



UNITED STATES DEPARTMENT OF COMMERCE
Chief Information Officer

Washington, D.C. 20230

MAY 4 2004

MEMORANDUM FOR: Chief Information Officers

FROM: Thomas N. Pyke, Jr. 

SUBJECT: Fiscal Year 2006 Information Technology Initiative and Portfolio Management Guidance

FY 2006 Information Technology (IT) budget initiatives, including those for infrastructure, are due **May 19, 2004**, concurrent with the FY 2006 budget submission. Our goal in the IT budget review process is to ensure that proposals include all the elements needed for IT portfolio selection, control, and evaluation:

- basis for investment including performance measures that link to the annual performance plan,
- project management,
- risk management,
- security and privacy, and
- enterprise architecture compliance.

Only initiatives that are complete and highly rated in all these areas will be recommended by the Commerce IT Review Board (CITRB) for serious consideration in the FY 2006 budget process. The FY 2006 budget process is placing increased emphasis on linking budget, program planning, IT planning, performance measurement, and acquisition strategies. Therefore, you should include your respective budget, program, IT, and procurement offices in the preparation and review of your operating unit's IT budget proposals.

Secretarial Budget Submission Requirements for IT (due **May 19**)

For new IT budget investments, and modifications or enhancements to existing systems above base funding (including those for infrastructure), you must submit an Exhibit 300, Capital Asset Plan and Business Case. In clarification of information provided in the Office of Budget memorandum, "FY 2006 Budget Process," dated April 16, 2004, IT business cases include those for telecommunications and satellite ground systems. In preparing such business cases, note that for FY 2006 the Office of Management and Budget (OMB) will give "priority consideration to IT investments that leverage technology purchases across multiple entities, ensure operational objectives are met, utilize technology that improves decision making, employ knowledge management tools, support the Federal Enterprise Architecture (FEA), and ensure that systems and information are secure." These Exhibit 300s must be submitted through eCPIC (electronic Capital Planning and Investment Control), a new software version of I-TIPS (Information Technology Investment Portfolio System).

As in the past, provide for each initiative, in addition to the Exhibit 300, a brief, high-level Initiative Summary describing the initiative, FY 2006 budget increase, the life cycle cost, and the funding source(s). Submit this information through eCPIC by selecting the "Initiative Summary" process and filling in the fields shown. Attachments 1 and 2, below, provide a template and a sample of the Initiative Summary.

IT investment proposals must be a product of your operating unit's capital planning and investment control (CPIC) process. As part of your overall budget submission, provide a description of the CPIC process used to evaluate and select this year's investments. Submit this summary separately to Stuart Simon (ssimon@doc.gov), also by **May 19**.

OMB has deferred their proposed plans for making major changes in the Exhibit 300 guidance and instead will make only a few technical changes for FY 2006. We will alert you and post the guidance when it is final. OMB's FY 2005 guidance is posted at <http://www.doc.gov/cio/oipr/ITPLANPAGE.HTM>.

OMB Budget Submission Requirements

Commerce will submit Exhibit 300s and the Exhibit 53, Agency IT Investment Portfolio, to OMB through eCPIC. For all major IT investments without funding increases, submit Exhibit 300s (as required by OMB A-11 Section 53) through eCPIC by **August 2**. Use the "Non-major" format in eCPIC to submit non-major IT investments. Guidance on preparing the IT Budget submission for infrastructure will be provided under separate cover. Exhibit 300s submitted in May with the Secretarial Budget must also be updated by **August 2** for the OMB submission. This ensures that the information is accurate and consistent with the latest OMB guidance and final Secretarial decisions.

Attachment 3 lists Commerce IT investments identified as major in the FY 2005 budget process. The level of detail in the Exhibit 300 should be commensurate with the magnitude of the investment. The Department will review all Exhibit 300s and provide recommendations for strengthening them. Final edits to the Exhibit 300s must be completed by **August 27**, at which time we will generate the Exhibit 53 for submission to OMB. Exhibit 300s must be updated again in December to reflect final OMB passback decisions.

Evaluating Exhibit 300 Business Cases

We would like to call your attention to key areas of the Exhibit 300 business case:

- Security and privacy continue to be important factors in the CITRB's review of FY 2006 budget requests. You have a key role in helping to assure that adequate resources are dedicated to IT security to ensure that your operating unit's system and data integrity and continuity of operations are at an acceptable level of risk. Required as part of the budget submission is a description in the Exhibit 300 of your system's security and identification of the percent of dollars spent on IT security.

- Enterprise Architecture also requires your attention as we take increased interest in the management of IT architectures within Commerce and across the Government, with particular emphasis on the elimination of duplication. Answer the architecture questions in the Exhibit 300 completely and carefully. Ensure that your architecture documentation is up-to-date.
- Project management is another area that is taking on increased importance. In addition to identifying the sponsor and key members of your project team, your business case should discuss the project management structures, responsibilities, and personnel qualifications that will contribute to the successful achievement of cost, schedule, and performance goals. Take care to provide complete and accurate Earned Value Management data.
- As in past years, solid performance measures are a core element in your justification and must be consistent with the performance metrics submitted in the Performance and Accountability Report and in the FY 2006 Budget Submission.
- All IT budget initiatives will be evaluated against the guidance and questions in the Exhibit 300. Accordingly, the quality of your responses is critical. Becoming familiar with the IT guidance in Part 7 of OMB Circular A-11 will help you complete your IT investment plan and business case. Instructions for preparing high quality Exhibit 300s are available at: eCPIC Resource Library, FY 2005 Budget Guidance and at Web site http://www.osec.doc.gov/cio/oipr/Ex300_instructions.htm.

CITRB Reviews

The CITRB will review selected IT investment proposals. We will notify project sponsors of the proposals selected and those project sponsors should then prepare a briefing for the CITRB that addresses the criteria in http://www.osec.doc.gov/cio/oipr/eval_criteria_fy2004.htm. Briefings to the CITRB will take place May 26, June 10, and June 11. The CITRB will evaluate initiatives and make recommendations to the Office of Budget during the budget review process. Presenters must provide a copy of their briefing materials to Diana Hynes (dhynek@doc.gov) at least three working days before the scheduled presentation and attach a copy of these materials to their business case in eCPIC. Office of the CIO staff, supported by acquisition, budget, and other staff, will evaluate initiatives that are not presented to the CITRB. Recommendations from this review process will also be provided to the Office of Budget. We will notify project sponsors of the date for their briefings.

If you have questions regarding the Exhibit 300 or other information in this memorandum, contact Stuart Simon at ssimon@doc.gov or (202) 482-0275.

Attachments

cc: Barbara Retzlaff, OB
Michael Sade, OAM
Jim Taylor, OFM
Bob Bair, OFM
Budget Officers
Administrative Officers

**Commerce Information Technology Review Board
Initiative Summary**

Operating Unit:	
Office:	
Investment Name:	
Location in budget (account, sub-activity, line item). If more than one funding source, specify amount from each source.	
FY 2006 Request*	Total Life Cycle Cost Increase*:
FY 2006 IT Base:	FY 2006 IT Request:
IT Life Cycle Cost Increase:	
Project Description and Justification:	
* Total Project Costs (IT and Non-IT)	

Commerce Information Technology Review Board Summary Sheet (EXAMPLE)

Operating Unit: NOAA	
Office: NWS	
Investment Name: Telecommunications Gateway Legacy System	
Location in budget: NOAA ORF/NWS/Systems Operations and Maintenance	
FY 2006 Request*: \$10,000,000	Total Life Cycle Cost Increase*: \$19,000,000
FY 2006 IT Base: \$5,000,000	FY 2006 IT Request: \$6,100,000
IT Life Cycle Cost Increase: \$9,500,000 (through FY 2010)	
<p>Project Description and Justification: NOAA requests an increase of \$1,100,000 to modernize the NWS Telecommunication Gateway (NWSTG) legacy systems with current operating system, data processing, and communications switching technology. This modernization (first in 5 years) is necessary to prevent obsolescence and manage the exploding volumes of observational and weather forecast and warning information created by the NWS modernization.</p> <p>NWSTG is no longer adequate for the following reasons: 1) The basic message switching process dates from the 1950's and is inefficient leading to occasional delays in the dissemination of weather watches and warnings. 2) Data volumes requiring processing through the NWSTG continue to grow. The volume of numerical weather prediction models from NCEP is projected to grow from 10 gigabytes per day during FY 2004 to 400 gigabytes per day during FY 2006 due to planned improvements in model resolutions. Central collection and dissemination of national radar products will grow from 35 gigabytes per day to 300 in FY 2007. 3) The NWSTG facility is twelve years old, growing obsolete, and cannot be adequately maintained or upgraded. 4) Current NWSTG technology cannot maintain compatibility with US and foreign partners.</p> <p>During FY 2006, the NWS will acquire repayment servers and processors (\$0.4 million); LANs and hubs (\$0.5 million); routers and interfaces (\$0.2 million); gateway switch replacement (\$1.5 million); operating system software (0.5 million); and will begin investments in facilities infrastructure (\$2.1 million).</p>	
* Total Project Costs (IT and Non-IT)	

Major IT Systems in the FY 2005 Submission

Operating Unit	IT System
Commerce	DOC Consolidated IT Infrastructure
Commerce	DOC Enterprise IT Architecture
DM	Commerce Administrative Management System (CAMS)
DM	Commerce Standard Acquisition and Reporting System (CSTARS)
DM	E-Gov (Full Exhibit 300 not required)
BEA (ESA)	Estimation Information Technology System
BIS	Chemical Weapons Convention (CWC)
BIS	Export Control Automated Support System (ECASS)
EDA	Operational Planning and Control System (OPCS)
ITA	International Trade Process Streamlining
ITA	Financial Management System
NIST	Measurements and Standards Laboratories
NIST	Grants Management Information System (GMIS)
NTIA	Grant Application Monitoring and Processing
NTIA	Radio Spectrum Management - Frequency Management and Records System (FMRS)
Census	American Community Survey (ACS)
Census	Automated Export Trade Statistics System (AES)
Census	Continuity of Data Processing Operations and Data Security
Census	Data Access and Dissemination System (DADS)
Census	Data Processing Systems Update
Census	Demographic Surveys Statistical IT Support
Census	Economic Census

Operating Unit	IT System
Census	Field Support Systems
Census	Geographic Support Systems
Census	Master Address File/Topologically Integrated Geographic Encoding and Referencing (MAF/TIGER) System
Census	Decennial 2010 Systems Design, Integration, Testing and Evaluation
Census	E-Government
NOAA/NFA	NOAA Grants On-Line
NOAA/NFA	Financial Management IT Operations
NOAA/NFA	NOAA Non-Core CAMS Financial Management Systems
NOAA/NWS	Advanced Weather Interactive Processing System (AWIPS)
NOAA/NWS	Automated Surface Observing System (ASOS) (IT portion)
NOAA/NWS	Co-op Modernization
NOAA/NWS	National Air Quality Forecast Capability
NOAA/NWS	National Weather Service Telecommunications Gateway Legacy System
NOAA/NWS	National Weather Service Telecommunications Gateway Critical Infrastructure Protection (CIP)
NOAA/NWS	NCEP Weather and Climate Forecast System IT Support
NOAA/NWS	Next Generation Weather Radar (NEXRAD) Planned Product Improvement
NOAA/NWS	Next Generation Weather Radar (NEXRAD) O&M
NOAA/NWS	NOAA Weather Radio All Hazards Weather Network
NOAA/NWS	NWS Regions and Field
NOAA/NWS	Office of Science and Technology, Other Systems
NOAA/NWS	Weather and Climate Supercomputing
NOAA/NWS	Weather and Climate Supercomputing Backup CIP
NOAA/NESDIS	Geostationary Operational Environmental Satellite (GOES) Ground System (IT portion)

Operating Unit	IT System
NOAA/NESDIS	Polar-orbiting Operational Environmental Satellite (POES) Ground System (IT portion)
NOAA/NESDIS	National Polar-orbiting Operational Environmental Satellite System (NPOESS) Ground Systems (IT portion)
NOAA/NESDIS	Central Environmental Satellite Computer System (CEMSCS)
NOAA/NESDIS	Comprehensive Large Array-data Stewardship System (CLASS)
NOAA/NESDIS	NOAA National Data Center (NNDC)
NOAA/NESDIS	Office of Satellite Data Processing and Distribution (OSDPD) Systems CIP
NOAA/NESDIS	Satellite Operations Control Center Command and Data Acquisition (SOCC/CDA)
NOAA/NESDIS	Satellite Environmental Processing System (SATEPS)
NOAA/NESDIS	Search and Rescue Satellite-Aided Tracking (SARSAT)
NOAA/OAR	Forecast Systems Lab (FSL) High Performance Computing and Communications
NOAA/OAR	Geophysical Fluid Dynamics Laboratory (GFDL) High Performance Computing
NOAA/OAR	Geophysical Fluid Dynamics Laboratory (GFDL) Climate Change Computing
NOAA/OAR	Scientific Computing Support
NOAA/NMFS	Fisheries Information System
NOAA/NMFS	NMFS Vessel Monitoring System
NOAA/NOS	Nautical Charting and Surveying System
NOAA/NOS	NOS PORTS & NWLON
NOAA/NOS	NOS Geodetic Support System
NOAA	E-Gov (Full Exhibit 300 not required)