

IT Capital Asset Fund (ITCAF) Concept of Operations

Background

Capital asset planning is a method of ensuring that the needed infrastructure assets (buildings, vehicles, support facilities, equipment) are in place to support an organization. It is considered a best practice in industry and has been adopted by the Federal government for major acquisitions. Capital assets are defined as land, structures, equipment, intellectual property (e.g., software), and IT that are used by the Federal government and have an estimated useful life of 2 years or more. The Information Technology Management Reform Act (ITMRA) of 1996, known as the Clinger-Cohen Act (CCA), directed agencies of the Federal government to use capital planning for the acquisition of major assets, those with a life cycle of 2 years or more. The Department has determined that capital asset planning, budgeting, and acquisition are required for all capital acquisitions with a system life value or total project cost of \$2 million or more or that are “highly visible, high risk, or of special importance.” In addition, the BLM Information Technology Investment Board (ITIB) may designate any information system project, regardless of cost, as meeting these criteria. Capital asset planning is a prerequisite to obtaining approval of funding for designated IT projects through the budget process.

Concept of Operation

A centrally managed fund will be established and designated as the Information Technology Capital Acquisition Fund (ITCAF). This Fund will consolidate all BLM IT technology and technology-related resources in one place. The technology funded from the ITCAF must be consistent with the BA, which defines key business processes, and mission requirements.

The ITCAF is designed to enable an orderly, predictable maintenance and refreshment of BLM’s IT. To accomplish this task without inordinate funding requirements in any single year, funds will be allocated, managed, and carried forward as needed (at both the Washington and the State/Center levels). When necessary, an exception will be sought to limitations that the Department of Interior (DOI) or Office of Management and Budget (OMB) would ordinarily place on end-of-year reserves.

This concept will enable BLM to have a planned and funded refreshment schedule for all IT within the Bureau. This will provide Bureau employees with modern technology on a routine and planned basis as the marketplace evolves. It will also allow the Bureau to make more efficient use of budget by centrally purchasing in greater quantities.

All IT hardware, commercial software, communication components, and custom-developed software will have a planned and funded date when they will be technologically refreshed. The details will be contained in the individual State/Center IT investment portfolio developed by the States and Centers and reviewed and approved by the ITIB.

Goals of the ITCAF

The goals of the ITCAF are as follows:

- Procure and refresh the Bureau's IT corporate infrastructure. This infrastructure consists of software and hardware commonly used by, or benefiting the work processes of the BLM workforce;
- Sustain the IT corporate infrastructure by providing contractor and other support for the items included in the IT corporate infrastructure. It will include Bureau-wide maintenance contracts, licenses, etc.;
- Provide funding for significant Bureau-wide IT applications as defined, approved, and funded by the ITIB and consistent with the Bureau Architecture (BA). These applications will be considered significant IT investments as defined by OMB. This part of the ITCAF will be phased in over the next 2 budget years and will be fully funded in FY 2003.

How the Fund Will Work

The BLM will request a separate fund activity in fiscal year (FY) 2003 and thereafter for the ITCAF. This request will allow full implementation of the ITCAF in FY 2003. In the interim, starting in FY 2001, the ITCAF will consist of two principal components; a centrally funded component, and a State/Center component.

Initially, the centrally funded component will consist of the corporate infrastructure. The corporate infrastructure is, and will be centrally funded and administered. This component will fund the acquisition and maintenance of specific hardware and software essential for connectivity among the States/Centers, commercial-off-the-shelf (COTS) software commonly used by the vast majority of the employees, and Bureau-wide systems approved by the ITIB.

The State/Center component will consist of hardware, software, and State-specific applications in an approved State/Center IT investment portfolio. The State/Center will request the funds for this component through the normal budget process. Acquisition of items within the portfolio is subject to approval by the CIO and/or the ITIB to ensure conformance with the BLM's IT architecture, interoperability, performance standards, and procurement requirements. This will ensure that maximum cost savings are achieved.

Upon approval, budget directives will be issued detailing how the funds are to be used. Execution of the budget directives will be monitored on a routine basis using Management Information System (MIS) and other tools.

Roles and Responsibilities

The CIO is responsible for all IT investments in the BLM. The ITIB makes funding recommendations for using the ITCAF to the Budget Strategy Team.

The IT Investment Management Group (IMG) will coordinate and manage the IT acquisitions to ensure that the BLM gets the best return on its investment. This group will manage the ITCAF. It will review all State/Center plans as well as the mid-year expenditures submitted by the State/Center. Any variances from planned execution submitted at mid-year will be reviewed by the IMG and recommended actions will be presented to the CIO. The CIO will brief the ITIB and present recommendations for any modification to State/Center IT acquisition plans. State/Center representatives will participate in any proposed changes to their IT acquisition plans.

The Systems Coordination Office (SCO) will provide advice to the IMG on conformance of proposed acquisitions with the BLM IT architecture and consultative services on best practices to the IT projects. The SCO will also advise the CIO on proposed new projects and major project enhancements.

The National IRM Center (NIRMC) will provide systems engineering and technical assistance, lead, and coordinate recommendations to the IMG on IT assets to ensure that the BLM has the best technology to meet its needs. It will serve as the system manager for all hardware, operating system software, and COTS software Bureau-wide. Systems Managers for all custom applications software are assigned to the respective Assistant Director/Program Office. The IRM Policy Group will provide overall policy and guidance to ensure conformance with statutory, regulatory, and administrative requirements.

The States/Centers are responsible for developing and maintaining their individual IT investment portfolios and their annual IT acquisition plans. They are also responsible and accountable for budgeting and execution of their annual IT acquisition plans. They will report the status of actual vs planned expenditures at mid-year. Any variance from planned expenditures must be explained and submitted to the IMG for review. Upon approval by the CIO/ITIB, the State/Center plans will be accordingly updated.

Inclusions and Exclusions in the ITCAF*

COMPONENT	FY 2000		FY 2001		FY 2002		FY2003	
	<u>ITCAF</u>	<u>Sub-Activity</u>	<u>ITCAF</u>	<u>Sub-Activity</u>	<u>ITCAF</u>	<u>Sub-Activity</u>	<u>ITCAF</u>	<u>Sub-Activity</u>
Office automation servers	X		X		X		X	
Email servers	X		X		X		X	
Wide-area network devices	X		X		X		X	
Video conferencing equipment (non-desktop)	X		X		X		X	
OA software	X		X		X		X	
Email software	X		X		X		X	
Database software	X		X		X		X	
Standard operating systems	X		X		X		X	
Help desk SW	X		X		X		X	
Enterprise management SW	X		X		X		X	
Network management SW	X		X		X		X	
Data dictionary/repository SW	X		X		X		X	
Bureau-wide IT application SW	X [†]		X		X		X	
Emulator SW	X		X		X		X	
Radios – handheld, mobile [‡] , & consoles		X		X [§]	X		X	
Desktop PCs		X		X [§]	X		X	
Laptop PCs [‡]		X		X [§]	X		X	
Wire & wireless telephones [‡] /switches		X		X [§]		X	X	
Programming/developer tools		X		X [§]	X		X	
Project management SW		X		X [§]	X		X	
Imaging software		X		X [§]	X		X	
Cartographic tools		X		X [§]		X	X	
GIS software		X		X [§]		X	X	
State-specific IT Application SW		X		X		X	X	

LEGEND

	Indicates components included in corporate infrastructure fund
	Indicates components funded by subactivities

*Inclusions and exclusions change depending on the fiscal year until full implementation of the ITCAF in FY 2003. By FY 2003, all IT assets and expenditures for the entire Bureau will be included in the ITCAF.

† The ITCAF includes only a partial portion of the Bureau-wide IT application SW in FY 2000.

‡ All handheld devices, such as these, are referred to as “un-tethered.”

§ FY 2001 is a transition year. It is the Bureau’s goal that all components marked by “§” be included in the ITCAF. During the execution of FY 2001, all available opportunities will be used to include these items in the ITCAF.

NOTE: The States’ needs for these items are currently being funded in the individual program budgets. However, this process will change based on the final BA implementation in FY 2003 and the establishment of an appropriated activity for IT.

How Funds Will be Distributed

In FY 2001, the corporate infrastructure portion of the IT CAF will be funded from \$9 million planned centrally funded dollars as well as moneys saved from IRM efficiencies in FY 2000. Out-year funding will be obtained as part of the normal budget-planning process.

The States/Centers will submit a 3-year IT investment portfolio to the CIO. The investment portfolio will detail a life cycle view showing replacement/refreshment by component. The replacement will be planned on or before the end of the component life. Annually, each State/Center will produce an IT acquisition plan detailing the plans for the next budget year. State/Center funding to support this IT acquisition plan will occur through the usual budgeting process. The CIO sits as an ex officio member of the Budget Strategy Team and provides counsel on the IT requirements. Each State/Center is responsible for planning and execution of funds. All acquisitions from the State/Center plan will be coded to the ITCAF Budget Object Class.

The IRM Investment Management Group, the NIRMC, and the States (through the State CIOs) will review the State/Center acquisition plans and make recommendations for approval to the CIO. The CIO will brief the ITIB on the BLM’s acquisition plans and funding needs for each year. Once approved, budget execution directions will be provided in the final budget package given to the States/Centers.

The Management Process for the ITCAF

The ITCAF will be managed according to the “Select, Control, and Evaluate” management concept outlined by the General Accounting Office and OMB. The process is as follows:

Select:

- New requirements or enhancements to existing requirements may be initiated by Programs, States, NIRMC, or the Bureau Architect and will be sent to the SCO. Requirements include proposed new Bureau-wide IT applications, enhancements to existing Bureau-wide IT applications, major equipment acquisitions, and maintenance needed for the corporate infrastructure.
- New requirements will be compared against the BA and the Bureau’s national IT technical configuration that is maintained by the Configuration Manager (CM) with the assistance of NIRMC (systems engineering).
- The SCO will provide a report to the CIO who will approve/disapprove the requirement.
- The ITCAF amount is agreed upon by the ELT as part of the budget strategy process. It will be managed under the direction of the BLM CIO in coordination with the BLM CFO.

Control:

- The State/Centers CIOs will manage the funds. The IMG will oversee all funds with the assistance of the IRM Policy Group, the System Coordination Office (SCO), and NIRMC.
- The IMG will review all projects for compliance with schedule, cost, and technical performance parameters identified in the project plan. A deviation in schedule or budget of greater than 5% will be reported to the ITIB along with a recommendation to remedy the deviation.
- The IRM Policy Group will be responsible for program reviews under their areas of expertise (security, data administration, records management, and IRM policy compliance).
- The National IRM Center will provide technical expertise to the projects and technical advice during the review process.

Evaluate:

- All projects and acquisitions will be reviewed at critical milestones and the results of those reviews will be made available to the Project Manager, the Project Sponsor, and to the CIO. The CIO will elevate if warranted.
- The IMG will provide the ITIB an annual report on the status of all funds and that report will feed the annual financial report produced by the CIO/CFO.
- Expenditures (including field expenditures) will also be evaluated at mid- and end-year as part of the budget review process.