

U.S. DEPARTMENT OF COMMERCE
DEPARTMENTAL MANAGEMENT



FY 2013 CONGRESSIONAL SUBMISSION

Department of Commerce
 Departmental Management
 Budget Estimates, Fiscal Year 2013
 Congressional Submission

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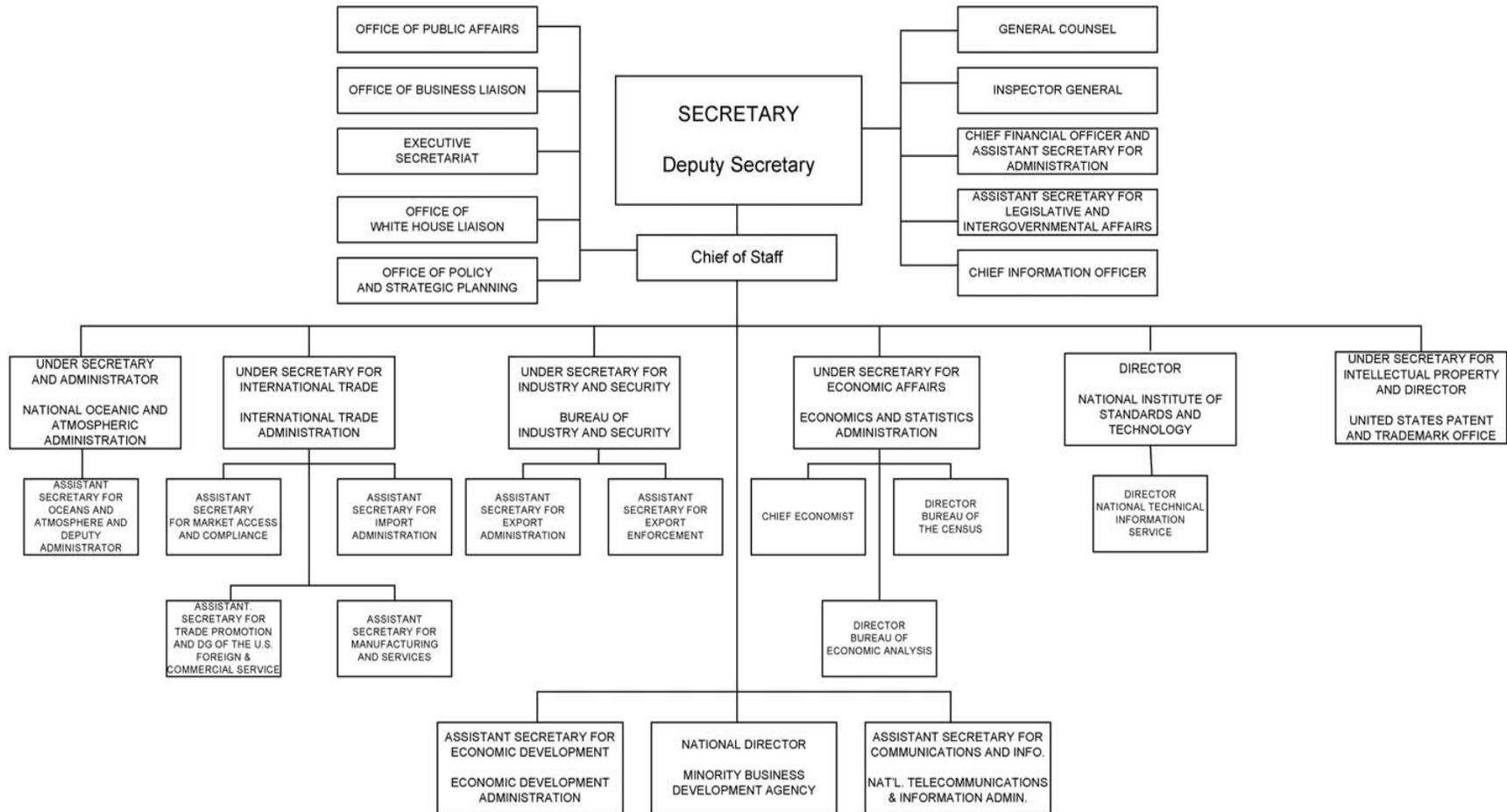
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U.S. DEPARTMENT OF COMMERCE



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**Department of Commerce
Departmental Management**

Executive Summary

The Department of Commerce's mission is to promote job creation, economic growth, sustainable development, and improved living standards for all Americans by working in partnership with businesses, universities, communities and workers to: 1) Build for the future and promote U. S. competitiveness in the global marketplace, by strengthening and safeguarding the Nation's economic infrastructure; 2) Keep America competitive with cutting-edge science and technology and an unrivaled information base; and 3) Provide effective management and stewardship of our Nation's resources and assets to ensure sustainable economic opportunities. Commerce's business and industry-related programs can help realize the priority goals of the President in the areas of trade, technology, telecommunications networks and infrastructure, environmental infrastructure, economic development, and minority business.

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.

Departmental Management is comprised of the following:

- The **Salaries and Expenses** appropriation provides funding for two program activities; Executive Direction and Departmental Staff Services. Executive Direction funds the development and implementation of Departmental policies and coordinates the Bureaus' program activities to accomplish the Departmental mission. Departmental Staff Services funds the development and implementation of the Department's internal policies, procedures, and other administrative guidelines. For FY 2013, the Department continues to support the implementation of a comprehensive long-term customer service delivery plan for the Department through an expanded BusinessUSA/CommerceConnect initiative. BusinessUSA/CommerceConnect links American businesses and communities to a portfolio of DOC and other Federal, state and local partner resources that enable client companies to become globally competitive. These services are provided, faster and more comprehensively, through a coordinated one-stop Federal assistance framework consisting of a web-based portal, a call center, one dedicated field office in Michigan, existing bureau field offices, a customer relationship management (CRM) system and program knowledgebase. In addition, the headquarters office will be responsible for ensuring the resource coordinator network is established and providing the necessary program content to support the initiative.
- The **Working Capital Fund** is a reimbursable fund, providing necessary centralized services to the client Bureaus. These services fall under two program activities; Executive Direction and Departmental Staff Services. Executive Direction funds the General Counsel, the Chief Information Officer, and Public Affairs. The Departmental Staff Services funds the Security Office, Human Resource Management, Civil Rights, Financial Management, Administrative Services, Acquisition Management, and the Office of Program Evaluation and Risk Management. For FY 2013, the WCF plans to provide centralized services supporting Enterprise Cybersecurity Monitoring and Operations, IT Security Program Support, Software Refresh, Building Management Division Fan Coil Units, Maintenance Contract HVAC, Business Application Solutions and Human Resources Management System.
- The **Herbert C. Hoover Building Renovation and Modernization** account provides no year funding for the expenses associated with the modernization of the Herbert C. Hoover Building

(HCHB). The planned renovation of the Department's 76-year old headquarters by the General Services Administration (GSA) will extend the building's useful life through infrastructure upgrades, major security upgrades, and historic preservation of some features. The FY 2013 request reflects the Department's continued focus to improve major building infrastructure components including information technology/telecommunications, emergency power requirements and fire and life safety improvements that are operating beyond their useful life and deteriorating.

- The **Emergency Steel Guaranteed Loan Program and the Emergency Oil and Gas Guaranteed Loan Program** are subsidized loan programs that were enacted in 1999 to assist the steel and the oil and gas industries. Authority for the Emergency Oil & Gas Guaranteed Loan Program expired in 2001 and the Emergency Steel Loan Guarantee Board expired December 31, 2011.

Other Required Information

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

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. The Department's total savings target for FY 2013 is \$176 million, which includes \$142.8 million in savings initiated in FY 2012 and an additional \$33.2 million planned for FY 2013. Building on Departmental Management's administrative savings planned for FY 2012 (\$2.8 million), an additional \$0.7 million in savings is targeted for FY 2013 for a cumulative two-year savings of \$3.5 million.

Department of Commerce
 Departmental Management
 Budget Estimates for Fiscal Year 2013

Executive Summary

Departmental Management – SUMMARY OF REQUESTED APPROPRIATIONS
 (Dollar amounts in thousands)

		2012		2013		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.	195	57,000	197	56,000	(1)	(1,000)
	FTE	154		156		(1)	
HCHB Renovation and Modernization	Pos./ Approp.	5	5,000	5	2,040	0	(2,960)
	FTE	5		5		0	
Emergency Steel Guaranteed Loan Program	Approp.	0	(700)	0	0	0	700
	Pos./ Approp.	200	61,300	202	58,040	(1)	(3,260)
Total Budget Authority	FTE	154		161		(1)	

FY 2013 Annual Performance Plan Departmental Management

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Section 3:	Corresponding DoC Strategic Themes and Goals
Section 4:	Priorities and Management Challenges
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Section 6:	Previous Measures
Section 7:	Resource Requirements

Section 1. Mission

The Department of Commerce creates the conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship. The organizations that make up Departmental Management (DM) support the Office of the Secretary and support and monitor the activities of bureaus and operating units.

Section 2. Agency Priority Goals and Lower Priority Programs

Per the GPRA Modernization Act, 31 U.S.C. 1115(b)(10), requirement to address Federal Goals in the agency Strategic Plan and Annual Performance Plan, please refer to Performance.gov for information on Federal Priority Goals and the agency's contributions to those goals, where applicable.

The 2013 Cuts, Consolidations, and Savings (CCS) Volume of the President's Budget identifies the lower-priority program activities under the GPRA Modernization Act, 31 U.S.C. 1115(b)(10). The public can access the volume at: <http://www.whitehouse.gov/omb/budget>.

Section 3. Corresponding DOC Strategic Themes and Goals

DOC Themes / Goals / Objectives

DM's activities apply to the following three themes and nine corresponding objectives, all focusing on the management of the Department, by supporting the management infrastructure needed to carry out the Department's mission.

- Customer Service – Create a culture of outstanding communication and services to our internal and external customers
 - Provide streamlined services and a single point of contact assistance for customers, improving interaction and communication through BusinessUSA/CommerceConnect, partnerships, and other means of stakeholder involvement
 - Promote information access and transparency through the use of technology, thorough understanding of customer requirements, and new data products and services that add value for customers

- Provide a high level of customer service to our internal and external customers through effective and efficient functions implemented by empowered employees
- Organizational Excellence – Create a high performing organization with integrated, efficient and effective service delivery
 - Strengthen financial and non-financial internal controls to maximize program efficiency, ensure compliance with statutes and regulations, and prevent waste, fraud, and abuse of government resources
 - Re-engineer key business processes to increase efficiencies, manage risk, and strengthen effectiveness
 - Create an IT enterprise architecture that supports mission-critical business and programmatic requirements, including effective management of cyber security threats
- Workforce Excellence – Develop and support a diverse, highly qualified workforce with the right skills in the right job to carry out the mission
 - Recruit, grow, develop, and retain a high-performing, diverse workforce with the critical skills necessary for mission success, including the next generation of scientists and engineers
 - Create an optimally-led Department by focusing on leadership development, accountability, and succession planning
 - Provide an environment that empowers employees and creates a productive and safe workplace

DM is the central source for development of policies and procedures that guide the administrative management of the Department. The DM budget includes funding to support policy development and centralized services in the areas of security, information management, human resources, civil rights, financial management, administrative services, acquisitions, legal matters, and organizational management. DM's oversight of this infrastructure serves the interests of the American public by assuring judicious acquisition, oversight, and management of the resources that are essential to the accomplishment of the Department's varied missions, and by enhancing the efficiency with which the operating units administer their programs.

Section 4. Priorities / Management Challenges

The Department continues to strengthen leadership skills through enhanced leadership development programs and comprehensive identification of competencies for mission-critical occupations. The results of these efforts will be used to refine and evaluate succession plans to maintain appropriate levels of critical workforce skill sets. These products will enable us to expeditiously fill mission-critical positions and continue to close existing competency gaps. 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 our 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 information technology systems that support our 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 5. Targets and Performance Summary Table

Theme – Customer Service							
Create a culture of outstanding communication and services to our internal and external customers							
Objectives							
19. Provide streamlined services and a single point of contact assistance for customers, improving interaction and communication through BusinessUSA/CommerceConnect, partnerships, and other means of stakeholder involvement							
20. Promote information access and transparency through the use of technology, thorough understanding of customer requirements, and new data products and services that add value for customers							
21. Provide a high level of customer service to our internal and external customers through effective and efficient functions implemented by empowered employees							
		FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
4a	Number of referrals made	New	New	333	1,338	1,100	3,213
4b	Number of customers engaged (i)	New	New	90	875	N/A	N/A
	Number of companies engaged - field operations (i)	New	New	New	New	400	1,071
	Number of companies engaged - online operations (i)	New	New	New	New	New	3,450
4c	Number of CommerceConnect locations (ii)	New	New	1	19	N/A	N/A
	Number of existing Commerce field locations integrated (ii), (iii)	New	New	New	New	30	N/A
Description: These measures are designed to reflect how BusinessUSA/CommerceConnect provides an integrated and efficient process for connecting American businesses to Department and other Federal partners, information, and resources to spur job creation. BusinessUSA/CommerceConnect is designed to create American jobs by connecting U.S. businesses with DOC and other Federal programs, products and services that meet their needs in their life cycle.							
Comments to changes to targets: (i) 'number of customers engaged' retired as of FY 2012, replaced by 'number of companies engaged via field operation' and 'number of companies engaged via online operations'; (ii) 'number of CommerceConnect locations' changed to 'number of existing Commerce field locations' in FY 2012; and, (iii) 'number of existing Commerce field location integrated' retired in 2013 due to virtual service delivery efforts implemented via BusinessUSA in FY 2012.							
Relevant Program Change(s)		CommerceConnect will transition to support BusinessUSA implementation efforts beginning FY 2012 through FY 2013.					
Validation and Verification							
Data Source	Frequency	Data Storage		Internal Control Procedures		Data Limitations	Actions to be Taken
Customer Relationship Management (CRM) system	Monthly	Operated through a 3rd party cloud-based solution		Monthly verification and validation process		None	None

Theme – Organizational Excellence							
Create a high-performing organization with integrated, efficient, and effective service delivery							
Objectives							
22 Strengthen financial and non-financial internal controls to maximize program efficiency, ensure compliance with statutes and regulations, and prevent waste, fraud, and abuse of government resources							
		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 Target

		Actual	Actual	Actual	Actual	Target	
5a Provide accurate and timely financial information to conform to federal standards, laws, and regulations governing accounting and financial management		One significant deficiency was not eliminated Completed FY 2008 assessments	One significant deficiency was not eliminated Completed FY 2008 assessments	One significant deficiency was not eliminated Completed FY 2010 assessments	Reportable condition not eliminated .	Eliminate any significant deficiency within 1 year of determination that there is a significant deficiency Complete FY 2012 A-123 assessment of internal controls	Eliminate any significant deficiency within 1 year of determination that there is a significant deficiency Complete FY 2013 A-123 assessment of internal controls
Description: These measures ensure 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.							
Comments to changes to targets: No changes							
Relevant Program Change(s)	None						
Validation and Verification							
Data Source	Frequency	Data Storage	Internal Control Procedures		Data Limitations	Actions to be Taken	
Consolidated financial statements and Office of Inspector General (OIG) reports	Annual	Bureau or department financial reports	OIG Audits		None	Continue to comply with Federal Financial Management Improvement Act of 1996 (FFMIA)	

Theme – Organizational Excellence							
Create a high-performing organization with integrated, efficient, and effective service delivery							
Objectives							
22 Strengthen financial and non-financial internal controls to maximize program efficiency, ensure compliance with statutes and regulations, and prevent waste, fraud, and abuse of government resources							
23 Re-engineer key business processes to increase efficiencies, manage risk, and strengthen effectiveness							
		FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
5b For each administrative / business system, reduce the number of instances		New	New	New	New	1	1
5c For each administrative / business system, reduce the number of data calls and consolidate efforts to streamline the data through one source.		New	New	New	New	1	1
5d Unqualified Audit Opinion		New	New	New	New	Unqualified	Unqualified
5e For each administrative / business system, maintain compliance and alignment with OMB initiatives.		New	New	New	New	Compliance	Compliance
The first measure represents the number count of instances (separate and distinct financial and acquisitions production databases belonging to each bureau/office that is the system of record for accounting/acquisition information and data) in the current environment versus the number count of instances in the target environment. The goal is to reduce the number of locations that house DOC's financial and acquisition systems resulting in efficient and effective administration and business management.							

Currently, DOC maintains multiple redundant system environments replicated with variations across the Department, resulting in significant system and operational inefficiencies and redundancies, one being cost, across DOC. For the Commerce Business Systems (CBS – DOC's financial system of record in 12 of the 14 bureaus), there are three production instances located at each of the production Bureaus (Census, NIST and NOAA) along with their supporting testing and training environments. For the C.Suite acquisition system, there are four production instances at Census, NIST, NOAA and the Office of the Secretary along with their supporting testing and training environments.

The second measure reflects the number of data calls that must be performed in each production environment (three for the financial system and four for the acquisition system) for financial and acquisition-related data and information versus the number of data calls performed in the target environment. Currently, when a data call is issued, the data is pulled from multiple sources/data warehouses. A 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 goal is to eliminate the need to consolidate data and information from multiple sources with the target of "1" referring to the number of data sources. Currently, the significant system and operational inefficiencies and redundancies across DOC result in a lack of sufficient Departmental Managerial reporting. Data calls must be issued to each bureau/office that maintains the instance and the information and data submitted must be consolidated manually. 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.

The third measure reflects the result of the Financial Statement Audit. 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 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.

The fourth measure 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).

Comments to changes to targets: These are new measures beginning in FY 2012 reflecting a proposed program initiative.

Relevant Program Change(s)	None				
Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
TBD	TBD	TBD	TBD	TBD	TBD

Theme – Organizational Excellence							
Create a high-performing organization with integrated, efficient, and effective service delivery							
Objectives							
23 Re-engineer key business processes to increase efficiencies, manage risk, and strengthen effectiveness							
		FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
5f	Percent of dollars awarded using high-risk contracting authorities.	New	New	New	New	Reduce by 10 percent the share of dollars obligated under new contract actions that are awarded with high-risk contracting authorities	TBD
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.					
Comments to changes to targets: This is a new measure beginning in FY 2012					
Relevant Program Change(s)		None			
Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
Federal Procurement Data System	Annual	Federal Procurement Data System	Quarterly independent verification and validation process	None	None

Theme – Organizational Excellence							
Create a high-performing organization with integrated, efficient, and effective service delivery							
Objectives							
23 Re-engineer key business processes to increase efficiencies, manage risk, and strengthen effectiveness							
		FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
5g Savings achieved through more effective acquisition practices.		New	New	New	New	Save 1.5 percent of contract spending.	TBD
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.							
Comments to changes to targets: This is a new measure beginning in FY 2012.							
Relevant Program Change(s)		None					
Validation and Verification							
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken		
DOC procurement data systems	Annual	DOC procurement data systems	Quarterly independent validation process	Manual data collection process	None		

Theme – Organizational Excellence							
Create a high-performing organization with integrated, efficient, and effective service delivery							
Objective							
24 Create an IT enterprise architecture that supports mission-critical business and programmatic requirements, including effective management of cyber security threats							
		FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
5h Deliver effective management of information technology resources including cyber security	Cost/ schedule overruns and performance shortfalls averaged under 10%. All national critical and mission critical systems are certified and accredited with acceptable quality documentation in place.	Cost/ schedule overruns and performance shortfalls averaged under 10%. CSAM & C&A enhancements were deployed. IT security compliance in all operating units and five FISMA systems in CSAM were reviewed.	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%. Completed security and vulnerability assessments for all operating units. Submitted findings and recommendations to operating units and OCIO for review. Implemented Cyber Security Development Program and graduated 20 candidates from the Department's first class. Enrolled candidates in the program's second class. More than 8 candidates	All IT investments within 10% of cost and schedule Reviews completed 89% completion rate NCS3-10 did not receive funding	IT investments have cost /schedule overruns and performance shortfalls averaging less than 10%. Perform IT Security Compliance review of all operating units, and ten FISMA systems in CSAM. Increase security training completion rate to 80% for privileged users (role-based). Deploy 80% of the	IT investments have cost /schedule overruns and performance shortfalls averaging less than 10%. Percentage of systems in production with valid Authority to Operate (ATOs) is 100% Percentage of Plan of Action and Milestones (POA&Ms) closed on time is 100% Percentage of moderate / high	

			have obtained or are planning to obtain security related certifications. Deployed National Security and Emergency Network in the development environment. Received official approval to connect from Defense Intelligence Agency.		required NCSID 3-10 Communications capabilities. Expand cyber intelligence communications channel to all operating unit Computer Incident Response Teams.	impact systems with "top 5" security controls fully implemented is 100%
<p>Description: The Department's significant annual investment in information technology (IT) requires careful management and monitoring as part of the overall program to manage IT resources effectively to meet the mission needs of the Department, and to fulfill obligations to the taxpayer. 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 – a process that provides early warning signals for corrective actions. Program managers are required to develop and implement corrective actions to meet program goals.</p> <p>The successful implementation of each program critical to the Department's missions depends on the adequacy and security of the Department's information technology 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, certification and accreditation (C&A) requirements have been established. Certification 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 for the system. A compliance review process for continuous security monitoring, vulnerability assessment and remediation, and IT security workforce improvement has been established to ensure adequate security,</p> <p>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>Comments to changes to targets: No Changes made</p>						
Relevant Program Change(s)		None				
Validation and Verification						
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken	
Bureau IT Offices	Annual	Bureau IT offices, bureau files, and DM CIO files	Departmental and outside reviews by GAO, OMB, and contractors, IT research organizations (e.g., Gartner), and various universities	None	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.	

Theme – Workforce Excellence							
Develop and support a diverse, highly qualified workforce with the right skills in the right jobs to carry out the Department's mission							
Objective							
25 Recruit, grow, develop, and retain a high-performing, diverse workforce with the critical skills necessary for mission success, including the next generation of scientists and engineers							
		FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
6a	Average number of	New	133	105	83	77	75

calendar days to complete hiring actions						
6b Percentage of employees with approved Individual Development Plans	New	New	New	New	New	10
6c Number of participants trained via Careers in Motion	New	New	181	181	300	300
6d 2 – year retention	New	New	New	New	New	65
<p>Description: These measures represent a combination of indicators focusing on strategic recruitment, training and development, retention, and the Department's efforts to achieve and maintain a diverse, 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.</p> <p>Calculations: The following items provide more detailed information concerning certain measures, as requested:</p> <ul style="list-style-type: none"> • 2-year retention: Percentage of permanent employees hired during the fiscal year two fiscal year's prior (e.g.: 2013 would be based on 2011 hires) that remained on board for 730 calendar days or more 						
Comments to changes to targets: Measures are new. FY 2013 targets are to be determined						
Relevant Program Change(s)	None					
Validation and Verification						
Data Source	Frequency	Data Storage	Internal Control Procedures		Data Limitations	Actions to be Taken
TBD	TBD	TBD	TBD		TBD	TBD

Theme – Workforce Excellence							
Develop and support a diverse, highly qualified workforce with the right skills in the right jobs to carry out the Department's mission							
Objectives							
26 Create an optimally-led Department by focusing on leadership development, accountability, and succession planning							
		FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
6e	Number of participants trained via EEP, SES CDP, ELDP, and ALDP	New	New	New	New	New	TBD
6f	Percentage of SES CDP, ELDP, and ALDP graduates promoted or selected for leadership position	New	New	New	New	New	TBD
6g	Results-oriented performance culture index	New	New	New	New	New	TBD
6h	Number of servicing HR offices not on OPM's critical-severe list based on accountability audits	New	New	New	New	New	TBD
<p>Description: These measures represent a combination of indicators focusing on strategic recruitment, training and development, retention, and the Department's efforts to achieve and maintain a diverse, 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.</p> <p>Calculations: The following items provide more detailed information concerning certain measures, as requested:</p> <ul style="list-style-type: none"> • Results-Oriented Performance Culture Index: One of the Human Capital Assessment and Accountability Framework indices computed by the Office of Personnel Management (OPM) based upon the Federal Employee Viewpoint Survey results. Includes 13 survey items directly or indirectly related to performance management. • SHROs not on OPM's critical-severe list: Number of Servicing HR Offices not identified by OPM as "critical-severe" due to the results of the OPM-led or DOC-led audits of hiring action, performance, incentive, and employee relations case files for upholding merit system principles and other Federal and agency laws, regulations, and policies. 							

Comments to changes to targets: Measures are new. FY 2013 targets are to be determined					
Relevant Program Change(s)		None			
Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
TBD	TBD	TBD	TBD	TBD	TBD

Theme – Workforce Excellence							
Develop and support a diverse, highly qualified workforce with the right skills in the right jobs to carry out the Department's mission							
Objectives							
27 Provide an environment that empowers employees and creates a productive and safe workplace							
		FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
6i	Percentage of employees feeling personally empowered with work processes	New	New	51	New [measure was tracked internally]	New	TBD
6j	Total injury case rate – number of work-related injuries and illnesses per 100 employees	NA	NA	1.71	New [measure was tracked internally]	New	TBD
Description: Description: These measures represent a combination of indicators focusing on strategic recruitment, training and development, retention, and the Department's efforts to achieve and maintain a diverse, productive workforce. These indicators permit a comprehensive assessment of the Department's efforts to strategically manage its human capital. They also reflect an indication of the safety of the Department's work environment.							
Comments to changes to targets: Measures are new. FY 2013 targets are to be determined							
Relevant Program Change(s)		None					
Validation and Verification							
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken		
TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

Section 6. Previous Measures

The following FY 2012 performance measures have been removed in the FY 2013 APP and replaced by measures that better reflect the desired outcomes of DM's work.

- Effectively used commercial services management
- Obligate funds through performance-based contracting

The following measure, "Acquire and maintain a diverse and highly qualified staff in mission-critical occupations," has been replaced by the four measures noted above under objective 26.

Section 7. Resource Requirements¹

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Enacted	FY 2013 Base	Increase / Decrease	FY 2013 Estimate
Customer Service								
Objective 19	0.0	0.0	0.0	.9	2.4	2.4	0.2	2.6
Objective 20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Objective 21	6.1	7.7	7.0	8.4	6.8	6.8	-0.1	6.7
Total, Customer Service	6.1	7.7	7.0	9.3	9.2	9.2	0.1	9.3
Organizational Excellence								
Objective 22	23.4	25.8	30.0	25.2	25.2	25.2	-0.4	24.8
Objective 23	3.0	4.0	3.6	3.9	3.8	3.8	-0.3	3.5
Objective 24								
Salaries and Expenses	5.2	9.3	11.9	13.7	13.9	13.9	-0.3	13.6
* Enterprise Cyber Security								
Total, Organizational Excellence	31.6	39.1	45.5	42.8	42.9	42.9	-1.0	41.9
Workforce Excellence								
Objective 25	4.9	6.0	5.4	5.4	4.9	4.9	-0.1	4.8
Objective 26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Objective 27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total, Workforce Excellence	4.9	6.0	5.4	5.4	4.9	4.9	-0.1	4.8
SubTotal								
Salaries and Expenses	42.6	52.8	57.9	57.5	57.0	57.0	-1.0	56.0
*Enterprise Cybersecurity								
Total	42.6	52.8	57.9	57.5	57.0	57.0	-1.0	56.0
FTE	173	164	179	173	154	157	-1	156
*Beginning in FY 2013, Enterprise Cybersecurity was moved into the Working Capital Fund.								

¹ All funding amounts are Salaries and Expenses unless otherwise noted

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

	Positions	FTE	Budget Authority	Direct Obligations
2012 Enacted	195	154	57,000	57,040
less: Obligations from prior years			0	(40)
plus: Transfers of unobligated balances			0	0
plus: 2013 FTE Realignment	3	3	0	0
plus: 2013 Adjustments to base			0	0
2013 Base	198	157	57,000	57,000
minus: 2013 Administrative Savings (Actual reduction)	0	0	(658)	(658)
minus: 2013 Program Changes	(1)	(1)	(342)	(342)
2013 Estimate	197	156	56,000	56,000

Comparison by activity:		2011 Actual		2012 Enacted		2013 Base		2013 Estimate		Increase/(Decrease) Over 2013 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction	Pos./BA	116	30,893	111	32,741	114	32,741	114	32,423	0	(318)
	FTE/Obl.	94	31,745	89	32,781	92		92		0	
Departmental Staff Services	Pos./BA	98	26,991	84	24,259	84	24,259	83	23,577	(1)	(682)
	FTE/Obl.	79	27,002	65	24,259	65		64		(1)	
TOTALS	Pos./BA	214	57,884	195	57,000	198	57,000	197	56,000	(1)	(1,000)
	FTE/Obl.	173	58,747	154	57,040	157		156		(1)	
Adjustments to Obligations:											
Recoveries											
	Unobligated balance, start of year		(1,340)		(40)						
	Unobligated balance, transferred										
	Unobligated balance, rescission										
	Unobligated balance, end of year		40								
	Unobligated balance, expiring		437								
Financing from Transfers:											
	Transfer from other accounts (-)										
	Transfer to other accounts (+)										
Appropriation			57,884		57,000		57,000		56,000		(1,000)

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

		2011 Actual		2012 Enacted		2013 Base		2013 Estimate		Increase/(Decrease) Over 2013 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
2012 Enacted											
Reimbursable Program	Pos./BA	65		76		76		76		0	
	FTE/Obl.	59	89,460	56	89,247	56	88,528	56	88,528	0	0
1/ COMMITS	Pos./BA	2		0		0		0		0	
	FTE/Obl.	1	888	0	1,417	0	1,417	0	1,417	0	0
TOTALS	Pos./BA	67		76		76		76		0	
	FTE/Obl.	60	90,348	56	90,664	56	89,945	56	89,945	0	0
Adjustments to Obligations:											
	Recoveries (COMMITTS)		0								
	Unobligated balance, start of year (COMMITTS)		(1,943)		(1,317)						
	Unobligated balance, transferred										
	Unobligated balance, end of year		1,317								
	Unobligated balance, expiring										
Financing from Transfers:											
	Transfer from other accounts (-)										
	Transfer to other accounts (+)										
Reimbursable Authority			89,722		89,347		89,945		89,945		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)

	2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease) Over 2013 Base
Total Obligations	149,095	147,704	146,945	145,945	(1,000)
Offsetting collections from:					
Federal funds	(89,722)	(89,347)	(89,945)	(89,945)	0
Trust funds					
Non-Federal sources					
Recoveries	0				
Unobligated balance, start of year	(3,283)	(1,357)			
Unobligated balance, transferred	0				
Unobligated balance, end of year	1,357				
Unobligated balance, expiring	437				
Budget Authority	57,884	57,000	57,000	56,000	(1,000)
Financing:					
Transfer from other accounts (-)	0	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	57,884	57,000	57,000	56,000	(1,000)

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

	<u>FTE</u>	<u>Amount</u>
<u>Adjustments:</u>		
Other Changes:		
Pay Raises	100
FY 2013 Pay Raise		
A general pay raise of 0.5% is assumed to be effective January 1, 2013.		
Total cost in FY 2013 of pay increase		100,000
Payment to Working Capital Fund		0
Amount requested in FY 2013 for FY 2013 pay increase		100,000
Civil Service Retirement System (CSRS)	(56)
The cost of agency contributions for CSRS will decrease slightly due to the decrease in the number of employees covered by CSRS from 14.5% in FY 2012 to 10.9% in FY 2013. The contribution rate will remain the same at 7.00% for FY 2012 and FY 2013.		
FY 2013 (\$22,124,000 x .109 x .0700)		168,806
FY 2012 (\$22,124,000 x .145 x .0700)		224,559
Total adjustment to base		(55,753)
Federal Employees' Retirement System (FERS)	93
The cost of agency contributions for FERS will increase from 85.5% in FY 2012 to 89.1% in FY 2013 due to the increase in the number of employees covered. The contribution rate will remain the same of 11.7% in FY 2013.		
FY 2013 (\$22,124,000 x .891 x .117)		2,306,361
FY 2012 (\$22,124,000 x .855 x .117)		2,213,174
Total adjustment to base		93,187
Thrift Savings Plan (TSP)	33
The cost of agency contributions for TSP will increase from 85.5% in FY 2012 to 89.1% in FY 2013 due to the increase in the number of employees covered. The contribution rate is 4.1% for both fiscal years.		
FY 2013 (\$22,124,000 x .891 x .0410)		808,212
FY 2012 (\$22,124,000 x .855 x .0410)		775,557
Total adjustment to base		32,655

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

	FTE	Amount
<u>Adjustments:</u>		
Federal Insurance Contributions Act (FICA) - OASDI .....	...	53
The OASDI tax rate will remain constant at 6.2%. The annual salary subject to the OASDI tax will increase from \$110,100 in FY 2012 to \$113,100 in FY 2013. The percent of salaries below the cap will increase from 88.0% in FY 2012 to 88.7% in FY 2013. The total salaries taxable by OASDI will increase from 85.5% in FY 2012 to 89.1% in FY 2013. The combination of the above adjustments results in a net increase of \$53,345.		
FERS payroll subject to FICA tax in FY 2013 (\$22,124,000 x .891 x .887 x .062)	1,084,068	
FERS payroll subject to FICA tax in FY 2012 (\$22,124,000 x .855 x .880 x .062)	1,032,058	
Subtotal	52,010	
Other payroll subject to FICA tax in FY 2013 (\$568,000 x .891 x .887 x .062)	27,832	
Other payroll subject to FICA tax in FY 2012 (\$568,000 x .855 x .880 x .062)	26,497	
Subtotal	1,335	
Total adjustment to base	53,345	
Health Insurance .....	...	132
Effective January 2011, the cost of the U.S. Government's contribution to the Federal employee's health insurance premium increased by 9.3%. Applied against the FY 2012 estimate of \$1,418,000 the additional amount required is \$131,874.		
Employee Compensation .....	...	0
The Employees Compensation Fund is based on an actual billing from the Department of Labor.		
Travel, Per Diem .....	...	13
General Services Administration has issued revised travel per diem rates, effective October 1, 2011, resulting in a 6.0% increase. This percentage applied against the FY 2012 estimate of \$216,000 results in an increase of \$12,960.		
Rental Payments to GSA .....	...	572
GSA rates are projected to increase by 1.7% in FY 2013. An additional \$58,718 over the FY 2012 estimate of \$3,454,000 and an additional \$513,282 is required to fund the FY13 GSA rent.		
Printing and Reproduction .....	...	2
GPO has provided an estimated rate increase of 1.5%. This percentage was applied to the FY 2012 estimate of \$109,000 to arrive at an increase of \$1,635.		
Utilities, Pepco .....	...	(253)

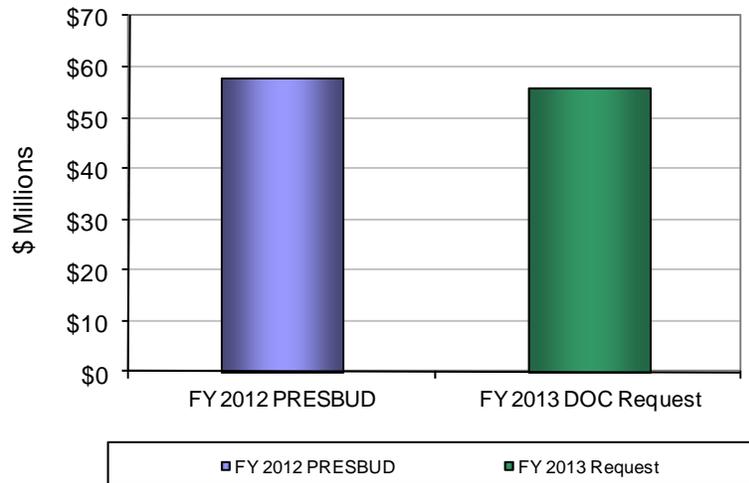
Department of Commerce
 Departmental Management
 Salaries and Expenses
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	FTE	Amount
<u>Adjustments:</u>		
The average increase for PEPCO electricity is projected to be -25%. This percentage was applied to the 2012 electricity estimate of \$1,013,000 for an decrease of \$253,000.		
Utilities, Water. ....	...	3
The average increase for DCWASA is projected to be 5%. This percentage was applied to the 2012 water estimate of \$58,000 for an increase of \$3,000.		
Utilities, Steam. ....	...	0
There was no increase for FY 2013.		
National Archives and Records Administration Storage Costs. ....	...	9
The National Archives and Records Administration (NARA) costs are expected to increase from \$29,300 in FY 2012 to \$38,546 in FY 2013.		
Other Services:		
Working Capital Fund. ....	...	(1)
A \$1000,000 reductions in the Departmental Management's Working Capital Fund.		
General Pricing Level Adjustment. ....	...	197
This request applies OMB economic assumptions for FY 2013 of 1.5% 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) (\$7,215); other services (\$177,030); supplies and materials (\$4,410); equipment (\$5,565).		
Subtotal, Other Changes.....	0	897
Less amount absorbed		(897)
Total FY 2013 Adjustments to Base.	0	0

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

Compare by activity:		2011 Actual		2012 Enacted		2013 Base		2013 Estimate		Increase/(Decrease) Over 2013 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction	Pos./BA	116	30,893	111	32,741	114	32,741	114	32,423	0	(318)
	FTE/Obl.	94	31,745	89		92		92	0	0	0
Departmental Staff Services	Pos./BA	98	26,991	84	24,259	84	24,259	83	23,577	(1)	(682)
	FTE/Obl.	79	27,002	65		65		64		(1)	0
TOTALS	Pos./BA	214	57,884	195	57,000	198	57,000	197	56,000	(1)	(1,000)
	FTE/Obl.	173	58,747	154	57,040	157		156		(1)	

Department of Commerce
 Departmental Management
 Salaries and Expenses



APPROPRIATION ACCOUNT: DEPARTMENTAL MANAGEMENT

BUDGET ACTIVITY: SALARIES AND EXPENSES

For FY 2013, Departmental Management requests a net decrease of \$1,000,000 and -1 FTE over the FY2013 base program for a total of \$56,000,000 and 156 FTE for Salaries and Expenses.

BASE JUSTIFICATION FOR FY 2013:

Salaries and Expenses Overview

The Salaries and Expenses (\$57 million and 157 FTE) budget is organized into 2 activities:

- The Executive Direction activity (\$33 million and 92 FTE) is composed of 4 subactivities, which include:
 - The Office of General Counsel provides legal advice, guidance and services on matters involving Departmental programs and components. Supervises the development of the Department's legislative program and the delivery of effective legal services for the growing needs of major programs.
 - Office of the Chief Information Officer leads the management of information resources throughout the Department, ensuring that the Department's programs make full and appropriate use of information technology (IT). Implements Government-wide and Departmental policies, programs and activities in all aspects of information technology management, including IT security and providing analysis, design, development, support, and oversight for Department automated systems for Administration. Provides Department-wide coordination and technical support for the development and operation of information technology resources, including telecommunications. Manages the Department's IT security and critical IT infrastructure programs.

- The Chief Financial Officer 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. Coordinates implementation of government-wide and Departmental management reforms. Manages the Department's headquarters offices located in the Herbert C. Hoover Building in Washington, D.C. BusinessUSA/CommerceConnect links American Businesses to a portfolio of DOC and other Federal, state and local partner resources that enable client companies to become globally competitive.
- Executive Direction develops and implements Departmental policies and coordinates Bureau program activities to accomplish the Departmental mission. This includes 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. The offices that support this function are the Office of the Secretary, Deputy Secretary, Chief of Staff, Executive Secretariat, Office of Business Liaison, Office of Legislative and Intergovernmental Affairs, Policy and Strategic Planning, and Office of Public Affairs.
- The Departmental Staff Services activity (\$24 million and 65 FTE) is composed of 9 subactivities which include:
 - The Office of Security 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 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 conducts discrimination complaint investigations and adjudications, provides equal employment program support and affirmative action program support to selected operating units.
 - The Office of Financial Management implements policies and procedures for Departmental financial management operations, provides consolidated financial reporting, develops and maintains the Commerce Business System, the Department's financial management system. Provides complete financial stewardship for all activities included in Departmental Management. Oversees and administers all budget functions for the Office of the Secretary, manages the Department's Working Capital Fund and provides financial support and guidance Department-wide.
 - The Office of Administrative Services provides Department-level management of travel, personal property, fleet motor vehicles, real property, energy and

environmental programs. Provides management of the following Herbert C. Hoover Building programs and services: publications; printing; library services; 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 provides contracting technical services, including acquisition strategies and guidance for the procurement of products and services in support of the Office of Secretary (OS), Office of Inspector General (OIG), selected special projects and related administrative support. Performs policy and oversight functions for the Department's acquisition and financial assistance programs. Performs federal assistance administrative duties and responsibilities to ensure that federal assistance actions comply with Departmental procedures. Manages Competitive Sourcing A-76/FAIR Act Program.
- The Office of Program Evaluation and Risk Management develops and oversees implementation of integrated, enterprise-wide policies, procedures, and strategies for assessing and managing risk; conducts evaluations of programs, processes, and administrative functions to identify opportunities for enhancing effectiveness and efficiency across the Department of Commerce; 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 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 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 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 U.S. Department of Commerce's (DOC) acquisition process.

Significant Adjustments-to-Base (ATBs):

Departmental Management plans to absorb \$0.9 million and 0 FTEs in increases to fund adjustments to current programs for Salaries and Expenses activities. These adjustments cover inflationary increases including the 2013 Federal pay raise of .5 percent and non-labor activities, including service contracts, utilities, field office lease payments, and rent charges from the General Service Administration (GSA).

Other Adjustments:

Departmental Management includes funding from within current allocations to permanently fund a BusinessUSA/CommerceConnect field office located in Michigan. Funding for this office was previously achieved thru bureau contributions in the Working Capital Fund.

ACTIVITY: EXECUTIVE DIRECTION

The objectives of the Executive Direction activity are to:

Executive Direction provides overall leadership, policy direction, and coordination of bureau programs in furtherance of the Department's mission. In addition the OCIO office provides administrative oversight and operational support in the development, acquisition, deployment, operation and security of information technology.

OFFICE OF GENERAL COUNCIL (www.ogc.doc.gov/)

- Coordinates matters pertaining to legislative issues, Congressional relations, and DOC's relationship with state, county, and municipal governments
- Advises the Secretary on administrative concerns and initiatives
- Provides legal services for DOC through Assistant General Counsels for Administration, Finance and Litigation, and Legislation and Regulation, the Commercial Law Development Program, and legal offices that focus on the programs and activities of their respective operating units

OFFICE OF THE CHIEF FINANCIAL OFFICER (www.osec.doc.gov/cfo/)

- 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 throughout Commerce and its operating units.
- Responsible for coordinating implementation of government-wide and Departmental management initiatives.
- Manages the Department's headquarters offices located in the Herbert C. Hoover Building in Washington, DC.
- BusinessUSA/CommerceConnect links American Businesses to a portfolio of DOC and other Federal, state and local partner resources that enable client companies to become globally competitive.

OFFICE OF CHIEF INFORMATION OFFICER (ocio.os.doc.gov/index.htm)

- Oversees the policies, procedures, and overall management of information resources throughout the Department to ensure that its programs make full and appropriate use of information technology (IT).
- Manages the capital asset management process for IT investments in order to guide their selection, maximize their value, address associated risks, and evaluate their results.
- Develops, maintains and facilitates the implementation of a sound and integrated enterprise IT architecture.

- Ensures, through the development of strategies for hiring, training, and professional development, that the workforce has the IT management and skills necessary to effectively manage IT resources.
- Develops and implements Departmental IT security policies and programs to assure the confidentiality, integrity, and availability of information and IT resources
- Serves as Chief Infrastructure Assurance Officer and carries out government-wide critical infrastructure protection policies.
- Develops, coordinates and implements Department-wide policies and procedures relating to electronic government, and the external interchange and dissemination of information via electronic media and the Internet.
- Oversees the Department's electronic mail systems and electronic directories.
- Provides technical assistance to O/S and designated operating units.
- Provides telecommunications services to the Hoover building, and oversee the management of telecommunications services across the Department.

EXECUTIVE DIRECTION (www.commerce.gov/office-secretary/office-executive-secretariat)

- Through the Secretary and Deputy Secretary, provides leadership, managerial oversight and policy direction relating to all aspects of the Department's mission and portfolio of programs
- Ensures effective policy coordination, and proper intra-agency and inter-agency integration and support of identified goals
- Provides advice and support to senior leadership regarding DOC's Schedule C and non-career personnel

ACTIVITY: DEPARTMENTAL STAFF SERVICES

The objectives of the Departmental Staff Services activity are to:

Departmental Staff Services provides administrative oversight and operational support to ensure effective management of fiscal resources and business processes by which the Department carries out its responsibilities; the security of the facilities and property used to administer the Department's programs; and, 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.

OFFICE OF HUMAN RESOURCE MANAGEMENT (hr.commerce.gov/index.htm)

- Oversees implementation of government-wide and DOC-specific policies and procedures relating to human resources management and civil rights.
- Exercises responsibility for DOC-wide strategic management of human capital, development and implementation of human resources policies and programs, and operation of the South Florida Federal Executive Board.
- Addresses strategic recruitment needs by promoting DOC as an "employer of choice" in desirable applicant pools, managing the Postsecondary Internship Program, and working with other federal agencies to promote veterans employment.
- Assists operating units in addressing critical human capital challenges such as high turnover in mission-critical occupations and gaps in competencies needed to meet emerging requirements.
- Plans, develops and coordinates DOC-wide policies, programs, tools, systems, and activities in managing executive resources, which includes providing support to the Departmental

Executive Resources Board and working with OPM to retain certification of the SES and ST/SL performance management systems.

- Provides oversight of employment practices and policies for the Senior Foreign Service and the NOAA Commissioned Corps.
- Oversees DOC-wide training and knowledge management activities to create a continuous learning environment, which includes managing the SES Candidate Development Program, Executive Leadership Development Program, Aspiring Leaders Development Program, Project Management and Administrative Professional Certification Programs, and the web-based Learning Management Program.
- Administers performance management and incentive awards policies and activities, which includes managing all aspects of DOC's performance management systems, and monetary, non-monetary, and gold, silver, and bronze honor awards programs.
- Provides centralized human resources services to the Office of the Secretary, Bureau of Industry and Security, Economic Development Administration, International Trade Administration, Minority Business Development Agency, and National Telecommunications & Information Administration.
- Oversees workplace safety and health activities policies and procedures, workers compensation.

OFFICE OF CIVIL RIGHTS (www.osec.doc.gov/ocr/)

- Provides formal complaint processing services to enforce federal equal employment opportunity (EEO) laws, laws prohibiting discrimination in federally funded programs, and DOC 's policy prohibiting sexual orientation discrimination.
- Provides EEO counseling, alternative dispute resolution services, and affirmative employment program planning for client offices and operating units, including O/S, OGC, OIG, and operating units located in the Hoover Building.
- Develops and implements DOC-wide policies and initiatives that promote nondiscrimination, diversity, conflict resolution, and accessibility to employment opportunities and DOC programs.

OFFICE OF BUDGET (www.osec.doc.gov/bmi/budget/)

- Oversees implementation of government-wide and Department-specific policies and procedures relating to budget formulation and execution.
- Manages the formulation and justification of a cohesive budget as required to carry out the Department's mission and programs; advises the Department's leadership on the operating units' budget requests; represents the Department in all budget-related matters involving OMB, Congressional committees and other government agencies; and coordinates preparations for appropriations hearings that involve the Secretary.
- Formulates and executes the budget for Departmental Management, and manages all O/S budgetary accounts.
- Oversees implementation of performance measurement and reporting under the Government Performance and Results Act, and provides operational support for Departmental Management.

OFFICE OF FINANCIAL MANAGEMENT (www.osec.doc.gov/ofm/)

- Provides Department-wide financial management of fiscal policy, external financial reporting, and financial systems.
- Coordinates development of the Department's annual financial statements and other external financial reports.

- Works collaboratively with the operating units on the annual assessment of internal controls for financial and nonfinancial activities.
- Oversees the operation and maintenance of the Commerce Business Systems and ensures that they maximize the efficiency of the Department's financial operations.

OFFICE OF ACQUISITION MANAGEMENT (oamweb.osec.doc.gov/index.html)

- Oversees the Department's purchase card program, the delegation of contracting authority, and Departmental review of major acquisitions.
- Provides operational support for acquisitions for O/S and other elements of the Department.
- Promotes contracting opportunities for small, minority, women-owned, historically underutilized business zone, and service-disabled veteran-owned small businesses.

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

(www.osec.doc.gov/osdbu/)

- Counsels small businesses on how to do business with the Department, sponsors networking events for stakeholders, and assists acquisition officials in developing acquisition strategies.
- Negotiates and monitors small business prime and subcontract goals for DOC and its operating units.

OFFICE OF PROGRAM EVALUATION AND RISK MANAGEMENT (www.osec.doc.gov/operm/)

- Develops and oversees implementation of integrated, enterprise-wide policies and procedures for assessing and managing risk
- Conducts evaluations of programs, processes, and administrative functions to identify opportunities for enhancing effectiveness and efficiency across the Department of Commerce
- Serves as liaison with the Government Accountability Office and Office of Inspector General regarding audits and studies involved in strengthening nonfinancial internal controls.

OFFICE OF PRIVACY AND OPEN GOVERNMENT (www.osec.doc.gov/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.
- Coordinates the Department's response to incidents involving personally identifiable information
- Administers the Departmental Freedom of Information Act program
- Administers and coordinates the Departmental transparency and Open Government activities
- Manages the Department's numerous Federal Advisory Committee Act advisory committees
- Manages the Department's directives system and relevant Executive Orders used to prescribe the basic management structure and organizational arrangements of the Department

OFFICE OF ADMINISTRATIVE SERVICES (www.osec.doc.gov/oas/)

- Oversees implementation of government-wide and Department-specific policies and procedures for managing real property, personal property, official travel, motor vehicle fleets, energy conservation, environmental stewardship and historic preservation.
- Administers the Building Delegation Program for the Department, which includes approximately 4 million square feet in 25 buildings.
- Manages the Herbert C. Hoover Building – the Department's headquarters facility – including building renovations, maintenance, repairs, and alternations; space, parking, and mass transit benefits management; and janitorial, moving, landscaping, food, mail, publication, transportation, and conference support services.

- Manages the inventory of gifts available for presentation by the Secretary to foreign dignitaries and monitors gifts received by the Secretary.

OFFICE OF SECURITY (www.osec.doc.gov/osy/)

- Oversees the security of the Department's domestic facilities, property, information and personnel and works collaboratively with the State Department to ensure the security of U.S. and Foreign Commercial Service operations overseas.
- Provides personal protection to the Secretary, visiting foreign officials, and other official guests.
- Helps ensure the Department's mission-critical programs and activities continue in the event of an emergency through coordination of Continuity of Government, Continuity of Operations Planning, and Occupant Emergency Planning activities; and management of the Department's Emergency Operations Center.
- Assists in implementing Homeland Security Presidential Directive 12.
- Facilitates security clearances for personnel, and assists in verifying and evaluating adverse information that may potentially affect suitability determinations.
- Oversees development and implementation of Department-wide policies and procedures that relate to protecting and using classified information.
- Investigates threats to the Department's mission, operations and activities, and coordinates with other law enforcement and national security entities regarding criminal intelligence, protective intelligence, counterintelligence, and counterterrorism as they impact the Department.

PROGRAM CHANGE FOR FY 2012

Administrative Savings (Program Base: 0 FTE and \$0 Million; Program Change: 0 FTE and -\$0.7 million)

Proposed Actions:

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. The Department's total savings target for FY 2013 is \$176 million, which includes \$142.8 million in savings initiated in FY 2012 and an additional \$33.2 million planned for FY 2013. Building on the Departmental Management's administrative savings planned for FY 2012 (\$2.8 million), and additional \$0.7 in savings is targeted for FY 2013 for a total savings in FY 2013 of \$3.5.

Management Efficiencies (Program Base: 0 FTE and \$0 Million; Program Change: -1 FTE and -\$0.3 million)

Proposed Actions:

Departmental Management requests this decrease as part of the consolidated savings effort to reduce cost and increase efficiencies. In an effort to support the objective to reduce non-security discretionary spending, Departmental Management assessed the priorities and programs within the organization to identify areas for reduction. The reductions include eliminating FTE and reducing non-critical contracts such as administrative support and technical support.

Statement of Need and Economic Benefits:

The proposed budget cuts will put a strain on existing programs. 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 of the programs within Departmental Management.

PROGRAM CHANGE PERSONNEL DETAIL

Activity: Executive Direction & Departmental Staff Services
 Subactivity: Executive Direction, IT, Workforce Excellence, Resource Stewardship
 & Departmental Facilities
 Program: All

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Undetermined Position	Washington, DC		-1	105,000	-105,000
			0	0	0
			0	0	0
			0	0	0
			0	0	0
Total			<u>-1</u>		<u>-105,000</u>
Total full-time permanent (FTE)			<u>-1</u>		<u>-105,000</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			-1		
Other than full-time permanent			0		
Total			<u>-1</u>		

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Executive Direction & Departmental Staff Services
Subactivity: Executive Direction, IT, Workforce Excellence, Resource Stewardship
& Departmental Facilities
Program: All

Object Class	2013 Increase
11 Personnel compensation	
11.1 Full-time permanent	-\$105
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	-105
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	-230
25.3 Purchases of goods & services from Gov't accounts	-665
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	-1,000

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

Object Class	2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease) Over 2013 Base
11 Personnel compensation:					
11.1 Full-time permanent	19,316	22,124	22,124	22,195	71
11.3 Other than full-time permanent	72	0	0	0	0
11.5 Other personnel compensation	1,247	703	703	703	0
11.9 Total personnel compensation	20,635	22,827	22,827	22,898	71
12.1 Civilian personnel benefits	5,522	5,786	5,786	5,830	44
13 Benefits for former personnel	70	79	79	79	0
21 Travel and transportation of persons	748	712	712	712	0
23.1 Rental payments to GSA	3,230	3,454	4,026	4,026	0
23.2 Rental payments to others	10	23	23	31	8
23.3 Communication, utilities and miscellaneous charges	1,021	2,288	2,288	2,288	0
24 Printing and reproduction	126	109	109	109	0
25.1 Consulting services	120	120	120	120	0
25.2 Other services	7,393	8,753	8,141	7,881	(260)
25.3 Purchase of goods and services from Gov't accounts	16,653	12,024	12,024	11,159	(865)
26 Supplies and materials	494	294	294	296	2
31 Equipment	2,725	571	571	571	0
32 Land Structures	0	0	0	0	0
99 Total obligations	58,747	57,040	57,000	56,000	(1,000)
Less prior year recoveries	0				
Unobligated balance, start of year	(1,340)	(40)			
Unobligated balance, transferred	0				
Unobligated balance, end of year	40				
Unobligated balance, expiring	437				
Transfers from other accounts	0				
TOTAL BUDGET AUTHORITY	57,884	57,000	57,000	56,000	(1,000)

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

<u>Personnel Data</u>	2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease) Over 2013 Base
Full-Time Equivalent Employment:					
Full-time Permanent	133	114	117	116	(1)
Other than full-time permanent	40	40	40	40	0
Total	<u>173</u>	<u>154</u>	<u>157</u>	<u>156</u>	<u>(1)</u>
Authorized Positions:					
Full-time permanent	164	145	148	147	(1)
Other than full-time permanent	50	50	50	50	0
Total	<u>214</u>	<u>195</u>	<u>198</u>	<u>197</u>	<u>(1)</u>

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
Justification of Proposed Language Changes

FY 2013:

Envisioned as a part of the “General Provisions – Department of Commerce”

1. Sec. 108. The Secretary of Commerce may use funds appropriated to The Department of Commerce in this or any other Act to engage in activities that provide businesses and communities with information, advice, and referrals to Federal Government programs or related programs of state, local, and other governmental entities, non-profit entities, or other businesses: *Provided*, That, in carrying out these activities, the Secretary may use space provided by such governmental entities on a reimbursable or nonreimbursable basis.

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

FY 2013:

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.

Department of Commerce
 Departmental Management
 Salaries and Expenses
 Consulting and Related Services
 (Dollar amounts in thousands)

	<u>2011 Actual</u>	<u>2012 Enacted</u>	<u>2013 Estimate</u>
Consulting services	0	0	0
Management and professional services	120	120	120
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	120	120	120

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

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Enacted</u>	<u>2013 Estimate</u>
Periodicals	0	0	0	0
Pamphlets	0	0	0	0
Audiovisuals	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

	2011 <u>Actual</u>	2012 <u>Enacted</u>	2013 <u>Estimate</u>
Average ES Grade	0.00	0.00	0.00
Average GS/GM Grade	12.69	12.69	12.69
Average GS/GM Salary	\$104,978	\$103,792	\$104,140

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

	Positions	FTE	Budget Authority	Reimbursable Obligations
Operating Plan, FY2012	697	607		153,545
less: Unobligated balance, start of year	0	0		0
plus: 2013 Adjustments to base	(3)	(3)		(590)
2013 Base	694	604		152,955
less: Administrative Savings	0	0		(2,582)
plus: Program increases	(33)	(33)		(710)
2013 Estimate	661	571		149,663

		2011 Actual		2012 Operating Plan		2013 Base		2013 Estimate		Increase/(Decrease) Over 2013 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Comparison by activity:											
Executive Direction	Pos./BA	268		279		276		273		(3)	
	FTE/Obl.	235	51,242	237	58,154	234	57,466	231	57,690	(3)	224
Departmental Staff Services	Pos./BA	437		418		418		388		(30)	
	FTE/Obl.	385	91,103	370	95,391	370	95,489	340	91,973	(30)	(3,516)
TOTALS	Pos./BA	705		697		694		661		(33)	
	FTE/Obl.	620	142,345	607	153,545	604	152,955	571	149,663	(33)	(3,292)
Adjustments + Recoveries											
Unobligated balance, start of year			(2,704)		(7,813)						
Unobligated balance, end of year			7,813								
Total Reimbursable Authority			147,454		145,732		152,955		149,663		(3,292)

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Department of Commerce
 Departmental Management
 Working Capital Fund
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Adjustments:		
Non-recurring cost of CommerceConnect offices that in 2013 will be funded in the Departmental Management Salaries and Expenses account.	(3)	(590)
Other Changes:		
Pay Raise.....	...	300
FY 2013 Pay Raise A general pay raise of .5% is assumed to be effective January 1, 2013.		
Total cost in FY 2013 of pay increase	300,000	
Payment to Working Capital Fund	<u>0</u>	
Amount requested in FY 2013 for FY 2013 pay increase	300,000	
Civil Service Retirement System (CSRS).....	...	(168)
The cost of agency contributions for CSRS will decrease slightly due to the decrease in the number of employees covered by CSRS from 14.5% in FY 2012 to 10.9% in FY 2013. The contribution rate will remain the same at 7.00% for FY 2012 and FY 2013.		
FY 2013 (\$66,561,000 x .109 x .0700)	507,860	
FY 2012 (\$66,561,000 x .145 x .0700)	<u>675,594</u>	
Total adjustment to base	(167,734)	
Federal Employees' Retirement System (FERS).....	...	280
The cost of agency contributions for FERS will increase due to the increase in the number of employees covered by FERS from 85.5% in FY 2012 to 89.1% in FY 2013. The contribution rate will remain the same at 11.7%.		
FY 2013 (\$66,561,000 x .891 x .117)	6,938,785	
FY 2012 (\$66,561,000 x .855 x .117)	<u>6,658,430</u>	
Total adjustment to base	280,355	
Thrift Savings Plan (TSP).....	...	48
The cost of agency contributions to the Thrift Savings Plan will increase slightly due to the number of employees		

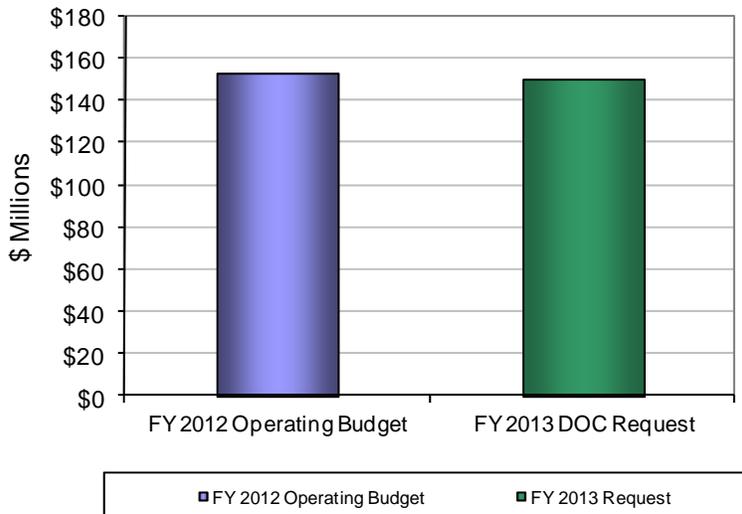
Department of Commerce
 Departmental Management
 Working Capital Fund
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
covered increasing from 85.5% in FY 2012 to 89.1% in FY 2013. The contribution rate will remain the same at 2%.		
FY 2013 (\$66,561,000 x .891 x .02)	1,186,117	
FY 2012 (\$66,561,000 x .855 x .02)	1,138,193	
Total adjustment to base	47,924	
Federal Insurance Contributions Act (FICA) - OASDI. . . . .	...	160
<p>The OASDI tax rate will remain constant at 6.2%. The annual salary subject to the OASDI tax will increase from \$110,175 in FY 2012 to \$113,100 in FY 2013. The percent of salaries below the cap will increase from 90.5% in FY 2012 to 91.1% in FY 2013. The total salaries taxable by OASDI will increase from 85.5% in FY 2012 to 89.1% in FY 2013. The combination of the above adjustments results in a net increase of \$159,719.</p>		
FERS payroll subject to FICA tax in FY 2013 (\$66,561,000 x .891 x .911 x .062)	3,349,713	
FERS payroll subject to FICA tax in FY 2012 (\$66,561,000 x .855 x .905 x .062)	3,193,201	
Subtotal	156,512	
Other payroll subject to FICA tax in FY 2013 (\$1,364,000 x .891 x .911 x .062)	68,644	
Other payroll subject to FICA tax in FY 2012 (\$1,364,000 x .855 x .905 x .062)	65,437	
Subtotal	3,207	
Total adjustment to base	159,719	
Health Insurance. . . . .	...	448
<p>Effective January 2011, the cost of the U.S. Government's contribution to the Federal employee's health insurance premium increased by 9.3%. Applied against the FY 2012 estimate of \$4,817,000, the additional amount required is \$447,981.</p>		
Travel, Per Diem. . . . .	...	23
<p>General Services Administration has issued revised travel per diem rates, effective as of October 1, 2010, resulting in a 6.0% increase. This percentage applied against the FY 2012 estimate of \$389,000 results in an increase of \$23,340.</p>		
Mileage. . . . .	...	1
<p>The mileage reimbursement rate for privately-owned automobiles increased from 50.0 cents to 51.0 cents, or 2% on January 1, 2011. A increase of \$590 is required.</p>		

Department of Commerce
 Departmental Management
 Working Capital Fund
JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Rental Payments to GSA. . . . .	...	1,357
<p style="margin-left: 40px;">GSA rates are projected to increase in FY 2013. An additional increase of \$1,357,000 is required to fund this increase.</p>		
Commerce Business System . . . . .	...	193
<p style="margin-left: 40px;">Costs associated with the Commerce Business System will increase from \$12,173,000 in FY 2012 to \$12,366,000 in FY 2013. This results in an increase of \$193,000.</p>		
Other Services:		
General Pricing Level Adjustment. . . . .	...	791
<p style="margin-left: 40px;">This request applies OMB economic assumptions for FY 2013 of 1.5% to sub-object classes where the prices that the Government pays are established through the market system. Factors are applied to transportation of things (\$2,790); communications (\$34,590); printing (\$3,210); other services (\$670,305); supplies and materials (\$42,360); and equipment (\$38,055).</p>		
Subtotal, Other Changes	0	3,433
Less amount absorbed	0	(3,433)
Total FY 2013 Adjustments to Base.	(3)	(590)

Department of Commerce
 Departmental Management
 Working Capital Fund



APPROPRIATION ACCOUNT: DEPARTMENTAL MANAGEMENT

BUDGET ACTIVITY: WORKING CAPITAL FUND

For FY 2013, Departmental Management requests a decrease of \$3,292,000 and 33 FTE (33 POS) over the FY 2013 base program for a total of \$149,663,0000 and 571 FTE for the Working Capital Fund. This request includes absorption of \$3,133,000 in inflationary adjustments.

BASE JUSTIFICATION FOR FY 2013:

Working Capital Fund Overview:

The Working Capital Fund is a non-appropriated account which finances, on a reimbursable basis, Department-wide administrative functions that are more efficiently and economically performed on a centralized basis.

The Working Capital Fund (\$149.7 million and 571 FTE) account budget is organized into 2 activities:

- The Executive Direction activity (\$57.8 million and 231 FTE) is composed of 4 offices, which include:
 - The Office of General Counsel (OGC) provides legal advice, guidance and services on matters involving Departmental programs and components. 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 Public Affairs (OPA) promotes public understanding and support of Department's programs, services and consumer issues. Ensures continuity and cost-effective management of Departmental Public Affairs programs. Acts as the primary point of contact on Departmental issues for the White House and Federal departments and agencies.

- Office of the Chief Information Officer (CIO) leads the management of information resources throughout the Department, ensuring that the Department's programs make full and appropriate use of information technology (IT). Implements Government-wide and Departmental policies, programs and activities in all aspects of information technology management, including IT security and providing analysis, design, development, support, and oversight for Department automated systems for Administration. Provides Department-wide coordination and technical support for the development and operation of information technology resources, including telecommunications. Manages the Department's IT security and critical IT infrastructure programs.
- Office of the Chief Financial Officer (CFO) oversees the Department's financial resources, human resources and facilities. Establishes and monitors implementation of Departmental policies and procedures for administrative functions affecting program operations in Commerce's operating units. Coordinates implementation of government-wide and Departmental management reforms. Manages the Department's headquarters offices located in the Herbert C. Hoover Building in Washington, D.C.
- The Departmental Staff Services activity (\$91.9 million and 340 FTE) is composed of 8 offices which include:
 - The Office of Security 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 Resource 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) conducts discrimination complaint investigations and adjudications, 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 including internal controls, provides consolidated financial reporting, develops and maintains the Commerce financial management system, and maintains some of the Department's administrative systems. Provides complete financial stewardship for all activities included in Departmental Management. Oversees and administers most budget functions for the Office of the Secretary, manages the Department's Working Capital Fund and provides financial support and guidance Department-wide.
 - The Office of Administrative Services (OAS) provides Department-level management of travel, personal property, fleet motor vehicles, real property, energy and

environmental programs. Provides management of the following Herbert C. Hoover Building programs and services: publications; printing; library services; mail; messenger and distribution services; space management and use; building management including operations, maintenance, repairs, and major and minor renovations; labor services; historic preservation; and shipping/receiving.

- The Office of Acquisition Management (OAM) provides contracting technical services, including acquisition strategies and guidance for the procurement of products and services in support of the Office of Secretary (OS), Office of Inspector General (OIG), selected special projects and related administrative support. Performs policy and oversight functions for the Department's acquisition and financial assistance programs. Performs federal assistance administrative duties and responsibilities to ensure that federal assistance actions comply with Departmental procedures. 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; 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 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.

Significant Adjustments-to-Base (ATBs):

Departmental Management requests a net decrease of -3 FTE and -\$590,000 to fund adjustments to current programs for Working Capital Fund (WCF) activities. The WCF plans to absorb \$3.1 million in inflationary increases including the 2013 Federal pay raise of .5 percent and for non-labor activities, including service contracts, utilities, field office lease payments, and rent charges from the General Service Administration (GSA).

ACTIVITY: EXECUTIVE DIRECTION

The objectives of the Executive Direction are to:

Provide overall leadership, policy direction, and coordination of bureau programs in furtherance of the Department's mission (i.e. CFO, OPA, and OGC). Provide administrative oversight and operational support in the development, acquisition, deployment, operation and security of information technology, including Cybersecurity, used to support the Department's mission. These services are provided by the Office of Chief Information Officer.

OFFICE OF THE CHIEF FINANCIAL OFFICER (www.osec.doc.gov/cfo/)

- Oversees the Department's financial resources, human resources and facilities.
- Establishes and monitors implementation of Departmental policies and procedures for administrative functions affecting program operations throughout Commerce and its operating units.
- Responsible for coordinating implementation of government-wide and Departmental management initiatives.
- Manages the Department's headquarters offices located in the Herbert C. Hoover Building in Washington, DC.
- Oversees the policies, procedures, and overall management of information resources throughout the Department to ensure that its programs make full and appropriate use of information technology (IT)
- Manages the capital asset management process for IT investments in order to guide their selection, maximize their value, address associated risks, and evaluate their results
- Develops, maintains and facilitates the implementation of a sound and integrated enterprise IT architecture
- Ensures, through the development of strategies for hiring, training, and professional development, that the workforce has the IT management and skills necessary to effectively manage IT resources
- Develops and implements Departmental IT security policies and programs to assure the confidentiality, integrity, and availability of information and IT resources
- Serves as Chief Infrastructure Assurance Officer and carries out government-wide critical infrastructure protection policies
- Develops, coordinates and implements Department-wide policies and procedures relating to electronic government, and the external interchange and dissemination of information via electronic media and the Internet
- Oversees the Department's electronic mail systems and electronic directories
- Provides technical assistance to Office of the Secretary and designated operating units
- Provides telecommunications services to the Hoover building, and oversee the management of telecommunications services across the Department

OFFICE OF PUBLIC AFFAIRS (www.commerce.gov/office-secretary/office-public-affairs)

- Performs outreach activities to facilitate interaction with the business community
- Exercises responsibility for the Department's overall public information program
- Coordinates incoming correspondence addressed to and all material prepared for the attention of the Secretary and Deputy Secretary

OFFICE OF GENERAL COUNCIL (www.ogc.doc.gov/)

- Coordinates matters pertaining to legislative issues, Congressional relations, and the Department's relationship with state, county, and municipal governments
- Advises the Secretary on administrative concerns and initiatives
- Provides legal services for the Department through Assistant General Counsels for Administration, Finance and Litigation, and Legislation and Regulation, the Commercial Law Development Program, and legal offices that focus on the programs and activities of their respective operating units

ACTIVITY: DEPARTMENTAL STAFF SERVICES

The objectives of the Departmental Staff Services are to:

Provide overall leadership, policy direction, and coordination of bureau programs in furtherance of the Department's mission. Provide 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. These services are provided by the Office of Human Resource Management and Office of Civil Rights. Provide administrative oversight and operational support to ensure effective management of fiscal resources and business processes by which the Department carries out its responsibilities. These services are provided by the Office of Budget, Office of Financial Management, Office of Acquisition Management, Office of Small and Disadvantaged Business Utilization and Office of Program Evaluation and Risk Management and the Office of Privacy and Open Government. Provide administrative oversight and operational support to ensure the effective management and security of the facilities and property used to administer the Department's programs. These services are provided by the Administrative Office and Security Office.

OFFICE OF HUMAN RESOURCE MANAGEMENT (hr.commerce.gov/index.htm)

- Oversees implementation of government-wide and Department-specific policies and procedures relating to human resources management and civil rights
- Exercises responsibility for Department-wide strategic management of human capital, development and implementation of human resources policies and programs, and operation of the South Florida Federal Executive Board
- Addresses strategic recruitment needs by promoting the Department as an "employer of choice" in desirable applicant pools, managing the Postsecondary Internship Program, and working with other Federal agencies to promote Veterans employment
- Assists operating units in addressing critical human capital challenges such as high turnover in mission-critical occupations and gaps in competencies needed to meet emerging requirements
- Plans, develops and coordinates Department-wide policies, programs, tools, systems, and activities in managing executive resources, which includes providing support to the Departmental Executive Resources Board and working with OPM to retain certification of the SES and Senior Level/Scientific & Professional position performance management systems
- Provides oversight of employment practices and policies for the Senior Foreign Service and the NOAA Commissioned Corps
- Oversees Department-wide training and knowledge management activities to create a continuous learning environment, which includes managing the SES Candidate Development Program, Executive Leadership Development Program, Aspiring Leaders Development Program, Project Management and Administrative Professional Certification Programs, and the web-based Learning Management Program
- Administers performance management and incentive awards policies and activities, which includes managing all aspects of the Department's performance management systems, and monetary, non-monetary, and gold silver, and bronze honor awards programs
- Provides centralized human resources services to Office of the Secretary (O/S), BIS, EDA, ITA, MBDA, and NTIA
- Oversees workplace safety and health activities policies and procedures and workers compensation

OFFICE OF CIVIL RIGHTS (www.osec.doc.gov/ocr/)

- Provides formal complaint processing services to enforce federal EEO laws, laws prohibiting discrimination in Federally funded programs, and the Department's policy prohibiting sexual orientation discrimination

- Provides EEO counseling, alternative dispute resolution services, and affirmative employment program planning for client offices and operating units, including O/S, OGC, OIG, and operating units located in the HCHB
- Develops and implements Department-wide policies and initiatives that promote nondiscrimination, diversity, conflict resolution, and accessibility to employment opportunities and Department programs

OFFICE OF BUDGET (www.osec.doc.gov/bmi/budget/)

- Oversees implementation of government-wide and Department-specific policies and procedures relating to budget formulation and execution; manages the formulation and justification of a cohesive budget as required to carry out the Department's mission and programs; advises the Department's leadership on the operating units' budget requests; represents the Department in all budget-related matters involving OMB, Congressional committees and other government agencies; and coordinates preparations for appropriations hearings that involve the Secretary
- Formulates and executes the budget for Departmental Management, and manages all O/S budgetary accounts
- Oversees implementation of performance measurement and reporting under the Government Performance and Results Act, and provides operational support for Departmental Management

OFFICE OF FINANCIAL MANAGEMENT (www.osec.doc.gov/ofm/)

- Provides Department-wide financial management of fiscal policy, external financial reporting, and financial systems
- Coordinates development of the Department's annual financial statements and other external financial reports
- Works collaboratively with the operating units on the annual assessment of internal controls for financial and nonfinancial activities
- Oversees the operation and maintenance of the Commerce Business Systems and ensures that they maximize the efficiency of the Department's financial operations

OFFICE OF ACQUISITION MANAGEMENT (oamweb.osec.doc.gov/index.html)

- Oversees the Department's purchase card program, the delegation of contracting authority, and Departmental review of major acquisitions
- Provides operational support for acquisitions for O/S and other elements of the Department
- Promotes contracting opportunities for small, minority, women-owned, historically underutilized business zone, and service-disabled veteran-owned small businesses

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

(www.osec.doc.gov/osdbu/)

- Counsels small businesses on how to do business with the Department, sponsors networking events for stakeholders, and assists acquisition officials in developing acquisition strategies
- Negotiates and monitors small business prime and subcontract goals for the Department and its operating units

OFFICE OF PROGRAM EVALUATION AND RISK MANAGEMENT

(<http://www.osec.doc.gov/operm/>)

- Develops and oversees implementation of integrated, enterprise-wide policies and procedures for assessing and managing risk

- Conducts evaluations of programs, processes, and administrative functions to identify opportunities for enhancing effectiveness and efficiency across the Department.
- Serves as liaison with the Government Accountability Office and Office of Inspector General regarding audits and studies involved in strengthening nonfinancial internal controls.

OFFICE OF PRIVACY AND OPEN GOVERNMENT (<http://www.osec.doc.gov/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.
- Coordinates the Department's response to incidents involving personally identifiable information
- Administers the Departmental Freedom of Information Act program
- Administers and coordinates the Departmental transparency and Open Government activities
- Manages the Department's numerous Federal Advisory Committee Act advisory committees
- Manages the Department's directives system and relevant Executive Orders used to prescribe the basic management structure and organizational arrangements of the Department

OFFICE OF ADMINISTRATIVE SERVICES (www.osec.doc.gov/oas/)

- Oversees implementation of government-wide and Department-specific policies and procedures for managing real property, personal property, official travel, motor vehicle fleets, energy conservation, environmental stewardship and historic preservation
- Administers the Building Delegation Program for the Department, which includes approximately 4 million square feet in 25 buildings
- Manages the Herbert C. Hoover Building – The Department's headquarters facility – including building renovations, maintenance, repairs, and alternations; space, parking, and mass transit benefits management; and janitorial, moving, landscaping, food, mail, publication, transportation, and conference support services
- Manages the inventory of gifts available for presentation by the Secretary to foreign dignitaries and monitors gifts received by the Secretary

OFFICE OF SECURITY (www.osec.doc.gov/osy/)

- Oversees the security of the Department's domestic facilities, property, information and personnel and works collaboratively with the State Department to ensure the security of U.S. and Foreign Commercial Service operations overseas
- Provides personal protection to the Secretary, visiting foreign officials, and other official guests
- Helps ensure the Department's mission-critical programs and activities continue in the event of an emergency through coordination of Continuity of Government, Continuity of Operations Planning, and Occupant Emergency Planning activities; and management of the Department's Emergency Operations Center
- Assists in implementing Homeland Security Presidential Directive 12
- Facilitates security clearances for personnel, and assists in verifying and evaluating adverse information that may potentially affect suitability determinations
- Oversees development and implementation of Department-wide policies and procedures that relate to protecting and using classified information
- Investigates threats to the Department's mission, operations and activities, and coordinates with other law enforcement and national security entities regarding criminal intelligence, protective intelligence, counterintelligence, and counterterrorism as they impact the Department.

PROGRAM CHANGE FOR FY 2013:

Administrative Savings (Program Base: 0 FTE and \$0 million; Program Change: 0 FTE (0 POS) and -\$2.582 million)

Proposed Actions:

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. The Department's total savings target for FY 2013 is \$176 million, which includes \$142.8 million in savings initiated in FY 2012 and an additional \$33.2 million planned for FY 2013. Building on the Departmental Management's Working Capital Fund administrative savings planned for FY 2012 (\$6,357,000), and additional \$2,582,000 in savings is targeted for FY 2013 for a total savings in FY 2013 of \$8,939,000.

Management Efficiencies (Program Base: 0 FTE and \$0 Million; Program Change: -36 FTE and -\$8.357 million)

Departmental Management Working Capital Fund requests this decrease as part of the consolidated savings effort to reduce cost and increase efficiencies. In an effort to support the objective to reduce spending, Departmental Management Working Capital Fund assessed the priorities and projects within the Fund to identify areas for reduction. The reductions include eliminating FTE, filling positions at lower grades and reducing contracts.

Statement of Need and Economic Benefits:

The benefits to these reductions reside with the bureaus. As a result of these reductions, the bureaus will be able to reduce their overall funding requirement or reinvest the savings in high priority programs that support the Department's mission.

Base Resource Assessment:

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 of the programs within Departmental Management.

PROGRAM CHANGE PERSONNEL DETAIL

Activity: Executive Direction & Departmental Staff Services

Subactivity: Executive Direction, IT, Workforce Excellence, Resource Stewardship
& Departmental Facilities

Program: All

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Various Positions	Washington, DC		(36)	103,588	(3,729,168)
Total			<u>(36)</u>		<u>(3,729,168)</u>

Personnel Data

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

Number

(36)

0

(36)

Authorized Positions:

Full-time permanent
 Other than full-time permanent
 Total

(36)

0

(36)

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Executive Direction & Departmental Staff Services
Subactivity: Executive Direction, IT, Workforce Excellence, Resource Stewardship
& Departmental Facilities
Program: All

Object Class	2013 Decrease
11 Personnel compensation	0
11.1 Full-time permanent	(\$3,729)
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>(3,729)</u>
12 Civilian personnel benefits	(932)
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	(5,593)
25.3 Purchases of goods & services from Gov't accounts	(685)
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>(10,939)</u>

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Department of Commerce
Departmental Management
Working Capital Fund

PROGRAM CHANGE FOR FY 2013:

Enterprise Cybersecurity Monitoring and Operations (Base Funding: 1 FTE and \$2.091 million; Program Change: +0 FTE and +\$.189M): Departmental Management requests an increase of \$.189 million and 0 FTE for a total of 0 FTE and \$2.280 million for software license maintenance costs in support of the standardized common security products and operation of the Commerce-wide continuous monitoring architecture that was established in FY2012. In FY2012, Commerce established consistent, efficient, and effective common controls and situational awareness of the cyber health of workstations, laptops, and servers at each Operating Unit (OU), with the exception of the Census Bureau, and at the Commerce enterprise level. Although Commerce previously had investments that supported decentralized cybersecurity technologies and operations, with the exception of some tracking, reporting, oversight and policy functions, the Department lacked the enterprise-wide cybersecurity capabilities necessary to provide Department-level situational awareness to allow for consistent detection, remediation of and response to cyber events.

This initiative supports Administration cybersecurity priorities, as well as the Secretary's goal of improving Commerce's cybersecurity posture by creating new and enhanced capabilities in response to Department-wide priorities identified in the Commerce Cybersecurity Strategy. The focus of this initiative was (1) vulnerability identification, (2) timely vulnerability remediation and prioritization, (3) asset management, (3) automated patch management, (4) secure configuration management, (5) power management and (6) providing reporting data to enhance OU and Department level situational awareness. Individual OU's are responsible for providing ongoing labor to support their operations of the centralized patch management system.

The Commerce Enterprise Cybersecurity Monitoring System supports enterprise-wide information assurance, a near real-time cybersecurity monitoring, and situational awareness via a distributed system at major Commerce campuses: Commerce Headquarters (Herbert C. Hoover Building), National Institute of Science and Technology (NIST), U.S. Patent and Trademark Office, National Oceanic and Atmospheric Administration (NOAA), International Trade Administration and the shared National Telecommunications and Information Administration/NOAA/NIST campus in Boulder, CO. The Commerce Enterprise Cybersecurity Monitoring System expanded the baseline of cybersecurity capabilities of the Department to mirror the strategy being implemented in several other Federal Departments by leveraging best-in-breed cybersecurity efforts underway within the civilian, defense, and intelligence sectors, and will in place the technology framework to allow future establishment of an Department-wide Enterprise Cybersecurity Center.

Proposed Actions:

Funding is requested to increase the Department's overall real-time cybersecurity posture and situational awareness through the operation of an enterprise-wide cybersecurity capability to continuously monitor all Commerce information technology (IT) assets. Specifically, funding is requested for maintenance of software licenses. The total request for FY 2013 is \$0.189M.

Statement of Need and Economic Benefits:

In today's economic, political, and social environment, addressing IT security is becoming more essential with each passing day. Customers are demanding it as concerns about privacy, identity theft, and theft of intellectual property rise. Business partners, suppliers, and vendors are requiring it from one another, particularly when providing mutual network and information access. Espionage through the use of networks to gain competitive intelligence and to extort organizations is becoming more prevalent. This premise is true across the Federal government (civilian, defense, and intelligence sectors), as well as the private sector including critical infrastructure. The risk environment is such that adversaries are often able to evolve threats and tactics used to attack and exploit government systems more rapidly than we can currently adapt protections.

Organizations are expected to comply with an ever-growing number of standards, guidelines, assessment, and audit instruments. The Federal government has recognized the potential consequences of security breaches to government IT infrastructures, and has been responding through a variety of mechanisms, including the *National Strategy to Secure Cyberspace*, the Federal Information Security Management Act (FISMA), the Comprehensive National Cybersecurity Initiative, and by formulating a variety of cybersecurity initiatives within the Department of Homeland Security and elsewhere.

The Commerce Department mission includes four primary mission essential functions that are critical to the U.S. Government. Adequate security, as referenced in FISMA and Office of Management and Budget (OMB) Circular A-130, requires the Department to ensure that these resources, necessary to execute the mission, are available when they are needed. To ensure that the IT resources which enable these functions are available to Commerce when needed, strong risk management capabilities are essential.

Commerce-wide continuous monitoring and situational awareness are required to effectively counter evolving threats. Prior to FY2012, Commerce's continuous monitoring and situational awareness efforts were implemented at the Commerce OU level. As a result, opportunities for efficiencies were lost, and the quality of implementation and level of capabilities were uneven across the Department and more importantly, the headquarters Office of the CIO lacked a near real-time centralized Department-wide view of cybersecurity across the Commerce enterprise.

To address this issue, Commerce standardized on common security products and implemented a Department-wide continuous monitoring architecture that will provide more consistent, efficient, and effective common controls and situational awareness for each OU and at the Commerce headquarters level. This architecture is comprised of standard security products for patch management, vulnerability scanning (network, host, and application based) and remediation, asset management, and configuration management. Further, this architecture will provide near real-time situational awareness reporting at OU level and built a framework that can be used for an enterprise-wide capability in the future.

Base Resource Assessment:

This initiative provides for continued operation of common tools which allow the Department to reach enterprise economies of scale while providing consistent, repeatable situational awareness of the cybersecurity posture for Departmental systems. Without additional resources, continued operation of the Commerce-wide, near real-time IT security situational awareness capability is not achievable.

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Executive Direction
Subactivity: Enterprise Cybersecurity Monitoring

Object Class	2013 Change
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	189
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	189

Department of Commerce
Departmental Management
Working Capital Fund

PROGRAM CHANGE FOR FY 2013:

IT Security Program Support (Base Funding: 0 FTE and \$.0 million; Program Change: +0 FTE and +\$.218 million): Departmental Management requests an increase of \$.218 million to fund IT Security Program Support with no additional FTE.

Proposed Actions:

The Office of Networking and Telecommunications Operations (ONTO) within the Office of the Chief Information Officer (OCIO) provides the backbone infrastructure for the Herbert C. Hoover Building and the primary network access for the Office of the Secretary (OS). The increase is designed to reduce the Agency's vulnerability to cyber attacks providing enhanced policies and procedures and account management oversight and analysis of data feeds produced from the automated tool(s) funded by the National & Cyber Security Initiative that are expected to be deployed for the Office of Networking and Telecommunications Operations (ONTO) systems. Although the FY 2012 Cyber Security Initiative will provide the automated tools, it does not currently have the necessary skill sets within ONTO to support. Funds are requested to acquire experienced and capable IT Security expertise to develop improved IT policies, procedures, and continuous monitoring activities including (but not limited to) analysis of data feeds from automated tool sets and scans, plan of action, and milestone maintenance. The requested increase provides resources to adequately staff and support the FY 2012 CyberSecurity Initiative and maintain ONTO's overarching IT security program to improve operational security. Implementing standard policies, procedures and account management will help the ONTO provide processes that are consistent in structure with the Departmental IT security posture and protect the Office of the Secretary's data confidentiality, integrity and availability.

Statement of Need and Economic Benefits:

The purpose of the ONTO's Information Technology (IT) Security Program is to ensure that adequate controls are in place to protect the confidentiality, integrity and availability of the Herbert C. Hoover Building backbone infrastructure and the Office of the Secretary's network. The ONTO 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.

Base Resource Assessment:

Existing staffing levels are inadequate to ensure compliance with IT Security laws, directives, recent OMB mandates, as well as industry and government best practices. The increased staffing levels are necessary to provide additional support to ensure that the appropriate operational security posture is maintained for the ONTO IT systems.

Schedule and Milestones:

Milestones will be developed in support of initiative for the introduction of additional staff to augment the existing staff currently in place.

Milestone 1: 8/2012 – Develop Statement of Work for contractor support.

Milestone 2: 11/2012 – Award contract for IT Security support.

Deliverables:

Capabilities/deliverables provided by the staff increase are:

- Account management oversight of the ONTO systems
- Update/Creation ONTO system level policies/procedures
 - Implementation of ONTO system level policies/procedures
- Continuous maintenance of ONTO system security documentation and testing
- Plan of Action and Milestone (POA&M) maintenance

Performance Goals and Measurement Data

Performance Goal Performance Measure:	FY 12 Target	FY 13 Target	FY 14 Target	FY 15 Target	FY 16 Target	FY 17 Target
With increase	0%	100%	100%	100%	100%	100%
Without increase	0%	25%	25%	25%	25%	25%

Percentage of accounts monitored on ONTO system

Performance Goal Performance Measure:	FY 12 Target	FY 13 Target	FY 14 Target	FY 15 Target	FY 16 Target	FY 17 Target
With increase	50%	100%	100%	100%	100%	100%
Without increase	50%	50%	50%	50%	50%	50%

Percentage Plan of Action and Milestone (POA&M) tracked/monitored and closed on time

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Departmental Management
 Subactivity: Chief Information Officer

Object Class	2013 Change
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	218
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	218

Department of Commerce
Department Management
Working Capital Fund

PROGRAM CHANGE FOR FY 2013:

Software Refresh (IT Services Support) (Base Funding: 0 FTE and \$0 million; Program Change: +0 FTE and +\$.169 million): Departmental Management requests an increase of \$.169 million for a Software Refresh through IT Services Support with no additional FTE.

Proposed Actions:

This initiative is necessary to upgrade existing software and hardware to support the Departmental Directory Services and ListServ applications.

- **Directory Services:** The current software that is used to manage the DOC Lightweight Directory Access Protocol (LDAP) directories and the O/S Exchange Global Address List (GAL) has reached its end of life. Our application is Microsoft Identity Lifecycle Manager 2003 (ILM 2003), which has been replaced by Microsoft Forefront Identity Manager 2010 (FIM 2010). FIM 2010 is just the most recent version of ILM. The Department is proposing to replace ILM 2003 with FIM 2010 which is essentially the same product despite the name change. The ILM application provides service in two areas: 1) it allows us to create and manage the public-facing and internal all-DOC directories; and, 2) it allows us to automate account management within Office of the Secretary (O/S). For item # 1, the Bureaus provide the raw directory data as inputs to the ILM process. ILM creates a "meta-directory" representing all of Commerce and synchronizes that data to all-DOC directories (the public "Person Finder" at <http://dir.commerce.gov> and the Intranet "Person Finder" at <http://docdir.commerce.gov>) as well as the Exchange GAL in O/S. The ILM process that updates the directories runs seven days a week. Most Bureaus provide daily input to the directory update process. For item # 2, creating a new account in O/S consists of roughly 40 discrete steps. The vast majority of those steps are automated by ILM (FIM). When a new O/S Active Directory account is created, ILM creates the associated mail account, assigns group membership, creates a new Safeboot account, and performs other administrative tasks. Likewise, when an employee departs O/S, ILM automates the many steps involved in de-activating an O/S account and removing the mailbox.
- **ListServ:** ListServ is the industry standard for email list management software. This software facilitates the ability to create and manage Internet email lists. This is very important because of a peculiar limitation in the Microsoft Exchange distribution lists. In an Exchange list, you can only enter a name that already exists in the Exchange directory (the "GAL" or global distribution list). Since DOC/OCIO populates the GAL with all DOC employees, the Department can use Exchange lists as long as all the members are DOC employees. The Department uses ListServ for managing lists that include addresses outside of DOC. A few examples: 1) HCHB tenants who are not part of DOC (COHO, Credit Union, National Park Service, Aquarium) receive DOC broadcasts through ListServ lists, 2) The immediate Office of the Secretary communicates with the "Faith-Based and Community Initiatives" participants through ListServ lists. The Department has created extremely large one-time email lists for the Office of the Secretary to respond to citizen write-in campaigns on high-visibility topics.

Statement of Need and Economic Benefits:

This funding increase is necessary to improve our service offerings and to reduce the manual, time consuming tasks to support our customers to allow administrator resources to be utilized in other areas. Many of the current standard software tools have also reached end of life support by contracted vendors. The current version of Identity Lifecycle Manager (ILM 2003) may cease to be supported and will not function on the next generation of server platforms. The current server is running Windows 2003 and will need to be upgraded/replaced by Windows 2008 within the next 18 months. In addition, the ILM application works in concert with a database (Microsoft SQL), underlying services (the Microsoft .Net Framework), and an application development environment (Microsoft Visual Studio .Net). As all of these are replaced with more recent versions by Microsoft, the versions supported by ILM 2003 will cease to work, requiring the upgrade to FIM 2010. When that happens, there will no longer be a DOC directory available to the public or to Commerce employees. The Exchange GAL will only contain Office of the Secretary names. Account management automation will not be available, requiring more IT resources to manage accounts in O/S and DOC will lose the ability to quickly create and administer email mailing lists in support of the Department. This funding is for refreshing software to maintain support from vendors as well as maintain a level of confidence in meeting the DOC goal of providing higher level of customer support.

Base Resources Assessment:

Currently software refresh has not been included as part of the base budget requests for several years. The upgrade of the two applications (Microsoft Identity Lifecycle Manager 2003 and LSoft ListServ Lite) that are requested are necessary since both are nearing end of life/end of support and require intensively manual operations to support. Upgrading to a new more robust and automated system will allow system administrators to utilize their resources in other areas. Unless software is upgraded, there is the potential of security risks since these applications will no longer be maintained and security/vulnerability patches will no longer be available.

Schedule and Milestones:

Schedule and Milestones will be developed in support of the deployment of new software as follows:

- Milestone 1: 8/2012 – Develop Statement of Work for acquisition of software and hardware
- Milestone 2: 11/2012 – Award contract for Software support and services
- Milestone 3: 11/2012 - Award contract for Hardware support and services.

Deliverables:

- Vendor will provide software and professional installation and support for new software that is being procured as part of this request.

Performance Goals and Measurement Data

Performance Goal Performance Measure:	FY 12 Target	FY 13 Target	FY 14 Target	FY 15 Target	FY 16 Target	FY 17 Target
With increase	Maintain active directory					
Without increase	Active directory not maintained					

With the funding increase will maintain an active directory.

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Departmental Management
Subactivity: Chief Information Officer

Object Class	2013 Change
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	149
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	20
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	169

Department of Commerce
Departmental Management
Working Capital Fund

PROGRAM CHANGE FOR FY 2013:

Building Management Division Fan Coil Units (Base Funding: 0 FTE and \$.0 million; Program Change: +0 FTE and +\$.780 million): Departmental Management requests an increase of \$.780 million for contract costs to maintain the new fan coil units, blast windows, and newly refurbished operable historic windows.

Proposed Actions:

This initiative will fund a new contract to maintain 692 new fan coil units, 725 new blast windows and 725 refurbished and newly operable historic windows within the Herbert C Hoover Building (HCHB). These assets will be delivered in Phase II of the HCHB Renovation (Feb 2012), and will require maintenance in FY 2013 after the initial warranties expire.

The HCHB is undergoing an eight phase systems renovation. In Phase II of the renovation, 692 new fan coil units are being installed replacing the current radiation heat. Additionally, 725 historic windows are being refurbished to become operable and 725 new operable blast windows are being installed inside of the historic windows to protect HCHB occupants in the event of a serious incident.

This program increase is required to maintain the new fan coil units, operable blast windows and newly operable historic windows in accordance with manufacturer and GSA recommended Preventive Maintenance tasking. Fan coil maintenance tasking includes; quarterly filter changes, visually and touch point inspection of blower and heat exchanger units, verification of operational controls for blower units, verification of systems control functions and repair of all worn or defective components. Each fan coil unit requires seven dedicated maintenance tasks per year, taking a total time of 8.4 hrs. A parts and labor rate of \$85/hr results in a yearly cost of \$495,000. Historic window preventative maintenance tasking includes visual inspection of gasketing and panes, cycling of both sets of upper and lower casement windows, cleaning and lubing the raceway and confirming operation of the counterweights and replacement or repair of defective items such as counterweights, handles, gaskets and broken panes. Each historic window requires five dedicated maintenance tasks per year, taking a total time of 3.15 hrs. A parts and labor rate of \$85/hr results in a yearly cost of \$194,000. New Blast window preventative maintenance tasking includes verification of security lock integrity and window locking mechanisms, cleaning and lubing of window hinges, cleaning and lubing of locking mechanism, cycling of the imbedded blinds and repair of defective parts such as locks, blinds and hinges. Each of the new blast windows requires three dedicated maintenance tasks per year, taking 1.5 hrs with a parts and labor rate of \$85/hr. This results in a yearly cost of \$92,400. Properly maintained units will provide tenant safety, workplace heating and cooling and prolong the life of the items.

The HCHB Renovation project is replacing the old steam radiation heating with new individual fan coil units. Steam radiators require infrequent minor preventative maintenance. The new fan coil units require quarterly filter changes as well as semiannual and annual maintenance of key operating components. The preventive maintenance task time required is based on actual hours used to perform the maintenance of existing fan coil units in the Phase I Swing Space and the GSA standard time data (allowable hours as a portion of an Full Time Equivalent head (FTE), to accomplish the associated tasking derived from maintenance practices across the GSA portfolio and manufacturer's recommendations) and tasking for fan coil unit preventative maintenance. Historic windows are being refurbished to become operable and additional operable blast windows are being installed to protect the occupants of the HCHB. The preventive maintenance task time required is based on GSA standard time data and tasking for maintenance of historic double hung windows and the manufacturer's recommended preventative maintenance schedule for the new blast windows. The Building Management Division is not equipped with current FTE to perform this new required preventive maintenance function.

Statement of Need and Economic Benefits:

Per the Department of Commerce Delegation Agreement with GSA, signed August 11th 1994 and in agreement with the current draft Department of Commerce Delegation Agreement with GSA, states that the Agency shall adhere to the operations and maintenance standards GSA has set for itself 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. The Agency shall 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. Biannually or more frequently at the discretion of GSA regional management, GSA will conduct an operational analysis of building systems and equipment as well as render an account of the Agency's preventive maintenance program and records. At the conclusion of the review, GSA will provide a report giving the condition of the equipment selected for assessment. The report will identify all problems of the selected equipment. The Agency shall 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 shall be coordinated with the appropriate GSA regional representatives. Per the Department of Commerce Delegation Agreement with GSA, preventive and routine maintenance includes but is not limited to inspection and servicing of exterior apertures (windows, doors, shutters), fire doors, conveying systems (elevators, wheelchair lifts, escalators), plumbing and mechanical systems (heating, air-conditioning, fire and safety). For HVAC systems the following tasks are considered preventive and routine maintenance: annual start-up; system balancing; periodic filter change; motor, fan and compressor lubrication; and fan, motor and compressor replacement. Repair that requires replacements that do not increase the value or prolong the useful life of an asset are considered repair expenses. Per GSA, repair expenses include the replacement of HVAC components that do not last beyond the original equipment's useful life. The Life cycle for the Fan coil units is currently defined as ten years by RS Means and through external government cost estimates. GSA Triangle Services Group is

confirming the life cycle for the specific units installed in Phases I, II and III. If a proper preventative maintenance program is followed, GSA will incur responsibility under the delegation agreement to fund the replacement program at the end of the life cycle. This responsibility will be projected in the GSA Building Evaluation Reports (BER's) and Asset Business Planning. Failure to perform the required preventive maintenance will put the HCHB in breach of the Department of Commerce Delegation Agreement with GSA. An extended period of no preventive maintenance or suboptimal preventive maintenance will result in premature failure of fan coil units, and inoperability of both historic and blast windows. The financial liability for the degradation of these assets would belong to the Department of Commerce due to the deferred maintenance. The tenants might be adversely impacted due to the inability to provide heating or cooling to their space. Damage to historic windows, condensation or other visual impairment issues related to the windows, would be significantly more costly and time consuming to repair once the windows becomes inoperable. This increase for funding the new contract is the only means of complying with the GSA Delegation Agreement to keep the new fan coil units and operable windows in "proper working order."

Base Resource Assessment:

The Building Management Division does not currently perform preventive maintenance on the historic windows. The windows are inoperable and deemed to be beyond preventive maintenance. They are being restored to an operable state and refurbished in the HCHB renovation. The newly refurbished windows must be maintained according to manufacture recommended standards to stay operable. Failure to perform preventative maintenance will result in the windows quickly reverting to an inoperable status. A new scope of work is being created due to the renovation of the HCHB resulting in new assets and now functioning historical assets that must be maintained as part of the building's annual operations and maintenance. Funding is necessary to support the new tasking. The current requirements are due to Phase II components coming on line in FY 2013. Future increases will follow after each phase is commissioned.

Schedule and Milestones:

Phase 2 commissioning 692 FCU & 725 windows and blast windows	Feb 2012
Phase 3 commissioning 925 FCU & 725 windows and blast windows	Sept 2013

Deliverables:

A new contract with a base year four option years will allow the HCHB to maintain the newly installed window and fan coil assets in compliance with GSA delegation guidelines and provide an acceptable environment with respect to natural lighting and temperature control for HCHB tenants.

Performance Goals and Measurement Data

Performance Goal Performance Measure:	FY 12 Target	FY 13 Target	FY 14 Target	FY 15 Target	FY 16 Target	FY 17 Target
With increase	692 new FCUs and 1450 windows maintained	692 new FCUs and 1450 windows maintained	1617 FCUs and 2900 windows maintained	1617 FCUs and 2900 windows maintained		
Without increase	692 new FCUs and 1450 windows not maintained	692 new FCUs and 1450 windows not maintained	1617 FCUs and 2900 windows maintained	1617 FCUs and 2900 windows maintained		

With the funding increase the contract will be scoped, bid and sourced to maintain the window and fan coil assets. Without the program increase the window and fan coil assets will not be maintained.

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Departmental Staff Services
 Subactivity: Departmental Facilities

Object Class	2013 Change
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	780
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	780

Department of Commerce
Departmental Management
Working Capital Fund

PROGRAM CHANGE FOR FY 2013:

Maintenance Contract HVAC (Base Funding: 0 FTE and \$ 0 million; Program Change: +0 FTE and +\$.160 million): Departmental Management request an increase of \$.160 million and no additional FTE, to purchase a maintenance contract for the Heating Ventilation Air Conditioning (HVAC) system.

Proposed Actions:

This initiative will increase the level of effort on the maintenance contract for the Herbert C Hoover Buildings (HCHB) automation controls for the HVAC and energy management system. In February 2012, Phase II of the HCHB Renovation will increase the monitoring and control points of the system from 4,700 to over 11,700 points to accommodate a new chiller plant, emergency generators, and 692 new fan coil units. The one year warranty on these new control points will expire in February 2013, requiring the level of effort on the existing maintenance contract to be increased to accommodate the maintenance of the additional 7,000 control points.

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.

The Herbert C Hoover Building has a building automation system that is currently monitoring 4,700 control points. The primary function of the control system is to provide temperature control throughout the 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 Nuclear - CBD) 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 the HCHB is renovated.

Statement of Need and Economic Benefits:

Maintenance of the building control system has been accomplished by contract since its installation in 1987. The Building Management Division (BMD) is not equipped with current FTE or a specialist knowledge base to pick up this function. No HCHB technicians have been or are currently trained to program or maintain this system. The current contract is in its last option year and is being rebid with the increased scope. Due to the renovation of the HCHB, the old steam radiation heating is being replaced by new individual fan coil units. Each fan coil unit has multiple monitoring points that must be controlled to provide a comfortable working environment for the tenants. New points are covered under a one year warranty after installation for monitoring and maintenance. The new dedicated outside ventilation units, supply fans, chiller

plant and emergency power generation units for the building are also being monitored and controlled by this system. The GSA renovation has specified this control system through the two currently funded phases of the project, Phases II and III. This system is critical to building operations as the building could not be occupied per OSHA, EPA and ASHREA guidelines, if the ventilation system is not functional. The single point shutdown function is also critical for the safety of the HCHB tenants to prevent outside contaminants or smoke from being distributed throughout the building during an emergency. The BMD has worked diligently to fine tune the scope of work, removing obsolete monitoring points and adding in the newly installed points. The cadence of adding in the new points as they come off of warranty provided coverage has been included in the scope to make sure that the Department does not incur any additional costs that should be funded by the renovation project. Additional risk has been transferred to the BMD from the contractor by reducing and eliminating some warranty coverage for parts in the new contract with a savings of nearly one million dollars during the base year and four option years.

This system is classified as a critical building operations system. Without this system the HCHB cannot control the heating and cooling of the building. Without a control system the HCHB cannot meet the OSHA, EPA and ASHREA guidelines with respect to indoor air quality, air exchange rates and recommended ambient temperature. HCHB will not be able to meet the Federal Management Regulation FMR section 102-74.35 referencing "heating and cooling... at appropriate levels to support Federal agency missions"; 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 – April 12, 2010 the 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." Pg A-10. The "one step shut-off" for all ventilation systems, protects the building tenants from external contamination (Chemical Biological Nuclear - CBD) 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 the HCHB.

Per the Department of Commerce Delegation Agreement with GSA, the Agency shall adhere to the operations and maintenance standards GSA has set for itself 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. The Agency shall 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. This increase funding for the new contract is the only means of complying with the GSA Delegation Agreement.

Base Resource Assessment:

The current contract is in its 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 Phase I and Phase II components coming off warranty. Future increases will follow after each phase is commissioned and the monitoring points move through their warranty period.

Schedule and Milestones:

- New contract scope of work and government cost estimate submitted to OAM.
- Current contract expires: The expiring contract covers 3,000 points, HCHB now has 4,700 monitored points and in FY 2013 will have 11,700 monitored points. The BMD is working with OAM to source a new contract.
- Base year new contract: A new base year contract covering the additional 11,700 points with outyear increases to reflect the cadence of additional points from Phase 2 & 3 coming off of warranty and onto the new contract. The additional expense for FY 2012 will be taken out of existing funding due to efficiencies realized in other maintenance efforts.

Deliverables:

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

Performance Goals and Measurement Data

Performance Goal Performance Measure:	FY 12 Target	FY 13 Target	FY 14 Target	FY 15 Target	FY 16 Target	FY 17 Target
With increase	4700 points monitored and maintained	11,700 points monitored and maintained	20,200 points monitored and maintained	20,200 points monitored and maintained	26,850 points monitored and maintained	26,850 points monitored and maintained
Without increase	< 4,700 points monitored and maintained					

With the funding increase the contract will be increased to monitor and maintain the additional points. Without the program increase the existing level of service cannot be maintained even for the existing 4700 points due to cost of living increases and Phase I Swing Space monitoring points additions above the previous contract base (3000). Additionally, the HCHB will lose the ability to control its HVAC and energy management system in Phase II and beyond.

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Departmental Staff Services
Subactivity: Departmental Facilities

Object Class	2013 Change
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	160
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	160

Department of Commerce
 Departmental Management
 Working Capital Fund

PROGRAM CHANGES FOR FY 2013:

Business Application Solutions (BAS) (Base Funding: 0 FTE and \$0 million; Program Change: + 1 FTE and + \$3.900 million): Departmental Management requests an increase of \$3.900 million and 1 FTE to conduct detailed planning, organizational readiness, and acquisition support activities for the Business Application Solutions project to modernize the Department's financial and administrative systems environment, in accordance with the following strategic goals and objectives:

- 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-Gov initiatives including travel, acquisitions, and grants.
- Improve support of strategic technology plans for a wide range of administrative business application environments.
- Maintain availability of information for management decisions and continue the Department's clean audit opinion on its production systems during transition.

Proposed Actions:

This budget request is for the detailed planning, organizational readiness, and acquisition phase of the BAS project. The budget request includes the funds needed to conduct detailed implementation planning for the modernization of the Department's enterprise-wide business applications, including Core Financials, Data Warehouses and Acquisitions. In addition, this request includes funds needed to define and execute the acquisition of new software and services, including Request for Proposal (RFP) development and release, proposal evaluation, and vendor selection for the multi-year BAS project. The primary objectives for FY2013 are to have detailed multi-year implementation plans and to have acquired the goods services and software needed to modernize the Department's business systems environment – Core Financials, Data Warehouses and Acquisitions – by the end of FY2013.

This detailed planning and acquisition phase is the foundation for the entire the Department's strategic goal to "Modernize DOC financial and administrative systems." The BAS project consists of three distinct phases:

- Phase I – Detailed Planning and Acquisition - FY2013
- Phase II – Phased Implementation Approach - FY2014 - FY2018
- Phase III – Operations & Maintenance (O&M) - FY2015-FY2022

This budget requests describes the funds needed for Phase I - Detailed Planning and Acquisition.

BAS Phase I in FY2013 includes an extensive amount of detailed planning and acquisition support services needed to successfully initiate the long-term modernization of the Department's Core Financials, Data Warehouses and Acquisitions applications. Key deliverables and activities for which funding is being requested in FY2013 are presented below:

- As-Is Process Flows highlighting candidates for near-term Business Process Reengineering (BPR)
- Initial BPR (solution independent) and short-term Incremental Improvements
- Detailed CBS Data Model Analysis – Highlighting differences/gaps across bureaus
- Project Charter
- Concept of Operations / Implementation Approach
 - Phased Implementation Approach and Updated Timelines
 - Hosting Approach
 - O&M Approach
- Program Management Plan
 - Risk and Issue Management Plan
 - Governance Model
 - Staffing Approach
 - Updated Notional Work Breakdown Structure (WBS)
- Organizational Change Management (OCM) Approach
 - OCM Planning
 - Organizational Readiness Assessment (includes stakeholder analysis)
 - Communications Approach
 - Training Approach
 - OCM Approach
 - Organizational Readiness Support (preparing the organization in advance of implementation)
- Acquisition Strategy Plan
 - Define Detailed Scope of Acquisition Services (Core Financials, Data Warehouse, Acquisitions)
 - Software Selection
 - Integration Services
 - O&M and Help-Desk Services
 - Change Management Services
 - Program Management (PM) Support Services
 - Independent Verification and Validation (IV&V) Support Services
 - Hosting Services
 - Develop Technical Review and Evaluation Criteria
 - Request for Information (RFI) / Sources Sought Development
 - Software Vendor Demonstration Preparation and Support
 - Statement of Work (SOW) and Requirements Development
 - Draft RFP / Request for Quote (RFQ) Development
 - Vendor/Bidders Conference
 - Final RFP/RFQ Development
 - RFP/RFQ Evaluation Support

The BAS project has already completed its initial current-state analysis activities, defined the conceptual modernization alternatives and selected the target modernization approach – a Hybrid solution to implement a new suite of commercial-off-the-shelf (COTS) software products from one or more vendors to replace the Department's financial and business systems. The Department is actively working with OMB to help ensure compliance with emerging guidance on systems

modernization initiatives and has validated that the Hybrid approach will meet White House objectives for Cloud Computing-based solutions.

The Department has contracted with a vendor who is a known leader in providing federal financial management services to develop independent analysis and cost estimates in support of the BAS project. The analysis included the development of detailed cost models supporting the budget estimate contained in this document.

Working with representatives from each of the Department's bureaus and administrative offices, the vendor developed cost estimate projections for modernizing a wide range of administrative and business system areas (listed above) during fiscal years 2013 through 2022. The cost estimate projections included the total estimated costs of a range of alternative approaches for either consolidating or replacing the Department's legacy administrative and business systems. Cost estimate projections were also developed for the operations and maintenance (O&M) of the new target systems environment for each alternative. The administrative and system areas to be included as part of this budget request include Core Financials, Data Warehouses and Acquisitions.

Statement of Need and Economic Benefits:

The funding increase is needed to begin necessary systems modernization improvements due to significant system and operational inefficiencies and redundancies across the Department as well as lack of sufficient departmental managerial reporting. Key business needs that will be met by the BAS project include:

- Improvement of analytical reporting quality through Department-wide centralized application and data standardization.
- Gain IT operational efficiencies by taking full advantage of cloud-based solutions, and reduce operational risks.
- Timely access to accurate data for management decision making at a departmental reporting level.
- Achieve consistent availability of information for management decisions and continue the Department's clean audit opinion on its production systems, especially during transition.
- Reduce redundancy by consolidating interfaces and feeder systems to increase emphasis on more efficient and effective administrative and business management.

Base Resource Assessment:

The Office of the Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA) is responsible for the continuous monitoring of the Department's financial management effectiveness and for aligning the strategic modernization efforts of the Department's business systems. Determining the future direction of the Department's business systems requires a thorough comprehension of the current-state environment, possible operational alternatives, and an understanding of which systems and processes are in alignment with evolving Office of Management and Budget's (OMB) and Treasury guidelines.

The Department recently initiated the BAS project to provide comprehensive business system modernization support services. The goals of the BAS project are to help determine the long-term viability of the legacy business systems, as well as to define, plan, and drive the Department's modernization efforts. The functional areas (and the supporting systems) included within the BAS systems modernization review included:

- Core Financials (CBS)

- Data Warehouses (various)
- Acquisitions (CSTARs)
- Grants (various)
- Personal Property (various)
- Financial Statements (Hyperion)
- Time & Attendance (webTA) Travel (various)

Currently the Department has numerous IT and Program Management staff devoted to the O&M of the Department's existing legacy business systems. During the BAS project, a portion of these staff will be dedicated (partially or fully) to the BAS project to support the modernization effort. However, one Contracting Specialist/Contracting Officer FTE is requested to provide dedicated contracting support during the planning, implementation and O&M phases.

Schedule and Milestones:

See the notional schedule below with key milestones:

Activity/Milestone	Start	Finish
Develop Acquisition Plan and Source Selection Plan	10/01/12	12/31/12
Develop Project Management Plan	10/01/12	01/31/13
Perform Pre-Solicitation Activities	12/03/12	01/31/13
Develop SOW/SOO and Solicitation Package	02/01/13	03/29/13
Develop Detailed Requirements	02/01/13	03/29/13
Develop Operational Capability Demos (OCD) Scenarios	02/01/13	03/29/13
Issue Solicitation	04/01/13	05/15/13
Source Selection and Contract Award	05/16/13	09/30/13

Deliverables:

Project Charter; Implementation Approach; Project Management Plan; Detailed Implementation Plan and WBS; OCM Approach; Training Approach, Communications Plan; Organizational Impact Assessment; As-Is Process Flows, Initial BPR Assessment, Implementation Readiness Support Plan, Acquisition Strategy Plan, RFI/Sources Sought Development, Software Vendor Demonstrations, Requirements and SOW Development, Procurement/Acquisition Support and Source Selection Support

Business Application Solutions Performance Goals and Measurement Data

Performance Measure*:	FY 2012 Target	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target
With Increase	NA	NA	NA	NA	NA	NA
Without Increase	NA	Multiple	Multiple	Multiple	Multiple	Multiple
Description: For each administrative/business system, reduce the number of instances.						

*This measure is contingent on funding in FY 2013, with the results not expected before FY 2014. Therefore, for FY 2013, the target is NA.

Definition:

This performance measure represents the number count of instances (separate and distinct financial and acquisitions production databases belonging to each bureau/office that is the system of record

for accounting/acquisition information and data) in the current environment versus the number count of instances in the target environment.

The goal is to reduce the number of locations that house DOC's financial and acquisition systems 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.

For the Commerce Business Systems (CBS – DOC's financial system of record in 12 of the 14 bureaus), there are three production instances located at each of the production Bureaus (Census, NIST and NOAA) along with their supporting testing and training environments.

For the C.Suite acquisition system, there are four production instances at Census, NIST, NOAA and the Office of the Secretary along with their supporting testing and training environments.

Performance Measure*:	FY 2012 Target	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target
With Increase	NA	NA	NA	NA	NA	NA
Without Increase	NA	Multiple	Multiple	Multiple	Multiple	Multiple
Description: For each administrative/business system, reduce the number of data calls and consolidate efforts to streamline the data through one source.						

*This measure is contingent on funding in FY 2013, with the results not expected before FY 2014. Therefore, for FY 2013, the target is NA.

Description:

This performance measure reflects the number of data calls that must be performed in each production environment (three for the financial system and four for the acquisition system) for financial and acquisition-related data and information versus the number of data calls performed in the target environment. The target refers to the data source (e.g., data warehouse) that the responses would be generated from as a result of 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 and data must be issued to each bureau/office that maintains the instance and the information and 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.

Performance Measure:	FY 2012 Target	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target
With Increase	Unqualifi ed	Unqualifi ed	Unqualifi ed	Unqualifi ed	Unqualifi ed	Unqualifi ed
Without Increase	Unqualifi ed	Unqualifi ed	Unqualifi ed	Unqualifi ed	Unqualifi ed	Unqualifi ed
Description: Unqualified Audit Opinion.						

Description:

This measure reflects the result of the Financial Statement Audit. 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.

Performance Measure:	FY 2012 Target	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target
With Increase	NA	NA	NA	NA	Partial Complia nce	Partial Complian ce
Without Increase	NA	Non- Complia nce	Non- Complia nce	Non- Complia nce	Non- Complia nce	Non- Complian ce
Description: For each administrative/business system, maintain compliance and alignment with OMB initiatives.						

*This measure is contingent on funding in FY 2013, with the results not expected before FY 2014. Therefore, for FY 2013, the target is NA.

This measure 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).

PROGRAM CHANGE PERSONNEL DETAIL

Activity: Departmental Staff Services
 Subactivity: Office of Financial Management
 Program: Business Application Solutions

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Contract Officer/Contracting	Gaithersburg, MD	Band 5	1	148,447	148,447
					0
					0
					0
Total			<u>1</u>		<u>148,447</u>
less Lapse		25%	<u>0</u>		<u>37,112</u>
Total full-time permanent (FTE)			1		111,335
2012 Pay Adjustment (0%)					0
2013 Pay Adjustment (0.5%)					557
TOTAL					<u>111,892</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	1
Other than full-time permanent	0
Total	<u>1</u>

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in millions)

Activity: Departmental Staff Services
Subactivity: Office of Financial Management
Program Change: Business Application Solutions

Object Class		2013 Increase
11	Personnel compensation	
11.1	Full-time permanent	112
11.3	Other than full-time permanent	-
11.5	Other personnel compensation	-
11.8	Special personnel services payments	-
11.9	Total personnel compensation	<u>112</u>
12	Civilian personnel benefits	26
13	Benefits for former personnel	-
21	Travel and transportation of persons	3
22	Transportation of things	-
23.1	Rental payments to GSA	9
23.2	Rental Payments to others	-
23.3	Communications, utilities and miscellaneous charges	2
24	Printing and reproduction	1
25.1	Advisory and assistance services	-
25.2	Other services	3,740
25.3	Purchases of goods & services from Gov't accounts	-
25.4	Operation and maintenance of facilities	-
25.5	Research and development contracts	-
25.6	Medical care	-
25.7	Operation and maintenance of equipment	-
25.8	Subsistence and support of persons	-
26	Supplies and materials	1
31	Equipment	6
32	Lands and structures	-
33	Investments and loans	-
41	Grants, subsidies and contributions	-
42	Insurance claims and indemnities	-
43	Interest and dividends	-
44	Refunds	-
99	Total obligations	<u>3,900</u>

Department of Commerce
 Departmental Management
 Working Capital Fund

PROGRAM CHANGE FOR FY 2013:

Human Resources Management System (HRMS) (Base Funding: 2 FTE and \$4.984 million; Program Change: +2 FTE and +\$2.231 million): Departmental Management requests an increase of \$2.231 million and 2 FTE to continue implementation of the Human Resources Management System (HRMS). The manually intensive and non-standardized HR processes that currently exist throughout the Department's various bureaus and offices result in increased costs, increased risk of loss of privacy data, and inefficient organizational management. The HRMS will provide an agency-wide, modern, cost-effective, standardized, and interoperable HR solution that delivers common, core functionality to support the strategic management of human capital and address the manual and inefficient processing of HR transactions across the Agency.

Proposed Actions:

The HRMS leverages the technology solution of an Office of Personnel Management (OPM) certified provider under the Human Resources Line of Business (HR LOB). The HRMS provides an enterprise-wide system that enables 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.

Phased deployment of the HRMS system, based on an OPM certified HR LOB solution, will provide substantial benefits and efficiencies in each of the 45 defined HR processes and 218 supporting activities. 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 Department. The employees of nine DOC bureaus/offices, totaling 27,900 employees, will be migrated to the system in FY2012. Employees of NIST and NTIS will be migrated to the system in FY2013. Employees of NOAA will be migrated in FY2014.

Statement of Need and Economic Benefits:

The Department is one of the only cabinet level agencies that does not have an integrated system supporting its HR functions, processes and activities. As a result, the activities supporting HR functions and processes are primarily manual and the development of non-standardized cuff systems - in house developed or purchased systems that the Department bought to supplement its needs - has proliferated throughout the various bureaus. Deployment of a HR LOB solution is critical to address the manually intensive and non-standardized HR processes across the enterprise that result in increased costs, increased risk of loss of privacy data, and inefficient organizational management.

The heavy reliance on paper and redundant data entry increases cycle times and error rates for all processes. The proliferation of these labor intensive and non-standardized processes cuff systems exacerbates the lack of standardization and creates an environment of increased complexity and security risk. A modern HR management system, leveraging a HR LOB solution, will deliver significant qualitative benefits to the Department, including:

- Eliminate inefficiencies of manual transaction processing, duplicate data entry and manual reporting processes,

- Reduce probability of loss of Personally Identifiable Information (PII) and associated costs,
- Address the proliferation of cuff systems that exacerbate the lack of standardization that creates an environment of increased complexity and security risk,
- Deliver standardized HR processes and workflow based on best business practices that eliminates redundant transaction processing
- Reduce level of effort to complete administrative tasks and enable shift of focus towards more strategic portions of Human Capital management, and
- Result in a robust Human Capital organizational structure well-positioned to support the Inspector General community, the Administration's fiscal responsibility and technology objectives, support activities of the Department's Labor-Management Forum and improve delivery of Government services.

In addition to the substantial qualitative benefits, the Department will realize quantitative benefits in both cost avoidance and true cost savings. It is anticipated that the cost savings realized by deploying a Department-wide HR LOB solution provides for investment payback half-way through FY2015 (the first year of steady state operations) and a return on investment of 15.2% by the end of FY2016. It is anticipated that the quantitative benefits and return on investment will be substantially higher once the full benefit of process standardization and data consistency has been realized. Full realization of the benefits is dependent of the migration of the remaining DOC bureaus/offices to HRMS in FY2013 and FY2014.

Base Resource Assessment:

The Department does not currently have an automated, enterprise-wide HR management system. The DOC was one of only two cabinet level agencies that have either not deployed a HR LOB solution or does not have integrated system supporting its HR functions, processes and activities. The base resource provided for the migration of the employees of eleven DOC bureaus/offices, totaling 27,900 employees, to the system in FY2012 and the establishment of initial operation capability. Additional funding is required in order to continue migration of the remaining offices and bureaus.

For the remaining offices and bureaus, the current HR system of record, known as the NFC Entry Processing Inquiry and Correction (EPIC) System, provides limited functionality that minimally supports two HR activities (e.g., personnel and payroll actions processing) and provides limited and costly reporting. Additionally, the lack of a single, enterprise-wide HRMS utilized by all bureaus and offices results in the following functional, cost, service and organization deficiencies:

- Limited validation functionality that leads to inability to trap numerous system errors prior to processing through the payroll interface resulting in re-work, additional labor costs, inaccurate payments, etc.;
- Manually intensive and non-standardized HR processes across the enterprise that results in inefficient and ineffective processing, increased labor costs, and reduced data confidence,
- Labor intensive user interaction with limited system of record that is not user friendly or easily/inherently navigated;
- Increased complexity and cost related to the development and maintenance of supporting systems (cuff systems) to substitute for lack of functionality in the current HR information system;
- Duplication of effort and increased labor costs given inability to leverage work completed by customers;
- Excessive labor costs given lack of a paperless workflow (end-to-end) process that tracks the actions for employee records;

- Decreased level of effort and associated costs to perform workforce analysis and employee trend analyses given lack of analysis tools and reporting capability;
- Prolonged staff acquisition cycles that negatively impact mission operations and business and administrative support requirements;
- Limited customer ability to view status of their own actions and independently generate employment reports and analyses;
- Inability to view real-time, multi-pay period data thereby limiting decision-making efficiency,
- Continued loss of organizational knowledge of the existing system given attrition of staff seeking opportunities to develop skills not afforded via current HR system and supporting processes; and,
- Significant increase in risk of privacy breaches given paper transfer of PII in order to process HR actions.

Schedule and Milestones:

The HRMS will be deployed in a phased approach; consistent with OMB's capital planning guidance to define milestones that deliver useful components/modules (i.e., *an economically and programmatically separate component of a capital investment that provides a measurable performance outcome for which the benefits exceed the costs*) within each fiscal year. The phased deployment schedule for the HRMS includes the following key milestones:

- Phase 1 – FY2011 (Completed)
 - Readiness Assessments and Gap Analyses. – Census, DOC Human Resource Operation Center (DOCHROC), Patent and Trademark Office (PTO), International Trade Administration (ITA)/ Foreign Commercial Services (FCS)
- Phase 2 – FY2012 (In Process)
 - Deploy Workforce Analytics – All
 - Deploy HR LOB Shared Service Center (SCC) – Census, DOCHROC, PTO, ITA/FCS
 - Readiness Assessment and Gap Analysis – National Institute of Standards and Technology (NIST), Office of Inspector General (OIG), Census Decennial
- Phase 3 – FY2013
 - Deploy HR LOB SSC – NIST, OIG, Census Decennial
 - Readiness Assessments and Gap Analyses – National Oceanic and Atmospheric Administration (NOAA)
- Phase 4 – FY2014
 - Deploy HR LOB SSC – NOAA
- Phase 5 – FY2015
 - Operations and Maintenance – Steady State
- Phase 6 – FY2016
 - Operations and Maintenance – Steady State

Deliverables:

The key HRMS deliverables include:

- Department-wide, modern, cost-effective, standardized, and interoperable HR solution that delivers common, core functionality
- Automated HR management environment that supports multiple HR functions in a single enterprise system
- Re-engineering and standardization of HR processes supporting:
 - Benefits Management

- Compensation Management
- Employee Relations
- Human Resources Development
- Human Resources Strategy
- Labor Relations
- Organization and Position Management
- Performance Management
- Separation Management
- Staff Acquisition
- Decommissioning of redundant systems and interfaces
- Enhanced security and protection of PII data

Performance Goals and Measurement Data:

The performance measures included in the tables below are consistent with OPMs HR LOB performance reference model and support measurement of performance of the processes included in human capital management.

Performance Goal:	FY 2012 Target	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target
With Increase	29%	43%	65%	83%	94%	95%
Without Increase	29%	29%	29%	29%	29%	29%
Description: Percent of personnel transactions processed electronically (versus manual processing). This is a measure of both operational efficiency and customer service. The measure reflects the opportunity for process improvement and it indicates the health of the process to transition from manually to electronic processing. The HRMS will transform the manually intensive processing of personnel actions across the enterprise, resulting in more efficient and effective electronic processing, decreased labor costs, and increased data confidence.						
Performance Goal:	FY 2012 Target	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target
With Increase	15%	12%	10%	5%	5%	5%
Without Increase	20%	20%	20%	20%	20%	20%
Description: Percentage of retroactive payroll adjustments as compared to total number of payroll transactions. This is a measure of both quality and operational efficiency. The measure reflects the effectiveness of the payroll transaction processing operation. The HRMS will deliver performance improvements in all Compensation Management activities including the administration of bonus and award programs and the processing of pay and leave.						

Performance Goal:	FY 2012 Target	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target
With Increase	50%	55%	60%	65%	65%	65%
Without Increase	25%	25%	25%	25%	25%	25%
<p>Description: Of the total personnel transactions available through self-service, the percent of personnel transactions actually initiated in self-service.</p> <p>This is a measure of operational efficiency and customer service. This measure will be particularly relevant during the initial stages of deployment within each bureau as the self-service capability is a significant source of cost avoidance. The HRMS will provide the opportunity for employees or managers to access system, input data, make changes, or update information that will allow users to initiate and edit personnel actions in a secure automated solution.</p>						

PROGRAM CHANGE PERSONNEL DETAIL

Activity: Departmental Staff Services
 Subactivity: Workforce Excellence
 Program: Human Resource Management System

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Technical Manager	Washington, DC	GS-15	1	150,155	150,155
Technical Support Staff	Washington, DC	GS-13	1	86,000	86,000
Total			<u>2</u>		<u>236,155</u>
less Lapse		0%	<u>0</u>		<u>0</u>
Total full-time permanent (FTE)			2		236,155
2012 Pay Adjustment (0%)					0
2013 Pay Adjustment (.5%)					<u>1,180</u>
TOTAL					<u>237,335</u>

Personnel Data

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

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Departmental Staff Services
 Subactivity: Workforce Excellence
 Program: Human Resource Management System

Object Class	2013 Increase
11 Personnel compensation	0
11.1 Full-time permanent	\$237
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>237</u>
12 Civilian personnel benefits	58
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	1,936
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	<u>2,231</u>

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

Object Classes	2011 Actual	2012 Operating Plan	2013 Base	2013 Estimate	Increase/ (Decrease) Over 2013 Base
11 Personnel compensation:					
11.1 Full-time permanent	61,811	65,938	65,662	62,280	(3,382)
11.3 Other than full-time permanent	915	623	623	623	0
11.5 Other personnel compensation	<u>2,030</u>	<u>1,364</u>	<u>1,364</u>	<u>1,364</u>	<u>0</u>
11.9 Total personnel compensation	64,756	67,925	67,649	64,267	(3,382)
12.1 Civilian personnel benefits	18,315	18,928	18,845	17,999	(846)
13 Benefits for former personnel	500	0	0	0	0
21 Travel and transportation of persons	634	811	721	724	3
22 Transportation of things	103	186	186	186	0
23.1 Rental payments to GSA	5,973	6,118	7,475	7,484	9
23.2 Rental payments to others	0	37	37	37	0
23.3 Communication, utilities and miscellaneous charges	2,558	2,434	2,428	2,430	2
24 Printing and reproduction	214	214	204	205	1
25.1 Consulting services	218	812	812	812	0
25.2 Other services	30,544	38,226	36,761	38,002	1,241
25.3 Purchase of goods and services from Gov't accounts	14,706	12,493	12,493	11,957	(536)
25.7 Operation and maintenance of equipment	0	0	0	189	189
26 Supplies and materials	3,544	2,824	2,817	2,818	1
31 Equipment	2,699	2,537	2,527	2,553	26
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	144,764	153,545	152,955	149,663	(3,292)
Unobligated balance, start of year	0	(7,813)	0	0	0
Unobligated balance, end of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REIMBURSABLE AUTHORITY	144,764	145,732	152,955	149,663	(3,292)

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

<u>Personnel Data</u>	<u>2011 Actual</u>	<u>2012 Operating Plan</u>	<u>2013 Base</u>	<u>2013 Estimate</u>	<u>Increase/ (Decrease) Over 2013 Base</u>
Full-Time Equivalent Employment:					
Full-time permanent	586	573	570	537	(33)
Other than full-time permanent	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>0</u>
Total	620	607	604	571	(33)
Authorized Positions:					
Full-time permanent	641	633	630	597	(33)
Other than full-time permanent	<u>64</u>	<u>64</u>	<u>64</u>	<u>64</u>	<u>0</u>
Total	705	697	694	661	(33)

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

	2011 Actual			2012 Operating Plan			FY 2013 Estimate		
	POS	FTE	Amount	POS	FTE	Amount	POS	FTE	Amount
Offices:									
Human Resources Management	88	77	15,860	90	79	21,445	82	71	21,376
Civil Rights	27	24	3,949	27	24	3,705	27	24	3,705
Financial Management	49	43	15,825	48	42	17,680	48	42	20,734
Security	127	112	21,803	119	108	21,783	100	89	17,853
Administrative Services	109	96	23,813	99	86	24,138	99	86	22,420
Acquisition Management	28	25	7,792	25	22	4,818	24	21	4,368
Office of Privacy and Open Government	2	2	801	4	4	669	4	4	647
Office of Program Evaluation and Risk Management	7	6	1,260	6	5	1,251	4	3	870
Subtotal, Departmental Staff Services	437	385	91,103	418	370	95,489	388	340	91,973
General Counsel	216	190	39,579	226	191	40,173	223	188	39,851
Chief Information Officer	40	35	12,259	39	34	15,179	39	34	15,725
Chief Financial Officer/Commerce Connect	-	-	-	3	3	590	-	-	-
Public Affairs	12	10	1,823	11	9	2,114	11	9	2,114
Total Working Capital Fund	705	620	\$144,764	697	607	\$153,545	661	571	149,663

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

	2011 Actual	2012 Operating Plan	2013 Estimate
Office of the Secretary	\$9,320	10,089	10,087
International Trade Administration	31,025	30,931	31,537
Economic Development Administration	2,995	3,000	3,014
National Telecommunications and Information Administration	5,000	5,624	5,682
National Technical Information Service	311	363	365
Bureau of the Census	26,673	28,081	26,947
Economic and Statistics Administration	2,453	2,595	2,497
National Oceanic and Atmospheric Administration	39,560	40,245	37,074
National Institute of Standards and Technology	10,423	11,032	10,855
Patent and Trademark Office	3,797	7,519	7,519
Minority Business Development Agency	1,401	1,935	1,906
Bureau of Industry and Security	8,761	9,205	9,274
Office of Inspector General	1,967	2,319	2,299
Total Commerce Bureaus	\$143,686	152,938	149,056
Other Agencies	1,078	607	607
Total	\$144,764	\$153,545	\$149,663

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

	<u>2011 Actual</u>	<u>2012 Operating Plan</u>	<u>2013 Estimate</u>
Consulting services	218	812	812
Management and professional services	0	0	0
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	218	812	812

The Department plans to implement a Human Resources Management System (HRMS) that is based on a Human Resources Line Of Business. The vision of the HRMS is to provide an Agency-wide, modern, cost-effective, standardized, and interoperable HR solution that delivers common, core functionality to support the strategic management of human capital and addresses the manual and inefficient processing of HR transactions across the Department. Consulting services will be necessary to provide project management support for the planned phased deployment.

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Department of Commerce
Departmental Management
Franchise Fund

APPROPRIATION ACCOUNT: DEPARTMENTAL MANAGEMENT

BUDGET ACTIVITY: FRANCHISE FUND

The Department closed the Office of Computer Services (OCS) at the beginning of FY 2011. The building lease expired on September 30, 2010 and all hosting services have moved to other providers. Although OCS services will no longer exist, the franchise fund authority remains.

BASE JUSTIFICATION FOR FY 2013:

SUBACTIVITY: Office of Computer Services

The goal of the Commerce Franchise Fund is 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 (GMRA) of 1994 to allow market forces to improve the delivery of common administrative services. In 1996, Department of Commerce's (DOC) Office of Computer Services (OCS) began operating as a federal franchise fund, providing Information Technology (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.

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

Object Classes	2011 Actual	2012 Operating Plan	2013 Base	2013 Estimate	Increase/ (Decrease) Over 2013 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	43	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	0	0	0	0	0
99 Total obligations	<u>43</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Rescission of Unobligated Balances	0	0	0	0	0
Unobligated Balance, start of year	(2,274)	(2,835)	(2,835)	(2,835)	0
Unobligated balance, end of year	2,835	2,835	2,835	2,835	0
Unobligated Balance, withdrawn	0	0	0	0	0
Less prior year recoveries	<u>(572)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REIMBURSABLE AUTHORITY	32	0	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 2012	0	0	(793)	(793)
Restoration of proposed rescission	0	0	793	793
less: Obligations from prior years	0	0	0	64
less: Mandatory appropriations	0	0	0	0
less: Unobligated balances	0	0	0	0
plus: Unobligated balances, end of year	0	0	0	0
plus: 2013 Adjustments to Base	0	0	0	0
2013 Base	0	0	0	64
less: Program change	0	0	0	0
2013 Estimate	0	0	0	64

Comparison by activity:	2011 Actual		2012 Currently Available		2013 Base		2013 Estimate		Increase/(Decrease) Over 2013 Base	
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Guaranteed Loan Limit	0	0	0	0	0	0	0	0	0	0
Loan Subsidy										
Pos./BA	0	(47,478)	0	(343)	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	(357)	0	0	0	0	0	0
FTE/Obl.	0	0	0	64	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	(47,478)	0	(700)	0	0	0	0	0	0
FTE/Obl.	0	0	0	64	0	0	0	0	0	0

Adjustments to Obligations:										
Mandatory Appropriations										
Recoveries/Refund		0		0		0		0		0
Unobligated balance, start of year		(48,271)		(793)		(29)		(29)		0
Unobligated balance, lapsing		0		0		0		0		0
Unobligated balance, end of year		793		29		29		29		0

Financing from Transfers:										
Transfer from other accounts (-)										
Transfer to other accounts (+)										
Budget Authority (Rescission)		(47,478) 1/		(700) 2/		0		0		0

1/ Pursuant to Public Law 112-6, Section 249, rescinds \$48 million in unobligated balances from the Emergency Steel, Oil and Gas Guaranteed Loan Program Accounts. The amount rescinded in the Emergency Steel Loan Guarantee Loan Program is \$47,478,524, the remainder of the rescission is in the Emergency Oil and Gas Guaranteed Loan Program (\$52 Program (\$47,478,524).

2/ Pursuant to Public Law 112-55, Section 528(a), rescinds \$700,000 from the Emergency Steel, Oil and Gas Guaranteed Loan Program. An unobligated balance of \$28,654 remains in the :

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

	<u>2011 Actual</u>	<u>2012 Currently Available</u>	<u>2013 Base</u>	<u>2013 Estimate</u>	<u>Increase/ (Decrease) Over 2013 Base</u>
Total Obligations (includes Discretionary and Mandatory balances)	0	64	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	(48,271)	(793)	0	0	0
Unobligated balance, end of year	793	29	0	0	0
Budget Authority/(Rescission)	<u>(47,478)</u>	<u>(700)</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

Object Classes	2011 Actual	2012 Currently Available	2013 Base	2013 Estimate	Increase/ (Decrease) Over 2013 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	64	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	0	0	0	0	0
99 Total obligations	0	64	0	0	0
Mandatory Appropriations	0	0	0	0	0
Recoveries/Refund	0	0	0	0	0
Unobligated balance, start of year	(48,271)	(793)	(29)	(29)	0
Plus Unobligated Balance End of Year	<u>793</u>	<u>29</u>	<u>29</u>	<u>29</u>	<u>0</u>
TOTAL BUDGET AUTHORITY/(RESCISSION)	(47,478)	(700)	0	0	0

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

	Positions	FTE	Budget Authority	Direct Obligations
2012 Currently Available	0	0	0	0
less: Unobligated balance from prior years	0	0	0	0
plus: Recoveries	0	0	0	0
plus: Unobligated balance, withdrawn	0	0	0	0
plus: Unobligated balance, end of year	0	0	0	0
plus: 2012 Adjustments to base	0	0	0	0
2013 Base	0	0	0	0
plus: Program change	0	0	0	0
2013 Estimate	0	0	0	0

Comparison by activity:	2011 Actuals		2012 Currently Available		2013 Base		2013 Estimate		Increase/(Decrease) Over 2013 Base	
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Guaranteed Loan Limit	0	0	0	0	0	0	0	0	0	0
Loan Subsidy	Pos./BA	0	(2)	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0
Administrative Expenses	Pos./BA	0	(519)	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0
Credit Reestimates	Pos./BA	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0
TOTALS	Pos./BA	0	(521)	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0
Adjustments to Obligations:										
Mandatory Appropriations		0		0		0		0		0
Recoveries		0		0		0		0		0
Unobligated balance, start of year		(521)		0		0		0		0
Unobligated balance, end of year		0		0		0		0		0
Unobligated balance, withdrawn (unused subsidy)		0		0		0		0		0
Financing from Transfers:										
Transfer from other accounts (-)										
Transfer to other accounts (+)										
Budget Authority rescission		(521) 1/		0		0		0		0

1/ Pursant to Public Law 112-6, Section 249, rescinds \$48 million in unobligated balances from the Emergency Steel, Oil and Gas Guaranteed Loan Program Accounts. The amount rescinded in the Emergency Oil and Gas Guaranteed Loan Program is \$521,476, the remainder of the rescission is in the Emergency Steel Loan Guarantee Program (\$47,478,524).

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

	<u>2011 Actuals</u>	<u>2012 Currently Available</u>	<u>2013 Base</u>	<u>2013 Estimate</u>	<u>Increase/ (Decrease) Over 2013 Base</u>
Total Obligations	0	0	0	0	0
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	0	0	0	0	0
Unobligated balance, start of year	(521)	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0
Unobligated balance, withdrawn	0	0	0	0	0
Budget Authority, rescission	(521)	0	0	0	0

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

Object Classes	2011 Actuals	2012 Currently Available	2013 Base	2013 Estimate	Increase/ (Decrease) Over 2013 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	0	0	0	0	0
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	0	0	0	0	0
99 Total obligations	0	0	0	0	0
Mandatory Appropriation					
Unobligated Balance, start of year	(521)	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0
Less prior year recoveries	0	0	0	0	0
TOTAL BUDGET AUTHORITY, RESCISSION	(521)	0	0	0	0

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

	Positions	FTE	Budget Authority	Direct Obligations
Enacted, 2012	5	5	5,000	5,000
less: Obligations from prior years			0	0
plus: Transfers of unobligated balances			0	0
less: 2012 Adjustment to Base: Non-recurring Construction Costs	0	0	(4,111)	(4,111)
2013 Base	5	5	889	889
plus: Program funding	0	0	1,151	1,151
2013 Estimate	5	5	2,040	2,040

Comparison by activity:		2011 Actual		2012 Enacted		2013 Base		2013 Estimate		Increase/(Decrease) Over 2013 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
HCHB Renovation	Pos./BA	5	14,970	5	5,000	5	889	5	2,040	0	1,151
	FTE/Obl.	5	24,095	5	5,207	5	889	5	0	0	0
TOTALS	Pos./BA	5	14,970	5	5,000	5	889	5	2,040	0	1,151
	FTE/Obl.	5	24,095	5	5,207	5	889	5	0	0	0
Adjustments to Obligations:											
	Recoveries		(1,139)								
	Unobligated balance, start of year		(8,193)		(207)						
	Unobligated balance, end of year		207								
Financing from Transfers:											
	Transfer from other accounts (-)										
	Transfer to other accounts (+)										
Appropriation			14,970		5,000		889		2,040		1,151

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

	2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease) Over 2013 Base
Total Obligations	24,095	5,207	889	2,040	1,151
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	(1,139)	0	0	0	0
Unobligated balance, start of year	(8,193)	(207)	0	0	0
Unobligated balance, end of year	207	0	0	0	0
Budget Authority	<u>14,970</u>	<u>5,000</u>	<u>889</u>	<u>2,040</u>	<u>1,151</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>14,970</u>	<u>5,000</u>	<u>889</u>	<u>2,040</u>	<u>1,151</u>

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

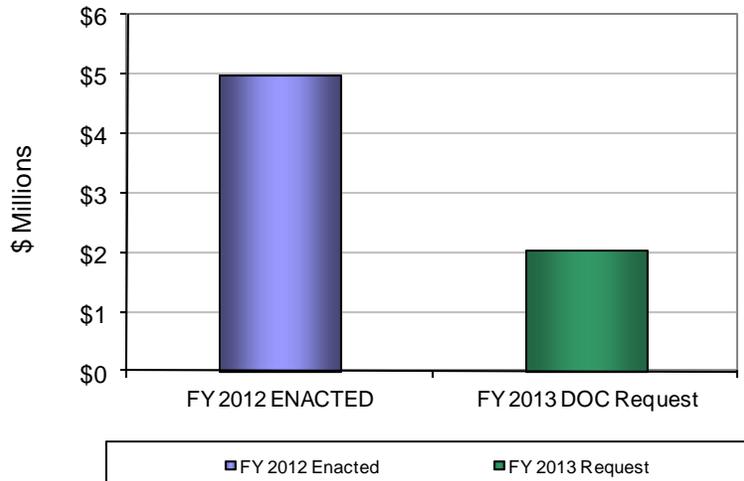
	<u>FTE</u>	<u>Amount</u>
Non-Recurring Adjustments*	0	(4,111)
Total FY 2013 Adjustments to Base.	<u>0</u>	<u>(4,111)</u>

* 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.

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

Comparison by activity:		2011 Actual		2012 Enacted		2013 Base		2013 Estimate		Increase/(Decrease) Over 2013 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
HCHB Renovation and Modernization	Pos./BA	5	14,970	5	5,000	5	889	5	2,040	0	1,151
	FTE/Obl.	5	24,095	5	5,207	5	889	5	0	5	0
TOTALS	Pos./BA	5	14,970	5	5,000	5	889	5	2,040	0	1,151
	FTE/Obl.	5	24,095	5	5,207	5	889	5	0	5	0

Department of Commerce
 Departmental Management
 Renovation and Modernization



APPROPRIATION ACCOUNT: DEPARTMENTAL MANAGEMENT

BUDGET ACTIVITY: RENOVATION AND MODERNIZATION

For FY 2013, Departmental Management requests an increase of \$1,151,000 and 0 FTE over the FY 2013 base program for a total of \$2,040,000 and 5 FTEs for Renovation and Modernization.

BASE JUSTIFICATION FOR FY 2013:

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.

PROGRAM: RENOVATION AND MODERNIZATION

The goal of this project is to complement GSA's Systems Replacement Project in which they will provide major upgrades to the existing utilities, electrical, heating, ventilation, air conditioning, and Life Safety Systems that are beyond their useful life and deteriorating. The FY 2013 request will support the Department's focus on its most critical systems.

The objective of this eleven-year project is to replace existing building equipment and systems to extend the HCHB's useful life by:

- Replacing the Heating, Ventilation and Air Conditioning Systems (HVAC);
- Increasing energy efficiency;
- Replacing obsolete, non-repairable building equipment and their components;
- Conforming to current building codes and industry standards;
- Replacing obsolete and unsafe electrical panels, wires and connections;
- Replacing Information Technology and telecommunications wiring, telecommunications closets;
- Replacing deteriorating piping;

- Improving the workplace environment; and
- Improving window security from ballistic attacks.

PROGRAM CHANGES FOR FY 2013:

Renovation and Modernization (Base Funding: 5 FTE and \$0.9 million; Program Change: +0 FTE and + \$1.1 million): Departmental Management requests an increase of \$1.1 million and +0 FTE for the renovation and modernization of the Herbert C Hoover Building (HCHB) Renovation and Modernization. The HCHB renovation and modernization plan combines Department of Commerce (DOC) and General Services Administration (GSA) solutions to address major building systems (mechanical, electrical, plumbing, heating, ventilation, air conditioning, and life safety systems) that are beyond their useful life and deteriorating. The GSA 8-phase modernization project provides a solution that will target new efficient mechanical, electrical, and plumbing systems; new life safety systems; security improvements and historic restoration. The FY 2013 request is critical to complete the Department's portion of the HCHB Phase 3 activities and reflects the Department's continued focus to remain in sync with GSA's full funding and schedule to complete Phase 3 by the end of the fiscal year.

Proposed Actions:

Security	303
IT/Telecommunications	848
Total	1,151

Security:

Funding is necessary for the reinstallation and replacement of card readers, door locks, and keys in order to finish Phase 3.

Information Technology (IT/Telecommunications):

Funding is requested to complete the rewiring of the Phase 3 IT Network and Telecommunication systems.

Statement of Need and Economic Benefits:

Phase 3 combines Commerce and GSA's solutions to address major building mechanical, electrical, plumbing, and HVAC systems that are beyond their useful life and are seriously deteriorating. Work on Phase 3 encompasses fiscal years 2012 and 2013. Given the significant reduction in the FY 2012 appropriations, \$5.0M is not sufficient to complete the current Phase 3 HCHB Renovation and Modernization plan. Since GSA is fully funded with American Recovery and Reinvestment Act of 2009 funds through FY 2013, and has a construction contract in place to complete Phase 3 by September 2013, the Department will focus on completing its portion of Phase 3. These requested funds for FY 2013 along with the \$5.0M FY 2012 appropriation and funds that will be redirected from GSA, will enable DOC to complete its Phase 3 Renovation responsibilities.

Base Resource Assessment:

There are base resources associated with the Renovation staff. Funding is requested each year for the renovation project.

Schedule and Milestones:

- Phase 3 - June 2012 to September 2013
- Phase 4 - September 2013 to March 2015
- Phase 5 - March 2015 to October 2016
- Phase 6 - October 2016 to May 2018
- Phase 7 – May 2018 to November 2019
- Phase 8 – November 2019 to May 2021

Deliverables:

- DOC Construction drawings and schedules
- Relocation transition plan from Swing Space to Phase 3 area.
- Revised Phase 3 Security plan
- Revised IT/Telecommunications Phase 3 rewiring plan

Performance Goals and Measurement Data

Manage the DOC role in the Herbert C. Hoover Building (HCHB) renovation project to ensure a successful project - completed on schedule and within budget

Performance Measure:	FY 2012 Target	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target
With Increase	0%	0%	0%	0%	0%	0%
Without Increase	0%	0%	0%	0%	0%	0%
Description	Each quarter, the percentage of actual unit costs that exceed FY budget estimate (0%)					

Performance Measure:	FY 2012 Target	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target
With Increase	100%	100%	100%	100%	100%	100%
Without Increase	N/A	N/A	N/A	N/A	N/A	N/A
Description	Each quarter, the percentage of the current phase activity milestones that met their target completion dates (100 %)					

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Renovation and Modernization
 Subactivity: Renovation
 Program Change: Renovation and Modernization Project

Object Class		2013 Increase
11	Personnel compensation	0
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	1,151
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>1,151</u>

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

Object Classes	2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease) Over 2013 Base
11 Personnel compensation:					
11.1 Full-time permanent	499	552	552	552	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	6	20	20	20	0
11.9 Total personnel compensation	<u>505</u>	<u>572</u>	<u>572</u>	<u>572</u>	<u>0</u>
12.1 Civilian personnel benefits	153	166	166	166	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	0	5	5	5	0
22 Transportation of things	0	0	0	0	0
23.1 Rental payments to GSA	14	119	119	119	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	2	9	9	9	0
24 Printing and reproduction	1	1	1	1	0
25.1 Consulting services	0	0	0	0	0
25.2 Other services	23,370	4,318	0	1,151	1,151
25.3 Purchase of goods and services from Gov't accounts	0	0	0	0	0
26 Supplies and materials	17	13	13	13	0
31 Equipment	33	4	4	4	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	24,095	5,207	889	2,040	1,151
Less prior year recoveries	<u>(1,139)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unobligated balance, start of year	(8,193)	(207)			
Unobligated balance, end of year	207	0			
TOTAL BUDGET AUTHORITY	14,970	5,000	889	2,040	1,151

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

Personnel Data	2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease) Over 2013 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
Renovation and Modernization
Appropriation Language and Code Citations

For expenses necessary for the renovation and modernization of Department of Commerce facilities, \$2,040,000 to remain available until expended.