FITARA

Federal Information Technology
Acquisition Reform Act (FITARA)

Common Baseline Implementation Plan & Self-Assessment

U.S. DEPARTMENT OF ENERGY

A Message from the Department of Energy

The Department of Energy (DOE) enhances national security and economic strength through transformative science, technology innovation, and market solutions to meet U.S. energy, nuclear security, and environmental challenges. Information resources, both information and the technology that supports its use, are critical to the Department's success. DOE's Research & Development (R&D) computing capabilities are world renowned. The Department played a critical role in the foundation of the Internet and has been a steward for some of the world's most powerful computers and fastest networks. This implementation plan is designed to optimize information resources and improve DOE's ability to deliver energy and security breakthroughs.

DOE's *Federal Information Technology Acquisition Reform Act (FITARA) Implementation Plan and Self-Assessment* lays the framework to advance the Department's mission. The development of this plan was a collaborative effort across the DOE Enterprise, led by the Chief Financial Officer (CFO), Chief Acquisition Officer (CAO), Chief Information Officer (CIO), and Chief Human Capital Officer (CHCO) with contribution from Departmental elements in science, national security, energy, and environment. DOE's mission is accomplished through strategic partnerships with academia, the private sector, and others with mutual interest.

DOE seeks to implement FITARA requirements[1] without introducing unnecessary delays or complications that could compromise the Department's ability to achieve its mission. To the greatest extent possible, the plan leverages existing processes, as well as management and acquisition structures within DOE, including the National Nuclear Security Administration (NNSA), to achieve FITARA goals.

OUR MISSION

To ensure America's security and prosperity by addressing its energy, environmental, and nuclear challenges through transformative science and technological solutions.

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[1] Title VIII, Subtitle D of the National Defense Authorization Act (NDAA) for Fiscal Year 2015, Pub. L. No. 113-291 and OMB M-15-14 Management and Oversight of Federal Information Technology

DOE's FITARA Implementation

FITARA establishes requirements and authorities for the acquisition, investment management, oversight, and governance of information and information technology (IT) in federal agencies. These requirements challenge federal agencies to ensure the Agency CIO has true oversight and decision-making authority over IT.

DOE is committed to ensuring that the CIO, while working closely with the Department's senior leadership, is significantly involved in IT-based budget, procurement, and workforce decision making. This Implementation Plan was developed and will be implemented through that process, including coordination through the DOE Cyber Council, chaired by the Deputy Secretary. In addition, the CIO reports directly to the Secretary for the purposes of carrying out responsibilities under *United States Code Title 44, Chapter 35, Subchapter I*, while reporting to the Under Secretary for Management and Performance for all other responsibilities.

Except to the extent required by applicable law, nothing within the *DOE FITARA Implementation Plan* will be construed to interfere with the NNSA Administrator's authority under *Section 3212(d) of Public Law 106-65* to establish Administration-specific policies, including managing NNSA programs and direction, budget formulation and guidance, resource requirements determination and allocation, and procurement policy, unless disapproved by the Secretary.

Energy Department's FITARA Implementation Plan Sections

- Budget Formulation & Planning

- Acquisition & Execution

- Organization & Workforce

- Governance

- Attachment A: Self-Assessment & Plan

- Attachment B: DOE'S Management & Operating Contracts

In general, the NNSA's Office of the Chief Information Officer (OCIO) works with the DOE OCIO in much the same way other major departmental elements do. The NNSA OCIO uses the philosophy that where the DOE CIO would normally be given approval authority, the NNSA OCIO will provide mechanisms to inform the DOE CIO so he/she has an opportunity to provide input on NNSA's IT acquisitions. The NNSA CIO participates in, or is a member of, many working groups and councils that DOE hosts: Cyber Council, Information Management Governance Board (IMGB), FITARA Implementing Framework Working Group, Capital Planning Investment Control (CPIC), etc.
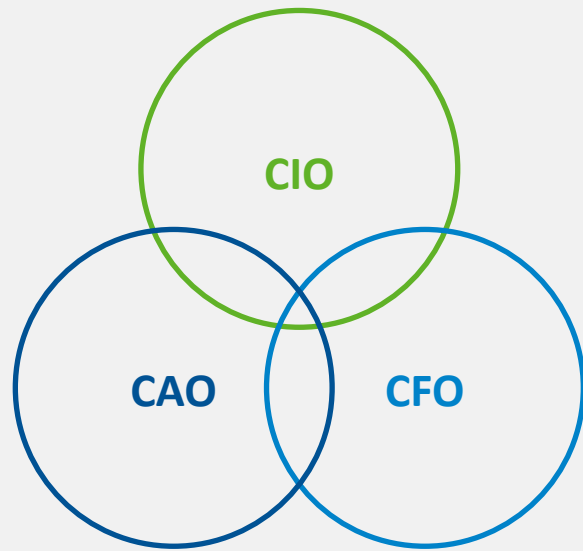
Budget Formulation & Planning

FITARA requires CIO participation in, and approval of, annual and multi-year budget requests related to IT. In accordance with FITARA and OMB guidance, DOE adjusted internal budget development procedures and guidance to ensure the CIO's involvement in all phases of annual and multi-year planning, programming, budgeting, and decision-making. Specifically:

- CIO will review and approve all program office IT budget requests (except for NNSA) prior to submission to CFO. The CFO will establish an internal schedule for each program office to provide CIO with IT budget requests. CIO will review all requests and provide comments to program offices following the internal budget planning schedule established by the CFO.

- In its budget request to CFO, each program office will confirm that its IT budget request has been reviewed and approved by CIO.

- For NNSA, on the Under Secretary's submission of the NNSA budget to the DOE CFO, the DOE CIO will have an opportunity to review NNSA's budget.

- Unresolved IT budget issues between any Under Secretary and CIO will be identified in the program office budget submission to CFO for inclusion in the issues for Secretarial review and decision prior to submission to OMB.

- For all budget requests (including those made by NNSA), the DOE CIO will evaluate and advise the Secretary on whether to continue, modify, or terminate any request, as per the authorities granted to the CIO under *40 U.S.C. 11315 (c)(2)*.

To institutionalize our approach, the DOE CIO is working collaboratively with the CFO and the CAO to develop agency-wide IT budget and obligations reporting standards and policies to ensure CIO visibility into IT budget formulation and decisions.

The annual CFO budget guidance memorandum will specify the level of detail required for CIO approval decisions. The CFO annual budget planning guidance will also serve as input for the DOE CPIC process. Through the CPIC governance structure, the CIO will be included in internal planning procedures that guide the Department's use of IT resources to achieve its mission. This enterprise-wide, distributed, shared risk management planning approach will ensure that the Department's best minds are contributing to meeting the nation's scientific, national security, energy, and environmental challenges.

Acquisition & Execution

FITARA requires that all IT contracts go through review by the CIO or a governance mechanism in which the CIO fully participates. To make the final approval process effective, DOE is working to re-engineer acquisition strategy processes to include the CIO or a CIO representative in acquisition and execution decisions.

The CAO, CFO, CIO, and Departmental elements will use an enterprise approach for the review and approval of IT acquisitions. This includes review and approval of acquisition plans, statements of work, and evaluation/selection criteria to expedite final CIO review and approval and ensure desired factors such as strategic planning, strategic sourcing, enterprise goals and licensing, and that mission needs are considered prior to spending on IT assets. In addition, the Department, based on collaborations among the CIO, CFO, CAO, and General Counsel (GC) will issue a memorandum regarding applicable contract actions requiring review and approval under FITARA.

Organization & Workforce

FITARA requires that the CIO "shall approve the appointment of any other employee with the title of CIO, or who functions in the capacity of a CIO, for any component organization within the covered agency." The CHCO and CIO are defining and implementing a process to increase CIO involvement in DOE's human capital selection practices, develop performance goals with results-driven critical elements for identified positions, and enhance the recruitment and retention of personnel.

This process enhancement will ensure:

- The list of Departmental element staff officials with the title and/or duties of CIO is regularly updated.

- CIO is involved in the development of Technical Qualifications for selection and position descriptions for staff with the duties of CIO.

- As appropriate, the CIO may designate a representative to participate on selection panels.

- Staff appointments with the duties of CIO are reviewed and approved by the DOE CIO.

- The CHCO, CFO, CAO, and CIO continue to work collaboratively to anticipate and respond to changing mission requirements that may impact human capital resources.

- DOE continues to measure employee development by using a weighted score of measures including the percentage of employees with completed individual development plans, hours of training completed, and the percentage of certified IT project managers.

- The Department recruits and retains appropriate information resources management and cyber talent. DOE will continue to measure the workforce's overall effectiveness, engagement, and satisfaction.

Governance

The DOE Cyber Council and the IMGB are the principal governance bodies that oversee FITARA implementation. The Cyber Council is the principal forum for collaboration and coordination of activities for implementing a diverse array of cyber and information resources management measures (to include information and IT) to support information sharing (mission enablement) and information safeguarding (mission assurance) across the extended DOE enterprise. All significant information management policy issues are vetted through the Cyber Council prior to decision by the Secretary and Deputy Secretary. The Deputy Secretary chairs the Cyber Council and the Secretary is an ex-officio member. The CIO is a key substantive member and serves as the Executive Secretariat for the Cyber Council. The CIO, as Executive Secretariat, is responsible for ensuring that issues brought before the Cyber Council are properly analyzed and prepared for decision and that Cyber Council decisions are documented and communicated across the DOE Enterprise. All significant policy issues regarding implementation of FITARA are reviewed by the Cyber Council.

The Cyber Council is supported by the IMGB and other sub-groups as appropriate. This established governance structure will provide analysis and recommendations regarding FITARA implementation issues that are within assigned areas of responsibility. The CIO-chaired IMGB is actively involved in FITARA implementation, serving appropriately as an Investment Review Board (IRB), and will escalate issues to the Cyber Council when required. The CIO maintains ongoing involvement with the Program Managers through these and various other governance groups to include applicable Communities of Practice, the Laboratory Operations Board, and other working groups, which provide technical insights to information and IT mission relevant initiatives.

The figure below illustrates the governance structure for the implementation of FITARA, drawing on existing structures and processes that will enable efficient and effective implementation. The Department has coordinated across enterprise information resources management and cyber, financial, acquisitions, procurement, and human capital established processes and will be updating existing policies to ensure early and full CIO involvement. This increased visibility and authority will result in enhanced transparency and oversight of information and IT investments at an enterprise level.
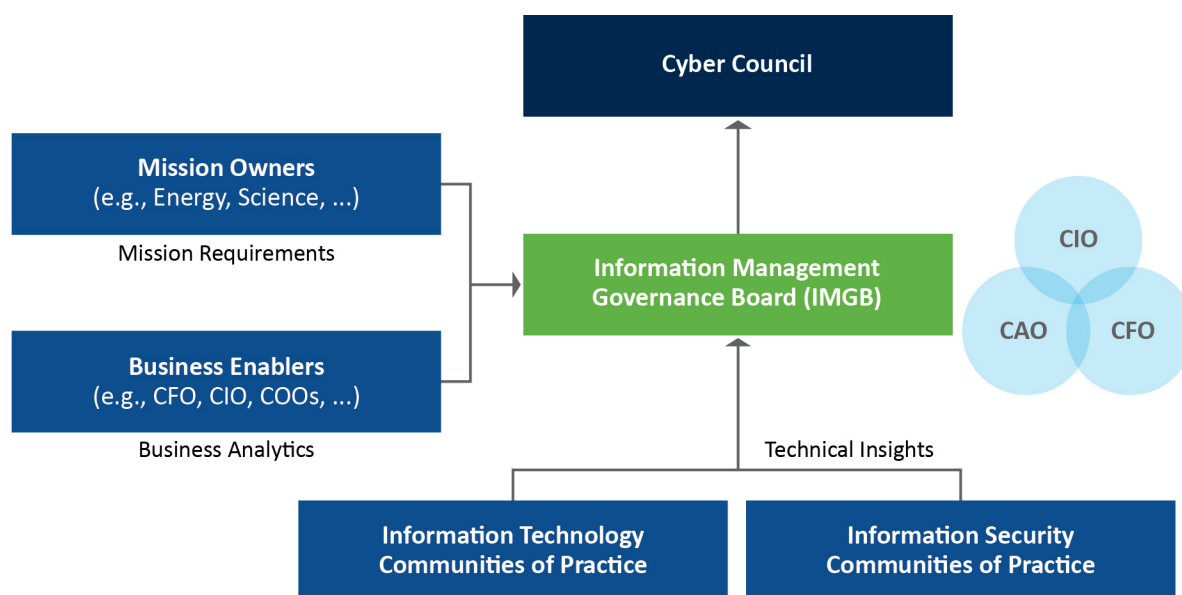
Attachment A: Self-Assessment & Plan

Budget Formulation & Planning

"The CIO has a significant role in the decision processes for all annual and multi-year planning, programming, budgeting, and execution decisions." (OMB)

RATING*	EXPLANATION OF RATING
A | 2	**A1. Visibility of IT Resource Plans/Decisions to CIO.**

The Department's annual budget guidance clearly describes and provides the level of detail required as the primary contribution to serve as input into the CPIC process. FY17 guidance memo was distributed on May 4, 2015.

ACTION PLANS

The Department has refined the Program Planning Budgeting and Execution (PPBE) process and instructions to include the CAO and CIO early in the initial decision processes to drive the decisions for annual and multi-year planning, programming and budgeting. (FY16 Q4)

A new annual budget guidance memorandum will be issued by the Secretary by the end of June 2016. NNSA is and will continue to integrate with DOE's PPBE and CPIC processes. (FY16 Q4)

RATING*	EXPLANATION OF RATING
B | 1	**B1. CIO role in pre-budget submission for programs that include IT and overall portfolio.**

The CFO, CAO, CIO and Departmental Elements have defined a process using a risk management approach for planning the overall portfolio of IT resources.

ACTION PLANS

DOE has refined its process to include the CFO, CAO, and CIO early in the initial planning of IT resources. Specifically, the CIO will review and approve program office budget requests before they are submitted to CFO, with a process for resolution with the Secretary of remaining issues. (FY16 Q4)

We will continue to re-evaluate the need for additional involvement to fully support FITARA. First-class participation across the Department's extended enterprise is expected to ensure the best minds are contributing to our nation's scientific, national security, and environmental challenges.

NNSA uses *Future Years Nuclear Security Plan* (FYNSP), which is NNSA's PPBE process that constitutes programming effort, including budget formulation and planning. The annual FYNSP guidance provides opportunity for the DOE CIO to give input. The FYNSP is where NNSA defines the level of detail of reporting and related review processes. (FY17 Q2)

EVIDENCE OF COMPLETION

On Under Secretary's submission of NNSA's budget to DOE CFO, the DOE CIO will have an additional opportunity to review NNSA's budget.

C | 1

C1. CIO role in planning program management.

The DOE CFO, CAO, and CIO have led the revision of the planning and procurement management processes to include the CIO.

ACTION PLANS

The CIO, CAO and CFO will develop additional guidance to enhance the role of the CIO in the early stages of the acquisition process through approval of statements of work and evaluation criteria for IT procurements. (FY16 Q4)

NNSA will invite the DOE CIO to participate in the NNSA Dash-1 Peer review of the program budget, which will include the appropriate budget-level descriptions of IT needs and budget requests. (FY17 Q3)

RATING*   EXPLANATION OF RATING

D | 2

D1. CIO reviews and approves the major IT investment portion of budget request.

The CIO certified that it approved the FY 2017 IT budget request to OMB.

ACTION PLANS

For all budget requests (including those made by NNSA), the CIO will evaluate and advise the Secretary on whether to continue, modify, or terminate any requests, as per the authorities granted the CIO under 40 U.S.C. 11315 (c)(2). (FY17 Q2 as part of DOE annual budget process)

OCIO has and continues to refine its CPIC process to ensure appropriate estimates of all IT resources are included in the budget request. The CFO annual budget guidance memorandum will be updated to further clarify the role of the CIO in reviewing and approving the budget. (FY16 Q4)

NNSA CIO will review and approve the NNSA major IT investments giving the DOE CIO an opportunity to review and provide input prior to the final decision. The IT investment is reported to DOE through the CPIC process. (FY16 Q4)

Acquisition & Execution

"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." (OMB)

RATING*　　**EXPLANATION OF RATING**

E | 3　　**E1. Ongoing CIO engagement with program managers.**

CIO maintains ongoing involvement with program managers through various governance groups to include Cyber Council, Laboratory Operations Board, Information Management Governance Board (IMGB), and other working groups providing technical insights.

EVIDENCE OF COMPLETION

The Department is maximizing use of current governance bodies. The CIO is a strategic member of the Cyber Council, which is the principal forum for coordination of cyber-related activities across the Department. The Cyber Council meets approximately every six weeks or as required by the Chair (Deputy Secretary) with membership including the Associate Deputy Secretary, Chief of Staff, Under Secretaries, and representatives from the National Labs and Power Marketing Administrations.

The CIO-chaired IMGB, within the governance framework approved by the Cyber Council, serves as the principal forum for coordinating information resources management activities and issues across DOE and for consideration of investment decisions by senior leadership. The IMGB is a collaborative, corporate forum ensuring overall management consideration for policy and investment decisions, for recommendation to the DOE Cyber Council.

The NNSA CIO participates as a member of both the IMGB and Cyber Council. Within the NNSA, the CIO is also a member of the NNSA Dash-1 and Dash-2 committees attended by all the program directors and their deputies. NNSA IT Requirements Oversight Council (ROC) will be expanded in scope to cover both programmatic IT as well as commodity IT.

RATING*　　**EXPLANATION OF RATING**

F | 1　　**F1. Visibility of IT planned expenditure reporting to the CIO.**

The Department is updating an agency-wide policy for reporting IT transactions.

ACTION PLANS

The annual budget guidance memorandum will specify agency-wide criteria for reporting IT planned expenditures. (FY16 Q3)

The NNSA has several policies managed by the NNSA budget office that detail the planning process for expenditures that includes IT. NNSA CIO will work with the CFO and CAO to update these policies to ensure they define the level of detail for planned expenditure reporting for all transactions that include IT resources. (FY17 Q1)

RATING*	EXPLANATION OF RATING
G | 2	**G1. CIO defines IT processes and policies.**

The Cyber Council and FITARA Implementation Framing Working Group are the main governance bodies focused on FITARA implementation. Under this governance structure, the Department continues quarterly IDC reporting on investments in the IT portfolio, per current instructions, and also includes results of agency-led TechStat sessions for underperforming investments and progress on PortfolioStat action items.

ACTION PLANS

DOE will utilize its Project Management Policies - Information Technology Project Management and use DOE Order 413.3B, Program and Project Management for the Acquisition of Capital Assets, (which include Project Management development processes, milestones, and review gates) along with the DOE Guide to IT Capital Planning and Investment Control—updated to include collection of performance metrics (to include cyber) and integration with related CFO data collection—to ensure that the CIO in collaboration with Departmental Elements effectively manage and apply sound project management to all IT investments. (FY16 Q4)

CIO review of IT acquisitions will be conducted through a tiered process. The largest projects will be reviewed by the Energy System Acquisition Advisory Board (ESAAB) on which the CIO participates as a full member. Small acquisitions will continue to follow their respective program office approval process, with the CIO or designee as a full participant, to include review through the IMGB. For all other acquisitions, the IMGB, with the CIO as chair, will convene as an Investment Review Board (IRB) to provide formal review and approval. DOE will establish life cycle cost thresholds for each level of review via memorandum. (FY16 Q4)

NNSA follows guidance provided in current DOE and NNSA polices that define development processes and capital planning and project management, and reporting for IT resource. NNSA OCIO will work with DOE CIO to update these policies as needed. (FY16 Q4)

RATING*	EXPLANATION OF RATING
H | 2	**H1. CIO role on program governance boards.**

The CIO is a member of established governance bodies, including Cyber Council and IMGB, to execute FITARA's requirements. The OCIO is restructuring the current governance model to use case evaluation, business value proposition, and financial analysis developed collaboratively between the CIO, CAO and CFO. These efforts are coordinated through a DOE enterprise-wide Cyber Strategy.

ACTION PLANS

NNSA CIO has an established governance board identified as the ROC in which the CIO participates, which will be expanded to make it an NNSA enterprise-wide review board, and will allow for DOE CIO to provide input into NNSA acquisition decisions. (FY17 Q1)

EVIDENCE OF COMPLETION

The CIO participates as a member of the ESAAB, as it relates to projects that contain IT. ESAAB's purpose is to assist in the decision-making process on critical decision (CD) milestones, baseline change proposals (BCPs), and site selections for Major System Projects.

RATING*

I | 2

EXPLANATION OF RATING

I1. Shared acquisition and procurement responsibilities.

DOE is leading and providing support with clear, concise, and actionable guidance. DOE's approach to traditional contracting focuses on strategically managing our internal control processes as an integral part of successfully achieving the acquisition function.

ACTION PLANS

Based on collaboration among the CIO, CFO, CAO, and GC, DOE will issue additional guidance on contract actions requiring IT-related review and approval. This policy is being developed in collaboration with the Department's Office of Acquisition Management. The Department will conduct internal checks and reviews to ensure compliance. (FY16 Q4)

The CAO will draft an Acquisition Letter (AL) that will require the use of existing Strategic Sourcing vehicles, including FSSI vehicles, or the submission of a "business case" when existing agreements are not used. The AL will reflect the implementation of the upcoming FAR Council rule. The AL, or similar appropriate document, will address other strategies that OFPP is developing around category management and the Government-wide Software Purchasing Program. (FY16 Q4)

Where appropriate, DOE will maximize opportunities for small business contracts as detailed in the *DOE P 547.1, Small Business First Policy*, issued December 14, 2012. (FY17 Q1 as part of DOE annual FITARA review)

CAO, in consultation with CIO, will ensure acquisitions are led by personnel with appropriate federal acquisition certifications (FACs). (FY17 Q1 as part of DOE annual FITARA review)

NNSA CIO will manage the acquisition reviews and approvals of IT assets by working with the Office of Financial Management (NA-MB-30) to update current acquisition review and approval structure to ensure DOE CIO participates in NNSA program reviews. (FY16 Q4) NNSA OCIO will participate in the monthly management council meetings established by NNSA Principal Deputy Administrator on upcoming reprogramming needs and status of packages in process. (FY16 Q4) NNSA OCIO will utilize DOE policies, procedures, and guidance where appropriate, and take advantage of strategic sourcing to the greatest extent possible. (FY16 Q4) For acquisitions that require involvement of the NNSA OCIO, the DOE CIO will be invited to review and provide input prior to the NNSA CIO disposition. (FY16 Q4)

EXPLANATION OF RATING

J | 3

J1. CIO role in recommending modification, termination, or pause of IT projects, or initiatives.

The CIO is a member of programmatic governance bodies that include IT resources (i.e., Cyber Council, IMGB, and ESAAB or equivalent). TechStats will be managed through the governance process. Charters and terms of reference documents are being amended to expand the membership role of the CIO.

EVIDENCE OF COMPLETION

The CIO has authority to investigate IT performance and make recommendations to the Secretary. This holds true for NNSA IT investments as well.

The CIO will audit (via TechStats and other processes) appropriate investments in the IT Portfolio. Departmental elements may initiate TechStats at any time, and will include the CIO as available.

EXPLANATION OF RATING

K | 2

K1. CIO review and approval of acquisition strategy and acquisition plan.

Review processes are integral to development of acquisition plans involving IT requirements. Including CIO in the requirements validation process ensures corporate agreement for strategy, planning, organizing, and quality of IT service, hardware, software, and system requirements. Acquisition of major IT investments will follow appropriate requirements of DOE O. 200.1, DOE O. 413B, DOE O. 415.1, DOE P. 547.1, and applicable Secretarial memoranda.

ACTION PLANS

As part of the FITARA implementation planning, Departmental elements will update their acquisition strategy processes to include the CIO or CIO representative in the review and approval of all acquisition plans. (FY16 Q4)

In order for the DOE CIO to review and approve contracts for IT in a manner that ensures a coordinated, transparent process, the Cyber Council identified the IMGB to develop an Enterprise approach that leverages existing acquisition processes to provide DOE CIO oversight into IT acquisitions. Under the Cyber Council's direction, IMGB will function as an IRB for the review and approval of contracts for IT. DOE CIO chairs the IMGB and will participate in the IRB. (FY16 Q4)

NNSA OCIO will coordinate with NA-APM to review and update a process to ensure acquisition plans that include IT are reviewed and approved by the NNSA OCIO with an opportunity for the DOE CIO to provide input prior to final disposition. (FY16 Q4)

RATING*	EXPLANATION OF RATING
L | 3	**L1. CIO approval of reprogramming.**

The CFO, CAO, and CIO have a clearly defined implementation process.

EVIDENCE OF COMPLETION

The CFO will continue to notify and obtain CIO concurrence for any reprogramming of IT funds that require Congressional notification. This will be memorialized in an internal memorandum. (FY16 Q4)

The NNSA OCIO will participate in the monthly management council meetings established by the NNSA Principal Deputy Administrator, on upcoming reprogramming needs and status of packages in process, and work with the CFO and the Director of PPBE to work out a process that allows the CIO to review and approve all IT reprogramming of funds.

Organization & Workforce

"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." (OMB)

RATING*	EXPLANATION OF RATING
M | 2	**M1. CIO approves bureau CIOs.**

The CIO and CHCO have defined a process for CIO involvement in recruitment and selection of any new bureau CIO (including bureau leadership with CIO duties, but not title).

ACTION PLANS

The CHCO, working collaboratively with CIO, has developed a memorandum that defines CIO involvement in the recruitment and selection process. (FY16 Q4)

CIO will be involved in the development of Technical Qualifications for selection and position descriptions for key bureau CIO positions. As appropriate, CIO will appoint an SES to the selection panel and/or to the interview panel for key bureau CIO positions who will meet with final candidate(s), and provide written recommendation(s) to the selecting official. (FY16 Q4)

CIO will provide input into the selection and ultimate approval of any future NNSA CIO assignments. (FY16 Q4)

If there is a gap between the departure of NNSA CIO and the hiring of a replacement, NNSA will assign an acting CIO to lead NNSA programs until a replacement is hired. (FY16 Q4)

RATING*	EXPLANATION OF RATING

N | 2

N1. CIO role in ongoing bureau CIO's evaluations.

The Department, in collaboration with HC, clearly defined a process to implement this action. Human Capital is a strategic member of the FITARA Implementation Framing Working Group, and is assisting with FITARA implementation.

ACTION PLANS

The CIO will provide input to the annual performance reviews of designated "key Federal bureau CIOs" (SES and non-SES). (FY16 Q4)

NNSA CIO will be evaluated similar to other key bureau CIOs. (FY17 Q1, as part of DOE annual FITARA review)

RATING*	EXPLANATION OF RATING

O | 2

O1. Bureau IT Leadership Directory.

In collaboration with HC, DOE identified all Federal bureau officials with the title or duties of a CIO. (Submitted to OMB in August 2015)

ACTION PLANS

DOE CHCO and CIO worked together to identify "key bureau CIOs" and have implemented a process for annual updates.

RATING*	EXPLANATION OF RATING

P | 2

P1. IT Workforce.

The CHCO and CIO are in the process of establishing dedicated IT and cyber knowledgeable HC professionals as part of the HC service centers in an effort to enhance recruitment of IT talent. The CIO will participate in the recruitment and retention processes.

ACTION PLANS

(a) CHCO and CIO are working collaboratively to develop recruitment announcements and participate in all phases of workforce retention to anticipate and respond to changing mission requirements which may impact human capital resources. (b) DOE will continue to measure employee development by using a weighted score of measures including the percentage of employees with completed individual development plans, hours of training completed, and the percentage of IT project managers. (c) DOE's efforts should improve employee satisfaction and enhance the recruitment and retention of IT talent. DOE will continue to measure its workforce's overall satisfaction and engagement to make adjustments where appropriate. (FY17 Q1 as part of DOE annual FITARA review)

Q | **3**   **Q1. CIO reports to Agency head (or Deputy/COO).**

The CIO reports directly to the Secretary for the purposes of carrying out responsibilities under United States Code Title 44, Chapter 35, Subchapter I, while reporting to the Under Secretary for Management and Performance for all other responsibilities.

EVIDENCE OF COMPLETION

This reporting structure is reflected in the Departmental memorandum on FITARA Implementation, in the CIO's position description, and on the official DOE organizational diagram.

The Secretary holds regularly scheduled meetings with the CIO, Deputy Secretary, Associate Deputy Secretary, and Under Secretary for Management and Performance regarding Departmental Elements that include IT. The CIO has the ability to request an "off-cycle" meeting at his discretion.

Furthermore, the DOE Secretary is an ex-officio member of the Cyber Council, chaired by the Deputy Secretary. The CIO is a key substantive member of the Cyber Council driving the Department's policies, issues, and actions. The DOE Cyber Council is the primary cyber-related governance body comprised of senior level officials across the DOE Enterprise.

*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 B: DOE's Management & Operating Contracts

The DOE enterprise implements 65 percent of its programs and budgets through Management and Operating (M&O) contracts. These include 17 National Laboratories that are established as Federally-funded Research and Development Centers (FFRDCs), four facilities management contracts, and one national security site. The M&O contract structure allows for wider discretion for "how" programs and projects are implemented, while retaining authority for the "what" and ultimate oversight and performance with federal managers.

DOE sets requirements for its M&O contractors through contracts and DOE Orders, which are then implemented through Contractor Requirements Documents (CRDs). DOE has a rich set of policies to guide M&O IT and Cybersecurity expectations for its M&Os. Policies include expectations on developing strategies and using enterprise architecture (200.1A), fully utilizing negotiated and bulk purchase agreements (200.1A, Procurement guidance), graded requirements for project management (413.3B), and requirements for managing government information, personally identifiable information, cybersecurity, and identity management (205.1B, 200.1A, 206.1, etc.). DOE currently manages M&O IT project investments through CRDs issued under Order 415.1.

Current policies and procedures are aimed at delivering the goal of "incremental development" set by OMB. For example, DOE has been making significant improvements to its procurement strategy over the past few years to ensure that M&O contractors make consistent and effective use of negotiated agreements. These changes include the negotiation of purchasing agreements and technologies to leverage these agreements that are being utilized across the M&Os under the strategic sourcing initiative. These efforts augment long standing use of M&O-led and Federal-led enterprise agreements designed to leverage the scale of DOE's operations wherever possible.

DOE currently evaluates the performance of M&O contract IT management through the annual Performance Evaluation and Measurement Plan (PEMP). For example, "Security and Emergency Management," which includes cybersecurity, is one of eight performance goals evaluated for each of the 10 National Laboratories overseen by the DOE Office of Science. The evaluation of the three National Laboratories overseen by the National Nuclear Security Administration (NNSA) has six performance objectives. Cybersecurity is one of the contributing factors in the evaluation of the "Operations and Infrastructure" performance objective.

There have been two recent Congressionally-mandated commissions, the Congressional Advisory Panel on the Governance of the Nuclear Security Enterprise ("Augustine-Mies Report"), and the Commission to Review the Effectiveness of the National Energy Laboratories ("CRENEL"), which made recommendations for significant reforms to DOE management of its M&O contracts. The CRENEL report notes that since the end of the Cold War, oversight by DOE has grown increasingly transactional rather than strategically mission-driven. DOE has submitted to Congress formal responses, including implementation plans, to these studies. The implementation actions will include an inaugural Annual State of the National Laboratories report to Congress, development of policies to enhance governance and a review of field authorities, enhancements to the annual Laboratory planning process and adoption of a new Departmental policy providing enterprise-wide guidance on a Contractor Assurance System (CAS).

DOE plans to incorporate strengthened requirements for IT acquisition and management into the ongoing implementation of Augustine-Mies and CRENEL recommendations. DOE will implement new requirements and processes through a strategic approach, with a focus on performance, rather than as process-oriented, transactional

requirements that otherwise may be better suited for direct federal IT management.

Major changes are being made to increase transparency of M&O IT investments across the DOE Enterprise. DOE changes in the oversight of M&O management of Departmental information and IT include:

- Strengthening the performance standards for IT acquisitions and management and giving greater attention to IT performance reviews as part of the annual DOE PEMP process. The Departmental Element CIO and DOE CIO will be integral to the PEMP process, providing increased transparency into the appraisal process. This will ensure high level subject matter informed review of the M&O's IT while incorporating it directly into the standard appraisal processes that determine award fee and contract extension.

- Upgrading the Annual Lab Planning Process and standardizing key elements across all of the National Laboratory M&O contracts. The Departmental Element CIO and DOE CIO will be integral to the Lab Planning Process. This will ensure subject matter expert and senior leadership review of how the M&O is using technology to achieve its mission support outcomes, at the same level as DOE reviews other mission objectives and mission support requirements.

- Including the DOE CIO on the Energy System Acquisition Advisory Board (ESAAB), the Secretarial-level review board for major system acquisitions in DOE. The scope of ESAAB reviews will be expanded to ensure coverage of the IT implications of non-IT projects as appropriate (e.g., ensure the data management and storage components of an Accelerator are appropriately planned and managed). This change will enable CIO expert input into the IT systems supporting major DOE facilities with IT implications at each Critical Decision stage of the project.

- Considering IT Strategy and Performance reviews as part of the acquisition process of all M&O contracts to ensure IT-related concerns are addressed.

- Refining the IT Portfolio reporting processes (Capital Planning and Investment Control (CPIC)) to capture relevant performance data (to include cyber), integrate related CFO data collection, and ensure applicability and visibility across the DOE Enterprise, to include the M&Os. This will provide the DOE CIO, DOE Element CIOs, and the broader DOE Enterprise transparency into M&O IT spending across both mission and support IT and in both major and non-major investments. The Department, to include the DOE CIO, will also identify appropriate IT investments for reporting as major IT business cases.