secretary (OS), Deputy Secretary, Chief of Staff, Executive Secretariat, Office of Business Liaison, Office of Legislative and

Intergovernmental Affairs, Policy and Strategic Planning, and the Office of Public Affairs. Other key offices are as follows:

- The Office of General Counsel (OGC) provides legal advice, guidance and services on matters involving Departmental programs and components and supervises the development of the Department's legislative program and the delivery of effective legal services for the growing needs of major programs.
- The Office of the Chief Information Officer (OCIO) leads the management of information resources throughout the Department, ensuring that the Department's programs make full and appropriate use of IT. OCIO implements Government-wide and Departmental policies, programs and activities in all aspects of IT management, including IT security and providing analysis, design, development, support, and oversight for Department automated systems for administration and provides Department-wide coordination and technical support for the development and operation of IT resources, including telecommunications.

The Office of the Chief Financial Officer and Assistant Secretary for Administration (OCFO/ASA) oversees the Department's financial resources, human resources management, and facilities. Establishes and monitors implementation of Departmental policies and procedures for administrative functions affecting program operations in Commerce's operating units and coordinates implementation of Government-wide and DM reforms. Also, manages the Department's headquarters located in the Herbert C. Hoover Building in Washington, D.C. The following offices fall within OCFO/ASA:

- BusinessUSA (BUSU) links American businesses to a portfolio of DOC and other Federal, state and local partner resources enabling client companies to become globally competitive.
- The Office of Security (OSY) plans, develops, and implements policies and procedures for managing and delivering security services for the Department. Provides counterespionage, anti-terrorism and emergency management program support, puts forth guidance to Departmental offices and operating units regarding security matters as they relate to the protection of personnel, facilities, property and information. Specifically, establishes and enforces policies and procedures for conducting background investigations and granting security clearances; safeguarding classified and sensitive documents and information; assessing threats and determining risks to Departmental assets; and ensuring proper communications security for classified information.
- The Office of Human Resources Management (OHRM) implements Government-wide and Departmental policies, programs, and activities in all aspects of human resources management and administration including recruitment and placement, classification, payroll support and administration, incentive awards, training and development, employee and labor relations, Department-wide oversight and evaluation of human resources management activities, unemployment and workers' compensation, employee health and safety, employee benefits, and drug testing.
- The Office of Civil Rights (OCR) develops and manages the Department's Equal Employment Opportunity (EEO) policies and programs, and conducts discrimination complaint investigations and adjudications, and provides equal employment program support and affirmative action program support to selected operating units.
- The Office of Financial Management (OFM) implements policies and procedures for Departmental financial management operations, provides consolidated financial reporting, internal controls, and develops and maintains the Commerce Business System, the Department's financial management system. OFM provides complete financial stewardship for all activities included in DM, and oversees and administers all budget functions for the OS. OFM manages the Department's Working Capital Fund (WCF), provides financial support

and guidance Department-wide, and provides Departmental-level management of travel, personal property and fleet motor vehicles.

- The Office of Facility and Environmental Quality (OFEQ) provides Department-level management of real property, energy, and environmental programs. OFEQ provides management of the following HCHB programs and services: publications; printing; mail; messenger and distribution services; space management and use; building management including operations, maintenance, repairs, and renovations; labor services; historic preservation; and shipping/receiving.
- The Office of Acquisition Management (OAM) develops, coordinates, and maintains the Department's acquisition regulations, policies, and procedures. OAM provides contracting technical services, including acquisition strategies and guidance for the procurement of products and services in support of the OS, selected special projects and related administrative support. Also, OAM performs federal assistance administrative duties and responsibilities to ensure that federal assistance actions comply with Departmental procedures and manages Competitive Sourcing A-76/FAIR Act Program.
- The Office of Program Evaluation and Risk Management (OPERM) develops and oversees implementation of integrated, enterprise-wide policies, procedures, and strategies for assessing and managing risk. OPERM conducts evaluations of programs, processes, and administrative functions to identify opportunities for enhancing effectiveness and efficiency across the Department, and serves as liaison with the Government Accountability Office and Office of Inspector General regarding audits and studies involved in strengthening nonfinancial internal controls.
- The Office of Privacy and Open Government (OPOG) develops and manages Departmental compliance with privacy policies as per the Privacy Act of 1974, the E-Government Act of 2002, and the Federal Information Security Management Act. It also coordinates the Department's response to incidents involving personally identifiable information, administers the Departmental Freedom of Information Act (FOIA) program, administers and coordinates the Departmental transparency and open government activities, manages the Department's numerous Federal Advisory Committee Act advisory committees, and manages the Department's directives system and relevant Executive Orders used to prescribe the basic management structure and organizational arrangements of the Department.
- The Office of Budget's (OB) primary responsibility is helping to prepare and defend the Department's annual budget request. The Office also supports long-range planning, conducts Department-level budget execution activities, supports development of performance measures and annual performance plans, and helps bureaus implement Commerce budget procedures and policies.
- The Office of Small and Disadvantaged Business Utilization (OSDBU) is an advocacy and advisory office responsible for promoting the use of small, small disadvantaged, 8(a), women-owned, veteran-owned, service-disabled veteran-owned, and HUBZone small businesses within the Department's acquisition process.

SIGNIFICANT INFLATIONARY ADJUSTMENTS:

DM requests an increase of \$5,587,000 and 0 FTE to fund inflationary adjustments to current programs activities. The increase will fund the estimated 2016 Federal pay raise of 1.3% percent. The increase will also provide inflationary increases for non-labor activities, including service contracts, utilities, field office lease payments, rent charges from the General Service Administration and shared service investments within the Departmental WCF. These Departmental requirements include necessary investments in DOC-wide systems, network security initiatives, and replacement of degraded IT infrastructure.

PROGRAM CHANGE(S):

S&E: Commerce is requesting the following increases: \$6,400,000 to develop a Digital Service Team, \$3,000,000 to develop an Idea Lab, and \$108,000 and 1 FTE for additional staffing to meet operational and statutory requirements under FOIA. Detailed exhibits are included in the Budget.

Statement of Need and Economic Benefits – Cost Benefit Analysis

The Department continues to find alternative solutions to work smarter with less while increasing efficiency with existing resources.

Performance Goals and Measurement Data:

Performance goals will continue to be met in each DM program.

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollars in thousands)

Budget Program: Salaries and Expenses/Operations and Administration

Object Class	Increase
11 Personnel compensation	
11.1 Full-time permanent	\$359
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	9
11.8 Special personnel services payments	0
11.9 Total personnel compensation	368
12 Civilian personnel benefits	117
13 Benefits for former personnel	0
21 Travel and transportation of persons	12
23.1 Rental payments to GSA	35
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	12
24 Printing and reproduction	2
25.1 Advisory and assistance services	0
25.2 Other services	8,931
25.3 Purchases of goods & services from Gov't accounts	9
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	9
31 Equipment	13
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	9,508

APPROPRIATION ACCOUNT: Salaries and Expenses

**BUDGET PROGRAM: Operations and Administration/Office of Chief Information Officer/
Digital Service Team**

For FY 2016, DM requests \$19,357,000 for the Office of Chief Information Officer (OCIO). This funding includes an increase of \$6,400,000 and 2 FTE to develop a Digital Service team that will report directly to the Department's Chief Technology Officer.

PROGRAM JUSTIFICATION:

Digital Service Overview

The request will fund development of a Digital Service team. The success rate of government digital services can be improved when the Department has digital service experts on staff with modern digital product design, software engineering and product management skills. To ensure that the Department can effectively build and deliver digital services, the 2016 President's Budget includes funding to build a Digital Service team to ensure the effectiveness of Commerce's digital services for high-priority programs.

The Department will improve access to its treasure trove of data assets by undertaking a comprehensive effort to improve the interoperability of its own data, developing internal standards, and through better integration of data from the bureaus. The Digital Services team will support this comprehensive effort as the Department seeks to create a common Commerce data system, a key asset that will enable the Department to increase access to a more consumable version of the data it collects and produces.

Utilizing The U.S. Digital Service playbook (<https://playbook.cio.gov/>) as the foundation for implementation and delivery of digital services, the Digital Service team will seek to 1) understand user requirements, 2) address the complete user experience, 3) create simple and intuitive applications, 4) build the service using agile and iterative practices, 5) structure contracts to support delivery, 6) utilize state of the market technologies, 7) automate testing and deployments, 8) manage security and privacy through reusable processes, 9) utilize data to drive decisions, and 10) seek to optimize available data and data sets (i.e. application programming interfaces and bulk downloads).

PROGRAM CHANGE(S):

Digital Service Team (\$6,400,000, 2 FTE)

The Commerce Digital Services team will seek to improve the Department's websites, web-based applications, and common Commerce data systems. Additionally the team will identify and fix problems in an effort to upgrade the Department's technology infrastructure. We are seeking to provide this service via an experienced digital services contract team. This effort will be awarded via a performance-based contract. Currently the DOC lacks a holistic team dedicated to the improvement of the Department's delivery of digital services. Adding these positions will provide the human capital and required subject matter expertise for this team to cut across organizational boundaries in its approach to delivering the best services for internal and external customers. The initiative will enable the Department to increase access to a more consumable version of the data it produces and collects. This effort is in full collaboration with other Commerce offices to include the Chief Data Officer, and Director of Digital Strategy and is supported by White House Digital Services

Strategic Initiatives. To support the development of the teams, USDS and the Office of E-Government and IT will provide services and support.

Schedule and Milestones:

The Department will work with the OMB in developing an implementation plan outlining strategy and key FY 2015 and FY 2016 milestones to build capacity to support and build the Digital Services team.

Digital Services Team - Major Milestones	
Milestones	Anticipated Completion
Obtain Funding Approval	10/01/2015
Conduct Market Research and Acquisition Strategy	02/01/2016
Develop Statement of Work	2/13/2016
Award Contract	4/24/2016
Conduct Assessment of Current Environment	5/15/2016
Provide Proposed Solution	6/5/2016
Acquire Required Hardware/Software/Services	7/10/2016
Develop Project Plan and Schedule	7/24/2016
Communicate to Stakeholders and Customers	8/7/2016
Obtain Authority to Operate	8/14/2016
Start Digital Services Support Services	8/21/2016
Review Feedback and Adjust Solution	9/25/2016
Conduct Training for End-Users	9/25/2016 - 11/20/2016
Transition to Operations and Maintenance	9/30/2016

Performance Goals and Measurement Data:

Performance measures will be determined as the plan is being developed. Additionally, the Department will identify measures based on organizational and user goals, using online services to determine the success or failure of those goals, to drive strategy, and improve user experience.

PROGRAM CHANGE PERSONNEL DETAIL

Budget Program: Operations and Administration/Office of Chief Information Officer
Sub-program: Digital Service Team
Program Change: Development of a Digital Service Team

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Supervisory IT Specialist	Washington, D.C.	GS-15	1	\$157,100	\$157,100
IT Specialist	Washington, D.C.	GS-14	1	\$138,136	\$138,136
Subtotal			<u>2</u>		<u>\$295,236</u>
Less Lapse	0%		<u>0</u>		<u>\$0</u>
Total Full-time permanent:			2		\$295,236
2015 Pay Adjustment	1.000%				\$2,952
2016 Pay Adjustment	1.300%				<u>\$3,876</u>
Total			2		<u>\$302,065</u>

Personnel Data

	Number
Full-time Equivalent Employment	
Full-time permanent	2
Other than full-time permanent	0
Total	<u>2</u>
Authorized Positions:	
Full-time permanent	2
Other than full-time permanent	0
Total	<u>2</u>

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/Office of Chief Information Officer
Program Change: Development of a Digital Service Team

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	\$302
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	9
11.8	Special personnel services payments	0
11.9	Total personnel compensation	311
12	Civilian personnel benefits	100
13	Benefits for former personnel	0
21	Travel and transportation of persons	10
22	Transportation of things	0
23.1	Rental payments to GSA	23
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	7
24	Printing and reproduction	2
25.1	Advisory and assistance services	0
25.2	Other services	5,930
25.3	Purchases of goods & services from Gov't accounts	2
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	7
31	Equipment	8
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	6,400

APPROPRIATION ACCOUNT: Salaries and Expenses

BUDGET PROGRAM: Operations and Administration

For FY 2016, Departmental Management requests a total of \$3,000,000 to support the development of an Idea Lab.

PROGRAM JUSTIFICATION:

Idea Lab Overview

The Department requests funds for an Idea Lab (representing Innovation, Design, Entrepreneurship, and Action) which will incubate and invest in innovative approaches to more efficiently and effectively meet the Department's mission goals.

PROGRAM CHANGE(S):

Idea Lab (\$3,000,000)

The Department of Commerce (DOC) mission is focused on creating the conditions for U.S. economic growth. The only way we can fulfill this mission is through keeping pace with the rapid speed of business and innovation. If the United States plans to maintain a competitive position in the global economy, DOC must constantly innovate, just as the most successful private sector enterprises do. Or more simply put, if we are going to add value to U.S. business, we need to act like one.

However, like many public sector organizations, the Department's employees are not always incentivized to work across bureaus, take risks, experiment and find new, innovative ways of improving mission delivery. Instead, employees are typically incentivized to make sure services perform suitably and reliably.

DOC would use the proposed funding for an agency "Idea Lab" to create a culture where creativity is unleashed, barriers to implementation are removed and employees have the opportunity to lead change no matter where they exist in the hierarchy. Engaging employees and providing opportunities for employee development is our top priority. An Idea Lab will provide institutional capacity for complex problem solving in a sustainable and safe environment.

Building off of other successful approaches to innovation, we believe that in order to create an Idea Lab within the DOC, we need to:

- develop "intrapreneurs" across the Department – individuals who take direct responsibility for turning ideas into action through risk-taking and innovation;
- support the formation of cross-bureau project teams to solve challenges;
- bring in external talent (e.g. academia, corporations, non-profits) to provide training, coaching, and advise on overall project implementation; and
- recognize success.

The proposed Idea Lab would consist of five key components, including:

- **DOC Accelerator:** The DOC Accelerator is a competitive process run twice a year by which teams of employees submit project proposals, define problem statements and receive just-in-time training and coaching in order to develop a business case. Selected teams will test hypotheses with customers and experiment with potential solutions as well as pitch those potential solutions to senior leadership for funding and support.
- **DOC Innovators Partnership:** The DOC Innovators Partnership is an initiative by which the Department will partner with outside organizations or individuals (e.g. academia, corporations, non-profits) to assist with training, coaching, and implementation of specific projects. This could include offering fellowships to individuals outside government to work on a specific policy priority within the Department, partnering with an academic institution to offer training and coaching for project teams in business case development and project design, and recruiting Entrepreneurs-in-Residence to work directly with project teams and provide ongoing support. Consultants may also be used to support project implementation and provide services such as web development, graphic design, communications and marketing, computer programming as well as administrative support.
- **DOC Ventures:** DOC Ventures is a venture capital fund used to support projects selected for the Accelerator. Each selected project team will receive a small upfront angel investment (\$5,000) that can be used to make a small technology investment, hire a consultant etc. Once the accelerator projects are pitched to senior leadership, a smaller number of projects will be selected to receive ongoing support and additional funding for scaling the idea. Venture funding may also be used to support project challenges. These challenges would define a specific problem and crowdsource potential solutions from the public in exchange for a monetary reward.
- **DOC Innovators Award:** This DOC Innovators Award, given by the Secretary, would recognize teams of employees for outstanding achievement on project implementation. Small monetary awards (funded through DOC Ventures) may also be provided to individuals who are recognized for successful project work.
- **The Lab:** The Lab is a physical space used by project teams to collaborate and experiment and test project designs. Training and coaching will also be provided in the space. The space will use a flexible, open floor plan concept, and will consist of ample whiteboard space, computers, and furniture that can be moved around to form a variety of configurations to support collaboration.

Supporting offices would include the Office of Performance, Office of Policy and Strategic Planning, Office of the Chief Data Officer and respective Strategic Goal Leaders and other bureau leadership.

Schedule and Milestones:

The Department will work with the Office of Management and Budget in developing a FY 2016 spend plan and will implement the program upon Congressional approval.

Performance Goals and Measurement Data:

Performance measures will be determined as the plan is being developed, and shared at a later date.

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollars in thousands)

Budget Program: Operations and Administration
Program Change: Develop an Idea Lab

Object Class	FY 2016 Increase
11 Personnel compensation	
11.1 Full-time permanent	\$0
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 Total personnel compensation	0
12 Civilian personnel benefits	0
13 Benefits for former personnel	0
21 Travel and transportation of persons	0
22 Transportation of things	0
23.1 Rental payments to GSA	0
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	0
24 Printing and reproduction	0
25.1 Advisory and assistance services	0
25.2 Other services	3,000
25.3 Purchases of goods & services from Gov't accounts	0
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	0
31 Equipment	0
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	3,000

APPROPRIATION ACCOUNT: Salaries and Expenses

BUDGET PROGRAM: Operations and Administration/Office of Privacy and Open Government

For FY 2016, Departmental Management requests a total of \$1,048,000 and 4 FTE for the Office of Privacy and Open Government (OPOG). This funding includes an increase \$108,000 and 1 FTE to enable the OPOG to meet its operational and statutory requirements under the Freedom of Information Act/Privacy Act (FOIA/PA) (5 USC § 552 and 552a).

PROGRAM JUSTIFICATION:

FOIA/PA Staffing Overview

The FOIA established a statutory right of public access to executive branch information in the federal government (5 U.S.C. § 552). The Departmental FOIA/PA Office, located in OPOG provides policy and operational oversight for the FOIA/PA program across the Department and coordinates the proper handling and processing of FOIA/PA requests Department-wide.

Current staffing includes two FTE. The first serves as the:

- Departmental FOIA/PA Officer and principal FOIA/PA contact for the Department;
- liaison with the Department of Justice (DOJ), Office of Information Policy;
- FOIA/PA Officer for the directorates under the Office of the Chief Financial Officer and Assistant Secretary for Administration (OCFO/ASA);
- FOIA Liaison for the OCFO/ASA;
- principal contact and reviewer /clearance coordinator/publisher for PA System of Records Notices (SORN); and
- compiles the Department Annual FOIA Report and Chief FOIA Officer Report.

The second serves as the:

- Immediate Office of the Secretary (OS) FOIA/PA Officer; and the
- FOIA Liaison for the Immediate OS.

Current staffing levels are not meeting workload requirements resulting in a backlog of overdue FOIA requests, failure to meet statutory requirements, and an increase in the risk of costly FOIA litigation. The investment in the FOIAonline electronic document management system only gets OPOG half-way, by automating the tracking of FOIA requests and digitizing documents. The ability to adequately review documents and process FOIA requests in a timely manner, requires additional resources.

PROGRAM CHANGE(S):

Additional Staffing (\$108,000 & 1 FTE)

OPOG requests an increase of 1 FTE to meet its operational and statutory requirements under FOIA/PA (5 USC § 552 and 552a). An additional FTE is needed in the FOIA/PA program to balance the FOIA workload to reduce FOIA backlog, achieve optimum FOIA processing, and to ensure statutory requirements are met, therefore reducing the risk of costly FOIA litigation.

Not filling the position will jeopardize OPOG's ability to meet requirements of FOIA/PA (5 USC § 552 and 552a). The FOIA/PA work is mandated with statutory time limits for fulfilling FOIA/PA requests. Currently, the staff of the FOIA/PA program is working at maximum capacity. One FOIA Specialist processes all Department-wide FOIA requests. Department-wide requests contain voluminous documents. FOIA staff routinely work on 8-10 FOIA/PA cases at a time, which may result in mistakes because of the high workload.

If OPOG does not meet the statutory requirements of the FOIA/PA, including the imposed time limits, the Department is at risk for being sued. This would involve the Office of General Counsel (OGC), as well as additional FOIA management, and program area time. Further, the method by which attorneys fees and costs are paid to FOIA plaintiffs will no longer be paid by the U.S. Treasury Claims and Judgment Fund. Instead these fees and costs will be paid directly by the agency, using funds "appropriated for any authorized purpose."

The President and the Attorney General have emphasized the importance of improving timeliness in responding to requests.

Not filling the position will lead to an increased need for the Departmental FOIA/PA Officer to work on the backlog of FOIA cases, which decreases time available to work on reporting requirements, Open Government, and Open Data Policy concerns/issues.

Not filling this position will jeopardize OPOG's ability to meet requirements of the Open Government Act of 2007, and the Attorney General's FOIA Guidelines is the presumption of openness such as:

- conducting FOIA training for bureau FOIA professionals and staff;
- sending bureau FOIA professionals to substantive FOIA training, such as that offered by DOJ (required to submit a training plan as part of our Chief FOIA Officer Report);
- developing and using a formal process to review records for discretionary release; and
- posting all required quarterly FOIA reports and ensuring posted information is kept current.

Additionally, the Census Bureau FOIA/PA Office, which receives a comparable number of FOIA requests per fiscal year as OPOG, is currently staffed at 5 FTE: Census FOIA/PA Officer at 1 FTE; FOIA Public Liaison at 1 FTE; FOIA Analysts at 2 FTE; and FOIA Assistant at 1 FTE. Furthermore, the Census FOIA Office was approved for an additional FOIA FTE in FY 2014. At the end of FY 2013, the Census FOIA backlog was three FOIA requests and the OPOG FOIA backlog was 57 FOIA requests. Moreover, the Census Bureau FOIA Office does not have purview over the PA SORNS, but rather this function is handled by a separate office, currently staffed at 5 FTE. The Census Bureau is currently using the FOIAonline electronic document management system, but with the additional FTEs, Census is able to respond to FOIA requests in a timely manner, and therefore has a backlog of only three overdue FOIA requests.

Statement of Need and Economic Benefits – Cost Benefit Analysis

Without the proposed increase to fill the positions, OPOG will be unable to balance the FOIA workload to reduce FOIA backlog, unable to achieve optimum FOIA processing, and unable to ensure statutory requirements are met, therefore reducing the risk of costly FOIA litigation.

Schedule and Milestones:

Increase existing staff by one FTE to reduce FOIA backlog and meet program objectives. Program will be enhanced upon budget approval. Full implementation is anticipated within one year from initial budget approval. The one FTE will be recruited in FY 2016.

Performance Goals and Measurement Data:

Performance Goal:							
Freedom of Information Act (FOIA)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
5 Percent Reduction of FOIA Backlog	Est.	Target	Target	Target	Target	Target	Target
With Change	212	186	160	134	108	82	56
Without Change	264	290	316	342	368	394	420
Description: Reduction of Department Overall FOIA Backlog by approximate 5 %							

PROGRAM CHANGE PERSONNEL DETAIL

Budget Program: Operations and Administration/Office of Privacy and Open Government
Sub-program: Freedom of Information Act/Privacy Act (FOIA/PA) Program
Program Change: Additional Staffing

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Management Analyst	Washington, D.C.	ZA-II	1	\$74,654	\$74,654
Subtotal			<u>1</u>		<u>\$74,654</u>
Less Lapse	25%		<u>0</u>		<u>(\$18,664)</u>
Total Full-time permanent:			1		\$55,990
2015 Pay Adjustment	1.000%				\$560
2016 Pay Adjustment	1.300%				<u>\$735</u>
Total			1		<u>\$57,285</u>

Personnel Data	Number
Full-time Equivalent Employment	
Full-time permanent	1
Other than full-time permanent	<u>0</u>
Total	1
Authorized Positions:	
Full-time permanent	1
Other than full-time permanent	<u>0</u>
Total	1

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/Office of Privacy and Open Government
Program Change: Additional Staffing

Object Class	FY 2016 Increase
11 Personnel compensation	
11.1 Full-time permanent	\$57
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 Total personnel compensation	57
12 Civilian personnel benefits	17
13 Benefits for former personnel	0
21 Travel and transportation of persons	2
22 Transportation of things	0
23.1 Rental payments to GSA	12
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	5
24 Printing and reproduction	0
25.1 Advisory and assistance services	0
25.2 Other services	1
25.3 Purchases of goods & services from Gov't accounts	7
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	2
31 Equipment	5
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	108

Department of Commerce
 Departmental Management
 Salaries and Expenses
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Class	2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease) Over 2016 Base
11 Personnel compensation:					
11.1 Full-time permanent	20,182	23,748	24,265	24,624	359
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	880	549	549	558	9
11.9 Total personnel compensation	21,062	24,297	24,814	25,182	368
12.1 Civilian personnel benefits	5,892	6,809	7,061	7,178	117
13 Benefits for former personnel	101	88	88	88	0
21 Travel and transportation of persons	343	587	596	608	12
23.1 Rental payments to GSA	3,944	4,182	4,756	4,791	35
23.2 Rental payments to others	8	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	1,392	1,605	1,596	1,608	12
24 Printing and reproduction	51	26	27	29	2
25.1 Advisory and assistance services	3,398	1,122	1,122	1,122	0
25.2 Other services	8,627	8,613	6,692	15,623	8,931
25.3 Purchase of goods and services from Gov't accounts	12,716	11,364	14,433	14,442	9
26 Supplies and materials	254	154	156	165	9
31 Equipment	401	239	246	259	13
32 Land Structures	0	0	0	0	0
99 Total obligations	58,189	59,086	61,587	71,095	9,508
Less prior year recoveries	0				
Unobligated balance, start of year	(2,444)	(3,086)			
Unobligated balance, transferred	(1,000)				
Unobligated balance, end of year	3,086				
Unobligated balance, expiring	698				
Transfers from other accounts	(3,029)	0			
TOTAL BUDGET AUTHORITY	55,500	56,000	61,587	71,095	9,508

Department of Commerce
 Departmental Management
 Salaries and Expenses
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Personnel Data	2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease) Over 2016 Base
Full-Time Equivalent Employment:					
Full-time Permanent	112	116	116	119	3
Other than full-time permanent	40	40	40	40	0
Total	152	156	156	159	3
Authorized Positions:					
Full-time permanent	143	147	147	150	3
Other than full-time permanent	50	50	50	50	0
Total	193	197	197	200	3

Note: Other than full-time permanent FTE and positions include political appointees classified as full-time temporary.

Department of Commerce
 Departmental Management
 Salaries and Expenses
 ACTIVITY/SUBACTIVITY CHANGE CROSSWALK
 Part 1 - 2015 Structure
 (Dollars amounts in thousands)

<u>Activity/Subactivity</u>	<u>2016 Direct Obligations</u>	<u>Proposed Changes</u>
Executive Direction	37,941	Merge into Operations and Administration
Departmental Staff Services	33,154	Merge into Operations and Administration

Department of Commerce
 Departmental Management
 Salaries and Expenses
ACTIVITY/SUBACTIVITY CHANGE CROSSWALK
 Part 2 - 2016 Structure
 (Dollars amounts in thousands)

Activity/Subactivity	2014	2015	2016
Executive Direction	34,074	34,916	
Departmental Staff Services	24,115	24,170	
Operations and Administration			71,095
Total Direct Obligations	58,189	59,086	71,095

Department of Commerce
Departmental Management
Salaries and Expenses
Justification of Proposed Language Changes

-

For necessary expenses for the management of the Department of Commerce provided for by law, including not to exceed \$4,500 for official reception and representation, \$71,095,000: Provided, That the Secretary of Commerce shall maintain a task force on job repatriation and manufacturing growth and shall produce an annual report on related incentive strategies, implementation plans, and program results: Provided further, That within amounts provided, the Secretary of Commerce may use up to \$2,500,000 to engage in activities to provide businesses and communities with information about and referrals to relevant Federal, State, and local government programs: Provided further, That \$6,400,000 shall be used for a Digital Service Team to ensure the effectiveness of the agency's digital services for high-priority programs.

Department of Commerce
Departmental Management
Salaries and Expenses
Appropriation Language and Code Citation

FY 2016:

Salaries and Expenses

1. For expenses necessary for the Departmental Management of the Department of Commerce provided for by law.
15 U.S.C. 1501

15 U.S.C. 1501 provides that: "There shall be...the Department of Commerce, and a Secretary of Commerce, who shall be the head thereof..." The sections which follow 15 U.S.C. 1501 establish various Assistant Secretaries and define general powers and duties of the Department.

2. Including not to exceed \$4,500 for official entertainment.
No Specific Authority

5 U.S.C. 5536 prohibits additional pay or allowance to employees unless the appropriation therefore specifically states that it is for the additional pay or allowance.

3. *Provided*, that the Secretary of Commerce shall maintain a task force on job repatriation and manufacturing growth and shall produce an annual report on related incentive strategies, implementation plans, and program results:
No Specific Authority

4. *Provided further*, That \$6,400,000 shall be used for a Digital Service team to ensure the effectiveness of the agency's digital services for high-priority programs.
New Authority

Department of Commerce
 Departmental Management
 Salaries and Expenses
 Advisory and Assistance Services
 (Dollar amounts in thousands)

	<u>2014 Actual</u>	<u>2015 Enacted</u>	<u>2016 Estimate</u>
Consulting services	0	0	0
Management and professional services	3,398	1,122	1,122
Special studies and analyses	0	0	0
Management and support services for research and development	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>3,398</u>	<u>1,122</u>	<u>1,122</u>

Department of Commerce
 Departmental Management
 Salaries and Expenses
 Periodicals, Pamphlets, and Audiovisual Products
 (Dollar amounts in thousands)

	2013 <u>Actual</u>	2014 <u>Actual</u>	2015 <u>Enacted</u>	2016 <u>Estimate</u>
Periodicals	6	4	4	4
Pamphlets	0	0	0	0
Audiovisuals	0	0	0	0
Total	<u>6</u>	<u>4</u>	<u>4</u>	<u>4</u>

Department of Commerce
 Departmental Management
 Salaries and Expenses
 Average Grade and Salaries

	2014 <u>Actual</u>	2015 <u>Enacted</u>	2016 <u>Estimate</u>
Average GS/GM Grade	12.72	12.73	12.73
Average GS/GM Salary	\$105,633	\$104,584	\$104,602

Exhibit 5

Department of Commerce
 Departmental Management
 HCHB Renovation and Modernization
 SUMMARY OF RESOURCE REQUIREMENTS
 (Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Direct Obligations
2015 Enacted	5	5	4,500	5,737
less: Obligations from prior years			0	(1,237)
less: 2016 Adjustments to Base: Non-recurring Construction Costs	0	0	(3,569)	(3,569)
2016 Base	5	5	931	931
plus: 2016 Program Changes			23,131	23,131
2016 Estimate	5	5	24,062	24,062

Comparison by activity:		2014 Actual		2015 Enacted		2016 Base		2016 Estimate		Increase/(Decrease) Over 2016 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
HCHB Renovation	Pos./BA	5	4,000	5	4,500	5	931	5	24,062	0	23,131
	FTE/Obl.	5	4,741	5	5,737	5		5		0	0
TOTALS	Pos./BA	5	4,000	5	4,500	5	931	5	24,062	0	23,131
	FTE/Obl.	5	4,741	5	5,737	5		5		0	0
Adjustments to Obligations:											
	Recoveries		(801)								
	Unobligated balance, start of year		(1,178)		(1,237)						
	Unobligated balance, end of year		1,237								
Financing from Transfers:											
	Transfer from other accounts (-)										
	Transfer to other accounts (+)										
Appropriation			4,000		4,500		931		24,062		23,131

[This page intentionally left blank]

Department of Commerce
 Departmental Management
 HCHB Renovation and Modernization
 SUMMARY OF FINANCING
 (Dollar amounts in thousands)

	2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease) Over 2016 Base
Total Obligations	4,741	5,737	931	24,062	23,131
Offsetting collections from:					
Federal funds	0	0	0	0	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	(801)	0	0	0	0
Unobligated balance, start of year	(1,178)	(1,237)	0	0	0
Unobligated balance, end of year	1,237	0	0	0	0
Budget Authority	<u>4,000</u>	<u>4,500</u>	<u>931</u>	<u>24,062</u>	<u>23,131</u>
Financing:					
Unobligated balance, rescission	0	0	0	0	0
Transfer from other accounts (-)	0	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	<u>4,000</u>	<u>4,500</u>	<u>931</u>	<u>24,062</u>	<u>23,131</u>

Department of Commerce
 Departmental Management
 HCHB Renovation and Modernization
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	FTE	Amount
<u>Adjustments:</u>		
Non-recurring Construction Costs	0	(3,584)
* Note: Due to the nature of the renovation and modernization phases, each year this account has non-recurring construction only program costs. Only the personnel funding will be retained in the base.		
 Other Changes:		
Pay Raises		8
 Annualization of FY 2015 Pay Raise		
Pay raise of 1% assumed to be effective Jan. 1, 2015.		
Total cost in FY 2016 of the FY 2015 pay increase		6,667
Less amount requested in FY 2015		(5,000)
Amount requested in FY 2016 for FY 2015 pay increase		1,667
 FY 2016 Pay Raise		
A general pay raise of 1.3% is assumed to be effective Jan. 1, 2016.		
Total cost in FY 2016 of pay increase		6,000
Amount requested in FY 2016 for FY 2016 pay increase		6,000
 Changes in compensable days		
The increased cost of one more compensable day in 2016 compared to 2015 is calculated by dividing the 2015 estimated personnel compensation (\$601,000) and applicable benefits (\$172,000) by 261 compensable days. The cost increase of one compensable day is \$2,962.		
		3

Department of Commerce
 Departmental Management
 HCHB Renovation and Modernization
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

Federal Employees' Retirement System (FERS) 3
 The estimated percentage of payroll for employees covered by FERS remains at 100% in FY 2015 .
 and in FY 2016. The contribution rate will increase from 13.2% in FY 2015 to 13.7% in FY 2016.

FY 2016 (\$601,000 x 1 x .137)	82,337	
FY 2015 (\$601,000 x 1 x .132)	79,332	
Total adjustment to base	3,005	

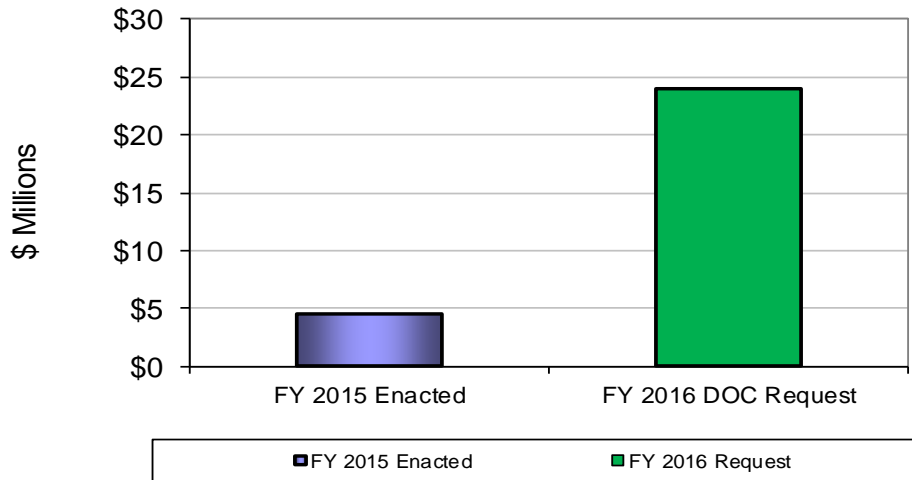
Health Insurance 1
 Effective January 2014, the cost of the U.S. Government's contribution to the Federal employee's health insurance
 premium increased by 3.4%. Applied against the FY 2015 estimate of \$34,000 the additional amount required
 is \$1,156.

Subtotal, Other Changes	0	15
Total FY 2016 Adjustments to Base	0	(3,569)

Department of Commerce
 Departmental Management
 HCHB Renovation and Modernization
 PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Comparison by activity:		2014 Actual		2015 Enacted		2016 Base		2016 Estimate		Increase/(Decrease) Over 2016 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
HCHB Renovation and Modernization	Pos./BA	5	4,000	5	4,500	5	931	5	24,062	0	23,131
	FTE/Obl.	5	4,741	5	5,737	5		5		0	0
TOTALS	Pos./BA	5	4,000	5	4,500	5	931	5	24,062	0	23,131
	FTE/Obl.	5	4,741	5	5,737	5		5		0	0

Department of Commerce
 Departmental Management
 HCHB Renovation and Modernization



APPROPRIATION ACCOUNT: HCHB RENOVATION AND MODERNIZATION

BUDGET PROGRAM: HCHB RENOVATION AND MODERNIZATION

For FY 2016, Departmental Management requests \$24,062,000 and 5 FTEs for the Herbert C. Hoover Building (HCHB) Renovation and Modernization Project (including inflationary adjustments). Due to the nature of the renovation and modernization phases, each year this account has non-recurring construction/equipment only program costs. Only the personnel funding is retained in the base.

PROGRAM JUSTIFICATION:

Renovation and Modernization Overview

The HCHB Renovation and Modernization plan combines Department of Commerce (DOC) and General Services Administration (GSA) solutions to address major building systems that are beyond their useful life and deteriorating. This eight-phase modernization project replaces aging building systems with new, more efficient systems (i.e., fire and life safety compliance); new heating, ventilation, air-conditioning systems, and lighting systems; security improvements (perimeter security and blast-resistant windows); and recapturing space in Courtyard 6. It also includes the Department’s effort to optimize space utilization, decrease reliance on leased space, and reduce its footprint.

PROGRAM CHANGE(S):

Renovation and Modernization Project (+24,062,000)

DOC Construction Cost/Equipment & Furniture	14,746
Security	1,082
IT/Telecommunications	3,665
Relocation and Planning	731
Blast Windows	2,907
Base Operations	931
Total	24,062

DOC Construction Cost Equipment and Furniture: \$14,746,000

Funding is requested to build out Phase 5 office space, storage areas and special purpose spaces (e.g., Childcare Center, conference rooms, main entrance, basement lobby, health care unit, executive level space, restrooms, utility closets, special swing spaces, new business centers, and social interactive spaces), and to optimize utilization of HCHB space, thereby reducing leased space. This also includes costs to disassemble existing furniture and office equipment, and procure new furniture.

Security: \$1,082,000

Funding is requested to remove security equipment from the Phase 5 construction site and to rewire and install the Phase 5 security systems.

IT/Telecommunications: \$3,665,000

Funding is requested to rewire the IT/Telecommunications networks and procure IT infrastructure.

Relocation and Planning: \$731,000

Funding is requested for Phase 5 move planning, transition scheduling, communications planning, furniture/equipment inventory management, move coordination, staff checkout, on-site move services (to move 880 employees in and out of swing spaces), and post move services. Funds also are requested for the design, technical reviews, and system testing/evaluation prior to government acceptance.

Blast-Resistant Windows: \$2,907,000

Funding is requested to procure and install Phase 5 perimeter blast-resistant windows and building entrance doors.

Base Operations: \$931,000

Funding is requested to support five FTEs and the increase to benefits, rent, utilities, supplies, and training. Continued support of the FTEs is crucial to renovation and modernization project. These positions (Engineering Technician, IT Project Manager, Architect, Administrative Officer, and Public Affairs Officer) provide assistance to management on program and operations efficiency and productivity, serve as project managers for IT and space planning, assist with communication, and act as the Contracting Officer's Representative (COR) for HCHB support contracts. This mix of FTEs is essential to working with GSA in the planning and execution of the HCHB project and keep the lines of communication open between the staff.

Statement of Need and Economic Benefits – Cost Benefit Analysis

The Department's portion of the HCHB project budget is approximately 20 percent of the total renovation cost. GSA provides the remainder. Even though building modernization was determined to cost more than leasing or new construction, the HCHB is an important asset in the GSA inventory and has been the headquarters of the Department since 1932. It is in the best interest of both agencies to renovate and maintain this historic landmark property. Any fluctuation in the Department's appropriated funding is expected to directly affect GSA's construction schedule.

The funds requested will enable the Department to keep in lockstep with GSA phased funding.

Schedule and Milestones:

Phase 5: FY 2016 – 2017

Phase 6: FY 2017 – 2019

Phase 7: FY 2019 – 2020

Phase 8: FY 2020 – 2022

Deliverables:

- Revised tenant improvement construction drawings
- Furniture inventory and installation drawings
- Move schedule, checklists and "Personnel to Seat" database
- Space utilization rates
- "Existing Conditions" floor plans
- Risk management plan
- Tenant improvement project plans
- Technical review of submittals
- Construction documentation review and analysis
- Tenant improvement cost estimating and analysis

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: HCHB Renovation and Modernization

Program Change: HCHB Renovation and Modernization

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	\$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	23,131
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Facilities operation and maintenance	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Persons subsistence and support	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	23,131

Department of Commerce
 Departmental Management
 HCHB Renovation and Modernization
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease) Over 2016 Base
11 Personnel compensation:					
11.1 Full-time permanent	595	601	612	612	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	6	6	6	6	0
11.9 Total personnel compensation	<u>601</u>	<u>607</u>	<u>618</u>	<u>618</u>	<u>0</u>
12.1 Civilian personnel benefits	171	206	210	210	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	0	1	1	1	0
22 Transportation of things	0	0	0	0	0
23.1 Rental payments to GSA	26	32	32	32	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	5	9	9	9	0
24 Printing and reproduction	0	2	2	2	0
25.1 Consulting services	0	0	0	0	0
25.2 Other services	3,912	3,577	0	23,011	23,011
25.3 Purchase of goods and services from Gov't accounts	0	29	29	29	0
26 Supplies and materials	3	15	15	15	0
31 Equipment	24	22	15	135	120
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	0	0	0	0	0
99 Total obligations	<u>4,742</u>	<u>4,500</u>	<u>931</u>	<u>24,062</u>	<u>23,131</u>
Less prior year recoveries	(801)	0	0	0	0
Unobligated balance, start of year	(1,178)				
Unobligated balance, end of year	<u>1,237</u>				
TOTAL BUDGET AUTHORITY	4,000	4,500	931	24,062	23,131

Department of Commerce
 Departmental Management
 HCHB Renovation and Modernization
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Personnel Data	2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease) Over 2016 Base
Full-Time Equivalent Employment:					
Full-time permanent	5	5	5	5	0
Other than full-time permanent	0	0	0	0	0
Total	5	5	5	5	0
Authorized Positions:					
Full-time permanent	5	5	5	5	0
Other than full-time permanent	0	0	0	0	0
Total	5	5	5	5	0

Department of Commerce
Departmental Management
HCHB Renovation and Modernization
Appropriation Language and Code Citations

For necessary expenses for the renovation and modernization of Department of Commerce facilities, \$24,062,000 to remain available until expended.

[This page intentionally left blank]

Department of Commerce
 Departmental Management
 Franchise Fund
 SUMMARY OF RESOURCE REQUIREMENTS
 (Dollar amounts in thousands)

		Positions	FTE	Budget Authority	Reimbursable Obligations
2015 Enacted		0	0	(2,906)	(2,906)
Restoration of Proposed Rescission		0	0	2,906 ^{1/}	2,906
less: Obligations from prior years		0	0	0	0
2016 Base		0	0	0	0
plus: 2016 Program Changes		0	0	0	0
2016 Estimate		0	0	0	0

		2014 Actual		2015 Enacted		2016 Base		2016 Estimate		Increase/(Decrease) Over 2016 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Office of Computer Services	Pos./BA	0	0	0	(2,906)	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
TOTALS	Pos./BA	0	0	0	(2,906)	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
Adjustments to Obligations:											
Recoveries		0	0	0	0	0	0	0	0	0	0
Unobligated balance, start of year		0	(2,906)	0	2,906	0	0	0	0	0	0
Unobligated balance, end of year		0	2,906	0	(2,906)	0	0	0	0	0	0
Unobligated balance, rescission		0	0	0	(2,906)	0	0	0	0	0	0
Financing from Transfers:											
Transfer from other accounts (-)											
Transfer to other accounts (+)											
Reimbursable Authority		0	0	0	(2,906)	0	0	0	0	0	0

^{1/} Pursuant to P.L. 113-235, Consolidated and Further Continuing Appropriations Act, 2015, which rescinded the unobligated balances \$2,906, the adjustment is shown to offset the base BA reduction to net this account to \$0 in FY 2016.

[This page intentionally left blank.]

Department of Commerce
Departmental Management
Franchise Fund

APPROPRIATION ACCOUNT: DEPARTMENTAL MANAGEMENT

BUDGET ACTIVITY: FRANCHISE FUND

The goal of the Commerce Franchise Fund was to promote entrepreneurial business activities in common administrative services across the Federal Government.

Congress established the Franchise Fund Pilot Program in the Government Management Reform Act of 1994 to allow market forces to improve the delivery of common administrative services. In 1996, the Department of Commerce (DOC) Office of Computer Services (OCS) began operating as a federal franchise fund, providing IT support services to organizations within DOC and other federal agencies. In FY 2004, Commerce's authorization to operate a federal franchise fund was made permanent.

The Department closed OCS at the beginning of FY 2011. The building lease expired on Sept. 30, 2010 and all hosting services have moved to other providers. Although OCS services no longer exist, the franchise fund's authority remains.

Pursuant to P.L. 113-235, the Consolidated and Further Continuing Appropriations Act, 2015, the unobligated balances were rescinded.

Department of Commerce
 Departmental Management
 Franchise Fund
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease) Over 2016 Base
11 Personnel compensation:					
11.1 Full-time permanent	0	0	0	0	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	0	0	0	0	0
11.9 Total personnel compensation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12.1 Civilian personnel benefits	0	0	0	0	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	0	0	0	0	0
22 Transportation of things	0	0	0	0	0
23.1 Rental payments to GSA	0	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	0	0	0	0	0
24 Printing and reproduction	0	0	0	0	0
25.1 Consulting services	0	0	0	0	0
25.2 Other services	0	0	0	0	0
25.3 Purchase of goods and services from Gov't accounts	0	0	0	0	0
26 Supplies and materials	0	0	0	0	0
31 Equipment	0	0	0	0	0
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
99 Total obligations	0	0	0	0	0
Unobligated Balance, start of year	(2,906)	2,906	0	0	0
Unobligated Balance, end of year	2,906	(2,906)	0	0	0
Unobligated Balance, rescission	0	(2,906)	0	0	0
Less prior year recoveries	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REIMBURSABLE AUTHORITY	0	(2,906)	0	0	0

Department of Commerce
 Departmental Management
 Emergency Steel Guaranteed Loan Program
 SUMMARY OF RESOURCE REQUIREMENTS
 (Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Direct Obligations
Currently Available 2015	0	0	0	0
plus: 2016 Adjustments to Base	0	0	0	0
2016 Base	0	0	0	0
less: 2016 Program Changes	0	0	0	0
2016 Estimate	0	0	0	0

Comparison by activity:		2014 Actual		2015 Enacted		2016 Base		2016 Estimate		Increase/(Decrease) Over 2016 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Guaranteed Loan Limit		0	0	0	0	0	0	0	0	0	0
<hr/>											
Loan Subsidy	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
Administrative Expenses	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
Modification Costs	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
Credit Reestimates	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
TOTALS	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
 Adjustments to Obligations:											
Unobligated balance, start of year			(291)		(291)		(291)		(291)		0
Unobligated balance, rescinded			0		0		0		0		0
Unobligated balance, end of year			291		291		291		291		0
 Financing from Transfers:											
Transfer from other accounts (-)											
Transfer to other accounts (+)											
Budget Authority (rescission)		0	0	0	0	0	0	0	0	0	0

[This page intentionally left blank]

Department of Commerce
 Departmental Management
 Emergency Steel Guaranteed Loan Program
 SUMMARY OF FINANCING
 (Dollar amounts in thousands)

	2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease) Over 2016 Base
Total Obligations (includes Discretionary and Mandatory balances)	0	0	0	0	0
Offsetting collections from:					
Federal funds	0	0	0	0	0
Trust funds	0	0	0	0	0
Recoveries/Refund	0	0	0	0	0
Mandatory Appropriations	0	0	0	0	0
Unobligated balance, start of year	(291)	(291)	(291)	(291)	0
Unobligated balance, end of year	291	291	291	291	0
Budget Authority/(Rescission)	0	0	0	0	0

Department of Commerce
 Departmental Management
 Emergency Steel Guaranteed Loan Program
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Classes	2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease) Over 2016 Base
11 Personnel compensation:					
11.1 Full-time permanent	0	0	0	0	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	0	0	0	0	0
11.9 Total personnel compensation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12.1 Civilian personnel benefits	0	0	0	0	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	0	0	0	0	0
22 Transportation of things	0	0	0	0	0
23.1 Rental payments to GSA	0	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	0	0	0	0	0
24 Printing and reproduction	0	0	0	0	0
25.1 Consulting services	0	0	0	0	0
25.2 Other services	0	0	0	0	0
25.3 Purchase of goods and services from Gov't accounts	0	0	0	0	0
26 Supplies and materials	0	0	0	0	0
31 Equipment	0	0	0	0	0
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
99 Total obligations	0	0	0	0	0
Mandatory Appropriations	0	0	0	0	0
Recoveries/Refund	0	0	0	0	0
Unobligated balance, start of year	(291)	(291)	(291)	(291)	0
Plus Unobligated Balance End of Year	<u>291</u>	<u>291</u>	<u>291</u>	<u>291</u>	<u>0</u>
TOTAL BUDGET AUTHORITY/(RESCISSION)	0	0	0	0	0

Department of Commerce
 Departmental Management
 Working Capital Fund
 SUMMARY OF RESOURCE REQUIREMENTS
 (Dollars in thousands)

	Positions	FTE	Budget Authority	Reimbursable Obligations
2015 Operating Budget	633	553		209,865
less: Unobligated balance, start of year	0	0		0
plus: 2016 Adjustments to Base	0	0		4,069
2016 Base	633	553		213,934
plus: 2016 Program Changes	17	17		24,877
2016 Estimate	650	570		238,811

		2014 Actual		2015 Operating Budget		2016 Base		2016 Estimate		Increase/(Decrease) Over 2016 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Comparison by activity:											
Operations and Administration	Pos./BA	631		633		633		650		17	
	FTE/Obl.	551	165,532	553	209,865	553	213,934	570	238,811	0	24,877
TOTALS	Pos./BA	631		633		633		650		17	
	FTE/Obl.	551	165,532	553	209,865	553	213,934	570	238,811	17	24,877
Adjustments to Obligations:											
Recoveries			(2,304)								
Unobligated balance, start of year			(11,104)		(13,407)						
Unobligated balance, end of year			13,407								
Total Reimbursable Authority			165,531		196,458		213,934		238,811		24,877

[This page intentionally left blank.]

Department of Commerce
 Departmental Management
 Working Capital Fund
 (Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Other Changes:		
Pay Raise	0	1,026
Annualization of FY 2015 Pay Raise		
The 2015 President's Budget assumed a pay raise of 1.0% effective Jan. 1, 2015.		
Total cost in FY 2016 of the FY 2015 pay increase		825,333
Less amount requested in FY 2015		<u>(619,000)</u>
Amount requested in FY 2016 for FY 2015 pay increase		206,333
 FY 2016 Pay Raise		
A general pay raise of 1.3% is assumed to be effective Jan. 1, 2016.		
Total cost in FY 2016 of pay increase		<u>820,000</u>
Amount requested in FY 2016 for FY 2016 pay increase		820,000
 Changes in compensable days		326
The increased cost of one more compensable day in 2016 compared to 2015 is calculated by dividing the 2015 estimated personnel compensation (\$69,465,000) and applicable benefits (\$15,714,000) by 261 compensable days. The cost increase of one compensable day is \$326,356.		
 Full year cost in 2016 of positions financed for part year in 2015	0	31
An increase of \$30,633 is required to fund the full-year cost in 2016 of positions financed for part-year in 2015. The computation follows:		
Annual salary of new positions in 2016	1	120,430
Less 5 percent lapse	0	<u>(6,022)</u>
Full-year cost of personnel compensation	1	114,408
Less personnel compensation in 2015	<u>-1</u>	<u>(91,225)</u>
Cost of personnel compensation in 2016	0	23,183
Adjustment for 2016 pay raise	0	<u>226</u>
Add'l amount required for personnel compensation	0	23,409
Benefits	0	<u>7,224</u>
Total adjustment-to-base	0	30,633

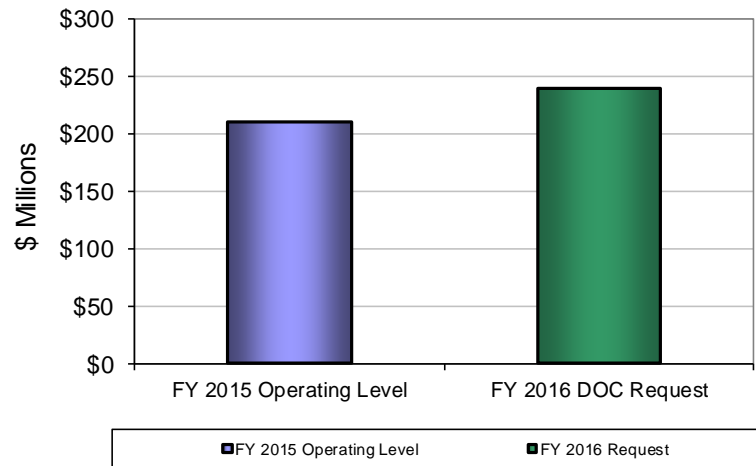
Department of Commerce
 Departmental Management
 Working Capital Fund
 (Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Civil Service Retirement System (CSRS)	...	(86)
<p>The cost of agency contributions for CSRS will decrease due to the decrease in the number of employees covered by CSRS from 6.0% in FY 2015 to 4.2% in FY 2016 for regular employees. The contribution rate will remain the same at 7.00% for regular employees.</p>		
Regular:		
FY 2016 (\$67,884,322 x .042 x .07)		199,580
FY 2015 (\$67,884,322 x .060 x .07)		285,114
Total adjustment to base		(85,534)
Federal Employees' Retirement System (FERS)	...	544
<p>The cost of agency contributions for FERS will increase due to the increase in the number of employees covered by FERS from 94% in FY 2015 to 95.8% in FY 2016 for regular employees. The estimated percentage of payroll for law enforcement employees covered by FERS will remain the same in FY 2016. The contribution rate will increase from 13.2% to 13.7% for regular employees and will increase from 26.5% in FY 2015 to 30.1% in FY 2016 for law enforcement employees.</p>		
Regular:		
FY 2016 (\$67,884,322 x .958 x .137)		8,909,546
FY 2015 (\$67,884,322 x .940 x .132)		8,423,087
Total adjustment to base		486,459
Law Enforcement:		
FY 2016 (\$1,580,678 x 1.0 x .301)		475,784
FY 2015 (\$1,580,678 x 1.0 x .265)		418,880
Total adjustment to base		56,904
Total adjustment to base		543,363
Thrift Savings Plan (TSP)	...	24
<p>The cost of agency contributions to the TSP will increase slightly due to the number of employees covered increasing from 94% in FY 2015 to 95.8% in FY 2016 for regular employees and will remain at 100% in FY 2016 for law enforcement employees. The contribution rates will remain the same.</p>		
Regular:		
FY 2016 (\$67,884,322 x .958 x .02)		1,300,664
FY 2015 (\$67,884,322 x .940 x .02)		1,276,225
Total adjustment to base		24,439
Law Enforcement:		
FY 2016 (\$1,580,678 x 1.0 x .02)		31,614
FY 2015 (\$1,580,678 x 1.0 x .02)		31,614
		0
Total adjustment to base		24,439

Department of Commerce
 Departmental Management
 Working Capital Fund
 (Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Federal Insurance Contributions Act (FICA) - OASDI	...	76
As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the percent of salaries below the cap will increase from 92.3% in FY 2015 to 92.4% in FY 2016. The OASDI tax rate will remain 6.2% in FY 2016.		
Regular:		
FERS payroll subject to FICA tax in FY 2016 (\$67,884,322 x .958 x .924 x .062)	3,725,621	
FERS payroll subject to FICA tax in FY 2015 (\$67,884,322 x .94 x .923 x .062)	<u>3,651,663</u>	
Subtotal	73,958	
Law Enforcement:		
FERS payroll subject to FICA tax in FY 2016 (\$1,580,678 x 1.0 x .924 x .062)	90,554	
FERS payroll subject to FICA tax in FY 2015 (\$1,580,678 x 1.0 x .923 x .062)	<u>90,456</u>	
Subtotal	98	
Other Salaries:		
Other payroll subject to FICA tax in FY 2016 (\$1,492,000 x .958 x .924 x .062)	81,884	
Other payroll subject to FICA tax in FY 2015 (\$1,492,000 x .94 x .923 x .062)	<u>80,258</u>	
Subtotal	1,626	
Total adjustment to base	<u>75,682</u>	
Health Insurance	...	192
Effective January 2014, the cost of the U.S. Government's contribution to the Federal employee's health insurance premium increased by 4%. Applied against the FY 2016 estimate of \$4,806,000, the additional amount required is \$192,240.		
Travel, Per Diem.....	...	21
General Services Administration has issued revised travel per diem rates resulting in a 4.9% increase. This percentage applied against the FY 2015 estimate of \$437,000 results in an increase of \$21,317.		
Rental Payments to GSA	...	120
GSA rates are projected to increase in FY 2016. An additional increase of \$120,045 is required to fund this increase.		
Commerce Business System	...	231
Costs associated with the Commerce Business System will increase from \$11,573,410 in FY 2015 to \$11,804,878 in FY 2016. This results in an increase of \$231,468.		
Postage	...	38
Effective Jan. 26, 2014, the Governors of the Postal Service implemented a rate increase of 5.3% for shipping. This percentage was applied to the FY 2015 estimate of \$710,000 to arrive at an increase of \$37,630.		
General Pricing Level Adjustment	...	1,526
This request applies OMB economic assumptions for FY 2016 of 1.6% to sub-object classes where the prices that the government pays are established through the market system. Factors are applied to transportation of things (\$3,696); rental payments to other (\$0); communications (\$28,288); printing (\$2,320); other services (\$1,407,680); supplies and materials (\$24,928); and equipment (\$58,160).		
Total FY 2016 Adjustments to Base	<u>0</u>	<u>4,069</u>

Department of Commerce
 Departmental Management
 Working Capital Fund



ACCOUNT: WORKING CAPITAL FUND

BUDGET PROGRAM: OPERATIONS AND ADMINISTRATION

For FY 2016, Departmental Management (DM) requests a total of \$238,810,983 and 570 FTE for the Working Capital Fund (WCF). This funding includes a net increase of \$28,945,765 and 17 FTE, which is comprised of \$24,876,720 in program changes, 17 FTE and \$4,069,045 increase in inflationary adjustments.

BASE JUSTIFICATION:

Working Capital Fund Overview:

The U.S. Department of Commerce (DOC) WCF was established on June 28, 1944. The WCF's mission is to provide centralized services to the Department's bureaus in the most efficient and economical manner possible. The WCF was established without fiscal year limitation. It operates as a revolving fund and does not receive a yearly appropriation from Congress. Goods and services are financed by charging operating expenses back to the customers. The overall financial goal is to remain at a breakeven position. Organizational units provide the administrative support needed to accomplish DOC's overall mission. This mission focuses on promoting job creation, economic growth, sustainable development, and improved living standards for all Americans.

The Secretary of Commerce is vested with managing the WCF. Department Organizational Order 10-5 delegated this responsibility to the Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA). The CFO/ASA, acting through the Office of Financial Management, monitors the financial activities of the WCF service providing offices. This year the majority of offices reporting to the CFO/ASA have projects listed in the fund. In addition, the Office of Public Affairs, the Office of General Counsel, and the Office of the Chief Information Officer, which do not report directly to the CFO/ASA, also provide services through the fund.

The objectives of the WCF are to provide overall leadership, policy direction, and coordination of bureau program, in furtherance of the Department's mission and to develop and implement the Department's internal policies, procedures, and other administrative guidelines. Objectives include providing administrative oversight and operational support in the recruitment, training, retention, and management of a diverse and highly effective workforce with the skills and abilities required to achieve the Department's mission. In addition, the WCF provides administrative oversight and operational support to ensure effective management of fiscal resources and business processes by which the Department carries out its responsibilities and providing administrative oversight and operational support to ensure the effective management and security of the facilities and property used to administer the Department's programs.

The services are provided by: the Office of General Counsel (OGC); Office of Public Affairs (OPA); Office of the Chief Information Officer (OCIO); Office of Human Resources Management (OHRM); Office of Civil Rights (OCR); Office of Financial Management (OFM); Office of Acquisition Management (OAM); Office of Program Evaluation and Risk Management (OPERM); Office of Privacy and Open Government (OPOG); Office of Security (OSY); and Office of Facilities and Environmental Quality (OFEQ).

Significant Adjustments-to-Base (ATBs):

DM requests a net increase of \$4,069,045 and 0 FTE to fund inflationary adjustments. The increase will fund inflationary adjustments to cover the estimated 2016 Federal pay raise of 1.3 percent and increases for non-labor activities, including service contracts, utilities and rent charges from the General Service Administration.

PROGRAM CHANGES:

The Working Capital Fund is a non-appropriated account which receives funding on a reimbursable basis from Departmental bureaus for services. The WCF budget process adheres to the procedures required by the Commerce Budget Office for the Secretarial process. In addition, all WCF service increases are vetted through the Department's Chief Financial Officer's (CFO) Council. Service-providing offices requesting program increases make presentations to the CFO Council and receive feedback from bureau CFOs regarding the proposed increases. The CFO Council then ranks all increases, which assists the CFO/ASA in making final decisions based on the Council's recommendations.

FY 2016 WCF Increases

CFO/ASA Increase Requests	FTE	Increase Amt.
OHRM		
Human Resource Management System (HRMS) – Adjustments and Improvements	0	\$1,255,170
OFM		
Business Application Solutions (BAS)	0	\$4,166,000
Department-wide Electronic Travel System 2 (ETS2)	0	\$2,000,000
OSY		
Executive Protection	0	\$200,000
OFEQ		
HCHB Maintenance and Repair & Building Automation System	0	\$850,000
CFO/ASA Total	0	\$8,471,170

OCIO Increase Requests	FTE	Increase Amt.
OCIO		
HCHB Network & Security Operations and Incident Response Enhancement	0	\$5,825,000
Federated Identity, Credential, and Access Management (FICAM)	2	\$5,000,000
OS IT Security Team Enhancement	6	\$1,908,000
IT Program and Project Management Support for Shared Services	4	\$803,000
DOC Website Development	0	\$496,000
Multi-Protocol Label Switching (MPLS)	0	\$283,000
Enterprise Architecture (EA)	2	\$263,000
OCIO SharePoint Collaboration System (OSCS)	0	\$154,000
Supply Chain Risk Management (SCRM)	0	\$350,000
Commerce Incident Response Improvement (CIRI)	2	\$805,000
OCIO Total	16	\$15,887,000

OGC Increase Requests	FTE	Increase Amt.
OGC		
Commerce Research Library Subscriptions	0	\$64,000
OGC Succession and Retention	0	\$299,000
Big Data Legal Support	1	\$155,550
OGC Total	1	\$518,550

WCF Increase Total	17	\$24,876,720
---------------------------	-----------	---------------------

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollars in thousands)

Budget Program: Operations and Administration
Program Change: WCF Increases

Object Class	FY 2016 Increase
11 Personnel compensation	
11.1 Full-time permanent	\$1,536
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	200
11.8 Special personnel services payments	0
11.9 Total personnel compensation	<u>1,736</u>
12 Civilian personnel benefits	390
13 Benefits for former personnel	0
21 Travel and transportation of persons	61
22 Transportation of things	0
23.1 Rental payments to GSA	85
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	124
24 Printing and reproduction	0
25.1 Advisory and assistance services	0
25.2 Other services	14,547
25.3 Purchases of goods & services from Gov't accounts	626
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	210
25.8 Subsistence and support of persons	0
26 Supplies and materials	87
31 Equipment	7,011
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	<u>24,877</u>

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/Office of Human Resources Management (OHRM)**

For FY 2016, OHRM requests \$11,155,170 and 4 FTE to maintain/expand the **Human Resource Management System (HRMS) Adjustments and Improvements** for the Department of Commerce (DOC) through the Working Capital Fund (WCF). This funding includes an increase of \$1,255,170 and 0 FTE.

PROGRAM JUSTIFICATION:**BUDGET PROGRAM Overview****Existing Activity – HR Connect (ongoing)**

This is a continuation of the Department-wide initiative to maintain HRMS for DOC. This initiative began in 2010 and has followed a phased implementation, with NOAA being the last phase to migrate, currently scheduled to come on board in 2016.

FY 2016 will be the first year of steady state for the HRMS application as all HR Servicing Centers will have migrated to HR Connect. Departmental Management (DM) continues to implement the vision for HRMS to provide the Department with a modern, cost-effective, and standardized HR solution that delivers common core functionality. HRMS will support the strategic management of human capital that addresses the manual and inefficient processing of HR transactions.

PROGRAM CHANGE(S):**HRMS Adjustments and Improvements (+\$1,255,170)**

Treasury Franchise Fund (FF), PeopleSoft Licenses, and Connectivity (+\$763,170): In 2013, contracting changes to the HRMS program introduced additional costs to DOC. Regarding the agreement with the Department of the Treasury, there was a change to the cost billing structure in the WCF. Treasury moved from the Economy Act authority to a Franchise Fund model. This change introduced unplanned costs for WCF fees and technology refresh reserves. Similar unplanned WCF fees were added to the existing agreement with the Census Bureau from whom DM purchases PeopleSoft Licenses for the HRMS program. This request also includes some funds to implement some additional technology to support NOAA's complex connectivity requirements.

Document Attachments (+\$492,000): Recent improvements have been made available to Treasury HR Line of Business (HR LoB) customers to implement the ability to attach and store pertinent HR documents within HRMS. Implementing this new feature would continue to move DOC to a near 'paperless' HR system, allowing required documentation to be moved through the system of approvals electronically. Adding the ability to attach documents fits into a key OHRM objective of streamlining and automating copious HR processes to reduce costs associated with manual processing.

These critical enhancements will continue to help us achieve our vision. The current budget request includes funding placeholders until a more detailed analysis of the Department's requirements can be reviewed and scoped with our partners. We will continue to leverage our current partnership with the Department of the Treasury and their 'Best In Class' partners.

Program Change Justification:

The vision of HRMS coincides with that of the Office of Personnel Management HR LoB vision to provide an agency-wide, modern, cost-effective, standardized, and interoperable HR solution. An enterprise-wide HRMS will enable managers and employees to easily manage personnel information and make strategic decisions, while reengineering the core personnel processes provided by HR professionals. Self-service functionality will dramatically transform and streamline how employees, managers, and HR staff perform their work. The HRMS will provide substantial benefits and efficiencies in each of the 45 defined HR processes and 218 supporting activities defined in the HR LoB Business Reference Model v2.0. The resulting organizational transformation will significantly expand the availability of real-time information for management decision-making and deliver cost efficiencies and process improvements to the agency.

Migration of all employees to HRMS is a stakeholder priority and directly supports DOC's published Strategic Plan. The HR strategic plan (http://hr.commerce.gov/s/groups/public/@doc/@cfoasa/@ohrm/documents/content/dev01_006556.pdf) addresses the DOC strategic goals. HRMS is the technology strategy for addressing the following HR objectives:

OBJECTIVE #1: Develop and sustain recruitment and hiring processes that meet or exceed the Department's goals for timeliness, efficiency, diversity, and quality.

1.1 Enhance the quality of candidates on selection certificates by improving staffing tools, techniques, and assessment methods.

1.3 Refine tracking and reporting methods used to monitor activity against DOC's 80-day hiring model; allowing bottlenecks in the process to be easily identified and addressed.

1.5 Foster an enterprise-wide approach to learning and collaboration among DOC's HR practitioners.

OBJECTIVE #3: Support the development and management of the Commerce workforce to ensure that the Department maintains the knowledge, skills, and leadership needed to meet its long-term mission goals.

3.3 Improve the availability and analysis of workforce data to support executive decision-making and promote a deeper understanding of human capital issues.

OBJECTIVE #4: Develop innovative workforce management strategies to support cost savings initiatives and ensure that the Department's workforce remains positioned for optimal service delivery

4.2 Streamline and automate core HR processes to reduce the costs associated with manual processing and allow resources to be redirected to more strategic HR functions.

4.3 Support Department-wide workforce reshaping efforts to help mitigate the impact of future year budget reductions.

OBJECTIVE #6: Promote a customer service culture within OHRM that emphasizes employees' role as consultants and the development of proactive solutions that are aligned with the specific business needs of our customers.

6.3 Expand and promote self-service tools to enhance ease of access to the transactional services that OHRM provides.

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/Office of Human Resource Management
Program Change: Human Resource Management System Adjustments and Improvements

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	\$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	<u>0</u>
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	0
25.3	Purchases of goods & services from Gov't accounts	1,255
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	<u>1,255</u>

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/Office of Financial Management (OFM)**

For FY 2016, the OFM requests \$44,092,000 and 45 FTE for **Business Application Solutions (BAS)**. This funding includes an increase of \$4,166,000 and 0 FTE.

PROGRAM JUSTIFICATION:**BAS Overview**

This funding request is to continue the BAS project. In FY 2016, the BAS project will continue Phase I Implementation Activities for an integrated suite of financial management and business applications, specifically the Department's Core Financials, Acquisitions, Property (Real, Personal, and Fleet), and Data Warehouse systems.

The FY 2016 funding request is needed to continue the systems modernization improvements planned in FY 2015, which are required to meet the Office of Management and Budget (OMB) IT mandates, address significant system and operational inefficiencies and redundancies across the Department, and resolve a lack of sufficient Departmental managerial reporting capabilities.

Key critical business needs that will be met by the BAS project include:

- improving analytical reporting quality through Department-wide application and data standardization;
- gaining IT operational efficiencies by taking full advantage of cloud-based solutions and reducing operational risks;
- providing timely access to accurate data for management decision making at a Departmental reporting level;
- achieving consistent availability of information for management decisions and continuing the Department's clean audit opinion on its production systems, especially during transition; and
- reducing costly current system redundancies by consolidating interfaces and feeder systems and increasing emphasis on more efficient and effective administrative and business management.

The functional areas (and the supporting systems) included within the BAS project scope are:

- Core Financials
 - Core Financial System (CFS)
 - Financial Statements
 - Bureau Reporting, Data Warehouses, and Portal Applications
- Acquisitions (Comprizon Suite)
 - C.Suite (C. Request, C.Award)
- Property (Personal, Real and Fleet)
 - Personal: Automated Property Management System (APMS), Oracle Assets, Sunflower
 - Real: Federal Real Property Management (FRPM) System
 - Fleet: Sunflower

Note: PTO is not in the scope of BAS and NTIS is not in scope for Core Financials.

In FY 2014, the BAS project continued the Planning phase, and conducted detailed implementation planning activities to prepare DOC for a multi-year phased implementation approach. Those activities included conducting detailed data modeling and analysis activities, and developing a conceptual architecture for the target Data Warehouse. In FY 2015, the BAS project continued implementation planning activities, including conducting data modeling and data standardization activities, planning for interface and data conversion activities, conducting process analysis for core financials, acquisition and property functionality, and conducting data warehouse planning activities.

In FY 2016, the BAS project will begin the Implementation Phase of the project.

PROGRAM CHANGE(S):

BAS (+\$4,166,000): The BAS project is requesting a program increase to begin Phase I Implementation activities for Census.

Planned activities for FY 2016 include Phase I Implementation, which include finalizing the data model, gap analysis, and remediation design; sessions to validate the applications against the business processes of the end user; updating Federal Shared Service Provider (FSSP) system components; conducting conversion activities; building interfaces; developing a working Data Warehouse; and implementing an archiving solution. Ongoing tasks such as program governance, program/project management, organizational change management, and technical management will also require continued support during FY 2016.

The OCFO/ASA in collaboration with the OCIO is responsible for providing strategic direction, planning, and oversight for DOC's financial and business systems. To continue the ongoing emphasis placed on achieving organizational excellence and outstanding customer service, the OCFO/ASA recognizes the need to continuously focus on strategic alignment and management effectiveness. In addition, the OCFO/ASA needs to continue to align its future financial management plans with evolving federal guidance and mandates from a wide range of sources, including OMB, Treasury, and GAO.

Identified by the Secretary of Commerce as one of the top three Departmental priorities, the BAS project supports compliance to the OMB Memorandum M-13-08, issued March 25, 2013, that directs all executive agencies to use, with limited exceptions, a shared service solution for future modernizations of core accounting and mixed systems.

The BAS project is designated as a top Departmental program and key mission-critical risk area. As such, the project has been specifically designed to address the following:

- provide access to timely and accurate data for management decision making at a departmental reporting level;
- improve analytical reporting quality through department-wide centralized application and data standardization;
- shift operational paradigm from transaction processing and reconciliation activities to information analysis and decision making;
- assess different approaches for the Department to increase data standardization, identify IT operational efficiencies, and reduce operational risks moving forward;
- increase emphasis on more efficiency and effective financial and administrative management approaches, information transparency, and dynamic reporting requirements;
- determine alignment approaches with e-Government and Information Technology (E-Gov) initiatives, including travel, acquisitions, and grants; and
- improve support of strategic technology plans for a wide range of administrative business application environments.

Failure to fund FY 2016 BAS project activities will result in project delay and potential termination. Additional risks and impacts of not funding BAS in FY 2016 include the following:

- Commerce Business System (CBS) is not certified as Financial System Integration Office (FSIO), nor is it Section 508 compliant. Compliance with these standards will require significant software changes. Assuming CBS can be made compliant with FSIO and 508 standards, there is no monitoring and enforcement mechanism for maintaining compliance over time as there is with vendor-supported and FSSP solutions, where the software vendors are required to self-certify or face contractual penalties. It is not a core mission of DOC to

maintain an in-house FSIO-compliant financial system while vendor and outsourced solutions are readily available.

- DOC will incur higher than necessary annual Operations & Maintenance (O&M) costs because of multiple redundant application instances, interfaces, and feeder systems across the Department. It will be challenging financially for DOC to incorporate evolving federal financial accounting functionality, interfaces, and reporting requirements. As DOC is the single agency that uses CBS, the costs cannot be spread among other customers.
- The long-term stability and reliability of DOC legacy financial and business applications are questionable. The CBS application was built on 1980's technology that has become increasingly difficult and time-consuming to maintain. Maintaining CBS becomes an increasingly high risk as federal government staff with knowledge of the system leave or retire. There is a high dependency on contractors with knowledge of the system who will not be available in the future. DOC is highly dependent on this shrinking labor pool to maintain the system while programming, testing, deploying fixes and federal mandate upgrades. CBS system documentation is non-existent.
- Legacy data has built up over the 10-15 year operational lifespan of legacy financial and business systems to such an extent that it has threatened adequate system performance at all bureaus.
- DOC is not able to realize the qualitative benefits of standardized business processes, data, and reporting across bureaus and more critically at the Department level.
- The current legacy environment significantly increases the likelihood that individual organizations will continue to modernize applications in a stove-piped approach, thereby increasing implementation complexity, costs, and integration risk.
- Inability to realize IT operational efficiencies by not taking full advantage of cloud-based solutions and data center consolidations.
- DOC will not fully meet OMB and White House CIO directives on "Cloud First" solutions, maximizing use of Shared Service Providers (SSPs), and data center consolidation efforts.

Risk Assessment

The BAS project's Enterprise Risk Management (ERM) strategy facilitates risk management activities at the enterprise level, following the ERM framework outlined on the Risk Management Reference Card. Risks are identified and captured in a risk register, and analysis is conducted to assess severity and impact. Risks are monitored on a regular basis, and the risk register is updated to reflect new risks identified; changes in prioritization, severity, and impact; and review of risk mitigation plans. The risk matrix below provides the count of Enterprise Risks for the BAS project.

Project Risk 5x5 Matrix		Impact					Total
		Negligible (1)	Minor (2)	Moderate (3)	Serious (4)	Critical (5)	
Likelihood	Extremely Likely (5)	0	0	0	0	0	0
	Likely (4)	0	0	0	0	0	0
	Moderately Likely (3)	0	0	1	4	4	9
	Not Likely (2)	0	0	2	9	5	16
	Extremely Unlikely (1)	0	0	5	15	7	27
Total		0	0	8	28	16	52

Summary of Risks		# of Risks
Severity	Low	0
	Medium	32
	High	16
	Critical	4
	Total	52

Statement of Need and Economic Benefits – Cost Benefit Analysis

This FY 2016 Budget funding request is to continue Phase I Implementation. Additional out-year budget requests will be needed for FY 2017 - 2020 to complete later phases of BAS implementation. The total Planning Phase (FY 2013 - 2015) and Implementation Phase (FY 2016 - 2020) current cost estimates, along with the estimated cost savings and return on investment (ROI), are summarized in the table that follows.

BAS FY2013-FY2022 Total Costs, Payback, and ROI		
Cost Component	Status Quo	BAS Program
Planning Phase	\$ -	\$ 3,900,000
Development Phase*	\$ 10,765,504	\$ 150,168,000
Total DME¹	\$ 10,765,504	\$ 154,068,000
Total O&M²	\$ 677,976,787	\$ 477,140,498
Grand Total³	\$ 688,742,291	\$ 631,208,498
BAS O&M Savings Relative to Maintaining Status Quo ⁴	n/a	\$ (211,601,793)
Payback period (in years) ⁵	n/a	8.63
ROI % in Year 10 ⁶	n/a	137%
Additional Functional Ops Savings including IPP ⁷	n/a	\$ (31,637,978)
Total BAS O&M and Functional Ops Savings ⁸	n/a	\$ (243,239,771)
Payback period (in years) with Functional Ops Savings	n/a	8.26
ROI % in Year 10 with Functional Ops Savings	n/a	158%

* Status Quo Development Phase includes mandatory CBS Technology Upgrade & 508 Compliance Enhancements.

¹ Total DME = Planning Phase + Development Phase.

² Total O&M = Total Operations & Maintenance Costs for both Status Quo and BAS through project completion.

³ Grand Total = Total DME + Total O&M.

⁴ BAS O&M Savings Relative to Maintaining Status Quo = Status Quo Grand Total - BAS Total O&M.

⁵ Payback Period = Point (in years) when Total DME - BAS O&M Savings Relative to Maintaining Status Quo = 0. 8.63 Years = FY2021.

⁶ ROI % in Year 10 = BAS O&M Savings Relative to Maintaining Status Quo / Total DME.

⁷ Additional anticipated savings from implementing Internet Payment Platform (IPP) and Consolidating Financial Operations.

⁸ BAS O&M Savings Relative to Maintaining Status Quo + Additional Functional Ops Savings.

DOC is currently refining costs estimates. Updates to the original ROI calculations were made based on the preliminary implementation and O&M costs, and an additional update to the ROI calculation will be made once the costs are deemed final.

Deliverables:

No.	TITLE
1.	Implementation Project Schedule (MS Project)
2.	Schedule Management Plan
3.	Cost Management Plan
4.	Project Status Reports
5.	Analyses and Presentations
6.	Earned Value Management Analyses, Forecasts, and Performance Reports
7.	Scope Management Plan
8.	Requirements Management Plan
9.	Requirements Traceability Matrix
10.	Quality Management Plan
11.	Resources Management Plan
12.	Staffing Management Plan
13.	Issue Management Plan
14.	Project Information Management Plan
15.	Project Management Plan
16.	Integrated Project Change Control Plan
17.	Configuration Management Plan
18.	Detailed Implementation Approach Assessment
19.	BAS SOPs
20.	To-Be Analysis
21.	Fit/Gap Analysis
22.	Solution Design Document
23.	Functional Concept of Operations
24.	High Level Operational Reporting Strategy and Recommendation
25.	Operational Report Detailed Designs
26.	Operational Reports Code
27.	Operational Reports Test Plan
28.	Operational Reports Training Plan
29.	Operational Reports Deployment Plan
30.	Data Model Governance Strategy
31.	Canonical Data Model
32.	Conceptual EDW Data Model
33.	EDW Requirements Document
34.	EDW Architecture Detailed Design Document
35.	Required Data Transfer Documentation
36.	EDW/BI Implementation Approach

No.	TITLE
37.	EDW Solution and Underlying Code Delivery
38.	EDW Test Plan
39.	EDW Training Plan
40.	EDW Deployment Plan
41.	Reporting/BI Requirements
42.	Reporting/BI High-Level Designs
43.	Reporting/BI Detailed Level Designs
44.	Updated Reporting/BI Deployment Plan
45.	Detailed Interface Strategy
46.	Interface High-Level Designs
47.	Interface Detailed Level Designs
48.	Interface Code for each Interface
49.	Interface SOPs
50.	Detailed Conversion Strategy
51.	Legacy System Decommissioning Strategy
52.	Conversion High-Level Designs
53.	Conversion Detailed Level Designs
54.	Implementation Plan
55.	Requirements Documentation
56.	Detailed System Documentation
57.	Organizational Change Management Plan
58.	Impact Assessment
59.	Impact Analysis Tracking Log
60.	Stakeholder Management Plan
61.	Implementation Communications Plan
62.	Training Plan and Approach
63.	Software Licenses Strategy
64.	IT Concept of Operations
65.	Archiving Analysis
66.	Archiving Solution Set
67.	Archiving Implemented Solution

Performance Goals and Measurement Data:

Performance Goal:	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Measure 1	Actual	Target	Target	Target	Target	Target	Target
With Change	NA	NA	NA	NA	11	7	2
Without Change	Multiple	Multiple	Multiple	Multiple	Multiple	Multiple	Multiple
<p>Description: For each administrative/business system, reduce the number of data repositories from which data must be extracted to respond to data calls. This measure is contingent on completion of Phase I implementation, scheduled for the end of FY 2017, with the results not expected before FY 2018. Therefore, for FY 2014-2017, the target is NA.</p> <p>This performance measure reflects the number of data repositories that must be queried to gather the necessary data to respond to data calls (three for the financial system, four for the acquisition system, three for personal property, three for real property, and two for grants) for financial and administrative related data and information versus the number of repositories in the target environment that must be queried to respond to data calls. The goal is to eliminate the need to consolidate data and information from multiple sources. Currently, the significant system and operational inefficiencies and redundancies across DOC result in a lack of sufficient Departmental managerial reporting. Data calls for information must be issued to each bureau/office that maintains the one of the three instances of CBS and the data submitted must be consolidated manually. This manual data reconciliation process has to occur because the data elements have different definitions and characters that result in a large manual consolidation reporting effort. The BAS project will improve analytical reporting quality through Department-wide centralized application and data standardization, and will provide more timely access to accurate data for management decision making at the Departmental reporting level.</p>							

Performance Goal: Measure 2	FY 2014 Actual	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target	FY 2020 Target
With Change	NA	NA	NA	NA	9	5	2
Without Change	Multiple	Multiple	Multiple	Multiple	Multiple	Multiple	Multiple
<p>Description: For each administrative/business system, reduce the number of instances. This measure is contingent on completion of Phase I implementation, scheduled for the end of FY 2017, with the results not expected before FY 2018. Therefore, for FY 2014-2017, the target is NA.</p> <p>This performance measure represents the number of instances (separate and distinct financial, acquisitions, property, and grants production databases belonging to each bureau/office that is the system of record for that specific information and data) in the current environment versus the number of instances in the target environment.</p> <p>The goal is to reduce the number of locations that house DOC's financial and acquisition systems, as well as property (personal and real) and fleet management, resulting in efficient and effective administration and business management. Currently, DOC maintains multiple redundant system environments replicated with variations across the Department. This results in significant system and operational inefficiencies and redundancies, one being cost, across DOC.</p> <p>For the Commerce Business System (CBS – DOC's financial system of record in 12 of the 14 bureaus), there are three production instances within each of the production bureaus (Census, NIST, and NOAA) along with their supporting testing and training environments.</p> <p>For the C.Suite acquisition system, there are four production instances within Census, NIST, NOAA and the Office of the Secretary (OS), along with their supporting testing and training environments.</p> <p>For personal property systems, there are three production instances within the OS, Census, and NIST.</p> <p>For real property systems, there are three production instances within the OS, NOAA, and NIST.</p> <p>For fleet management, there is one production instance within the OS.</p>							

Performance Goal:	FY 2014	FY	FY	FY	FY	FY	FY
Measure 3	Actual	2015	2016	2017	2018	2019	2020
		Target	Target	Target	Target	Target	Target
With Change	NA	NA	NA	NA	90%	95%	98%
Without Change	80%	70%	60%	60%	50%	40%	40%

Description: % Chance of Receiving an Unqualified Audit Opinion. This measure reflects the percent chance of receiving an “unqualified” audit opinion as a result of the Financial Statement Audit. The audit includes a review of the Department’s consolidated balance sheets as of the end of a fiscal year and the related consolidated statements of net cost and changes in net position, and combined statements of budgetary resources for the years then ended. In addition, a key aspect of the financial statement audit is an assessment of the IT general controls, as IT systems significantly facilitate the Department’s financial processing activities and maintain important financial data. The goal is to receive an “unqualified” audit opinion. There are several types of audit opinions: (1) unqualified, in which the auditor concludes that the financial statements give a true and fair view in accordance with the financial reporting framework used for the preparation and presentation of the financial statements; (2) qualified, in which auditor encounters a situation that do not comply with generally accepted accounting principles, however the rest of the financial statements are fairly presented; and (3) disclaimer, which is issued when the auditor cannot form, and consequently refuses to present, an opinion on the financial statements.

The Department currently incurs higher than necessary annual O&M cost because of multiple redundant application instances, interfaces, and feeder systems. If DOC stays on the existing system, it will become more challenging financially to incorporate evolving Federal financial accounting functionality, interfaces and reporting requirements, leading to the potential that DOC will not obtain an “unqualified” audit opinion. In addition, with the current legacy system composed of multiple instances there is the necessity to have redundant IT controls, which decreases the likelihood that that Department will receive an “unqualified” audit opinion. The BAS system will reduce the number of instances that have to be maintained, thus increasing the likelihood that the Department will receive an “unqualified” audit opinion.

Performance Goal:	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Measure 4	Actual	Target	Target	Target	Target	Target	Target
With Change	NA	NA	NA	PC	PC	PC	PC
Without Change	NC	NC	NC	NC	NC	NC	NC

Partial Compliance (PC) & Non-Compliance (NC)

Description: For each administrative/business system, maintain compliance and alignment with OMB initiatives.

This measure reflects the requirement to maintain compliance and alignment with OMB initiatives, including the guiding principles reflected in the OMB system modernization requirements (leveraging SSPs; split projects into smaller, simpler segments with clear deliverables; focus on most critical needs first; and provide ongoing, transparent project oversight), data center consolidation requirements, and cloud computing requirements.

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/Office of Financial Management
Program Change: Business Application Solutions (BAS)

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	\$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	4,166
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	4,166

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/ Office of Financial Management (OFM)/Office of Administrative Programs (OAP), Travel Management Division (TMD)**

For FY 2016, OFM requests \$2,358,000 and 0 FTE for a Department-wide **Electronic Travel System 2 (ETS2)**. This funding includes an increase of \$2,000,000 and 0 FTE.

The OAP TMD is working toward a solution for a Department-wide ETS2 travel system. The vision of the DOC Chief Financial Officer (CFO) community is aligned with the overall vision of the E-Gov Travel Service Initiative undertaken in response to the President's Management Agenda in 2001. This vision is to launch an agency-wide, secure, web-based, automated travel system that reduces costs and improves productivity. Using an E-Gov Travel Service is mandated for all 24 Federal Business Reference Model Agencies, (including DOC), per Travel Regulations §301-73.101.

DOC currently has approximately 18,000 travelers worldwide and does not have a single, supported E-Gov travel service in place. Within the Department, eight bureaus are using a manual, paper process; one utilizes a homegrown system; and the remainder are using Travel Manager (an unsupported system).

Based on the extensive market research the Department conducted, the recommendation is for DOC to implement and manage its own ETS2 program. This option has a projected ROI of 203% in 4 years and the lowest total cost ownership. This effort requires the requested funding increase to be successful.

PROGRAM JUSTIFICATION:**BUDGET PROGRAM Overview**

The projected ETS2 average annual cost over 12 years (length of the current contract awarded by the General Services Administration) is \$2,100,000. Qualitative benefits of a centralized travel system include:

- Increased Compliance:
 - Compliance with 41 CFR 301-73.101 requires electronic travel systems across government and is a regulatory requirement.
 - DOC Travel Policy Compliance - Due to the lack of a single travel system at DOC today, each Bureau must enforce DOC travel policy manually. ETS2 will allow DOC travel policy to be configured into the new travel system, making it easier for travelers to stay compliant.
 - Increased Security Compliance - Due to paper processing, DOC travelers are limited in their ability to process travel in the current environment. ETS2 will enable DOC travelers to plan, process, fulfill and reimburse travel and allow for digital/electronic signatures, in accordance to DOC IT security standards.
- Reduced Operational Costs:
 - Increased Travel Process Efficiency - DOC currently has no single travel system across the Department. ETS2 will provide a single, fully integrated, end-to-end travel service that provides cost-effective travel management service, authorization, reservation, ticketing, fulfillment, and expense reimbursement for

DOC.

- Reduced Operational Costs and Improved Data Transparency - Currently all DOC travel data must be gathered manually through Bureau data calls, which is a time-consuming and labor-intensive process. ETS2 will allow DOC visibility into travel expenditure through ad hoc and standard reports provided by the system.
- Online vs. Agent Booking - Currently, all DOC travel data must be gathered manually through bureau data calls, which is a time-consuming and labor-intensive process. ETS2 will provide visibility into travel expenditures through ad hoc and standard reports provided by the system.
- Improved Customer Service:
 - Online Availability - DOC travelers do not have an online booking tool option today, making travel a complicated and manual process. ETS2 provides a wider range of services for customer support, allowing customers to make travel arrangements before and after hours or during emergencies. Customer support will provide an online feedback mechanism, advisement of industry changes, timely feedback to placed service calls, and response to emergency reservation/ticketing issues.

PROGRAM CHANGE:

Department-wide ETS2: (+\$2,000,000):

This initiative will provide a Department-wide travel management system that will operate as a “one-stop-shop” for travel and reimbursement services. The vendor will assist with the planning and coordination of ETS2 implementation across DOC bureaus. They will be responsible for implementing and deploying their electronic travel system and training DOC users and stakeholders. The vendor will then operate and maintain the travel system to support travel and disbursement of travel related expenses across DOC.

Statement of Need and Economic Benefits – Cost Benefit Analysis

DOC needs to implement ETS2 to:

- Comply with 41 CFR 301-73.101 - ETS2 solution will bring DOC in compliance with regulatory requirements.
- Improve Travel Data Security - As Travel Manager is an unsupported travel system used by NIST, NTIA/Boulder, BIS, and NOAA, there is an increased risk for a security breach. Moving to ETS2 will reduce these security risks.
- Increase Oversight - A centralized ETS2 solution increases Department travel oversight and, travel policy compliance, and reduces the time and effort to report travel data analysis.
- Financial Authorization - ETS2 will verify funds availability, reducing the chance travel is booked without funds available.

Deliverables:

Major deliverables will be:

- An enterprise-wide implementation plan
- Training for all travelers and travel/financial approvers
- A web-based electronic travel and voucher service

Performance Goals and Measurement Data:

To be determined

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/ Office of Financial Management/Office of Administrative Programs, Travel Management Division
Program Change: Department-wide ETS2

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	\$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	2,000
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	2,000

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/Office of Security (OSY)**

For FY 2016, the OSY requests \$6,568,000 and 38 FTE for Executive Protection. This funding includes an increase of \$200,000 and 0 FTE.

PROGRAM JUSTIFICATION:**BUDGET PROGRAM Overview**

This project establishes and maintains Department security policy and programs to implement existing Executive Orders, Public Laws, and other security-related government regulations. In general, OSY programs under this project provide protection of people, property, and information; continuity and emergency management programs; physical protection of the Secretary of Commerce and/or designees; issuance of security clearances and facilitation of background investigations; a central automated file of DOC background investigations conducted and clearances issued, as well as Foreign National Visitors/Guests processed; security awareness and educational programs; and a compliance review program. Specific operational programs are tasked with:

- Providing policies and operational support for Executive Protection, Physical Security, and Overseas Security.
- Providing policies and operational support for Personnel Security (PERSEC), Information Security (INFOSEC), Communication Security (COMSEC), and Industrial Security.
- Providing policies and operational support for Continuity of Government (COG), Continuity of Operations (COOP), and the Occupant Emergency Program (OEP), as well as managing the Department's Emergency Operations Center (EOC).
- Conducting various risk assessments. Providing operational services. Assisting bureau managers and other key stakeholders in mitigating their security risk.
- Providing strategic solutions for Departmental issues including budget, performance metrics, personnel, training, procurement, and administration.
- Providing project and technological support to enable OSY to perform risk mitigation functions more efficiently. In coordination with OCIO, shares in the implementation of Homeland Security Presidential Directive 12 (HSPD-12) by carrying out efforts related to Personal Identity Verification I (PIV-I).

The Executive Protection team consists of dedicated security specialists with the primary goal of keeping the Secretary and her designees safe. This includes overseeing the travel plans of the Secretary and ensuring proper protection before, during, and after arrival at designated stops; handling security before and during visits and stops; and ensuring that all laws and policies, including federal, state, local, and international are followed. Staff also guides policy and programmatic efforts in the areas of executive protection by advising operating unit heads and other senior-level officials on matters related to security, intelligence, law enforcement, and other related procedures.

PROGRAM CHANGE(S):**Executive Protection (+\$200,000):**

A number of enhancements have been recently made to the operations of the program, which were directly related to a recommendations made by the OSY following a benchmarking review that was

completed following the arrival of the current Secretary. Part of this enhancement resulted in the hiring of two additional personnel beginning in FY 2015. However, this effort will not alleviate a cost burden that has been prevalent for some years – namely premium pay/overtime for above-standard costs associated with providing appropriate protection coverage for a cabinet-level agency head. These costs are incurred not only due to extensive domestic/overseas travel but also because the nature of the job frequently requires functions to be performed outside normal working hours, which cause premium pay entitlements to be incurred.

Statement of Need and Economic Benefits – Cost Benefit Analysis

OSY has been monitoring premium pay entitlement expenditures for some time and is aware that costs are dependent on a number of factors including but not limited to the following:

- Fair Labor Standards Act (FLSA) classification changes have impacted costs.
- Increased travel with the confirmation of a Secretary.
- Overseas presence and importance of international dialogues in Departmental priorities.
- Increased attention to new destinations requires more effort and resources for security.

Schedule and Milestones:

Funds will be immediately available for use to address executive protection functions.

Deliverables:

Funds are required to be immediately applied to premium pay/overtime entitlements incurred throughout the fiscal year by members/augmentees of the Secretary's executive protection team.

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/Office of Security

Program Change: Executive Protection

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	\$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	200
11.8	Special personnel services payments	0
11.9	Total personnel compensation	200
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	0
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
	Total obligations	200

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/Office of Facilities and Environmental Quality (OFEQ)**

For FY 2016, OFEQ requests \$1,208,000 and 0 FTE. This funding includes an increase of \$132,000 for **Building Automation Systems** and \$718,000 for additional **Herbert C. Hoover Building (HCHB) Maintenance and Repair** with suspension or cancellation of the renovation project.

PROGRAM JUSTIFICATION:**BUDGET PROGRAM Overview**

The request for \$132,000 is to fund an increase in level of effort on the maintenance contract for the HCHB automation controls for the Heating Ventilation Air Conditioning (HVAC) and energy management system. In FY 2016, completion of Phase IV of the HCHB renovation will increase the monitoring and control points of the system from 11,700 to over 20,200 points to accommodate new fan coil units. Additional increases will be required as each Phase of the renovation adds more control points to the building.

The maintenance and monitoring of the Heating Ventilation Air Conditioning and energy management system control points is a distinct and separate task from the maintenance of the individual fan coil units, emergency generators, and other equipment monitored by this system.

HCHB has a building automation system that currently monitors 11,700 control points. The primary function of the control system is to provide temperature control throughout HCHB. Additionally, the critical life safety function of emergency ventilation shutdown, required to prevent exterior contamination from entering the building in the event of a chemical, biological, or nuclear (CBN) incident being introduced into the building from the HVAC system is completely dependent upon this system. This program increase is required to maintain the functionality of the system providing tenant comfort, critical life safety, and absorb the increasing scope of work as HCHB is renovated.

The current building automation controls contract is in its next to last option year. The base activities included are to maintain the HCHB automation controls for the HVAC and energy management system. The contract scope is being expanded due to the renovation of the HCHB and funding must be procured to support the new tasking. The current requirements are due to existing Phases I, II, III and IV components coming off warranty. Future increases will follow after each phase is commissioned and the monitoring points move through their warranty period.

The request for \$718,000 is required to enable additional mechanical and selective minor asset replacement to be performed on deteriorating mechanical, electrical, and plumbing systems if the HCHB renovation project is not funded for Phases V through VIII. If the General Services Administration (GSA) and DOC do not receive funding to continue renovating the building, or if the project suffers a hiatus for several years, a yearly program increase to the current HCHB operations and maintenance budget is required. Although GSA owns the HCHB, DOC is responsible for building maintenance and operations.

These projects support the Secretarial and CFO/ASA strategic goal of Organizational Excellence by ensuring the environment continues to support a safe and productive workplace and the modernization of the facility through renovation, and Environmental Stewardship by controlling the heating and cooling set points to reduce the Department carbon footprint.

PROGRAM CHANGE(S):

Building Automation System (+\$132,000):

The current contract will expire at the end of FY 2015. The new contract must increase in scope to manage and maintain the nearly 11,000 additional monitoring points that will be active due to the completion of Phases III and IV of the renovation.

Additional HCHB Maintenance and Repair with Suspension or Cancellation of Renovation Project (+\$718,000)

If GSA and DOC do not receive funding to continue renovating the building, or if the project suffers a hiatus for several years, a yearly program increase to the current HCHB operations and maintenance budget is required to enable additional mechanical and selective minor asset replacement to be performed on deteriorating mechanical, electrical and plumbing systems.

Statement of Need and Economic Benefits – Cost Benefit Analysis

The HCHB Building Automation System is classified as a critical building operations system. Without it, HCHB cannot control the heating and cooling of the building and will not meet the Occupational Safety and Health Administration, Environmental Protection Agency, and American Society of Heating, Refrigerating & Air-Conditioning Engineers guidelines for indoor air quality, air exchange rates, and recommended ambient temperature. HCHB will not be able to meet the Federal Management Regulation section 102-74.35 referencing “heating and cooling... at appropriate levels to support Federal agency missions” and section 102-74.155 & 160 referencing energy conservation. HCHB will not be able to meet 10 CFR part 436 App. D subsection 36 and 39 Building Heating and building temperature restrictions requiring “fitting controls to heating systems” and “enforcement of suggested restriction levels” for heating and cooling set points. Tenants may be consistently exposed to unacceptable temperature swings in their work spaces.

Per the Physical Security Criteria for Federal Facilities, HCHB is required to have “a ‘one-step shut-off’ mechanism that requires only a single action by an individual (e.g., engineer or security personnel) to initiate the immediate shut down of all air handling equipment in the building.” The “one-step shut-off” for all ventilation systems protects the building tenants from external contamination (e.g., CBN) being introduced into the building from the HVAC system. This project increase provides the funding to maintain the existing points and the additional control points required to immediately shutdown all air handling equipment in HCHB.

Per the DOC Delegation Agreement with GSA, the agency shall adhere to the operations and maintenance standards GSA has set in Chapter 3 of the GSA Customer Guide to Real Property. The agency shall follow a preventive maintenance program approved by GSA for all building operating equipment and provide all maintenance, including inspections, in accordance with industry, manufacturer, and GSA standards or, if approved, by a contractor's recommendation based on the contractor's knowledge and experience. The increase of \$718,000 is the only means of complying with the GSA Delegation Agreement if the renovation stops.

Biannually or more frequently at the discretion of GSA regional management, GSA conducts an operational analysis of the building systems and equipment and renders an account of the agency's preventive maintenance program and records. At the conclusion of the review, GSA provides a report giving the conditions of the equipment selected for assessment. The report identifies all problems of the selected equipment. The agency must analyze the condition reports and take corrective action as necessary to restore equipment to proper working order, ensure proper future operation of building systems, and provide for overall stewardship of the asset. Agency action plans must be coordinated with the appropriate GSA regional representatives.

The Building Management Division is only staffed to manage the existing planned maintenance requirement for the building. As new equipment is added, maintenance contracts are being implemented to accommodate the additional workload, such as contracts for automated building controls, new fan coil units, windows, diesel generators, and underground storage tanks. Without the continuation of the HCHB renovation project, legacy systems which have had their maintenance deferred and are failing at an accelerated rate will need to be replaced or maintained. The new minor system replacement projects (per the table below), the additional planned maintenance of new equipment not covered in new maintenance contracts, and the increasing emergency and reactive maintenance are not resourced within the current operations and maintenance budgets.

Additional Annual Maintenance Requirements if HCHB Renovations Stops After Phase IV

System	Task	Additional Maintenance	Additional Cost	Comments
Heating	Maintain old steam system in addition to new hot water system	Repair/replace failing valves, traps, pipes, lagging	\$55,000/yr	Sections of building and offices without heating for extended periods of time.
Cooling	Repairs and replacement	Repair/replace failing valves, pipes, lagging on old chilled water system. Estimate one catastrophic failure per year.	\$25,000/yr	Sections of building and offices without cooling for extended periods of time.
Ventilation	Repairs and replacement	Repair standalone A/C units	\$25,000/yr	
		Repair/replace old duct work	\$12,000/yr	
		Repair/replace 2 fan motors per year	\$9,000/yr	
HazMat	Lead-based paint Removal	Throughout building	\$21,000/yr	Health issues
	Asbestos removal/containment	Mechanical rooms, above false ceilings	\$35,000/yr	Health issues
Water	Repairs and replacement	Replace failed potable water valves	\$18,000/yr	Health issues
		Replace/repair catastrophic failure of supply and discharge pipes	\$65,000/yr	Most discharge pipes are corroded and over 80 years old. Restrooms

				closed.
		Replace/repair 3 failed rain leaders per year	\$24,000/yr	Leaks in offices
		Maintain temporary sprinklers	\$12,000/yr	
Electrical	Fuse panel maintenance	10 per year Catastrophic failure of at least one panel per year expected.	\$45,000/yr	Legacy fuse panels are reaching the end of their serviceable life. Failure of fuse panel will result in power outages.
	Wiring replacement	20 circuits per year	\$62,000/yr	Wiring is reaching end of serviceable life. Failure will result in power outages.
Exterior	Windows	Paint/refurbish/seal 50 windows per year	\$85,000/yr	
	Lighting	Repair/replace old lighting fixtures and wiring	\$25,000/yr	Existing lighting fixtures are reaching the end of serviceable life.
Flooring	Repair/replace cracked terrazzo	100 ft. per year	\$46,000/yr	Sections of flooring require repair.
Restrooms	Refurbishment	2 bathrooms per year	\$42,000/yr	Tile repair, ventilation, fixtures
Mechanical Rooms	Refurbishment	2 rooms per year	\$32,000/yr	Pipes are corroded, lagging requires replacement and painting.
Painting	Cyclical painting	Repair cracked and peeling paint	\$80,000/yr	Corridors, stairwells

Failure to perform the required planned maintenance in the absence of the renovation will put the HCHB in breach of the DOC Delegation Agreement with GSA. An extended period of no or suboptimal preventive maintenance will result in failure of critical facility infrastructure, which is already past its economic life. This will result in numerous interruptions to the tenant's abilities to perform their missions and may make some areas of the building uninhabitable.

A systematic plan to refurbish and extend the life of critical systems is the only means of complying with the GSA Delegation Agreement, to address the accelerating emergency and reactive maintenance requirements of legacy systems in over 50% of the building and to provide a suitable and productive working environment for the occupants.

Schedule and Milestones:

New contract scope of work and government cost estimate for the building automation controls contract will be submitted to the Office of Acquisition Management (OAM): March 2, 2015.

Current contract expires: Sept 30, 2015.

The expiring contract covers 11,700 points, HCHB now has 11,700 monitored points and in FY 2016 will have 20,200 monitored points.

Base year new contract: Oct. 1, 2016

A new base year contract covering the additional points without year increases to reflect the cadence of additional points from Phase V and VI coming off of warranty and onto the new contract. The additional expense for FY 2016 will be taken out of existing funding due to efficiencies realized in other maintenance efforts.

Phase III Non Pilot HCHB Renovation Project –completed June 30, 2014.

Phase III Pilot HCHB Renovation Project –complete March 30, 2015.

Phase IV HCHB Renovation Project – (FY 2014 - 2015) partially funded

Phase V HCHB Renovation Project – (FY 2016 - 2018) not funded

Deliverables:

A new base-year contract with option years will allow HCHB to maintain the ability to control its HVAC, its critical life safety shutdown ability, and provide energy management throughout the building. HCHB will be in compliance with GSA Delegation Agreement and with the Physical Security Criteria for Federal Facilities with respect to the "one-step shut-off" function for HVAC.

The \$718,000 will be utilized to contract out one-time minor system replacement projects, such as refurbishing mechanical rooms, restrooms, flooring, lighting systems, heating, ventilation and cooling systems, electrical infrastructure and as well as the abatement of asbestos and lead-based paint, as required. It will also cover maintenance costs to repair accelerated failures of the buildings mechanical, electrical, and plumbing systems, which are not currently budgeted for.

Performance Goals and Measurement Data:

Performance Goal: Measure 1	FY 2014 Est.	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target	FY 2020 Target
With Change	Ph. III/IV 11,700 monitoring points	Ph. IV 11,700 monitoring points Reactive maintenance lowered by further 10% Planned maintenance increased by additional 450 hrs./yr Critical failures <9/yr	Ph. IV/V 20,200 monitoring points Reactive maintenance lowered by further 5% Planned maintenance increased by additional 100 hrs./yr Critical failures <8/yr	Ph. V 20,200 monitoring points Reactive maintenance lowered by further 12% Planned maintenance increased by additional 300 hrs./yr Critical failures <7/yr	Ph. V/VI 32,100 monitoring points Reactive maintenance lowered by further 8% Planned maintenance increased by additional 100 hrs./yr Critical failures <5/yr	Ph. VI 32,100 monitoring points Reactive maintenance lowered by further 10% Planned maintenance increased by additional 200 hrs./yr Critical failures <3/yr	Ph. VII 44,000 monitoring points Reactive maintenance lowered by further 12% Planned maintenance increased by additional 200 hrs./yr Critical failures <2/yr
	Without Change	N/A	Reactive maintenance increased by further 5% Critical failures >10 /yr	Reactive maintenance increased by further 10% Critical failures >11/yr	Reactive maintenance increased by further 5% Critical failures >12 /yr	Reactive maintenance increased by further 10% Critical failures >12 /yr	Reactive maintenance increased by 10% Critical failures >13 /yr

Description: With the funding increases, the building automatic controls contract will be increased to monitor and maintain the additional monitoring points. Also, minor systems replacement projects will decrease emergency and reactive maintenance, resulting in more planned maintenance. This will result in higher system reliability, availability of services, and less critical system failures. Without the program increase, the existing level of service cannot be maintained even for the existing 11,700 points due to cost of living increases and Phase III monitoring point's additions above the previous contract base. The HCHB will also lose the ability to control its HVAC and energy management system in Phase VI and beyond; increasing emergency and reactive maintenance will result in more deferred maintenance and lower system reliability, and availability of services. Increasing critical infrastructure failures will impact the mission of the tenants and may make some areas of the building uninhabitable.

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/Office of Facilities and Environmental Quality

Program Change: Building Automation System and HCHB Maintenance & Repair with Suspension or Cancelation of Renovation Project

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	\$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	850
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	850

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/Office of the Chief Information Officer (OCIO)**

For FY 2016, the OCIO requests \$13,287,000 and 0 FTE for network infrastructure upgrades to stabilize and enhance the security of the network. This funding includes an increase of \$5,825,000 for the **HCHB Network Security Operations and Incident Response Enhancement**.

PROGRAM JUSTIFICATION:**BUDGET PROGRAM****Overview of Network and Security Operations**

HCHBNet is an inter-networked, centralized communications backbone infrastructure that provides connectivity for DOC automated information systems operated within the Herbert C. Hoover Building (HCHB). Operating units transfer data, voice, and video across the HCHBNet at the DOC headquarters at the HCHB.

The Office of IT Services (OITS) provides network and security operations services Monday through Friday during core business hours with limited after-hours coverage for critical emergencies. Users of the HCHB network backbone receive the benefit of a managed network infrastructure that offers various forms of network connectivity to include wireless and remote access. Customers also receive an added layer of security monitoring and enforcement controls to include web content filtering, network intrusion prevention, and data leakage protection. The network acts as a central network hub with connections to all major bureaus within the Department for intra-departmental communications.

PROGRAM CHANGE(S):**HCHB Network Security Operations and Incident Response Enhancement (+\$5,825,000):**

As a result of a series of network-related service outages, a network and security operations assessment was performed on HCHBNet. The outcome of the assessment identified several upgrades that are necessary in order to stabilize the network infrastructure and provide a safe and secure operational computing improvement.

Actions have been taken to decommission and reduce duplication in network and security monitoring tools over the years to increase efficiency and standardization in HCHB. However, current funding levels are inadequate to meet the demands in network performance and advanced capabilities requested by customers.

Investment in a robust network infrastructure that is highly reliable, maintainable, and available is essential to ensuring that users are able to access critical applications and resources so they can conduct their functions and fulfill Department missions. As services and applications are migrating to the cloud, either through hosted services from commercial providers or through other government agencies, the network is an integral component for a more efficient operating environment whereby users are provided the tools and technologies that enable them to be more productive.

If OCIO continues at the current funding levels and proceeds with the same piecemeal network replacement approach, the performance level of the network infrastructure services will degrade, resulting in more frequent and prolonged outages and an adverse impact to the operating environment.

Funds will be necessary not only for technology and equipment upgrades and replacement, but also for the requisite staff augmentation to support the increasing roles and responsibilities that the OITS team is expected to fulfill in the following areas:

- Network Infrastructure Upgrades (\$4,020,000):

The current network was designed in 2002 but has undergone numerous changes, particularly in the past five years. These changes and improvements have been completed in a piecemeal or siloed manner, adding complexity and instability to the network. Numerous weaknesses have been identified but they are costly to maintain in the as-is state. If these weaknesses are not addressed, they will lead to further degraded access and/or outages causing disruptions to critical mission functions.

Multiple single points of failure in the HCHBnet results in a network highly vulnerable to interruption of services and significant costs to recover from the loss of services. The infrastructure lacks an integrated test lab for patches and development of new technologies, which leads to improper testing of equipment added into the production environment. The infrastructure lacks robustness to fully support new requirements and mandates such as Internet Protocol Version 6 (IPv6).

- Security and Incident Response Enhancements (\$1,050,000):

Major security weaknesses exist in security monitoring and detection capabilities offered at HCHB. With a majority of the bureaus that reside in HCHB operating without dedicated security operations personnel, the urgency to upgrade and enhance security services for the HCHB network backbone is critical. A deficiency exists in dedicated support for incident response functions for the building. Additionally, a majority of the security tools have not been refreshed since the initial implementation of the Security Operations Center in 2008. The current state of security tools utilized for security event detection and advanced persistent threats is either non-existent or approaching end of life.

- Configuration Management (\$377,000):

When possible, without sacrificing information security controls, the network infrastructure needs to be made less complex. Reduction in complexity can be achieved through standardization of the network infrastructure and support of components through configuration management. The current program does not have the funding and staff to provide dedicated configuration management of network devices. Technical controls and a repository of baseline configurations

are non-existent making it impossible to audit and enforce configuration management policies. Without the implementation of a robust configuration management program, complexities in the configuration of network devices and components in the network will increase the need for more resources, and ultimately result in greater time between repair from network failures and security incidents.

- HCHB Data Center and IT Renovation Support (\$378,000):

OCIO requires additional contractor resources to support the renovation project. The current HCHB-wide network and VoIP telephone system are operated and maintained by a contractor staff that is managed by government employees. The current contractor and government staff will continue to support the ongoing operations and maintenance of the HCHB-wide network and VoIP telephone system. They will also have to support approximately 4,000 employees who will move several times throughout the HCHB as each phase of the HCHB Renovation and Modernization is undertaken, and ensure that these employees also continue to have their current telecommunication services throughout the renovation project. As the renovation project progresses, the current HCHB-wide network infrastructure will become outdated and equipment will need to be refreshed.

In order to meet the growing needs of the operating units, OCIO is requesting additional contractor resources. This funding will free up existing staff time to ensure that adequate power, cooling, and other critical services are provided to sustain the operations of the HCHB Data Center.

Schedule and Milestones:

Network Infrastructure Upgrades:

Milestone 1: 6/2015 – Complete market research for network equipment refresh

Milestone 2: 9/2015 – Complete SOW

Milestone 3: 11/2015 – Procure network equipment and professional services

Milestone 4: 2/2016 – Start refresh/installation of network equipment

Milestone 5: 8/2016 – Target completion date of network equipment installation

Security and Incident Response Enhancements:

Milestone 1: 3/2015 – Complete market research for network intrusion detection/prevention products

Milestone 2: 6/2015 – Evaluate and perform proof of concept testing of selected vendors

Milestone 3: 9/2015 – Procure new equipment and professional services

Milestone 4: 1/2016 – Upgrade Network Intrusion Prevention Systems for HCHBNet

Configuration Management

Milestone 1: 9/2015 – Allocate/augment existing staff to perform configuration management

Milestone 2: 12/2015 – Feasibility study of previously invested tools/market research

Milestone 3: 3/2016 – Procure new software and professional services

Milestone 4: 7/2016 – Baseline device configurations to be managed

Milestone 5: 9/2016 – Start implementation of configuration management system

Deliverables:

- Increased network backbone bandwidth/capacity from 1GB to 10GB
- Improved network stability and increased network performance to support requirements for Cloud computing and Telework presence
- Standardized network equipment with similar make and models for ease of management and troubleshooting
- Standardized network configuration
- Upgraded Network Intrusion Detection and Prevention System (NIDPS) for HCHBNet to replace end of life equipment and enhance existing capability to detect and prevent network intrusions
- Delivered configuration management system to monitor and audit device policies and configurations for network and security devices servicing the HCHBNet infrastructure
- Increased network and security visibility across the HCHBNet backbone

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/Office of the Chief Information Officer
Program Change: HCHB Network Security Operations and Incident Response Enhancement

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	\$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	620
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	120
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	5,085
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	5,825

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/ Office of the Chief Information Officer (OCIO)**

For FY 2016, the Office of Cyber Security (OCS) Enterprise Cyber Security Program requests an increase of \$5,000,000 and 2 FTE for the **Federal Identity, Credential, and Access Management (FICAM)** program.

PROGRAM JUSTIFICATION:**BUDGET PROGRAM Overview**

In support of Homeland Security Presidential Directive 12 (HSPD-12), OMB memorandum M-11-11, the Federal CIO Council Identity, Credential and Access Management (FICAM) Roadmap, the DOC Strategic Plan, and the FY 2014 DOC Enterprise Architecture Working Group recommendations for cyber security improvement, the DOC ICAM program will develop a Commerce-wide identity, credential, and access management platform that leverages existing investments made by the DOC operating units.

While larger operating units in the Department may have their own bureau-wide ICAM capability, the Department as a whole does not centrally manage DOC identities, credentials, or access. Applications that are commonly used throughout the Department rely on their own identity, credential and access management, resulting in multiple user names and passwords for DOC employees and contractors. These multiple identities increase the likelihood of lost or forgotten passwords, which increase help desk support costs. These multiple identities and the lack of integration between DOC bureaus also allow accounts to exist long after the associated employee or contractor has separated from the Department. Under the vision of a centrally-managed DOC ICAM solution, identities, credentials, and access can be centrally managed, reducing help desk costs and increasing the security of DOC systems and information.

PROGRAM CHANGE(S):**Federal Identity, Credential, and Access Management (FICAM) (+\$5,000,000 and +2 FTE)**

The overarching goal of the early FICAM phases is to determine the appropriate ICAM solutions, as well as establish the initial services and functionality such as: automated digital identity lifecycle management; basic provisioning for user accounts; self-service interfaces; minimal end user burden with password management and synchronization; and baseline reporting capabilities of ICAM system events and digital identity data. By detailing out requirements, procuring equipment, and beginning implementation, the DOC can ensure that what is put into place will meet both compliance and functionality-level requirements in a timely manner.

In the future, the DOC ICAM program will build upon the established technical capabilities by deploying reduced sign-on, enhancements to reporting, and integration of additional capabilities for user provisioning. A core component of the functional efforts to support this phase is application readiness assessments. The Strategic Application Assessment (SAA), in accordance with Federal Information Processing Standard (FIPS) 199 impact levels, allows a risk-based approach to support the identification, assessment, and prioritization of applications for integration into the identity management system. The SAA enables rapid return on investment associated with deploying an ICAM solution by identifying the applications that would benefit the most from, and provide the

easiest integration path to the identity management system. Scoring of applications and priority of integration is determined by measuring the risk associated with the application in its current state. The risk score is derived by capturing application-specific information such as the number of orphan accounts identified, identities associated with multiple accounts, dormant accounts, and privileged user accounts.

The DOC ICAM program will focus on meeting OMB guidance for full interoperability and federation of user Personal Identity Verification (PIV) cards both internally and externally-facing applications. The services that will be enabled during this phase include temporary credentialing and PIV-I support.

The SAA also mitigates common implementation stumbling blocks by identifying the broken links within identities across disparate applications and redundant identities. The assessment also captures core information such as:

- Number of application users
- Application owner priorities and high level requirements
- Number of access control attributes and roles
- Number of concurrent users
- Type of interface (i.e., Open Database Connectivity, web service, custom, etc.)
- Compatibility with the ICAM software suite

The ICAM program management team will work with the DOC Operating Unit (OU) IT and application business owner teams to prioritize the applications in consideration for integration with the ICAM system. Each application will be rated and prioritized using evaluation criteria and a weighted scoring mechanism for emphasizing value of criteria determined to be of higher importance by the DOC ICAM Working Group. This will result in a comprehensive ranking of applications which prioritizes the order of integration for SSO.

Statement of Need and Economic Benefits – Cost Benefit Analysis

The scale and effort required to build an ICAM program are substantial and it is difficult to determine the precise cost, timeframe, and labor required. The project will have significant financial costs over no fewer than five years, and require the coordination and attention of numerous OU and Department IT, business process, and policy personnel under leadership of executives at multiple levels. Despite the financial and time commitments of this ICAM program, it is clear that enhanced security, cost avoidance, efficiency during future years of operation, and information sharing synergies generated by the DOC ICAM program will allow it to exceed the value of initial expenditures. Furthermore, the Department is uniquely positioned, through ongoing efforts in mission critical OUs, to build a system from the ground up, which suits its distinct missions.

The multi-phase approach to the DOC ICAM effort will provide a manageable program for its implementation. This phased approach has many benefits including, but not limited to: serialized checkpoints, adaptability to mission requirements, cost flexibility, security risk mitigation, and leveraging the iterative process. Because each specific situation may dictate a unique response, the DOC ICAM effort must be executed in manageable phases that allow for adjustment along the transition plan. Serialized checkpoints offer opportunities for governance and executive leadership to measure short-term goals and adjust course as necessary. Adaptability to mission requirements allows for exceptions and program changes to be made to accommodate DOC's priorities while not compromising federal compliance or security. Cost flexibility provides a means to manage financial risk and poor procurement decisions before they affect the bottom line. A phased approach mitigates

security risk by building the whole ICAM system in pieces that can be exposed to risk one at a time and applying prescriptions to a problem as soon as it is observed, instead of dropping a whole ICAM system that may have security flaws in place and missing the opportunity to realize threats as they develop. Likewise, the iterative process inherent to the phased approach maximizes the DOC's ability to apply lessons learned whether it be across OUs, within implementation activities, or with multiple similar external integration activities, This method will mitigate project risks, while allowing for compliance with DOC and Federal policy and guidance , and increases in interoperability, as well as security.

Schedule and Milestones:

- FY 2015 – Conduct independent assessment of DOC ICAM requirements and develop governance, policies, and acquisition strategy
- FY 2016 – Develop virtual directory from federated DOC OU identity directories
- FY 2017 – Develop application integration capability with common DOC systems and services
- FY 2018 – Integrate commonly-used DOC systems with DOC ICAM
- FY 2019 – Integrate additional commonly-used DOC systems with DOC ICAM
- FY 2020 – Integrate bureau-level DOC systems with DOC ICAM

Deliverables:

- DOC ICAM will produce a DOC-wide virtual directory from the federated DOC OU identity directories
- DOC ICAM will produce a DOC-wide user authentication platform
- DOC ICAM will integrate with DOC-wide systems and provide user authentication services
- DOC ICAM will integrate with OU-level systems and provide user authentication services

Performance Goals and Measurement Data:

Performance Goal 1:	FY	FY	FY	FY	FY	FY	FY
Percentage of DOC Identities Enrolled	2015	2016	2017	2018	2018	2020	2021
	Est.	Target	Target	Target	Target	Target	Target
With Change		25	100	100	100	100	100
Without Change		0	0	0	0	0	0
Description: The DOC ICAM Virtual Directory is expected to be established by end of FY 2016 with enrollment of at least 25% of the DOC user population for employees, contractors, guest researchers, etc. 100% of DOC identities should be enrolled by end of FY 2017.							
Performance Goal 2:	FY	FY	FY	FY	FY	FY	FY
Number of DOC-wide Systems Integrated	2015	2016	2017	2018	2019	2020	2021
	Est.	Target	Target	Target	Target	Target	Target
With Change		0	1	1	1	1	1
Without Change		0	0	0	0	0	0
Description: Integrating DOC-wide systems will off-load the burden of user provisioning, credential maintenance, and user de-provisioning to the DOC ICAM infrastructure, reducing system development costs and system help desk costs. It is expected that the DOC ICAM infrastructure will be able to integrate with DOC-wide systems starting in FY 2017 and should be able to integrate one major DOC-wide system per year.							

PROGRAM CHANGE PERSONNEL DETAIL

Budget Program: Operations and Administration/ Office of the Chief Information Officer
Program Change: Federal Identity, Credential, and Access Management (FICAM)

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Information Technology Specialist	Washington, D.C.	GS-12	2	\$85,703	\$171,406
					\$0
					\$0
					\$0
Subtotal			<u>2</u>		<u>\$171,406</u>
Less Lapse	25%		<u>(1)</u>		<u>(\$42,852)</u>
Total Full-time permanent:			1		\$128,554
2016 Pay Adjustment	1.3%				\$1,671
Total			1		<u>\$130,225</u>

Personnel Data	Number
Full-time Equivalent Employment	
Full-time permanent	1
Other than full-time permanent	0
Total	<u>1</u>
Authorized Positions:	
Full-time permanent	2
Other than full-time permanent	0
Total	<u>2</u>

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/ Office of the Chief Information Officer
Program Change: Federal Identity, Credential, and Access Management (FICAM)

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	\$131
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	131
12	Civilian personnel benefits	32
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	2,725
25.3	Purchases of goods & services from Gov't accounts	420
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	1,692
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	5,000

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/ Office of the Chief Information Officer (OCIO)**

For FY 2016, the Office of Chief Information Officer (OCIO) requests a total of \$2,654,000 and 9 FTE for the OS IT Security Program. This funding includes an increase of \$1,908,000 and 6 FTE for **Office of the Secretary (OS) IT Security Team Enhancement**.

PROGRAM JUSTIFICATION:

The Federal Information Security Management Act (FISMA) provides the framework for ensuring the effectiveness of information security controls over information resources that support federal operations and assets. This includes ensuring that systems and applications used by the agency operate effectively and provide appropriate confidentiality, integrity, and availability with cost effective management, personnel, operational and technical controls.

Every IT system must have a designated Information System Security Officer (ISSO) assigned to the system. The ISSO is responsible for implementing system-level controls, maintaining system security documentation, and serving as the principal advisor for that IT system. Currently it is the responsibility of the System Owner (SO) to assign this role. Numerous offices struggle with having the right personnel to assign or assign it as an additional duty, and therefore they do not have the right knowledge base and/or time dedicated to maintaining the system security posture. This structure has led to a lack of accountability, thus numerous IT systems are not effectively maintaining FISMA and DOC policy compliance. A 2013 rapid peer assessment that was conducted on the Office of IT Services (OITS) found that OS ISSOs have not on a consistent basis reviewed all relevant vulnerability scan reports or issued Plan of Action & Milestones (POA&Ms) for vulnerabilities associated with the assets of their systems. POA&Ms that were reported were found to not be consistently implemented in a timely manner.

In addition to requiring an ISSO, every IT system must have an Authority to Operate (ATO) in order to remain in operational status. To acquire the ATO, an IT system must undergo an independent security assessment before going operational and annually thereafter. Currently the budgeting and acquisition of assessment services is the responsibility of the SO for each IT system. IT security requirements have changed over the years from an every three-year assessment requirement to an annual assessment requirement. Many IT systems security budgets have not changed with the requirements and there are numerous systems that lack the funding to acquire services. Systems that do not meet FISMA and DOC requirements run the risk of being turned off until the requirements have been met which could affect the Office's business mission. SO's that are budgeted for the annual assessments are acquiring services from a variety of different sources, including, Interagency Agreements with different federal agencies as well as industry partners. This had led the OS to have an undisciplined and inconsistent IT security program.

The OS IT Security Officer (ITSO) is responsible for ensuring that appropriate operational security posture is maintained for information systems and programs under OS's control. The OS OCIO OITS, which holds the OS ITSO, does not currently have the bandwidth to support and provide the ISSO or assessment services for SO's to consolidate and improve the current posture. Therefore, the OS ITSO would like the OS IT Security Program to expand to include a resource pool of ISSOs that can be assigned to OS IT systems. This would provide a level of accountability not currently in place.

The OS IT Security Program is also requesting the funding to acquire assessment and authorization services for all OS IT systems. This would eliminate the need of the SO to annually scramble for an assessment provider and provide assurance that services will occur prior to the conclusion of their current ATO; thus maintain FISMA and DOC compliance. Review of other DOC entities such as the National Institute of Standards and Technology and Bureau of the Census have shown this as a valuable service and asset to the overall IT security posture of the agency and Department.

BUDGET PROGRAM Overview

The purpose of the OS OITS's IT Security Program is to ensure that the appropriate operational security posture is maintained for information systems and programs within the OS.

The OITS Security Team is led by the OS IT Security Officer who provides information assurance and security for the OS IT systems by assisting OS offices and advising the ATO and SO on all matters involving the security of their automated systems. Assistance provided to the OS offices includes identifying process controls for their automated systems; establishing OS IT security policies, procedures, standards, and guidance; working with offices to implement policy; establishing a process to ensure all users are provided annual information awareness training, copies of Rules of Behavior, and training to fulfill their IT security responsibilities, including procedures for general and special training; provide PII Breach capabilities; coordinating with the DOC Commerce Incident Response Team (CIRT) as appropriate on potential incidents and threats; and performing security monitoring and FISMA compliance and reporting for the OS offices.

The OS IT Security team consists of three team members. Two team members are ISSO's each assigned to OITS specific IT systems (four systems in operation and one system with two sub-systems in development), one team member is currently assisting with the development of improved IT procedures and continuous monitoring activities for OS ISSO's. In addition, the team provides contracting officer technical representative functions and Exhibit 300 submissions for the OITS systems including the Consolidated HCHB IT Infrastructure (CHII).

A 2013 rapid peer assessment that was conducted on the OITS found that current OS IT Security Team Program staffing levels were under-resourced to provide the adequate information assurance levels for OS IT systems.

The current base resources provide Annual Security Assessment services for two operational OITS IT systems. In addition, the current base resources provide ISSO resources for four operational and one development (with two sub-systems) OITS specific systems; overall IT security guidance and oversight and to all the OS IT systems; POA&M reviews and approvals; OS PII breach capabilities; OS incident response training and exercise coordination; and IT security procedures that align to DOC policies. The team also provides OITS contracting officer technical representative functions, and Exhibit 300 submissions for the OITS systems including the CHII.

OITS would like to take management of the OS offices' information system security support and security assessments in order for the OS offices to get out of the IT business and focus on their business mission. The OITS IT Security Program staffing levels must be at an adequate level to ensure compliance with IT security laws, directives, recent OMB mandates, as well as industry and government best practices. The program does not currently have the bandwidth to support the functions for the OS IT systems currently outside the management scope of the OITS.

PROGRAM CHANGE(S):

OS IT Security Program (+\$1,908,000 and +6 FTE):

The OS IT security program is seeking to oversee two areas of OS IT systems that require improvement.

The OS IT security program seeks to manage ISSO's and assignments of OS IT systems. This initiative would permit consistent accountability and oversight of the IT security posture of the OS IT systems. ISSO's could be assigned to current and new IT systems with the assurance of having the proper skill set, accountability, and dedication to the posture of the system.

Additional FTE are needed to properly support the current OS IT systems that are operational and in their initiation phase. These FTE will be assigned the ISSO role for one or more OS systems depending upon their complexity, categorization, and operational status. The current staffing levels do not lend themselves to extending the ISSO function beyond the OITS systems while providing the dedication and continuous monitoring the IT systems require.

With the ISSOs managed out of OITS by the OS IT Security Officer, the systems will have direct IT security supervision out of the OCIO. ISSO's will be held to the same accountability and would follow the same consistent and repeatable procedures for managing their information system's security. This would provide assurance that adequate controls are in place to protect the confidentiality, integrity, and availability of the OS IT systems, and that they are consistent with FISMA, DOC IT Security Policies; recent OMB mandates; and industry and government best practices.

Continuing at status quo leaves some IT systems still in need of an ISSO or one with the proper skill set and/or time dedication. Status quo leaves IT systems without the proper oversight. The systems are at risk for improper system configuration that can result from not monitoring vulnerability scans and continuous monitoring system configuration status. Unpatched, vulnerable software can result in incidents involving data leakage from the agency-level as well as the Department-level depending upon the system and the system's purpose.

The OS IT security program is also seeking to provide a vehicle for SO's to continuously have security assessment services for their IT systems currently in operation. This initiative would provide a more dynamic approach to maintaining awareness of the security posture of the information system, and continuous monitoring to support on-going authorization and risk management. In addition, this will provide the OS IT Security Program with a consistent process and work towards building a consolidated and cohesive OS IT Security Program.

With security assessment services managed out of OITS by the OS IT Security Officer, the SO's will no longer search for assessment services, enter into individual agreements, or run the risk of the acquisition process going beyond their needed timeframe for testing. The SO's will work with the OS ITSO to plan when security testing and meetings will occur based on their need and planned activities. Assessors will gain more in-depth knowledge of DOC and OS policies, procedures and assigned systems, which will provide consistent testing practices, results, and situational awareness while assuring FISMA and DOC compliance.

Additional funds are needed in order to set up this program and properly support the current OS IT systems that are operational and in their initiation phase. This funding would be applied towards a

security assessment service contract arranged for the entire OS rather than a contract for each individual office. The current staffing levels do not lend themselves to extending the security assessment function.

The risk of continuing at status quo leaves some systems not maintaining FISMA and DOC compliance and the potential to be shut off until completed. It also leaves SO's without a reliable vehicle for acquiring assessment services and unstable assessment service costs. Additional risk of maintaining status quo is the inability to have continuous testing services available during the timeframe required, and have an assessor who is familiar with the system and can provide adequate testing against NIST SP 800-53 controls.

Statement of Need and Economic Benefits – Cost Benefit Analysis

The FISMA provides the framework for ensuring the effectiveness of information security controls over information resources that support federal operations and assets. This includes ensuring that systems and applications used by the agency operate effectively and provide appropriate confidentiality, integrity, and availability with cost-effective management, personnel, operational and technical controls.

A 2013 peer review of the OS IT Security Program documented how the security risks across all OS IT services are neither well understood nor managed because lines of responsibility are blurred and it is not managed as a cohesive program. With a consolidated team managing the information security oversight services, OS offices can focus on their business mission with the assurance that IT security needs are being met.

The OS IT Security team seeks to build a team in order to provide an ISSO shared service for OS offices with IT systems. The OS IT Security team aims to increase efficiencies and create a cohesive OS IT security program that aligns with the Departmental IT Security Program. This team would improve the effectiveness of maintaining the IT security posture and continuous monitoring of security controls on OS IT systems.

Consolidating ISSO's and managing them out of one office brings the ability to assign an ISSO one or more systems, based on complexity, thus sharing resources and sharing the expense of the ISSO assigned. This will provide the OS IT Security Program with a consistent process and work towards building a consolidated, cohesive OS IT Security Program with repeatable processes.

Consolidating services and managing security assessments will bring an economy of scale to the OS IT Security Program. One independent security control assessor acquired for a year at \$60,000 per system dedicated to assessing an assigned system on an on-going basis throughout the year provides a more dynamic continuous monitoring program than OS's current practice. Currently approximately \$60,000 per system funds a security assessor that audits security controls for a snapshot in time and then provides their report and leaves until the next year. This practice does not leave a system with the ability for the same cost to continue to go back to the assessor for continued testing while enhancements and changes are ongoing. To acquire services to address on-going changes a new agreement must be developed with additional funding.

Schedule and Milestones:

ISSO's:

Milestone 1: 7/2015 – Develop vacancy announcement.

Milestone 2: 11/2015 – Review certificates from announcement.

Milestone 3: 1/2016 – Onboard new personnel and assign duties.

Assessment and Authorization support:

Milestone 1: 8/2015 – Develop Memorandum of Agreement with NIST.

Milestone 2: 11/2015 – Review assessment needs of OS IT systems and formulate plan to assess each system accordingly.

Milestone 3: 12/2015 – Execute assessments in order previously determined on OS IT systems and do this on a continual basis.

Deliverables:

Capabilities/deliverables provided by the staff increase are:

- ISSO support for all OS IT systems in operational status and forthcoming including (but not limited to) the following oversight:
 - POA&M maintenance
 - Vulnerability Scan review and remedial action monitoring
 - Continuous Monitoring Assessments
 - Maintaining System ATO

- Assessment and Authorization support for all OS IT systems in operational status as of FY 2014 including (but not limited to) the following oversight:
 - Maintaining System ATO
 - Continuous Monitoring Assessments
 - On-Going Security Assessments kicked off my system enhancements/changes

Performance Goals and Measurement Data: Information System Security Officer Consolidation:

Performance Goal:	FY 2014	FY	FY	FY	FY	FY	FY
Measure 1	Est.	2015	2016	2017	2018	2019	2020
		Target	Target	Target	Target	Target	Target
With Change	50%	100%	100%	100%	100%	100%	100%
Without Change	50%	50%	50%	50%	50%	50%	50%
Description: Percentage of Plan of Actions and Milestones tracked and on time							
Performance Goal:	FY 2014	FY	FY	FY	FY	FY	FY
Measure 2	Est.	2015	2016	2017	2018	2019	2020
		Target	Target	Target	Target	Target	Target
With Change	50%	100%	100%	100%	100%	100%	100%
Without Change	25%	25%	25%	25%	25%	25%	25%
Description: Percentage of Vulnerability scan remedial action tracked and on time.							
Performance Goal:	FY 2014	FY	FY	FY	FY	FY	FY
Measure 1	Est.	2015	2016	2017	2018	2019	2020
		Target	Target	Target	Target	Target	Target
With Change	75%	100%	100%	100%	100%	100%	100%
Without Change	75%	75%	75%	75%	75%	75%	75%
Description: Percentage of Continuous Monitoring Assessments tracked and on time							
Performance Goal:	FY 2014	FY	FY	FY	FY	FY	FY
Measure 2	Est.	2015	2016	2017	2018	2019	2020
		Target	Target	Target	Target	Target	Target
With Change	75%	100%	100%	100%	100%	100%	100%
Without Change	75%	75%	75%	75%	75%	75%	75%
Description: Percentage of systems maintaining system Authority to Operate on time							

Performance Goals and Measurement Data: Independent Assessment Services Consolidation:

Performance Goal:	FY 2014	FY	FY	FY	FY	FY	FY
Measure 1	Est.	2015	2016	2017	2018	2019	2020
		Target	Target	Target	Target	Target	Target
With Change	75%	100%	100%	100%	100%	100%	100%
Without Change	75%	75%	75%	75%	75%	75%	75%
Description: Percentage of Continuous Monitoring Assessments tracked and on time							
Performance Goal:	FY 2014	FY	FY	FY	FY	FY	FY
Measure 2	Est.	2015	2016	2017	2018	2019	2020
		Target	Target	Target	Target	Target	Target
With Change	75%	100%	100%	100%	100%	100%	100%
Without Change	75%	75%	75%	75%	75%	75%	75%
Description: Percentage of systems maintaining system Authority to Operate on time							

PROGRAM CHANGE PERSONNEL DETAIL

Budget Program: Operations and Administration/ Office of the Chief Information Officer
Program Change: OS IT Security Program Team Enhancement

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
IT Specialists	Washington, D.C.	GS-12	6	\$89,380	\$536,280
Subtotal			<u>6</u>		<u>\$536,280</u>
Less Lapse	25%		<u>(2)</u>		<u>(\$134,070)</u>
Total Full-time permanent:			4		\$402,210
2016 Pay Adjustment	1.3%				<u>\$5,229</u>
Total			4		<u>\$407,439</u>
Personnel Data			<u>Number</u>		
Full-time Equivalent Employment					
Full-time permanent			4		
Other than full-time permanent			<u>0</u>		
Total			4		
Authorized Positions:					
Full-time permanent			6		
Other than full-time permanent			<u>0</u>		
Total			6		

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/ Office of the Chief Information Officer
Program Change: Office of the Secretary IT Security Team Enhancement

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	\$407
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	407
12	Civilian personnel benefits	102
13	Benefits for former personnel	0
21	Travel and transportation of persons	18
22	Transportation of things	0
23.1	Rental payments to GSA	126
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	36
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	1,219
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	1,908

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/ Office of the Chief Information Officer (OCIO)**

For FY 2016, OCIO requests \$803,000 and 4 FTE to provide **IT Program and Project Management Support for Shared Services**.

PROGRAM JUSTIFICATION:**BUDGET PROGRAM Overview**

The OCIO is responsible for multiple activities in IT management, directed from different organizational units within OCIO. The primary mission of the organization is to support the Department of Commerce (DOC) OCIO, bureaus, and mission areas by implementing a sound IT program and project management framework. This framework improves the overall portfolio, program and project health; ensures IT projects are managed in a disciplined; fiscally sound and consistent manner; and strengthens OCIO investment oversight across the Department ensuring investments and services are delivered on time, within budget, and compliant with regulations and mandates. In addition, OCIO supports many formal reviews and oversight processes to ensure strategic alignment with mission, compliance with requirements, a sound risk management approach and adherence to budgetary controls. These formal DOC reviews include Commerce IT Review Board (CITRB), Department-wide TechStat reviews, and bureau-level review activities.

OCIO is additionally responsible for managing the HCHB digital network; telecommunications; network-enabled services such as emergency broadcasts, voice mail, and Internet Domain Name Service; planning, infrastructure management, and provisioning to ensure ability to meet HCHB's voice, data, and video telecommunications requirements. The OCIO also provides central support for management and acquisition of Department-wide telecommunications services. The office works with the Office of IT Security, Infrastructure, and Technology to ensure the security of HCHB networking and telecommunication systems, and with the Office of IT Policy and Planning to develop and coordinate Department-wide procedures for the acquisition and management of telecommunications services.

The goal of the Department's Operational Excellence Objective is to strengthen organizational capabilities to drive customer-focused, outcomes-driven mission performance across the DOC and Office of the Secretary (OS). In order to contribute to the Department's Strategic Objective of Operational Excellence, it is vital that OCIO hire four FTE and bring on two contractors to meet this growing demand for program and project support. These personnel are needed to provide acquisition and program support for Commerce-wide shared services, cloud strategies, and IT consolidation activities and sourcing support. These personnel will maintain and improve the quality of customer service for all OCIO, OS, and Department IT initiatives and help prepare the organization for future challenges.

For the last several years OCIO has adapted to rapid and significant changes in workload by implementing an HCHB consolidated data center, server virtualization, expansion of wireless service, Commerce-wide Managed Trusted Internet Protocol Services (MTIPS); Homeland Security Presidential Directive (HSPD-12); Windows 7 upgrade for OS, ESA, EDA, and MBDA; and several other OS or Department-wide initiatives.

While both service and support have rapidly increased over the years, OCIO IT and program support have not. Multiple bureaus have successfully migrated to OCIO to provide all IT services and functions, without increasing its project/program management staff.

DOC has begun a process of restructuring and redesigning the IT environment by implementing centralized shared services, providing cloud-based solutions and consolidating duplicative efforts throughout the Department. The additional Planning and Project Management M Staff will allow OCIO to:

- Develop repeatable process for key elements: requirements definition, risk management, and acquisition management
- Ensure quality projects are delivered on-time, within budget, and within scope
- Provide high quality, consistent and repeatable services for the entire Department via leveraging of current technologies
- Maintain and manage service levels
- Maintain or improve IT security standards and controls

The OCIO seeks support in continuing this momentum and enabling more centralized solutions for the Department, while responding and implementing the Rapid Peer Assessment (RPA) recommendations instituted by the Office of the Deputy Secretary.

PROGRAM CHANGE(S):

Program and Project Management Support for Shared Services (+\$803,000 and +4 FTE):

DOC recently released its Strategic Plan for FY 2014-2018, which covers five primary strategic goals and objectives: Trade and Investment, Innovation, Environment, Data, and Operational Excellence. The OCIO will be heavily invested and aligned to these objectives, but has a primary role in Objective 5, Operational Excellence. The goal of the Operational Excellence Objective is to strengthen organizational capabilities to drive customer- focused, outcomes-driven mission performance across the DOC and OS. The major initiative launched in support of Operational Excellence is the development and deployment of a customer-driven set of Department-wide IT Shared Services. The Department's CIO Council, chaired by the OCIO, will engage customers in bureaus and offices to define shared commodity, business, and mission IT services. The collaboration will also establish priorities for the change management activities essential for the successful deployment of these services. This critical new role for OCIO in Objective 5 will require a robust OCIO Program Management Office in order to manage the development, deployment, and maintenance of this new Department Shared Service model. The additional PMO resources will provide the OCIO with an immediate lift in capability and build an in-house competency to guide the strategic vision and requirements of this critical new IT service model required to achieve success.

Statement of Need and Economic Benefits – Cost Benefit Analysis

The DOC-wide Enterprise Architecture (EA) Framework and Shared Service Model is a key component of Objective 5: Operational Excellence in the DOC Strategic Plan for FY 2014- 2018. Investment in OCIO will help ensure the success of the EA Framework and Shared Service Model. Having a successful Shared Service Model could produce significant cost and schedule savings across Commerce. These reductions would come from reduced acquisition lead times, economies of scale by shared purchasing of services and commodities, and reduction of redundancy and overlap across the DOC and bureaus. In a properly-managed shared service model, cost and

schedule savings increase as the amount of shared services and commodities increase. Because the extent to which shared services implemented across the DOC is yet to be determined, the amount of achievable savings is currently unquantifiable.

CIO is currently operating all of its new projects, operation and maintenance, and network and telecommunications services with no project/program support. The same employees that are in charge of project implementation, operations, and maintenance have to juggle business and program functions. Having this support will increase customer satisfaction, increase employee morale, and help to keep the focus on its priorities. These initiatives and support areas include:

- Cloud Email
- Enterprise Mobile Device Management
- Personal Identification Verification (PIV)
- Data Loss Prevention (DLP)
- Multi-Protocol Label Switching (MPLS)
- Disaster Recovery Smartphone Customer Training
- Bureau IT and Program Support
- New Service Desk Contract Solicitation
- CISCO Softphone implementation and installation

The addition of these FTE is an important investment that will lay the foundation for improving Operational Excellence for years to come:

- Acquisitions Support: Better, more informed IT procurements resulting in greater overall value for the government.
- Standard Operating Procedures/Customer Guide Development, Training & Publication: Improvement in ability of personnel to quickly execute important tasks; support of enterprise initiatives such as PIV and Cloud Email; protection of organizational knowledge from loss due to FTE and contractors leaving; dramatic improvement in the quality of technical support to customers; and increased awareness of the importance of SOPs throughout OCIO.

Schedule and Milestones:

- Service/Capability Requirements Definition Phase
- Service/Capability Analyze Phase
- Service/Capability Select Phase
- Service/Capability Delivery
- Service/Capability Retrospective/Evaluation Phase
- Service/Capability Maintenance and Management

Deliverables:

- OCIO Integrated Project Matrix
- Associated PM documents tailored to the size/complexity/risk of the project:
 - Requirements Plan
 - Scope Management Plan
 - Work Breakdown Structure (WBS)
 - Schedule Management Plan

- Resources/Staffing Plan
- Cost Plan
- Communications Plan
- Risk Management Plan
- Procurement Plan
- Project Management Documents as needed:
 - Market Research
 - Gap/Business Case Analysis
 - Requirements Development/Statements of Work
 - Solution Evaluation
 - Acquisition Strategy
 - Migration Strategy
 - Post Implementation Support
- Development Service Level Agreements (SLAs)
- Document Standard Operating Procedures (SOPs)
 - Develop detailed procedures that are grounded in Federal regulations, agency policy, established organizational practices, and the Information Technology Infrastructure Library (ITIL) IT service framework. Support enterprise initiatives such as PIV, Cloud Email, and others by developing easy-to-understand user guides that reduce advanced technical tasks to simple, step-by-step procedures.
 - Conduct training sessions on SOP development for employees tasked with documenting standard operating procedures for their own areas.
 - Prepare broadcast mails for IT initiatives.
- Prepare IT initiative briefs to submit to senior staff.
- Assist with various budgets and Contracting Officer Representative (COR)-related activities such as, inputting procurement requests, market research and analysis, certification of IT services received, billings, and contract closeout.

PROGRAM CHANGE PERSONNEL DETAIL

Budget Program: Operations and Administration/Office of Chief Information Officer
Program Change: Program and Project Management Support for Shared Services

Title:	Location	Grade	of Positions	Salary	Salaries
Management Analyst	Washington, D.C.	GS-12	4	\$107,129	\$428,515
Subtotal			<u>4</u>		<u>\$428,515</u>
Less Lapse	25%		<u>(1)</u>		<u>(\$107,129)</u>
Total Full-time permanent:			3		\$321,386
2016 Pay Adjustment	1.3%				<u>\$4,178</u>
Total			3		<u>\$325,564</u>

Personnel Data

Full-time Equivalent Employment
 Full-time permanent
 Other than full-time permanent
Total

Number

3
0
 3

Authorized Positions:

Full-time permanent
 Other than full-time permanent
Total

4
0
 4

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/Office of Chief Information Officer
Program Change: Program and Project Management Support for Shared Services

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	\$326
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	<u>326</u>
12	Civilian personnel benefits	82
13	Benefits for former personnel	0
21	Travel and transportation of persons	10
22	Transportation of things	0
23.1	Rental payments to GSA	46
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	16
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	0
25.3	Purchases of goods & services from Gov't accounts	279
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	20
26	Supplies and materials	8
31	Equipment	16
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	<u>803</u>

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/ Office of the Chief Information Officer (OCIO)**

For FY 2016, the OCIO requests \$845,000 and 3 FTE for DOC Website Development. This funding includes an increase of \$496,000 and 0 FTE.

PROGRAM JUSTIFICATION:**BUDGET PROGRAM Overview**

The Office of Information Technology Services (OITS) provides lifecycle support for several external and internal websites, such as Commerce.gov, MBDA.gov, ESA.gov, EDA.gov, SelectUSA, Commerce intranet, Commerce Connection, OHRM, OCIO, HCHB Renovation Project, and 410 Work Request Tracker.

OITS' success in developing, operating, maintaining, enhancing, and supporting websites, and the transfer of several Operating Unit (OU) websites to OITS, has led to a growth in the number of websites, which need to be securely operated and maintained. Website technologies have increasingly shorter lifespans as new technologies and techniques are implemented by vendors, resulting in the office having to operate and maintain several products and versions of its technology stacks. Attacks on websites have increased in frequency and complexity, requiring additional processes and monitoring to detect weaknesses and implement counter-measures. These factors affect the need for a distinct website operations program to define and perform the deployment, operations, and maintenance of websites and the technologies supporting the websites.

The website operations program would be responsible for the operation of website technologies after delivery by website development project teams. The program will develop, implement, and execute processes, procedures, and technical solutions for change management, deployment, configuration, monitoring, and support of website technologies. Additionally, the program will collaborate with development teams to ensure successful planning for deployment and operation of website solutions and for providing a continuous integration solution for the development team.

PROGRAM CHANGE(S):**DOC Website Operations (+\$496,000 and +0 FTE):**

Website technologies are currently operated and maintained by website developers as a peripheral duty. This new program will effectively separate the duties of website development from those of website operations. This program is necessary to provide for separation of duties between website development and website operations, to address the need for specialized knowledge in operating and maintaining rapidly evolving website technologies to ensure website security (availability, integrity and, confidentiality) in an increasingly hostile environment, and to manage the increasing volume of websites, hardware and software that the website development team office has accumulated. Two contractors, a systems engineer and an applications systems analyst, will be acquired to perform all website operations duties. The program will obtain services for annual assessments by a third party. The program will survey the current website technologies and practices, develop and document processes, identify and implement technologies to automate processes where applicable, manually configure technology, patch and upgrade technologies, migrate applications as new implementations are delivered, and ensure proper performance through observation and testing of technologies. Consistency among development, test, staging, and operations environments will be provided,

including the assurance that all environments have the correct software and version and correct configurations.

By implementing the website operations program, the office will:

- reduce the risk of website failure by properly operating and maintaining website technologies
- increase the ability for the development projects to deliver successful website solutions by allowing teams to no longer expend time and resources on operations

The program will be researching, identifying, and purchasing:

- a configuration management tool and support for the tool
- an application deployment tool and support for the tool
- an application, server, and services monitoring tool and support for the tool
- support for operating systems, database software, and application software
- a tested solution for ensuring systems and data are backed up and able to be restored
- a continuous integration tool and a process for developers to use the tool for testing of applications

Statement of Need and Economic Benefits – Cost Benefit Analysis

Separating website operations responsibilities into a separate program from website development will reduce the risk of website failure and security compromises and increase the performance of the website development team.

Deliverables:

- Standard operating procedures
- Automated configuration management
- Automated application deployment
- Monitored applications
- Monitored servers and services
- Timely patched and upgraded servers (test and deploy patches and upgrades)
- Periodic reports (uptime, performance, patching, etc.)
- Managed and tuned systems

Performance Goals and Measurement Data:

Performance Goal:	FY	FY	FY	FY	FY	FY	FY
Number of critical, high, and medium vulnerabilities	2014	2015	2016	2017	2018	2019	2020
	Est.	Target	Target	Target	Target	Target	Target
With Change	109	50	20	0	0	0	0
Without Change	109	100	90	80	70	65	60
Description: Vulnerability scans are performed monthly. Software on older systems is outdated, unpatched, and misconfigured. Adding resources with experience in administration of such software and dedicated to regularly updating software will quickly reduce the number of vulnerabilities. These resources will also implement continuous integration and deployment tools and processes, to allow testing for defects and vulnerabilities before applications are deployed, also reducing the number of new vulnerabilities.							
Performance Goal:	FY	FY	FY	FY	FY	FY	FY
Number of application defects encountered by customers	2014	2015	2016	2017	2018	2019	2020
	Est.	Target	Target	Target	Target	Target	Target
With Change	50	50	25	5	5	5	5
Without Change	50	50	50	50	50	50	50
Description: Website applications are deployed to production after manual testing. Manual testing often does not catch defects in new functionality or defects introduced to existing technology. Vendor software patches and updates also introduce defects in applications. Implementing continuous integration will help catch many defects before applications are deployed to production.							

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/ Office of the Chief Information Officer
Program Change: DOC Website Development

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	<u>0</u>
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	406
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	90
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	<u>496</u>

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/ Office of the Chief Information Officer (OCIO)**

For FY 2016, the OCIO requests \$590,000 and 0 FTE for the **Multi-Protocol Label Switching (MPLS)** network backbone. This funding includes an increase of \$283,000 and 0 FTE in order to increase the existing MPLS circuits bandwidth to the level required for supporting the applications that are traversing the DOC MPLS network backbone.

PROGRAM JUSTIFICATION:**BUDGET PROGRAM Overview : MPLS**

Currently, access to the Cyber Security Assessment and Management (CSAM) application hosted at Department of Justice, financial applications hosted at Department of Transportation, and Human Resources applications hosted at Department of the Treasury rely on a single network backbone consisting of the Transparent LAN Service (TLS) network. When combined with MPLS, the Department will have a more robust, scalable, reliable, and redundant network backbone, which is essential to supporting Departmental missions. Furthermore, these backbones will enable and facilitate the Department Cybersecurity key initiatives such as the Enterprise Cyber Security Monitoring and Operations (ECMO) and Enterprise Security Oversight Center (ESOC).

With the push to Cloud First as well as IT Shared Services, the reliability and performance offered through the MPLS services are critical to ensuring the availability of these applications.

PROGRAM CHANGE(S):**(MPLS (+\$283,000)):**

The funding request is to procure and install new MPLS circuits that will provide increased capability over the existing TLS circuits. The benefits of MPLS include increased quality of service that guarantees bandwidth availability for key applications, improved performance with increased response time, and service offering spanning both national and international presence. With the push to Cloud First, as well as IT Shared Services, the reliability and performance offered through the MPLS services are critical to ensuring the availability of these applications.

Statement of Need and Economic Benefits – Cost Benefit Analysis

TLS is not available at all Central Offices. It is also limited to Local Access and Transport Areas (LATA). Customer sites that cross LATAs are not able to participate in the same TLS virtual local area network (VLAN). TLS connections can be provisioned, however they terminate at the same local switch. TLS has limited Quality of Service (QoS) support. MPLS is available both nationwide and internationally. TLS circuits do not have a real-time monitoring mechanism. MPLS connections are monitored, and bandwidth utilization reports as well as enhanced monitoring of QoS class utilization can be generated.

Schedule and Milestones:

MPLS circuits have been ordered under a General Services Administration contract. Additional routing configurations are being set up with the Operating Unit sites.

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/Office of the Chief Information Officer

Program Change: Multi-Protocol Label Switching (MPLS)

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	283
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	283

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/ Office of the Chief Information Officer (OCIO)**

For FY 2016, the OCIO requests \$666,000 and 4 FTE for **Enterprise Architecture (EA)**. This funding includes an increase of \$263,000 and 2 FTE.

PROGRAM JUSTIFICATION:**Enterprise Architecture Overview**

The purpose of this program is to develop an EA and provide the necessary information to decision makers on how to best utilize IT in supporting the mission requirements and strategic objectives of the Department of Commerce (DOC). The Clinger-Cohen act specifically states that each Department CIO is responsible for developing an EA. This is supported by additional legislation, as well as OMB directives. Further, the Secretary of Commerce in the FY 2014-2018 Strategic Plan specifically calls for the development of Department EA. To date, the program has been successful at meeting OMB requirements, but not at delivering the information to Department managers to facilitate better IT decision making. This is primarily due to insufficient resources since the program inception in FY 1999.

Base funding for FY 2014 includes one GS-15 FTE, one unfilled. The current resource level provides sufficient funding to meet OMB reporting requirements for EA, but not to address the Secretary's requirement for a functional EA to be used in making funding decisions and prioritizing initiatives that support the DOC Strategic Plan. Some savings have been produced in the past, but the realization of significant savings and efficiencies depends on being able to gather data from across the Department; characterize services and functions to be able to find opportunities for resource sharing; and develop a coordinated plan of action to implement the necessary changes to realize tangible benefits. This requires more than just two staff to accomplish. The Secretary has made EA a key strategy in the Operational Excellence goal of the Strategic Plan. In addition to this goal, EA is fundamental to constructing the supporting services and tools to achieve all of the other goals defined in the Strategic Plan, particularly the Data goal. Two staff cannot accomplish all of these tasks and provide support to each bureau in completing their required roles.

PROGRAM CHANGE(S):**Enterprise Architecture (+\$263,000 and +2 FTE):**

Specific changes include:

- the establishment and management of an Architecture Review Board to evaluate investments and aid in developing shared services
- the establishment and management of a standards team to identify IT standards and propose adoption as a Department standard (this also includes a review process to keep the standards current)
- the construction and maintenance of an Architecture Collaboration site and Repository where all architecture information is available to be used in planning and developing new systems and services

- evaluation and development of new technologies and how these might effectively be deployed across the Department

The justification for this increase has already been determined by the Secretary in the Strategic Plan. The opportunities it presents are that DOC will be better able to discover and deploy shared services, optimize the deployment of IT resources for better service to the end users, reduce management complexity, and provide these services anywhere on any device.

The risk of not pursuing this change is that the Department will remain a highly-federated structure, unable to take advantage of resource sharing, and unable to adequately meet the demands of the Strategic Plan to go beyond the status quo by providing better services and data to the public to help spur economic growth for the country.

The implementation of these changes will bring structure and Department-wide collaboration to a process that currently has little relevance in the planning process. This structure will aid in developing a repeatable process that will become integral to decision making and planning across the Department in a way the current program could never achieve.

EA by its nature is an internal planning process that defines how the Strategic Plan goals and objectives will be realized through changes to the existing organizational and IT structures. The only alternative to this process is to maintain the status quo, which the Deputy Secretary and others have determined not to be sufficient.

One of the primary reasons for EA is to drive cost savings by identifying existing duplication, as well as preventing future duplicative efforts. This will provide long-term cost savings across the Department by helping to share resources, aggregate purchases of products and services to drive down unit costs, reduce the maintenance cost associated with IT services by identifying opportunities for using Cloud Computing, and consolidate management of resources into fewer instances requiring fewer FTE and/or contractors to manage them.

As stated above, EA underpins all Departmental programs in that it provides a mechanism for provisioning IT services and resources in an efficient and cost effective manner. It is linked directly to strategic planning and feeds into capital planning efforts by providing tools that capital planners can use to help evaluate budget proposals.

Statement of Need and Economic Benefits – Cost Benefit Analysis

A positive cost benefit analysis can be demonstrated over time with this program. To achieve this requires a strong governance process that uses the architecture to keep the cost of deploying systems and services in line with the plan. If no process is in place, each bureau will continue to develop its own suite of services and products to meet its own customers' needs. By deploying and using the architecture and the tools it provides, this duplication of effort and cost can be avoided, providing real cost savings now, and by changing the way the Department deploys IT resources going forward, it can perpetuate those cost savings over time.

Specific benefits (such as a particular product or IT service) cannot be identified at this time, since that is the point of performing this task; to identify where cost savings, optimizations, and increased efficiencies of scale can be achieved.

This initiative is identified in the Strategic Plan under Operational Excellence – Strategic Objective One – Key Strategy “Create a 21st century information technology infrastructure.” This is a significant priority for the Secretary in that the Deputy Secretary was directed to establish a

Department-wide Operational Excellence Working Group to define the architecture and create the processes to govern its development and use.

Schedule and Milestones:

The schedule and milestones will be determined at the end of the ongoing effort by the Department-wide Operational Excellence Working Group initiated by the Deputy Secretary

Deliverables:

- An EA that is up-to-date and provides sufficient detail for planners to make informed decisions
- A current Enterprise Roadmap that details projects to be completed to support the goals and objectives of the Strategic Plan
- A current standards profile identifying IT standards that have been officially adopted through the CIO Council
- A shared services Roadmap that details the implementation plan for shared services across the Department
- Tools to facilitate identification and feasibility of shared services

Performance Goals and Measurement Data:

To be determined after schedule and milestones are defined (dependent on output from the Operational Excellence Working Group)

PROGRAM CHANGE PERSONNEL DETAIL

Budget Program: Operations and Administration/ Office of the Chief Information Officer
Program Change: Enterprise Architecture

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Enterprise Architect	Washington, D.C.	GS-13	1	127,393	127,393
Enterprise Architect	Washington, D.C.	GS-11	1	73,873	73,873
Subtotal			<u>2</u>		<u>\$201,265</u>
Less Lapse	25%		<u>(1)</u>		<u>(\$50,316)</u>
Total Full-time permanent:			1		\$150,949
2016 Pay Adjustment	1.3%				<u>\$1,962</u>
Total			1		<u>\$152,911</u>

Personnel Data

	<u>Number</u>
Full-time Equivalent Employment	
Full-time permanent	1
Other than full-time permanent	0
Total	<u>1</u>
Authorized Positions:	
Full-time permanent	2
Other than full-time permanent	0
Total	<u>2</u>

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/ Office of the Chief Information Officer
Program Change: Enterprise Architecture

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	\$153
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	<u>153</u>
12	Civilian personnel benefits	38
13	Benefits for former personnel	0
21	Travel and transportation of persons	5
22	Transportation of things	0
23.1	Rental payments to GSA	23
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	8
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	0
25.3	Purchases of goods & services from Gov't accounts	14
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	10
26	Supplies and materials	4
31	Equipment	8
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	<u>263</u>

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/ Office of the Chief Information Officer (OCIO)**

For FY 2016, OCIO requests \$154,000 and 0 FTE in support of their **OCIO SharePoint Collaboration System (OSCS)** platform. This funding includes an increase of \$154,000 and 0 FTE.

PROGRAM JUSTIFICATION:

The OSCS uses an existing solution currently being deployed by the Department of Commerce (DOC) OCIO: the Data Call Management System (DCMS). The overall objective is to:

- Improve the quality, efficiency and timeliness of activities
- Automate our many paper-based processes
- Facilitate improved communications inside and outside of the organization
- Establish a flexible platform for additional scaling of solution to other Department areas

The OSCS is a program that provides OCIO employees, customers, and stakeholders a communications and collaboration tool to improve efficiencies and effectiveness and promote the sharing and management of information. Currently the OCIO has no easy process or method to share, collaborate, and disseminate information with multiple customers and stakeholders. OCIO routinely emails large files of information to customers in support of Commerce IT Review Board (CITRB) review meetings, CIO Council Meetings, and other boards and working groups OCIO leads within DOC.

Applications/Processes that would be supported include:

- Data Call Management System (DCMS) updates, development, hosting
- eBriefing Document Management Briefing Tool
- SharePoint site development/hosting for CITRB, CIO Council
- OCIO Budget Authority Funding Approval (BAFA) Work-flow management
- DOC Enterprise Architecture Working Group Portal
- Additional ad-hoc team/project collaboration sites as requested by the Office of the Secretary

The OSCS uses SharePoint as multi-purpose platform and allows for the managing and provisioning of intranet portals, document management and file management, collaboration spaces, supports social networking tools, and enterprise search. SharePoint can also be used as a web application development platform.

BUDGET PROGRAM Overview

The initiative allows OCIO to increase “Organizational Excellence” and improve customer service to multiple customers and stakeholders by providing a tool to improve collaboration and information sharing across the Department. All bureaus will be able to easily access documents and information, provide review and comment, offer suggestions, and work in a collaborative manner. OCIO will be able to share, retrieve, and manage information and documentation responding in a quicker manner to its customers.

The proposed program supports and promotes the following themes, goals, and objectives:

- Customer Service: Create a culture of outstanding communication and services to our internal and external customers.
- Promote information access and transparency through technology, understanding customer requirements, and creating new data products and services that deliver added value to customers,
- Provide a high level of customer service to our internal and external customers through effective and efficient Department functions with empowered employees.

A pilot was conducted for the DCMS, which uses SharePoint as a platform, in the 2012/2013 timeframe. OCIO partnered with the Census Bureau and deployed the DCMS production application in 2014. The OSCS builds on the existing solution and will be hosted and supported by Census.

PROGRAM CHANGE(S):

OSCS (+\$154,000)

As part of the Department's Strategic Plan, "Open for Business" OCIO must cultivate an environment that allows the workforce to be open and accessible "anywhere, anytime." We must be able to effectively communicate and collaborate with customers, stakeholders, and partners and support the workforce with automated processes, tools, and procedures. The Census Bureau will provide SharePoint support (design, hosting, administration, and O&M) in a shared-services arrangement.

This will automate OCIO's many paper-based/email-driven processes and support CIO Council and working-group activities, as well as CITRB activities. It will improve efficiencies and promote sharing across the Department.

Statement of Need and Economic Benefits – Cost Benefit Analysis

Program Gap Assessment:

Currently within the OCIO, there is no single solution where employees, customers, and stakeholders can collaborate efficiently and effectively, share documents, participate in real-time document updates, or have read/write access to documents. A lot of time is spent emailing documents back and forth, maintaining version control, and tracking changes of critical documents. There are several on-going working groups within OCIO, most include bureau staff, and sharing and collaborating on documents is a slow process. Configuration management is difficult. Currently bureau staff outside of the HCHB cannot access shared folders. To enable collaboration someone must email the documents to the several participants, which during several "high activity" periods can overwhelm email mailboxes.

With an enterprise collaboration management system, working groups will be able to easily access, review, and change documents. OCIO can make information such as Project Management Office documents, strategic sourcing information, CITRB documents, examples, and guides easily available and accessible. For example for the DOC CIO Council Portal the goal is to provide an OCIO Marketplace where we can provide tools and information about shared service opportunities, strategic sourcing opportunities, etc.

- Information will be able to be distributed quicker to the community and accessible to those who need to know which will save time and effort.
- Bureaus will be able to take advantage of existing initiatives, which should save time, effort, and resources.

Schedule and Milestones:

- FY 2016 Q1 Develop Implementation/Deployment Plan – Applications A and B
- FY 2016 Q2 Develop and Deploy Pilot System – Bureau Stakeholders
- FY 2016 Q3 Update System with customer feedback
- FY 2016 Q4 Provide Training a bureau locations
- FY 2016 Q4 Deploy Production System
- FY 2017 Q1 Develop Implementation/Deployment Plan – Applications C and D

Deliverables:

- SharePoint site development/hosting for CITRB—Action item tracking and reporting (App A)
- OCIO – Budget Authority Funding Approval (BAFA) Work-flow management (App B)
- DOC CIO Council Portal (App C)
- DOC OCIO PMO Portal (App D)
- DOC Enterprise Architecture Working Group Portal (App E)

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/ Office of the Chief Information Officer
Program Change: OCIO SharePoint Collaboration System (OSCS) Platform

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	\$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	<u>0</u>
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	0
25.3	Purchases of goods & services from Gov't accounts	154
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	<u>154</u>

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/ Office of the Chief Information Officer (OCIO)**

For FY 2016, OCIO requests a total increase of \$350,000 and 0 FTE, two contractors for IT Security - **Supply Chain Risk Management**. This program supports acquisition reviews for IT acquisitions as required by Section 515 of the Consolidated and Further Continuing Appropriations Act, 2015.

PROGRAM JUSTIFICATION:**BUDGET PROGRAM Overview**

Base Program: The increase request is to establish a program to assess associated risk of cyber-espionage or sabotage associated with the acquisition of IT systems. IT systems rely on a global supply chain which introduces multiple risks to federal IT systems including: a growing dependence on foreign technology; reduction of transparency and traceability of the supply chain through multinational mergers and acquisitions of suppliers and integrators; the potential exploitation of information through counterfeit and malicious software; and reliance upon malicious or unqualified service providers for the performance of technical services. Supply chain is part of the advanced persistent threat. Security safeguards and countermeasures are required to reduce the probability of adversaries successfully identifying and targeting the supply chain of Commerce systems. Without the funding increase, the Department will have a continuing exposure to acquisition-based cyber security risks and vulnerabilities and the acquisition process for IT will be at risk of not meeting mission requirements due to delays in the processing of mission critical IT hardware, software, or technical services.

PROGRAM CHANGE(S):**Supply Chain Risk Management (+\$350,000):**

The increase is requested to establish a program that meets the intent of the Congressional mandate to review all IT acquisitions to include those affected by the interim process and moderate-impact systems resulting in coverage of 82% of the Commerce IT portfolio. The funding will be used to establish the program and conduct the necessary assessments and trainings to meeting Congressional and OMB mandates. This includes the development of a centralized Commerce database of supply chain reviews, and establishment of a common control provider that satisfies NIST Special Publication 800-53 Revision 4 controls.

Statement of Need and Economic Benefits – Cost Benefit Analysis

Information systems (including system components that compose those systems) need to be protected throughout the system development life cycle (i.e., during design, development, manufacturing, packaging, assembly, distribution, system integration, operations, maintenance, and retirement). Protection of information systems is accomplished through threat awareness, by the identification, management, and reduction of vulnerabilities at each phase of the life cycle and the use of complementary, mutually reinforcing strategies to respond to risk. Establishment of a common shared-service to meet the requirement across the enterprise will result in consistent application of

process across the enterprise and eliminate the need for individual operational units to establish duplicative programs to meet the Department's operational requirements.

Following the Department's 5-year IT Strategic Plan, "Operational Excellence" calls for leveraging enterprise architecture, specifically shared services, to meet common Departmental missions and functions. This program also follows Goal 4 (Improve the Department's cyber security enterprise architecture), Objective 13 (Implement Department-level security operations oversight and cyber threat analysis) of the Department's Cyber Security Strategic Plan. The benefit in terms of risk mitigation as well as efficiencies is significant when considering the potential risk to the Department's organizational reputation resulting from a data exfiltration due to a supply chain vulnerability, i.e., early release of data that drives market activity.

Schedule and Milestones:

- Q2 FY 2016 – Release contract request
- Q3 FY 2016 – Award contract
- Q4 FY 2016 -- Expand program scope to include moderate-impact systems
- Q2 FY 2017 – Establish program as common control provider for NIST SP 800-53 Rev 4 control SA-12 (Supply Chain Protection)

Deliverables:

- Conduct 5 SCRM assessments/FTE/Month
- Revise policy for supply chain to include review of all national security, high-impact, and moderate-impact systems

Performance Goals and Measurement Data:

Performance Goal:	FY	FY	FY	FY	FY	FY	FY
Measure 1 – SCRM assessments	2014	2015	2016	2017	2018	2019	2020
	Est.	Target	Target	Target	Target	Target	Target
With Change			10	45	50	50	50
Without Change			0	0	0	0	0
Description: [Conduct 515/516 assessments]							

PROGRAM CHANGE PERSONNEL DETAIL

(Dollars in thousands)

Budget Program: Operations and Administration/ Office of the Chief Information Officer
Program Change: Supply Chain Risk Management

Object Class		FY 2016 Total Program
11	Personnel compensation	
11.1	Full-time permanent	\$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	<u>0</u>
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	350
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	<u>0</u>
99	Total obligations	<u>350</u>

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/ Office of the Chief Information Officer (OCIO)**

For FY 2016, OCIO requests a total increase of \$805,000 and 2 FTE for the **Commerce Incident Response Improvement (CIRI)** program.

PROGRAM JUSTIFICATION:**BUDGET PROGRAM Overview**

The increase request is to strengthen the existing Department of Commerce Computer Security Incident Response Team (DOC-CIRT). The focus of the funding increase is to acquire tools and resources to support computer forensics capabilities. The requested funding is to address OIG and third-party assessments and to improve the Department's overall security posture. DOC-CIRT has an essential role in protecting and investigating cyber-attacks and vulnerabilities on DOC. DOC-CIRT is required to conduct forensic analysis to search, preserve and analyze information on computer systems to find potential evidence for incident response. Without improvements to this program, DOC will not be able to fully address the computer forensics performance gaps.

PROGRAM CHANGES:**Commerce Incident Response Improvement (+\$805,000 and +2 FTE):**

The DOC CIRT Improvement Plan and the Rapid Peer Assessment of DOC-CIRT capabilities in FY 2013 have identified key areas for improvement. Costs are based on labor, hardware, software and service estimates collected from various market research sources by the Office of Cyber Security (OCS). The sources include government labor costs, current contractor labor rates, training costs, and costs for desired software improvement and additions. Funding is needed to implement OIG recommendations for improving DOC computer security incident response (DOC-CIRT) staffing, skills and digital forensics capabilities. The plan is to expand HCHB CIRT capacity and capabilities by establishing the OS CIRT; ensure all DOC-CIRT staff meet DOC training and certification requirements for computer security incident handlers; update incident response procedures with respect to the NIST Computer Security Incident Handling Guide; and incorporate robust digital forensic capabilities (staff, hardware, software, services, and training).

Statement of Need and Economic Benefits – Cost Benefit Analysis

Separate assessments of DOC-CIRT operations conducted in FY 2013 by the OCS, the Office of the Inspector General (OIG), and the Department of Homeland Security (DHS) have revealed significant performance gaps in the areas of staffing, training, communications, incident coordination, adherence to procedures, and forensics capabilities. These significant performance gaps must be addressed, through a comprehensive Commerce incident response improvement project, in order for the DOC-CIRT to continue to fulfill its mission. As required by OIG and other assessments conducted against the DOC-CIRT, complete digital forensics capabilities are needed to address gaps in the ability to analyze possible security incidents.

Schedule and Milestones:

- Q1 FY 2016 – Hire federal digital forensics examiners
- Q2 FY 2016 – Develop cyber forensics policies
- Q3 FY 2016 – Develop cyber forensics procedures
- Q4 FY 2016 – Complete cyber forensics infrastructure

Deliverables:

- Cyber forensics policies
- Cyber forensics procedures
- Cyber forensics infrastructure

Performance Goals and Measurement Data:

Performance Goal:	FY	FY	FY	FY	FY	FY	FY
Measure – DOC-CIRT Forensics Incidents Handled	2014 Est.	2015 Target	2016 Target	2017 Target	2018 Target	2019 Target	2020 Target
With Change			16	16	16	16	16
Without Change			0	0	0	0	0
Description: Number of digital forensic investigations handled by the DOC-CIRT in support of open computer security incidents							

PROGRAM CHANGE PERSONNEL DETAIL

Budget Program: Operations and Administration/ Office of the Chief Information Officer
Program Change: Computer Security Incident Response Improvement (CIRI)

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Information Technology Specialist	Washington, D.C.	GS-14	2	\$127,512	\$255,024
					\$0
					\$0
					\$0
Subtotal			<u>2</u>		<u>\$255,024</u>
Less Lapse	25%		<u>(1)</u>		<u>(\$63,756)</u>
Total Full-time permanent:			1		\$191,268
2016 Pay Adjustment	1.3%				<u>\$2,486</u>
Total			1		\$193,754

Personnel Data	Number
Full-time Equivalent Employment	
Full-time permanent	1
Other than full-time permanent	0
Total	<u>1</u>
Authorized Positions:	
Full-time permanent	2
Other than full-time permanent	0
Total	<u>2</u>

PROGRAM CHANGE PERSONNEL DETAIL

(Dollars in thousands)

Budget Program: Operations and Administration/ Office of the Chief Information Officer
Program Change: Computer Security Incident Response Improvement (CIRI)

Object Class		FY 2016 Total Program
11	Personnel compensation	
11.1	Full-time permanent	\$194
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	<u>194</u>
12	Civilian personnel benefits	41
13	Benefits for former personnel	0
21	Travel and transportation of persons	25
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	60
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	270
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	10
31	Equipment	205
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	<u>805</u>

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/ Office of General Counsel, Commerce Research Library**

For FY 2016, the Office of General Counsel requests a total of \$1,996,000 and 6 FTE for the Commerce Research Library. This funding includes an increase of \$64,000 and 0 FTE for the **Commerce Research Library Subscriptions**.

PROGRAM JUSTIFICATION:**BUDGET PROGRAM Overview**

The Commerce Research Library requests an increase of \$64,000 to maintain its online research database subscriptions and continue to provide these valuable services to Departmental staff. The library needs this additional funding for these annually recurring subscriptions because:

- 1) Vacancies that have since been filled or consolidated covered a portion of the subscription costs for the last several fiscal years.
- 2) For approximately ten years, the Library has received no inflationary increase to support subscriptions, despite the costs of existing subscriptions increasing by 2-9% every year.
- 3) The library has centralized several subscription procurements in order to save costs Department-wide; while this lowers the cost to individual Bureaus, it has increased the library's direct costs
- 4) Multiyear contracting allows the library to reduce overall subscription costs; however, several option years are ending and funds are needed to cover the anticipated increase in price for a new base year

Careful Research Database Cost Management

The Commerce Research Library looks for opportunities to contain research database costs, simplify database procurement, and save staff time across DOC. The department works on a cost-sharing and strategic-sourcing basis with nearly all bureaus, such as NOAA, NIST, ITA, ESA/BEA, and offices within OGC. This strategic sourcing is done both through direct DOC procurements and through FEDLINK, a unit of the Library of Congress that manages a government-wide strategic sourcing initiative for information products and services and cost savings. FEDLINK helps agencies to control costs and save time by centralizing the procurement process and establishing baseline database pricing, while still giving agencies the flexibility to manage their research databases independently.

Benefits to DOC Staff for Providing Centralized Research Database Procurement and Management

Through its centralized procurement and management of research databases, the Commerce Research Library saves staff throughout HCHB innumerable time and costs:

- Library professionals discover and vet reliable databases that provide timely and credible information. DOC employees require this controlled content to support their various missions.
- Library professionals handle database procurement and licensing.
- Library professionals handle database maintenance to include user account management, access issues, usage tracking, and database training and promotion.

- Centralized database acquisition saves smaller DOC offices time and money, and prevents duplication of purchases and effort. Additionally, economies of scale discounts are often available for enterprise licenses, allowing many offices access to useful content they would not have been able to afford on their own.
- Library professionals organize databases into user-friendly collections, providing faster and more relevant results for both novice and advanced users.

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

**Budget Program: Operations and Administration/Office of General Counsel, Commerce
Research Library
Program Change: Commerce Research Library Subscriptions**

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	\$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	0
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	64
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	64

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/ Office of General Counsel, Legislation and Regulation, Administration, and Finance and Litigation**

For FY 2016, the Office of General Counsel (OGC) requests a total funding of \$24,739,000 and 137 FTE. This funding includes an increase of \$299,000 and 0 FTE for **Succession and Retention** required to maintain the necessary level of legal services for customer bureaus.

PROGRAM JUSTIFICATION:**BUDGET PROGRAM Overview**

OGC requests an increase of \$299,000 to fund the added costs of maintaining the necessary level of legal services for customer bureaus. OGC is strengthening its succession plan by utilizing retention incentives and promoting junior attorneys to retain talented and qualified staff. Succession planning and knowledge retention must be an integrated process- reaching well beyond the replacement of individuals with a focus on strengthening and developing leadership talent at all levels of the organization. Budgeting for promotions for OGC's junior staff is critical to retention goals and succession planning. Specifically, this additional funding will support anticipated promotions for junior-level staff attorneys, who were specifically hired to replace departing senior attorneys to save costs. Without the ability to fund personnel, some staffs have left for better compensation within the Federal Government and the private sector. This promotion funding will allow OGC to provide the same quality of services to the Department.

PROGRAM CHANGES:**OGC Succession and Retention (+\$299,000)**

This funding is requested for promotions in the OGC. OGC attorneys have been resigning and retiring at a rate of 10-12 percent per fiscal year. Further, 30% of OGC's senior attorneys are, or will be, eligible for retirement in the near future. This request is necessary to maintain adequate legal services, to support the Department and its bureaus' needs, which are required to administer and defend the complicated and diverse caseload and legal matters.

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/Office of the General Counsel**Program Change: OGC Succession and Retention**

Object Class	FY 2016 Increase
11 Personnel compensation	
11.1 Full-time permanent	\$230
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 Total personnel compensation	230
12 Civilian personnel benefits	69
13 Benefits for former personnel	0
21 Travel and transportation of persons	0
22 Transportation of things	0
23.1 Rental payments to GSA	0
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	0
24 Printing and reproduction	0
25.1 Advisory and assistance services	0
25.2 Other services	0
25.3 Purchases of goods & services from Gov't accounts	0
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	0
31 Equipment	0
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	299

APPROPRIATION ACCOUNT: Working Capital Fund**BUDGET PROGRAM: Operations and Administration/Office of General Counsel, Finance and Litigation**

For FY 2016, the Office of General Counsel requests a total of \$155,550 and 1 FTE for legal service and standard overhead costs for **Big Data Legal Support** to dedicate resources to these initiatives. This funding includes an increase in FY 2016 of \$ 155,500 and 1 FTE.

PROGRAM JUSTIFICATION:**BUDGET PROGRAM Overview**

The Department of Commerce is now recognized as the keeper of several big government data sets. The Secretary has made unleashing the power of Commerce data a top priority of the “Open for Business Agenda.”

DOC has numerous information governance responsibilities with regard to Big Data and Electronically Stored Information (ESI), including requirements related to litigation and pre-litigation preservation and disclosure, administrative records management, Freedom of Information Act (FOIA) processing, and responses to Congressional and other correspondence. Some such issues which these resources will address are:

- Supporting Strategic Goal #4 – Data Goals and Objectives
- OMB Memo M-12-18 requiring government agencies to eliminate paper to the fullest extent possible
- Consumer Privacy Bill of Rights
- Amending Electronic Communications Privacy Act (ECPA)
- Assist the Department in its plans to make a significant investment in its information governance and information security program

In January 2014, the Secretary teamed with other Cabinet officials to conduct a 90-day study to examine how Big Data will transform the way we live and work and alter the relationships between government, citizens, businesses, and consumers. The review focused on how the public and private sectors can maximize the benefits of Big Data while minimizing its risks. OGC faces questions about how the framework for privacy protection applies in a big data ecosystem and OGC must ensure that big data analytics will not eclipse longstanding civil rights protections in how personal information is used in housing, credit, employment, health, education, and the marketplace.

PROGRAM CHANGE(S):**Big Data Legal Support (+\$155,550 and +1 FTE):**

OGC must invest in legal staff to ensure the digital revolution continues to work for individual empowerment and social good. Finance & Litigation is responsible for defending the Department’s commercial practices and to provide guidance on Department equities that impact Constitutional rights of our citizens; in addition, the office is best positioned to provide the legal support necessary to sustain the Department’s forward momentum as the keeper of several big government data sets. No legal resources are dedicated for this effort and thus OGC is raising this awareness and requesting support to mitigate the risk and sustain big data as a driver of progress.

PROGRAM CHANGE PERSONNEL DETAIL

Budget Program: **Operations and Administration/ Office of General Counsel, Finance & Litigation**
Program Change: **Big Data Legal Support**

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
General Attorney	Washington, D.C.	GS-15	1	\$124,995	\$124,995
Subtotal			<u>1</u>		<u>\$124,995</u>
Less Lapse	25%		<u>0</u>		<u>(\$31,249)</u>
Total Full-time permanent:			1		\$93,746
2016 Pay Adjustment	1.3%				<u>\$1,219</u>
Total			1		\$94,965

Personnel Data

	<u>Number</u>
Full-time Equivalent Employment	
Full-time permanent	1
Other than full-time permanent	<u>0</u>
Total	1
Authorized Positions:	
Full-time permanent	1
Other than full-time permanent	<u>0</u>
Total	1

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Operations and Administration/ Office of General Counsel, Finance and Litigation
Program Change: Big Data Legal Support

Object Class		FY 2016 Increase
11	Personnel compensation	
11.1	Full-time permanent	\$95
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	95
12	Civilian personnel benefits	26
13	Benefits for former personnel	0
21	Travel and transportation of persons	3
22	Transportation of things	0
23.1	Rental payments to GSA	12
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	4
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	2
25.3	Purchases of goods & services from Gov't accounts	8
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	1
31	Equipment	5
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	156

Department of Commerce
Departmental Management
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Classes	2014 Actual	2015 Operating Budget	2016 Base	2016 Estimate	Increase/ (Decrease) Over 2016 Base
11 Personnel compensation:					
11.1 Full-time permanent	58,058	68,770	70,140	71,676	1,536
11.3 Other than full-time permanent	372	695	708	708	0
11.5 Other personnel compensation	1,547	1,492	1,492	1,692	200
11.9 Total personnel compensation	59,977	70,957	72,340	74,076	1,736
12.1 Civilian personnel benefits	17,840	21,254	22,004	22,394	390
13 Benefits for former personnel	380	0	0	0	0
21 Travel and transportation of persons	408	760	781	842	61
22 Transportation of things	129	231	235	235	0
23.1 Rental payments to GSA	6,800	7,902	8,022	8,107	85
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	2,711	2,869	2,936	3,060	124
24 Printing and reproduction	298	145	147	147	0
25.1 Advisory and assistance services	3,148	1,588	1,610	1,610	0
25.2 Other services	37,314	73,822	75,086	89,633	14,547
25.3 Purchase of goods and services from Gov't accounts	27,194	25,145	25,497	26,123	626
25.7 Operation and maintenance of equipment	0	0	0	210	210
26 Supplies and materials	3,800	1,558	1,583	1,670	87
31 Equipment	5,530	3,635	3,693	10,704	7,011
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	3	0	0	0	0
99 Total obligations	165,532	209,865	213,934	238,811	24,877
Prior year recoveries	(2,304)	0	0	0	0
Unobligated balance, start of year	(11,104)	(13,407)	0	0	0
Unobligated balance, end of year	13,407	0	0	0	0
TOTAL REIMBURSABLE AUTHORITY	165,531	196,458	213,934	238,811	24,877

Department of Commerce
 Departmental Management
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

<u>Personnel Data</u>	2014 <u>Actual</u>	2015 Operating Budget	2016 <u>Base</u>	2016 <u>Estimate</u>	Increase/ (Decrease) <u>Over 2016 Base</u>
Full-Time Equivalent Employment:					
Full-time permanent	517	519	519	536	17
Other than full-time permanent	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>0</u>
Total	551	553	553	570	17
Authorized Positions:					
Full-time permanent	587	589	589	606	17
Other than full-time permanent	<u>44</u>	<u>44</u>	<u>44</u>	<u>44</u>	<u>0</u>
Total	631	633	633	650	17

Department of Commerce
 Departmental Management
 Working Capital Fund
 ACTIVITY/SUBACTIVITY CHANGE CROSSWALK
 Part 1 - 2015 Structure
 (Dollars amounts in thousands)

<u>Activity/Subactivity</u>	<u>2016 Direct Obligations</u>	<u>Proposed Changes</u>
Executive Direction	89,457	Merge into Operations and Administration
Departmental Staff Services	149,354	Merge into Operations and Administration

Department of Commerce
 Departmental Management
 Working Capital Fund
 ACTIVITY/SUBACTIVITY CHANGE CROSSWALK
 Part 2 - 2016 Structure
 (Dollars amounts in thousands)

Activity/Subactivity	2014	2015	2016
Executive Direction	67,265	71,757	
Departmental Staff Services	98,267	138,108	
Operations and Administration			238,811
Total Direct Obligations	165,532	209,865	238,811

Department of Commerce
 Departmental Management
 Working Capital Fund
 DIRECT COST BY OFFICE
 (Dollar amounts in thousands)

	2014 Actual			2015 Operating Budget			2016 Estimate		
	POS	FTE	Amount	POS	FTE	Amount	POS	FTE	Amount
Offices:									
Human Resources Management	81	71	24,630	79	69	24,309	79	69	25,898
Civil Rights	15	13	2,218	11	9	2,633	11	9	2,687
Financial Management	64	56	27,884	73	65	62,764	73	65	70,297
Security	93	81	17,889	93	81	20,710	93	81	21,327
Facilities and Environmental Quality	72	63	18,078	72	63	18,688	72	63	19,953
Acquisition Management	23	20	6,085	23	20	7,149	23	20	7,308
Office of Privacy and Open Government	4	3	809	4	3	962	4	3	976
Office of Program Evaluation and Risk Management	4	3	674	4	3	893	4	3	908
General Counsel	224	196	39,293	224	196	45,071	225	197	46,441
Chief Information Officer	42	37	26,522	41	36	24,621	57	52	40,914
Public Affairs	9	8	1,450	9	8	2,065	9	8	2,102
Total Working Capital Fund	631	551	\$165,532	633	553	\$209,865	650	570	\$238,811

Department of Commerce
 Departmental Management
 Working Capital Fund
 DISTRIBUTION BY BUREAU
 (Dollar amounts in thousands)

	<u>2014 Actual</u>	<u>2015 Operating Budget</u>	<u>2016 Estimate</u>
Office of the Secretary	9,591	11,142	13,866
International Trade Administration	28,870	31,137	34,657
Economic Development Administration	4,255	4,528	5,579
National Telecommunications and Information Administration	9,305	10,182	11,520
National Technical Information Service	567	817	919
Bureau of the Census	29,434	41,017	46,151
Economic and Statistics Administration	2,365	3,098	3,605
National Oceanic and Atmospheric Administration	40,905	62,120	69,791
National Institute of Standards and Technology	13,935	17,709	19,543
Patent and Trademark Office	10,282	10,753	13,357
Minority Business Development Agency	3,192	2,972	3,565
Bureau of Industry and Security	10,114	10,174	11,109
Office of Inspector General	2,144	3,112	3,865
Total Commerce Bureaus	<u>\$164,959</u>	<u>208,762</u>	<u>237,528</u>
Other Agencies	<u>573</u>	<u>1,103</u>	<u>1,283</u>
Total	\$165,532	\$209,865	\$238,811

Department of Commerce
Departmental Management
Working Capital Fund
Advisory and Assistance Services
(Dollar amounts in thousands)

	<u>2014 Actual</u>	<u>2015 Operating Budget</u>	<u>2016 Estimate</u>
Consulting services	3,148	1,588	1,610
Management and professional services	0	0	0
Special studies and analyses	0	0	0
Management and support services for research and development	0	0	0
Total	<u>3,148</u>	<u>1,588</u>	<u>1,610</u>

FY 2016 Annual Performance Plan / FY 2014 Annual Performance Report

Departmental Management

Part 1: Agency and Mission Information

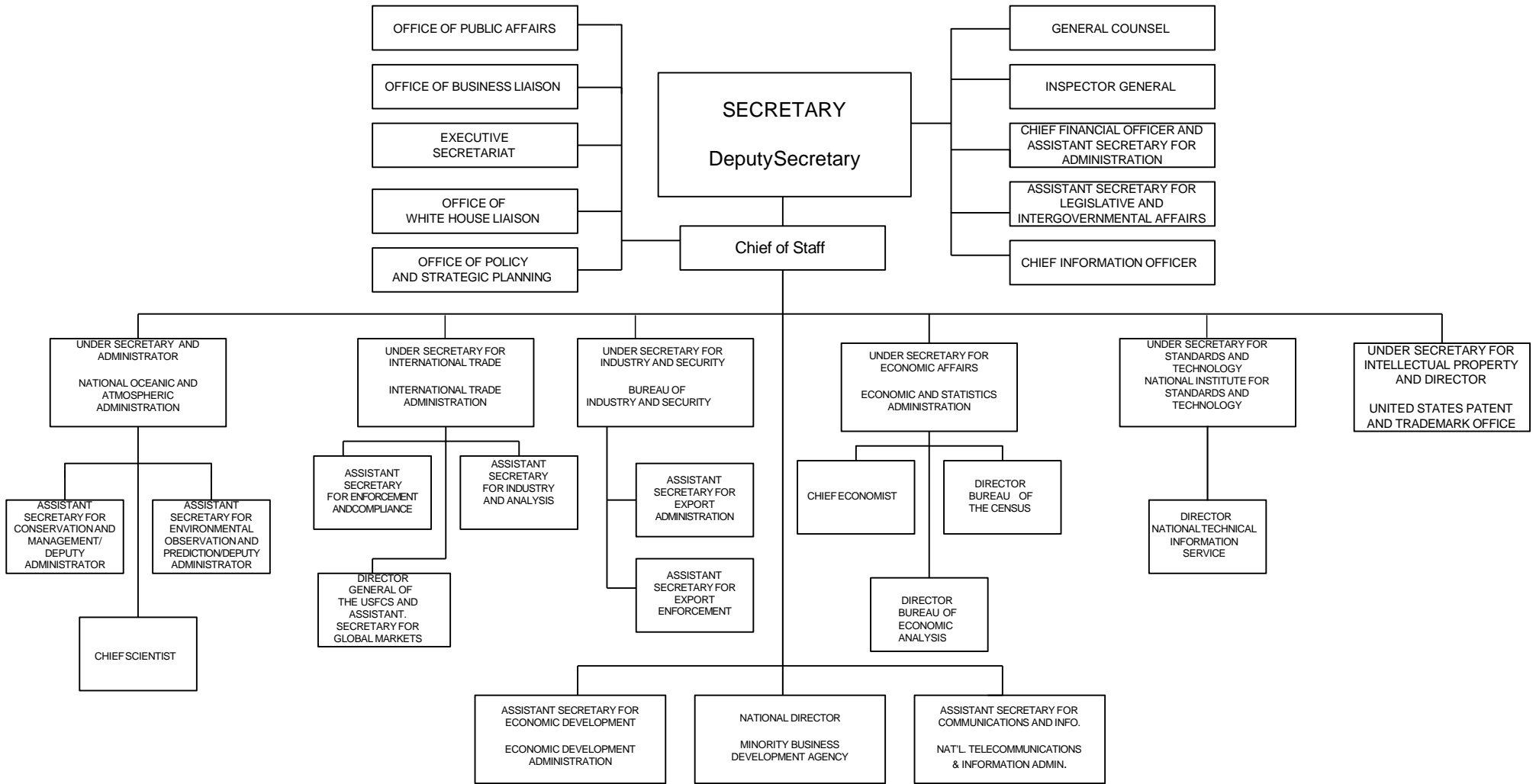
Section 1.1: Overview

Departmental Management (DM) develops and implements policy affecting U.S. and international activities as well as internal goals and operations of the Department. DM serves as the primary liaison with the executive branch and Congressional and private sector groups, and acts as the management and administrative control point for the Department. DM Operations and Administration develops and implements Departmental policies, coordinates bureau program activities to accomplish the Department's mission. . DM is located in the Herbert C. Hoover Building in Washington, D.C. with approximately 800 employees in either Washington, D.C. or in outlying offices in the Washington, D.C. suburbs.

Section 1.2: Mission Statement

The Department of Commerce creates the conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship. The organizations that make up DM support the Office of the Secretary and support and monitor bureau and operating unit activities.

Section 1.3: Department of Commerce Organizational Structure



Part 2: Cross-Agency Priority Goals

Section 2.1: Overview

The Department of Commerce (DOC) is a key participant in Cross-Agency Priority (CAP) Goals. The Deputy Secretary is a Goal Leader in the Job-Creating Investment CAP Goal. The Department, along with the National Economic Council and the Department of State, are leading efforts to encourage foreign direct investment and spur job growth by improving Federal investment tools and resources while increasing interagency coordination. At the first SelectUSA Investment Summit in 2013, the President enhanced SelectUSA, creating a number of firsts. For the first time, there was a clear system for advocacy for high-priority, job-creating investments driven by senior Administration officials and a single point-of-contact for ready investors looking to bring jobs and production to the United States. The Administration engaged in unprecedented coordinated support for states and localities to attract investment. Other key contributing agencies to the Job-Creating Investment CAP Goal include the Small Business Administration, Department of Agriculture, Department of Homeland Security, and Export-Import Bank of the United States. Additional information is available at: <http://www.performance.gov/cap-goals-list?view=public>.

Part 3: Strategic Goals and Objectives

Section 3.1: Corresponding DOC Strategic Goals and Objectives

Trade and Investment: Expand the U.S. economy through increased exports and inward foreign investment that lead to more and better American jobs	
1.1. Increase opportunities for U.S. companies by opening markets globally	ITA, NOAA, NTIA, USPTO
1.2. Increase U.S. exports by broadening and deepening the U.S. exporter base	BIS, EDA, ESA, ITA, MBDA, OS
1.3. Increase high-impact inward foreign direct investment into the United States	EDA, ESA, ITA
1.4. Strengthen fair competition in international trade for U.S. firms and workers by addressing and resolving foreign unfair trade practices and enforcing international trade agreements	ITA
Innovation: Foster a more innovative U.S. economy—one that is better at inventing, improving, and commercializing products and technologies that lead to higher productivity and competitiveness	
2.1. Grow a more productive, agile, and high-value manufacturing sector through partnerships and collaborations that accelerate technology development and commercialization	NIST
2.2. Increase the capacity of U.S. regional economies to accelerate the production of value-added goods and services by providing services to and investments in businesses and communities	EDA, ESA, MBDA, NIST, USPTO
2.3. Strengthen the Nation's digital economy by championing policies that will maximize the potential of the Internet, expanding broadband capacity, and enhancing cybersecurity	NIST, NTIA, USPTO
2.4. Accelerate the development of industry-led skills strategies that result in a productive workforce for employers and high-quality jobs for workers	EDA, ESA, NIST, DM
2.5. Accelerate growth of innovation-intensive economic sectors by building public and private capacity to invent, improve, and commercialize new products and services	EDA, NIST, USPTO

Environment: Ensure communities and businesses have the necessary information, products, and services to prepare for and prosper in a changing environment	
3.1. Advance the understanding and prediction of changes in the environment through world class science and observations	NIST, NOAA
3.2. Improve preparedness, response, and recovery from weather and water events by building a Weather-Ready Nation	CENSUS, ESA, NOAA
3.3. Strengthen the resiliency of communities and regions by delivering targeted services to build capacity	EDA, ESA, NIST, NOAA
3.4. Foster healthy and sustainable marine resources, habitats, and ecosystems through improved management and partnerships	NOAA
3.5. Enable U.S. businesses to adapt and prosper by developing environmental and climate-informed solutions	ESA, ITA, NIST, NOAA
Data: Improve government, business, and community decisions and knowledge by transforming Department data capabilities and supporting a data-enabled economy	
4.1. Transform the Department's data capacity to enhance the value, accessibility and usability of Commerce data for government, business and the public.	CENSUS, ESA, NIST, NOAA, NTIS
4.2. Improve data-based services, decision-making, and data sharing within the Department and with other parts of the federal government	BIS, CENSUS, ESA, ITA
4.3. Collaborate with the business community to provide more timely, accurate, and relevant data products and services for customers	ESA, NOAA
Operational Excellence: Deliver better services, solutions, and outcomes that benefit the American people	
5.1. Strengthen organizational capabilities to drive customer-focused, outcomes-driven mission performance	OS, ALL BUREAUS

The DOC FY 2014-2018 Strategic Plan can be found at: <http://www.commerce.gov/blog/2014/03/10/department-commerce-releases-fy-2014-2018-strategic-plan>. The specific priorities being led by DM are as follows:

Goal	Objective Number	Objective Name	Leader
Innovation: Foster a more innovative U.S. economy—one that is better at inventing, improving, and commercializing products and technologies that lead to higher productivity and competitiveness	2.4	Accelerate the development of industry-led skills strategies that result in a productive workforce for employers and high-quality jobs for workers	Tom Guevara , Deputy Assistant Secretary for Regional Affairs, Economic Development Administration; Kate McAdams , Senior Advisor to the Secretary, Departmental Management

Operational Excellence: Deliver better services, solutions, and outcomes that benefit the American people	5.1	Strengthen organizational capabilities to drive customer-focused, outcomes-driven mission performance.	Steven Cooper , Chief Information Officer, Departmental Management; Chris Heflin , Director of Performance Excellence, Departmental Management
--	-----	--	---

Section 3.2: Strategies for Objectives

Build a learning organization

Recruiting, developing, and retaining employees with the right skills and knowledge is critical for accomplishing the mission, improving employee satisfaction, and growing the next generation of leaders. The Department is committed to transforming itself into a learning organization—one that values learning as an ongoing creative process; continually develops, adapts, and transforms itself in response to changing conditions; and improves the core capabilities of its people at all levels, individually and collectively, to excel in serving customers and delivering results.

Commerce will design a framework that focuses on the key characteristics of a learning organization to drive excellence in all aspects of mission delivery: systems thinking, personal mastery, mental models, a shared vision, and team learning. The Department recognizes that technological capacity and senior leaders play a critical role in leading the transformation to a learning organization. Commerce will focus first on acquiring a learning management system that offers competency management functionality and designing a framework of knowledge and skills that are essential for all members of the Department’s Senior Executive Service (SES). The goal is to develop experienced, proactive leaders, who are able to drive strong workforce engagement and mission performance.

Create a 21st century IT infrastructure

Commerce depends on high-quality, reliable, and secure IT to carry out its mission. To create an IT infrastructure that enables development and manages vulnerabilities, the Department will design and implement an integrated Commerce-wide enterprise IT architecture. The new architecture will deliver mission and enterprise data anytime, anywhere through swift, seamless, and secure services on-demand to internal and external Commerce stakeholders. Key architecture principles will guide this effort from each of three viewpoints: mission, user, and technology. The end result will be an architecture that aligns mission needs, technology drivers, a common set of requirements for capabilities and services, and minimum standards for interoperability and cybersecurity. A federated roadmap will guide phased implementation of the architecture.

The Department also will develop and deploy a customer-driven set of IT shared services. The integrated enterprise IT architecture will “do in common that which is commonly done.” The Department’s CIO Council will engage customers in bureaus and offices to define shared services areas for commodity, business, and mission IT services. The collaboration will establish priorities for customer-service excellence, leadership, workforce, and culture change essential to achieve phased but pervasive implementation.

Manage for results

The Department plans to be on the leading edge of a newly-evolving management paradigm to drive results, requiring alignment to the Strategic Plan and its clearly defined goals, objectives, and measures of progress. Metrics will enable collaboration, empowerment, and learning at all levels because they provide specific guidance on what the organization is to accomplish. Regular review of these metrics will enable staff to identify and resolve emerging problems before they escalate and detrimentally affect mission delivery. Performance data on program, personnel, and resources will also be reviewed regularly. The metrics and performance data together will provide the evidence needed to develop ever more effective individuals, tactics, and strategies to optimize resource allocation decisions and deliver high-impact results.

Section 3.3: Progress Update for Strategic Objectives

DM must promote leading-edge technologies, collaboration, and technology transformation across the Department, ensuring alignment with mission requirements, goals, and objectives in order to deploy and maintain systems able to perform at the highest levels. The Department must have the capacity to do business with the public and its partner agencies, both as a significant worldwide enterprise, and as an integrated set of individual programs. This requires that it identify, adopt, and maintain business practices essential to successful operations; use its resources wisely; and effectively implement the laws that affect it. The Department has developed and implemented policies and programs designed to enable the successful operation of its units, effective and efficient use of both material and human resources, and implementation of laws and regulations that govern the use of those resources.

Achieving organizational and management excellence is a goal that requires extensive interaction and coordination among entities throughout the Department. DM—consisting of the Offices of the Secretary, Deputy Secretary, Chief Financial Officer and Assistant Secretary for Administration, Chief Information Officer, and General Counsel—provides the policies and guidelines that support the management infrastructure the Department needs to carry out its mission.

The Department identified BusinessUSA as one of its key activities that supports the Presidential Management Agenda Priority for Customer Service. BusinessUSA is recognized as a cost-efficient, citizen-centric service model. It connects and refers businesses to entrepreneurial assistance programs and services provided by all federal agencies and state, local, and other entities that are able to address their specialized business needs. It cuts through government bureaucracy by allowing online users and callers to navigate among all federal business resources from one central location. It is simple to use, enabling users to find business resources that can positively impact their growth and development. It delivers quick development and deployment (frequently meeting 30-60 day release cycles) of online tools, features, and services. BusinessUSA is constantly updating or publishing new online tools, resources, information, etc. every 30 to 60 days. Its technology minimizes duplication of content development through use of Application Programming Interfaces. For development, it recycles and reuses existing code. BusinessUSA shares its code for other federal agencies and state and local governments.

The Senior Procurement Executive and Director of the Office of Acquisition Management (OAM), who also serves as DOC's Suspending and Debarment Official (SDO), took the following actions toward building a more robust suspension and debarment (S&D) program:

- consulted other agency officials on their S&D programs and capabilities;
- collaborated with the Office of Inspector General (OIG) and Office of General Counsel (OGC) to develop a strong program that leverages DOC resources; and
- finalized a suspension and debarment policy on September 9, 2014 that includes procedures and internal controls based on OIG and OGC proposals and recommendations.

These efforts resulted in the establishment of a suspension and debarment case management tracker which is utilized at monthly meetings between OAM, OGC, and OIG. The Department is working to further enhance the program through training and the issuance of policies and procedures that provide a clear delineation of roles and responsibilities. The SDO took prompt action on all OIG S&D referrals and set up a central mailbox capability to ensure multiple access points and prompt attention to time sensitive correspondence. OAM inputs suspended/debarred contractors into the Excluded Parties List System in accordance with Federal Acquisition Regulation.

OAM continued expanding the capability of its data warehouse begun in FY 2013 using data management tools made available through OMB's Budget Formulation and Execution LoB, MAX. The Federal Procurement Data System Next Generation data was migrated into the data warehouse and daily updates are being executed. Increased data analysis capability was extended by summarizing operating unit level data points that provide small business goals and objectives. This reporting allows bureau procurement officers to support the Department's acquisition goals and, when necessary, take corrective action. Migration of C.Suite and other key acquisition systems data are underway.

OCIO implemented Multi- Protocol Label Switching, guaranteed bandwidth availability for key applications, improved performance with increased response time, and service offering spanning both national and international presence. OCIO also successfully migrated to cloud email services resulting in significant savings due to reduced licensing, infrastructure, and labor costs, while increasing access to messaging and collaboration tools, increasing user mailbox functionality, and securely supporting a variety of mobile devices including iPhones, Android devices, and iPads. OCIO deployed Enterprise Continuous Monitoring Operation agents to all OS, MBDA, ESA, and EDA-managed desktops, laptops, and servers that provide better situational awareness for asset, configuration, and vulnerability management across those bureaus. Finally, OCIO completed the "Servers Virtualization" project which transformed and modernized OS, MBDA, ESA, and EDA IT systems to control costs, reduce service interruptions, and maximize the efficiency and effectiveness of day-to-day IT operations while complementing the Federal Data Center Consolidation Initiative for reduced energy consumption and physical footprint in data centers.

The Partnership for Public Service ranked the Department the 2nd Best Place to Work in the Federal Government out of 19 large federal agencies in the 2014 rankings. While Commerce's ranking remained the same as in 2013, the Department's index increased by one percentage point. USPTO was ranked 2nd out of 314 agency subcomponents and exhibited a one percentage point index increase. The Best

Places to Work Index is calculated by using three questions from the annual Federal Employee Viewpoint Survey—(1) I recommend my organization as a good place to work; (2) How satisfied are you with your organization; and (3) How satisfied are you with your job.

DOC achieved the highest percentage of disabled veteran new hires over the past 21 years at 4.1% of all hires in FY 2014, an increase from 3.6% in FY 2013. Efforts to support Executive Order 13518, Employment of Veterans in the Federal Government, included: hiring students through the USPTO Student Patent Examiner Trainee-Veteran Internship Program and the Operation Warfighter Program; providing veterans preference and appointing authority training to HR specialists and hiring managers through the Commerce Learning Center; referring over 400 qualified disabled veteran resumes to hiring managers for consideration for 66 positions; and participating in career fairs and forums, including Recruit Military, the Service Academy Career Conference, Hiring Our Heroes, Military Officers Association of America, Military Job Opportunities, MEGA Diversity Job Fair, the UMUC “Call to Service” Job Fair, Virginia Military Institute Alumni Association activities, and U.S. Naval Academy events.

The Department convened the first Commerce SES Summit, which focused on engaging and empowering executives to achieve the Operational Excellence strategic goal. Over 300 members of the SES collaborated on identifying a shared mission, developing a values statement, and establishing core competencies for executive onboarding and continuous development to cultivate a stronger Commerce Federation for achieving the change agenda in the Department’s Strategic Plan. The Summit also resulted in establishing a more robust SES Community support network for increased camaraderie and collaboration. The Engage and Empower Working Group will continue to develop and implement value-related strategies for increasing engagement and enhancing the Commerce culture, as well as the executive onboarding training. A second SES Summit to continue engaging and empowering Commerce executives is planned for FY 2015.

Section 3.4: Next Steps

During FY 2013-2014, the Department-wide performance management system was significantly upgraded. The changes will facilitate a clear alignment between SES Performance Plans and the Department’s Strategic Plan. All Federal agencies published new strategic plans in March 2014. All plans are in the framework required by the GPRA Modernization Act of 2010 and the implementation of OMB rules and guidance. Consistent with the framework now required by GPRA, the new Commerce Strategic Plan has five goals. Strategic goals are supported by objectives and measurable indicators of progress toward the objectives. Each objective is supported by several key strategies.

The Department of Commerce FY 2014- 2018 Strategic Plan was deployed to the Commerce workforce through action plans for each objective. Although multiple Commerce bureaus will be working to accomplish almost all of the Strategic Objectives, each of the Strategic Objectives has one “owner.” The owner is the executive who will coordinate and monitor progress toward the objective for the entire Department. The strategies for each objective also typically involve more than one bureau. Therefore, action plans are made up of single bureau initiatives that support the strategies and each initiative is owned by a specific executive. The action plans, down to the initiative level, and quarterly status reports are posted on an Executive Dashboard. The Dashboard will be updated during 2015 and will be continuously available to management online.

The performance indicators for Strategic Objectives and supporting initiatives will be included in the performance plans of the owners. If an SES member does not own an initiative, their plan will include performance indicators that reflect their role in one or more initiative. However, there

are over 50 strategies and each has multiple initiatives. Many SES members will be the primary owner of an initiative and its associated indicators.

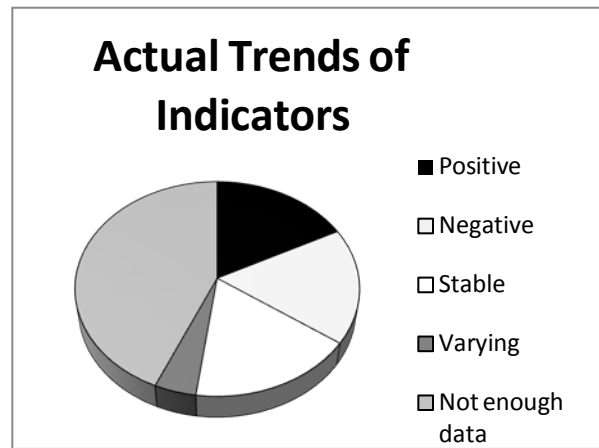
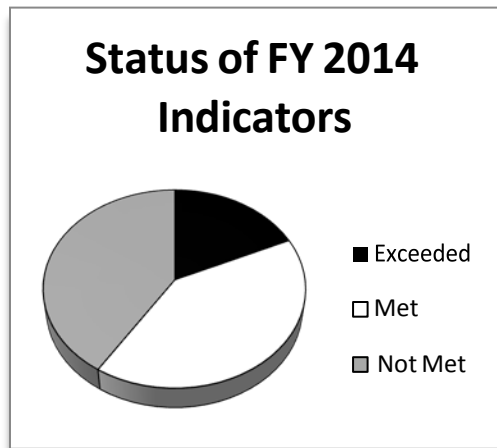
This mission-centered approach to tracking progress and creating clear accountability for results will include monitoring progress on Operational Excellence. The focus of the Operational Excellence element of the Strategic Plan is on workforce development, modernization of IT infrastructure, and moving performance management to a role-model level. Measures of progress in these areas will be included in SES Performance Plans.

Quarterly progress on the Strategic Plan Objectives, including results indicators, will be reviewed by the Department Management Council (DMC) and the Executive Management Team (EMT). Members of the DMC are the principal career managers of the bureaus. The EMT is the politically-appointed leadership. As required by OMB Circular A-11, progress toward objectives will also be assessed in-depth annually to identify any changes in strategy or tactics that would accelerate progress.

Apart from indicators directly aligned to the Department’s Strategic Plan, suites of performance indicators are reviewed by the councils of principal support professionals. Councils of bureau principal Human Resources, Finance, Acquisition, and IT managers review and are accountable for the performance of processes central to effective operations. Every quarter the respective councils review data on cycle-time, quality, cost, and outcomes of core processes. For instance, time to hire, the performance of IT security measures, and progress on strategic sourcing are reported and reviewed. These performance indicators are included in the support managers performance plans.

Part 4 Performance Goals / Indicators

Section 4.1: Summary of Performance



Status is based on the following standard:

Exceeded	More than 100 percent of target
Met	90 - 100 percent of target
Not Met	Below 90% of target

An indicator with a positive trend is one in which performance is improving over time while a negative trend is an indicator that has declining performance. A stable trend is one in which the goal is to maintain a standard, and that that is occurring. A varying trend in one in which the data fluctuates too much to indicate a trend. At a minimum these indicators must have three years of data.

Section 4.2: Summary of FY 2014 Indicator Performance

Objective 5.1: Operational Excellence: Deliver better services, solutions, and outcomes that benefit the American people

<u>Recurring</u>				
Indicator	Target	Actual	Status	Trend
Provide accurate and timely financial information and conform to federal standards, laws, and regulations governing accounting and financial management	Eliminate any repeat significant deficiency within 1 year of determination Complete FY 2014 A-123 assessment of internal controls	Eliminated one repeat significant deficiency out of two, added one additional significant deficiency. Completed FY 2014 A-123 assessment of Internal Controls	Not Met	Stable
Unmodified audit opinion	Unmodified	Unmodified	Met	Stable
For each administrative/business system, maintain compliance and alignment with OMB initiatives	Compliance	Maintained Compliance	Met	Not enough data
Dollars awarded using high-risk contracting authorities	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high-risk contracting authorities	\$279M	Met	Not enough data
Savings achieved through more effective acquisition practices (millions)	\$18.0	\$18.1	Exceeded	Not enough data
Demonstrate effective management of IT resources including cybersecurity	IT investments have cost/schedule overruns and performance shortfalls averaging less than 10% Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%) Strong Authentication – ensure only authorized employees have access to federal information systems following the HSPD-12 Personal Identity Verification standard (75%) Trusted Internet Connection Consolidation – consolidate external Internet traffic and ensure a set of common security capabilities (95%) Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)	On average, for its major IT investments, the Department was within a 20% positive variance (under budget) and a 30% schedule variance. Enterprise Security Operations Center achieved functional initial operating capability on 9/25/2014. Current deployment of enterprise monitoring capability at 113% of projected deployment. Strong Authentication aggregated totals for non-privileged and privileged access is 72% as of 9/29/2014 which represents a 100% increase from FY 2013. TIC Consolidation 100% via MTIPS for all OUs except NOAA who is in process of establishing TICAP services. NOAA TIC 2.0 compliance at 87.5%, planned date to reach 100% is 9/30/2015. Security compliance reviews of all OUs and 22	Not Met	Stable
Employee Engagement Index (Positive score from Federal Employee Viewpoint Survey)	71%	70%	Met	Slightly Positive
Mission-Critical Occupation Staffing (Average deviation of populations from targets)	5%	5%	Met	Positive

Indicator	Target	Actual	Status	Trend
Permanent Attrition (rate of permanent employees that separated, excluding VERA/VSIP, RIF)	11%	7%	Exceeded	Stable
Hiring Timeline (Average number of calendar days to complete hiring actions)	80	TBD	TBD	Slightly negative
Candidate Quality (Percentage of managers saying referred applicants had skills to perform the job)	70%	63%	Met	Stable
Disability Hires (Percentage of new hires that have a disability)	9%	7.3%	Not Met	Negative
Veteran Hires (Percentage of new hires that are veterans)	15.2%	12.5%	Not Met	Negative
<u>Non-Recurring</u>				
Website - Number of Visits	850,464	992,313	Exceeded	Not enough data
Website - Customer Satisfaction - Experience with Service	70%	69%	Met	Not enough data
Website - Customer Impact - Ability to Find Useful Information	70%	70%	Met	Not enough data
Contact Center - Number of Calls	17,430	13,380	Not Met	Not enough data
Contact Center - Customer Satisfaction - Experience with Service	70%	58%	Not Met	Not enough data
Contact Center - Customer Impact - Ability to Find Useful Information	70%	55%	Not Met	Not enough data
Percentage of employees with approved Individual Development	27%	23%	Not Met	Negative
Number of participants trained via Commerce- wide Leadership Development	45	25	Not Met	Varying
Percentage of Commerce-wide Leadership Development program graduates promoted or selected for leadership position	20%	TBD	TBD	TBD
Leadership & Knowledge Management Index	66%	65%	Met	Slightly positive
Number of Human Capital Framework and Delegated Examining audits	10	9	Met	Not enough data
Total injury case rate – number of work-related injuries and illnesses per 100	1.02	0.8	Exceeded	Positive

Section 4.3 Detailed Indicator Plans and Performance

Current/Recurring Indicators

Indicators	A. Customer Contacts B. Customer Satisfaction – Experience with Service C. Customer Impact – Ability to Find Useful Information							
Description	BusinessUSA implemented six external performance indicators that focused on promotion of services, customer satisfaction, and customer impact in FY 2014. The goals for each of the indicators were based on FY 2013 data, analysis, and lessons learned. Beginning in FY 2015 and continuing through FY 2016, BusinessUSA will implement three refined external performance indicators to incorporate a multi-channel approach to assisting customers, tracking performance, and measuring impact. These indicators replace the six indicators used in FY 2014. The results of the six FY 2014 indicators are shown in the non-recurring indicators							
A. Customer Contacts								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target							935,510	1,029,061
Actual								
Status								
Trend	Directional indicator; Not enough data to determine a trend.							
B. Customer Satisfaction – Experience with Service								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target							70%	70%
Actual								
Status								
Trend	Maintain Standard indicator; Not enough data to determine a trend.							
C. Customer Impact – Ability to Find Useful Information								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target							70%	70%
Actual								
Status								
Trend	Maintain Standard indicator; Not enough data to determine a trend.							
Actions to be taken / Future Plans	BusinessUSA will be expanding its multi-channel services to assist customers. Subsequently, new measures have been constructed to account for the increase in service activities. Customer Contacts is a quantitative measure that will include: number of website visits, number of calls received (via toll free number), number of emails, number of chats, number of Twitter followers. BusinessUSA will continue to measure customer satisfaction and customer impact via surveys and feedback.							

	BusinessUSA will initiate an integrated content delivery strategy in FY 2015. This strategy will utilize a customer-centric approach to engage its target audience via social media communications.
Notes	Quantitative measure – A. Customer Contacts reflects a 10% stretch goal between FY 2015 and FY 2016
Validation and Verification	
Data Source	Contact Center IVR system, customer interaction, Google analytics tool, Twitter analytics tool, GovDelivery analytics tools, and 4Q online survey tool
Frequency	Quarterly
Data Storage	Data stored in a cloud-based solution
Internal Control Procedures	Quarterly validation process
Data Limitations	None
Actions to be Taken	Capture, analyze, and report initial activities; review findings and establish baseline

Indicator	Provide accurate and timely financial information and conform to federal standards, laws, and regulations governing accounting and financial management							
Description	This indicator ensures that the Department of Commerce is accountable to the American people, and that no Significant Deficiencies, formerly known as “Reportable Conditions,” (i.e. deficiencies in the design or operation of internal controls) remain unaddressed. To determine if financial information is being provided in a timely and accurate manner, the Department will assess whether those individuals who can best use the information are receiving it within timeframes that render it relevant and useful in their day-to-day decisions							
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	Eliminate any significant deficiency within 1 year of determination Complete FY 2009 A-123 assessment of internal controls	Eliminate any significant deficiency within 1 year of determination Complete FY 2010 A-123 assessment of internal controls	Eliminate any significant deficiency within 1 year of determination Complete FY 2011 A-123 assessment of internal controls	Eliminate any significant deficiency within 1 year of determination Complete FY 2012 A-123 assessment of internal controls	Eliminate any significant deficiency within 1 year of determination Complete FY 2013 A-123 assessment of internal controls	Eliminate any repeat significant deficiency within 1 year of determination Complete FY 2014 A-123 assessment of internal controls	Eliminate any repeat significant deficiency within 1 year of determination Complete FY 2015 A-123 assessment of internal controls	Eliminate any repeat significant deficiency within 1 year of determination Complete FY 2016 A-123 assessment of internal controls
Actual	One significant deficiency was not eliminated Completed FY 2009 assessments	One significant deficiency was not eliminated Completed FY 2010 assessments	Eliminated significant deficiency Completed FY 2011 A-123 Assessment	FY 2012 Audit identified one material weakness and one significant deficiency Completed FY 2012 A-123 assessment of internal controls	Eliminated the material weakness but two significant deficiencies remain Completed A-123 assessments	Eliminated one repeat significant deficiency out of two, added one additional significant deficiency Completed FY 2014 A-123 assessment of Internal Controls		
Status		Not Met	Met	Not Met	Not Met	Not Met		
Trend	Maintain standard indicator; Stable trend							
Explanation (if not met in FY 2014)	Eliminated the significant deficiency over management of NOAA property, however, added one as of result of EDA grants accrual as a result of FY 2014 Financial Statements Audit. The significant deficiency over IT security controls remained.							

Actions to be taken / Future Plans	The Department will continue to monitor the progress of corrective actions to ensure that they stay on track.
Validation and Verification	
Data Source	Consolidated financial statements and OIG reports
Frequency	Annual
Data Storage	Bureau or Department financial records
Internal Control Procedures	OIG audits
Data Limitations	None
Actions to be Taken	Continue to comply with Federal Financial Management Improvement Act of 1996

Indicator		Unmodified audit opinion							
Description	This indicator reflects the result of the Financial Statement Audit. The goal is to receive an “unmodified” audit opinion. There are several types of audit opinions: (1) unmodified, in which the Auditor concludes that the Financial Statements give a true and fair view in accordance with the financial reporting framework used for the preparation and presentation of the Financial Statements; (2) modified, in which Auditor encounters a situation that does not comply with generally accepted accounting principles, however the rest of the financial statements are fairly presented; and (3) disclaimer, which is issued when the Auditor cannot form, and consequently refuses to present, an opinion on the financial statements.								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	
Target					Unmodified	Unmodified	Unmodified	Unmodified	
Actual					Unmodified	Unmodified			
Status					Met	Met			
Trend	Maintain Standard indicator; Not enough data to determine a trend.								
Actions to be taken / Future Plans	The Department will continue to monitor the progress of corrective actions to ensure that they stay on track. It will also continue to conduct internal control assessments to help identify issues that may have an impact on the audit opinion early enough to correct them before they become audit findings								
Validation and Verification: No formal mechanism is in place. The unmodified audit is completed independently by outside financial auditors.									

Indicator		For each administrative / business system, maintain compliance and alignment with OMB initiatives							
Description	This indicator reflects the requirement to maintain compliance and alignment with OMB initiatives, including the guiding principles reflected in the OMB system modernization requirements (split projects into smaller, simpler segments with clear deliverables; focus on most critical needs first; and provide ongoing, transparent project oversight) data center consolidation requirements, and cloud computing requirements (Infrastructure as a Service; Software as a Service).								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	
Target					Compliance	Compliance	Compliance	Compliance	
Actual					Maintained compliance	Maintained compliance			

Status					Met	Met		
Trend	Maintain standard indicator; Not enough data to determine a trend.							
Actions to be taken / Future Plans	The BAS project intends to follow the shared service process as stated in OMB Memorandum M-13-08							
Notes	The BAS planning phase began in FY 2013							
Validation and Verification: The BAS project continues to support OMB Memorandum M-13-08, Improving Financial Systems Through Shared Services through its planning phase activities.								

Indicator Dollars awarded using high-risk contracting authorities								
Description	High-risk contracting authorities such as noncompetitive contracting, cost-reimbursement contracts, and time-and-materials and labor-hour contracts pose special risks of overspending. While these contract authorities are important tools when used appropriately, GAO and OIG oversight reviews indicate that they are often used without an appropriate basis or sufficient management and oversight to limit taxpayer risk. This element will measure the Department's progress in managing risk through reducing the use of high-risk contracting authorities.							
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target				Reduce by 10 percent the share of dollars obligated under new contract actions that are awarded with high-risk contracting authorities	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high-risk contracting	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high-risk contracting	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high-risk contracting	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high-risk contracting
Actual					\$228M	\$279M		
Status					Met	Met		
Trend	Maintain Standard indicator; Not enough data to determine a trend.							
Notes	DM starting tracking this in FY 2012, therefore, no significant trends have been developed. The only caveat is that the 10% reduction goal is based on FY 2009 spend levels and that is a constant/unchanging goal for FY 2010 and all subsequent FYs							
Validation and Verification								
Data Source	Federal Procurement Data System							
Frequency	Annual							
Data Storage	Federal Procurement Data System							
Internal Control Procedures	Quarterly independent verification and validation process							
Data Limitations	None							
Actions to be Taken	None							

Indicator Savings achieved through more effective acquisition practices (millions)								
Description	Sound acquisition practices help guard against inefficiency and waste and improve the ability to obtain quality supplies and services that are on time and within budget. There are many ways to achieve savings through more effective acquisition practices, including: ending contracts that do not meet program needs; negotiating more favorably priced contracts; developing more strategic acquisition approaches; and reengineering ineffective business processes. This element will measure the Department's progress in reducing spending through more effective acquisition practices.							
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target					\$18.0M	\$18.0M	\$18	\$18
Actual					\$29.0M	\$18.1M		
Status					Exceeded	Exceeded		
Trend	Maintain Standard indicator; Not enough data to determine a trend.							

Validation and Verification

Data Source	DOC Procurement Data System
Frequency	Annual
Data Storage	DOC Procurement Data System
Internal Control Procedures	Quarterly independent verification and validation process
Data Limitations	Manual data collection process
Actions to be Taken	None

Indicator Demonstrate effective management of information technology resources including cybersecurity	
Description	<p>VALUE: The Department's significant annual investment in IT solutions and assets requires careful management and monitoring. Through the use of Earned Value Management and Operational Analysis systems in the development and/or operational phases are monitored to ensure the required functionality is delivered on schedule and at the cost projected. Program offices regularly report on the progress and status of their efforts against the cost, schedule, and performance goals. DOC has changed the wording of this measure from "Improve the management of information technology," to better reflect an objective measure as opposed to a goal.</p> <p>In addition to the above, and beginning in FY 2015 we will focus on the delivery and measurement of achieved functionality, which then represents the value delivered to our customers and stakeholders.</p> <p>CYBER: The successful implementation of each program critical to the Department's missions depends on the adequacy and security of the Department's IT systems. If systems security were to be compromised, the effective accomplishment of the Department's mission would be in jeopardy. To ensure that these systems are adequately protected, Security Accreditation requirements have been established, following the NIST guidance for federal agencies. This accreditation provides the necessary assurance that an information system can securely process, store, or transmit information that is required and represents the complete testing of all management, operational, and technical controls that protect a system. These controls are documented in the Department's security plan. By approving the plan, the system owner warrants that the existing controls provide adequate protection</p>

A compliance review process for continuous security monitoring, vulnerability assessment and remediation, and IT security workforce improvement has been established to ensure adequate security.

In addition to the above, the OCIO will begin to monitor and measure the Department's cybersecurity posture. In FY 2015 we will begin to evaluate, through actual use, measures which can serve as indicators of the risk to which the Department is exposed through cyber threats and vulnerabilities. Our goal is to develop a risk index, which will serve as an indicator of the state of the Department's overall cyber risk profile and posture.

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	<p>Cost/schedule overruns /performance shortfalls less than 10%</p> <p>All national- critical & mission-critical systems certified and accredited with acceptable, quality documentation in place</p>	<p>IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%</p> <p>Perform IT security compliance review of all operating units, and 10 FISMA systems in CSAM</p> <p>Deploy an enterprise-wide role-based cybersecurity training program Deploy national security and emergency initial operating capability</p>	<p>IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%</p> <p>Perform IT security compliance review of all operating units, and 10 FISMA systems in CSAM</p> <p>Increase security training completion rate to 80% for privileged users (role-based) Deploy 80% of the required NCSD 3-10 communications capabilities.</p> <p>Expand cyber intelligence communications channel to all operating unit Computer Incident Response Teams.</p>	<p>All investments within 10% of cost and schedule.</p> <p>Performed IT Security Compliance reviews</p> <p>Increased security training completion rate to 80% for privileged users (role-based).</p> <p>Deployed 80% of the required NCSD 3-10 Communications capabilities.</p> <p>Expand cyber intelligence communications channel to all operating unit Computer Incident Response Teams.</p>	<p>IT investments have cost /schedule overruns and performance shortfalls averaging less than 10%.</p> <p>Percentage of systems in production with valid Accreditation and Authorization (A&A) is 100%</p> <p>Perform IT Security compliance review of all OUs and 30 assessments</p> <p>Percentage of moderate / high impact systems with "top 5" security controls fully implemented is 100%</p>	<p>IT investments have cost /schedule overruns and performance shortfalls averaging less than 10%.</p> <p>Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)</p> <p>Strong Authentication - ensure only authorized employees have access to federal information systems following the HSPD-12 Personal Identity Verification standard (75%)</p> <p>Strong Authentication - ensure only authorized employees have access to federal information systems following the HSPD-12 Personal Identity Verification standard (75%)</p> <p>Trusted Internet Connection Consolidation – consolidate external Internet traffic and ensure a set of common security capabilities (95%)</p> <p>Trusted Internet Connection Capabilities – ensure NOAA TIC</p>	<p>IT investments have cost /schedule overruns and performance shortfalls averaging less than 10%.</p> <p>Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)</p> <p>Strong Authentication - ensure only authorized employees have access to federal information systems following the HSPD-12 Personal Identity Verification standard (75%)</p> <p>Trusted Internet Connection Consolidation – consolidate external Internet traffic and ensure a set of common security capabilities (95%)</p> <p>Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)</p>	<p>DM will be refining the existing measures for FY 2016 to reflect our new focus on Value Delivery and Cyber Risk Assessment</p>
Actual	Cost/ schedule overruns and performance shortfalls	IT investments had cost/ schedule overruns and	All IT investments within 10% of cost and schedule	75% of major IT investments had cost/schedule overruns	On average, for its major IT investments in the development	On average, for its major IT investments, the		

	<p>averaged under 10%</p> <p>CSAM & C&A enhancements were deployed</p> <p>IT security compliance in all operating units and five FISMA systems in CSAM were reviewed</p>	<p>performance shortfalls averaging less than 10%</p> <p>Completed security and vulnerability assessments for all operating units. Submitted findings and recommendations to operating units and OCIO for review.</p> <p>Implemented Cyber Security Development Program and graduated 20 candidates from the Department's first class.</p> <p>Enrolled candidates in the program's second class. More than 8 candidates have obtained or are planning to obtain security related certifications.</p> <p>Deployed National Security and Emergency Network in the development environment. Received official approval to connect from Defense Intelligence Agency.</p>	<p>Perform IT Security Compliance reviews</p> <p>89% completion rate of security training for privileged users (role-based).</p> <p>NCS D 3-10 did not receive funding</p>	<p>and performance shortfalls averaging less than 10%</p> <p>Completed 29 security assessments. Conducted IT security compliance checks of all Department operating units and in-depth internal control review meetings with five selected operating units as part of the Department's IT internal control review program.</p> <p>Trained Authorizing Officials and System Owners throughout the Department with quarterly workshops.</p> <p>Achieved greater than 85% of required security training for privileged users (role-based).</p> <p>The Department is currently at 50%. Required equipment and systems are installed at the Herbert C. Hoover Building. Deploying classified connectivity to all outside bureau</p>	<p>stage, the Department achieved its cost target of being within 10% variance (under budget) and was within a 25% schedule variance.</p> <p>99% of systems in production with valid Accreditation and Authorization (A&A) Conducted IT</p> <p>Security compliance review of all OUs and 34 assessments</p> <p>Implemented 100% of moderate / high impact systems with "top 5" security controls</p>	<p>within a 20% positive variance (under budget) and was within a 30% schedule variance.</p> <p>Enterprise Security Operations Center achieved functional initial operating capability on 9/25/2014. Current deployment of enterprise monitoring capability at 113% of projected deployment.</p> <p>Strong Authentication aggregated totals for non-privileged and privileged access is 72% as of 9/29/2014 which represents a 100% increase from FY2013.</p> <p>TIC Consolidation 100% via MTIPS for all OUs except NOAA who is in process of establishing TICAP services.</p> <p>NOAA TIC 2.0 compliance at 87.5%, planned date to reach 100% is 9/30/2015.</p> <p>Security compliance reviews of all OUs and</p>		
Status	Met	Met	Met	Met	Met	Not Met		
Trend	Maintain Standard indicator; Stable trend							
Explanation (if not met in FY 2014)	Strong Authentication - DOC OUs continued to prioritize implementation of logical access to DOC networks, but continued to meet some roadblocks due to the largely federated nature within DOC, and within larger DOC Operating Units (OUs) like NOAA, ITA, and PTO. Further, many of the smaller OUs struggled with the needed IT resources, staffing, and expertise needed for implementation. NOAA has made significant progress in TIC 2.0 compliance and adjusted target completion date to meet 100% compliance is 9/30/2015.							
Actions to be taken / Future Plans	VALUE: Beginning in FY 2015, we will focus on the delivery and measurement of achieved functionality, which then represents the value delivered to our customers and stakeholders. We intend to develop and use a measure focused on the value delivered by our IT investments, as defined by our customers, with measurement beginning no earlier than 90 days after 'go live.'							
Adjustments to targets	In FY 2014, three parts of this indicator were replaced by four new parts that better reflect the work of the program.							
Information Gaps	We have no data yet for our new indicator for value delivered. We will begin data collection in FY 2015 to formulate a baseline.							

Validation and Verification	
Data Source	Bureau IT offices
Frequency	Annual
Data Storage	Bureau IT offices, bureau files, and DM CIO files
Internal Control Procedures	Departmental and outside reviews by GAO, OMB, contractors, IT research organizations, and various universities
Data Limitations	None
Actions to be Taken	Review bureau processes to assess need for action; review security certification and accreditation packages for completeness and conformance with National Institute of Standards and Technology SP 800-53

Indicators – Budget Submission

- A. Employee Engagement Index
- B. Inclusion Index
- C. Mission-Critical Occupation Staffing
- D. Permanent Attrition
- E. Hiring Timeline
- F. Candidate Quality
- G. Disability Hires
- H. Veteran Hires

Description These indicators represent a combination of measures focusing on strategic recruitment and retention, and the Department's efforts to achieve and maintain an inclusive, engaged, and productive workforce. These indicators permit a comprehensive assessment of the Department's efforts to strategically manage its human capital. Such an assessment is critical to ensure that the workforce contains the necessary skill sets to carry out the Department's mission.

A. Employee Engagement Index (Positive score from Federal Employee Viewpoint Survey)								
	FY 2009	FY 2010	FY 2011	FY	FY 2013	FY 2014	FY 2015	FY 2016
Target						71%	71%	72%
Actual		69%	70%	70%	70%	70%		
Status						Met		
Trend	Maintain Standard indicator; Slightly positive trend; Some variance							

Validation and Verification	
Data Source	OPM Federal Employee Viewpoint Survey (FEVS)
Frequency	Annual
Data Storage	OPM FEVS
Internal Control Procedures	3-month data review and report preparation
Data Limitations	None
Actions to be Taken	None

B. Inclusion Index (Positive score from Federal Employee Viewpoint Survey(FEVS))								
	FY 2009	FY 2010	FY 2011	FY	FY 2013	FY 2014	FY 2015	FY 2016

Target							66%	67%
Actual					64%	65%		
Status								
Trend	Not enough data.							
Notes	Item first tracked in the 2013 FEVS							
Validation and Verification								
Data Source	OPM FEVS							
Frequency	Annual							
Data Storage	OPM FEVS							
Internal Control Procedures	3-month data review and report preparation							
Data Limitations	None							
Actions to be Taken	None							
C. Mission-Critical Occupation (MCO) Staffing (Average deviation of populations from targets)								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target						5%	5%	5%
Actual					10%	5%		
Status						Met		
Trend	Not enough data.							
Adjustments to targets	FY 2014 includes additional MCOs due to the new Agency Priority Goal on eliminating overfishing.							
Notes	An average 5% deviation from a given target equates to a staffing level of 95% to 105% of what would be the 100% target. An average deviation of 10% (or 90% to 110% of what would be the 100% target) is considered met for the purposes of this report. In HRstat, an average deviation of 10% is considered "almost met."							
Validation and Verification								
Data Source	National Finance Center (NFC) database							
Frequency	Quarterly							
Data Storage	NFC database							
Internal Control Procedures	Quarterly DOC data review							
Data Limitations	None							
Actions to be Taken	None							
D. Permanent Attrition (rate of permanent employees that separated, excluding VERA/VSIP, RIF)								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target					11%	11%	11%	TBD
Actual					6%	7%		
Status					Exceeded	Exceeded		
Trend	Not enough data							

Validation and Verification								
Data Source	NFC database							
Frequency	Quarterly							
Data Storage	NFC database							
Internal Control Procedures	Quarterly DOC data review							
Data Limitations	None							
Actions to be Taken	None							
E. Hiring Timeline (Average number of calendar days to complete hiring actions)								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target		80	80	80	80	80	65	65
Actual		105	83	84	103	TBD		
Status		Not Met	Met	Met	Not Met	TBD		
Trend	Maintain Standard indicator; Slightly negative trend; Variability in trendline							
Explanation (if not met in FY 2014)	TBD							
Actions to be taken / Future Plans	A comprehensive HRstat Metrics Reassessment was conducted in 2014. The indicator is now called "Hiring Timeline" and will be internally tracked from steps 1 to 10 rather than steps 1 to 11, excluding the entrance on duty step that is under the control of the applicant and/or their previous employer. The DOC standard for steps 1-10 of the 11-day model is 65 days.							
Adjustments to targets	Target changed from 80 days for 11 steps to 65 days for 10 steps as described above.							
Validation and Verification								
Data Source	Servicing HR Office (SHRO) Hiring Action Tracking Systems							
Frequency	Quarterly							
Data Storage	SHRO Hiring Action Tracking Systems							
Internal Control Procedures	Quarterly DOC data review							
Data Limitations	None							
Actions to be Taken	None							
F. Candidate Quality (Percentage of managers saying referred applicants had skills to perform the job)								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target						70%	70%	70%
Actual					62%	63%		
Status						Met		
Trend	Not enough data							

Validation and Verification								
Data Source	OPM CHCO Council's Manager Satisfaction Survey							
Frequency	Quarterly							
Data Storage	OMB MAX							
Internal Control Procedures	Quarterly DOC data review							
Data Limitations	None							
Actions to be Taken	None							
G. Disability Hires (Percentage of new hires that have a disability)								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target						9.0%	10%	TBD
Actual					12.3%	7.3%		
Status						Not Met		
Trend	Not enough data to determine trend.							
Explanation (if not met in FY 2014)	Of the 14 bureaus/OU's, 8 met the goal. The two bureaus that exhibited hiring volumes in the thousands were among those that fell below the goal and accounted for 78% of all Commerce hires. Disability hiring will continue to be monitored on a quarterly basis.							
Adjustments to targets	Annual targets are based upon the FY11 Recruiting, Hiring, and Retaining People with Disabilities Operational Plan, covering FY11-15.							
Validation and Verification								
Data Source	NFC database							
Frequency	Quarterly							
Data Storage	NFC database							
Internal Control Procedures	Quarterly DOC data review							
Data Limitations	None							
Actions to be Taken	None							
H. Veteran Hires (Percentage of new hires that are veterans)								
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target						15.2%	15.2%	TBD
Actual					13.4%	12.5%		
Status						Not Met		
Trend	Not enough data to determine a trend.							
Explanation (if not met in FY 2014)	Of the 14 bureaus/OU's, 8 met the goal. The two bureaus that exhibited hiring volumes in the thousands were among those that fell below the goal and accounted for 82% of all qualifying Commerce hires. Veteran hiring will continue to be monitored on a quarterly basis.							
Adjustments to targets	Annual targets are based upon a previous average for the group of agencies with populations of 20,000 to 100,000, as established by the President's Council on Veteran Employment.							

Validation and Verification	
Data Source	NFC database
Frequency	Quarterly
Data Storage	NFC database
Internal Control Procedures	Quarterly DOC data review
Data Limitations	None
Actions to be Taken	None

Non-Recurring Indicators

Indicators Information						
Description	In FY 2014, BusinessUSA implemented six external performance indicators that focused on promotion of services, customer satisfaction, and customer impact in FY 2014. The goals for each of the measures were based on FY 2013 data, analysis, and lessons learned. These indicators were discontinued at the end of FY 2014, replaced by three new indicators beginning FY 2015, using refined external performance indicators to incorporate a multi-channel approach to assisting customers, tracking performance, and measuring impact.					
Website - Number of Visits						
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Target						850,464
Actual						992,313
Status						Exceeded
Website - Customer Satisfaction - Experience with Service						
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Target						70%
Actual						69%
Status						Met
Website - Customer Impact - Ability to Find Useful Information						
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Target						70%
Actual						70%
Status						Met

Contact Center - Number of Calls						
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Target						17,430
Actual						13,380
Status						Not Met
Explanation (if not met in FY 2014)	The goal included target estimates that would be generated through the inclusion of other federal partners in FY 2014. BusinessUSA successfully partnered with ITA in Q4 FY 2014 for contact center services but could not initiate services until Q1 FY 2015.					

Contact Center - Customer Satisfaction - Experience with Service						
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Target						70%
Actual						58%
Status						Not Met
Explanation (if not met in FY 2014)	Result inconclusive. Sampling size was too low due to contractual limitations. Only 2% of all contact center callers were invited to participate in survey.					

Contact Center - Customer Impact - Ability to Find Useful Information						
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Target						70%
Actual						55%
Status						Not Met
Explanation (if not met in FY 2014)	Result is inconclusive. Sampling size was too low due to contractual limitations. Only 2% of all contact center callers were invited to participate in survey.					

Indicator	Percentage of employees with approved Individual Development Plans					
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Target					28%	27%
Actual					25%	23%
Status					Met	Not Met
Trend	Maintain standard indicator; Not enough data to determine a trend.					
Explanation (if not met in FY 2014)	While the percentage of employees that have an IDP has decreased by 2 percentage points, the percentage that do not have an IDP and would rather not have one has increased by 2 percentage points. 40% of employees continue to respond that they are unsure what an IDP is.					

Indicator	Number of participants trained via Commerce-wide Leadership Development programs					
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Target	50-60	50-70	100-200	100-200	65	45
Actual	100	57	90	162	92	25
Status	Exceeded	Met	Not Met	Met	Exceeded	Not Met
Trend	Variable Indicator; Huge variance					
Explanation (if not met in FY 2014)	Only one leadership development program was administered during FY 2014 which had a maximum capacity of 30 participants.					

Indicator	Percentage of Commerce-wide Leadership Development program graduates promoted or selected for leadership position					
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Target					5%	20%
Actual					19%	TBD
Status					Exceeded	TBD
Trend	Directional Indicator; Not enough data to determine a trend.					

Indicator	Leadership & Knowledge Management Index					
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Target						66%
Actual		64%	65%	65%	65%	65%
Status						Met
Trend	Maintain standard indicator; Slightly positive trend; Some variance					

Indicator	Number of Human Capital Framework and Delegated Examining audits conducted					
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Target					5	10
Actual					12	9
Status					Exceeded	Met
Trend	Maintain standard indicator; Not enough data to determine a trend.					

Indicator	Total injury case rate – number of work-related injuries and illnesses per 100 employees					
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Target					1.03	1.02
Actual		1.71	1.38	1.04	0.84	0.8
Status					Exceeded	Exceeded
Trend	Directional Indicator; Positive trend; Little variance					

Part 5: Other Indicators

Indicator	Veteran 2-Year Retention (difference between % of veterans retained and % of non-veterans retained)							
Description	As established by the President's Council on Veteran Employment, the indicator tracks the percentage of all non-student, permanent, full-time veteran hires hired within the past 9 quarters that were still onboard or remained onboard for at least 730 days, as compared to the similar non-veteran population for the same period of time.							
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Actual						-4.2%		
Notes	First reviewed in 2014. In FY 2014, 84.6% of veteran hires were retained over the past two years, compared to 88.8% of non-veteran hires.							

Indicator	3R's (% of spending cap used for employee incentives and awards)							
Description	The 3R's indicator tracks annual spending on recruitment, retention, relocation, and performance awards for SES and non-SES employees against their applicable spending caps. Tracking spending ensures that the Department optimally utilizes the limited funding for incentives and awards to effectively recruit, retain, reward, and engage employees.							
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Actual						TBD		
Notes	Spending caps tracked for the calendar year rather than the fiscal year.							

The following indicators are currently being developed. DM anticipates that they will be completed for the FY 2017 Congressional Budget submission.

- Score on the Employee Engagement Index of the Federal Employee Viewpoint Survey (FEVS)
- Score on the Inclusion Index of the FEVS
- Number of core systems with customer feedback elements.
- Score on the Results-Oriented Performance Culture Index of the FEVS
- Number of technology enabled collaborative spaces (e.g., properly equipped conference rooms, video teleconferencing, managed print services)
- Percentage score on FISMA rating scorecard
- Percentage of services provided through a shared service provider

Part 6: Agency Priority Goals

DM does not have any Agency Priority Goals

Part 7: Resource Requirements Table

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Base	Increase / Decrease	FY 2016 Request
Objective 5.1: Strengthen organizational capabilities to drive customer-focused, outcomes-driven mission performance.										
Total Funding										
Direct	52.8	57.9	57.5	56.2	51.1	55.5	56.0	61.5	9.5	71.0
Reimbursable										
Total	52.8	57.9	57.5	56.2	51.1	55.5	56.0	61.5	9.5	71.0
Total FTE	164	179	173	151	155	152	156	156	3	159

Part 8: Other Information

Section 8.1: Major Management Priorities, Challenges, and Risks

Through implementing a Performance Management System designed to meet both the needs of the Secretary and Executive Management Team and the intent of the GPRA Modernization Act of 2010, DM has worked to break down silos and strengthen the use performance and evaluation data to identify risks, facilitate collaborative problem-solving, make evidence-based budgetary and programmatic decisions, and improve mission delivery.

The Department continues to strengthen leadership skills through enhanced leadership development programs and training needs assessments to address competencies for mission-critical occupations. The results of these efforts will be used to refine and evaluate training and development plans to maintain appropriate levels of critical workforce skill sets. Implementation of the Federal Equal Opportunity Recruitment Program and Disabled Veterans Affirmative Action Program plans continues to be another important priority. The Department has developed these plans in order to sustain existing diversity in the Commerce workforce and to continue progress towards increasing the representation of minority and disabled candidates in applicant pools. Information security is another critical issue, and the Department continues its focus on implementing effective certification and accreditation practices for the IT systems that support the Department's work.

The Department's efforts are likewise focused on the effective use of competitive sourcing and on furthering the public's electronic access to the Department's products and services. With Commerce spending approximately \$3 billion of its budget through contracts, effective acquisition management is fundamental to the Department's ability to accomplish its mission.

The Department is working to develop more effective processes for performing major systems acquisitions by integrating the program management capabilities within the Department. The new process will be implemented through a shared framework with clearly identified and substantiated decision points for major programs that is scalable to all programs and projects within the Department. The measures associated with the DM performance goals, noted above, reflect these challenges and priorities.

Section 8.2: Cross-Agency Collaborations

From its inception, the Department's FY2014-2018 Strategic Plan was designed to promote cross-agency collaboration. Each of the five Strategic Goals involves contributions from multiple agencies to succeed and the Operational Excellence Strategic Goal applies to DM and all bureaus. Cross-bureau strategic goal teams have been established to execute, monitor, evaluate, and improve progress towards achieving the Department's Strategic Objectives. Within DM, the Office of Policy and Strategic Planning (OPSP) and the Office of Performance, Evaluation, and Risk Management (OPERM) work together to support the Department's executive team with administering the Department's Performance Management System across the headquarters and bureaus.

Within DM, the OCIO is fully engaged in the Federal Data Center Consolidation (FDCCI) Initiative and has active membership on the FDCCI Task Force. OCIO is also represented on the Digital Government Strategy Working Group and is working with the Office of Management and Budget to contribute to and leverage lessons learned in the delivery of the Department's first two milestones. OCIO has engaged with the Department of Justice to have them host the Cyber Security Assessment and Management system as a Software as a Service (SaaS) solution, and OCIO has also engaged GSA to have them host the Electronic Capital Planning and Investment Control system, also as an SaaS solution. Both of these have already been completed and are in full production use.

Section 8.3: Evidence Building

Overall, the Department is working to strengthen its culture of evidence-based decision-making. This was demonstrated during the development of the Department's FY2014-2018 Strategic Plan which was informed by a broad array of stakeholder input, research, evidence, and evaluation and summarized next steps efforts to build evaluation capacity and future evaluations. DM is also leading efforts to strengthen the use of evidence and evaluation by identifying focus areas for program evaluation and refinement of performance indicators under each strategic goal.

Within the Department, the Commerce Information Technology Review Board (CITRB) is the mechanism used to assess the health and performance of all IT investments by identifying wasteful, duplicative, or low-value investments and driving the IT budget formulation and execution process as mandated by the Clinger Cohen Act of 1996. The CITRB acts as a board of directors and provides advice to the Secretary and Deputy Secretary on critical IT matters. The board oversees IT project, program and portfolio reviews and approves requests for Information Technology Investment Authority prior to contract awards for IT services. Additionally, the CITRB conducts TechStat Accountability Reviews to

address critical and/or significant problems with investment initiatives. The CITRB ensures that sound investment criteria, project management methodologies, risk management frameworks and strong cyber security measures are in place to provide the greatest return on investment (ROI) for the taxpayer dollar.

Section 8.4: *Hyperlinks*

The FY 2015 Congressional Justifications (including each bureau Annual Performance Plan/Report) and past PARs, Citizens' Reports, Strategic Plans and Congressional Justifications are available via the Department of Commerce website at: <http://www.osec.doc.gov/bmi/budget/>. The FY 2016 Congressional Justifications will appear on the Departmental website shortly after the Congressional Budget is released.

Section 8.5: *Data Validation and Verification*

The FY 2014 Summary of Performance and Finance Information includes in the Secretary's Statement an assessment of the reliability and completeness of the Department's performance data.

Section 8.6: *Lower-Priority Program Activities*

The President's Budget identifies the lower-priority program activities, where applicable, as required under the GPRA Modernization Act of 2010, 31 U.S.C. 1115(b)(10). The public can access the volume at: <http://www.whitehouse.gov/omb/budget/>.