UNITED STATES DEPARTMENT OF COMMERCE
Office of the Chief Information Officer
Washington, D.C. 20230

MAY 0 1 2008

MEMORANDUM FOR Chief Information Officers

FROM: Suzanne Hilding

SUBJECT: Fiscal Year 2010 Information Technology Budget Process and Guidance

FY 2010 Information Technology (IT) budget initiatives, including those for infrastructure, are due concurrent with the FY 2010 Secretarial 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 project performance that demonstrates support to strategic goals, the annual performance plan, and e-government initiatives,
- project management,
- risk management,
- security and privacy, and
- enterprise architecture compliance.

Only initiatives that are complete and highly rated in all these areas will be recommended by the Commerce IT Review Board (CITRB) for serious consideration in the FY 2010 budget assessment process. The FY 2010 budget process continues to emphasize linking budget, program planning, IT planning, performance measurement, and acquisition strategies. Therefore, you should include your respective budget, program, IT, and procurement offices in the preparation and review of your operating unit's IT budget proposals.

Secretarial Budget Submission Requirements for IT

For all new IT budget investments, and modifications or enhancements to existing systems above base funding (including telecommunications), use the format in Attachment 2 to provide a brief, high-level summary for submission to the Commerce Office of the CIO concurrent with the Secretarial budget submission. As illustrated by the example in Attachment 3, the high level justification should summarize the business need, current situation, project vision, goal, benefits, and strategic alignment. Describe or quantify what would happen if the initiative is or is not funded. Demonstrate how the initiative contributes to Secretarial priorities, the President's Management Agenda, and other critical Department activities.

IT investment proposals must be a product of your operating unit's capital planning and investment control (CPIC) process. Therefore, as part of your IT budget submission, provide a description of the CPIC portfolio management process used to evaluate and select this year's

investments. Submit this IT Portfolio Management Summary along with the budget initiative summaries to Stuart Simon (ssimon@doc.gov).

One week after the Secretarial budget submission, for all FY 2010 IT budget initiatives, update an Exhibit 300 Capital Asset Plan and Business Case Summary in eCPIC or, for new projects, submit a Project Concept Document (see Attachment 4) to ssimon@doc.gov. As part of the IT budget review process, a briefing book, including the Exhibit 300s for IT initiatives and operating unit IT Portfolio Management Summaries, will be given to all CITRB members one week in advance of CITRB presentations. When completing the Exhibit 300, be sure to fill in the "DOC Supplemental" questions. During this same period you should also update the Exhibit 300s for all other investments in eCPIC, even if they have no change from the 2009 President's budget baseline.

This year, OMB has requested that federal agencies submit only a "current services" budget in September, along with supporting Exhibit 300s and Exhibit 53. However, the Department also plans to prepare and review a budget that includes new initiatives for possible presentation to the next administration. Consult your budget office to understand what is considered current services. To have exhibits that support these two budgets, we will maintain documentation in eCPIC for both current services and new initiatives. Instructions will be provided under separate cover on how to handle the two sets of documentation in eCPIC.

OMB Budget Submission Requirements

To meet OMB budget submission requirements in early September, Commerce will use eCPIC to collect, generate, and submit IT Exhibit 300s, and the Exhibit 53 (Agency IT Investment Portfolio). To meet this requirement, all IT investments, with or without funding increases, must be updated in eCPIC by **August 8** to reflect their current services budget submission. For "Non-major" IT investments use eCPIC's more streamlined "Non-major Business case" format. Guidance on preparing the IT budget submission for infrastructure will be provided under separate cover.

The level of detail entered in the Exhibit 300 should be commensurate with the magnitude of the investment. The Department will review all Exhibit 300s and provide recommendations for strengthening them. Final edits to the Exhibit 300s, in response to Department comments, must be completed by **August 29**, at which time we will generate the Exhibit 53 for submission to OMB.

Evaluating Exhibit 300 Business Cases

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

- Security and privacy continue to be important factors in the CITRB's review of FY 2010 budget requests. You have a key role in helping to ensure that adequate resources are dedicated to IT security to maintain an acceptable level of risk.

- Enterprise Architecture also requires your attention as we take increased interest in the management and integration of architectures within Commerce and across the Government, with particular emphasis on the elimination of duplication. Answer the

architecture questions in the Exhibit 300 completely and carefully. Ensure that your baseline and target architecture documentation includes all current and proposed IT investments.

- Project management, especially establishing and certifying Earned Value Management, is another area that has taken on increased importance. Your business case should verify that the Contracting Officer (CO), Contracting Officer's Representative (COR), and Project Manager (PM) have training and certification appropriate to the complexity of the project. In addition, take care to provide complete and accurate cost and schedule performance data.

- As in past years, solid performance measures are a core element in your justification and must be consistent with the performance metrics submitted in the Performance and Accountability Report and in the FY 2010 Secretarial budget submission. Performance measures must follow the format specified in the Federal Enterprise Architecture (FEA) Performance Model and address each of four measurement areas (Mission & Business Results, Customer Results, Processes & Activities, and Technology).

- All IT budget initiatives will be evaluated against the guidance and questions in the Exhibit 300. Accordingly, the quality of your responses is critical. Become familiar with the IT guidance in Section 300 of OMB Circular A-11; it will help you complete your IT investment plan and business case. Detailed instructions for preparing high quality Exhibit 300s are on the OCIO CPIC Web site as well as in the eCPIC Resource Library.

CITRB Reviews

Sponsors of the proposals selected for evaluation before the CITRB should review the following guidance from the OCIO Web site:

Commerce IT Review Board Presentation Tips
Commerce IT Review Board Evaluation Criteria
Commerce IT Review Board Expectations

Briefings to the CITRB will take place in late June. The CITRB will evaluate initiatives and make recommendations to the Office of Budget during the budget review process. Presenters must provide an electronic copy of their briefing slides and resumes of their CO, COR, and PM to Diana Hynek (dhynek@doc.gov) within one week following the Secretarial budget submission. IT initiatives that are not presented directly to the CITRB may be evaluated by the Office of the CIO, supported by acquisition, budget, and other Department staff offices. 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 before both of these review boards.

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

Attachments

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Budget Officers
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