

# Management and Oversight of Federal Information Technology Proposed Guidance

## OFFICE OF MANAGEMENT AND BUDGET

### Introduction

The Federal Information Technology Acquisition Reform Act ([FITARA](#)), passed by Congress in December 2014, is a historic law that represents the first major overhaul of Federal information technology (IT) in almost 20 years. Since FITARA's passage, OMB has been developing guidance to agencies to ensure that this law is applied consistently government-wide in a way that is both workable and effective. In a time of unprecedented opportunity for technology to accelerate the quality and timeliness of services delivered to the American people, the importance of ensuring successful management and oversight of IT, including the successful implementation of FITARA, cannot be overstated.

We are releasing this proposed guidance for public feedback on the open source platform GitHub to signal transparency in Federal policymaking and to reach a broad audience of stakeholders to assist in further enhancing this guidance. Similar public feedback processes for other OMB initiatives have been very successful in engaging and obtaining the views of the technology community. The historic nature of FITARA and the opportunity that it presents to create lasting, positive change in the Federal government makes getting broad feedback from this community and the public even more vital. OMB's goal in this period of public feedback is to allow for a better understanding of the perspectives of the broader community and to identify areas for improvement to make this guidance even more meaningful and effective.

The intent of the proposed guidance is to take major steps toward ensuring agency Chief Information Officers (CIOs) have significant involvement in technology-related budget, procurement and workforce decision-making *in partnership* with other senior leaders. It is also intended to take major steps toward positioning CIOs so that they can reasonably be held accountable for how effectively their agencies use modern digital approaches to achieve the objectives of effective and efficient programs and operations.

FITARA, and OMB's proposed guidance, is well aligned with OMB's core objectives across the Federal IT portfolio – (1) driving value in Federal IT investments, (2) delivering world-class digital services, and (3) protecting Federal IT assets and information. In conjunction with other ongoing management and oversight initiatives, this guidance will ultimately result in a more efficient, effective, and secure government that better meets the needs of the American people.

This proposed guidance is the result of extensive outreach and collaboration conducted over the past four months. OMB's Office of E-Government and IT met with representatives from Federal Agencies and engaged stakeholders to discuss implementation, including:

- Holding briefings with the President's Management Council (PMC), the CIO Council, and reaching out to the other executive councils (Chief Acquisition Officers Council, Chief Finance Officers Council, and Chief Human Capital Officers Council) to provide an overview of FITARA and ask for recommendations for areas where additional guidance would be beneficial;

- Establishing a FITARA Executive Working Group made up of senior agency executives across management domains;
- Hosting informational conference calls with senior managers across all administrative areas to brief them on the requirements of the law, and solicit their feedback;
- Holding a series of meetings to solicit input from a variety of non-governmental groups, including academic, industry, and civil society groups;
- Holding Congressional briefings; and
- Circulating draft guidance for interagency comment and incorporating received feedback into the proposed guidance.

If you have ideas on how to improve the proposed guidance, you may make line edit suggestions or initiate or contribute to discussions about the content of the guidance. OMB plans to review and incorporate public feedback, as appropriate, to develop final guidance.

### **Timeframe and Instructions for Public Comment**

We are seeking your feedback and suggestions on this proposed guidance by May 30, 2015; however, we strongly encourage you to submit any substantive comments you may have by **May 15, 2015**. Early feedback is critical in ensuring we have time to adequately consider and follow-up on the comments we receive, as needed. Similar to the best practices for agile software development promoted in our existing guidance and strategy documents, we believe this iterative learning approach will allow us to refine our perspective on whether any specific input is needed to help address issues raised early in the process.

You may provide feedback in three ways:

1. You may e-mail us at [fitara@cio.gov](mailto:fitara@cio.gov) if you would like to comment privately.
2. Content suggestions and discussions are welcome via GitHub “issues.” Each issue is a conversation initiated by a member of the public. We encourage you to browse and [join in on discussions](#) in existing issues, or start a new conversation by opening a [new issue](#).
3. Direct changes and line edits to the content may submitted through a "[pull request](#)" by clicking "[Edit Guidance](#)." You don't need to install any software to suggest a change. You can use GitHub's in-browser editor to edit files and submit a pull request for your changes to be merged into the document. Directions on how to submit a pull request can be found [here](#). Open pull requests for the proposed guidance can be found [here](#).

### **Frequently Asked Questions (FAQ)**

1. **What is OMB planning to do to make sure agencies successfully and completely implement these requirements?**

OMB will work with agencies to ensure that they are meeting the Common Baseline in Section A of the proposed guidance through existing oversight methods including PortfolioStat. In addition, our proposed guidance states that agencies will post their plans to meet the Common Baseline publicly, helping to enable Congressional and public oversight.

**2. Would this proposed guidance make it more difficult for mission programs to select software and solutions that meet their needs?**

This proposed guidance would require agencies to ensure that their CIO and other management officials have a common baseline of roles and responsibilities. For some agencies, these responsibilities may include greater involvement of the CIO in planning and execution decisions regarding IT used by programs or components outside of the Office of the CIO. Each agency should establish appropriate processes that work in its environment to meet the Common Baseline of roles and responsibilities. In the proposed guidance, a key part of the CIO's role is to be a partner in supporting programs' efficient and effective accomplishment of their missions through the use of IT. To succeed in this, it is critical that CIOs understand the program environments that are supported by IT resources. This includes greater involvement with program governance boards and planning processes, as well as greater program inclusion of the CIO in acquisition and requirements planning—as described in the Common Baseline. At its core, this proposed guidance seeks to achieve greater agency CIO accountability for the agency's use of IT resources through increased collaboration and communication between the CIO and the full scope of agency programs and units.

**3. The CIO shouldn't be in charge of how programs manage their resources; instead, the program leadership should maintain this control. How is that reflected in this proposed guidance?**

Through TechStat sessions, PortfolioStat sessions, and CyberStat sessions, OMB has seen agencies struggle with successful implementation of IT projects that lack close coordination between the program leaders and the CIO. Strengthening these relationships and strengthening the collaboration between program leadership and the CIO's organization is a major objective of this proposed guidance.

**4. Won't this make today's CIOs a bottleneck and damage agencies' ability to deliver their programs?**

Through extensive outreach and collaboration, we believe we have developed proposed guidance that is applicable to all agencies in a way that gives them flexibility to implement the law's requirements and does not create unnecessary bottlenecks. This was an initial primary concern of many CIOs and agency executives. In response, we created the CIO assignment plan to allow the CIO to assign, in a rules-based manner, certain responsibilities to other people in their department. This keeps the accountability with the CIO but allows each agency to realistically meet the law's requirements while minimizing the chance for bottlenecks.

5. **The new processes described in the common baseline are either redundant with existing agency processes or not aligned with how certain processes function today. How should agencies implement these in their existing structures?**

In some cases and in some agencies, the roles and responsibilities identified in the Common Baseline may be implemented through existing practices, as long as those practices completely deliver the requirements described in the Common Baseline. However, in other instances, agency practices may need to be revised or strengthened, and agencies may need to establish new practices.

6. **Can the CIO overrule an agency head such as a Secretary on decisions about IT?**

CIOs, like other senior management officials, work within the organizational structures of their agencies. This guidance emphasizes the role and responsibilities of the CIO and other management officials in that context.

7. **Why does the proposed guidance include requirements not described in the FITARA law?**

Other legislation, primarily the Clinger-Cohen Act of 1996 and the E-Government Act of 2002, require the Director of OMB to issue management guidance for information technology and electronic government activities across the government. Moreover, while the FITARA law contains some specific requirements, it also contains more general requirements that require interpretation for successful FITARA implementation.

# **Management and Oversight of Federal Information Technology Proposed Guidance**

## **OFFICE OF MANAGEMENT AND BUDGET**

### **Purpose**

The purpose of this proposed guidance is to provide implementation guidance for the Federal Information Technology Acquisition Reform Act (FITARA)<sup>1</sup> and related information technology (IT) management practices.

### **Background**

FITARA was enacted on December 19, 2014. FITARA outlines specific requirements related to:

1. Chief Information Officer (CIO) Authority Enhancements
2. Enhanced Transparency and Improved Risk Management in IT Investments
3. Portfolio Review
4. Expansion of Training and Use of IT Cadres
5. Federal Data Center Consolidation Initiative
6. Maximizing the Benefit of the Federal Strategic Sourcing Initiative
7. Government-wide Software Purchasing Program

To implement the requirements of FITARA, combined with the need to update policy and guidance related to other modern IT practices, OMB is establishing this guidance. This guidance reflects input from a diverse group of stakeholders, including representatives from the Chief Financial Officer (CFO), Chief Human Capital Officer (CHCO), Chief Acquisition Officer (CAO), Assistant Secretary for Management (ASAM), Chief Operating Officer (COO) and CIO communities.

### **Objectives**

The objectives of the requirements outlined in this proposed guidance are to:

1. Assist agencies in establishing management practices which align IT resources with agency missions, goals, programmatic priorities, and statutory requirements;
2. Establish government-wide IT management controls that will meet FITARA requirements while providing agencies with the flexibility to adapt to agency processes and unique mission requirements;
3. Establish the “Common Baseline” for roles, responsibilities, and authorities of the agency CIO and the roles and responsibilities of other applicable Senior Agency Officials<sup>2</sup> in managing IT as a strategic resource;
4. Clarify the agency CIO’s role with respect to program IT, mission IT, and other cases of IT resources included in organizations that are not primarily IT-oriented;
5. Strengthen the agency CIO’s accountability for the agency’s IT cost, schedule, and performance;
6. Strengthen the relationship between agency CIOs and bureau CIOs;
7. Establish consistent government-wide interpretation of FITARA terms and requirements;

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<sup>1</sup> Title VIII, Subtitle D of the National Defense Authorization Act (NDAA) for Fiscal Year 2015, Pub. L. No. 113-291. Further references in the text that refer to “FITARA” refer to these sections.

<sup>2</sup> Senior Agency Officials, as referred to in this guidance, include positions such as the CFO, CHCO, CAO, ASAM, COO, and Program Manager.

8. Assist agencies in establishing an inclusive governance process that will enable effective planning, programming, budgeting, and execution for IT resources;
9. Provide transparency on IT resources across entire agencies and programs; and
10. Provide appropriate visibility and involvement of the agency CIO in the management and oversight of IT resources across the agency to support the successful implementation of cybersecurity policies to prevent interruption or exploitation of program services.

### **Scope and Applicability**

1. Covered agencies: CFO Act agencies<sup>3</sup> and their divisions and offices are subject to the requirements outlined in FITARA and this proposed guidance, except where otherwise noted. The Department of Defense (DOD), the Intelligence Community, and portions of other agencies that operate systems related to national security are subject to only certain portions of FITARA and shall meet with OMB no later than 60 days following the final release of this guidance to clarify the applicability of this guidance throughout their organizations and activities, including alternative requirements or exceptions.
2. Additionally, all other Executive Branch agencies are encouraged to apply the principles described in this guidance to their management of IT, consistent with their legal authorities.
3. Covered agencies shall implement this guidance in a manner consistent with other legal authorities and should consult with their counsel regarding those authorities.
4. With respect to Offices of Inspectors General (OIG), this guidance should be implemented in a manner that does not impact the independence of those offices and the authorities Inspectors General have over the personnel, performance, procurement, and budget of the OIG, as provided in the IG Act of 1978, 5 U.S.C. app 3.
5. This proposed guidance builds upon and will refer to existing OMB policy and guidance.
6. Where appropriate, this guidance incorporates agency reporting requirements introduced by FITARA into existing OMB processes, such as PortfolioStat, the Integrated Data Collection (IDC)<sup>4</sup>, Acquisition Human Capital Planning, and the Federal IT Dashboard (ITDB), rather than creating new reporting channels and tools.

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<sup>3</sup> Agencies listed in 31 U.S.C. § 901 (b)(1) and (b)(2)

<sup>4</sup> M-14-08 FY2014 PortfolioStat Guidance available at: <https://www.whitehouse.gov/sites/default/files/omb/memoranda/2014/m-14-08.pdf>

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### **Section A: Defining the Scope of Resources Related to Information Technology**

Many of the requirements of this proposed guidance refer to the agency CIO’s involvement with the decision processes and policies related to “information technology resources” throughout their agency, including IT within programs. To establish a consistent government-wide interpretation of the Federal resources included in this scope, the following definition shall be used for “information technology resources”:

1. “Information technology resources” includes all:
  - A. agency budgetary resources, personnel, equipment, facilities, or services that are primarily used in the management, operation, acquisition, or other activity related to the lifecycle of information technology;
  - B. acquisitions or interagency agreements which include information technology and the services or equipment provided by such acquisitions or interagency agreements;
  - C. but does not include grants which establish or support information technology not operated directly by the Federal Government
2. This definition and this proposed guidance refer to the term “information technology,” which for the purposes of this definition and proposed guidance is defined as:
  - A. Any services or equipment, or interconnected system(s) or subsystem(s) of equipment, that are used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency.
  - B. For purposes of this definition, such services or equipment are used by an agency if used by the agency directly or if used by a contractor under a contract with the agency that requires either use of the services or equipment or requires use of the services or equipment to a significant extent in the performance of a service or the furnishing of a product.
  - C. The term “information technology” includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and

surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including provisioned services such as cloud computing and support services that support any point of the lifecycle of the equipment or service), and related resources.

- D. The term “information technology” does not include any equipment that is acquired by a contractor incidental to a contract which does not require its use (“2B” above explains generally when equipment or services are used by an agency through a contractor’s use).

This definition is based on the definition of information technology found in the Clinger-Cohen Act of 1996<sup>5</sup>. Additional definitions used in the Common Baseline are available in *Attachment A*.

*Revising other IT management policies to reflect this scope*

To establish consistency across IT management and acquisition policies, OMB Circular A-130, OMB Circular A-11, and the Federal Acquisition Regulation (FAR) will be updated to reflect these definitions of “information technology resources” and “information technology,” as appropriate.

## **Section B: Implementation of the Common Baseline**

1. The “Common Baseline” (*Attachment A*) provides guidance on the CIO’s and other Senior Agency Officials’ roles and responsibilities for the management of IT. This Common Baseline provides a framework for agencies to implement the specific authorities that FITARA provides for CFO Act agency CIOs, which build upon their responsibilities as outlined in the Clinger-Cohen Act of 1996<sup>6</sup>. The Common Baseline also speaks to the roles and responsibilities of other Senior Agency Officials, as it is critical that these officials in each covered agency are engaged in the oversight of IT investments.
2. All covered agencies shall institute procedures that implement the roles, responsibilities, and requirements found in the Common Baseline. The Common Baseline provides agencies with certain flexibility to adopt procedures that meet these requirements in a manner tailored to the volume and type of work completed by the agencies. As explained further in *Attachment A*, agencies may adopt a plan that provides for the CIO’s direct involvement or a framework approved by the CIO that contains clear rules on the procedures by which decisions are made and articulates that the CIO remains responsible and accountable for those decisions (referred to as the “CIO Assignment Plan” in *Attachment A*). Further detail is provided in the “CIO Assignment Plan” section found in *Attachment A*.
3. Each agency shall take the following actions to implement the Common Baseline:
  - **Complete agency self-assessment and plan.** Each covered agency shall conduct a self-assessment and articulate a plan describing the changes it will make to ensure that all Common Baseline responsibilities described in *Attachment A* are implemented by December 31, 2015. This self-assessment and plan shall not exceed 25 pages and shall include the template in *Attachment C*.
  - **Submit to OMB for acceptance of plan.** Covered agencies shall no later than August 15, 2015 submit this self-assessment and this plan to OMB’s Office of E-Government &

<sup>5</sup> Clinger-Cohen Act (40 USC §§ 11101-11704) available at <http://www.gpo.gov/fdsys/pkg/USCODE-2013-title40/html/USCODE-2013-title40-subtitleIII.htm>

<sup>6</sup> Ibid.

Information Technology (E-Gov) as well as to the agency's relevant OMB Resource Management Office for review and acceptance. Please submit these by email to [egov@omb.eop.gov](mailto:egov@omb.eop.gov) with the subject line: "[Agency Abbreviation] FITARA Common Baseline Plan." OMB may request additional information from agencies before accepting the plan. Agencies shall post the "plan" portion of this document (posting the "self-assessment" is optional) on their public website at [agency.gov/digitalstrategy](http://agency.gov/digitalstrategy) no more than 30 days following OMB acceptance and thereafter keep the public document up to date with access to a history of previous versions.

- **Support ongoing oversight of plan and Common Baseline.** Covered agencies shall follow OMB guidance from PortfolioStat sessions and other oversight activities regarding the ongoing implementation of the Common Baseline. Agencies shall notify OMB of any obstacles or incomplete implementation of the Common Baseline on an ongoing basis following the initial implementation deadline. OMB may request agencies to revise or update agency self-assessments or plans during implementation as more information becomes available about the agency's management processes.
  - **Conduct annual review and update to self-assessment.** In accordance with OMB guidance, covered agencies shall update the self-assessment annually to identify any obstacles or incomplete implementation of Common Baseline responsibilities over the preceding 12 months. The first update will be due April 30, 2016, and each April 30 on an annual basis thereafter.
4. The following additional actions will be taken to support agencies' implementation of the Common Baseline:
- **Federal CIO Council (the Council) shall develop and share on-going support and tools.** Through the end of FY2016, the Council will dedicate time in its meetings to discuss current topics related to the implementation of the Common Baseline at least once every quarter. The Council will also assist agencies in implementing the Common Baseline by sharing examples of agency governance processes and IT policies on a public website at <https://management.cio.gov>.
  - **Support President's Management Council (PMC) follow-up.** By June 30, 2015 the PMC will select three members from the Council to provide an update on government-wide implementation of FITARA on a quarterly basis through the end of FY2016. These updates will improve each agency's awareness of policies and processes which have worked well at other agencies.

### **Section C: Transparency, Risk Management, Portfolio Review, and Reporting**

1. Covered agencies shall continue to report required data to OMB as part of the quarterly IDC per current instructions. OMB will continue to update IDC instructions posted on the MAX Federal Community on a quarterly basis.
  - **Standardized cost savings metrics and performance indicators.** As a part of the IDC reporting requirements, agencies shall continue to provide cost savings and cost avoidance achieved as a result of strategies that the agency has decided to adopt. Based on this information, agencies will be provided a summary scorecard that provides agency-specific performance metric data and portfolio analysis agenda items.

- **Sharing with the public and Congress.** As required by P.L. 113-235<sup>7</sup>, OMB will continue to report quarterly to Congress on the cost savings, avoidance and reductions in duplicative IT investments resulting from the above agency efforts. OMB will also provide a summary of these savings by agency on a publicly accessible website. Agency reporting requirements for these topics are included in the IDC instructions.
2. Covered agencies shall continue to provide information to the ITDB, as required by OMB’s capital planning and investment control (CPIC) guidance, which is issued annually in conjunction with the release of OMB Circular A-11.<sup>8</sup> As a part of that guidance, the following approaches will be used to meet FITARA requirements:
- **Monthly reporting.** Covered agencies shall continue to provide updates of risks, performance metrics, project, and activity data for major IT investments to the ITDB as soon as the data becomes available, or at least once each calendar month.
  - **Data improvement program.** If OMB or the agency CIO determines data reported to the ITDB is not timely and reliable, the CIO (in consultation with the agency head) must notify OMB through the IDC and establish within 30 days of this determination an improvement program to address the deficiencies. The CIO will collaborate with OMB to develop a plan that includes root cause analysis, timeline to resolve, and lessons learned. In addition, the CIO will communicate steps being taken to execute the data improvement program and progress to OMB and notify the agency head. Agencies will provide updates on the status of this program on a quarterly basis as a part of their IDC submission until the identified deficiency is resolved.
  - **TechStat Sessions.** A TechStat is a face-to-face, evidence-based accountability review of an IT program with agency leadership.<sup>9</sup> TechStat sessions are a tool for getting ahead of critical problems in an investment, turning around underperforming investments, or terminating investments if appropriate. For all agency-led TechStat reviews of investments, the agency shall contact [egov@omb.eop.gov](mailto:egov@omb.eop.gov) with the subject line, “[Agency Acronym] TechStat Notification,” at least two weeks ahead of the TechStat session. Agencies shall follow the agency’s TechStat policy and procedures based on the CIO.gov TechStat Toolkit when managing TechStat sessions. Agencies shall report the outcomes and outputs of all TechStat sessions through the quarterly IDC, including: the assessment described in *Attachment E: Investment and Portfolio Management Maturity Framework*, a root cause analysis of performance issues, corrective action plans which address these causes, and a timeline for implementing the corrective actions. More detailed reporting guidance will be provided in the quarterly IDC instructions.
  - **High risk rating.** Given the size and complexity of the multi-billion dollar Federal IT Portfolio, it is critical to maintain a focus on the health of IT investments across the government. As required by CPIC guidance, the CIO evaluations reported to the ITDB for all major IT investments must reflect the CIO’s assessment of the current level of risk for the investment’s ability to accomplish its goals based on factors described in the CPIC guidance.

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<sup>7</sup> Public law 113-235 contains: “Provided further, That the Director of the Office of Management and Budget shall submit quarterly reports not later than 45 days after the end of each quarter to the Committees on Appropriations of the House of Representatives and the Senate and the Government Accountability Office identifying the savings achieved by the Office of Management and Budget’s government-wide information technology reform efforts: Provided further, That such reports shall include savings identified by fiscal year, agency, and appropriation.”

<sup>8</sup> OMB Circular A-11 available at: [https://www.whitehouse.gov/omb/circulars\\_a11\\_current\\_year\\_a11\\_toc](https://www.whitehouse.gov/omb/circulars_a11_current_year_a11_toc). OMB IT budget capital planning guidance available at: <https://www.whitehouse.gov/omb/e-gov/strategiesandguides>

<sup>9</sup> CIO.gov TechStat Toolkit, available at: <https://cio.gov/deliver/techstat/browse-toolkit/>

- **Automatic TechStats.** Moreover, if an investment has a high risk rating (red CIO evaluation in the ITDB) for three consecutive months beginning June 1, 2015, agencies must hold a TechStat session on that investment. The session must be held within 30 days of the completion of the third month. If this investment remains categorized with a red CIO evaluation one year following the TechStat session then OMB may take appropriate performance and/or budgetary actions until the agency has addressed the root cause and ensured the investment's ability to complete the remaining activities within planned cost and schedule.
3. As explained in Attachment D, PortfolioStat is a data-driven tool that agencies use to assess the current maturity of their IT portfolio management processes and select PortfolioStat action items to strengthen their IT portfolio. Covered agencies shall hold PortfolioStat sessions on a quarterly basis with OMB, the agency CIO, and other attendees. These sessions were previously annual and required the attendance of the agency deputy secretary (see *Implementing PortfolioStat* (M-12-10)<sup>10</sup>, *Fiscal Year 2013 PortfolioStat Guidance: Strengthening Federal IT Portfolio Management* (M-13-09)<sup>11</sup> and *Fiscal Year 2014 PortfolioStat* (M-14-08)).<sup>12</sup>

During these sessions, OMB and agencies will:<sup>13</sup>

- Discuss and update a multi-year strategy to identify and reduce duplication and waste within the IT portfolio of the agency, including component-level investments and to identify projected cost savings resulting from such strategy;
- Identify or develop ways to increase the efficiency and effectiveness of the IT investments of the agency;
- Identify or develop opportunities to increase the use of shared-service delivery models;
- Identify potential duplication and waste;
- Develop plans for actions to optimize the IT portfolio, programs, and resources of the agency;
- Review investments included in High Impact Programs; and
- Develop ways to better align the IT portfolio, programs, and financial resources of the agency to long term mission requirements or strategic plans required by law.

Agencies must report the status of PortfolioStat action items in the IDC at least quarterly. Annually by April 30, agency heads shall review and certify the status of PortfolioStat action items with the agency CIO and send to OMB.

OMB will focus on the metrics highlighted in PortfolioStat materials, data submitted through the quarterly IDC process, and agency IT Major Business Case information developed through the CPIC process to assess agency PortfolioStat progress. Complete FY 2015 PortfolioStat guidance is included in *Attachment D*.

#### **Section D: Federal Data Center Consolidation Initiative (FDCCI)**

OMB FDCCI Guidance,<sup>14</sup> which was issued in March 2012, outlined the goals, responsibilities, and reporting requirements for agencies through the end of FY2015. Covered agencies shall continue to

<sup>10</sup> *Implementing PortfolioStat* (M-12-10) available at: [http://www.whitehouse.gov/sites/default/files/omb/memoranda/2012/m-12-10\\_1.pdf](http://www.whitehouse.gov/sites/default/files/omb/memoranda/2012/m-12-10_1.pdf)

<sup>11</sup> *Fiscal Year 2013 PortfolioStat Guidance: Strengthening Federal IT Portfolio Management* (M-13-09) available at: <https://www.whitehouse.gov/sites/default/files/omb/memoranda/2013/m-13-09.pdf>

<sup>12</sup> *Fiscal Year 2014 PortfolioStat* (M-14-08) available at: <https://www.whitehouse.gov/sites/default/files/omb/memoranda/2014/m-14-08.pdf>

<sup>13</sup> The following bullets reflect requirements outlined in FITARA Section 833 (c)(1)

<sup>14</sup> *Implementation Guidance for the Federal Data Center Consolidation Initiative* (March 2012) available at [https://www.whitehouse.gov/sites/default/files/omb/assets/egov\\_docs/cio\\_memo\\_fdcci\\_deliverables\\_van\\_roekel\\_3-19-12.pdf](https://www.whitehouse.gov/sites/default/files/omb/assets/egov_docs/cio_memo_fdcci_deliverables_van_roekel_3-19-12.pdf)

provide updates regarding phase one of FDCCI in their quarterly IDC submissions. OMB will publish updated FDCCI guidance by the end of FY 2015 which will describe the second phase of the initiative and will refresh and refocus the data center optimization strategy on the efficient and effective use of resources and implementation of the statutory requirements of FITARA.

### **Section E: Information Technology Acquisition Requirements**

1. **IT Acquisition Cadres.** FITARA's requirements for IT acquisition cadres build upon OMB's Office of Federal Procurement Policy (OFPP) July 2011 memorandum on building specialized IT acquisition cadres.<sup>15</sup> As originally required by the memorandum, *Acquisition Workforce Development Strategic Plan for Civilian Agencies – FY 2010 – 2014*<sup>16</sup> of October 27, 2009, civilian CFO Act agencies shall continue to send their annual *Acquisition Human Capital Plans* to OMB OFPP. The next iteration of those Plans was due April 15, 2015.

Additional guidance from OMB issued in February 2015 requires agencies to address new reporting elements required by FITARA. Details regarding these new reporting elements are found in *Attachment F*.

2. **Category Management and the Federal Strategic Sourcing Initiative (FSSI).**<sup>17</sup> Agencies shall comply with the appropriate provisions of a new rule regarding purchases of services and supplies of types offered under an FSSI agreement without using an FSSI agreement. In February 2015, the Federal Acquisition Regulatory (FAR) Council initiated rulemaking to implement this provision of FITARA. Once finalized, agencies will be required to include in the contract file a brief analysis of the comparative value, including price and non-price factors, between the services and supplies offered under the FSSI and services and supplies offered under the source or sources used for the purchase.
3. **Government-Wide Software Purchasing Program.** OMB established the Category Management initiative<sup>18</sup> in December 2014. The General Services Administration (GSA), in collaboration with OMB, shall create, and allow agencies access to, government-wide enterprise software licenses through new awards as part of category management, a practice adopted by industry where spending is managed by experts who promote best practices and help agencies avoid unnecessary duplicative spending and activities. These awards shall, at a minimum, allow for the purchase of a license agreement that is available for use by all Executive agencies.<sup>19</sup>

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<sup>15</sup> *Guidance for Specialized Information Technology Acquisition Cadres*, <https://www.whitehouse.gov/sites/default/files/omb/procurement/memo/guidance-for-specialized-acquisition-cadres.pdf>

<sup>16</sup> *Acquisition Workforce Development Strategic Plan for Civilian Agencies – FY 2010 – 2014*, [http://www.whitehouse.gov/sites/default/files/omb/assets/procurement\\_workforce/AWF\\_Plan\\_10272009.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/procurement_workforce/AWF_Plan_10272009.pdf)

<sup>17</sup> *M-13-02, Improving Acquisition through Strategic Sourcing, December 5, 2012*, [https://www.whitehouse.gov/sites/default/files/omb/memoranda/2013/m-13-02\\_0.pdf](https://www.whitehouse.gov/sites/default/files/omb/memoranda/2013/m-13-02_0.pdf)

<sup>18</sup> *OMB Memorandum, Transforming the Marketplace: Simplifying Federal Procurement to Improve Performance, Drive Innovation, and Increase Savings, December 4, 2014*, <https://www.whitehouse.gov/sites/default/files/omb/procurement/memo/simplifying-federal-procurement-to-improve-performance-drive-innovation-increase-savings.pdf>

<sup>19</sup> As defined in 5 U.S.C. § 105

## **Attachment A: Common Baseline for IT Management and CIO Assignment Plan**

All covered agencies shall adopt specific controls for the management of IT from the “Common Baseline” below. The Common Baseline prescribes a basic set of specific responsibilities and processes that all covered agencies shall have in place **no later than December 31, 2015**. A set of definitions follows the Common Baseline to further clarify the specific responsibilities.

Throughout the Common Baseline:

- All references to “CIO” refer to department/headquarters CIOs, and only references to “bureau CIO” refer to the CIO or official-with-CIO-duties within a bureau or any component organization of the agency (see definitions).
- If an agency has a “budget officer” separate from the CFO, then references to “CFO” shall refer also to the budget officer.
- If an agency has a “senior procurement executive” separate from the CAO, then references to “CAO” shall refer also to the senior procurement executive.

The Department of Defense (DOD), the Intelligence Community, and portions of other agencies that operate systems related to national security are subject to only certain portions of FITARA and shall meet with OMB no later than 60 days following the final release of this guidance to clarify the applicability of this guidance throughout their organizations and activities, including alternative requirements or exceptions.

### Common Baseline for IT Management and CIO Assignment Plan

|  | <b>Statutory Language<br/>(FITARA unless otherwise noted)</b>   | <b>1. CIO<br/>Role and Responsibilities</b>  | <b>2. CXO/Other<br/>Roles and Responsibilities</b>   |
|--|---|--|--|
| <b>Budget Formulation and Planning</b> | <p>“The head of each covered agency ... shall ensure that the Chief Information Officer of the agency has a <u>significant role</u> in—“(i) the decision processes for all annual and multi-year <u>planning, programming, budgeting,</u> and execution decisions”</p> <p style="text-align: center;"><i>40 U.S.C. § 11319(b)(1)(A)</i></p>   | <p><b>A1. Visibility of IT resource plans/decisions to CIO.</b> The CFO and CIO jointly shall define the level of detail with which IT resource levels are described distinctly from other resources throughout the planning, programming, and budgeting stages. This should serve as the primary input into the IT capital planning and investment control documents submitted with the budget (formerly Exhibits 53 and 300).</p> <p><b>B1. CIO role in pre-budget submission for programs that include IT and overall portfolio.</b> The agency head shall ensure the agency-wide budget development process includes the CFO, CAO, and CIO in the planning, programming, and budgeting stages for programs that include IT resources (not just programs that are primarily IT oriented).</p> <p>The agency head, in consultation with the CFO, CIO, and program leadership, shall define the processes by that program leadership works with the CIO to plan an overall portfolio of IT resources that achieve program and business objectives and to develop sound estimates of the necessary IT resources for accomplishing those objectives.</p> <p><b>C1. CIO role in planning program management.</b> The CIO shall be included in the internal planning processes for how the agency uses IT resources to achieve its objectives. The CIO shall approve the IT components of any plans, through a process defined by the agency head that balances IT investments with other uses of agency funding. This includes CIO involvement with planning for IT resources at all points in their lifecycle, including operations and disposition or migration.</p> | <p><b>A2. Visibility of IT resource plans/decisions in budget materials.</b> The CFO and CIO jointly shall define the level of detail with which IT resource levels are described as detailed in A1.</p> <p><b>B2. CIO role in pre-budget submission for programs that include IT and overall portfolio.</b> The agency head shall ensure the agency-wide budget development process includes the CFO, CAO, and CIO as described in B1 and that CIO guidelines are applied to the planning of all IT resources during budget formulation.</p> <p>The CFO and program leadership shall work jointly with the CIO to establish the processes and definitions described in B1.</p> <p><b>C2. CIO role in program management.</b> CIO, CFO, and program leadership shall define an agency-wide process by that the CIO shall advise on all planning described in C1.</p> |
|  | <p><b>BUDGET FORMULATION.</b>—The Director of the Office of Management and Budget shall require in the annual information technology capital planning guidance of the Office of Management and Budget the following:“(i) That the Chief Information Officer of each covered agency ... <u>approve the information technology budget request</u> of the covered agency.</p> <p style="text-align: center;"><i>40 U.S.C. 11319 (b)(1)(B)(i)</i></p> | <p><b>D1. CIO reviews and approves major IT investment portion of budget request.</b> Agency budget justification materials in their initial budget submission to OMB shall include a statement that affirms:</p> <ul style="list-style-type: none"> <li>• the CIO has reviewed and approves the major IT investments portion of this budget request;</li> <li>• the CFO and CIO jointly affirm that the CIO had a significant role in reviewing planned IT support for major program objectives and significant increases and decreases in IT resources; and</li> <li>• the IT Portfolio (formerly Exhibit 53) includes appropriate estimates of all IT resources included in the budget request.</li> </ul>  | <p><b>D2. CIO and CFO Certify IT Portfolio.</b> The CFO shall work with the CIO to establish the affirmations in D1.</p>   |

|                                  | <b>Statutory Language<br/>(FITARA unless otherwise noted)</b>   | <b>1. CIO<br/>Role and Responsibilities</b>   | <b>2. CXO/Other<br/>Roles and Responsibilities</b>  |
|----------------------------------|---|---|---|
| <b>Acquisition and Execution</b> | <p>The head of each covered agency ... shall ensure that the Chief Information Officer of the agency has a <u>significant role</u> in—(i) the decision processes for all annual and multi-year planning, programming, budgeting, and <u>execution decisions</u>... and (ii) the <u>management, governance and oversight processes</u> related to [IT]...<br/><i>40 U.S.C. 11319(b)(1)(A)</i></p> <p>The Director of the Office of Management and Budget shall require in the annual information technology capital planning guidance of the Office of Management and Budget the following: That the Chief Information Officer of each covered agency certify that information technology investments are adequately implementing incremental development, as defined in capital planning guidance issued by the Office of Management and Budget.<br/><i>40 U.S.C. 11319</i></p> | <p><b>E1. Ongoing CIO engagement with program managers.</b> The CIO should establish and maintain a process to regularly engage with program managers to evaluate IT resources supporting each agency strategic objective. It should be the CIO and program managers' shared responsibility to ensure that legacy and on-going IT investments are appropriately delivering customer value and meeting the business objectives of programs.</p>  | <p><b>E2. Ongoing CIO engagement with program managers.</b> Program managers shall work with the CIO to define IT performance metrics and strategies to support fulfillment of agency strategic objectives defined in the agency's strategic plan.</p>  |
|                                  |   | <p><b>F1. Visibility of IT planned expenditure reporting to CIO.</b> The CFO, CAO and CIO should define agency-wide policy for the level of detail of planned expenditure reporting for all transactions that include IT resources.</p>   | <p><b>F2. Visibility of IT planned expenditure reporting to CIO.</b> The CFO, CAO and CIO shall define agency-wide policy for the level of detail of planned expenditure reporting for all transactions that include IT resources.</p>  |
|                                  |   | <p><b>G1. CIO defines IT processes and policies.</b> The CIO defines the development processes, milestones, review gates, and the overall policies for all capital planning and project management and reporting for IT resources. At a minimum, these processes shall ensure that the CIO certifies that IT resources are adequately implementing incremental development (as defined in the below definitions). The CIO should ensure that such processes and policies address each category of IT resources appropriately—for example, it may not be appropriate to apply the same process or policy to highly customized mission-specific applications and backoffice enterprise IT systems depending on the agency environment. These policies shall be posted publicly at <a href="http://agency.gov/digitalstrategy">agency.gov/digitalstrategy</a> and shared with OMB through the IDC.</p> |   |
|                                  |   | <p><b>H1. CIO role on program governance boards.</b> In order to ensure early matching of appropriate IT with program objectives, the CIO shall be a member of governance boards that include IT resources (including "shadow IT" or "hidden IT"—see definitions), including bureau Investment Review Boards (IRB). The CIO shall notify OMB of all governance boards the CIO is a member of and at least annually update this notification.</p>  | <p><b>H2.</b> Participate with CIO on governance boards as appropriate.</p>   |
|                                  |   | <p><b>I1. Shared acquisition and procurement responsibilities.</b> The CIO reviews all cost estimates of IT related costs and ensures all acquisition strategies and acquisition plans that include IT apply adequate incremental development principles (see definitions).</p>   | <p><b>I2. Shared acquisition and procurement responsibilities.</b> The CAO, in consultation with the CIO and—where appropriate—CFO, shall ensure there is an agency-wide process to ensure all acquisitions that include any IT:</p> <ul style="list-style-type: none"> <li>• are led by personnel with appropriate federal acquisition certifications (FACs)<sup>20</sup>, including specialized IT certifications as appropriate;</li> <li>• are reviewed for opportunities to leverage acquisition initiatives such as shared services, category management, strategic sourcing, and incremental or modular contracting and use such approaches as appropriate;</li> <li>• are supported by cost estimates that have been reviewed by the CIO; and</li> <li>• adequately implement incremental development.</li> </ul> |

<sup>20</sup> Federal acquisition certifications such as FAC-C (Contracting), FAC-P/PM (Project and Program Managers), and FAC-COR (Contracting Officers Representative)

|  | <b>Statutory Language<br/>(FITARA unless otherwise noted)</b>   | <b>1. CIO<br/>Role and Responsibilities</b>   | <b>2. CXO/Other<br/>Roles and Responsibilities</b>  |
|--|---|---|---|
|  | <p>The CIO... monitors the performance of information technology programs of the agency, evaluates the performance of those programs on the basis of the applicable performance measurements, and advises the head of the agency regarding whether to <u>continue, modify, or terminate a program or project</u>;</p> <p><i>40 USC §11315(c)(2)</i></p>             | <p><b>J1. CIO role in recommending modification, termination, or pause of IT projects or initiatives.</b> The CIO shall conduct TechStat reviews or use other applicable performance measurements to evaluate the use of the IT resources of the agency. The CIO may recommend to the agency head the modification, pause, or termination of any acquisition, investment, or activity that includes a significant IT component based on the CIO's evaluation, within the terms of the relevant contracts and applicable regulations.</p>  |   |
|  | <p>IN GENERAL.—A covered agency other than the Department of Defense— (I) may not enter into a contract or other agreement for information technology or information technology services, unless the contract or other agreement has been reviewed and approved by the Chief Information Officer of the agency;</p> <p><i>40 U.S.C. § 11319 (b)(1)(C)(i)(I)</i></p> | <p><b>K1. CIO review and approval of acquisition strategy and acquisition plan.</b> Agencies shall not approve an acquisition strategy or acquisition plan (as described in FAR Part 7<sup>21</sup>) or interagency agreement (such as those used to support purchases through another agency) that includes IT without review and approval by the agency CIO.</p> <p>The CIO shall primarily consider the following factors when reviewing acquisition strategies and acquisition plans:</p> <ul style="list-style-type: none"> <li>• Appropriateness of contract type;</li> <li>• Appropriateness of IT related portions of statement of needs or statement of work;</li> <li>• Appropriateness of above with respect to the mission and business objectives supported by the IT strategic plan; and</li> <li>• Alignment with mission and program objectives in consultation with program leadership.</li> </ul> | <p><b>K2. CAO is responsible for ensuring contract actions that contain IT are consistent with CIO-approved acquisition strategies and plans.</b> The CAO shall indicate to the CIO when planned acquisition strategies and acquisition plans include IT. The CAO shall ensure the agency shall initiate no contract actions or interagency agreements that include IT unless they are reviewed and approved by the CIO or are consistent with the acquisition strategy and acquisition plan previously approved by the CIO.</p> <p><b>Similar process for contract modifications.</b> CAO shall also ensure that no modifications that make substantial changes to the scope of a significant contract are approved that are inconsistent with the acquisition strategy and acquisition plan previously approved by the CIO unless the modification is reviewed and approved by the CIO.</p> |
|  | <p>IN GENERAL.—A covered agency ...— “(II) may not request the reprogramming of any funds made available for information technology programs, unless the request has been reviewed and approved by the Chief Information Officer of the agency</p> <p><i>40 U.S.C. § 11319 (b)(1)(C)(i)(II)</i></p>   | <p><b>L1. CIO approval of reprogramming.</b> The CIO must approve any movement of funds for IT resources that requires Congressional notification.</p>  | <p><b>L2. CIO approval of reprogramming.</b> The CFO shall ensure any notifications under L1 are approved by the CIO prior to submission to OMB.</p>  |

<sup>21</sup> Federal Acquisition Regulation: Part 7 available at <http://www.acquisition.gov/far/html/FARTOCP07.html>

|                                   | <b>Statutory Language<br/>(FITARA unless otherwise noted)</b>   | <b>1. CIO<br/>Role and Responsibilities</b>  | <b>2. CXO/Other<br/>Roles and Responsibilities</b>   |
|-----------------------------------|---|--|--|
| <b>Organization and Workforce</b> | <p>PERSONNEL-RELATED AUTHORITY.— Notwithstanding any other provision of law, for each covered agency ... the Chief Information Officer of the covered agency shall approve the appointment of any other employee with the title of Chief Information Officer, or who functions in the capacity of a Chief Information Officer, for any component organization within the covered agency.</p> <p><i>40 U.S.C. 11319 (b)(2)</i></p>   | <p>M1. <b>CIO approves new bureau CIOs.</b> The CIO shall be involved in the recruitment and shall approve the selection of any new bureau CIO (includes bureau leadership with CIO duties but not title—see definitions).</p>   |  |
|                                   | <p>The Chief Information Officer of an agency...</p> <p>(A) assesses the requirements established for agency personnel regarding knowledge and skill in information resources management and the adequacy of those requirements for facilitating the achievement of the performance goals established for information resources management;</p> <p>(B) assesses the extent to which the positions and personnel at the executive level of the agency and the positions and personnel at management level of the agency below the executive level meet those requirements;</p> | <p>N1. <b>CIO role in ongoing bureau CIOs’ evaluations.</b> The CHCO and CIO shall jointly establish an agency-wide critical element (or elements) included in all bureau CIOs’ performance evaluations. In cases where the bureau CIO is a member of the Senior Executive Service and the agency uses the Basic SES Appraisal System, this critical element(s) is an “agency-specific performance requirement” in the Executive Performance Plan. Each such agency may determine that critical element(s) (ECQs) contain these requirements. For agencies that do not use the Basic SES Appraisal System or for bureau CIOs who are not members of the SES, then these shall be critical elements in their evaluations.</p> <p>The [agency] CIO must identify “key bureau CIOs” and provide input to the rating official for this critical element(s) for at least all “key bureau CIOs” at the time of the initial summary rating and for any required progress reviews. The rating official will consider the input from the [agency] CIO when determining the initial summary rating and discusses it with the bureau CIO during progress reviews.</p> | <p>N2. <b>CIO role in ongoing bureau CIOs’ evaluations.</b> The CHCO and CIO shall jointly establish an agency-wide critical element (or elements) for the evaluation of bureau CIOs as described in N1.</p>   |
|                                   |   | <p>O1. <b>Bureau IT Leadership Directory.</b> CIO and CHCO will conduct a survey of all bureau CIOs and CIO and CHCO will jointly publish a dataset identifying all bureau officials with title of CIO or duties of a CIO. This shall be posted as a public dataset based on instructions in the IDC. The report will identify for each:</p> <ul style="list-style-type: none"> <li>• Employment type (e.g. GS, SES, SL, ST, etc.)</li> <li>• Type of appointment (e.g. career, appointed, etc.)</li> <li>• Other responsibilities (e.g. full-time CIO or combination CIO/CFO)</li> <li>• Evaluation “rating official” (e.g. bureau head, other official)</li> <li>• Evaluation “reviewing official” (if used)</li> <li>• Whether [agency] CIO identifies this bureau CIO as a “key bureau CIO” and thus requires the [agency] CIO to provide the rating official input into the agency-wide critical element(s) described in N1.</li> </ul>   | <p>O2. <b>Bureau IT Leadership Directory.</b> CHCO will work with CIO to develop the Bureau IT Leadership Directory as described in O1.</p>  |
|                                   | <p><i>40 U.S.C. § 11315(c)(3) (Clinger-Cohen Act)</i></p>   | <p>P1. <b>IT Workforce.</b> The CIO and CHCO will develop a set of competency requirements for IT staff, including IT leadership positions, and develop and maintain a current workforce planning process to ensure the department/agency can (a) anticipate and respond to changing mission requirements. (b) maintain workforce skills in a rapidly developing IT environment, and (c) recruit and retain the IT talent needed to accomplish the mission.</p>  | <p>P2. <b>IT Workforce.</b> CIO and CHCO shall develop a set of competency requirements for IT staff, including IT leadership positions, and develop and maintain a current workforce planning process to ensure the department/agency can (a) anticipate and respond to changing mission requirements. (b) maintain workforce skills in a rapidly developing IT environment, and (c) recruit and retain the IT talent needed to accomplish the mission.</p> |

|  | <b>Statutory Language<br/>(FITARA unless otherwise noted)</b>  | <b>1. CIO<br/>Role and Responsibilities</b>  | <b>2. CXO/Other<br/>Roles and Responsibilities</b> |
|--|--|--|--|
|  | <p>The head of each agency shall designate a Chief Information Officer who shall report directly to such agency head to carry out the responsibilities of the agency under this subchapter.</p> <p><i>44 U.S.C. § 3506 (Clinger-Cohen Act)</i></p> | <p><b>Q1. CIO reports to agency head (or deputy/COO).</b> As required by the Clinger Cohen Act and left in place by FITARA, the CIO "shall report directly to such agency head to carry out the responsibilities of the agency under this subchapter".</p> <p>This provision remains unchanged, though certain agencies have since implemented legislation under which the CIO and other management officials report to a COO, Undersecretary for Management, Assistant Secretary for Administration, or similar management executive; in these cases, to remain consistent with the Clinger Cohen requirement as left unchanged by FITARA, the CIO shall have direct access to the agency head (i.e., the Secretary, or Deputy Secretary serving on the Secretary's behalf) regarding programs that include information technology.</p> |  |

## Common Baseline for IT Management and CIO Assignment Plan

(continued)

### CIO Assignment Plan

It is critical that the agency CIO retain accountability for the roles and responsibilities identified in the Common Baseline. As agency environments vary considerably, CIOs may find that decisions about some IT resources included in the Common Baseline may be more appropriately executed by other agency officials, such as a Bureau CIO or even parts of program or procurement communities. This must be done in a way to allow the agency CIO to retain accountability.

For the responsibilities other than those detailed in D1 and M1 of the above chart (budget approval and Bureau CIO appointment), the CIO may designate other agency officials to act as a representative of the CIO in aspects of the above processes in a rules-based manner, such as by a dollar threshold, type of planned IT activity, or by bureau. This designation shall be developed in consultation with the CFO, CAO, CHCO, and other Senior Agency Officials as needed. Even if a representative is substituted for the CIO, the CIO retains accountability for the assigned role or responsibility and thus must ensure the overall suitability of selected officials. Because the selected official represents the CIO, CIOs should monitor the ongoing suitability of this designation and revise as appropriate. This allows the CIO to define a rules-based manner to select representatives such members of the CIO's office, or a bureau CIO, to represent the CIO for portions of the Common Baseline responsibilities described above (such as for contract review of purchases of less than a certain dollar threshold).

Agencies which plan to use such a rules-based method must describe it in a "CIO Assignment Plan" (Plan) and submit it for OMB approval as detailed in Section B above. Plans must show evidence that the CIO retains accountability for the designated alternative agency officials' involvement and decisions and that the appropriate level of rigor shall be executed by this official in place of the CIO. The agency shall post the Plan publicly at [agency.gov/digitalstrategy](http://agency.gov/digitalstrategy) not more than 30 days following the Plan's approval by OMB.

*Legal text of FITARA: "A covered agency... may use the governance processes of the agency to approve such a contract or other agreement if the Chief Information Officer of the agency is included as a full participant in the governance processes." Also, "[t]he head of each agency shall ensure that the Chief Information Officer of the agency has a significant role in... the decision processes for all annual and multi-year planning, programming, budgeting, and execution decisions, related reporting requirements, and reports related to IT and ...the management, governance and oversight processes related to [IT]."*

*40 U.S.C. § 11319(b)(1)(A) and (C)(i)(III)*

## Summary of Common Baseline for IT Management

| Common Baseline for IT Management     |   |   |   |  |
|---------------------------------------|---|---|---|--|
| Section<br><i>Responsibility</i>      | Budget Formulation  | Budget Execution  | Acquisition   | Organization & Workforce   |
| <b>Visibility</b>                     | <b>A1:</b> Visibility of IT resource plans/decisions to CIO<br><b>A2:</b> Visibility of IT resource plans/decisions in budget materials | <b>F1,F2:</b> Visibility of IT expenditures reporting to CIO  |   |  |
| <b>Planning</b>                       | <b>B1,B2:</b> CIO role in pre-budget submission for programs<br><b>C1,C2:</b> CIO role in planning program management                   |   | <b>I1:</b> Shared acquisition and procurement responsibilities  | <b>P1,P2:</b> IT Workforce planning  |
| <b>Governance</b>                     |   | <b>H1,H2:</b> CIO role on program governance boards<br><b>F2:</b> Participate with CIO on governance boards<br><b>J1:</b> CIO role in modification, termination, or pause of IT<br><b>G1:</b> CIO defines IT processes and policies | <b>K2:</b> CAO is responsible for ensuring contract actions which require IT are consistent with CIO-approved plans and strategies<br><b>I1,I2:</b> Shared acquisition and procurement responsibilities | <b>Q1:</b> CIO reports to agency head (or to Deputy/COO)   |
| <b>Program Collaboration</b>          |   | <b>E1,E2:</b> Ongoing CIO engagement with program managers  |   | <b>N1,N2:</b> CIO role in ongoing bureau CIOs' evaluations<br><b>O1,O2:</b> Bureau IT leadership Directory |
| <b>Certifications &amp; Approvals</b> | <b>D1, D2:</b> CIO reviews and approves major IT investment portion of budget request   | <b>L1,L2:</b> CIO approval of reprogramming requests  | <b>K1:</b> CIO review and approval of acquisition strategy and acquisition plan.  | <b>M1:</b> CIO approval of new bureau CIOs   |

CIO ASSIGNMENT PLAN (optional)

**Attachment B. Definitions of Terms for Purposes of this Guidance**

|   |  |
|---|--|
| <b>Agency CIO</b>                       | The Chief Information Officer at the headquarters level of a department or establishment of the government as defined in Section 20 of <a href="#">OMB Circular A-11</a> . (Contrast with ‘bureau CIO’)  |
| <b>Bureau CIO</b>                       | Official with the title or role of Chief Information Officer within a principal subordinate organizational unit of the agency, as defined in Section 20 of <a href="#">OMB Circular A-11</a> , or any component organization of the agency. (Contrast with ‘agency CIO’)   |
| <b>Major IT Investment</b>              | An IT investment requiring special management attention because of its importance to the mission or function to the government; significant program or policy implications; high executive visibility; high development, operating, or maintenance costs; unusual funding mechanism; or definition as major by the agency’s capital planning and investment control process. Agencies should also include all “major automated information system” as defined in 10 U.S.C. 2445 and all “major acquisitions” as defined in the OMB Circular A-11 Capital Programming Guide consisting of information resources. OMB may work with the agency to declare IT investments as major IT investments. Agencies should consult with assigned OMB analysts regarding which investments are considered “major.” Investments not considered “major” are “non-major.”   |
| <b>Reprogramming</b>                    | Any movement of funds for IT resources that requires Congressional notification.   |
| <b>Adequate Incremental Development</b> | For development of software or services, planned and actual delivery of new or modified technical functionality to users occurs at least every six months.   |
| <b>Information Technology</b>           | As described in Section A above: <ul style="list-style-type: none"> <li>A. Any services or equipment, or interconnected system(s) or subsystem(s) of equipment, that are used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency.</li> <li>B. For purposes of this definition, such services or equipment are used by an agency if used by the agency directly or if used by a contractor under a contract with the agency that requires either use of the services or equipment or requires use of the services or equipment to a significant extent in the performance of a service or the furnishing of a product.</li> <li>C. The term “information technology” includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including cloud computing and support services that support any point of the lifecycle of the equipment or service), and related resources.</li> <li>D. The term “information technology” does not include any equipment that is acquired by a contractor incidental to a contract which does not require its use.</li> </ul> |
| <b>IT Resources</b>                     | All agency budgetary resources, personnel, equipment, facilities, or services that are primarily used in the management, operation, acquisition, or other activity related to the lifecycle of information technology; acquisitions or interagency agreements that include information technology and the services or equipment provided by such acquisitions or interagency agreements but does not include grants which establish or support information technology not operated directly by the Federal Government.   |
| <b>“Shadow IT” or “Hidden IT”</b>       | Refers to the IT resources included as a portion of a program that is not primarily of an “information technology” purpose but contains IT resources. For example, a grants program that contains a portion of its spending on equipment, systems, or services that provide IT capabilities for administering or delivering the grants.  |
| <b>Contract</b>                         | A mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the Government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to) awards and notices of awards; job orders or task letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications. Contracts do not include grants and cooperative agreements covered by <a href="#">31 U.S.C. § 6301</a> , <i>et seq.</i> For discussion of various types of contracts, see <a href="#">Part 16. – FAR definitions</a>   |
| <b>Interagency Agreement</b>            | A written agreement entered into between two Federal agencies that specifies the goods to be furnished or tasks to be accomplished by one agency (the servicing agency) in support of the other (the requesting agency), including assisted  |

|  |  |
|--|--|
|  | acquisitions as described in OMB Memorandum: <i>Improving the Management and use of Interagency Acquisitions</i> <sup>22</sup> and other cases described in FAR Part 17 <sup>23</sup> . In the case of agreements that contain IT resources, the requesting agency's CIO shall be responsible for reviewing the Interagency Agreement as described in the Common Baseline. |
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<sup>22</sup> OMB Memorandum *Improving the Management and use of Interagency Acquisitions*, available at: [https://www.whitehouse.gov/sites/default/files/omb/assets/procurement/iac\\_revised.pdf](https://www.whitehouse.gov/sites/default/files/omb/assets/procurement/iac_revised.pdf)

<sup>23</sup> Federal Acquisition Regulation: Part 17.5 – Interagency Agreement available at [https://www.acquisition.gov/sites/default/files/current/far/html/Subpart%2017\\_5.html#wp1076801](https://www.acquisition.gov/sites/default/files/current/far/html/Subpart%2017_5.html#wp1076801)

**Attachment C: Template for Agency Common Baseline Self-Assessment and Plan**

OMB will issue revised IDC reporting instructions that describe how agencies shall submit their self-assessment and plan using the below template. Each element of the Common Baseline will be evaluated, along with accompanying evidence and steps to close the incompletely addressed areas.

| Overall Rating<br>(1-3)*   | Agency Explanation for Overall Rating | Agency Action Plans<br>(provide for ratings of 1 & 2) | Agency Evidence of Complete Implementation<br>(provide for ratings of 3) |
|--|---------------------------------------|---|--|
| <b>Budget Formulation and Planning.</b> FITARA: “The CIO has a significant role in the decision processes for all annual and multi-year planning, programming, budgeting, and execution decisions.”  |                                       |   |  |
| A  |                                       |   |  |
| B  |                                       |   |  |
| C  |                                       |   |  |
| D  |                                       |   |  |
| <b>Acquisition and Execution.</b> FITARA: “The CIO has a significant role in the decision processes for all annual and multi-year planning, programming, budgeting, and execution decisions; management, governance and oversight processes related to IT; and certifies that IT investments are adequately implementing incremental development as defined in OMB capital planning guidance.” |                                       |   |  |
| E  |                                       |   |  |
| F  |                                       |   |  |
| G  |                                       |   |  |

\*Overall Ratings Defined --

- 1: Incomplete – Agency has not started development of a plan describing the changes it will make to ensure that all baseline FITARA responsibilities are in place by December 31, 2015.
- 2: Partially Addressed – Agency is working to develop a plan describing the changes it will make to ensure that all baseline FITARA responsibilities are in place by December 31, 2015.
- 3: Fully Implemented – Agency has developed and implemented its plan to ensure that all common baseline FITARA responsibilities are in place.

|   | Overall Rating<br>(1-3)* | Agency Explanation for Overall Rating | Agency Action Plans<br>(provide for ratings of 1 & 2) | Agency Evidence of Complete Implementation<br>(provide for ratings of 3) |
|---|--------------------------|---------------------------------------|---|--|
| H   |                          |                                       |   |  |
| I   |                          |                                       |   |  |
| J   |                          |                                       |   |  |
| K   |                          |                                       |   |  |
| L   |                          |                                       |   |  |
| <b>Organization and Workforce.</b> FITARA: "The CIO reports to the agency head (or deputy/COO) and assesses the requirements established for agency personnel regarding knowledge and skill in information resources management and the adequacy of those requirements for facilitating the achievement of the established IRM performance goals; and assesses the extent to which the positions and personnel at the executive and management levels meet those requirements." |                          |                                       |   |  |
| M   |                          |                                       |   |  |
| N   |                          |                                       |   |  |
| O   |                          |                                       |   |  |
| P   |                          |                                       |   |  |
| Q   |                          |                                       |   |  |

\*Overall Ratings Defined --

- 1: Incomplete – Agency has not started development of a plan describing the changes it will make to ensure that all baseline FITARA responsibilities are in place by December 31, 2015.
- 2: Partially Addressed – Agency is working to develop a plan describing the changes it will make to ensure that all baseline FITARA responsibilities are in place by December 31, 2015.
- 3: Fully Implemented – Agency has developed and implemented its plan to ensure that all common baseline FITARA responsibilities are in place.

## **Attachment D: Fiscal Year (FY) 2015 PortfolioStat**

This Attachment describes changes to the PortfolioStat process used in FY 2015, including reporting requirements for agencies. This attachment also describes the goals and topics which agencies and OMB will address through the FY2015 PortfolioStat process.

PortfolioStat<sup>24</sup> was established in FY 2012 to assess the maturity of Federal IT portfolio management, consolidate and eliminate duplicative spending on Commodity IT,<sup>25</sup> and improve agency processes to drive mission and customer-focused IT solutions. PortfolioStat is an evidence-based, data-driven review of agency IT portfolio management with agency leadership that continues to drive significant cost savings and efficiencies. To date, agencies have saved over \$2.59 billion,<sup>26</sup> exceeding the \$2.5 billion in savings opportunities identified in the original FY 2012 PortfolioStat sessions.

Each year this process has evolved to better align Federal IT policy goals to agency IT portfolios. As part of this evolution, starting in FY 2015 we have changed PortfolioStat from being an annual review session to quarterly reviews. OMB now collects agency progress data on a quarterly basis<sup>27</sup> and as such has an obligation to provide timely performance feedback throughout the year. Sharing this feedback quarterly will better allow OMB to track progress and recommend course corrections more frequently.

In alignment with the Administration's core IT objectives, PortfolioStat sessions will focus on three key areas: (1) driving value in Federal IT investments, (2) delivering world-class digital services, and (3) protecting Federal IT assets and information. Prior to each quarterly PortfolioStat session, agencies will be provided a scorecard including agency-specific performance metric data (see *Fiscal Year 2015 PortfolioStat Performance Metrics* below for specific metrics) and portfolio analysis agenda items.

1. The agenda of PortfolioStat sessions between OMB and agencies will focus on the following initiatives:
  - **PortfolioStat Action Items.** Agencies will discuss the status of each PortfolioStat action item reported through the IDC with OMB.
  - **High Impact Programs.** Agencies will use *Attachment E: Investment and Portfolio Management Maturity Framework* to describe the strategy, progress, critical milestones, risk, and expected impact of investments included in High Impact Programs. OMB will continue to work with agencies to designate investments included in High Impact Programs.
  - **Agency Digital Service Teams and United States Digital Service (USDS).** OMB will review the agency's progress in laying the organizational groundwork and establishing Digital Service Teams, the agency's plan for effectively leveraging those resources, and the status of the performance of USDS activities.

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<sup>24</sup> See [OMB M-12-10](#), [M-13-09](#) and [M-14-08](#). PortfolioStat is a tool that agencies use to assess the current maturity of their IT portfolio management process, using data and analytics to make decisions on eliminating duplication, augment current CIO-led capital planning and investment control processes, and move to shared solutions in order to maximize the return on IT investments across the portfolio.

<sup>25</sup> See OMB [M-11-29](#) *CIO Authorities* memorandum

<sup>26</sup> The Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235), includes an appropriation for the Office of Management and Budget to administer the Information Technology Oversight and Reform fund and requires the submission of quarterly reports "identifying the savings achieved by the Office of Management and Budget's government-wide information technology reform efforts" with the "savings identified by fiscal year, agency and appropriation."

<sup>27</sup> See OMB [M-13-09](#). This information is collected through the Integrated Data Collection (IDC) established in FY 2013 PortfolioStat. Quarterly IDC deadlines are the last days in May, August, November and February.

- **Commodity IT.** Agencies will discuss how they use category management<sup>28</sup> to consolidate commodity IT assets, eliminate duplication between assets, and improve procurement and management of hardware, software, network, and telecom services. Furthermore, agencies will share lessons-learned related to commodity IT procurement policies and efforts to establish enterprise-wide inventories of related information.
- **IT Management Roles and Responsibilities.** Agencies will discuss the status of their plans to implement the Common Baseline (*Attachment A*) and monitor the effectiveness of the CIO's execution of the included roles and responsibilities. This should include discussion of the CIO's relationship with other Senior Agency Officials, as well as those officials' execution of listed roles and responsibilities.
- **Portfolio Management Maturity.** Agencies will use the categories described in *Attachment E: Investment and Portfolio Management Maturity Framework* to evaluate the maturity of the agency's People, Technology, Governance, Process, and Acquisition capabilities related to IT resources. Agencies should describe how their policies implement the portfolio management, capital planning, and other processes required in OMB Circular A-130, OMB Circular A-11's capital planning and investment control guidance, and other OMB IT management policies, including this guidance. For example, agencies should describe how agency priority goals, agency strategic objectives, the IT investment portfolio, the Information Resource Management (IRM) Strategic Plan, and the Enterprise Roadmap relate to each other and support the efficient and effective accomplishment of agency program and business objectives. Finally, agencies should describe how they select the system development lifecycle frameworks used in IT development activities, such as the use of incremental development and modular approaches prioritized by customer requirements.
- **Data Center, Cloud, and Shared Services Optimization.** Agencies will discuss their progress using cloud computing and shared services to optimize data center activities and achieve overall IT objectives. This includes a discussion of how the agency is using FedRAMP services and ensuring cloud services meet applicable FISMA requirements.
- **Cybersecurity.** In addition to the "Protect" metrics in *Fiscal Year 2015 PortfolioStat Performance Metrics* below, PortfolioStat discussions will draw on topics covered in each agency's quarterly Cybersecurity Self-Assessments.
- **World-Class Customer Service.** Agencies shall discuss how their portfolio management practices emphasize the customer-centric themes of the U.S. Digital Services Playbook<sup>29</sup>, OMB's capital planning and investment control guidance<sup>30</sup>, and the Smarter IT Cross-Agency Priority (CAP) Goal<sup>31</sup>. Agencies should describe where in their policies the following are implemented: the Playbook's "Understand what people need" play, the capital planning guidance requirement for major investments to measure customer satisfaction performance metrics, and the Smarter IT CAP Goal's focus on improving outcomes and customer satisfaction with Federal services.

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<sup>28</sup> See the OMB Office of Federal Procurement Policy *Transforming the Marketplace* (December 4, 2014) memorandum available at: <https://www.whitehouse.gov/sites/default/files/omb/procurement/memo/simplifying-federal-procurement-to-improve-performance-drive-innovation-increase-savings.pdf>

<sup>29</sup> U.S. Digital Services Playbook, available at: <https://playbook.cio.gov/>

<sup>30</sup> IT Budget Capital Planning Guidance available at: <https://www.whitehouse.gov/omb/e-gov/strategiesandguides>

<sup>31</sup> Smarter IT Delivery Cross-Agency Priority Goal, available at: <http://www.performance.gov/node/3403?view=public#overview>

- **Open Data.** Experts have calculated that the potential economic benefits of open data are in the trillions of dollars.<sup>32</sup> The Federal government has made significant strides in opening up data to drive economic growth. Currently there are over 117,000 data sets available on data.gov. As a next step, agencies should improve the quality and types of datasets. Agencies should continue to evaluate their enterprise data inventory, conduct outreach to understand the users of their data, improve customer feedback mechanisms, and release datasets—subject to privacy, confidentiality, security, or other valid restrictions.
  - **Streamlining reporting.** OMB will continue to seek opportunities to reduce agency burden through revising reporting requirements and improving reporting channels through the ITDB and IDC as well as work with agencies to develop opportunities to improve the timeliness and reliability of reported ITDB data.
2. Quarterly PortfolioStat activities will take place in three phases: (1) Preparation; (2) Session; and (3) Post-Session. The following provides details on each phase with guidance on the schedule and requirements to ensure PortfolioStat is consistently implemented.
- **Phase 1: Preparation.** Following each quarterly agency IDC submission, OMB will analyze the latest data, consider trends in performance metrics over time, and review past PortfolioStat topics and PortfolioStat action items to identify topics for the upcoming PortfolioStat session’s discussion. OMB will send these topics, analysis, and proposed agenda for each agency to the agency’s PortfolioStat lead. Agencies are encouraged to work closely with OMB to provide clarifications and improvements to the preparation prior to the quarterly PortfolioStat session.
  - **Phase 2: Session.** Agency PortfolioStat leads shall work with OMB to schedule a PortfolioStat session to be held within eight weeks following the relevant IDC quarter’s submission deadline. In the session, OMB and the agency CIO will review updates to the agency’s Strategic IRM Plan and Enterprise Roadmap, trending data from the agency’s IDC and IT Dashboard submissions, discuss preceding quarterly PortfolioStat action items, status of investments included in High Impact Program(s), and select performance metrics.

Based on the discussion, OMB and the agency will identify and agree on PortfolioStat action items (with specific deadlines) which OMB will send to the agency within two weeks of the completed session. Where appropriate, results from these sessions shall be integrated into agency budget submissions and Congressional Budget Justifications.

- **Phase 3: Post-Session.** Upon receipt of PortfolioStat action items, agency PortfolioStat leads shall work with OMB to include updates on the status of these items in the next quarterly PortfolioStat. Agencies that do not meet a deadline identified in a PortfolioStat action item shall brief the Federal CIO and the agency head at least once per quarter until the action item is complete.

Agencies shall describe progress implementing each PortfolioStat action item as a part of quarterly IDC reporting. At least once per year, agency heads shall review with the agency CIO and certify that the reported status of each PortfolioStat action item is accurate and send this certification to OMB.

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<sup>32</sup> *Open data: Unlocking innovation and performance with liquid information* (McKinsey & Company, October 2013) available at: [http://www.mckinsey.com/insights/business\\_technology/open\\_data\\_unlocking\\_innovation\\_and\\_performance\\_with\\_liquid\\_information](http://www.mckinsey.com/insights/business_technology/open_data_unlocking_innovation_and_performance_with_liquid_information)

### Fiscal Year 2015 PortfolioStat Performance Metrics<sup>33</sup>

| Category  | Metric   | Metric Definition  |
|---|--|--|
| <b>Drive Value in Federal IT Investments</b>                  | Deliver on Budget  | Percent of IT projects within 10% of budgeted cost (% “Green” cost variance on the IT Dashboard)   |
|   | Deliver on Schedule  | Percent of IT projects within 10% of budgeted schedule (% “Green” schedule variance on the IT Dashboard)   |
|   | Development, Modernization, and Enhancement (DME) Spending | Percent of IT spending that is DME or provisioned services spending (DME normal + DME provisioned services + operations & maintenance provisioned services spending)   |
|   | IPv6 Adoption  | Percent of operational “Internet Protocol version 6” (IPv6) enabled domains  |
|   | Commodity IT Spending                                      | Infrastructure spending per person   |
| <b>Deliver World Class Services</b>                           | Planned Delivery versus Actual Delivery                    | Average planned duration and average actual duration of completed activities providing key deliverables, usable functionality, iterative release, or production release for activities completed within the last year. |
|   | Incremental or Agile Development                           | Average planned duration of future, in-progress, and completed activities providing key deliverables, usable functionality, iterative releases, or production releases by start year.                                  |
|   | Open Data Leading Indicators                               | Performance on Project Open Data Dashboard <sup>34</sup> leading indicators  |
|   | DAP Script Installed                                       | Percent of second-level domains with the Digital Analytics Program (DAP) script installed  |
|   | Mobile Savings   | Estimated savings the agency could achieve in mobile device contracts as estimated by the GSA FSSI Economic Model  |
| <b>Protect Federal IT Assets and Information<sup>35</sup></b> | Information Security Continuous Monitoring (ISCM)          | Average percentage of IT assets subject to an automated inventory, configuration, or vulnerability management capability.  |
|   | Identity Credential and Access Management (ICAM)           | Percentage of all users required to use a Personal Identity Verification (PIV) card to authenticate to the agency network.   |
|   | FedRAMP Implementation                                     | Percentage of Authorities to Operate (ATOs) that are FedRAMP <sup>36</sup> compliant <sup>37</sup>   |
|   | Security Incidents   | Number of information security incidents reported to the United States Computer Emergency Readiness Team (US-CERT), by type  |

<sup>33</sup> These metrics will be available on MAX and any future updates to performance metrics will be published there.

<sup>34</sup> Project Open Data Dashboard available at: <http://labs.data.gov/dashboard/offices>

<sup>35</sup> Protect metrics are each based on a component of the Cybersecurity Cross-Agency Priority Goal described on Performance.gov. Each of these components is described in detail at: <http://www.dhs.gov/xlibrary/assets/nppd/ciofismametricsfinal.pdf>. The Cybersecurity CAP goal metrics are currently being revised for FY 2015 and therefore the performance metrics in this area are subject to change.

<sup>36</sup> Memorandum for Chief Information Officers: *Security Authorization of Information Systems in Cloud Computing Environments* (December 8, 2011)

<sup>37</sup> FedRAMP Compliant Systems: <https://www.fedramp.gov/marketplace/compliant-systems/>

**Attachment E: Investment and Portfolio Management Maturity Framework**

When conducting TechStat reviews, PortfolioStat reviews, or evaluating investments related to High Impact Programs, agencies shall use the following framework for describing investment and portfolio management maturity with OMB. These scores may be compared or aggregated across bureaus, agencies, or government-wide to provide a summary of overall IT management maturity. This model may be updated over time as common root causes of implementation challenges or other common management issues are identified. More details describing how to evaluate each area as Level 1, Level 2, or Level 3 will be provided as a part of the PortfolioStat process.

| <b>MANAGEMENT</b>          |                    |                        |                      |
|----------------------------|--------------------|------------------------|----------------------|
|                            | LEVEL 1 - REACTING | LEVEL 2 - IMPLEMENTING | LEVEL 3 - OPTIMIZING |
| Program/Project Management |                    |                        |                      |
| Portfolio Management       |                    |                        |                      |
| Enterprise Strategy        |                    |                        |                      |
| Financial Management       |                    |                        |                      |

| <b>PEOPLE</b>    |                    |                        |                      |
|------------------|--------------------|------------------------|----------------------|
|                  | LEVEL 1 - REACTING | LEVEL 2 - IMPLEMENTING | LEVEL 3 - OPTIMIZING |
| Leadership       |                    |                        |                      |
| Accountability   |                    |                        |                      |
| Talent/HRM       |                    |                        |                      |
| Customer-Centric |                    |                        |                      |

| <b>PROCESS</b> |                    |                        |                      |
|----------------|--------------------|------------------------|----------------------|
|                | LEVEL 1 - REACTING | LEVEL 2 - IMPLEMENTING | LEVEL 3 - OPTIMIZING |
| Governance     |                    |                        |                      |
| Agile          |                    |                        |                      |
| Transparency   |                    |                        |                      |
| Complexity     |                    |                        |                      |

**TECHNOLOGY**

|             | LEVEL 1 - REACTING | LEVEL 2 - IMPLEMENTING | LEVEL 3 - OPTIMIZING |
|-------------|--------------------|------------------------|----------------------|
| Security    |                    |                        |                      |
| Scalability |                    |                        |                      |
| Open        |                    |                        |                      |
| Reuse       |                    |                        |                      |

## ACQUISITION

|                    | LEVEL 1 - REACTING | LEVEL 2 - IMPLEMENTING | LEVEL 3 - OPTIMIZING |
|--------------------|--------------------|------------------------|----------------------|
| Strategic Sourcing |                    |                        |                      |
| Flexibility        |                    |                        |                      |
| Scope              |                    |                        |                      |
| Lock-in            |                    |                        |                      |