

**U.S. DEPARTMENT OF COMMERCE**  
**DEPARTMENTAL MANAGEMENT**



**FY 2017 CONGRESSIONAL SUBMISSION**



Department of Commerce  
 Departmental Management  
 Budget Estimates, Fiscal Year 2017  
 Congressional Submission

Table of Contents

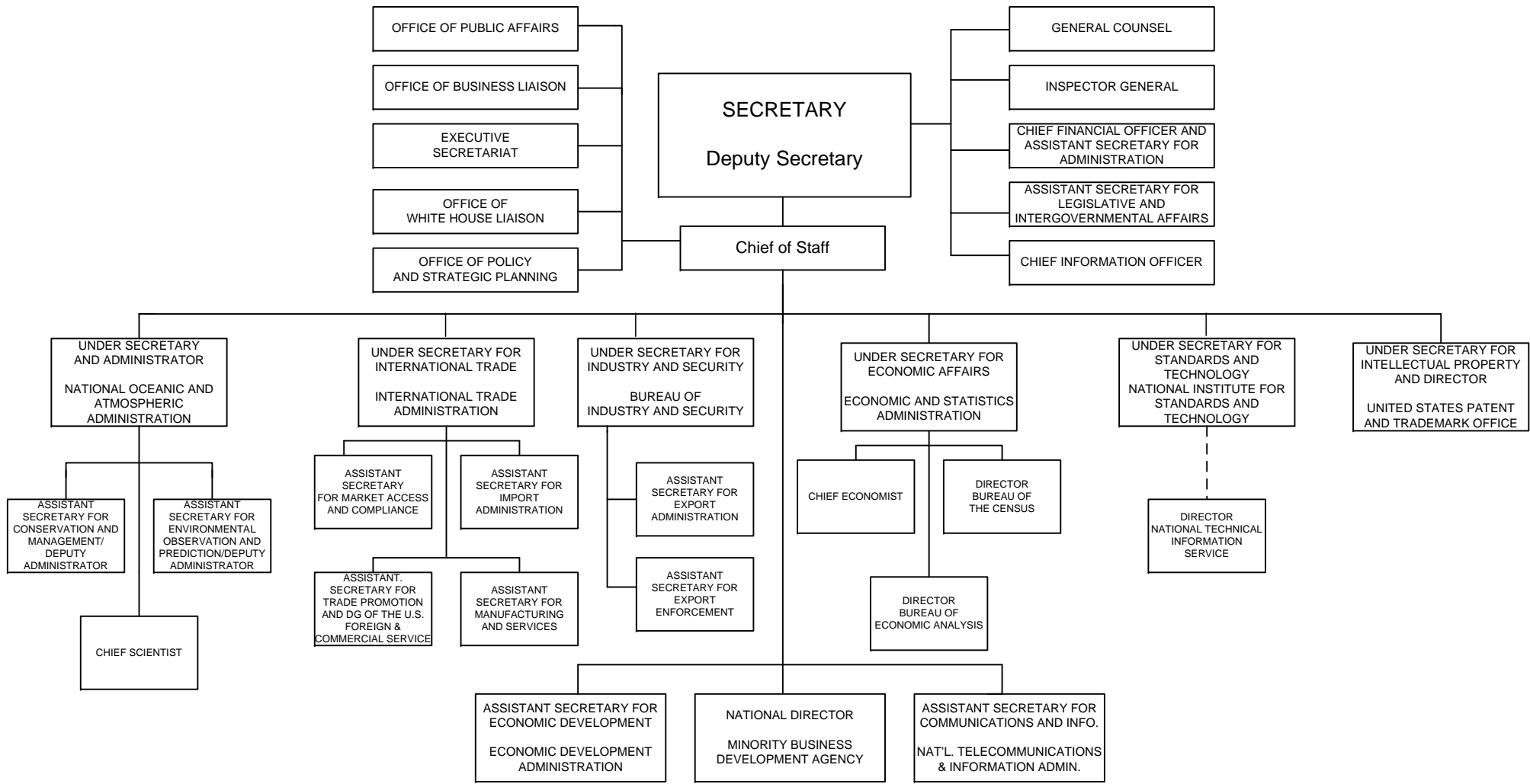
	<u>Exhibit Description</u>	<u>Page</u>
2	Organization Chart . . . . .	DM - 1
3	Executive Summary . . . . .	DM - 3
	<b><u>Salaries and Expenses:</u></b>	
5	Summary of Resource Requirements: Direct Obligations . . . . .	DM - 5
6	Summary of Reimbursable Obligations . . . . .	DM - 7
7	Summary of Financing . . . . .	DM - 8
9	Justification of Adjustments-to-Base . . . . .	DM - 9
10	Program and Performance: Direct Obligations . . . . .	DM - 12
12-15	Justification of Program and Performance - Salaries and Expenses Overview . . . . .	DM - 13
12-15	Justification of Program and Performance - Digital Service Team . . . . .	DM - 18
12-15	Justification of Program and Performance - IDEA Lab . . . . .	DM - 22
12-15	Justification of Program and Performance - Suspension and Debarment . . . . .	DM - 25
12-15	Justification of Program and Performance - FOIA/PA Staffing . . . . .	DM - 30
16	Summary of Requirements by Object Class . . . . .	DM - 35
32	Justification of Proposed Language Changes . . . . .	DM - 37
33	Appropriation Language and Code Citation . . . . .	DM - 38
34	Advisory and Assistance Services . . . . .	DM - 39
35	Periodicals, Pamphlets, and Audiovisual Products . . . . .	DM - 40
36	Average Grade and Salaries . . . . .	DM - 41
	<b><u>HCHB Renovation and Modernization:</u></b>	
5	Summary of Resource Requirements: Direct obligations . . . . .	DM - 43
7	Summary of Financing . . . . .	DM - 45
9	Justification of Adjustments to Base . . . . .	DM - 46
10	Program and Performance: Direct Obligations . . . . .	DM - 47
12-15	Justification of Program and Performance - HCHB Renovation and Modernization . . . . .	DM - 48
16	Summary of Requirements by Object Class . . . . .	DM - 53
33	Appropriation Language and Code Citation . . . . .	DM - 55
	<b><u>Franchise Fund:</u></b>	
5	Summary of Resource Requirements: Reimbursable obligations . . . . .	DM - 57
12	Justification of Program and Performance . . . . .	DM - 59
16	Summary of Requirements by Object Class . . . . .	DM - 60
	<b><u>Emergency Steel Guaranteed Loan Program:</u></b>	
5	Summary of Resource Requirements: Direct obligations . . . . .	DM - 61
7	Summary of Financing . . . . .	DM - 63
16	Summary of Requirements by Object Class . . . . .	DM - 64
	<b><u>Working Capital Fund:</u></b>	
5	Summary of Resource Requirements: Reimbursable obligations . . . . .	DM - 65
9	Justification of Adjustments-to-Base . . . . .	DM - 67
12-15	Justification of Program and Performance - WCF Overview . . . . .	DM - 71
12-15	Justification of Program and Performance - Elevator Maintenance & Building Management . . . . .	DM - 75
12-15	Justification of Program and Performance - HCHB Window & Fan Coil Maintenance . . . . .	DM - 78
12-15	Justification of Program and Performance - HCHB Drainage Maintenance . . . . .	DM - 82
12-15	Justification of Program and Performance - Supply Chain Risk Management . . . . .	DM - 85
12-15	Justification of Program and Performance - HCHB Electronic Security Maintenance & Administration Contract . . . . .	DM - 90
12-15	Justification of Program and Performance - Personnel Security Administration Change . . . . .	DM - 93
12-15	Justification of Program and Performance - Special Security Officer . . . . .	DM - 97
12-15	Justification of Program and Performance - HCHB Guard Escalation and Collective Bargaining Agreement . . . . .	DM - 102
12-15	Justification of Program and Performance - Shared Services . . . . .	DM - 105
12-15	Justification of Program and Performance - Assistant General Counsel for Administration: Maintaining Legal Services . . . . .	DM - 108
12-15	Justification of Program and Performance - ECMO Licenses and Enhancements . . . . .	DM - 111
12-15	Justification of Program and Performance - Boundary Protection . . . . .	DM - 115
12-15	Justification of Program and Performance - Vulnerability Management Program . . . . .	DM - 121
12-15	Justification of Program and Performance - Enhanced IT Security Risk Assessment & Management . . . . .	DM - 125
16	Summary of Requirements by Object Class . . . . .	DM - 129

Department of Commerce  
Departmental Management  
Budget Estimates, Fiscal Year 2017  
Congressional Submission

Table of Contents

	<u>Exhibit Description</u>	<u>Page</u>
	WCF Direct costs by Office. ....	DM - 131
	WCF Direct costs by Bureau. ....	DM - 132
34	Advisory and Assistance Services . . . . .	DM - 133
	<b><u>APP/APR:</u></b>	
	Summary of Goals, Objectives and Performance Measures. ....	DM - 135

# U.S. DEPARTMENT OF COMMERCE



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## Department of Commerce Departmental Management

### Executive Summary

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

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

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

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

<http://www.osec.doc.gov/bmi/budget/>

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

DM is comprised of the following:

- The **Salaries and Expenses** appropriation provides funding for the development and implementation of Departmental policies, coordinates the bureaus' program activities to accomplish the Departmental mission, provides funds for the development and implementation of the Department's internal policies, procedures, and other administrative guidelines. In FY 2017, DM is seeking increases that would:
  - Support the development of a Digital Service team to ensure the effectiveness of the Department's digital services for high-priority programs;
  - Support the development of an Idea Lab which will house a team dedicated to incubating and investing in innovative approaches to more efficiently and effectively meet the Department's mission goals;
  - Provide administrative tools to address waste, fraud and abuse of government financial resources ensuring contract and program integrity; and
  - Enable the Department to meet its operational and statutory requirements under the Freedom of Information Act/Privacy Act (5 USC 552 and 552a).
- The **Working Capital Fund** is a reimbursable fund, providing necessary centralized services to the client bureaus. These services include the Office of General Counsel, Office of the Chief

Financial Officer and Assistant Secretary for Administration, Chief Information Officer, Public Affairs, Security, Human Resources Management, Civil Rights, Financial Management, Facilities and Environmental Quality, Acquisition Management, Program Evaluation and Risk Management, and Privacy and Open Government, among others.

- The **Herbert C. Hoover Building (HCHB) Renovation and Modernization** account provides no-year funding for the Department's expenses associated with the renovation and modernization of HCHB. Renovation and modernization of the Department's headquarters by the General Services Administration (GSA) will extend the building's useful life through infrastructure upgrades, security upgrades, and historic preservation of some features. The FY 2017 request reflects the Department's continued focus on improving building infrastructure components including Information Technology, telecommunications, security improvements, emergency power requirements, and fire and life safety improvements operating beyond their useful life and deteriorating.
- The **Franchise Fund** is a fee-for-service account that Congress established in the Government Management Reform Act of 1994 to allow market forces to improve the delivery of common administrative services. In FY 2011, the Department ceased services provided thru the Franchise Fund and the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235) rescinded the remaining balances in the fund. However, the Department's Franchise Fund authority remains.
- The **Emergency Steel Guaranteed Loan Program and the Emergency Oil and Gas Guaranteed Loan Program** are subsidized loan programs enacted in 1999 to assist the steel and the oil and gas industries. Authority and the Board for the Emergency Oil and Gas Guaranteed Loan Program expired in 2001 and the Emergency Steel Loan Guarantee Program expired in 2011.

**SUMMARY OF REQUESTED APPROPRIATIONS**  
(Dollar amounts in thousands)

<u>Appropriation</u>		2016		2017		Increase (+)	
		Enacted		Estimate		Decrease (-)	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Salaries and Expenses	Pos./ Approp.	197	58,000	202	74,503	5	16,503
	FTE	156		161		5	
HCHB Renovation and Modernization	Pos./ Approp.	5	19,062	5	12,224	0	(6,838)
	FTE	5		5		0	
Total Budget Authority	Pos./ Approp.	202	77,062	207	86,727	5	9,665
	FTE	161		166		5	



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

	Positions	FTE	Budget Authority	Direct Obligations
2016 Enacted	197	156	58,000	58,257
less: Obligations from prior years			0	(257)
plus: 2017 Adjustments to base	0	0	6,792	6,792
2017 Base	197	156	64,792	64,792
plus: 2017 Program Changes	5	5	9,711	9,711
2017 Estimate	202	161	74,503	74,503

Comparison by activity:	2015 Actual		2016 Enacted		2017 Base		2017 Estimate		Increase/(Decrease) Over 2017 Base		
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Operations and Administration	Pos./BA	197	56,200	197	58,000	197	64,792	202	74,503	5	9,711
	FTE/Obl.	156	59,210	156	58,257	156		161		5	
TOTALS	Pos./BA	197	56,200	197	58,000	197	64,792	202	74,503	5	9,711
	FTE/Obl.	156	59,210	156	58,257	156		161		5	
Adjustments to Obligations:											
Recoveries		0									
Unobligated balance, start of year		(3,086)		(257)							
Unobligated balance, transferred		(1,200)									
Unobligated balance, rescission											
Unobligated balance, end of year		257									
Unobligated balance, expiring		1,019									
Financing from Transfers:											
Transfer from other accounts (-)		(200)									
Transfer to other accounts (+)											
Appropriation		56,000		58,000		64,792		74,503		9,711	

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

		2015 Actual		2016 Enacted		2017 Base		2017 Estimate		Increase/(Decrease) Over 2017 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Operations and Administration	Pos./BA	77		76		76		76		0	
	FTE/Obl.	77	90,556	76	98,135	76	97,120	76	97,120	0	0
TOTALS	Pos./BA	77		76		76		76		0	
	FTE/Obl.	77	90,556	76	98,135	76	97,120	76	97,120	0	0
Adjustments to Obligations:											
	Recoveries (COMMITTS)		(35)								
	Unobligated balance, start of year (COMMITTS)		(980)		(1,015)						
	Unobligated balance, transferred										
	Unobligated balance, end of year		1,015								
	Unobligated balance, expiring										
Financing from Transfers:											
	Transfer from other accounts (-)										
	Transfer to other accounts (+)										
Reimbursable Authority			90,556		97,120		97,120		97,120		0

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

	2015 Actual	2016 Enacted	2017 Base	2017 Estimate	Increase/ (Decrease) Over 2017 Base
Total Obligations	149,766	156,392	161,912	171,623	9,711
Offsetting collections from:					
Federal funds	(90,556)	(97,120)	(97,120)	(97,120)	0
Trust funds					
Non-Federal sources					
Recoveries	(35)				
Unobligated balance, start of year	(4,066)	(1,272)			
Unobligated balance, transferred	(1,200)				
Unobligated balance, end of year	1,272				
Unobligated balance, expiring	1,019				
Budget Authority	<u>56,200</u>	<u>58,000</u>	<u>64,792</u>	<u>74,503</u>	<u>9,711</u>
Financing:					
Transfer from other accounts (-)	(200)	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	<u>56,000</u>	<u>58,000</u>	<u>64,792</u>	<u>74,503</u>	<u>9,711</u>

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

	<u>FTE</u>	<u>Amount</u>
<u>Other Changes:</u>		
Pay Raises		588
Annualization of FY 2016 Pay Raise		
Pay raise of 1.3% assumed to be effective January 1, 2016.		
Total cost in FY 2017 of the FY 2016 pay increase	462,667	
Less amount requested in FY 2016	(347,000)	
Amount requested in FY 2017 for FY 2016 pay increase	115,667	
FY 2017 Pay Raise		
A general pay raise of 1.6% is assumed to be effective January 1, 2017.		
Total cost in FY 2017 of pay increase	361,000	
Payment to Working Capital Fund	111,000	
Amount requested in FY 2017 for FY 2017 pay increase	472,000	
Changes in compensable days		(221)
The decreased cost of two less compensable days in 2017 compared to 2016 is calculated by dividing the 2016 estimated personnel compensation (\$24,052,000) and applicable benefits (\$4,921,000) by 262 compensable days. The cost decrease for two compensable days are \$221,168.		
Civil Service Retirement System (CSRS)		(25)
The cost of agency contributions for CSRS will decrease due to the decrease in the number of employees covered by CSRS from 4.2% in FY 2016 to 2.7% in FY 2017. The contribution rate will remain the same at 7.00% for FY 2016 and FY 2017.		
FY 2017 (\$24,052,000 x .027 x .070)	45,458	
FY 2016 (\$24,052,000 x .042 x .070)	70,713	
Total adjustment to base	(25,255)	

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

	FTE	Amount
Federal Employees' Retirement System (FERS)		49
The estimated percentage of payroll for employees covered by FERS will increase from 95.8% in 2016 to 97.3% in FY 2017. The contribution rate will remain the same at 13.7% for FY 2016 and FY 2017.		
FY 2017 (\$24,052,000 x .973 x .137)		3,206,156
FY 2016 (\$24,052,000 x .958 x .137)		3,156,729
Total adjustment to base		49,427
Thrift Savings Plan (TSP)		85
The cost of agency contributions for TSP will increase from 95.8% in 2016 to 97.3% in FY 2017. The contribution rate has changed from 4.1% in FY 2016 to 4.4% in FY 2017.		
FY 2017 (\$24,052,000 x .973 x .044)		1,029,714
FY 2016 (\$24,052,000 x .958 x .041)		944,714
Total adjustment to base		85,000
Federal Insurance Contributions Act (FICA) - OASDI		37
The annual salary subject to the OASDI tax will increase from \$122,300 in FY 2016 to \$126,200 in FY 2017. The percent of salaries below the cap will increase from 95.8% in FY 2016 to 97.3% in FY 2017. The total salaries taxable by OASDI will increase from 89.5% for FY 2016 to 90.6% in FY 2017. The OASDI tax rate remains the same 6.2% in FY 2017. The combination of the above adjustments results in a net increase of \$36,600.		
FERS payroll subject to FICA tax in FY 2017 (\$24,052,000 x .973 x .906 x .062)		1,314,571
FERS payroll subject to FICA tax in FY 2016 (\$24,052,000 x .958 x .895 x .062)		1,278,590
Subtotal		35,981
Other payroll subject to FICA tax in FY 2017 (\$414,000 x .973 x .906 x .062)		22,627
Other payroll subject to FICA tax in FY 2016 (\$414,000 x .958 x .895 x .062)		22,008
Subtotal		619
Total adjustment to base		36,600
Health Insurance		27
Effective January 2015, the cost of the U.S. Government's contribution to the Federal employee's health insurance premium increased by 1.6%. Applied against the FY 2016 estimate of \$1,713,000 the additional amount required is \$27,408.		
Employee Compensation		(25)
The Employees Compensation Fund is based on an actual billing from the Department of Labor.		

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

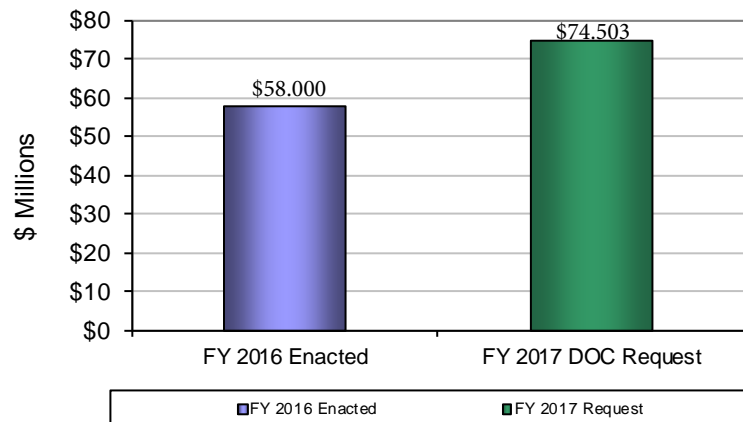
	<u>FTE</u>	<u>Amount</u>
Rental Payments to GSA The Herbert C. Hoover Building rent is projected to increase by 3% in FY 2017. An additional increase of \$693,000 is required to fund this increase.		693
Printing and Reproduction There is an estimated rate increase of 1.8% for printing and reproduction. This percentage was applied to the FY 2016 estimate of \$30,000 to arrive at an increase of \$540.		1
Utilities, Pepco The average increase for PEPCO electricity is projected to be 2%. The increase for electricity is estimated to be \$577,000 and an additional \$9,000 is requested to fund this increase.		9
National Archives and Records Administration Storage Costs The National Archives and Records Administration (NARA) costs are expected to decrease from \$135,518 in FY 2016 to \$63,297 in FY 2017 for a total decrease of \$72,220.		(72)
Working Capital Fund An estimate of \$359,000 is requested to fund cost increases in Departmental Management's Working Capital Fund.		359
Federal Protective Service Effective July 21, 2015, DHS has estimated an increase of 7.41% to the Federal Protective Service. This percentage was applied to the projected FY 2015 billing estimate of \$132,446 to arrive at an increase of \$9,814.		10
General Pricing Level Adjustment  This request applies OMB economic assumptions for FY 2017 of 1.8% 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) (\$6,084); rental payments to others (\$0); other services (\$1,676,425); maintenance of operations (\$3,587,000); supplies and materials (\$2,754); equipment (\$4,572), for a total increase of \$5,276,835.		5,277
Subtotal, Other Changes	0	6,792
Total FY 2017 Adjustments to Base	0	6,792

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

Compare by activity:		2015 Actual		2016 Enacted		2017 Base		2017 Estimate		Increase/(Decrease) Over 2017 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Operations and Administration	Pos./BA	197	56,200	197	58,000	197	64,792	202	74,503	5	9,711
	FTE/Obl.	156	59,210	156		156	0	161	0	5	0
TOTALS	Pos./BA	197	56,200	197	58,000	197	64,792	202	74,503	5	9,711
	FTE/Obl.	156	59,210	156	58,257	156		161		5	



**Department of Commerce**  
 Departmental Management  
 Salaries and Expenses



**APPROPRIATION ACCOUNT: Salaries and Expenses**

**BUDGET PROGRAM: Operations and Administration**

For FY 2017, Departmental Management (DM) requests a total of \$74,503,000 and 161 FTE for Salaries and Expenses (S&E) (including inflationary adjustments). This funding includes a net increase of \$16,503,000 and 5 FTE, with programmatic changes of \$9,711,000 and 5 FTE and an increase of \$6,792,000 in inflationary adjustments.

**PROGRAM JUSTIFICATION:**

**Salaries and Expenses Overview**

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

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

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

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

- The Office of General Counsel (OGC) provides legal advice, guidance and services on matters involving Departmental programs and components and supervises the development of the Department's legislative program and the delivery of effective legal services for the growing needs of major programs.
- The Office of the Chief Information Officer (OCIO) leads the management of information resources throughout the Department, ensuring that the Department's programs make full and appropriate use of IT. OCIO implements Government-wide and Departmental policies, programs and activities in all aspects of IT management, including IT security and providing analysis, design, development, support, and oversight for Department automated systems for administration and provides Department-wide coordination and technical support for the development and operation of IT resources, including telecommunications.
- The Office of Small and Disadvantaged Business Utilization (OSDBU) is an advocacy and advisory office responsible for promoting the use of small, small disadvantaged, 8(a), women-owned, veteran-owned, service-disabled veteran-owned, and HUBZone small businesses within the Department's acquisition process

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

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

for all activities included in DM, and oversees and administers all budget functions for the OS. OFM manages the Department's Working Capital Fund (WCF), provides financial support and guidance Department-wide, and provides Departmental-level management of travel, personal property and fleet motor vehicles.

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

#### **SIGNIFICANT INFLATIONARY ADJUSTMENTS:**

DM requests an increase of \$6,792,000 and 0 FTE to fund inflationary adjustments to current programs activities. The increase will fund the estimated 2017 Federal pay raise of 1.6 percent. The increase will also provide inflationary increases for General Pricing Level Adjustments (non-labor activities, including service contracts, utilities, field office lease payments, rent charges from the General Service Administration). In addition, this increase includes inflationary costs for the Departmental Working Capital Fund.

## **PROGRAM CHANGE(S):**

**S&E:** Commerce is requesting the following increases: \$6,400,000 and 2 FTE for development of a Digital Service team, \$3,000,000 for development of an IDEA Lab, \$170,173 and 1 FTE for a Suspension and Debarment program manager, \$215,000 and 2 FTE for additional staffing to meet operational and statutory requirements under FOIA, and \$-74,000 to support the execution of Department-wide functions within the Departmental Working Capital Fund (WCF) less adjustments for non-recurring items. A full discussion of all WCF program changes is in the WCF section of the Departmental Management Congressional Submission document.

These program changes align and support the Department's strategic plan by providing the staffing, tools and knowledge needed to accomplish the Department's mission, while fostering a more customer-oriented culture.

## **Statement of Need and Economic Benefits – Cost Benefit Analysis**

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

## **Performance Goals and Measurement Data:**

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

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

**Budget Program: Salaries and Expenses/Operations and Administration**

<b>Object Class</b>	<b>FY 2017 Increase</b>
11 Personnel compensation	
11.1 Full-time permanent	\$532
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	9
11.8 Special personnel services payments	0
11.9 Total personnel compensation	541
12 Civilian personnel benefits	169
13 Benefits for former personnel	0
21 Travel and transportation of persons	16
23.1 Rental payments to GSA	57
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	20
24 Printing and reproduction	2
25.1 Advisory and assistance services	0
25.2 Other services	8,931
25.3 Purchases of goods & services from Gov't accounts	(60)
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	12
31 Equipment	23
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	9,711

**APPROPRIATION ACCOUNT: Salaries and Expenses**

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

For FY 2017, DM requests \$19,745,000 for the Office of Chief Information Officer (OCIO). This funding includes an increase of \$6,400,000 and 2 FTE to develop a Digital Service team that will report directly to the Department's Chief Technology Officer.

**PROGRAM JUSTIFICATION:**

**Digital Service Overview**

The request will fund development of a Digital Service team. The success rate of government digital services can be improved when the Department has digital service experts on staff with modern digital product design, software engineering and product management skills. To ensure that the Department can effectively build and deliver digital services, the 2017 President's Budget includes funding to build a Digital Service team to ensure the effectiveness of Commerce's digital services for high-priority programs.

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

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

**PROGRAM CHANGE(S):**

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

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

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

**Schedule and Milestones:**

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

<b>Digital Services Team - Major Milestones</b>
Obtain Funding Approval
Conduct Market Research and Acquisition Strategy
Develop Statement of Work
Award Contract
Conduct Assessment of Current Environment
Provide Proposed Solution
Acquire Required Hardware/Software/Services
Develop Project Plan and Schedule
Communicate to Stakeholders and Customers
Obtain Authority to Operate
Start Digital Services Support Services
Review Feedback and Adjust Solution
Conduct Training for End-Users
Transition to Operations and Maintenance

**Performance Goals and Measurement Data:**

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

## PROGRAM CHANGE PERSONNEL DETAIL

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

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
Supervisory IT Specialist	Washington, D.C.	GS-15	1	\$160,300	\$160,300
IT Specialist	Washington, D.C.	GS-14	1	\$141,555	\$141,555
Subtotal			<u>2</u>		<u>\$301,855</u>
Less Lapse	0%		<u>0</u>		<u>\$0</u>
Total Full-time permanent:			2		\$301,855
2017 Pay Adjustment	1.600%				<u>\$4,830</u>
<b>Total</b>			2		<u>\$306,685</u>

### Personnel Data

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



**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

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

<b>Object Class</b>	<b>FY 2017 Increase</b>
11 Personnel compensation	
11.1 Full-time permanent	\$307
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	9
11.8 Special personnel services payments	0
11.9 Total personnel compensation	316
12 Civilian personnel benefits	101
13 Benefits for former personnel	0
21 Travel and transportation of persons	10
22 Transportation of things	0
23.1 Rental payments to GSA	23
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	7
24 Printing and reproduction	2
25.1 Advisory and assistance services	0
25.2 Other services	5,924
25.3 Purchases of goods & services from Gov't accounts	2
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	7
31 Equipment	8
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	6,400

**APPROPRIATION ACCOUNT: Salaries and Expenses**

**BUDGET PROGRAM: Operations and Administration**

For FY 2017, Departmental Management requests a total of \$3,000,000 to support the development of an Idea Lab.

**PROGRAM JUSTIFICATION:**

**Idea Lab Overview**

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

**PROGRAM CHANGE(S):**

**Idea Lab (\$3,000,000)**

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

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

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

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

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

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

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

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

#### **Schedule and Milestones:**

The Department will work with the Office of Management and Budget in developing a FY 2017 spend plan and will implement the program upon Congressional approval.

#### **Performance Goals and Measurement Data:**

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

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollars in thousands)

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

<b>Object Class</b>	<b>FY 2017 Increase</b>
11 Personnel compensation	
11.1 Full-time permanent	\$0
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 Total personnel compensation	0
12 Civilian personnel benefits	0
13 Benefits for former personnel	0
21 Travel and transportation of persons	0
22 Transportation of things	0
23.1 Rental payments to GSA	0
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	0
24 Printing and reproduction	0
25.1 Advisory and assistance services	0
25.2 Other services	3,000
25.3 Purchases of goods & services from Gov't accounts	0
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	0
31 Equipment	0
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	3,000

**APPROPRIATION ACCOUNT: Salaries and Expenses**

**BUDGET PROGRAM: Operations and Administration/Office of Acquisition Management**

For FY 2017, The Office of Acquisition Management requests a total of \$170,173 and 1 FTE for the Department's Suspension and Debarment Program. This funding includes an increase of \$170,173 and 1 FTE for a Suspension and Debarment program manager.

**PROGRAM JUSTIFICATION:**

**Suspension and Debarment Program Overview**

Suspensions and debarments are administrative remedies that are available to protect the Government from fraud, waste, and abuse of government financial resources. These administrative remedies are two of the Government's most powerful tools for ensuring contract and program integrity. The Office of Acquisition Management (OAM) is responsible for managing and overseeing the Suspension and Debarment Program within Commerce to ensure the implementation of a system of internal controls and processes to mitigate the potential for fraud, waste, and abuse in Departmental programs. OAM has the responsibility for ensuring that the Department fully implements suspension and debarment protections as outlined in the Federal Acquisition Regulation, the Non-procurement Common Rule, and Departmental policies.

The incumbent serves as program manager and Department-wide representative for Suspension and Debarment matters. This individual reviews concerns regarding the integrity or history of poor performance of contractors or financial assistance recipients and provides specialized guidance and advice to the Department's Suspending and Debarring Official. Additionally, the incumbent formulates and distributes policy and guidance, prepares reports on the Department's Suspension and Debarment program, provides advice and assistance to the Departments Operating Units, conducts compliance assessments, manages education and outreach efforts, and provides monitoring and oversight for the Department's Suspension and Debarment program. These actions help protect the Department from doing business with companies or individuals who are not responsible and pose business risks. As a result, there is a need for a continuous process that allows for management oversight, program monitoring, outreach and policy development.

The Office of Management and Budget (OMB) has determined that robust Suspension and Debarment programs are an Administration priority and essential to effective governance. OMB has directed Departments to "review internal policies, procedures, and guidance to ensure that the agency is protecting the Government's interests and taxpayer funds by effectively using suspension and debarment, when appropriate, as well as other remedies available to the agency that are designed to ensure, before an award is made, that potential contractors and recipients have the requisite business integrity."

**PROGRAM CHANGE(S):**

**Suspension and Debarment Program Manager (\$170,173 & 1 FTE):**

Suspensions and debarments are two of the Department's most powerful tools for ensuring contract and program integrity. These tools protect the Government from waste and abuse by allowing the Government to exclude entities and individuals that have shown they are not responsible and pose business risks. The Department's Suspension and Debarment Program is vital to delivering better services, solutions, and outcomes that benefit the American people by protecting scarce resources

from potential fraud, waste, and abuse. In order to achieve this goal, the Suspension and Debarment Program must have sufficient resources in order to effectively manage the program and provide adequate oversight to ensure its continued success and viability.

Congress and the Administration’s interest in supporting fiscal accountability and fraud detection have led to increased scrutiny of Suspension and Debarment Programs. This has been demonstrated in a series of Congressional Hearings, Reports from both the Inspector General and Government Accountability Office (GAO), and policies from the Office of Management and Budget.

The aforementioned instances demonstrate how the Suspension and Debarment program is vital to meeting the Department’s mission in an efficient and effective manner. As a result of increased emphasis on the Suspension and Debarment Program, the number of the Department’s suspension and debarment actions has increased from zero in the 15 years prior to Fiscal Year 2010 to almost 70 since Fiscal Year 2014.

Currently, the Department has utilized limited shared resources to manage the program. The Office of Acquisition Management has consulted with other agency officials, collaborated with the Office of Inspector General and the Office of General Counsel in the development of framework for implementation of a successful Suspension and Debarment program. However, successful implementation of an effective program is hindered by insufficient resources and has resulted in significant delays in processing actions which jeopardizes the effective stewardship of government resources.

Not filling the position would jeopardize the implementation of corrective actions in response to GAO and OIG recommendations and negatively impact successful execution of the Department’s Suspension and Debarment Program. The increased focus and workload in the Department’s Suspension and Debarment Program highlights its staffing shortcomings and the changes that need to be made to keep up with the growing demands.

The lack of dedicated resources and increased interest by Congress, GAO, and the OIG has caused the Department’s Suspension and Debarment program to be simply reactive. This on-going interest in suspension and debarment has not only dramatically increased the number of potential actions but also introduced dramatic changes in the form and nature of this powerful remedy. For the Department to move past this reactive stage and become a proactive and robust program, it needs dedicated resources.

As a result of increased scrutiny, other Departments have hired FTEs to build their Suspension and Debarment Programs. An informal review, shown below, demonstrates how far behind the Department of Commerce is in addressing the growing needs this program demands.

Department	Full Time Equivalents	Number of Actions FY 2012-2013
Commerce	0	47
Interior	2	193
EPA	7	408
HHS	3	56
Justice	5	105
State	1	146

USAID	5	145
OPM	1	2
GSA	6	463

### Statement of Need and Economic Benefits – Cost Benefit Analysis

Suspensions and Debarments protect the Department and taxpayers from waste and abuse by allowing the exclusion of entities and individuals that are not responsible from receiving awards of contracts, grants, and other forms of financial assistance. An effective and timely Suspension and Debarment process is critical to ensuring appropriate use of Departmental resources. Significant lapses between these referrals from the Department’s Operating Units and final action increases the risk that funds are given to risky or poorly performing contractors and grantees. Given current resource limitations, Suspension and Debarment actions at the Department of Commerce can take up to 357 days from the date of referral to be finalized. A dedicated, full-time resource for the Suspension and Debarment Program would be able to expedite the process and mitigate the financial/economic risk the Department assumes when working with contractors or grantees that are not responsible.

Furthermore, Departments who have fully staffed up their Suspension and Debarment programs have implemented policies to achieve dollar recoveries within the applicable fiscal year so that the money may be used by the contract or program impacted by the misconduct.

### Schedule and Milestones:

The Suspension and Debarment Program Manager would be hired in January 2017, FY17 (Q2).

### Performance Goals and Measurement Data:

<b>Performance Goal:</b> Suspension and Debarment Increased percentage of workforce trained	<b>FY 2015 Est.</b>	<b>FY 2016 Target</b>	<b>FY 2017 Target</b>	<b>FY 2018 Target</b>	<b>FY 2019 Target</b>	<b>FY 2020 Target</b>	<b>FY 2021 Target</b>
<b>With Change</b>			<b>25%</b>	<b>50%</b>	<b>75%</b>	<b>85%</b>	<b>90%</b>
<b>Without Change</b>			<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
<b>Description:</b> Training and outreach – Percentage of acquisition and grants workforce trained							
<b>Performance Goal:</b> Suspension and Debarment Decreased processing time	<b>FY 2015 Est.</b>	<b>FY 2016 Target</b>	<b>FY 2017 Target</b>	<b>FY 2018 Target</b>	<b>FY 2019 Target</b>	<b>FY 2020 Target</b>	<b>FY 2021 Target</b>
<b>With Change</b>			<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>
<b>Without Change</b>			<b>274</b>	<b>274</b>	<b>274</b>	<b>274</b>	<b>274</b>
<b>Description:</b> Processing time - Average number of days to process suspension and debarment action.							

## PROGRAM CHANGE PERSONNEL DETAIL

**Budget Program:** Operations and Administration  
**Sub-program:** Office of Acquisition Management  
**Program Change:** Suspension and Debarment Program

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Suspension and Debarment Program Manager	Washington, D.C.	ZA-IV/III	1	\$141,556	\$141,556
Subtotal			1		\$141,556
Less Lapse	25%		0		(\$35,389)
Total Full-time permanent:			1		\$106,167
2017 Pay Adjustment	1.600%				\$1,699
<b>Total</b>			1		\$107,866

**Personnel Data**

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



**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

**Budget Program: Operations and Administration/Office of Acquisition Management**  
**Program Change: Suspension and Debarment Program**

<b>Object Class</b>	<b>FY 2017 Increase</b>
11 Personnel compensation	
11.1 Full-time permanent	\$108
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>108</u>
12 Civilian personnel benefits	33
13 Benefits for former personnel	0
21 Travel and transportation of persons	2
22 Transportation of things	0
23.1 Rental payments to GSA	11
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	4
24 Printing and reproduction	0
25.1 Advisory and assistance services	0
25.2 Other services	1
25.3 Purchases of goods & services from Gov't accounts	5
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	1
31 Equipment	5
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	<u>170</u>

**APPROPRIATION ACCOUNT: Salaries and Expenses**

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

For FY 2017, Departmental Management requests a total of \$1,791,000 and 7 FTE for the Office of Privacy and Open Government (OPOG). This funding includes an increase \$215,000 and 2 FTE to enable the Office Privacy and Open Government (OPOG) to meet its operational and statutory requirements under the Freedom of Information Act /Privacy Act (FOIA/PA)(5 USC § 552 and 552a).

**PROGRAM JUSTIFICATION:**

**FOIA/PA Staffing Overview**

The Freedom of Information Act established a statutory right of public access to Executive branch information in the federal government (5 U.S.C. § 552). The Departmental FOIA/PA Office, located in the Office of Privacy and Open Government provides policy and operational oversight for the FOIA/PA Program across the Department and coordinates the proper handling and processing of FOIA/PA requests within the Office of the Secretary and Department-wide FOIA requests.

Current FOIA staffing includes:

One FTE serves as:

- the Departmental FOIA/PA Officer and principal FOIA/PA contact for the Department
- liaison with the Department of Justice, Office of Information Policy
- liaison with the National Archives and Records Administration, Office of Government Information Services
- FOIA/PA Officer for the directorates under the CFO/ASA
- FOIA Liaison for the CFO/ASA
- compiles the Department Annual FOIA Report and Chief FOIA Officer Report
- principal contact and reviewer /clearance coordinator/publisher for Privacy Act System of Records Notices (SORN)

The other FTE serve as:

- the Immediate Office of the Secretary FOIA/PA Officer
- FOIA Liaison for the Immediate Office of the Secretary

Current staffing levels are not meeting workload requirements resulting in a backlog of overdue FOIA requests, failure to meet statutory requirements, new FOIA compliance requirements, and an increase in the risk of costly FOIA litigation. Also current staffing levels do not meet the workload requirements resulting in a backlog of Privacy Act System of Records Notices (SORN) in OPOG for review and clearance. The investment in the FOIAonline electronic document management system only gets OPOG half way, by automating the tracking of FOIA requests and digitizing documents, but the ability to adequately review documents and process FOIA requests in a timely manner, requires additional resources.

## **PROGRAM CHANGE(S):**

### **Additional Staffing (\$215,000 & 2 FTE)**

OPOG requests an increase of 2 FTE to meet its operational and statutory requirements under the Freedom of Information Act/Privacy Act (5 USC § 552 and 552a). Two additional FTE are needed in the FOIA/PA program to balance the FOIA workload to reduce FOIA backlog, achieve optimum FOIA processing, and to ensure statutory requirements are met, therefore reducing the risk of costly FOIA litigation.

Not filling the position will jeopardize OPOG's ability to meet requirements of the Freedom of Information Act/PA (5 USC § 552 and 552a). The FOIA/PA work is mandated which imposes statutory time limits for fulfilling FOIA and PA requests.

1. Currently, the staff of the OPOG FOIA/PA Program is working at maximum capacity.
2. One FOIA Specialist – processes all Department-wide FOIA requests, which comprises approximately 30% of total requests processed each year. Department-wide requests contain voluminous documents.
3. FOIA staff routinely work on 8-10 FOIA/PA complex cases at a time, which may lead to mistakes because of the high workload.

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

If OPOG does not meet the statutory requirements of FOIA/PA, including the imposed time limits, the Department is at risk for undergoing the appeal process for requests not meeting those time limits. The President and the Attorney General have emphasized the importance of improving timeliness in responding to requests.

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

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

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

Additionally, the Census Bureau FOIA/PA Office, which receives a comparable number of FOIA requests per fiscal year as OPOG, is currently staffed at 5 FTEs: Census FOIA/PA Officer at 1 FTE;

FOIA Public Liaison at 1 FTE; FOIA Analysts at 2 FTE; and FOIA Assistant at 1 FTE. Furthermore, the Census FOIA Office was approved for and received an additional FOIA FTE in FY 2014. At the end of FY 2015, the Census FOIA backlog was 2 FOIA requests (with a 40% increase in simple FOIA requests) and the OPOG FOIA backlog was 71 FOIA requests. Moreover, the Census Bureau FOIA Office does not have purview over the Privacy Act System of Records Notices (SORNS), but rather this function is handled by a separate office, the Census Bureau Privacy Office, which is currently staffed at 5 FTE. The Census Bureau is currently using the FOIAonline electronic document management system, but with the additional FTEs, Census is able to respond to FOIA requests in a timely manner, and therefore has a backlog of only 3 overdue FOIA requests.

**Statement of Need and Economic Benefits – Cost Benefit Analysis**

Without the proposed increase to fill the positions, OPOG will be unable to balance the FOIA workload to reduce FOIA backlog, unable to achieve optimum FOIA processing, and unable to ensure statutory requirements are met, therefore reducing the risk of costly FOIA litigation, such as the Judicial Watch settlement. Further, we will be unable to achieve operational excellence and improve data capabilities by delivering better customer service, which are part of the Secretary’s Strategic Plan.

**Schedule and Milestones:**

Increase existing staff by two FTE to reduce FOIA backlog and meet program objectives. Program will be enhanced upon budget approval. Full implementation is anticipated within one year from initial budget approval. The two FTE will be recruited in FY 2017.

**Performance Goals and Measurement Data:**

<b>Performance Goal:</b>							
Freedom of Information Act (FOIA)	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
5 Percent Reduction of FOIA Backlog	<b>Est.</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>186</b>	<b>173</b>	<b>147</b>	<b>121</b>	<b>95</b>	<b>69</b>	<b>43</b>
<b>Without Change</b>	<b>290</b>	<b>303</b>	<b>316</b>	<b>329</b>	<b>342</b>	<b>355</b>	<b>368</b>
<b>Description:</b> Reduction of Department Overall FOIA Backlog by approximately 5 %							

## PROGRAM CHANGE PERSONNEL DETAIL

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

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Management Analyst	Washington, D.C.	ZA-II	2	\$76,498	\$152,996
Subtotal			<u>2</u>		<u>\$152,996</u>
Less Lapse	25%		<u>(1)</u>		<u>(\$38,249)</u>
Total Full-time permanent:			1		\$114,747
2017 Pay Adjustment	1.600%				\$1,836
<b>Total</b>			1		<u>\$116,583</u>

### Personnel Data

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

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

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

<b>Object Class</b>	<b>FY 2017 Increase</b>
11 Personnel compensation	
11.1 Full-time permanent	\$117
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	117
12 Civilian personnel benefits	35
13 Benefits for former personnel	0
21 Travel and transportation of persons	4
22 Transportation of things	0
23.1 Rental payments to GSA	23
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	9
24 Printing and reproduction	0
25.1 Advisory and assistance services	0
25.2 Other services	6
25.3 Purchases of goods & services from Gov't accounts	7
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	4
31 Equipment	10
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	215

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

Object Class	2015 Actual	2016 Enacted	2017 Base	2017 Estimate	Increase/ (Decrease) Over 2017 Base
11 Personnel compensation:					
11.1 Full-time permanent	20,754	24,052	24,394	24,920	526
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	741	588	588	597	9
11.9 Total personnel compensation	21,495	24,640	24,982	25,517	535
12.1 Civilian personnel benefits	6,184	7,134	7,282	7,450	168
13 Benefits for former personnel	27	0	0	0	0
21 Travel and transportation of persons	554	609	609	625	16
23.1 Rental payments to GSA	3,999	4,861	5,554	5,611	57
23.2 Rental payments to others	9	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	817	1,325	1,340	1,360	20
24 Printing and reproduction	15	30	31	33	2
25.1 Advisory and assistance services	1,064	1,064	1,064	1,064	0
25.2 Other services	9,060	4,626	5,519	14,457	8,938
25.3 Purchase of goods and services from Gov't accounts	15,473	13,561	17,996	17,936	(60)
26 Supplies and materials	217	153	156	168	12
31 Equipment	296	254	259	282	23
32 Land Structures	0	0	0	0	0
99 Total obligations	59,210	58,257	64,792	74,503	9,711
Less prior year recoveries	0				
Unobligated balance, start of year	(3,086)	(257)			
Unobligated balance, transferred	(1,200)				
Unobligated balance, end of year	257				
Unobligated balance, expiring	1,019				
Transfers from other accounts	(200)	0			
TOTAL BUDGET AUTHORITY	56,000	58,000	64,792	74,503	9,711

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

Personnel Data	2015 Actual	2016 Enacted	2017 Base	2017 Estimate	Increase/ (Decrease) Over 2017 Base
<b>Full-Time Equivalent Employment:</b>					
Full-time Permanent	116	116	116	121	5
Other than full-time permanent	40	40	40	40	0
<b>Total</b>	<b>156</b>	<b>156</b>	<b>156</b>	<b>161</b>	<b>5</b>
<b>Authorized Positions:</b>					
Full-time permanent	147	147	147	152	5
Other than full-time permanent	50	50	50	50	0
<b>Total</b>	<b>197</b>	<b>197</b>	<b>197</b>	<b>202</b>	<b>5</b>

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

-

For necessary expenses for the management of the Department of Commerce provided for by law, including not to exceed \$4,500 for official reception and representation, \$74,503,000: Provided, That within amounts provided, the Secretary of Commerce may use up to \$2,500,000 to engage in activities to provide businesses and communities with information about and referrals to relevant Federal, State, and local government programs.

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

FY 2017:

Salaries and Expenses

1. For expenses necessary for the Departmental Management of the Department of Commerce provided for by law.

15 U.S.C. 1501

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

2. Including not to exceed \$4,500 for official entertainment.

No Specific Authority

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

3. *Provided*, That within amounts provided, the Secretary of Commerce may use up to \$2,500,000 to engage in activities to provide businesses and communities with information about and referrals to relevant Federal, State, and local government programs.

No Specific Authority

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

	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>
Consulting services	1,064	1,064	1,064
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	1,064	1,064	1,064

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

	<u>2014 Actual</u>	<u>2015 Actual</u>	<u>2016 Enacted</u>	<u>2017 Estimate</u>
Periodicals	4	4	4	4
Pamphlets	0	0	0	0
Audiovisuals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	4	4	4	4

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

	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>
Average GS/GM Grade	12.72	12.73	12.73
Average GS/GM Salary	\$108,439	\$110,022	\$111,783

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

	Positions	FTE	Budget Authority	Direct Obligations
2016 Enacted	5	5	19,062	19,935
less: Obligations from prior years			0	(873)
less: 2017 Adjustment to Base	0	0	(17,968)	(17,968)
2017 Base	5	5	1,094	1,094
plus: Program changes			11,130	11,130
2017 Estimate	5	5	12,224	12,224

		2015 Actual		2016 Enacted		2017 Base		2017 Estimate		Increase/(Decrease) Over 2017 Base		
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Comparison by activity:	HCHB Renovation	Pos./BA	5	4,950	5	19,062	5	1,094	5	12,224	0	11,130
		FTE/Obl.	5	5,447	5	19,935	5		5		0	
TOTALS	Pos./BA	5	4,950	5	19,062	5	1,094	5	12,224	0	11,130	
	FTE/Obl.	5	5,447	5	19,935	5		5		0		
Adjustments to Obligations:												
	Recoveries		(133)									
	Unobligated balance, start of year		(1,237)		(873)							
	Unobligated balance, end of year		873									
Financing from Transfers:												
	Transfer from other accounts (-)		(450)									
	Transfer to other accounts (+)											
Appropriation			4,500		19,062		1,094		12,224		11,130	

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

	2015 Actual	2016 Enacted	2017 Base	2017 Estimate	Increase/ (Decrease) Over 2017 Base
Total Obligations	5,447	19,935	1,094	12,224	11,130
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	(133)	0	0	0	0
Unobligated balance, start of year	(1,237)	(873)	0	0	0
Unobligated balance, end of year	873	0	0	0	0
Budget Authority	4,950	19,062	1,094	12,224	11,130
Financing:					
Unobligated balance, rescission	0	0	0	0	0
Transfer from other accounts (-)	(450)	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	4,500	19,062	1,094	12,224	11,130

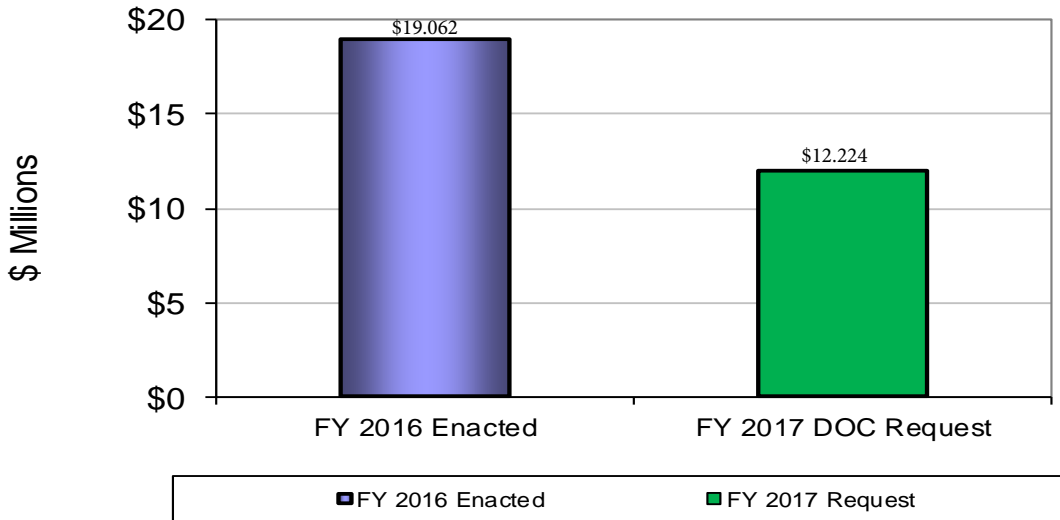
Department of Commerce  
 Departmental Management  
 Renovation and Modernization  
 JUSTIFICATION OF ADJUSTMENTS TO BASE  
 (Dollar amounts in thousands)

	FTE	Amount
<u>Adjustments:</u>		
Non-recurring Construction Costs	0	(17,981)
* Note: Due to the nature of the renovation and modernization phases, each year this account has non-recurring construction program costs. Only the personnel funding will be retained in the base.		
Other Changes:		
Pay Raises		11
Annualization of FY 2016 Pay Raise		
Pay raise of 1.3% assumed to be effective January 1, 2016.		
Total cost in FY 2017 of the FY 2016 pay increase	8,000	
Less amount requested in FY 2016	(6,000)	
Amount requested in FY 2017 for FY 2016 pay increase	2,000	
FY 2017 Pay Raise		
A general pay raise of 1.6% is assumed to be effective January 1, 2017.		
Total cost in FY 2017 of pay increase	9,000	
Amount requested in FY 2017 for FY 2017 pay increase	9,000	
Changes in compensable days		(3)
The decreased cost of two less compensable day in 2017 compared to 2016 is calculated by dividing the 2016 estimated personnel compensation (\$612,000) and applicable benefits (\$175,000) by 260 compensable days. The cost decrease of two compensable days is \$3,362		
Health Insurance		1
Effective January 2015, the cost of the U.S. Government's contribution to the Federal employee's health insurance premium increased by 1.6%. Applied against the FY 2016 estimate of \$35,000 the additional amount required is \$560.		
Rental Payments to GSA		1
The average nationwide increase for GSA rent is anticipated to be 3% over FY 2016. An increase of \$960,000 is requested to fund this increase.		
General Pricing Level Adjustment		3
This request applies OMB economic assumptions for FY 2017 of 1.8% to sub-object classes where the prices that the Government pays are established through the market system. Factors are applied to other services, (\$522) and equipment (\$2,430).		
Subtotal, Other Changes	0	13
Total FY 2017 Adjustments to Base	0	(17,968)

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

Comparison by activity:		2015 Actual		2016 Enacted		2017 Base		2017 Estimate		Increase/(Decrease) Over 2017 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
HCHB Renovation and Modernization	Pos./BA	5	4,950	5	19,062	5	1,094	5	12,224	0	11,130
	FTE/Obl.	5	5,447	5	19,935	5		5		0	
TOTALS	Pos./BA	5	4,950	5	19,062	5	1,094	5	12,224	0	11,130
	FTE/Obl.	5	5,447	5	19,935	5		5		0	

**Department of Commerce**  
 Departmental Management  
 HCHB Renovation and Modernization



**APPROPRIATION ACCOUNT: Renovation and Modernization**

**BUDGET PROGRAM: Renovation and Modernization**

For FY 2017, DM requests \$12,224,000 and 0 FTEs for the Herbert C. Hoover Building (HCHB) Renovation and Modernization Project. Due to the nature of the renovation and modernization phases, each year this account has non-recurring construction/equipment only program costs. Only the personnel related funding associated with the 5 FTE are retained in the base.

**PROGRAM JUSTIFICATION:**

**Renovation and Modernization Overview**

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

Also, as part of this extensive modernization effort, a necessary element in the effectiveness of the HCHB building’s physical security systems and program will be to increase the level of protection to the overall security of the building and its occupants.

**PROGRAM CHANGE(S):**

**Renovation and Modernization Project (+12,224,000)**

DOC Construction Cost	7,049
Security	200
IT/Telecommunications	810
Relocation and Planning	2,530
Blast Windows	265
Turnstiles	276
Base Operations	1,094
Total	12,224

**DOC Construction Cost: \$7,049,000**

Funding is requested to build out Phase 5 office spaces, storage areas and special purpose spaces gained or lost due to relocation of mechanical rooms, restrooms, and utility closets (e.g., auditorium, portion of childcare center, conference rooms, restrooms, utility closets, special swing spaces, new business centers, and social interactive spaces for the 21<sup>st</sup> Century Workplace Initiative, Secretary's suite and Old Aquarium lobby area), and to maximize HCHB space use thereby reducing leased space.

**Security: \$200,000**

Funding is necessary to cover costs associated with removing security equipment from Phase 5 construction site and to rewire and install the security systems, re-coring and re-keying of door locks.

**Information Technology (IT/Telecommunications & Audio Visual): \$810,000**

Funding is requested to rewire the IT/Telecommunications networks.

**Relocation and Planning: \$2,530,000**

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

**Blast Windows: \$265,000**

Funding is requested for the procurement and installation of perimeter blast resistant building door entrances.

**Turnstile Design and Installation (Phase I): \$276,000**

Funding is requested to design, procure and install the Phase I of security and access control turnstiles in the HCHB. Phase I will provide Homeland Security Presidential Directive (HSPD) - 12 and Americans with Disabilities Act (ADA) - compliant access control measures in the newly renovated HCHB tunnel, which is the busiest of all HCHB entrances. This program increase will be a critical element in the effectiveness of the HCHB building's physical security systems and program and will increase the level of protection to the overall security of the building and its occupants. This

initiative will ensure required HSPD-12 Presidential directive is maintained, reduce risk to the HCHB resources, as well as support necessary occupant emergency actions. The design, purchase and installation of turnstiles provide increased access control and building security effectiveness by providing a higher degree of credential authentication assurances. In doing so, turnstiles decrease the potential for human error related to access control which directly supports a key requirement of HSPD-12 by ensuring greater electronic usage of Personal Identity Verification cards for physical access control. The turnstile program would thus yield enhanced HSPD-12 compliance and add capabilities to better eliminate potential threats before they are allowed in the facility. Performing this initiative in conjunction with the HCHB renovation automatically provides efficiencies for the Department.

**FTE: \$1,094,000**

Funding is requested to support five FTEs and the increase to benefits, rent, utilities, supplies, and training. Continued support of the FTEs is crucial to the operation of the renovation project. These positions perform functions such as providing assistance to management on program and operations efficiency and productivity, serving as project managers for IT and space planning, assisting with communication, and acting as the Contracting Officer's Representative for the HCHB support contracts. This mix of FTEs is essential to working with GSA in the planning and execution of the HCHB Renovation and Modernization Project as well as keeping the lines of communication open between the staff. Included in this request is an increase to fund inflationary adjustments including the estimated 2017 Federal pay raise as well as other personnel related costs.

**Statement of Need and Economic Benefits – Cost Benefit Analysis**

The funds requested for FY2017 will enable the Department to continue with its 21<sup>st</sup> Century Workplace Initiative which will result in more work spaces and place more employees in the HCHB, more open communications and collaboration, more efficient heating, air conditioning, and electrical systems, ability to change out offices in a quick and timely manner with minimal effort, and easily adapting spaces to accommodate business process changes. It also will enable the DOC to keep in step with GSA's phased funding effort to modernize the building and keep with "Making the Federal Real Estate Footprint Smaller and More Efficient." Any fluctuation in the Department's appropriated funding will directly affect GSA's construction schedule.

The turnstile initiative will increase the efficiency at our entrances by detecting, preventing, and/or mitigating unauthorized building access. The turnstile initiative can reduce the overall risk to all building occupants by increasing the effectiveness of building access control and enhancing egress during fire evacuations or by stopping potential intruders with a false identification card. The security turnstiles can prevent personnel that attempt to gain access without proper credentials, identify non-valid cards, and will have the capability to control access during emergency actions. The turnstile system has integrated technology such as infrared or other optical sensors to detect tailgating and prevent piggybacking, thus creating a safer workplace. Costs are minimized if this project is incorporated into the renovation rather than managing it as a retrofit at a later time.

**Schedule and Milestones:**

The following is the remaining design and construction schedule:

Phase 4:	09/2015 – 06/2017
Phase 5:	06/2017 – 04/2019

Phase 6: 05/2019 – 3/2021  
Phase 7: 04/2021 – 2/2023

The turnstile initiative will be dependent on the renovation schedule and Phase I of the design and installation will be incorporated into the basement tunnel lobby.

**Deliverables:**

- Revised tenant improvement construction drawings
- Furniture inventory & installation drawings
- Move schedule, checklists and “Personnel to Seat” database
- Space utilization rates
- “Existing Conditions” floor plans
- Risk management plan
- Tenant improvement project plans
- Technical review of submittals
- Construction documentation review and analysis
- Tenant improvement cost estimating and analysis
- Three/four turnstile aisles in the basement tunnel in Phase I installation

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

**Budget Program: Renovation and Modernization**

**Program Change: Renovation and Modernization**

<b>Object Class</b>		<b>FY 2017 Increase</b>
11	Personnel compensation	
11.1	Full-time permanent	\$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	<u>0</u>
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	11,130
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Facilities operation and maintenance	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Persons subsistence and support	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	<u>11,130</u>



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

Object Classes	2015 Actual	2016 Enacted	2017 Base	2017 Estimate	Increase/ (Decrease) Over 2017 Base
11 Personnel compensation:					
11.1 Full-time permanent	614	612	621	621	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	6	6	6	6	0
11.9 Total personnel compensation	620	618	627	627	0
12.1 Civilian personnel benefits	184	210	208	208	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	0	1	1	1	0
22 Transportation of things	0	0	0	0	0
23.1 Rental payments to GSA	27	32	33	33	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	4	9	9	9	0
24 Printing and reproduction	0	2	2	2	0
25.1 Consulting services	0	0	0	0	0
25.2 Other services	4,555	18,884	32	11,162	11,130
25.3 Purchase of goods and services from Gov't accounts	21	29	30	30	0
26 Supplies and materials	10	15	15	15	0
31 Equipment	26	135	137	137	0
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	0	0	0	0	0
99 Total obligations	5,447	19,935	1,094	12,224	11,130
Less prior year recoveries	(133)		0	0	0
Unobligated balance, start of year	(1,237)	(873)			
Unobligated balance, end of year	873				
TOTAL BUDGET AUTHORITY	4,950	19,062	1,094	12,224	11,130

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

Personnel Data	2015 Actual	2016 Enacted	2017 Base	2017 Estimate	Increase/ (Decrease) Over 2017 Base
<b>Full-Time Equivalent Employment:</b>					
Full-time permanent	5	5	5	5	0
Other than full-time permanent	0	0	0	0	0
Total	5	5	5	5	0
<b>Authorized Positions:</b>					
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, [\$19,062,000] \$12,224,000 to remain available until expended[.]: *Provided, That unobligated balances of available discretionary funds appropriated for the Department of Commerce in this Act or previous appropriations Acts may be transferred to, and merged with, this account: Provided further, That any such funds appropriated in prior appropriations Acts transferred pursuant to the authority in the preceding proviso shall retain the same period of availability as when originally appropriated: Provided further, That the transfer authority provided in the first proviso is in addition to any other transfer authority contained in this Act: Provided further, That no amounts may be transferred from amounts that were designated by the Congress for Overseas Contingency Operations/Global War on Terrorism or as an emergency or disaster relief requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That any transfer pursuant to the authority provided under this heading shall be treated as a reprogramming under section 504 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.*

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

	Positions	FTE	Budget Authority	Reimbursable Obligations
2016 Enacted	0	0	0	0
Restoration of Proposed Rescission	0	0	0	0
less: Obligations from prior years	0	0	0	0
2017 Base	0	0	0	0
plus: 2017 Program Changes	0	0	0	0
2017 Estimate	0	0	0	0

		2015 Actual		2016 Enacted		2017 Base		2017 Estimate		Increase/(Decrease) Over 2017 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Office of Computer Services	Pos./BA	0	(2,906)	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
TOTALS	Pos./BA	0	(2,906)	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
Adjustments to Obligations:											
	Recoveries	0	0	0	0	0	0	0	0	0	0
	Unobligated balance, start of year	0	2,906	0	0	0	0	0	0	0	0
	Unobligated balance, end of year	0	0	0	0	0	0	0	0	0	0
	Unobligated balance, rescission	0	(2,906) 1/	0	0	0	0	0	0	0	0
Financing from Transfers:											
	Transfer from other accounts (-)										
	Transfer to other accounts (+)										
Reimbursable Authority		0	0	0	0	0	0	0	0	0	0

1/ Pursuant to P.L. 113-235, Consolidated and Further Continuing Appropriations Act, 2015, the unobligated balance of \$2,906 was rescinded.

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**Department of Commerce**  
Departmental Management  
Franchise Fund

**APPROPRIATION ACCOUNT: DEPARTMENTAL MANAGEMENT**

**BUDGET ACTIVITY: FRANCHISE FUND**

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

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

The Department closed OCS at the beginning of FY 2011. Although OCS services no longer exist, the franchise fund's authority remains.

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

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

Object Classes	2015 Actual	2016 Enacted	2017 Base	2017 Estimate	Increase/ (Decrease) Over 2017 Base
11 Personnel compensation:					
11.1 Full-time permanent	0	0	0	0	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	0	0	0	0	0
11.9 Total personnel compensation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12.1 Civilian personnel benefits	0	0	0	0	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	0	0	0	0	0
22 Transportation of things	0	0	0	0	0
23.1 Rental payments to GSA	0	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	0	0	0	0	0
24 Printing and reproduction	0	0	0	0	0
25.1 Consulting services	0	0	0	0	0
25.2 Other services	0	0	0	0	0
25.3 Purchase of goods and services from Gov't accounts	0	0	0	0	0
26 Supplies and materials	0	0	0	0	0
31 Equipment	0	0	0	0	0
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	0	0	0	0	0
99 Total obligations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unobligated Balance, start of year	2,906	0	0	0	0
Unobligated Balance, end of year	0	0	0	0	0
Unobligated Balance, rescission	(2,906)	0	0	0	0
Less prior year recoveries	0	0	0	0	0
<b>TOTAL REIMBURSABLE AUTHORITY</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>



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

	Positions	FTE	Budget Authority	Direct Obligations
2016 Enacted	0	0	0	0
plus: 2017 Adjustments to Base	0	0	0	0
2017 Base	0	0	0	0
less: 2017 Program Changes	0	0	0	0
2017 Estimate	0	0	0	0

Comparison by activity:	2015 Actual		2016 Enacted		2017 Base		2017 Estimate		Increase/(Decrease) Over 2017 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	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0
Administrative Expenses	Pos./BA	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0
Modification Costs	Pos./BA	0	0	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	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0
Adjustments to Obligations:										
Unobligated balance, start of year		(291)		(291)		(291)		(291)		0
Unobligated balance, rescission		0		0		0		0		0
Unobligated balance, end of year		291		291		291		291		0
Financing from Transfers:										
Transfer from other accounts (-)										
Transfer to other accounts (+)										
Budget Authority (rescission)		0		0		0		0		0

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

	2015 Actual	2016 Enacted	2017 Base	2017 Estimate	Increase/ (Decrease) Over 2017 Base
Total Obligations (includes Discretionary and Mandatory balances)	0	0	0	0	0
Offsetting collections from:					
Federal funds	0	0	0	0	0
Trust funds	0	0	0	0	0
Recoveries/Refund	0	0	0	0	0
Mandatory Appropriations	0	0	0	0	0
Unobligated balance, start of year	(291)	(291)	(291)	(291)	0
Unobligated balance, end of year	291	291	291	291	0
Budget Authority/(Rescission)	0	0	0	0	0

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

Object Classes	2015 Actual	2016 Enacted	2017 Base	2017 Estimate	Increase/ (Decrease) Over 2017 Base
11 Personnel compensation:					
11.1 Full-time permanent	0	0	0	0	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	0	0	0	0	0
11.9 Total personnel compensation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12.1 Civilian personnel benefits	0	0	0	0	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	0	0	0	0	0
22 Transportation of things	0	0	0	0	0
23.1 Rental payments to GSA	0	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	0	0	0	0	0
24 Printing and reproduction	0	0	0	0	0
25.1 Consulting services	0	0	0	0	0
25.2 Other services	0	0	0	0	0
25.3 Purchase of goods and services from Gov't accounts	0	0	0	0	0
26 Supplies and materials	0	0	0	0	0
31 Equipment	0	0	0	0	0
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
99 Total obligations	0	0	0	0	0
Mandatory Appropriations	0	0	0	0	0
Recoveries/Refund	0	0	0	0	0
Unobligated balance, start of year	(291)	(291)	(291)	(291)	0
Unobligated balance, rescission	0	0	0	0	0
Plus Unobligated Balance End of Year	<u>291</u>	<u>291</u>	<u>291</u>	<u>291</u>	<u>0</u>
TOTAL BUDGET AUTHORITY/(RESCISSION)	0	0	0	0	0

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

	Positions	FTE	Budget Authority	Reimbursable Obligations
2016 Operating Budget	703	583		243,974
less: Unobligated balance, start of year	0	0		0
plus: 2017 Adjustments to Base	0	0		5,700
2017 Base	703	583		249,674
plus: 2017 Program Changes	8	8		7,268
2017 Estimate	711	591		256,942

		2015 Actual		2016 Operating Budget		2017 Base		2017 Estimate		Increase/(Decrease) Over 2017 Base		
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Comparison by activity:												
	Operations and Administration	Pos./BA	663		703		703		711		8	
		FTE/Obl.	543	182,542	583	243,974	583	249,674	591	256,942	0	7,268
			<hr/>		<hr/>		<hr/>		<hr/>		<hr/>	
	TOTALS	Pos./BA	663		703		703		711		8	
		FTE/Obl.	543	182,542	583	243,974	583	249,674	591	256,942	8	7,268
			<hr/>		<hr/>		<hr/>		<hr/>		<hr/>	
	Adjustments to Obligations:											
	Recoveries			(3,187)								
	Unobligated balance, start of year			(13,407)		(4,028)						
	Unobligated balance, end of year			4,028								
	Total Reimbursable Authority			169,976		239,946		249,674		256,942		7,268

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

	<u>FTE</u>	<u>Amount</u>
Adjustments:		
Other Changes:		
Pay Raise	0	1,379
Annualization of FY 2016 Pay Raise		
The 2016 President's Budget assumed a pay raise of 1.3% effective Jan. 1, 2016.		
Total cost in FY 2017 of the FY 2016 pay increase		1,093,333
Less amount requested in FY 2016		<u>(820,000)</u>
Amount requested in FY 2017 for FY 2016 pay increase		273,333
 FY 2017 Pay Raise		
A general pay raise of 1.6% is assumed to be effective Jan. 1, 2017.		
Amount requested in FY 2017 for FY 2017 pay increase		1,106,000
 Changes in compensable days		-710
The decreased cost of two less compensable days in 2017 compared to 2016 is calculated by dividing the 2016 estimated personnel compensation (\$74,874,986) and applicable benefits (\$18,082,840) by 262 compensable days. The cost decrease of two compensable days is -\$709,602.		
 Full year cost in 2017 of positions financed for part year in 2016 . . . . .	0	186
An increase of \$186,160 is required to fund the full-year cost in 2017 of positions financed for part-year in 2016. The computation follows:		
Annual salary of new positions in 2017	1	692,425
Less 5 percent lapse	0	<u>(34,621)</u>
Full-year cost of personnel compensation	1	657,804
Less personnel compensation in 2016	-1	<u>(519,318)</u>
Cost of personnel compensation in 2017	0	138,486
Adjustment for 2017 pay raise	0	1,662
Add'l amount required for personnel compensation	0	140,148
Benefits	0	<u>46,012</u>
Total adjustment-to-base	0	186,160

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

	FTE	Amount
Adjustments:		
Civil Service Retirement System (CSRS)	...	(77)
The cost of agency contributions for CSRS will decrease due to the decrease in the number of employees covered by CSRS from 4.2% in FY 2016 to 2.7% in FY 2017 for regular employees. The contribution rate will remain the same at 7.00% for regular employees.		
Regular:		
FY 2017 (\$73,228,448 x .027 x .07)	138,402	
FY 2016 (\$73,228,448 x .042 x .07)	215,292	
Total adjustment to base	(76,890)	
Total adjustment to base	(76,890)	
Federal Employees' Retirement System (FERS)	...	150
The cost of agency contributions for FERS will increase due to the increase in the number of employees covered by FERS from 95.8% in FY 2016 to 97.3% in FY 2017 for regular employees. The estimated percentage of payroll for law enforcement employees covered by FERS will remain the same in FY 2017. The contribution rate will remain the same 13.7% for regular employees and 30.1% for law enforcement employees.		
Regular:		
FY 2017 (\$73,228,448 x .973 x .137)	9,761,425	
FY 2016 (\$73,228,448 x .958 x .137)	9,610,941	
Total adjustment to base	150,484	
Law Enforcement:		
FY 2017 (\$1,646,538 x 1.0 x .301)	495,608	
FY 2016 (\$1,646,538 x 1.0 x .301)	495,608	
Total adjustment to base	0	
Total adjustment to base	150,484	



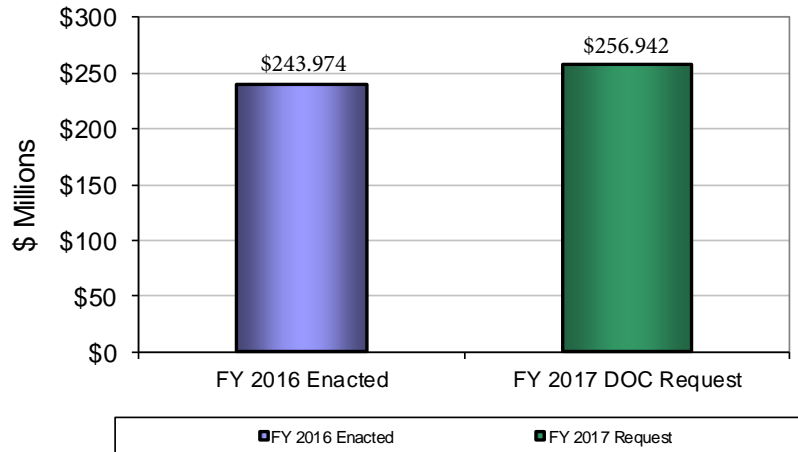
Department of Commerce  
Departmental Management  
Working Capital Fund  
(Dollar amounts in thousands)

	FTE	Amount
Adjustments:		
Thrift Savings Plan (TSP)	...	1,772
<p>The cost of agency contributions to the TSP will increase slightly due to the number of employees covered increasing from 95.8% in FY 2016 to 97.3% in FY 2017 for regular employees and will remain at 100% in FY 2017 for law enforcement employees. The contribution rates will increase from 2% in FY 2016 to 4.4% in FY 2017.</p>		
Regular:		
FY 2017 (\$73,228,448 x .973 x .044)		3,135,056
FY 2016 (\$73,228,448 x .958 x .02)		1,403,057
Total adjustment to base		1,731,999
Law Enforcement:		
FY 2017 (\$1,646,538 x 1.0 x .044)		72,448
FY 2016 (\$1,646,538 x 1.0 x .02)		32,931
Total adjustment to base		39,517
Total adjustment to base		1,771,516
Federal Insurance Contributions Act (FICA) - OASDI	...	115
<p>As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the percent of salaries below the cap will increase from 92.4% in FY 2016 to 93.5% in FY 2017. The OASDI tax rate will remain 6.2% in FY 2017.</p>		
Regular:		
FERS payroll subject to FICA tax in FY 2017 (\$73,228,448 x .973 x .935 x .062)		4,130,437
FERS payroll subject to FICA tax in FY 2016 (\$73,228,448 x .958 x .924 x .062)		4,018,917
Subtotal		111,520
Law Enforcement:		
FERS payroll subject to FICA tax in FY 2017 (\$1,646,538 x 1.0 x .935 x .062)		95,450
FERS payroll subject to FICA tax in FY 2016 (\$1,646,538 x 1.0 x .924 x .062)		94,327
Subtotal		1,123
Other Salaries:		
Other payroll subject to FICA tax in FY 2017 (\$1,383,329 x .973 x .935 x .062)		78,026
Other payroll subject to FICA tax in FY 2016 (\$1,383,329 x .958 x .924 x .062)		75,920
Subtotal		2,106
Total adjustment to base		114,749

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

	<u>FTE</u>	<u>Amount</u>
Adjustments:		
Health Insurance	...	197
Effective January 2015, the cost of the U.S. Government's contribution to the Federal employee's health insurance premium increased by 4.1%. Applied against the FY 2017 estimate of \$4,810,034, the additional amount required is \$197,211.		
Rental Payments to GSA	...	211
GSA rates are projected to increase in FY 2017. An additional \$211,035 is required to fund this increase.		
Commerce Business System	...	236
Costs associated with the Commerce Business System will increase from \$11,804,878 in FY 2016 to \$12,040,975 in FY 2017. This results in an increase of \$236,098.		
Other Services:		2,241
General Pricing Level Adjustment	...	
This request applies OMB economic assumptions for FY 2017 of 1.8% to sub-object classes where the prices that the government pays are established through the market system. Factors are applied to transportation of things (\$4,608); rental payments to other (\$0); communications (\$43,347); printing (\$2,178); other services (\$2,091,750); Federal Protective Service (\$1,166); supplies and materials (\$29,250); and equipment (\$68,958).		
Subtotal, Other Changes	<u>0</u>	<u>5,700</u>
Total FY 2017 Adjustments to Base	<u>0</u>	<u>5,700</u>

**Department of Commerce**  
 Departmental Management  
 Working Capital Fund



**ACCOUNT: WORKING CAPITAL FUND**

**BUDGET PROGRAM: OPERATIONS AND ADMINISTRATION**

For FY 2017, Departmental Management (DM) requests a total of \$256,942,444 and 591 FTE for the Working Capital Fund (WCF). This funding includes a net increase of \$12,968,175 and 8 FTE, which is comprised of \$7,268,175 in program changes with 8 FTE and \$5,700,000 increase in inflationary adjustments.

**BASE JUSTIFICATION:**

**Working Capital Fund Overview:**

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

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

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

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

**Significant Adjustments-to-Base (ATBs):**

DM requests a net increase of \$5,700,000 and 0 FTE to fund inflationary adjustments. The increase will fund the estimated 2017 Federal pay raise of 1.6 percent and increases for non-labor activities, including service contracts, utilities and rent charges from the General Service Administration.

**PROGRAM CHANGES:**

DM requests and increase of \$7,268,175 and 8 FTE, which is comprised of \$16,064,345 in program increases with 8 FTE; and -\$8,796,170 non-recurring adjustment.

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

## FY 2017 WCF Program Increase Requests

### CFO/ASA Program Increase Requests

	FTE	Increase Amt.
OFEQ		
Elevator Maintenance & Building Management	0	\$78,000
HCHB Window & Fan Coil Maintenance	0	\$170,000
HCHB Drainage Maintenance	0	\$74,000
OSY		
Supply Chain Risk Management	3	\$515,000
HCHB Electronic Security Maintenance & Administration Contract	0	\$267,000
Personnel Security Administration Change	0	\$580,000
Special Security Officer	1	\$172,000
HCHB Guard Escalation/ Collective Bargaining Agreement	0	\$2,300,000
<b>CFO/ASA Total</b>	<b>4</b>	<b>\$4,156,000</b>

### Office of the Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA) Program Increase Request

	FTE	Increase Amt.
Shared Services Organization	0	\$6,504,000
<b>CFO/ASA Total</b>	<b>0</b>	<b>\$6,504,000</b>

### OGC Program Increase Requests

	FTE	Increase Amt.
OGC		
Assistant General Counsel for Administration: Maintaining Legal Services	2	\$185,345
<b>OGC Total</b>	<b>2</b>	<b>\$185,345</b>

### OCIO Program Increase Requests

	FTE	Increase Amt.
OCIO		
ECMO Licenses and Enhancements	1	\$3,000,000
Boundary Protection	1	\$969,000
Vulnerability Management Program	0	\$500,000
Enhanced IT Security Risk Assessment & Management	0	\$750,000
<b>OCIO Total</b>	<b>2</b>	<b>\$5,219,000</b>

### WCF non-recurring adjustments WCF Program Increase Requests Total

<b>0</b>	<b>-\$8,796,170</b>
<b>8</b>	<b>\$7,268,175</b>

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollars in thousands)

**Budget Program: Operations and Administration**  
**Program Change: WCF Program Increases**

<b>Object Class</b>	<b>FY 2017 Increase</b>
11 Personnel compensation	
11.1 Full-time permanent	\$354
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	3
11.8 Special personnel services payments	0
11.9 Total personnel compensation	<u>357</u>
12 Civilian personnel benefits	230
13 Benefits for former personnel	0
21 Travel and transportation of persons	23
22 Transportation of things	0
23.1 Rental payments to GSA	24
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	8
24 Printing and reproduction	3
25.1 Advisory and assistance services	424
25.2 Other services	4,574
25.3 Purchases of goods & services from Gov't accounts	(1,240)
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	2,127
25.8 Subsistence and support of persons	0
26 Supplies and materials	10
31 Equipment	728
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>7,268</u>

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

For FY 2017, Departmental Management (DM) requests a total of \$703,000 and 0 FTE to support the award of a new elevator maintenance contract for the Department of Commerce (DOC) through the Working Capital Fund (WCF). This funding includes an increase of \$78,000 and 0 FTE.

**PROGRAM JUSTIFICATION:****Elevator Maintenance and Building Management Overview**

Departmental Management requests an annual increase of \$78,000 to support the award of a new elevator contract with a federally mandated wage determination increase. The contract ensures the safe and reliable operation of 34 elevators in the Herbert C. Hoover Building (HCHB). It provides for all planned and preventative maintenance, maintains over 95% uptime, answers trouble calls within 10 minutes during the week days with service from 6 AM to 6 PM and responds to emergency defects to include responding to out of hours emergencies 24 hours per day, 7 days per week.

This project supports the following Secretarial and CFO/ASA priorities; Organizational Excellence by maximizing elevator availability to the HCHB tenants while maintaining the high quality of service to the organization and Customer Focus by supporting a safe and productive workplace.

**PROGRAM CHANGE(S):**

**Elevator Maintenance and Building Management (+ 0 FTE and +\$.078 million):** Departmental Management requests an increase of \$.078 million to award a new elevator contract with Federal Wage Determination increased costs to keep up with the growing demand on aging equipment.

**Proposed Actions**

A new elevator contract will be awarded in Q3 FY 2016, to ensure the safe and reliable operation of the 34 elevators in the Herbert C. Hoover Building (HCHB). To conduct all planned and preventative maintenance and emergency response on 34 HCHB elevators requires over 120 hours of labor per week.

**Statement of Need and Economic Benefits**

GSA has not included an overhaul of the elevators in the HCHB renovation project and DOC will continue to be responsible for ongoing maintenance and repairs. DOC has completed several major preventative safety projects including re-roping and installing new brakes on the units. However, as the elevators age, the level of maintenance and number of repairs will increase. To adequately perform all the required planned and preventative maintenance, to conduct inspections, as well as attend to defects and emergency calls, a minimum of 120 hours per week of skilled labor will be required.

**Base Resource Assessment**

The current level of effort to support the HCHB elevators is sufficient to keep up with the growing demand on aging equipment however, the funding needs to increase to meet the Labor Department required wage determination increase.

**Deliverables:**

*New Contract*

**Performance Goals and Measurement Data:**

<b>Performance Goal: Measure 1</b>	<b>FY 2015 Est.</b>	<b>FY 2016 Target</b>	<b>FY 2017 Target</b>	<b>FY 2018 Target</b>	<b>FY 2019 Target</b>	<b>FY 2020 Target</b>	<b>FY 2021 Target</b>
<b>With Change</b>	95% availability	95% availability	95% availability	95% availability	95% availability	95% availability	95% availability
<b>Without Change</b>	95% availability	95% availability	80% availability	80% availability	80% availability	80% availability	80% availability
<b>Description:</b> To maintain a minimum of 95% availability for the 34 HCHB elevators 24 hours per day.							



**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollars in thousands)

**Budget Program: Operations and Administration /Office of Facilities & Environmental Quality**  
**Program Change: Elevator Maintenance and Building Management**

<b>Object Class</b>		<b>FY 2017 Increase</b>
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	78
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	78

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

For FY 2017, Departmental Management (DM) requests a total of \$566,000 and 0 FTE for HCHB Window and Fan Coil Maintenance. This funding includes an increase of \$170,000 and 0 FTE.

**PROGRAM JUSTIFICATION:****HCHB Window and Fan Coil Maintenance Overview**

Departmental Management requests an annual increase of \$170,000 to fund contractor maintenance of new fan coils and windows installed in the HCHB Renovation Phases III and IV. The contract covers quarterly maintenance of the fan coils with filter changes (filter included) and annual window maintenance on both the blast and historic windows.

This project supports the following Secretarial and CFO/ASA priorities; Environmental Stewardship by efficiently maintaining the heating and cooling set points to reduce our carbon footprint and Organizational Excellence by ensuring the environment continues to support a safe and productive workplace and the modernization of the facility through renovation.

**PROGRAM CHANGE(S):****HCHB Window and Fan Coil Maintenance (+0 FTE and + \$0.170 million):**

Departmental Management requests an increase of \$0.170 million and 0 FTE for a total of \$0.566 million and 0 FTE to fund option year four of the contract for the maintenance of 1,864 Phase III and Phase IV windows and 1,742 fan coil units, in addition to the current 1,045 windows and 1,022 fan coils in Phases I and II. The contract maintains the assets in accordance with the General Services Administration (GSA) delegation agreement. It provides for all planned and preventative maintenance and responds to emergency defects. This request is a significantly smaller increase than projected. The current contracts were well below the Government Cost Estimate (GCE) and will be rebid in FY2018.

Per the Window Blast Hazard Mitigation Study, U.S. Department of Commerce, HCHB, dated Feb. 2003, the GSA has a need to protect its facilities against possible terrorist attack with explosives. GSA security criteria address the requirements for mitigating the hazardous glass fragment environments that are generated when a bomb is detonated near a building. The intent of the criteria is to reduce (not necessarily eliminate) the potential hazards, recognizing that not all windows will survive a bombing attack, especially in an open public facility “the HCHB is vulnerable to hazardous window failure (i.e., Performance Condition 5) from the Interagency Security Committee (ISC). The windows, therefore, require an upgrade to achieve ISC Medium Protection Level.” The new blast windows have been designed to deal with this threat.

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. Properly maintained units will provide tenant safety, workplace heating and cooling and prolong the life of the items.

## **Proposed Actions**

Funding will be used to fund option year four of the contracts to maintain the new Phase III and Phase IV assets.

## **Statement of Need and Economic Benefits**

GSA requires maintenance of assets per the delegation agreement and new assets from Phase III and Phase IV were projected into the scope of the existing preventative maintenance contract.

## **Base Resource Assessment**

The current level of funding can support maintenance of the Phase I, II & III assets through option year three, but is insufficient to maintain Phase III assets or additional Phase IV assets in option year four. The current contracts were well below the GCE and will be rebid in FY18

## **Schedule and Milestones:**

- October 2016 – Exercise Option Year 4
- October 2017 – New Contract Base Year
- October 2018 – Exercise Option Year 1
- October 2019 – Exercise Option Year 2
- October 2020 – Exercise Option Year 3
- October 2021 – Exercise Option Year 4

## **Deliverables:**

- Maintenance of fan coil and window assets per the delegation agreement for Phases I through IV and maintaining the lifecycle of the complete system, preventing premature failure due to insufficient maintenance.
- Providing stable heating/cooling and tempering of HCHB office spaces to provide a suitable work environment.

**Performance Goals and Measurement Data:**

<b>Performance Goal: Measure 1</b>	<b>FY 2015 Est.</b>	<b>FY 2016 Target</b>	<b>FY 2017 Target</b>	<b>FY 2018 Target</b>	<b>FY 2019 Target</b>	<b>FY 2020 Target</b>	<b>FY 2021 Target</b>
<b>With Change</b>	Assets for Phase 1 to 3 maintained	Assets for Phase 1 to 3 maintained	Assets for Phase 1 to 4 maintained	Assets for Phase 1 to 4 maintained	Assets for Phase 1 to 5 maintained w additional funding	Assets for Phase 1 to 5 maintained w additional funding	Assets for Phase 1 to 6 maintained w additional funding
<b>Without Change</b>	Assets for Phase 1 to 3 maintained	Assets for Phase 1 to 3 maintained	Assets for Phase 3 & 4 not maintained	Assets for Phase 3 & 4 not maintained	Assets for Phase 3 - 5 not maintained	Assets for Phase 3 - 5 not maintained	Assets for Phase 3 - 5 not maintained
<b>Description:</b> [Complete planned maintenance will ensure maximum serviceability of the fan coils and windows, and lower the overall lifecycle cost of the systems].							

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

**Budget Program: Operations and Administration /Office of Facilities & Environmental Quality**  
**Program Change: HCHB Window and Fan Coil Maintenance**

<b>Object Class</b>		<b>FY 2017 Increase</b>
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	170
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	170

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

For FY 2017, Departmental Management (DM) requests a total of \$74,000 and 0 FTE to fund a contract for cleaning and maintenance of approximately 100 roof leaders, garage parking and moat drainage, and external sand filters. This funding includes an increase of \$ 74,000 and 0 FTE.

**PROGRAM JUSTIFICATION:****HCHB Drainage Maintenance Overview**

Departmental Management requests an increase of \$74,000 and 0 FTE to fund option years on an existing contract for routine annual cleaning of approximately 100 roof leaders, garage parking and moat drainage, and new sand filters. Roof leaders and garage drains are not being replaced or refurbished by the HCHB Modernization program and require routine maintenance to remove blockages to keep them flowing freely. The sand filters are a new system required by DC Regulations which are being installed by the renovation in FY 2015-2016, and will also require routine cleaning and maintenance.

This project supports the following Secretarial and CFO/ASA priorities: Environmental Stewardship by meeting regulatory maintenance requirements for perimeter sand filters, and Customer Focus by insuring the integrity of the Herbert C Hoover Building for its tenants.

**PROGRAM CHANGE(S):**

**HCHB Drainage Maintenance (+ 0 FTE and + \$0.074 million):** An increase of \$0.074 million is requested to fund a new requirement to meet storm water regulations brought on by the HCHB renovation. This includes approximately 100 roof leaders, garage parking and moat drainage, and new sand filters.

**Statement of Need and Economic Benefits**

The GSA Standard Operating Procedures for Operation and Maintenance of Delegated Real Property (December 2013 revision) includes a responsibility for the delegated agency to maintain water integrity of the exterior structure, including drains. Maintenance of the roof drainage is especially critical given that the HCHB Modernization program is not replacing the drainage piping, exposing even renovated portions of the building to the risk of water intrusion if the drains are not maintained in full operating condition.

As part of the Modernization program and due to new DC regulations, sand and sediment filtration systems are being added to all connections between the HCHB storm drains and the city utility piping. Under GSA's agreement with the DC government these must be routinely maintained by the Federal government, and will be a DOC responsibility under the Delegation agreement. The cleaning and maintenance requires specialized equipment, as the filter units are located in restricted and confined spaces.

**Base Resource Assessment**

There is currently no in-house staff, funds or specialist equipment to perform this maintenance and equipment. The base year and option year 1 of the maintenance contract was covered from existing resources, but with a significant increase in fan coil and window maintenance in FY17, option years 2, 3 and 4 of this contact will become unfunded.

**Schedule and Milestones:**

Oct 2016 Exercise Option Year 2  
 Oct 2017 Exercise Option Year 3  
 Oct 2018 Exercise Option Year 4  
 Oct 2019 Award New Contract  
 Oct 2020 Exercise Option Year 1

**Deliverables:**

Routine specialized maintenance and cleaning of 100 roof leaders, moat drains, garage drains and exterior sand filters.

**Performance Goals and Measurement Data**

<b>Performance Measure:</b>	<b>FY 2017 Target</b>	<b>FY 2018 Target</b>	<b>FY 2019 Target</b>	<b>FY 2020 Target</b>	<b>FY 2021 Target</b>	<b>FY 2022 Target</b>
<b>With Increase</b>	Meet GSA delegation and DC discharge requirements	Meet GSA delegation and DC discharge requirements	Meet GSA delegation and DC discharge requirements	Meet GSA delegation and DC discharge requirements	Meet GSA delegation and DC discharge requirements	Meet GSA delegation and DC discharge requirements
<b>Without Increase</b>	Fail to meet GSA delegation and DC discharge requirements	Fail to meet GSA delegation and DC discharge requirements	Fail to meet GSA delegation and DC discharge requirements	Fail to meet GSA delegation and DC discharge requirements	Fail to meet GSA delegation and DC discharge requirements	Fail to meet GSA delegation and DC discharge requirements
<b>Description:</b> The primary metric for this program is the performance of all required services and conformance with the GSA Delegation Agreement.						

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

**Budget Program: Operations and Administration /Office of Facilities & Environmental Quality**  
**Program Change: HCHB Drainage Maintenance**

<b>Object Class</b>		<b>FY 2017 Increase</b>
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	74
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	74



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

For FY 2017, Departmental Management (DM) requests total of \$4,227,000 and 19 FTE for the Investigations & Threat Management Division Mission Critical Threat Expansion. This includes an increase of \$515,000 and 3 FTE.

**PROGRAM JUSTIFICATION:****Supply Chain Risk Management Overview**

The Office of the Director of National Intelligence has emphasized the importance of restoring strong economic growth and maintaining the Nation's scientific and technological edge, and has judged that global climate change will have important implications. The Department of Commerce exists to promote the Nation's economic development, including U.S. technological advancement. The Office of Security (OSY) exists to reduce the Department's security risk; and its Investigations and Threat Management Division (ITMD) achieves this by identifying and addressing critical threats to the Department's mission posed by foreign intelligence services, transnational criminal organizations, and violent extremists.

Through ITMD, OSY is the only operating unit specifically chartered to protect the Department from these types of threats, as well as the only governmental entity functioning in this capacity that is directly focused on the Department; ITMD has proactively uncovered matters associated with the Department's economic, technological, and environmental missions that went unrecognized by other government agencies. ITMD also supports key national strategies, including the National Security Strategy, National Intelligence Strategy, National Counterintelligence Strategy, and U.S. Strategy to Combat Transnational Organized Crime, National Strategy for Counterterrorism, and National Strategy for Global Supply Chain.

For FY 2015, ITMD is authorized 16 FTE (12 Criminal Investigators, 2 Intelligence Research Specialists, and 2 Security Specialists). In FY 2013, ITMD was assigned a new requirement pursuant to P.L. 112-55 (Nov.18, 2011) that is now encompassed by P.L. 113-76. This law requires the Department to assess all high and moderate impact information systems to determine the risk of cyber-espionage or sabotage prior to use of appropriated funds, and also requires the agency head to report to the House and Senate Committees on Appropriations corresponding mitigation strategies for assessed acquisitions, as well as determinations that acquisitions are in the national interest of the United States. ITMD is the executing program office responsible for performing these assessments. For FY 2017, OSY is requesting 3 ZA-0132-IV Intelligence Research Specialists who will be responsible for developing these assessments.

**PROGRAM CHANGE(S):****Supply Chain Risk Management (SCRM) (+ 3 FTEs and + \$0.515 million):**

The proposed FTEs will develop assessments in accordance with P.L. 113-76 and associated national strategies/requirements by performing intake, in-depth research, and liaison with the U.S. Intelligence Community, report preparation, out-briefings, aggregate analysis, and project management. This initiative supports Office of Chief Financial Officer (OCIO) as the lead proponent for P.L 113-76 implementation. Although collaborative opportunities with OCIO and other Federal agencies have been leveraged, due to the law's requirement, the nature of the modern supply chain,

and the organization, processes and acquisitions of the Department, no alternatives exist for accomplishing this objective.

In Q4 of FY 2014, ITMD completed 18 assessments, with 16 of the 18 acquisitions (89%); assessed as a high risk to national security. These results demonstrate the value of the assessment process in identifying possible threats to the Department's mission via compromised supply chains. Although ITMD met internal deadlines that enabled Department bureaus to make timely acquisitions, it did so at the expense of its own primary mission since personnel assigned to national security and criminal investigations were diverted from cases with Department of Justice and Congressional attention. Furthermore, P.L. 113-76 requires assessment of both high and moderate impact systems, yet to date the Department has been assessing only high impact systems, which comprise of 10% of Commerce's inventory. In relation to the Department's Enterprise Risk Management framework, continued diversion of ITMD personnel from national security and criminal investigations is scored as HIGH on the Severity Rating Matrix; failing to identify an acquisition with a compromised supply chain is also scored as HIGH; and failing to comply with P.L. 113-76 is scored as HIGH.

The addition of three FTEs will permit ITMD to continue identifying threats to the Department's mission via compromised supply chains before such threats subvert major activities conducted on the Department's IT systems, (including cost savings for replacing unassessed compromised systems, and restoring trust in Commerce's ability to execute its mission unexploited). Importantly, it will also move the Department toward full compliance with existing Federal law.

#### **Statement of Need and Economic Benefits – Cost Benefit Analysis**

Specific economic benefits of this investment include preventing compromise by foreign intelligence services and/or transnational organized crime groups of major U.S. economic development initiatives executed under the Department. Specific cost savings to the Department include avoiding replacing acquired but compromised IT systems after exploitation has occurred. Regarding cost-benefit ratio, return on investment amounts to approximately 1:240 (ZA-IV hourly wage times 10 hours per assessment against \$192,454 average cost of a covered IT acquisition). This initiative enables sections 3.2, 4.2 and 5.1 of the Department's FY 14-18 Strategic Plan, and supports (because a compromised IT system could contain any of the Department's major activities) the plan in its entirety as well. Also, it supports the National Counterintelligence Strategy and National Strategy for Global Supply Chain.

#### **Schedule and Milestones:**

Upon release of funds, onboarding is expected within the first quarter of FY17.

#### **Deliverables:**

The production of supply chain risk assessments, in accordance with P.L. 113-76 and associated national strategies/requirements, to determine the risk of cyber-espionage or sabotage on the Department's IT systems.

Full implementation is anticipated within 1 year from budget receipt. Assuming receipt of funding by 10/01/2017, the full program implementation will be completed 9/30/2017.

**Performance Goals and Measurement Data:**

<b>Performance Goal: Measure 1</b>	<b>FY 2015 Est.</b>	<b>FY 2016 Target</b>	<b>FY 2017 Target</b>	<b>FY 2018 Target</b>	<b>FY 2019 Target</b>	<b>FY 2020 Target</b>	<b>FY 2021 Target</b>
<b>With Change</b>	0%	0%	100%	100%	100%	100%	100%
<b>Without Change</b>	0%	0%	0%	0%	0%	0%	0%
<b>Description:</b> Overall program performance goals are 100% legal compliance (P.L. 113-76 § 515), which is measured against the Department's percentage of eligible IT acquisitions assessed, and effective notification of bureaus when national security threats are detected.							

**PROGRAM CHANGE PERSONNEL DETAIL**

**Budget Program:** Operations and Administration /Office of Security  
**Program Change:** Supply Chain Risk Management (SCRM)

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
Intelligence Analyst	Washington, D.C.	ZA-IV	3	\$122,500	\$367,500
Subtotal			<u>3</u>		<u>\$367,500</u>
Less Lapse	0%		<u>0</u>		<u>\$0</u>
Total Full-time permanent:			3		\$367,500
2016 Pay Adjustment	1.3%				\$4,778
2017 Pay Adjustment	1.6%				\$5,880
<b>Total</b>			3		<u>\$378,158</u>
<b>Personnel Data</b>			<b><u>Number</u></b>		
Full-time Equivalent Employment					
Full-time permanent			3		
Other than full-time permanent			<u>0</u>		
<b>Total</b>			3		
Authorized Positions:					
Full-time permanent			3		
Other than full-time permanent			<u>0</u>		
<b>Total</b>			3		

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

**Budget Program: Operations and Administration /Office of Security**  
**Program Change: Supply Chain Risk Management (SCRM)**

<b>Object Class</b>		<b>FY 2017 Increase</b>
11	Personnel compensation	
11.1	Full-time permanent	\$378
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	3
11.8	Special personnel services payments	0
11.9	Total personnel compensation	<u>381</u>
12	Civilian personnel benefits	107
13	Benefits for former personnel	0
21	Travel and transportation of persons	4
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	2
25.1	Advisory and assistance services	0
25.2	Other services	0
25.3	Purchases of goods & services from Gov't accounts	15
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	3
31	Equipment	3
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>515</u>

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

For FY 2017, Departmental Management (DM) requests a total of \$5,168,000 and 5 FTE for the HCHB Electronic Security Maintenance and Administration Contract. This funding includes an increase of \$267,000 and 0 FTE.

**PROGRAM JUSTIFICATION:****HCHB Electronic Security Maintenance and Administration Contract Overview**

This HCHB Security program provides the necessary resources needed for the protection of Department of Commerce (DOC) Headquarters as well as its assets at the HCHB. This program serves as the foundation of the DOC security footprint and is aimed at assessing and mitigating risks to HCHB by deploying both physical security and technical security countermeasures, responding to emergency situations, and ensuring the protection of staff, facilities, mission and other assets. Some of the major elements of this program include the HCHB Contract Guard Force, Homeland Security Presidential Directive 12 (HSPD-12) Credentialing Center, the HCHB Security Service Center, the HCHB Electronic Security System, and perimeter operable vehicle barrier system, lock and key control and security contract management. This program also ensures the continued operation of all security systems and equipment through a system maintenance and life cycle replacement program. Lastly, this program provides the staffing necessary to constantly assess and implement security policies, procedures and systems to ensure a safe and secure work environment.

**PROGRAM CHANGE(S):****Electronic Security Maintenance and Administration Contract (+ 0 FTE and + \$0.267 million):**

Through this program change, Office of Security (OSY) will award a contract for the onsite maintenance and administration of HCHB electronic security systems. This effort will support the Department's goals to mitigate risk to all building occupants, maintain optimum performance on equipment, protect DOC resources and maintain HSPD-12 and Federal Information Security Management Act (FISMA) compliance requirements. This program change will ensure proper system life cycle management of electronic security systems which will translate into long-term cost savings by not having to replace systems before the end of their useable life.

The current maintenance, installation and administration of the HCHB electronic security systems is not adequate to support the complexity of the systems nor is there dedicated funding to support this requirement. Currently, there are several vendors used to maintain the HCHB electronic security system, typically by way of small, piecemealed procurements and/or credit card purchases. This supports only the very basic maintenance and does not support our need for familiarity and continuity of the operation, maintenance and administration of the system. The current ongoing renovation has also increased our electronic security system maintenance burden and further supports the need for the need for this program change.

With the approval of this program funding change, OSY will be in a position to provide an efficient and reliable security system platform at HCHB. It will allow for proactive and preventive maintenance activities that will identify system maintenance issues and trends, and resolve them before they create security risks and vulnerabilities. Additionally, this effort will improve the timelines of reactive maintenance issue resolution thus ensuring proper protection of HCHB/Departmental assets and

resources. With the ever growing cyber threat and the requirement for FISMA compliance, this contract will ensure the necessary FISMA controls are in place and are adequate for protecting this critical system from both internal and external threats. This program change will also allow the Department to consolidate maintenance activities of the system into one contract, thus requiring less acquisition and contract management support. The desired contract vehicle would be flexible and provide the Department with the ability to issue task orders for the installation of systems and/or major maintenance related upgrades.

**Statement of Need and Economic Benefits – Cost Benefit Analysis**

This program will be a positive cost benefit not only to HCHB personnel and OSY, but to the bureaus in the HCHB. This program will significantly reduce down time of security equipment, prevent failing devices with early detection and allow OSY to maintain operational readiness and to increase the equipment efficiency rate.

**Schedule and Milestones:**

Schedules and milestone would be placed in the service contract to maintain and continue forward progress in having all security system at the highest degree of operational readiness.

- *FY 2017 Q1: Release of funds*
- *FY 2017 Q2: Finalize requirements/initiate procurement*
- *FY 2017 Q3: Vendor initiates work*

**Deliverables:**

This program would provide deliverables and outputs, such as reducing catastrophic equipment breakdown, maintaining a security footprint through technical security countermeasures and initiating new processes that would mitigate risk to personnel, systems and other government resources.

**Performance Goals and Measurement Data:**

<b>Performance Goal:</b>	<b>FY 2015</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Measure 1</b>	<b>Est.</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
		<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	60%	60%	30%	30%	20%	10%	10%
<b>Without Change</b>	60%	60%	60%	60%	50%	40%	40%
<b>Description:</b> At present, OSY’s government staff estimates some 40% of time is spent addressing technical and physical issues. This number is expected to grow significantly over the next few years as the HCHB renovation program begins to impact both core and “special” OSY spaces. An onsite technical maintenance program resource is estimated to free up some 30% of time on average which will allow government personnel the flexibility to focus on mission critical program operations and oversight of security installations during the key phases of renovation across not only OSY’s space but other “special” areas throughout the building.							

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

**Budget Program: Operations and Administration /Office of Security**  
**Program Change: Electronic Security Maintenance and Administration Contract**

<b>Object Class</b>		<b>FY 2017 Increase</b>
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	267
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	267



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

For FY 2017, Departmental Management (DM) requests a total of \$7,015,000 and 39 FTE to maintain security policy and programs to implement existing Executive Orders, Public Laws and other security-related government regulations including those for the program changes implemented by Executive Agencies for Suitability and Security (OPM and Office of the Director of National Intelligence (ODNI), respectively). This funding includes an increase of \$580,000 and 0 FTE for Personnel Security (Administration Change).

**PROGRAM JUSTIFICATION:****Personnel Security Administration Change Overview**

Historically, OSY has seen a rise in background investigations following a presidential election, with approximately 80%-90% transitions within the fiscal year. The next transition will occur following the election of November 2016, directly affecting background investigation costs for FY 2017. The transition periods require new investigations for most or all political appointment positions. Data indicates that the majority of the background investigations occur within the first 6-months following the election.

A background investigation is required for all Federal employees in accordance with Executive Order 10450, and the level of investigation is dependent upon the risk and sensitivity of the position. Currently, 93% of the political appointments occupy a position at the highest "sensitivity," requiring the highest level of investigation, the Single Scope Background Investigation (SSBI). No employee, appointee, representative, etc., of the Federal government can be employed without the required investigation, in accordance with Executive Order 10450.

Furthermore, funding is needed for the implementation of reinvestigation for public trust positions and reinvestigation of sensitive positions with no clearance. The 2012 issuance of 5 CFR 731, Suitability, by the Office of Personnel Management (OPM), required executive branch agencies to conduct background reinvestigations for their populations that occupy Public Trust Positions (moderate and high risk), where the current investigation is older than 5 years. This requirement is contingent upon OPM's issuance of implementing guidance, expected by the close of 2016. Absent the guidance agencies are beginning to reinvestigate their populations, to ensure employees in Public Trust Positions maintain the level of suitability for the work they perform.

In addition, the ODNI, via new FIS requires the reinvestigation of employees in Sensitive Positions, with or without a clearance, every 5 years. The DOC Security Office, currently uses a risk based approach (suggested by the ODNI) to prioritize reinvestigations of the clearance eligible population, ensuring that those with clearances are reinvestigated with the funds allocated. With the 5 year requirement for all Sensitive Positions, those in Non-Critical Sensitive Positions, with or without a Secret clearance will now receive a reinvestigation every 5 years, instead of every 10 years.

**PROGRAM CHANGE(S):****Personnel Security Administration Change (+ 0 FTE and + \$0.580 million):**

This funding is requested to ensure all Departmental Political Appointees are provided the proper background investigation and vetting to occupy their positions. These positions are determined to be

Critical Sensitive or Special Sensitive, due to their relation to national security. The current cost of the SSBI is \$4,568 (12% price increase as of October 2014). The results of the Presidential election in 2008 resulted in 132 new background investigations by May of the following year. That is 86% of the current political appointee roster. The majority of those investigations were at the highest level of investigation (SSBI). If we consider the cost of 90% of the current political appointee population resulting in the 2016 election, affecting FY 2017 funding, the cost to provide a new investigation during the transition period for this population would be approximately \$580K, for those requiring the highest level of investigation.

This funding will also support the implementation of reinvestigation for public trust positions. The 2012 issuance of 5 CFR 731, Suitability, requires the reinvestigation of these positions. The Department maintains a large number of Public Trust Positions (moderate and high risk), which are designated because of the potential impact the position has on the integrity and efficiency of the government service. The Office of Security has not historically conducted reinvestigation of these positions, unless an adverse event took place which warranted such investigation. This new requirement meets the new FIS, by ensuring reciprocity can be provided when an individual meets or exceeds the investigative requirements of a new position; and it also ensures that DOC maintains a population that the American Public can be assured is "...reliable, trustworthy, of good conduct and character, and of complete and unswerving loyalty to the United States."

Finally, this funding will also support the reinvestigation of sensitive positions with no clearance. The people who occupy these positions should remain eligible for a national security clearance, even if the position does not require it at all times. This requirement will ensure that no agency is rushing to obtain a new investigation when an employee requires the clearance at any given moment. The Office of the Secretary has approximately 240 people who are in Sensitive Positions, but do not have a national security clearance. Without the required reinvestigation, many could end up requiring a new initial investigation which is often twice the price of a reinvestigation. Normally an individual is assigned to a sensitive position without a clearance, for contingency purposes, or when an individual is periodically assigned overseas, requiring the national security clearance at that time only. Performing the required reinvestigation (every 5 years) will ensure the population is able to obtain the clearance almost immediately.

Funding the reinvestigation of public trust positions and of sensitive positions with no clearance will support the new FIS and the FIS Implementation Plan, endorsed by the Executive Agents and Chair, Performance Accountability Council (C/PAC) in April 2014 and released to executive branch agencies. In accordance with the Executive Agent and C/PAC FIS endorsement memos, "Departments and agencies are responsible for meeting deliverables, goals, and milestones to ensure measured outcomes and support reciprocity." Failure to support this effort would cause embarrassment to the Department, when employees do not meet reciprocity requirements expected by other agencies.

### **Statement of Need and Economic Benefits – Cost Benefit Analysis**

Operational Excellence (5.1). 5 CFR 731, Suitability; the New Federal Investigative Standards; the Executive Agency's (OPM and ODNI) and the many reform efforts in Personnel Security/Suitability seek to establish a solid baseline for reciprocity, while ensuring security and HR offices have the tools to identify adverse information on prospective and incumbent employees immediately. These efforts directly contribute to the Department's goal of Operational Excellence. All of our work starts with the human resources we use to promote the missions of the Department. The new initiatives and reform are providing all executive branch

agencies with better overall strategies and requirements to better serve other stakeholders and the American Public.

**Schedule and Milestones:**

All requests for additional funding are scheduled for October 1, 2016 (FY 2017). The Federal Investigative Standards Implementation Plan expects agencies to be fully compliant with all aspects of the standards by September 2017.

**Deliverables:**

- Fund investigation and reinvestigation requirements to meet new federal standards

**Performance Goals and Measurement Data:**

Performance Goal: Measure 1	FY 2015 Est.	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target	FY 2020 Target	FY 2021 Target
With Change	100%	100%	100%	100%	100%	100%	100%
Without Change	100%	100%	20%	100%	100%	100%	100%

**Description:** Personnel Security [Administration Change]: This must be funded to support transitioning political appointees during the transition year. This is a lump-sum needed to address the incoming personnel during the beginning to mid FY 2017, the year of our next Presidential Election.

OSY is funded to support transitions throughout the interim 4 year period, prior to and following an election. The minor transitioning of political appointees during the interim period is absorbed in allocated funding. However, these only cover some 10-20% of anticipated required investigations as the election requires a plus up in funding to accommodate the large number of incoming appointees at the highest level of investigation.

Statistics indicate the transition periods require new investigations for up to 90% of the political appointees. Currently, 93% of the political appointments occupy a position at the highest “sensitivity,” requiring the highest level of investigation, the Single Scope Background Investigation (SSBI). The positions are determined Critical Sensitive or Special Sensitive due to their relation to national security. The current cost of a SSBI is \$4,568. The cost and the number of individuals who require access to national security information increases investigative costs greatly, requiring additional funds for the period.

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

**Budget Program: Operations and Administration /Office of Security**  
**Program Change: Personnel Security [Administration Change]**

<b>Object Class</b>	<b>FY 2017 Increase</b>
11 Personnel compensation	
11.1 Full-time permanent	\$0
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 Total personnel compensation	<u>0</u>
12 Civilian personnel benefits	0
13 Benefits for former personnel	0
21 Travel and transportation of persons	0
22 Transportation of things	0
23.1 Rental payments to GSA	0
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	0
24 Printing and reproduction	0
25.1 Advisory and assistance services	0
25.2 Other services	580
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>580</u>

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

For FY 2017, Departmental Management requests a total of \$6,607,000 and 40 FTEs for Security Programs, Information and Personnel Security Division. This funding includes an increase of \$172,000 and 1 FTE for a Special Security Officer (SSO).

**PROGRAM JUSTIFICATION:****Special Security Officer (SSO) Overview**

The Office of Security (OSY) is responsible for classified national security information within the DOC. Current activities to ensure Sensitive Compartmented Information (SCI) and Departmental Sensitive Compartmented Information Facility (SCIF) compliance consists of those items that affect a personnel security decision to grant or maintain access to SCI and items that affect the security of the information:

- Providing initial in-brief and education for safeguarding SCI
- Collecting reporting requirements
- Passing SCI access authorizations for meetings requiring such access at DOC
- Advising on physical security controls for accreditation

Current activities are minimal to the full-range of duties required by an SSO, and in compliance with regulatory guidance.

Funding is required to establish a SSO, with the responsibility to centralize the requirements to accredit, operate, and monitor compliance with the Office of the Director for National Intelligence (ODNI), for each SCIF. Each SCIF houses the most sensitive Classified National Security Information, SCI, as the information is developed from Intelligence Sources and Methods. Trusted and continual sharing and distribution of such information to Departmental personnel is contingent upon the proper use, clearance level, and security of such information in each SCIF. Misuse of this information can create vulnerabilities in U.S. technology, and cause a direct affect to the loss of life, for the revealing of sources and methods of intelligence gathering.

The Director of Security has responsibility for the day-to-day safeguarding of classified National Security Information (NSI) at the DOC, to include SCI. The OSY coordinates the accreditation needs for the development of SCIFs throughout the Department. The creation of the SSO, with delegated authority from the Director through the Assistant Director for Information and Personnel Security, will ensure appropriate training in SCI security policy and procedures is provided for all Departmental personnel who require access to SCI, each Special Security Control Officer designated to each SCIF, and other SCI cleared personnel. The SSO is responsible to ensure Departmental compliance with established policies, Director of Central Intelligence Directives (DCID); and Intelligence Community Directives (ICD) of the ODNI as follows:

- Policy Concerning Travel and Assignment of Personnel with Access to SCI;
- DCID 6/1, Security Policy for Sensitive Compartmented Information and Security Policy Manual;
- Sections V and VI of DCID 6/6, Security Controls on the Dissemination of Intelligence Information;
- ICD 702 – Technical Surveillance Countermeasures

- ICD 703 – Protection of Classified National Intelligence, including SCI
- ICD 704 – Personnel Security
- ICD 705 – Sensitive Compartmented Information Facilities
- ICD 710 – Classification and Control Marking System
- ICD 731 – Supply Chain Risk Management

The SSO shall provide advice and assistance on SCI matters, based on guidance and directives, and Senior Officials of the Intelligence Community (SOIC), for SCI and SCIF activities. SSO authority typically includes the following:

- Maintain and validate current records of Departmental SCIF accreditation and/or re-accreditation, and ensuring no processing, storage, use or discussion occurs without proper accreditation by the Intelligence Community (CIA).
- Ensuring that SCI is properly controlled, transmitted, destroyed, safeguarded and where appropriate, brought under accountability.
- Provide advice and guidance on SCI classification matters, sanitization, downgrading, decompartmentation, and operational use.
- Ensuring that SCI is disseminated only to persons authorized access to the material involved and having an established need-to-know.
- Conducting or managing required SCI personnel and physical security actions and procedures, such as opening and closing of SCIFs; granting of SCI access by the cognizant authority; and passing SCI access from agency to agency, etc.
- Investigating SCI security infractions and preparing reports and recommendations as required.
- Conducting required interface with SCI telecommunications centers, Automated Information System facilities, and similar offices to ensure SCI security of accredited automated information systems interactivity.

This position must exist in the Office of Security to ensure centralized Departmental compliance, and for the Senior Agency Official for Security to make required security reporting to the DNI, the Executive Agent for Security.

The increased need for SCIFs at DOC enforces the need for the SSO position, to monitor the facilities, the daily classified activities/needs, and report on compliance to maintain accreditation.

**PROGRAM CHANGE(S):**

**Special Security Officer (SSO) (+ 1 FTE and +\$0.172 million):**

The SSO is a vital and required position in an organization with a SCIF, and certainly where there are multiple SCIFs without a central point for guidance and compliance. The DNI establishes uniform standards and procedures for granting of access to SCI to any officer or employee of any agency or department of the U.S. and to employees of contractors of those agencies or departments. EO 13526 provides guidance on the protection of Classified National Security Information. EO 13526 Section 6.2(b) and EO 12333, Section 1.3(b)(9) provide that the DNI, after consultation with the heads of affected departments and agencies, may issue implementing directives with respect to protecting intelligence and intelligence-related information through proper classification and declassification.

The centralized SSO is required to promulgate such intelligence and intelligence-related information to respective SCIF control officers throughout the Department. Designating this position ensures critical guidance would flow through the Director of OSY. The establishment of a centralized officer

of compliance, monitoring and implementation of intelligence and intelligence related information, through the Director of OSY ensures the DOC is informed and accountable to the Intelligence Community as a stakeholder of their information. The SSO position does not currently exist and DOC cannot be assured that information, affecting DOC security operations, is flowing to all SCIF control officers and their users. The duties of the SSO position cannot be accomplished with the current team of three (3) Information Security Specialists, as they are providing guidance and assistance for the protection of classified information to thousands of the Department's population; ramping up a new program for Controlled Unclassified Information for compliance throughout the Department; building upon the current Communications Security Program for all that require classified electronic communications; conducting investigations for classified information incidents; and other items specific to classified information protection.

**Schedule and Milestones:**

- Upon release of funds, onboarding is expected within the first quarter of FY 2017.

**Performance Goals and Measurement Data:**

<b>Performance Goal:</b>	<b>FY 2015 Est.</b>	<b>FY 2016 Target</b>	<b>FY 2017 Target</b>	<b>FY 2018 Target</b>	<b>FY 2019 Target</b>	<b>FY 2020 Target</b>	<b>FY 2021 Target</b>
<b>With Change</b>	20%	20%	100%	100%	100%	100%	100%
<b>Without Change</b>	20%	20%	20%	20%	20%	20%	20%
<b>Description:</b> SSO duties are fluid, yet governed by many strict regulations and directives. There are continual compliance issues that must be adhered to and they are currently accomplished at minimal levels. Whereas current resources allow for direct oversight of 20% of SCIFs across the department - funding an FTE focused on SCI and SCIF compliance will be an immediate positive change in a program where there is a visible hole with catastrophic risks and yield direct oversight of all SCIFs.							

**PROGRAM CHANGE PERSONNEL DETAIL**

**Budget Program:** Operations and Administration /Office of Security  
**Program Change:** Special Security Officer (SSO)

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
Security Specialist	Washington, D.C.	ZA-IV	1	\$123,000	\$123,000
Subtotal			<u>1</u>		<u>\$123,000</u>
Less Lapse	0%		<u>0</u>		<u>\$0</u>
Total Full-time permanent:			<u>1</u>		<u>\$123,000</u>
2016 Pay Adjustment	1.3%				\$1,599
2017 Pay Adjustment	1.6%				<u>\$1,968</u>
<b>Total</b>			<u>1</u>		<u>\$126,567</u>

**Personnel Data**

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



**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

**Budget Program: Operations and Administration /Office of Security**  
**Program Change: Special Security Officer (SSO)**

<b>Object Class</b>		<b>FY 2017 Increase</b>
11	Personnel compensation	
11.1	Full-time permanent	\$127
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>127</u>
12	Civilian personnel benefits	34
13	Benefits for former personnel	0
21	Travel and transportation of persons	2
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	1
25.1	Advisory and assistance services	0
25.2	Other services	0
25.3	Purchases of goods & services from Gov't accounts	5
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	1
31	Equipment	2
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>172</u>

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

For FY 2017, Departmental Management (DM) requests a total of \$7,201,000 and 5 FTE for HCHB Security. This funding includes an increase of \$2,300,000 and 0 FTE for HCHB Guard Services Escalation and Collective Bargaining Agreement (CBA).

**PROGRAM JUSTIFICATION:****HCHB Guard Escalation and Collective Bargaining Agreement Overview**

This HCHB Security program provides the necessary resources needed for the protection of Department of Commerce (Department) Headquarters as well as its assets at the HCHB. This program serves as the foundation of the Department security footprint and is aimed at assessing and mitigating risks to HCHB by deploying both physical security and technical security countermeasures, responding to emergency situations, and ensuring the protection of staff, facilities, mission and other assets. Some of the major elements of this program include the HCHB Contract Guard Force, HSPD-12 Credentialing Center, the HCHB Security Service Center, the HCHB Electronic Security System, perimeter operable vehicle barrier system, lock and key control and security contract management. This program also ensures the continued operation of all security systems and equipment through a system maintenance and life cycle replacement program. Lastly, this program provides the staffing necessary to constantly assess and implement security policies, procedures and systems to ensure a safe and secure work environment.

**PROGRAM CHANGE(S):****HCHB Guard Services Escalation/CBA (+ 0 FTE and + \$2.3 million):**

The Office of Security requests an increase of \$2.3 million to support prevailing wages for the cost increases associated with the HCHB Guard Force Contract due to labor escalations that exceed historical adjustments to base and are directly influenced by collective bargaining agreements which have historically shown an average annualized rate increase of 2%. Without this increase, essential security services and protective capabilities, along with basic access to the Department's Headquarters could be curtailed. Further, the Department could falter on the obligations required of a "Level IV" facility to provide for minimum security standards for staffing access control to protect Department assets by preventing workplace incidents and personal crimes, providing emergency response and controlling environmental health issues from decreased mail delivery screening functions.

Under the McNamara-O'Hara Service Contract Act (SCA) of 1965, as amended, government service contracts exceeding \$2,500 must pay employees not less than the monetary wages, and must be furnished fringe benefits which the Secretary of Labor has determined to be the prevailing rate in the locality and for the classification in which the employee is working. The wage rates and fringe benefits required are specified in the SCA wage determination included in the contract. The prevailing rate for guard wages in this locality is controlled by the union's collective bargaining agreement (CBA) with the contractor. Therefore, the controlling SCA Wage Determination for this contract is based upon the Collective Bargaining Agreement per FAR 22.1008-2. CBAs from the most recent service provider effective October 1, 2015 showed an initial increase of some 3.5%.

Recent policy change recommended by the Office of Acquisition Management in Procurement Memorandum 2012-02, “Prescribes the active pursuit of reasonable cost-saving measures that can be accomplished through solicitation, negotiation and award of contracts that eliminate or significantly limit labor hour escalation costs or pricing,” by including specific language to offerors in Section L of Requests for Proposals and was included in the most recent solicitation resulting in a new contract which began on July 1, 2015.

**Statement of Need and Economic Benefits – Cost Benefit Analysis**

Beginning in FY 2015, the Government incurred significant cost increases due to wage escalation and other factors for DC-area armed guards which are assumed to be incorporated into this and future collective bargaining agreements.

The program increase will reduce risk to Department assets by assuring funding for the continued level of services in future fiscal years and ensure funds are available in the working capital fund to support the level of services provided by the overall contract.

**Schedule and Milestones:**

- July 1, 2015 – Performance starts for a new Base Year of the Guard Force contract.
- October 1, 2015 – Performance starts for Option Year 1 of current Guard Force contract.
- October 1, 2016 – Performance starts for Option Year 2 of current Guard Force contract.
- October 1, 2017 – Performance starts for Option Year 3 of current Guard Force contract.
- October 1, 2018 – Performance starts for Option Year 4 of current Guard Force contract.
- October 1, 2019 – Performance starts for a new Base Year of future Guard Force contract.
- October 1, 2020 – Performance starts for Option Year 1 of future Guard Force contract.

**Deliverables:**

Deliverables will include: Guard Force services for the HCHB. Soft deliverables will include protective security officers, dispatch/control center operating services, and management.

**Performance Goals and Measurement Data:**

<b>Performance Goal:</b>	<b>FY 2015 Est.</b>	<b>FY 2016 Target</b>	<b>FY 2017 Target</b>	<b>FY 2018 Target</b>	<b>FY 2019 Target</b>	<b>FY 2020 Target</b>	<b>FY 2021 Target</b>
<b>With Change</b>	100%	100%	100%	100%	100%	100%	100%
<b>Without Change</b>	100%	100%	69%	66%	64%	61%	58%
<b>Description:</b> The Office of Security is responsible for security services to safeguard Department personnel, assets and critical information by measuring the reduction of counterespionage and anti-terrorism risks as well as increased emergency management effectiveness. Guarding against criminal events is a key function of the HCHB Guard Program. Without maintaining at the present funding/service levels, risk can be expected to increase as operational capabilities will have to be curtailed (by as much as 42% by FY 2021) to address financial shortfalls. As such, vulnerabilities tied to criminal events increase due to potentially reduced services aimed at meeting minimum standards for staffing access control, emergency response and mail/delivery screening functions.							

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

**BUDGET PROGRAM: Operations and Administration/Office of Security**  
**PROGRAM CHANGE: HCHB Guard Escalation and Collective Bargaining Agreement**

<b>Object Class</b>		<b>FY 2017 Increase</b>
11	Personnel compensation	
11.1	Full-time permanent	\$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	<u>0</u>
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	2,300
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>2,300</u>

**APPROPRIATION ACCOUNT: Working Capital Fund****BUDGET PROGRAM: Operations and Administration / Office of the Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA)**

For FY 2017, Departmental Management (DM) requests a total of \$44,504,000 and 5 FTE to fund a shared service model to establish new customer-focused support and enabling services in the areas of Human Resources, Acquisition, Financial Management and Information Technology for internal customers across the Department. Currently, this funding is a placeholder for initial costs associated with the delivery of the first wave of services once the Shared Services Center becomes operational. This funding is an increase of \$6,504,000 and 0 FTE.

**PROGRAM JUSTIFICATION:****Shared Services Overview**

The mission of the DOC is to create the conditions for economic growth and opportunity. To perform this mission, the DOC must ensure its bureaus have access to high quality mission support and enabling services in the core areas of Human Resources (HR), Acquisition, Financial Management, and Information Technology (IT). The DOC is moving forward to establish a new, customer-focused shared service model to provide a subset of these services to internal customers across the Department.

Objectives of the Shared Services project include: assessing the current state of mission support and enabling services, reaching consensus on services that can be provided more efficiently through a shared service, and developing a roadmap for operational shared services across the DOC.

The scope of the project includes mission support and enabling services in HR, IT, Acquisition and Financial Management across all DOC Bureaus and organizations. Business drivers are quality and customer service. Governance includes DOC executive sponsors (Deputy Secretary and CFO/ASA), the Department Management Council, Working Group Leads, DOC Working Groups and a private sector contractor.

DOC Shared Services design principals include: high quality service, improved customer experience, performance measurement, external provider support, shared service independence, standardization, continuous process improvement and process transparency.

**Program Increase:**

**Shared Services (+ 0 FTE and + \$6.5 million):** Funding will support the Shared Services Center and initial delivery of some HR, acquisitions, and IT services.

**Statement of Need and Economic Benefits**

To identify function-level findings, Shared Service Working Groups collected extensive data from leaders, employees, and customers during a 12-week current state assessment. Within Acquisitions, key findings included: a lack of transparency, challenges with requirement definitions, and an overall inefficiency in the delivery of simplified acquisitions. Key Human

Resources findings included: an overall HR rating of between “developing and basic”, an HR workforce currently not being optimized, time consuming HR inquiries, a lack of overall HR IT strategy, an inconsistent service delivery, limited tracking and metrics, recruiting and staffing issues, and a lack of partnership between HR and the Bureau project managers. Key IT findings included a lack of IT solution involvement, variable user experiences, no existing models for success, a lack of focus on customer experience, no unifying architecture, and tremendous savings opportunities. Finally, key FM findings include process variances reduce efficiency; dependency on outdated technology; current delivery model does not fully utilize Shared Services concepts; and customers are satisfied with current FM Provider services despite technology challenges.

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

**Budget Program: Operations and Administration / Office of the Chief Financial Officer  
and Assistant Secretary for Administration (CFO/ASA)**  
**Program Change: Shared Services**

<b>Object Class</b>		<b>FY 2017 Increase</b>
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	6,504
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	6,504

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

For FY 2017, Departmental Management (DM) requests a total of \$12,480,345 and 75 FTEs for the Office of Assistant General Counsel Administration (OAGC/Admin). This includes an increase of \$185,345 and 2 FTE to fund the added costs of maintaining the necessary level of legal services demanded by the bureaus.

**PROGRAM JUSTIFICATION:****Office of Assistant General Counsel Administration Overview**

Providing quality legal services requires sufficient trained staff to provide the correct advice in a timely manner. With requests for OAGC services increasing, there is a need to increase the amount of staff available to ensure Department officials and employees obtain timely advice.

**PROGRAM CHANGE(S):****AGC/Admin: Maintaining Legal Services (+ 2 FTEs and +\$0.185 million):**

OAGC/Admin requests an increase of \$185,345 to fund the added costs of maintaining the necessary level of legal services demanded by the bureaus. This funding is to add a GS-12 attorney (with promotion potential to GS-15) and a GS-9 ethics specialist (with promotion potential to a GS-13). So far, OGC has realized significant administrative savings and has tied specific increases of service to certain bureaus via MOUs. However, there are certain categories of general legal services that cannot be addressed in this fashion. The increase will provide more timely legal and ethics advice.

Specifically, the additional funding will support added legal and ethics advice. With the general increases in employee population and the changes in law requiring added whistleblower protections, appropriations limitations, and financial disclosure review, anticipates a need for more timely advice being required. Accordingly, OAGC proposes a modest increase in personnel to meet this challenge, which is not tied to any specific bureau that would necessitate an MOU.

**Statement of Need and Economic Benefits – Cost Benefit Analysis**

This will be a recurring need, but fits within the Department's Organizational Excellence strategic goal. Increasing staff by two entry-level positions will benefit the Department in getting timely advice and guidance to its employees and managers.



**PROGRAM CHANGE PERSONNEL DETAIL**

**BUDGET PROGRAM: Operations and Administration/Office of Assistant General Counsel  
PROGRAM CHANGE: Assistant General Counsel for Administration: Maintaining Legal Services**

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
Attorney	Washington, D.C.	GS-12	1	\$76,378	\$76,378
Ethics Specialist	Washington, D.C.	GS-9	1	\$52,668	\$52,668
Subtotal			<u>2</u>		<u>\$129,046</u>
Less Lapse	0%		<u>0</u>		<u>\$0</u>
Total Full-time permanent:			2		\$129,046
2016 Pay Adjustment	1.3%				\$1,678
2017 Pay Adjustment	1.6%				\$2,065
<b>Total</b>			2		<u>\$132,789</u>

**Personnel Data**

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

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

**BUDGET PROGRAM: Operations and Administration/Office of Assistant General Counsel**  
**PROGRAM CHANGE: Assistant General Counsel for Administration: Maintaining Legal Services**

<b>Object Class</b>		<b>FY 2017 Increase</b>
11	Personnel compensation	
11.1	Full-time permanent	\$133
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>133</u>
12	Civilian personnel benefits	37
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	11
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	0
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	4
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>185</u>

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

For FY 2017, the Departmental Management requests a total of \$6,695,000, including 2 FTEs to sustain and maintain Enterprise Cybersecurity Monitoring and Operations (ECMO) licenses and for equipment refresh for the DOC Continuous Monitoring Enterprise. This funding includes an increase of \$3,000,000 and 1 FTE.

**PROGRAM JUSTIFICATION:****Enterprise Cybersecurity Monitoring and Operations (ECMO) Overview**

ECMO is the primary vehicle used by the Department of Commerce to achieve continuous monitoring objectives mandated by OMB. By subscribing to ECMO services, Operating Units are equipped with a centralized tool designed to perform various security management functions. ECMO is currently implemented and is providing patch management, hardware asset management, configuration management, vulnerability management, and other security management and reporting services. For these services to continue uninterrupted, the software licenses and maintenance contract must be renewed. The increase covers to cost of licensing no longer supported via the Department of Homeland Security (DHS) Continuous Diagnostics & Mitigation (CDM) program and provides for a technical refresh of NIST ECMO hosting facility.

**PROGRAM CHANGE(S):****ECMO Licenses and Enhancements (+1 FTE and + \$3.0 million):**

The increase is based on the cost of the existing 70,378 licenses initially acquired in 2013 as part of the DHS CDM Task Order 1. The government-wide agreement with the CDM program for DHS funding will cover initial licensing costs plus maintenance for two years. The option period for the maintenance expires on March 1, 2017. This funding is also needed to hire one (1) FTE and two (2) contractors to support the anticipated customer requests for specific functionality offered by the continuous monitoring platform. In addition, training/professional services to support customer user requests for specific functionality of the continuous monitoring platform and for cross-functional application support with other modules. Funding is further needed to upgrade the DHS CDM provided licenses to the same modules purchased by DOC in 2012. The request also includes funding to conduct a technical refresh of the equipment hosted on behalf of the Department at NIST.

**Statement of Need and Economic Benefits – Cost Benefit Analysis**

ECMO is the primary vehicle used by the Department of Commerce to achieve continuous monitoring objectives mandated by OMB. For these services to continue uninterrupted, the software licenses and maintenance contract must be renewed as the existing DHS CDM Task Order 1 awarded licenses will expire on March 1, 2017. If ECMO maintenance is not covered, DOC will not meet Continuous Monitoring objectives resulting in inconsistent system hygiene status across the enterprise.

**Schedule and Milestones:**

Hardware technology enhancements and updates:

- Identification of priority hardware FY 2017 Q1

- Hardware Procurement FY 2017 Q2
- Hardware Installation FY 2017 Q3
- Hardware Configuration FY 2017Q4

**Software Maintenance:**

- Coordinate software renewal contractual terms and negotiate best value; update license renewal contract Statement of Work FY 2017 Q1
- Purchase license renewals FY 2017 Q2

**Deliverables:**

- Server hosting hardware procurement
- License renewals

**Performance Goals and Measurement Data:**

<b>Performance Goal:</b>	<b>FY 2015</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percentage OU licenses</b>	<b>Est.</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>updated maintained through</b>		<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>ECMO</b>							
<b>With Change</b>	95	95	99	99	99	99	99
<b>Without Change</b>	95	95	-	-	-	-	-
<b>Description:</b> Software implementation is currently completed on over 95% of identified endpoints, the goal of the cost increase is to maintain these implementations. DHS covered the cost of the initial software and continued coverage is expected through FY16.							

**PROGRAM CHANGE PERSONNEL DETAIL**

**Budget Program:** Operations and Administration /Office of Chief Information Officer  
**Program Change:** ECMO Licenses and Enhancements

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
IT Specialist	Washington, D.C.	GS 14	1	\$107,325	\$107,325
					\$0
Subtotal			<u>1</u>		<u>\$107,325</u>
Less Lapse	25%		<u>0</u>		<u>(\$26,831)</u>
Total Full-time permanent:			1		\$80,494
2017 Pay Adjustment	1.3%				\$1,046
2017 Pay Adjustment	1.6%				\$1,288
<b>Total</b>			1		<u>\$82,828</u>
<b>Personnel Data</b>			<b><u>Number</u></b>		
Full-time Equivalent Employment					
Full-time permanent			1		
Other than full-time permanent			<u>0</u>		
<b>Total</b>			1		
Authorized Positions:					
Full-time permanent			1		
Other than full-time permanent			<u>0</u>		
<b>Total</b>			1		

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

**Budget Program: Operations and Administration /Office of Chief Information Officer**  
**Program Change: ECMO Licenses and Enhancements**

<b>Object Class</b>		<b>FY 2017 Increase</b>
11	Personnel compensation	
11.1	Full-time permanent	\$83
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>83</u>
12	Civilian personnel benefits	26
13	Benefits for former personnel	0
21	Travel and transportation of persons	3
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	12
23.3	Communications, utilities and miscellaneous charges	4
24	Printing and reproduction	0
25.1	Advisory and assistance services	244
25.2	Other services	100
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	\$2,127
25.8	Subsistence and support of persons	0
26	Supplies and materials	1
31	Equipment	400
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>3,000</u>

**APPROPRIATION ACCOUNT: Working Capital Fund**

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

For FY 2017, Departmental Management requests a total increase of \$969,000 and 1 FTE for DOC Boundary Protection. This funding includes an increase of \$969,000 and 1 FTE.

**PROGRAM JUSTIFICATION:**

**Boundary Protection Overview**

The increase request is to strengthen the Boundary Protection capabilities for DOC. The focus of the funding increase is to develop long-term network defense capabilities and to address projected threats and upcoming requirements to improve the Department's overall security posture. Boundary Protection has an essential role in protecting the DOC network from potential outside malicious activities. All external network traffic from e-mails, web requests to file transfers come through the network boundary. Without improvements to this program, DOC will not be able to fully meet project requirement to project the network boundary. Moreover, the Office of Cybersecurity's Strategic Plan is to excel in maintaining the Department's compliance with Federal cybersecurity requirements and to implement the Presidential cross-agency goals for cybersecurity. The boundary protection funding requirement request will be utilized to comply with the ad-hoc IT decision making through the Department and to comply with the Federal Cybersecurity regulations.

**PROGRAM CHANGE(S):**

**Boundary Protection (+ 1 FTE and \$ 0.969 million):**

The base Boundary Protection program currently provides support for the existing services; Trusted Internet Connection, EINSTEIN, and Internet Protocol version 6 (IPv6) for the DOC. The boundary protection provides coordination and information sharing both internally and externally with the Department of Homeland Security (DHS). This program works to ensure that DHS and DOC boundary protection initiatives are in alignment with current standards and addresses potential requirements as the overall threat landscape evolves. Boundary protection is DOC's first line of defense against external threats and must be constantly assessed to ensure the overall program continues to address changing threats. In addition, this program will address projected threats/capabilities and upcoming requirements to improve the Department's overall security posture. These capabilities include the development of externally hosted IPv6 server and host to test IPv6 attacks, capabilities and vulnerabilities.

In accordance with the Government Performance and Results Modernization Act of 2010, the Executive Office of the President (EOP), has established several cyber priorities for FY 2015-2018. The following priorities will guide the work of DOC Anti-Phishing Initiative: Training/Phishing assessment and Domain-based Message, Authentication, Reporting & Conformance (DMARC) implementation. The funding requested will cover costs for a Phishing Awareness and Assessment Tool (DOC wide) and a Domain-based Message Authentication Reporting & Conformance Implementation tool. Phishing awareness and assessment tool capability will test the susceptibility of the end user and give metrics on the percentage of end users that open the attachment or click on the link. Also, the users that clicked on the link or opened the attachment will be directed to the phishing awareness. The phishing awareness and assessment tool will be provided Department-

wide. DMARC is designed to reduce phishing attacks or suspected attacks coming from spoofed email senders. DMARC tool will provide measurement tools that can assist Operating Units (OU) in testing their deployments before going operational and to measure and track deployment progress. These capabilities will be outsourced.

The requested funding will be utilized to manage the consolidation of Trusted Internet Connection (TIC) connections and contracts across the Department. In compliance with OMB memoranda M-08-05 and M-09-32, all Federal agencies are required to optimize and standardize the security of their external network connections, including connections to the Internet, through a TIC. DOC bureaus have individually awarded contracts for Managed Trusted Internet Protocol Services (MTIPS) providers under the government-wide Networkx contract from the General Services Administration. In the interest of full compliance with the OMB directive and with an eye towards lowered costs and improved security, DOC bureaus are to consolidate their federated MTIPS services into a single DOC-wide MTIPS contract. The Office of Computer Services (OCS) will be collaborating with the bureaus or operating units to consolidate the MTIPS.

In addition, this funding will be used to develop analysis and reporting capabilities for IPv6 status commerce wide by leveraging current capabilities of the continuous monitoring program, Enterprise Cybersecurity Monitoring and Operations (ECMO), deployed at DOC. IPv6 specific functionality will be included in the ECMO baseline to enable the OCS and operating units to monitor their IPv6 status in real-time. Moreover, funding will include the creation of an IPv6 test bed. The test bed will be used to validate IPv6 functionality, IPv6 compliance and security requirements for vendor solutions and specific configurations.

### **Statement of Need and Economic Benefits – Cost Benefit Analysis**

The Boundary is the initial contact DOC has with potential attackers. The development of robust capabilities to complement TIC and EINSTEIN services is essential to providing the appropriate level of protection from e-mail, scanning, denial of service attacks. In addition, many DOC services are moving to Cloud Providers it is essential that communications between DOC and Cloud providers be protected and available. Establishing additional initiatives will lower the risk level of DOC of outage, comprise or large scale attack. By lowering the consequences of these risks DOC will receive cost savings, due the fact that incident response and remediation on DOC-wide scale is extremely costly.

The scale and effort required under boundary protection are substantial. While it is difficult to determine the precise cost, timeframe, and labor required, the effort will demonstrate that the program will have significant financial costs saving and will be collaborated with operating units. The establishment of a common shared-service to meet the requirement across the enterprise will result in consistent application of process across the enterprise and eliminate the need for individual operating units to establish duplicative programs to meet the Federal regulations.

Initial funding will be utilized for planning and execution of expansion along with providing capabilities enterprise capabilities/solution. This includes acquisition of software and hardware and installation, initialization and training of software systems. The analysis of DOC network segmentation will require FTE and contractor resources to develop the baseline and target architectures. Recurring cost will include the maintenance of architecture artifacts.

Funding will be utilized for planning and execution of Phishing Awareness and Assessment tool and DMARC Implementation including acquisition of Phishing Awareness Assessment Tool software, and DMARC training and outsourced service to implement a custom solution or source code



development. Once the systems are in place recurring program expenditure will be utilized to cover the yearly renewal for the software.

### **Schedule and Milestones:**

#### *Boundary Protection:*

- *FY 2017 – Provide Phishing Awareness and assessment capability and DMARC Implementation within the Boundary Protection Program*
  - *Q1 FY 2017 DMARC Implementation*
  - *Q2 – Q3 FY 2017 Develop test and measurement tools that can assist OU's in testing their deployments before going operational and to measure and track deployment progress*
  - *Q2 – Q3 FY 2017 Conduct hands on technical and policy training based upon NIST guidance and tools*
  - *Q1- Q4FY 2017 Conduct Phishing assessments*
  
- *FY 2017– Trusted Internet Connection Consolidation*
  - *Q1FY 2017 – Baseline the current DOC-wide TIC environment*
  - *Q1FY 2017 – Develop consolidation target architecture*
  - *Q2FY 2017 – Create transition strategy and milestones*
  - *Q3FY 2017 – Consolidate the number of TIC circuits*
  - *Q4FY 2017 - Process Improvements and Plan for FY18*
  
- *FY 2017– Develop Network Segmentation*
  - *Q1FY 2017 – Develop backlog of FY 2017 activities to complete*
  - *Q1FY 2017 – First iteration of baseline architecture*
  - *Q2FY 2017 – First iteration of target architecture*
  - *Q3FY 2017 - Process Improvements and Plan for FY18*
  
- *FY 2017– External IPv6 Server*
  - *Q1FY 2017 – Develop backlog of FY 2017 activities to complete*
  - *Q1FY 2017 – First iteration of server*
  - *Q2FY 2017 – 2<sup>nd</sup> iteration of server*
  - *Q3FY 2017 – 3<sup>d</sup> iteration of server*
  - *Q4FY 2017 – 4<sup>th</sup> iteration of server*
  - *Q3FY 2017 - Process Improvements and Plan for FY18*

#### **Deliverables:**

- *FY 2017 - Metrics/reports on the percentage of end users that open/click the link or attachment.*
- *FY 2017 Provide Training and Subject Matter Expert to present at the DOC-wide DMARC WG to help implement DMARC at operating unit level*
- *FY 2017. Develop test and measurement tools that can assist OU's in testing their deployments before going operational and to measure and track deployment progress 3. Conduct hands on technical and policy training based upon NIST guidance and tools*
- *FY 2017 Product Backlog*
- *Monthly Release Plan*
- *Network Segmentation baseline architecture*
- *Network Segmentation target architecture*

**Performance Goals and Measurement Data:**

<b>Performance Goal:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Measure – Percentage migrated to one MTIPS contract.</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<b>Est.</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	-	-	70	80	90	95	95
<b>Without Change</b>	-	-	0	0	0	0	0
<b>Description:</b> Percentage of Bureaus consolidated from individual federated MTIPS services to a single DOC-wide MTIPS contract.							

<b>Performance Goal:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Measure – Percentage training/Phishing assessments completed.</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<b>Est.</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	-	-	70	80	90	95	95
<b>Without Change</b>	-	-	0	0	0	0	0
<b>Description:</b> The EOP has established priorities to guide DMARC implementation. The percentage of Training/Phishing Assessments will indicate the progress for implementation of the associated controls.							

**PROGRAM CHANGE PERSONNEL DETAIL**

**Budget Program:** Operations and Administration /Office of Chief Information Officer  
**Program Change:** Boundary Protection

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
IT Specialist	Washington, D.C.	GS 14	1	\$107,325	\$107,325 \$0
Subtotal			<u>1</u>		<u>\$107,325</u>
Less Lapse	25%		<u>0</u>		<u>(\$26,831)</u>
Total Full-time permanent:			1		\$80,494
2016 Pay Adjustment	1.3%				\$1,046
2017 Pay Adjustment	1.6%				\$1,288
<b>Total</b>			1		<u>\$82,828</u>
<b>Personnel Data</b>			<b>Number</b>		
Full-time Equivalent Employment					
Full-time permanent			1		
Other than full-time permanent			<u>0</u>		
<b>Total</b>			1		
Authorized Positions:					
Full-time permanent			1		
Other than full-time permanent			<u>0</u>		
<b>Total</b>			1		

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
(Dollars in thousands)

**Budget Program: Operations and Administration /Office of Chief Information Officer**  
**Program Change: Boundary Protection**

<b>Object Class</b>		<b>FY 2017 Increase</b>
11	Personnel compensation	
11.1	Full-time permanent	\$83
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>83</u>
12	Civilian personnel benefits	26
13	Benefits for former personnel	0
21	Travel and transportation of persons	3
22	Transportation of things	0
23.1	Rental payments to GSA	12
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	4
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	617
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	1
31	Equipment	223
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>969</u>

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

For FY 2017, Departmental Management requests a total of \$500,000 and 0 FTE to establish a Vulnerability Management Program for the DOC Enterprise. This includes an increase of \$500,000 and 0 FTE to leverage capabilities and will be complementary to the Enterprise Cybersecurity Monitoring and Operations (ECMO) program.

**PROGRAM JUSTIFICATION:****Vulnerability Management Program Overview**

The Department requires the need to establish a Vulnerability Management Protection Program as part of the overall Information Security Continuous Monitoring Program. There is a general “de-facto” standard tool deployed throughout the Department. The purpose of this program is to centralize reporting for this tool to provide overall visibility to the OCIO. The tool will be integrated into data streams provided by other enterprise security tools such as those provided by ECMO and primarily utilized by the ESOC to determine cyber risk and hygiene status across the Department. The system will be developed using an iterative approach adding additional capabilities over a five year period.

**PROGRAM CHANGE(S):****Vulnerability Management Program (+ 0 FTE and +\$0.500 million):**

For FY 2017, OCIO requests \$500,000 for establishment of an enterprise-wide vulnerability management program. The program would provide the necessary master server licensing and hardware to integrate existing vulnerability scanning tool data into a central console and requires one contractor support person to operate and manage the system.

Currently, the department does not have a centralized Vulnerability Management Protection Program. This program not only fills the void but will offer an enterprise solution for various Information Systems components such as Web applications, Databases, local and cloud-based assets. This program will support risk-based decisions and a higher level of security compliance through central validation of security settings. This program will be most beneficial for smaller operating units that do not have the resources on hand to perform those critical functions. Not pursuing this opportunity will increase the risks of vulnerabilities being exploited because of lack of detection and remediation tracking. The Enterprise Vulnerability Management Protection Program will be supported by full-time onsite contractors utilizing the tool selected during the contract award.

There have been numerous external studies to validate this approach to Vulnerability Management. Independent research has been considered in the formulation of the Program objectives. Additionally, NIST SP800-40\* provides the Guidelines for an effective Vulnerability Management.

**Statement of Need and Economic Benefits – Cost Benefit Analysis**

Information systems need to be protected throughout the system development lifecycle. With a robust and highly integrated solution, the continuous monitoring and vulnerability management programs can produce significant cost savings through efficiencies achieved at each phase of the system lifecycle. Protection of information systems is accomplished through threat awareness, by

the identification, management, and reduction of vulnerabilities at each phase of the life cycle and the use of complementary, mutually reinforcing strategies to respond to risk. Establishment of common shared-services to meet requirements across the enterprise has resulted in consistent process application across the enterprise and reduced the need for individual operational units to establish duplicative programs to meet the Department's operational requirements.

Following the Department's 5-year IT Strategic Plan, "Operational Excellence" calls for leveraging enterprise architecture, specifically shared services, to meet common Departmental missions and functions. This program follows Goal 4 (Improve the Department's cyber security enterprise architecture, Objective 13 (Implement Department-level security operations oversight and cyber threat analysis) of the Department's Cyber Security Strategic Plan. The benefit in terms of risk mitigation as well as efficiencies is significant when considering the potential risk to the Department's data that can be mitigated through effective patch, asset, configuration, and vulnerability management services.

The scale and effort required to build a highly efficient and effective continuous monitoring program will leverage the security architecture in place to drive the coordination of numerous operating units and Department IT, business process, and policy personnel under leadership of executives at multiple levels of the Department. Enhanced security, cost avoidance, and efficiency have already been achieved and will rise exponentially during future years of operation through information sharing synergies generated by the ECMO program allowing it to exceed the value of initial expenditures.

#### **Schedule and Milestones:**

- Support contract acquisition FY 2017 Q1
- Tools acquisition FY 2017 Q1
- Collection of signed rules of engagement FY 2017 Q2
- Begin service offering FY 2018 Q1
- Service offering to a selected larger Operating Unit FY 2018 Q2
- Service offering to all Operating Units FY 2018 Q2

#### **Deliverables:**

- Coordinate and execute custom vulnerability scans monthly for each asset category (OS, Web Application, Database, Configuration Management)
- Perform in-depth and contextual analysis of reports of each scan
- Deliver actionable reports along with mitigation recommendations taking into account the environment configuration.
- Maintain vulnerability history and assist in remediation tracking
- Validate remediation and countermeasures through agreed upon penetration testing activities

**Performance Goals and Measurement Data:**

<b>Performance Goal:</b>	<b>FY 2015</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Vulnerability Assessment</b>	<b>Est.</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Scans Captured at the Enterprise level</b>		<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	-	-	50%	70%	80%	90%	95%
<b>Without Change</b>	-	-	-	-	-	-	-
<b>Description:</b> Custom vulnerability scans for each asset category (OS, Web Application, Database, Configuration Management) as a percentage of total systems.							

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

**Budget Program:**        **Operations and Administration /Office of Chief Information Officer**  
**Program Change:**      **Vulnerability Management Program**

<b>Object Class</b>		<b>FY 2017 Increase</b>
11	Personnel compensation	
11.1	Full-time permanent	\$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	<u>0</u>
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	180
25.2	Other services	220
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	100
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>500</u>



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

For FY 2017, Departmental Management (DM) requests a total increase of \$1,536,000 and 0 FTE for the Enhanced IT Security Risk Assessment and Management. This includes an increase of \$750,000, 0 FTE and three contract staff support positions.

**PROGRAM JUSTIFICATION:****IT Security Compliance Program Overview**

The Department's IT Security compliance program's mission is to assist, oversee, monitor, and evaluate the progress of operating units and department-wide cyber security programs to ensure compliance with federal and departmental policies and regulations. The Office of Chief Information Officer (OCIO) conducts annual internal control reviews. The program assesses information systems, applications, and Operating Unit IT security programs. The assessments are designed to identify potential areas of weakness and to establish goals and strategies to strengthen the Department's IT security posture and to comply with A-123 IT testing requirements and the Federal Managers' Financial Integrity Act (FMFIA) reporting requirements. The team also acts as the IT Security Audit Liaison for the Office of Chief Information Officer handling the OIG and GAO audits and progress reports. The team submits quarterly audit status updates to Office of Performance, Evaluation, and Risk Management (OPERM) and the team also is responsible for providing support, training and account management for the Department's Federal Information Security Management Act (FISMA) reporting tool, Cyber Security Assessment and Management (CSAM). The tool is used by bureaus for system inventory and plan of action and milestones (POA&M) management and is also used by the Department as a source of data for FISMA reporting.

**PROGRAM CHANGE(S):****Enhanced IT Security Risk Assessment and Management (+ 0 FTE and + \$ 0.750 million)**

**IT Security Internal Control Review Program** – two additional contract support positions: The program provides bureaus with assessments of IT internal control reviews and assessments of specific applications and programs. The additional contract support would provide bureaus with technical assessments including penetration testing and vulnerability management and patch management assessments; and also additional support for reviews and assessments of the Department's financial systems. As bureaus continue the move towards continuous monitoring and risk management framework, having a more complete picture of their IT security posture including reviews of vulnerability management and cyber hygiene would assist them to strengthen processes. The Department also undergoes a Financial Statements IT Audit (FISCAM) annually and having IT staff dedicated to reviews of only the Department's financial systems could assist these systems identify areas of potential weakness before the audit begins.

**CSAM – Department's IT FISMA Reporting tool** – Request one additional contract support position. The team supports the bureaus' in management, training and use of the CSAM tool. The tool is used by bureaus to manage system inventory and POA&Ms, and could be used in the future for assessment of IT controls and generation of System Security documentation. The tool also provides the data that supports the Department's FISMA quarterly and annual metric submissions. As the bureaus begin using more functionality of the tool, they will require additional account

management support, training and SOPs. The team is currently responsible for working with each bureau to meet its needs in utilizing the tool. The additional support will ensure adequate customer service is provided to bureaus, which invest roughly \$500,000 annually in the tool.

### **Statement of Need and Economic Benefits – Cost Benefit Analysis**

- **Assessment of Financial Systems** – Each year, the OIG performs a Financial Statements IT Audit on the Department’s financial systems and mixed financial systems. In FY 2012, the OIG removed the IT significant deficiency after almost a decade. However, the IT significant deficiency was reissued in FY 2013 and in FY 2014. The OIG performed test work with a non-reliance on IT controls approach due to a deficiency within source code of a CBS application at various bureaus. The additional contract support would aid the program in performing reviews of financial systems to help bureaus better prepare for the annual audit and could increase follow-up, tracking and validation of the remediation of IT audit findings within the FISCAM audits. As a result, the Department could better move toward the removal of the IT significant deficiency.
- **Technical Assessment Support** – Currently, the Compliance & Oversight team is responsible for IT Internal Control Reviews focusing on assessments of operational, management and technical security controls. However, the assessment team has limited availability to assessment experience for technical controls and scanning and penetration testing. The team is limited to relying on DHS Risk Vulnerability Assessment (RVA) program to provide bureaus with technical testing services. These services while free to Commerce are limited to a handful of engagements a year for select bureaus. The addition of contract support with skills in vulnerability management and patch management and penetration testing would give customers the option of having independent testing services. The testing would also give the Department additional visibility into challenges for IT security posture regarding vulnerability and configuration management. Bureaus have often expressed this would be a useful shared service for the Department to offer.
- **CSAM support** – The Department has tasked bureaus to report POA&M management to upper level management and also to place timely remediation of POA&Ms metrics into Authorizing Official, CIO and system owner performance plans. As a result, the customers are leveraging the Department’s CSAM support and resources to meet these new reporting requirements. The Compliance and Oversight team already provides Departmental POA&M reporting monthly and quarterly, but will begin to assist bureaus with reporting in January 2015. In addition, the team is providing additional one-to-one trainings, webinars and sessions to new CSAM users, and other users that request additional material on functions such as POA&M management and system inventory. The team provides account management support and works with each bureau individually to profile new users and edit existing profiles and access. The team also currently develops its own Commerce specific user manuals and guides on CSAM functionality. Several bureaus have expressed interest in utilizing more of the CSAM functionality. Roughly 50 percent of NOAA’s information systems (60 systems) already use CSAM to generate critical system documentation and assessment of security controls. With the increase in demand by the customer to utilize the tool, additional support staff is needed to meet those needs.

### **Schedule and Milestones:**

- Completion of annual A-123 IT Security testing and FMFIA reporting and assurance of effective internal controls to Secretary and CFO annually.
- Completion of assessments of Department’s more than 18 financial systems annually.

- Increased CSAM training opportunities for bureaus on new user training, POA&M management, system inventory and controls assessment.
- Additional CSAM user guides and manuals created and maintained annually.
- Penetration testing services offered as a shared service for bureaus.

**Deliverables:**

- Penetration testing services for a select number of systems offered to bureaus annually.
- CSAM User Manuals on Controls Assessments, and System Documentation published in FY 2017.
- Updates and additions to existing user guides including the New User Guide and POA&M Management guide completed in FY 2017.
- A minimum of 6 assessments on financial or mixed financial systems completed in FY 2017.

**Performance Goals and Measurement Data:**

<b>Performance Goal:</b>	<b>FY 2015</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Number of assessments performed</b>	<b>Est.</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
		<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	0	0	6	8	12	18	20
<b>Without Change</b>	0	0	0	0	0	0	0
<b>Description:</b> Penetration testing services offered to bureaus as a shared service annually. Perform minimum of six assessments on systems within HCHB. This would reflect a new shared service for the Department. Penetration testing is required for high impact systems and also for systems obtaining FedRAMP certifications. Penetration testing can give management visibility into not previously identified risks to systems and applications. The Department has received customer inquiry about these services. OCS directs customers to take advantage of the limited free penetration testing services offered by Department of Homeland Security, but availability is based on DHS schedule.							
<b>Performance Goal:</b>	<b>FY 2015</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percentage of user guide updates completed</b>	<b>Est.</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
		<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	Var.	Var.	80	85	90	95	95
<b>Without Change</b>	Var.	Var.	Var.	Var.	Var.	Var.	Var.
<b>Description:</b> CSAM manuals and user guides on Controls Assessments, System Documentation and updates to existing manuals and guides.							

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**

(Dollars in thousands)

**Budget Program: Operations and Administration /Office of Chief Information Officer**  
**Program Change: Enhanced IT Security Risk Assessment and Management**

<b>Object Class</b>		<b>FY 2017 Increase</b>
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	750
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	750

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

Object Classes	2015 Actual	2016 Operating Budget	2017 Base	2017 Estimate	Increase/ (Decrease) Over 2017 Base
11 Personnel compensation:					
11.1 Full-time permanent	57,737	72,750	73,555	73,909	354
11.3 Other than full-time permanent	1,748	2,203	2,227	2,227	0
11.5 Other personnel compensation	1,831	2,228	2,253	2,256	3
11.9 Total personnel compensation	61,316	77,180	78,035	78,392	357
12.1 Civilian personnel benefits	19,663	24,752	26,909	27,139	230
13 Benefits for former personnel	-211	0	0	0	0
21 Travel and transportation of persons	618	783	783	806	23
22 Transportation of things	113	256	261	261	0
23.1 Rental payments to GSA	6,415	7,034	7,245	7,269	24
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	3,556	2,934	2,977	2,985	8
24 Printing and reproduction	88	121	123	126	3
25.1 Advisory and assistance services	4,424	6,272	6,376	6,800	424
25.2 Other services	40,840	62,443	63,721	68,295	4,574
25.3 Purchase of goods and services from Gov't accounts	37,248	56,743	57,689	56,449	-1,240
25.7 Operation and maintenance of equipment	0	0	0	2,127	2,127
26 Supplies and materials	1,881	1,625	1,654	1,664	10
31 Equipment	6,591	3,831	3,900	4,628	728
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	0	0	0	0	0
99 Total obligations	182,542	243,974	249,674	256,942	7,268
Prior year recoveries	(3,187)	0	0	0	0
Unobligated balance, start of year	(13,407)	(4,028)	0	0	0
Unobligated balance, end of year	4,028	0	0	0	0
TOTAL REIMBURSABLE AUTHORITY	169,976	239,946	249,674	256,942	7,268

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

	2015	2016	2017	2017	Increase/ (Decrease)
<u>Personnel Data</u>	<u>Actual</u>	<u>Operating Budget</u>	<u>Base</u>	<u>Estimate</u>	<u>Over 2017 Base</u>
Full-Time Equivalent Employment:					
Full-time permanent	509	549	549	557	8
Other than full-time permanent	34	34	34	34	0
Total	<u>543</u>	<u>583</u>	<u>583</u>	<u>591</u>	<u>8</u>
Authorized Positions:					
Full-time permanent	619	659	659	667	8
Other than full-time permanent	44	44	44	44	0
Total	<u>663</u>	<u>703</u>	<u>703</u>	<u>711</u>	<u>8</u>

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

	2015 Actual			2016 Operating Budget			2017 Estimate		
	POS	FTE	Amount	POS	FTE	Amount	POS	FTE	Amount
Offices:									
Human Resources Management	90	74	25,027	78	62	17,136	78	62	15,963
Civil Rights	11	8	2,140	11	8	2,602	11	8	2,673
Financial Management	72	60	25,261	70	58	42,530	70	58	39,519
Security	96	78	19,810	144	126	28,406	148	130	32,924
Facilities and Environmental Quality	72	59	20,670	72	59	20,398	72	59	21,266
Acquisition Management	24	20	5,784	20	16	4,299	20	16	4,432
Office of Privacy and Open Government	4	3	826	4	3	993	4	3	1,014
Office of Program Evaluation and Risk Management	4	3	699	4	3	918	4	3	940
Assistant Secretary for Administration Assistant Secretary for Administration	-	-	5,645	5	5	38,002	5	5	45,147
General Counsel	237	195	38,487	234	192	48,346	236	194	49,532
Chief Information Officer	44	36	35,940	52	44	38,346	54	46	41,491
Public Affairs	9	7	2,253	9	7	1,998	9	7	2,041
<b>Total Working Capital Fund</b>	<b>663</b>	<b>543</b>	<b>\$182,542</b>	<b>703</b>	<b>583</b>	<b>\$243,974</b>	<b>711</b>	<b>591</b>	<b>\$256,942</b>

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

	<u>2015 Actual</u>	<u>2016 Operating Budget</u>	<u>2017 Estimate</u>
Office of the Secretary	11,571	12,495	12,890
International Trade Administration	29,489	34,678	36,138
Economic Development Administration	4,627	5,421	5,328
National Telecommunications and Information Administration	11,426	9,066	8,973
National Technical Information Service	1,252	1,532	1,570
Bureau of the Census	29,524	43,116	45,672
Economic and Statistics Administration	2,451	3,292	3,379
National Oceanic and Atmospheric Administration	45,918	68,568	72,512
National Institute of Standards and Technology	14,597	26,211	27,684
Patent and Trademark Office	9,791	14,683	17,545
Minority Business Development Agency	4,227	3,758	3,838
Bureau of Industry and Security	11,555	13,292	13,795
Office of Inspector General	3,615	4,082	3,782
<b>Total Commerce Bureaus</b>	<u>\$180,043</u>	<u>240,191</u>	<u>253,106</u>
Other Agencies	<u>2,500</u>	<u>3,783</u>	<u>3,836</u>
<b>Total</b>	<b>\$182,543</b>	<b>\$243,974</b>	<b>\$256,942</b>



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

	2015 <u>Actual</u>	2016 <u>Operating Budget</u>	2017 <u>Estimate</u>
Consulting services	4,424	6,272	6,800
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	4,424	6,272	6,800

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# FY 2017 Performance Planning and FY 2015 Reporting Backup

## *Departmental Management*

### Strategic Goals and Objectives

The Department's Strategic Plan for Fiscal Years 2014 to 2018 provides a broad foundation for economic growth and opportunity by focusing on five key priorities:

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

The Strategic Goals and Objectives are as follows:

<b>Trade and Investment: Expand the U.S. economy through increased exports and inward foreign investment that lead to more and better American jobs</b>	
1.1. Increase opportunities for U.S. companies by opening markets globally	ITA, NOAA, NTIA, USPTO
1.2. Increase U.S. exports	BIS, EDA, ESA, ITA, MBDA, NIST, DM
1.3. Increase high-impact inward foreign direct investment into the United States	EDA, ESA, ITA
1.4. Strengthen fair competition in international trade for U.S. firms and workers	ITA
<b>Innovation: Foster a more innovative U.S. economy—one that is better at inventing, improving, and commercializing products and technologies</b>	
2.1. Accelerate advanced manufacturing	EDA, NIST
2.2. Strengthen the Nation's digital economy	ITA, NIST, NTIA, USPTO
2.3. Catalyze innovation ecosystems	EDA, ESA, ITA, MBDA, NIST, USPTO, DM
<b>Environment: Help communities and businesses have the necessary information, products, and services to prepare for and prosper in a changing environment</b>	
3.1. Advance the understanding and prediction of changes in the environment	NIST, NOAA
3.2. Build a Weather-Ready Nation	ESA, NOAA
3.3. Strengthen the resiliency of communities and regions	EDA, ESA, NIST, NOAA
3.4. Foster healthy and sustainable marine resources, habitats, and ecosystems	NOAA
3.5. Enable U.S. businesses to adapt and prosper by developing environmental and climate-informed solutions	ESA, ITA, NIST, NOAA

<b>Data: Maximize the positive impacts of Commerce data on society</b>	
4.1. Deliver increasing amounts of data to governments, businesses, and the public in formats that are easier to access and use	DM, All Bureaus
4.2. Position the Department of Commerce to meet society's future data needs	ESA
4.3. Create a data-driven government	EDA, ESA, ITA, MBDA
<b>Operational Excellence: Strengthen the Department's capacity to achieve its objectives, maximize return on program investments, and deliver quality, timely service</b>	
5.1. Empower and engage Commerce employees	DM, All Bureaus
5.2 Support a service-oriented culture that responds to the needs of external and internal customers	DM, All Bureaus
5.3 Manage for results	DM, All Bureaus
5.4 Improve facilities, support services, and information technology products and services to drive mission success	DM, All Bureaus

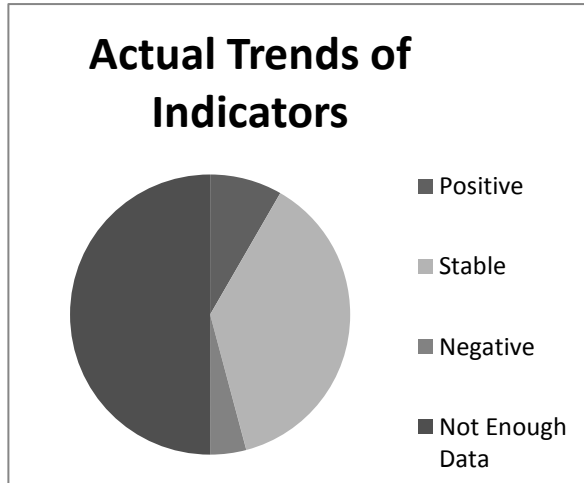
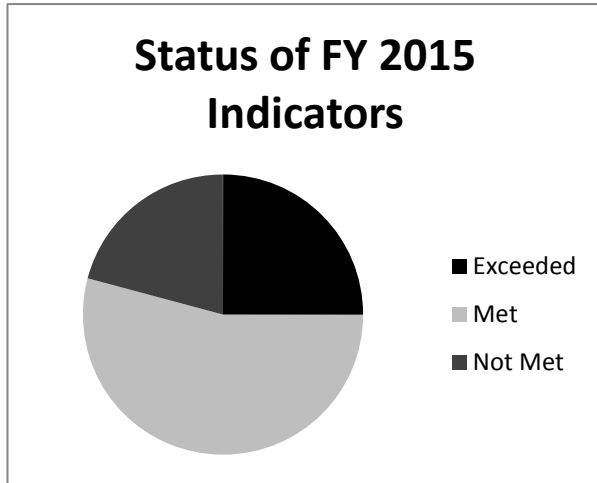
The Department of Commerce FY 2014-2018 Strategic Plan can be found at: <http://www.osec.doc.gov/bmi/budget/>. The specific priorities being led by Department Management are as follows:

Goal	Objective Number	Objective Name	Leader
<b>Operational Excellence:</b> Strengthen the Department's capacity to achieve its objectives, maximize return on program investments, and deliver quality, timely service	5.1	Empower and engage Commerce employees	<b>Steven Cooper</b> , Chief Information Officer, Departmental Management;
	5.2	Support a service-oriented culture that responds to the needs of external and internal customer	
	5.3	Manage for results	
	5.4	Improve facilities, support services, and information technology products and services to drive mission success	<b>Chris Heflin</b> , Director of Performance Excellence, Departmental Management

**Detailed Indicator Plans and Performance**

All the DM indicators apply to the following Strategic Goal: Operational Excellence: Strengthen the Department's capacity to achieve its objectives, maximize return on program investments, and deliver quality, timely service

**Summary of Overall DM Performance**



In FY 2015 DM had a total of 24 indicators for which it targets. DM exceeded (>100%) the targets of 6 indicators (25%), met (90-100%) the targets of 13 indicators (54%), and did not meet (<90%) the targets of 5 indicators (21%).

Of the 24 indicators, 12 had trends (more than three years of data).

Of those indicators with trends, DM had 2 indicators (17%) with positive trends, 9 indicators (75%) with stable trends, 1 indicator (8%) with a negative trend, and 0 indicators (0%) with varying trends.

**Summary of Indicator Performance**

**Objective 5.1: Empower and engage Commerce employees**

Indicator	Target	Actual	Status <sup>1</sup>	Trend
Score on the Employee Engagement Index of the Federal Employee Viewpoint Survey	67%	68%	Exceeded	Stable
Score on the New Inclusion Quotient (New IQ) of the Federal Employee Viewpoint Survey	66%	63%	Met	Stable

**Objective 5.2: Support a service-oriented culture that responds to the needs of external and internal customers**

Indicator	Target	Actual	Status	Trend
Customer Contacts (BusinessUSA)	935,510	4,222,145	Exceeded	Not enough data
Customer Satisfaction – Experience with Service (Business USA)	70%	68%	Met	Not enough data
Customer Impact – Ability to Find Useful Information (Business USA)	70%	68%	Met	Not enough data

Objective 5.3: Manage for Results

Score on the Results-Oriented Performance Culture Index of the Federal Employee Viewpoint Survey (FEVS)	61%	60%	Met	Stable
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Objective 5.4: Improve facilities, support services, and information technology products and services to drive mission success

Cybersecurity Cross Agency Priority (CAP) Goal average for the Department	83%	ISCM = 81% ICAM = 83% APMD = 84%	Met	Not enough data
Provide accurate and timely financial information and conform to federal standards, laws, and regulations governing accounting and financial management	Eliminate any repeat significant deficiency within 1 year of determination  Complete FY 2015 A-123 Assessment of internal controls	Eliminated one repeat significant deficiency out of two, added a new significant deficiency.  Completed FY 2015 A-123 assessment of Internal Controls.	Not Met	Stable
Unmodified audit opinion	Unmodified	Unmodified	Met	Stable
For each administrative / business system, maintain compliance and alignment with OMB initiatives	Compliance	Compliance	Met	Stable
Dollars awarded using high-risk contracting authorities	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities	\$367M	Met	Stable
Savings achieved through more effective acquisition practices (millions)	\$18	\$17	Met	Negative
Cost / Schedule Overruns (OCIO)	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%	On average, for its major IT investments, the Department was 30% over cost and schedule variances	Not Met	Stable
Continuous Monitoring (OCIO)	Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)	The Enterprise Security Operations Center is operating 24X7 and is ingesting data feeds from NOAA, DOC HQ, NTIA and BEA.  The Enterprise Cybersecurity Monitoring & Operations (ECMO) deploys continuous Monitoring Agents on 100% of targeted assets for FY16.  Hardware Asset Management: 76%  Software Asset Management:84%  Vulnerability Management:74%  Configuration Management:91%	Not Met	Not enough data
Strong Authentication (OCIO)	Strong Authentication	Privileged users:86%	Exceeded	Positive

	- ensure only authorized employees have access to federal information systems following the HSPD-12 Personal Identity Verification standard (75%)	Unprivileged users:81%		
Trusted Internet Connection Consolidation (OCIO)	Trusted Internet Connection Consolidation – consolidate external Internet traffic and ensure a set of common security capabilities (95%)	TIC Consolidation is at 98% via MTIPS and TICAP.	Exceeded	Not enough data
Trusted Internet Connection Capabilities (OCIO)	Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)	NOAA's TIC 2.0 compliance at 83% (43/52) based on critical controls and planned to be 98% in Q2FY16	Not Met	Not enough data
Security Compliance Reviews (OCIO)	Perform IT Security Compliance Reviews of all OUs and 20 assessments	Completed Security Compliance Reviews of all OUs and 15 assessments	Met	Stable
Mission-Critical Occupation Staffing (OHRM)	5%	10%	Exceeded	Not enough data
Permanent Attrition (OHRM)	7%	7%	Met	Not enough data
Hiring Timeline - days (OHRM)	65	88	Not Met	Not enough data
Candidate Quality (OHRM)	70%	64%	Met	Positive
Disability Hires (OHRM)	10%	12%	Exceeded	Not enough data
Veteran Hires (OHRM)	15.2%	13.7%	Met	Not enough data

1. Per the Department's instructions, Exceeded = Greater than 100% of target, Met = 90-100% of target, and Not Met = Less than 90% of target.

### **Current / Recurring Indicators**

#### **Objective 5.1: Empower and engage Commerce employees**

Indicator	Score on the Employee Engagement Index of the Federal Employee Viewpoint Survey							
Category	Key							
Type	Customer Service							
Description	The Employee Engagement Index consists of 15 FEVS questions, concentrating on factors that lead to an engaged workforce (e.g., supporting employee development, communicating agency goals).							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target						67%	67%	69%
Actual	69%	70%	70%	70%	70%	68%		
Status						Exceeded		
Trend	Maintain standard, Stable trend							
Actions to be taken / Future Plans	None							
Adjustments to targets	None The 67% goal for 2016 has been set for all agencies by OMB, OPM, and the White House, as part of the People and Culture CAP Goal of the PMA.							

Notes	Additional resources are needed to advance the objective of empowering and engaging Commerce employees faster and more effectively. Teams and individuals from the current Executive Leadership Development class will be assigned actions by the People and Culture Team.
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Indicator	Score on the New Inclusion Quotient (New IQ) of the Federal Employee Viewpoint Survey							
Category	Key							
Type	Customer Service							
Description	The New Inclusion Quotient (New IQ) consists of 20 FEVS questions with the highest correlation to inclusive environments. The New IQ is built on the concept that individual behaviors, repeated over time, form the habits that create the essential building blocks of an inclusive environment. The New IQ has four questions in common with the Employee Engagement Index, and workplace inclusion is a contributing factor to organizational performance.							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target						66%	64%	65%
Actual			65%	64%	64%	63%		
Status						Met		
Trend	Maintain Standard, Stable trend							
Actions to be taken / Future Plans	None							
Adjustments to targets	None							

**Objective 5.2: Support a service-oriented culture that responds to the needs of external and internal customers**

Indicator	Percentage of high-volume processes with customer feedback elements							
Category	Key							
Type	Process							
Description	Complete and effective customer feedback loops will be identified for the Department's 20 highest volume externally facing processes. Process owners must demonstrate how customer feedback is used to inform operational improvements and decisions before the loop will be counted as complete.							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target							TBD	TBD
Actual								
Status								
Trend	No data							
Actions to be taken / Future Plans	None							



Adjustments to targets	None
Notes	The Federal Digital Strategy Team identified four DOC processes with high volume customer contacts (patents, trademarks, weather information and the 2020 Census). All four get feedback from advisory groups and two get on-going feedback from customers. The approaches for all four will be upgraded in FY 2016/2017. In addition, the universe for this indicator will be expanded in FY 2016 to include all high volume customer service processes of DOC.

**Objective 5.3: Manage for Results**

Indicator	Score on the Results-Oriented Performance Culture Index of the Federal Employee Viewpoint Survey (FEVS)							
Category	Key							
Type	Customer Service							
Description	The Results-Oriented Performance Culture Index is made up of 13 FEVS questions, which taken together indicate the extent to which employees believe their organizational culture promotes improvement in processes, products and services, and organizational outcomes.							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target						61%	TBD	TBD
Actual	60%	61%	61%	61%	61%	60%		
Status						Met		
Trend	Maintain standard, Stable trend							
Actions to be taken / Future Plans	DOC will incorporate the Strategic Plan and performance management briefings into a new on-boarding program for employees. News about the Strategic Plan will be on pages of the intranet, as well as opportunities to serve on teams that are executing strategies. DOC is developing a new recognition program for innovation in plan implementation. .							
Adjustments to targets	None							
Notes	DOC is using a new process to identify priorities for developing additional evidence of program performance.							

**Objective 5.4: Improve facilities, support services, and information technology products and services to drive mission success**

Indicator	Cybersecurity Cross Agency Priority (CAP) Goal average for the Department
Category	Key
Type	Intermediate Outcome
Description	The Cybersecurity CAP Goal uses the Federal Information Security Management Act (FISMA) of 2002 performance metrics to measure agency progress in implementing the Administration's priority cybersecurity capabilities. The index tracked for this objective will average the following scores: percentage of hardware assets covered by Information Security Continuous Monitoring (ISCM); percentage of external network traffic consolidated through a Trusted Internet Connection (TIC); percentage of TIC Reference Architecture v2.0 critical capabilities implemented; and percentage use of Personal Identity Verification (PIV)

	cards for local access.							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target						83%	80%	90%
Actual						ISCM – 81% ICAM – 83% APMD – 84% <sup>1</sup>		
Status						Met		
Trend	Not enough data to determine a trend							
1. ISCM = Information Security Continuous Monitoring; ICAM = Identity, Credentialing, and Access Management; APMD = Anti-Phishing and Malware Defense								
Actions to be taken / Future Plans	None							
Adjustments to targets	None							

<b>Indicator</b>	<b>Percentage of internal customers satisfied with core mission support processes</b>							
Category	Key							
Type	Customer Service							
Description	Customer satisfaction will be monitored for core mission support services in the Department’s Human Resources, IT, Acquisitions, and Financial Management portfolios. Data will be gathered continuously through transactional feedback as well as periodic, targeted pulse surveys. This measure is expected to come online in FY 2016.							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target							TBD	TBD
Actual								
Status								
Trend	No data							
Actions to be taken / Future Plans	In FY 2016/2017, DOC will be standing up a shared service model for many mission support services. As services are launched, DOC will collect baseline data on internal customer satisfaction and used to establish targets for FY 2016 and FY 2017.							
Adjustments to targets	None							

<b>Indicator</b>	<b>Provide accurate and timely financial information and conform to federal standards, laws, and regulations governing accounting and financial management</b>							
Category	Supporting (Non-Strategic Plan)							
Type	Intermediate Outcome							
Description	This indicator ensures that the Department of Commerce is accountable to the American people, and that no Significant Deficiencies, formerly known as “Reportable Conditions,” (i.e. deficiencies in the design or operation of internal controls) remain							

unaddressed. To determine if financial information is being provided in a timely and accurate manner, the Department will assess whether those individuals who can best use the information are receiving it within timeframes that render it relevant and useful in their day-to-day decisions.

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	Eliminate any significant deficiency within 1 year of determination  Complete FY 2010 A-123 assessment of internal controls	Eliminate any significant deficiency within 1 year of determination  Complete FY 2011 A-123 assessment of internal controls	Eliminate any significant deficiency within 1 year of determination  Complete FY 2012 A-123 assessment of internal controls	Eliminate any significant deficiency within 1 year of determination  Complete FY 2013 A-123 assessment of internal controls	Eliminate any repeat significant deficiency within 1 year of determination  Complete FY 2014 A-123 assessment of internal controls	Eliminate any repeat significant deficiency within 1 year of determination  Complete FY 2015 A-123 assessment of internal controls	Eliminate any repeat significant deficiency within 1 year of determination  Complete FY 2016 A-123 assessment of internal controls	Eliminate any repeat significant deficiency within 1 year of determination  Complete FY 2017 A-123 assessment of internal controls
<b>Actual</b>	One significant deficiency was not eliminated  Completed FY 2010 assessments	Eliminated significant deficiency  Completed FY 2011 A-123 Assessment	FY 2012 Audit identified one material weakness and one significant deficiency.  Completed FY 2012 A-123 assessment of internal controls	Eliminated the material weakness but two significant deficiencies remain  Completed A-123 assessments	Eliminated one repeat significant deficiency out of two, added one additional significant deficiency.  Completed FY 2014 A-123 assessment of Internal Controls.	Eliminated one repeat significant deficiency out of two, added a new significant deficiency.  Completed FY 2015 A-123 assessment of Internal Controls.		
<b>Status</b>	<b>Not Met</b>	<b>Met</b>	<b>Not Met</b>	<b>Not Met</b>	<b>Not Met</b>	<b>Not Met</b>		
<b>Trend</b>	Maintain standard, Stable trend							
<b>Explanation for Not Met</b>	One significant deficiency was eliminated during FY 2015 but it was replaced by another. Each year the same five Financial Information System Controls Audit Manual (FISCAM) areas are audited via the IG contractor. The composition of the audit findings in the five areas changed from 14 to 15 which is why one was eliminated and another was added.							
<b>Actions to be taken / Future Plans</b>	Beginning in FY 2014, the wording was changed to reflect work that is possible in that year, that is, a significant deficiency that has been identified at the end of a fiscal year would be corrected in the subsequent year, i.e., a repeated significant deficiency. The Department will continue to monitor the progress of corrective actions to ensure that they stay on track.							
<b>Adjustments to targets</b>	None							

<b>Indicator</b>	<b>Unmodified audit opinion</b>
<b>Category</b>	Supporting (Non-Strategic Plan)
<b>Type</b>	Efficiency
<b>Description</b>	This indicator reflects the result of the Financial Statement Audit. The goal is to receive an “unmodified” audit opinion. There are several types of audit opinions: (1) 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.							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target				Unmodified	Unmodified	Unmodified	Unmodified	Unmodified
Actual				Unmodified	Unmodified	Unmodified		
Status				Met	Met	Met		
Trend	Maintain Standard, Stable trend.							
Actions to be taken / Future Plans	The Department will continue to monitor the progress of corrective actions to ensure that they stay on track. It will also continue to conduct internal control assessments to help identify issues that may have an impact on the audit opinion early enough to correct them before they become audit findings.							
Adjustments to targets	None							

<b>Indicator</b>	<b>For each administrative / business system, maintain compliance and alignment with OMB initiatives</b>							
Category	Supporting (Non-Strategic Plan)							
Type	Process							
Description	This indicator reflects the requirement to maintain compliance and alignment with OMB initiatives, including the guiding principles reflected in the OMB system modernization requirements (split projects into smaller, simpler segments with clear deliverables; focus on most critical needs first; and provide ongoing, transparent project oversight) data center consolidation requirements, and cloud computing requirements (Infrastructure as a Service; Software as a Service).							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target				Compliance	Compliance	Compliance	Compliance	Compliance
Actual				Maintained compliance	Maintained compliance	Maintained compliance		
Status				Met	Met	Met		
Trend	Maintain standard; Stable trend.							
Actions to be taken / Future Plans	The BAS project intends to follow the shared service process as stated in OMB Memorandum M-13-08							
Adjustments to targets	None							

<b>Indicator</b>	<b>Dollars awarded using high-risk contracting authorities</b>							
Category	Supporting (Non-Strategic Plan)							
Type	Intermediate Outcome							
Description	High-risk contracting authorities such as noncompetitive contracting, cost-reimbursement contracts, and time-and materials and labor-hour contracts pose special risks of overspending. While these contract authorities are important tools when used appropriately, GAO and OIG oversight reviews indicate that they are often used without an appropriate basis or sufficient management and							

	oversight to limit taxpayer risk. This element will measure the Department's progress in managing risk through reducing the use of high-risk contracting authorities.							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2016
Target				Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities
Actual				\$228M	\$279M	\$367M		
Status				Met	Met	Met		
Trend	Maintain Standard, Stable trend							
Actions to be taken / Future Plans	None.							
Adjustments to targets	None.							
Notes	DM starting tracking this indicator in FY 2012, therefore, no significant trends have been developed. The only caveat is that the 10% reduction goal is based on FY 2009 spend levels and that is a constant/unchanging goal for FY 2010 and all subsequent FYs.							

<b>Indicator</b>	<b>Savings achieved through more effective acquisition practices (millions)</b>							
Category	Supporting (Non-Strategic Plan)							
Type	Outcome							
Description	Sound acquisition practices help guard against inefficiency and waste and improve the ability to obtain quality supplies and services that are on time and within budget. There are many ways to achieve savings through more effective acquisition practices, including: ending contracts that do not meet program needs; negotiating more favorably priced contracts; developing more strategic acquisition approaches; and reengineering ineffective business processes. This element will measure the Department's progress in reducing spending through more effective acquisition practices.							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target				\$18M	\$18M	\$18M	\$18M	\$18M
Actual				\$29M	\$18.1M	\$17M		
Status				Exceeded	Exceeded	Met		
Trend	Maintain Standard, Negative Trend							
Actions to be taken / Future Plans	The target is being affected/modified in FY 2016 and FY 2017 due to the Department's transition to Shared Services.							
Adjustments to targets	DM is adjusting Cost Saving Targets in FY 2016 and 2017 based on rebaselined savings in the following initiatives: cellular services, old target \$3.5M, new target \$0.9M; reverse action, old target \$1.5M, new target \$1.1M; Office Supplies, old target \$0.6M, new target \$0.3M							

<b>Indicators – (OCIO)</b>	<b>A. Cost / Schedule Overruns B. Continuous Monitoring C. Strong Authentication D. Trusted Internet Connection Consolidation E. Trusted Internet Connection Capabilities F. Security Compliance Reviews</b>
<b>Category</b>	Supporting (Non-Strategic Plan)
<b>Type</b>	Outcome
<b>Description</b>	<p>VALUE: The Department’s significant annual investment in information technology (IT) solutions and assets requires careful management and monitoring. Through the use of Earned Value Management and Operational Analysis systems in the development and/or operational phases are monitored to ensure the required functionality is delivered on schedule and at the cost projected. Program offices regularly report on the progress and status of their efforts against the cost, schedule, and performance goals. DOC has changed the wording of this measure from “Improve the management of information technology,” to better reflect an objective measure as opposed to a goal.</p> <p>In addition to the above, and beginning in FY 2015, the Department embarked upon updating its IT infrastructure and initiating an IT Shared Services Initiative aimed at consolidating commodity services across bureaus to gain economies of scale, improve service delivery, and improve customer satisfaction. As part of this effort, six IT shared services were identified and prioritized for deployment in the FY 2016-FY 2017 timeframe. During FY 2016, OCIO will focus on the delivery and measurement of achieved functionality and improvements in customer satisfaction and value delivered to our customers and stakeholders.</p> <p>CYBER: The successful implementation of each program critical to the Department’s missions depends on the adequacy and security of the Department’s information technology systems. If systems security were to be compromised, the effective accomplishment of the Department’s mission would be in jeopardy. The Department follows the NIST Risk Management Framework (RMF) process to ensure that information and systems are adequately protected throughout their lifecycle. This includes a rigorous assessment of security controls to provide the necessary assurance that an information system can securely process, store, or transmit information. The assessment encompasses all management, operational, and technical controls that protect a system. By following the RMF process, the Department continuously monitors the status of its systems and the adequacy of the controls. 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>In FY 2015, the DOC continued to improve its performance in the “legacy” Federal Information Security Modernization Act (FISMA) cybersecurity metric areas as well as in the new, high-priority, “Cybersecurity Cross Agency Priority (CyberCAP)” areas introduced in FY 2015. Though DOC has not met the full CyberCAP performance targets, due to the expanded use of Personal Identity Verification (PIV) badges to log-in to DOC systems and networks, the DOC is on track to meet the Federal Identity, Credential, and Access Management (ICAM) goal in FY 2016. The DOC has also made considerable progress in the two additional CyberCAP areas of Information Security Continuous Monitoring (ISCM) and Anti-Phishing and Malware Defense (APMD), with a number of the supporting measures in each of those areas having already been met. Continuous Monitoring improvements were realized as a result of the DOC Enterprise Security Operations Center achieving 24/7 coverage with new central reporting schema, and additional improvements are expected in FY 2016 as the DOC implements the DHS Continuous Diagnostics and Mitigation (CDM) Initiative, which when deployed, will provide enhanced continuous monitoring capabilities and enterprise-wide visibility into DOC IT systems. Incident Response improvements were also realized as a result of the expansion of the DOC Computer Incident Response Team’s schedule to support 24/7 incident response services.</p>

<b>A. Cost / Schedule Overruns</b>								
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%	All investments within 10% of cost and schedule.	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%	IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%
Actual	IT investments had cost/ schedule overruns and performance shortfalls averaging less than 10%	IT investments had cost/ schedule overruns and performance shortfalls averaging less than 10%	75% of major IT investments had cost/schedule overruns and performance shortfalls averaging less than 10%	On average, for its major IT investments in the development stage, the Department achieved its cost target of being within 10% variance (under budget) and was within a 25% schedule variance.	On average, for its major IT investments, the Department was within a 20% positive variance (under budget) and was within a 30% schedule variance.	On average, for its major IT investments, the Department was 30% over cost and schedule variances.		
Status	Met	Met	Not Met	Not Met	Not Met	Not Met		
Trend	Maintain Standard, Stable trend.							
Explanation for Not Met	There are a half dozen investments / projects – primarily IT infrastructure projects – that are chronically behind schedule and over budget that bring the overall average variance of the Department’s major investments down. The variance typically occurs when a management decision is made to add new projects and change the priority and resources left available for current (primarily infrastructure projects).							
Actions to be taken / Future Plans	Major Investments with chronic or exceptionally high cost and schedule variances will be brought in for TechSTAT and/or Commerce IT Review Board Reviews. In addition, we will evaluate whether it is appropriate to develop a formal department wide policy laying out the criteria for when re-baselining is valid.							
Adjustments to targets	The target was based on OMB’s goals							
<b>B. Continuous Monitoring</b>								
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target					Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)	Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)	Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)	Continuous Monitoring – ongoing near real-time awareness and assessment of information security risks to support risk management decisions (95%)
Actual					Enterprise Security Operations Center achieved functional initial operating capability on 9/25/2014. Current deployment of enterprise monitoring capability at 113% of projected deployment.	The Enterprise Security Operations Center is operating 24X7 and is ingesting data feeds from NOAA, DOC HQ, NTIA and BEA.  The Enterprise Cybersecurity Monitoring & Operations (ECMO) deploys continuous		

						Monitoring Agents on 100% of targeted assets for FY16.		
						Hardware Asset Management: 76%		
						Software Asset Management:84%		
						Vulnerability Management:74%		
						Configuration Management:91%		
<b>Status</b>					<b>Met</b>	<b>Not Met</b>		

**Trend** Not enough data to determine a trend.

<b>Explanation for Not Met</b>	A change in ISCM calculations, taking the lowest of multiple questions, also resulted in percentage drops. While there were improvements in FY 2015, OUs continue to add automated capabilities. With the implementation of CDM Phase 1 tools scheduled through FY 2016 and focused on these key ISCM areas, DM hopes to meet the targets by Q1 of FY 2017.
<b>Actions to be taken / Future Plans</b>	DHS Continuing Diagnostics and Mitigation (CDM) Task Order 2 for hardware and software asset management and Vulnerability and Secure configuration management tools and services was awarded on 9/21/15. Currently the awardee, Northrup Grumman, is conducting OU discovery interviews and onsite OU visits in order to commence architecture of the solution. CDM Phase 1 implementation is expected to be complete by the end of FY 2016.
<b>Adjustments to targets</b>	Dependent on CDM award.
<b>Notes</b>	ESOC and DOC-CIRT achieved 24/7 coverage with new central reporting schemas. DHS Continuous Diagnostics and Mitigation Program to provide tools and services for hardware and software asset management and vulnerability and configuration management was awarded.

**C. Strong Authentication**

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	Deploy an enterprise-wide role-based cybersecurity training program Deploy national security and emergency initial operating capability	Increase security training completion rate to 80% for privileged users (role-based)	Increase security training completion rate to 80% for privileged users (role-based)	Percentage of systems in production with valid Accreditation and Authorization (A&A) is 100%	Strong Authentication - ensure only authorized employees have access to federal information systems following the HSPD-12 Personal Identity Verification standard (75%)	Strong Authentication - ensure only authorized employees have access to federal information systems following the HSPD-12 Personal Identity Verification standard (75%)	Strong Authentication - ensure only authorized privileged and unprivileged users have access to federal information systems following the HSPD-12 Personal Identity Verification standard (100% privileged users and 85% unprivileged users)	Strong Authentication - ensure only authorized privileged and unprivileged users have access to federal information systems following the HSPD-12 Personal Identity Verification standard (100% privileged users and 85% unprivileged users)
<b>Actual</b>	Implemented Cyber Security Development Program and graduated 20 candidates from the Department's first class. Enrolled candidates in the program's second	89% completion rate of security training for privileged users (role-based).	Trained Authorizing Officials and System Owners throughout the Department with quarterly workshops.  Achieved greater than 85% of required security training for	99% of systems in production with valid Accreditation and Authorization	Strong Authentication aggregated totals for non-privileged and privileged access is 72% as of 9/29/2014 which represents a 100% increase from FY 2013.	Privileged users:86%  Unprivileged users:81%		



	class. More than 8 candidates have obtained or are planning to obtain security related certifications.		privileged users (role-based).					
Status	Met	Met	Met	Met	Met	Exceeded		
Trend	Maintain standard, stable trend.							
Actions to be taken / Future Plans	Implementation plans for achievement of CAP targets have been collected from OUs. DOC and its OUs are working to badge contractors with priority being placed on privileged user contractors.							
Adjustments to targets	None							
Notes	Corrective action plans have been submitted by the OUs to achieve 100% compliance for privileged users to utilize PIV cards or level of assurance 4 equivalent credentials for network access.							

**D. Trusted Internet Connection Consolidation**

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target					Trusted Internet Connection Consolidation – consolidate external Internet traffic and ensure a set of common security capabilities (95%)	Trusted Internet Connection Consolidation – consolidate external Internet traffic and ensure a set of common security capabilities (95%)	Trusted Internet Connection Consolidation – ensures external network traffic passing through a TIC or Managed Trusted Internet Protocol Services (MTIPS) provider. (100%)	Trusted Internet Connection Consolidation – ensures external network traffic passing through a TIC or Managed Trusted Internet Protocol Services (MTIPS) provider. (100%)
Actual					TIC Consolidation 100% via MTIPS for all OUs except NOAA who is in process of establishing TICAP services	TIC Consolidation is at 98% via MTIPS and TICAP.		
Status					Met	Met		
Trend	Not enough data to determine a trend.							

Actions to be taken / Future Plans	None							
Adjustments to targets	None							
Notes	DOC exceeded the CAP goal of 95% of external network traffic passing through a Managed Trusted Internet Protocol Services (MTIPS) provider. This means that an increasing amount of internet traffic passes through trusted internet connections.							

**E. Trusted Internet Connection Capabilities**

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
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Target					Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)	Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)	Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)	Trusted Internet Connection Capabilities – ensure NOAA TIC service meets TIC 2.0 requirements (100%)
Actual					NOAA TIC 2.0 compliance at 87.5%, planned date to reach 100% is 9/30/2015.	NOAA's TIC 2.0 compliance at 83% (43/52) based on critical controls and planned to be 98% in Q2FY 2016		
Status					Met	Not Met		
Trend	Not enough data to determine a trend.							

Explanation for Not Met	The number of controls satisfied dropped based on a self-assessment. DM expects the controls to be fully satisfied by Q3 of FY 2016. A NOAA self-assessment resulted in a decrease in the number of implemented capabilities from 45 to 43 (of 52 critical capabilities vice the 60 recommended).NOAA expects to be at 98% compliance in Q2 of FY 2016 with a goal of reaching 100% Q3 of FY 2016							
Actions to be taken / Future Plans	None							
Adjustments to targets	None							

**F. Security Compliance Reviews**

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	Perform IT security compliance review of all operating units, and 10 FISMA systems in CSAM	Perform IT security compliance review of all operating units, and 10 FISMA systems in CSAM	Perform IT Security Compliance reviews	Perform IT Security compliance review of all OUs and 30 assessments	Perform IT Security compliance review of all OUs and 22 assessments	Perform IT Security Compliance Reviews of all OUs and 20 assessments	Perform IT Security Compliance Reviews of all OUs and 20 assessments	Perform IT Security Compliance Reviews of all OUs and 20 assessments
Actual	IT security compliance in all operating units and five FISMA systems in CSAM were reviewed.	Performed IT Security Compliance reviews	Completed 29 security assessments. Conducted IT security compliance checks of all Department operating units and in-depth internal control review meetings with five selected operating units as part of the Department's IT internal control review program	Security compliance review of all OUs and 34 assessments	Completed Security compliance reviews of all OUs and 22 assessments	Completed Security Compliance Reviews of all OUs and 15 assessments		
Status	Met	Met	Met	Met	Met	Met		
Trend	Maintain standard, stable trend.							

Actions to be taken / Future Plans	None							
Adjustments to targets	None							

<b>Indicators (OHRM)</b>	<b>A. Mission-Critical Occupation Staffing B. Permanent Attrition C. Hiring Timeline D. Candidate Quality E. Disability Hires F. Veteran Hires</b>							
Category	Supporting (Non-Strategic Plan)							
Type	Outcome							
Description	These indicators represent a combination of measures focusing on strategic recruitment and retention, and the Department's efforts to achieve and maintain an inclusive, engaged, and productive workforce. These indicators permit a comprehensive assessment of the Department's efforts to strategically manage its human capital. Such an assessment is critical to ensure that the workforce contains the necessary skill sets to carry out the Department's mission.							
<b>A. Mission-Critical Occupation (MCO) Staffing (Average deviation of populations from targets)</b>								
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target					5%	5%	5%	5%
Actual					5%	10%		
Status					Met	Exceeded		
Trend	Not enough data to determine a trend							
Actions to be taken / Future Plans	None							
Adjustments to targets	None							
Notes	An average 5% deviation from a given target equates to a staffing level of 95% to 105% of what would be the 100% target. An average deviation of 10% (or 90% to 110% of what would be the 100% target) is considered met for the purposes of this report. In HRstat, an average deviation of 10% is considered "almost met."							
<b>B. Permanent Attrition (rate of permanent employees that intentionally separated, without agency incentive or action)</b>								
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target				11%	11%	7%	7%	7%
Actual				6%	7%	7%		
Status				Exceeded	Exceeded	Met		
Trend	Not enough to determine a trend							
Actions to be taken / Future Plans	None							
Adjustments to targets	During FY 2015, the measure parameters were refined to better align with employee engagement by excluding nature of action codes, such as death and separations initiated by agency action, that do not reflect an employee's deliberate desire and							

	intention to leave the agency. Based on the analysis of Commerce-wide and Government data, the target was revised.							
<b>C. Hiring Timeline (Average number of calendar days to complete hiring actions)</b>								
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	80	80	80	80	65	65	65	65
Actual	105	83	84	103	91	88		
Status	Not Met	Met	Met	Not Met	Not Met	Not Met		
Trend	Maintain Standard indicator. Not enough data to determine a trend due to a change in the indicator in FY 2014							
Explanation for Not Met	The 23 days beyond the target can be mostly attributed to the time the job announcement remained open (6 days longer than standard), the manager's review and interview of applicants (6 days longer), HR drafting the announcement (3 days longer), issuing the tentative offer and security processing (3 days longer), and issuing the official job offer (3 days longer).							
Actions to be taken / Future Plans	None							
Adjustments to targets	Target changed from 80 days for 11 steps to 65 days for 10 steps (excludes the entrance on duty waiting period), beginning in FY 2014 Q3.							
<b>D. Candidate Quality (Percentage of managers saying referred applicants had skills to perform the job)</b>								
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target					70%	70%	70%	70%
Actual		61%	61%	62%	63%	64%		
Status					Met	Met		
Trend	Positive							
Actions to be taken / Future Plans	None							
Adjustments to targets	None							
<b>E. Disability Hires (Percentage of new hires that have a disability)</b>								
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target					9.0%	10%	TBD	TBD
Actual				12.3%	7.3%	12.3%		
Status					Not Met	Exceeded		
Trend	Not enough data to determine a trend							
Actions to be taken / Future Plans	None							
Adjustments to	None							

targets								
Notes	Annual targets are based upon the FY 2011 Recruiting, Hiring, and Retaining People with Disabilities Operational Plan, covering FY 2011 – FY 2015 Targets beyond the years covered by the plan will be established at a later date.							
<b>F. Veteran Hires (Percentage of new hires that are veterans)</b>								
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target					15.2%	15.2%	20.2%	TBD
Actual				13.4%	12.5%	13.7%		
Status					Not Met	Met		
Trend	Not enough data to determine a trend							
Actions to be taken / Future Plans	None							
Adjustments to targets	Annual targets for Commerce are based upon the previous year's average for the group of agencies with populations of 20,000 to 100,000, as established by the President's Council on Veteran Employment. Since averages are reported by OPM and the Whitehouse mid-year, targets reported here lag by one FY.							

**Non-Recurring Indicators**

<b>Indicators (BusinessUSA)</b>	<b>A. Customer Contacts B. Customer Satisfaction – Experience with Service C. Customer Impact – Ability to Find Useful Information</b>						
Category	Key						
Type	Output / Customer Service						
Description	BusinessUSA continues to implement three external performance indicators that focus on promotion of services, customer satisfaction, and customer impact. These indicators incorporate the multi-channel approach of BusinessUSA. The goals for each of these indicators were based on historical data, analysis, and lessons learned. BusinessUSA is expected to leave the Department sometime in FY 2016.						
<b>A. Customer Contacts</b>							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	
Target						935,510	
Actual						4,222,145	
Status						Exceeded	
Trend	Not enough data to determine a trend.						
<b>B. Customer Satisfaction – Experience with Service</b>							

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target						70%
Actual						68%
Status						Met
Trend	Maintain Standard; Not enough data to determine a trend.					

**C. Customer Impact – Ability to Find Useful Information**

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target						70%
Actual						68%
Status						Met
Trend	Maintain Standard; Not enough data to determine a trend.					

Actions to be taken / Future Plans	BusinessUSA will be expanding its multi-channel services to assist customers. New measures were constructed to account for the increase in service activities. Customer Contacts is a quantitative measure that will include: number of website visits, number of calls received (via toll free number), number of emails, number of chats, and Twitter engagement. BusinessUSA will continue to measure customer satisfaction and customer impact via surveys and feedback. BusinessUSA will be leaving the Department in FY 2016.					
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**Other Indicators**

Indicator	Planned Measure Beginning in FY2016 -- Percentage of enterprise applications shared by three or more DOC bureaus.							
Description	This indicator will provide insight into OCIO's efforts to reduce redundant procurements of commodity IT services/applications and to increasingly provide and utilize shared IT applications across the Department.							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actual								
Notes	Department will define the term "enterprise application" to determine the denominator for calculating this percentage.							
Information Gaps	The total number of commodity enterprise applications currently in use by DOC bureaus.							

Indicator	Planned Measure Beginning in FY2016 -- Percentage of customers generally satisfied with accessibility, service & support of mobile communications.							
Description	This indicator will provide insight into OCIO's efforts to improve customer service and support of mission critical mobile communications services.							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actual								
Notes	OCIO to begin collecting customer satisfaction with mobile communications support/services in FY2016 and to determine targets.							

Indicator	Planned Measure Beginning in FY2016 -- Percentage of customers generally satisfied with accessibility, service & support of facilities (i.e., meeting rooms, VTC, Wi-Fi, printing).						
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Description	This indicator will provide insight into OCIO's efforts to improve customer service and support of mission critical mobile communications services.							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actual								
Notes	OCIO to begin collecting customer satisfaction with mobile communications support/services in FY2016 and to determine targets.							

**Resource Requirements Table**

	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Base	Increase / Decrease	FY 2017 Request
Goal 5: Operational Excellence										
<b>Total Funding</b>										
Direct	57.9	57.5	56.2	51.1	55.5	56.0	58.0	64.8	9.7	74.5
Reimbursable										
Total	57.9	57.5	56.2	51.1	55.5	56.0	58.0	64.8	9.7	74.5
<b>Total FTE</b>	179	173	151	155	152	156	156	156	5	161
FTE does not include staff funded by the Working Capital Fund.										