

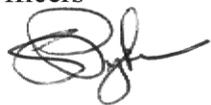


**UNITED STATES DEPARTMENT OF COMMERCE**  
**Chief Information Officer**

Washington, D.C. 20230

APR 17 2003

MEMORANDUM FOR Chief Information Officers

FROM: Thomas N. Pyke, Jr. 

SUBJECT: Fiscal Year 2005 Information Technology Budget Process and Guidance

FY 2005 Information Technology (IT) budget proposals are due May 19, 2003, concurrent with the FY 2005 budget submission. Our goal in the IT budget review process is to ensure that proposals include all the elements needed for IT portfolio selection, control, and evaluation:

- basis for investment including performance measures,
- project management,
- risk management,
- security and privacy, and
- architecture compliance.

Only proposals that are complete and highly rated in all these areas will be recommended by the Commerce IT Review Board (CITRB) for serious consideration in the FY 2005 budget assessment process. The FY 2005 budget process is placing increased emphasis on linking budget, program planning, IT planning, performance measurement, and acquisition strategies. Therefore, you should include your respective budget, program, IT, and procurement offices in the preparation and review of your operating unit's IT budget proposals.

IT initiatives must be a product of your operating unit's capital planning and investment control (CPIC) process. As part of your overall budget submission, provide a description of the CPIC process used to evaluate and select this year's investments.

All new IT budget investments and modifications or enhancements to existing systems, above base funding, must complete an Exhibit 300, Capital Asset Plan and Business Case. An Exhibit 300 is also required for major systems meeting the criteria defined by OMB Circular A-11, Section 300, Planning, Budgeting, Acquisition, and Management of Capital Assets. Systems identified as major in the FY 2004 budget submission are listed in attachment 1. The level of detail in the Exhibit 300 should be commensurate with the magnitude of the investment.

As in the past, for each initiative, provide, in addition to the Exhibit 300, a brief, high-level Initiative Summary describing the initiative, FY 2005 budget increase, the life cycle cost, and the budget line(s) providing the funding. Attachments 2 and 3 provide a template and a sample of the Initiative Summary, which is also available in the Information Technology Investment Portfolio System (I-TIPS) Resource Library under FY 2005 Guidance.

In a new requirement this year, all non-major projects must be described in an Exhibit 300-1, an abbreviated form of the Exhibit 300. OMB is preparing guidance for a revised Exhibit 300 and the new Exhibit 300-1. We do not have the new guidance yet. Please use the FY 2004 guidance at Web site <http://www.doc.gov/cio/oipr/ITPLANPAGE.HTM> until further notice.

Commerce will submit Exhibit 300s and the Exhibit 53, Agency IT Investment Portfolio, to OMB through I-TIPS. The amounts in the Summary of Spending table and in the Sources of Funds tables in the Exhibit 300 are the sources for the information submitted in the Exhibit 53. To ensure that the information is accurate and consistent with the latest OMB guidance, the Exhibit 300s submitted with the Secretarial Budget will be updated for the OMB submission, due in early September, and updated again for the President's Budget, to be completed in early January.

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

- Security and privacy continue to be important factors in the CITRB's review of FY 2005 budget requests. You have a key role in helping to assure that adequate resources are dedicated to IT security to ensure that your operating unit's system and data integrity and continuity of operations are at an acceptable level of risk. Required as part of the budget submission is a description in the Exhibit 300 of your system's security and identification of the percent of dollars spent on IT security.
- Enterprise Architecture also requires your attention as OMB is taking increasing interest in the management of IT architectures across the Government, with particular emphasis on the elimination of duplication. Answer the architecture questions in the Exhibit 300 completely and carefully. Ensure that your architecture documentation is up-to-date. In a separate call, we will ask that revised architectures be completed by August, in time for the September budget submission to OMB.
- Project management is another area that is taking on increasing importance. In addition to identifying the sponsor and key members of your project team, your business case should discuss the project management structures, responsibilities, and personnel qualifications that will contribute to the successful achievement of cost, schedule, and performance goals.
- As in past years, solid performance measures are a core element in your justification.

All IT budget initiatives will be evaluated against the guidance and questions in Exhibit 300. Accordingly, the quality of your responses is critical. Exhibit 300 information for all major systems will be provided to OMB. Becoming familiar with the IT guidance in Part 7 of OMB Circular A-11 will help you complete your IT investment plan and business case. Note in particular OMB's evaluation criteria in Section 300.10. Other tips for preparing high quality Exhibit 300s are available at: ITIPS Resource Library, FY 2005 Budget Guidance and at Web site <http://www.doc.gov/cio/oipr/ITPLANPAGE.HTM>.

The CITRB will review selected IT investment proposals. We will notify project sponsors of the proposals selected and those project sponsors should then prepare a briefing for the CITRB that addresses the criteria in Attachment 4. Briefings to the CITRB will take place June 10 and 12. The CITRB will evaluate initiatives and make recommendations to the Office of Budget during the budget review process. Presenters should provide a copy of the briefing charts to Diana Hynek ([dhynek@doc.gov](mailto:dhynek@doc.gov)) at least two days before the scheduled presentation. Office of the CIO staff, supported by acquisition, budget, and other staff, will evaluate initiatives that are not presented to the CITRB. Recommendations from this review process will also be provided to the Office of Budget. We will notify project sponsors of the date for their briefings.

Please submit your Initiative Summaries and Exhibit 300s for new initiatives and those with increases above base funding through I-TIPS by May 19. Submit the Exhibit 300s for systems without funding increases and Exhibit 300-1s through I-TIPS by August 1. Appendix 2b provides instructions for downloading the Initiative Summary template from I-TIPS and uploading the completed summary into I-TIPS. Submit the summary of your CPIC process separately to Stuart Simon ([ssimon@doc.gov](mailto:ssimon@doc.gov)) also by May 19. If you have questions, call Stuart on (202) 482-0275.

#### Attachments

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

**Major Commerce IT Systems**

<b>Operating Unit</b>	<b>IT System</b>
NOAA/OFA	NOAA Grants On-Line
NOAA/NWS	Advanced Weather Interactive Processing System (AWIPS)
NOAA/NWS	NOAA Weather Radio All Hazards Weather Network
NOAA/NWS	National Weather Service Telecommunications Gateway Legacy System
NOAA/NWS	National Weather Service Telecommunications Gateway System Critical Infrastructure Protection (CIP)
NOAA/NWS	Next Generation Weather Radar (NEXRAD) Planned Product Improvement
NOAA/NWS	Next Generation Weather Radar (NEXRAD) O&M
NOAA/NWS	Automated Surface Observing System (ASOS)
NOAA/NWS	Weather and Climate Supercomputing
NOAA/NWS	Weather and Climate Supercomputing Backup CIP
NOAA/NESDIS	Geostationary Operational Environmental Satellite (GOES) (IT only)
NOAA/NESDIS	Polar-orbiting Operational Environmental Satellite (POES) (IT only)
NOAA/NESDIS	National Polar-orbiting Operational Environmental Satellite System (NPOESS) (IT only)
NOAA/NESDIS	Central Environmental Satellite Computer System (CEMSCS)
NOAA/NESDIS	Comprehensive Large Array-data Stewardship System (CLASS)
NOAA/NESDIS	NOAA National Data Center (NNDC)
NOAA/NESDIS	Office of Satellite Data Processing and Distribution (OSDPD) Systems CIP
NOAA/NESDIS	Satellite Operations Control Center Command and Data Acquisition (SOCC/CDA)
NOAA/NESDIS	Satellite Environmental Processing System (SATEPS)
NOAA/NESDIS	Search and Rescue Satellite-Aided Tracking (SARSAT)

<b>Operating Unit</b>	<b>IT System</b>
NOAA/OAR	Forecast Systems Lab (FSL) High Performance Computing and Communications
NOAA/OAR	Geophysical Fluid Dynamics Laboratory (GFDL) High Performance Computing
NOAA/OAR	Geophysical Fluid Dynamics Laboratory (GFDL) Climate Change Computing
NOAA/NMFS	NMFS Infrastructure
NOAA/NOS	Nautical Charting and Surveying System
NOAA/NOS	NOS PORTS & NWLON
NOAA/NOS	NOS Geodetic Support System
NOAA	NOAA-Wide Information Technology Security
NOAA	E-Gov (Full Exhibit 300 not required)
DM	Commerce Administrative Management System (CAMS)
DM	Commerce Standard Acquisition and Reporting System (CSTARS)
DM	E-Gov (Full Exhibit 300 not required)
Census	American Community Survey (ACS)
Census	Automated Export Trade Statistics System (AES)
Census	Continuity of Data Processing Operations and Data Security
Census	Data Access and Dissemination System (DADS)
Census	Data Processing Systems Update
Census	Demographic Surveys Statistical IT Support
Census	Economic Census
Census	Field Support Systems
Census	Geographic Support Systems
Census	Master Address File/Topologically Integrated Geographic Encoding and Referencing (MAF/TIGER) System
Census	Decennial 2010 Systems Design, Integration, Testing and Evaluation

<b>Operating Unit</b>	<b>IT System</b>
Census	E-Gov
BEA (ESA)	Estimation Information Technology System
BIS	Chemical Weapons Convention (CWC)
BIS	Export Control Automated Support System (ECASS)
EDA	Operational Planning and Control System (OPCS)
ITA	Infrastructure
ITA	International Trade Process Streamlining
ITA	Enterprise IT Security Improvements
NIST	Grants Management Information System (GMIS)
NTIA	Grant Application Monitoring and Processing
NTIA	Radio Spectrum Management - Frequency Management and Records System (FMRS)

**Commerce Information Technology Review Board  
Initiative Summary  
June 2003**

Operating Unit:	
Office:	
Project Name:	
Location in budget (account, sub-activity, line item, and program). If more than one funding source, specify amount from each source.	
FY 2005 Request*:	Total Life Cycle Costs*:
FY 2005 IT Base:	Total IT Life Cycle Costs:
FY 2005 IT Request:	
Project Description:	
* Total Project Costs (IT and Non-IT)	

### **Saving the Initiative Summary in I-TIPS**

To save a file containing the Initiative Summary into I-TIPS do the following:

- 1) Open I-TIPS Investment Manager and click on the project title.
- 2) From the left hand menu, select Resource Library.
- 3) Open the Folder titled Project Documentation.
- 4) Select Add Resource.
- 5) In the Attachment Information box type in the title “FY 2005 Secretarial Initiative Summary.”
- 6) Select the browse button in the Attachment box to identify your initiative summary file.
- 7) Before exiting you must identify the file type. Under Type open the lookup box and select the file’s format, for example, MS Word .doc.
- 8) To save the file, click Add Resource.

**Commerce Information Technology Review Board**  
**Summary Sheet**  
**June 2000**

Operating Unit: NOAA	
Office: NWS	
Project Name: Gateway Legacy	
Location in budget: NOAA/ORF/NESDIS/Environmental Satellite Observing System/Satellite Command and Control	
FY 2003 Request*: \$10,000,000	Total Life Cycle Costs*: \$50,000,000
FY 2003 IT Base: \$5,000,000	Total IT Life Cycle Costs: \$19,500,000
FY 2003 IT Request: \$6,100,000	
<p><b>Project Description:</b>  NOAA requests an increase of \$6,100,000 to modernize the NWS Telecommunication Gateway (NWSTG) legacy systems (1<sup>st</sup> in 5 years) with current operating system, data processing, and communications switching technology. This modernization is necessary to prevent obsolescence and manage the exploding volumes of observational and weather forecast and warning information created by the NWS modernization.</p> <p>The current legacy systems comprising the NWSTG are no longer adequate to support the growing needs of the modernized NWS for the following reasons: 1) The basic message switching process used by the NWSTG dates from the 1950's and is inefficient leading to occasional delays in the dissemination of weather watches and warnings. 2) Data volumes requiring processing through the NWSTG continue to grow. The volume of numerical weather prediction models from NCEP is projected to grow from 10 gigabytes per day during FY 2000 to 400 gigabytes per day during FY 2002 due to planned improvements in model resolutions. Central collection and dissemination of national radar products will grow from 35 gigabytes per day to 300 in FY 2002. Internet server traffic (public and user access to NWS web pages) will continue to grow as the NWS strives to issue more products in graphic format. Failure to handle these volumes will either suspend all NWS central radar and Internet improvements or result in routine delays in issuing watches and warnings. 3)The NWSTG facility is 10 years old, growing obsolete, and cannot be adequately maintained or upgraded. 4) Current NWSTG technology cannot maintain compatibility with US and foreign partners.</p> <p>During FY 2002, the NWS will acquire repayment servers and processors (\$0.4 million); LANs and hubs (\$0.5 million); routers and interfaces (\$0.2 million); gateway switch replacement (\$1.5 million); operating system software (0.5 million); and will begin investments in facilities infrastructure (\$2.1 million).</p> <p>* Total Project Costs (IT and Non-IT)</p>	

## **Commerce IT Review Board Evaluation Criteria**

### **1. Basis for Investment**

#### **Criteria:**

Benefits, tangible and non-tangible, including return-on-investment and benefit-cost analysis.

Consideration of all the alternatives.

Support of the operating unit's (OU's) missions, goals, and information quality standards, including performance measures to assess the value of the investment.

High rating from internal OU evaluation process.

### **2. Project Management**

#### **Criteria:**

A description of how the project will be managed.

Project plans that cover the full life cycle of the project.

Performance measures to assess the management of the project, including measures of cost, schedule, and performance. A system to monitor these measures and report on deviations.

The experience of the OU with projects of this size, scope, and complexity.

### **3. Risk Management**

#### **Criteria:**

Key project risks and a description of how they will be mitigated, addressing the technical solution and use of a modular approach.

A description of how the acquisition strategy will manage procurement risks and address accessibility.

Support of the OU's information quality standards.

Use of commercial-off-the-shelf products.

### **4. IT Security**

#### **Criteria:**

A description of how the project is compliant with the DOC and the OU's IT Security Program.

The baseline IT security management, operational, and technical controls necessary to protect the project investment, and the supporting risk and benefit/cost criteria for selection of the controls.

The status of continuity of operations planning, documentation, and testing.

A description of Critical Infrastructure Protection applicability to the project and the relative priority of the project investment to the Department's mission.

## **5. Architectural Compliance**

### **Criteria:**

Demonstration of how the project is compliant with the OU's IT architecture and technical reference model and the Office of Management and Budget's Business Reference Model.

Integration of this system with others at Commerce and Government-wide to promote efficiency, connectivity, and economies of scale.

Use of commercial-off-the-shelf products.

Support for the OU's information quality standards, including reproducibility.

Steps taken to address accessibility.

Actions taken to implement the Government Paperwork Elimination Act, if applicable.

## **6. Administration/Departmental Goals and Initiatives**

### **Criteria:**

Support for Administration, Office of Management and Budget, Secretarial, and/or Departmental initiatives, including e-government.