United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240
SEP 2 6 2007

TAKE PRIDE
IN AMERICA

Ms. Karen Evans
Administrator
Office of E-Government and Information Technology
Office of Management and Budget
Washington, D.C. 20503

Dear Ms. Evans:

Enclosed is The Department of the Interior's 2007 Report on the implementation of the E-Government Act of 2002 in response to OMB Memorandum M-07-20 titled E-Government Act Reporting Instructions dated August 14, 2007.

The report describes Interior's efforts with respect to the implementation of Enterprise Licensing Agreements (ELA) which is an internal agency-specific E-Government initiative; as well as addresses the related Capital Planning and Investment Control (CPIC) process. Additionally, we have streamlined the information and incorporated website links for Agency Information Management Activities, as instructed.

Please contact me at (202) 208-6194 if you have any inquiries. Staff may contact Tracia Ward-Rainey, E-Government Program Manager via e-mail: Tracia_Ward-Rainey@ios.doi.gov or at 202-208-5707.

Sincerely,

Michael J. Howell
Chief Information Officer

Department of the Interior
Report on the Implementation of the E-Government Act
September 2007

Section 1 – Implementation of Electronic Government Initiatives

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A. Describe how the initiative is transforming Agency operations;

Enterprise Licensing Agreement (ELA)

In 2003, in response to growing concerns that electronic equipment and software products purchases were not managed properly, the Department of the Interior (DOI) and its Bureaus joined efforts to create Department-level enterprise licensing agreements (ELA) for the hardware and software purchases. Currently, the Department has 15 agreements, 11 hardware contracts and 4 software contracts which have created a cost avoidance of over $68 million dollars during the life span of the agreements. Furthermore, the agreements have transformed Departmental operations while providing other tangible and non tangible benefits such as, Bureau collaboration, asset management, product standardization, and meeting Governmental regulatory requirements.

B. Explain how your Agency maintains an ongoing dialogue with interested parties to find innovative ways to use information technology for the initiative

The creation of the agreements required the Bureaus' ongoing collaboration which was accomplished through the Chief Technology Officer Counsel (CTOC) and the Enterprise Geographic Information Management Team (EGIM). Representatives were appointed by each Bureau and teams were created, such as the Hardware Acquisition Technology (HAT) Working Group and the Microsoft Software Assurance Representative. The teams worked on the collection of Bureau requirements, product specifications, testing, evaluation, and contractual competition. During the requirements gathering, rules and procedures were created to maximize the potential use of the agreements. One example is the 80% percent rule which requires hardware contracts to meet 80% of the overall Department's purchasing needs.

C. Identify external partners (e.g., Federal, State or local agencies, industry) who collaborate with your Agency on the initiative

The Department communicates through various forums, such as Government wide-governance meetings, working groups, and the Enterprise Resource Management (ERM) Office newsletter. The DOI also maintains communications with external groups, such as the General Services Administration (GSA) SmartBuy Program and the Federal Electronics Stewardship Working Group (FESWG).

The DOI's ELA and Hardware Contracts enable DOI's customers to realize significant cost-avoidance from acquiring select IT hardware and software products as higher-volume discounts. The key to determining which products and/or services should be acquired on an enterprise-wide basis involves DOI's technical and business communities' assessments of the items below.

- Compliance with the most up-to-date technology standards referenced in the Technical Reference Manual (TRM)

- Usage of products by various DOI Bureaus and Offices to support their respective IT investments.

D. Identify improved performance (e.g., outcome measures) by tracking performance measures supporting Agency objectives and strategic goals

The DOI strives to promote technical standardization and cost-efficiency by procuring Information Technology (IT) products and services across-the-organization that are consistent with enterprise architecture and IT security guidelines.

The above strategic goal will be achieved by performing the following tasks:

coordinating and consolidating the acquisition and management of IT hardware and software products via enterprise-wide agreements;

ensuring that acquired IT products and services comply with the standards and specifications outlined in the Department's Technical Reference Manual; and

providing marketing and outreach to DOI users to ensure that they can quickly and easily obtain the products that they need off the established contracting vehicles.

Moreover, Interior is an active supporter of the President's Management Agenda's SmartBuy Initiative and requires its Bureaus and Offices to demonstrate their use of a enterprise blanket purchase agreement (BPA) or ELA and/or a SmartBuy Program with at least one cost savings and/or business/IT improvement. This performance measure is identified as a major element on Interior's Bureaus' Internal Scorecard for E-Government.

Performance with respect to ELA is further measured with annual outcome goals that strategically focus on providing world-class enterprise operations while improving the quality, accessibility, and data sharing between DOI and its customers. The Department will continue to streamline operations for technology infrastructure components to improve levels of service and security with an overall reduction in operational costs. Interior's strategic direction is designed to continue DOI's realization of cost-savings and cost-avoidance with the use of ELAs. The Information Technology Infrastructure Library *(produced by the UK Office of Government Commerce)*, as indicated in Interior's IT Strategic Plan is the process maturity model that is also used to track progress.

E. Quantify the cost savings and cost avoidance achieved through implementing the initiative (e.g., by reducing or eliminating other investments in information technology);

The DOI cost-avoidance and savings resulting from the established ELAs and HW contracts are measured in terms of either cost-avoidance or direct cost-savings. Table 1 reflects DOI cost-avoidance for select products in comparison with the GSA-schedule costs for comparable product configurations for the duration of each contract. By committing to set quantities of select products up-front as part of the base enterprise agreement enrollment, DOI is realizing $68.72 million in total cost-avoidance, or nearly 42% below GSA-schedule costs for comparable product configurations.

A major assumption in calculating cost-avoidance savings is that DOI's customers would have proceeded to purchase the same quantities and products enrolled into the respective enterprise agreements off the GSA-schedule. Thereby, DOI's customers will be avoiding costs that would have been otherwise incurred as part of the status-quo business operations (see tables below).

Table 1 – Cost-Avoidance for Select Software Agreements Based on Duration of Enterprise Licensing Agreement (Dollars in Millions)

Products	DOI Cost	GSA Cost	DOI $ Savings Over GSA	DOI % Savings Over GSA	Duration of Agreement
Software ELAs:					
ESRI	$25.50	$71.80	$46.30	64.50%	10/01/03 – 09/30/08
Microsoft	$50.29	$63.94	$13.65	21.35%	06/17/05 – 06/17/09
Oracle	$15.39	$22.37	$6.98	31.23%	05/31/06 – 05/30/11
Symantec	$4.26	$6.05	$1.79	29.58%	10/01/06 – 01/31/10
Subtotal	**$95.44**	**$164.16**	**$68.72**	**41.86%**	

Direct cost-savings can also be calculated for the select hardware and software products based on the actual purchases made by DOI's customers in a given fiscal year in comparison to GSA-schedule costs. Tables 2 and 3 reflect the actual DOI costs in comparison to comparable GSA-schedule costs for the same products in FY 2005 and FY 2006 respectively. These direct savings are supported by actual asset tracking reports generated by the respective vendors on either a monthly or quarterly basis for each hardware and software agreement.

In FY 2005, the direct cost-savings equated to another $9 million or 19% below GSA-schedule prices (Table 2). In FY 2006, the direct cost-saving equated to $8.61 million or nearly 29% below GSA-schedule prices (Table 3). The FY 2006 figures were slightly less than anticipated since both the Oracle and Symantec ELAs were in the process of being renegotiated. The expectation is that since these agreements have currently been established, the direct cost-savings for FY 2007 and beyond are expected to be over the $9 million benchmark achieved in FY 2006.

Table 2 – Direct Cost-Savings for Select Hardware and Software Products Purchased on an IDIQ Basis in FY 2005 (Dollars in millions)

Optional IDIQ Software & Hardware Products	Projected DOI Cost for FY 2005	Comparable GSA Cost for FY 2005	DOI $ Savings Over GSA for FY 2005	DOI % Savings Over GSA in FY 2005
Software:				
Oracle	$1.13	$1.52	$0.39	25.7%
Symantec	$0.66	$1.00	$0.34	34.00%
Microsoft	$1.18	$2.94	$1.76	59.86%
ESRI	$0.45	$0.54	$0.09	16.7%
Subtotal, Software	**$3.42**	**$6.00**	**$2.58**	**43.00%**
Hardware:				
PCs	$21.17	$25.03	$3.86	15.4%
Laptops	$5.40	$6.99	$1.59	22.7%
Servers	$9.58	$10.58	$1.00	9.5%
Subtotal, Hardware	**$36.15**	**$42.60**	**$6.45**	**15.14%**
TOTAL, Hardware & Software	**$39.57**	**$48.60**	**$9.03**	**$18.58%**

Table 3 – Direct Cost-Savings for Select Hardware and Software Products Purchased on an IDIQ Basis in FY 2006 (Dollars in millions)

Optional IDIQ Software & Hardware Products	Projected DOI Cost for FY 2006	Comparable GSA Cost for FY 2006	DOI $ Savings Over GSA for FY 2006	DOI % Savings Over GSA in FY 2006
Software:				
Oracle	$.32	$.47	$.15	31.97%
Symantec	$.13	$.15	$.02	14.00%
Microsoft	$1.2	$2.5	$1.2	48.63%
ESRI	$.41	$.50	$.09	18.8%
Subtotal, Software	$2.06	$3.62	$1.56	43.09%
Hardware:				
PCs	$9.1	$12.4	$3.32	26.68%
Laptops	$6.2	$7.6	$1.43	18.66%
Servers	$3.4	$4.8	$1.37	28.22%
Printer	$0.9	$1.4	$0.48	33.43%
Monitors	$0.2	$0.3	$0.06	19.57%
Subtotal, Hardware	$19.18	$26.23	$6.66	25.39%
TOTAL, Hardware & Software	$21.24	$29.85	$8.61	28.84%

The Department is also working with the FESWG to focus on how agencies can address the following items:

- reduce life-cycle impacts of electronic equipment through environmentally preferable purchasing; and
  reduce the volume and toxicity of electronic equipment waste through disposition with end-of-life management.

The DOI is a member of the FESWG and is committed to enhancing stewardship of electronics through 1) purchase, 2) maintenance, and 3) end-of-life disposal which is the first Federal to be considered green and to secure environmental benefits.

E. Explain how this initiative ensures the availability of Government information and services for those without access to the Internet and for those with disabilities;

Under Section 508, the US Rehabilitation Act, Federal Departments and agencies shall ensure, unless an undue burden would be imposed on the Department or Agency, that E-Government and IT allow access to information and data, regardless of the type of medium of technology, subject to the provisions as outlined in Section 508.

DOI is in full compliance with Section 508 of the US Rehabilitation Act; therefore, web pages that address the ELA initiative are developed in compliance with Section 508 requirements; as well as the Freedom of Information Act (FOIA) and other web maintenance standards.

F. Explain how the project applies effective capital planning and investment control (CPIC) procedures.

The implementation of Enterprise Licensing Agreements and Hardware Agreements has enhanced the DOI CPIC coordination and collaboration efforts. Previously, each Bureau purchased products as needed, Department-wide efforts were not considered for future growth. Bulk purchase discount was not implemented, and hardware and software asset tracking was minimal. The Department has taken a turn and is now looking at IT contracts in a new ways and its impact to DOI's IT Portfolio.

ELA is managed by Interior's investment control process which includes three essential phases, Select, Control, and Evaluate and links all IT investments to the strategic goals for the Department. ELA is captured in the Exhibit 300 business case for the Combined Infrastructure Telecom Business. Bureau Heads review the investment submission; as well as the DOI's Investment Review Board (IRB) which provides recommendations and makes a final investment decision. Quarterly reviews are conducted and the Department's IRB assesses the items below for ELA; as well as other investments.

> Benefits that are being realized
> - Achievement of costs, schedule and performance goals
> - Management and mitigation of risks
> - Achievement of strategic goals

Interior's managers have realized the importance of creating contracts to strengthen the Department's IT Portfolio's goals and objectives. Contracts are viewed in a life cycle process which assist in providing a purchase vehicle; as well as institutionalizing a process that meets regulatory requirements, standards and overall management of the Department's IT systems.

Section 2 – Agency Information Management Activities

The following information is accessible via the website links indicated below.

A. Interior's Information Resources Management (IRM) Strategic Plan; i.e., Interior IT Strategic Plan 2007-2008
- http://www.doi.gov/ocio/strategic_plan.html

B. Final determinations, priorities, and schedules; information dissemination product catalogs, directories, inventories, and any other management tools used to improve the dissemination of and access to your Agency's information by the public

>Final determinations, priorities, and schedules:
>http://www.doi.gov/notices/soc.html

>Information dissemination product catalogs, directories, inventories, and management tools: http://www.doi.gov/ocio/egov/index

C. FOIA handbook, primary FOIA website, and the website link where frequent requests for records are made available to the public

>Primary FOIA Website: http://www.doi.gov/foia

>FOIA Handbook: http://www.doi.gov/foia/foitabl.htm

>Frequently Requested FOIA Records:
>http://www.doi.gov/foia/frrindex.html

D. A list of Interior's public websites disseminating research and development (R&D) information to the public, describing for each whether the website provides the public information about federally funded R&D activities and/or provides the results of Federal research:

>http://www.doi.gov/ocio/egov/index

E. An inventory describing formal Agency agreements (e.g., contracts, memorandum of understanding) with external entities (e.g., partnerships with State and local governments, public libraries, industry and commercial search engines) complementing Interior's information dissemination program, briefly explaining how each agreement improves the access to and dissemination of government information to the public.
  - http://www.doi.gov/ocio/egov/index

F. An inventory that describes Interior's NARA-approved records schedules(s) or the link to the publicly-posted records schedules(s), and a brief explanation of Interior's progress to implement NARA Bulletin 2006-02. A brief explanation of the number of systems for which a record schedule was submitted to NARA in FY 2007 and the number of systems still requiring records schedules.

http://www.doi.gov/ocio/egov/index