Department of Health and Human Services

Federal Information Technology Acquisition Reform Act

HHS Implementation Plan

September 2015

Contents

1.0   Introduction

The U.S. Department of Health and Human Services (HHS) is the U.S. Government's principal agency for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves. HHS has an annual operating budget of over $1 trillion, is responsible for almost a quarter of all federal outlays, and administers more grant dollars than all other federal agencies combined. The Department's programs are administered by diverse Operating Divisions and the Office of the Secretary Staff Divisions (collectively referred to in this document as Divisions).

Information technology (IT) is critical to our ability to enhance the health and well-being of Americans by providing for effective health and human services and by fostering sound, sustained advances in the sciences underlying medicine, public health, and social services. HHS spends approximately $5 billion annually on IT. Our agency has the second largest number of IT investments and the largest dollar investment in major IT systems in the Federal Government.

Given the importance of IT, HHS recently established a more cohesive framework for planning, acquiring, and overseeing its IT portfolio. This framework included new approaches that assured the delivery of results in the most cost effective way possible for the American taxpayer. While there has been much progress, there is much more we are doing to comply with the new Federal Information Technology Acquisition Reform Act (FITARA).[1] This plan provides an overview of our current position with regard to the new FITARA requirements, identifies the gaps or areas of opportunity for improvement, and highlights the key actions we are taking to comply with OMB's implementation guidance.[2]

HHS s path forward requires a broad range of changes which we are making over the next year. These include improved visibility and understanding of IT-related resources and investments and their relationship to mission priorities; clarifying and supporting the CIO and IT management authorities and accountabilities at all levels of leadership and management throughout the Department; implementing new policies and processes for managing IT resources from planning to execution; and strengthening the IT governance and oversight processes. The Department is confident that as we move forward, <u>we will improve our ability to plan for and deliver high-quality IT-related mission support on time, and within budget</u>. In addition, we expect the following outcomes:

- Better senior leadership understanding of and engagement in opportunities for improved investment, development, management, and oversight of IT resources.
- Better alignment of IT investments with the Department's mission and programmatic priorities from initial budget formulation through execution.
- Transparency, visibility, and enhanced engagement with the Department's IT portfolio by the CIO and those who are directly engaged in supporting FITARA execution.
- Improved accountability and involvement for everyone responsible for delivering critical IT investments and capabilities.

---

[1] Title VIII, Subtitle D of the National Defense Authorization Act (NDAA) for Fiscal Year 2015, Pub. L. No. 113-291.
[2] https://management.cio.gov/

- Greater adoption and integration of IT policies, including the Enterprise Performance Life Cycle and Capital Planning policy, will improve the Department's practices.

It is important to note that while the HHS responsibility for FITARA resides primarily with the Secretary and Department Chief Information Officer (CIO), the Department's leadership, at all levels, is committed to this plan and will be instrumental in assuring its successful execution. This leadership includes the Division directors and executive staff and critical senior leadership at the Department level (e.g., Deputy Secretary, Chief Financial Officer (CFO), Chief Acquisition Officer[3] (CAO), Chief Human Capital Officer (CHCO), et al.). We look forward to working with Congress and the Office of Management and Budget to share progress and lessons learned from these important endeavors.

2.0   Clear Accountability and Improved Governance

Operationally, HHS is structured into major business areas, with the Operating Divisions and Office of the Secretary and its Staff Divisions have the responsibility for accomplishing the HHS goals, objectives, and functions within their respective lines of business. The HHS CIO relies on a federated model for IT governance. The Divisions are responsible for IT governance within their respective organizations, for conformance with the Departmental policies, and for the appropriate alignment with mission priorities. For example, HHS CIO's Capital Planning and Investment Control Policy establishes the governance and management methodology for selecting, managing, and evaluating the performance of HHS IT investments and prescribes the roles and responsibilities for carrying out IT requirements. In addition, the Department established an IT governance framework to focus on improved planning and management of IT investments within its three IT domain areas: Administration and Management; Health and Human Services; and Scientific Research. Moving forward, HHS will implement changes to better align the Department's IT governance framework with FITARA and to assure we are using effective governance mechanisms, optimal policies and processes, and high quality information to drive the right critical leadership decisions at the Department and Division levels.

Clear Accountability and Lines of Authority (Vertical Departmental Alignment)

Specifically, the Department will establish new and clearer lines of authority and accountability throughout the governance processes. This will provide a comprehensive framework upon which HHS can perform budget formulation, execution, and evaluation activities. First, the Department will clarify vertical accountability and lines of authority (i.e., Department CIO-Division CIO-Program Manager) to ensure the HHS CIO has full accountability for the IT management while mitigating the risk of unintended negative implications on day-to-day program operations. HHS will accomplish this by using a new threshold methodology and appropriately delegating the Division CIOs with responsibilities for their IT resources and investments, while the HHS CIO retains overall accountability. HHS's Divisions have IT portfolios larger than many Cabinet-level Departments and, with delegated authority from the HHS CIO. Division CIOs are best able to execute the requirements of FITARA within their

---

[3] At HHS, the Chief Financial Officer and the Chief Acquisition Officer roles are embedded within the Assistant Secretary for Financial Resources.

diverse mission and operational environments. Upon OMB approval of this delegation, HHS will submit the CIO Assignment Plan.

At the Department-level, the HHS CIO will work closely with the CFO, CAO, Division leadership, Division CIOs, and governance structures to have visibility throughout the planning, programming, and budgeting processes to assure he/she has insight and understanding of the overall Departmental IT portfolio as well as prospective insight into major new programs and the enabling IT required. The primary responsibility and focus for the HHS CIO, CFO and CAO and governance groups will be the approval of IT budget, acquisitions (through acquisition strategy approval), and investment lifecycle for projects over $20 million annually or $100 million over five years[4] as well as selected critical investments within a limited number of special Department-wide interest areas (e.g., cybersecurity). This focus provides the HHS CIO the responsibility and accountability necessary for the high impact, high value IT investments, while allowing HHS program, policy, and operations leadership, including Division CIOs, to make the right decisions to best support the Agency's mission. Once funded, the Department CIO and CAO will be fully engaged in execution and oversight of major IT investments, through the use of newly required acquisition strategies, acquisition plans, and improved reporting to assure performance objectives are being achieved as planned. Given the size, scope, and complexity of its missions and operations, the HHS CIO will focus attention on the overall Department IT portfolio and the planning and execution of the 100+ investments that are considered major with delegation by the HHS CIO to Division CIOs for approval between $10-20 million. HHS IT major investments will still be defined as $10 million or more in a single fiscal year or five-year costs exceeding $50 million including operations and maintenance. All major and non-major investments will be reported through the Agency IT Investment Portfolio process.

In a similar fashion, Division CIOs will work closely with their Division CFO, CAO, Division leadership, and mission/program managers using governance processes aligned with their mission responsibilities throughout Division-level planning, execution, and evaluation processes. Consistent with HHS CIO policy, Divisions have governance processes that are closely aligned with mission responsibilities, funding appropriations, and programmatic structures. The Division CIOs, CFOs, and CAOs will approve through Division governance processes, developed in accordance with the requirements and guidance within the HHS FITARA Implementation Plan, IT budget, acquisitions (through acquisition strategy approval) and investment lifecycle for all projects under $20 million annually or under $100 million over five years. The Divisions will submit acquisition strategies and budget information for IT investments between $10 million and $20 million annually/$50 to $100 million over five years to the HHS CIO to maintain the transparency of such investments and to assist in identifying areas in which efficiencies may be found across Divisions.

In addition, Divisions are required to follow the HHS Enterprise Project Life Cycle (EPLC) policy, the Department's enterprise-wide, standard methodology for planning, managing, and overseeing IT project performance. These processes are in place to assure that the Division-level IT investments are selected based on their support of the Division mission requirements and operational needs; that selected investments meet approved cost, schedule, and performance

---

[4] The CIO and CFO will lead an effort to evaluate the threshold after a cycle of implementation.

milestones; and that the investments successfully achieve the specified benefits and outcomes throughout their lifecycle. Moving forward, the Divisions will document their governance and decision-making processes and submit to the HHS Deputy Secretary and HHS CIO as part of the delegation process. With authorities delegated by the HHS CIO, Division CIOs will focus attention on the overall Division IT portfolio, the planning and execution of Division-level major investments, and all other Division IT investments.

Clear Accountability and Lines of Authority (Horizontal Departmental Alignment)

HHS will also strengthen the governance structures and processes it currently has in place so that it can more readily identify and execute opportunities for more effective and efficient Departmental or Enterprise-level IT capabilities or resources (i.e., horizontal inter-Division and CIO-CFO-CAO alignment). Figure 1 highlights the key new roles and responsibilities for the CIO, CFO, and CAO at Department and Division levels to support FITARA implementation and delineates their critical authorities throughout the budget, acquisition, and IT management life cycle.

In conjunction with these new authorities, the Department will strengthen its current IT governance framework to assure that critical IT decision-making at Department, Division, and program/project levels is being made in a strategic and cohesive fashion. Figure 2 provides an overview of the overall framework. Significant Departmental mission decisions will be brought forward to the existing HHS Management Council. This Council is the Department's highest level management decision body. It is chaired by the Deputy Secretary and includes the Operating Division heads or Chief Operating Officers and the HHS Line of Business leads including the HHS CIO. HHS is updating the HHS Management Council Charter to include IT as a standing agenda item for the HHS Management Council. This formalizes, at the highest levels of HHS leadership, a process to bring together the HHS CIO and senior program leadership to deliberate on how to best support mission-critical programs, goals, and objectives through optimal IT support. This enhancement will enable the HHS CIO to provide his/her unique perspective about the Department's IT posture, plans, and opportunities with the highest level of senior leadership; provide the opportunity for the HHS CIO to inform and report on critical IT management matters and investments; and provide a forum for resolving critical Department-level IT management issues.

Figure 1. New CIO, CFO, and CAO Responsibilities and Authorities

Role	Budget	Acquisition	Life Cycle	Improvements
HHS CIO	Through HHS IT Steering Committees chaired by the HHS CIO and supported by HHS CIO Council, review concept of significant new IT investments proposed for budget for IT investments over $20 million annually/$100 million over 5 years. In conjunction with HHS CFO, annual approval of overall HHS IT portfolio and IT budgets for IT investments of over $20 million annually/$100 million over 5 years. IT investments between $10 million annually/$50 million over 5 years and $20 million annually/$100 million over 5 years are reported to the HHS CIO to ensure visibility.	In conjunction with HHS CAO, review and approve acquisition strategies for IT investments over $20 million annually/$100 million over 5 years. In conjunction with HHS CAO, review Acquisition Plans for contracts that significantly vary from an approved Acquisition Strategy for IT investments over $20 million annually/$100 million over 5 years.	Through HHS IT Steering Committees chaired by the HHS CIO and supported by HHS CIO Council, review proposed life cycle of new major IT investments with annual budget of over $20 million annually/$100 million over 5 years. HHS EPLC framework will be updated to reflect new requirements and used as Department-wide standard methodology for planning, managing, and assess IT performance.	Enhances the HHS CIO and the HHS IT Steering Committees' ability to: (1) have prospective insight into anticipated new significant IT initiatives over $20 million/$100 million over 5 years prior to the formal budget process to assure adequate review of opportunities for Department-wide efficiencies or economies of scale; (2) provide clear HHS leadership and accountability for all IT investments over $20 million annually/$100 million over 5 years; and (3) engage senior HHS leadership in decisions on how to best support the Agency's mission and highest priority goals through IT investment using formal, consistent processes. Formalizes and documents practice of information sharing within HHS.

Role	Budget	Acquisition	Life Cycle	Improvements
Division CIO	In conjunction with Division CFO and supported through Division governance processes, annual approval of Division IT budget. With delegation from the HHS CIO, Division CIO focus will be on overall Division IT portfolio, major IT investments of over $10 million/$50 million over 5 years, and all other Division investments. In conjunction with Division CFO, submit overall Division IT portfolio and all major IT investments over $20 million/$100 million over 5 years for approval by HHS CIO. Submit major IT investments over $10 million/$50 million over 5 years for HHS CIO and HHS CFO review on annual basis. Provide updates on all major IT investments on cost, schedule, performance, and risk to HHS CIO on monthly basis. Review high-priority IT investment issues and significant changes to major IT investments with HHS CIO as appropriate.	With delegation from the HHS CIO, and in conjunction with Division CAO, review and approve Acquisition Strategies for all major IT investments between $10 million and $20 million annually/$50 million to $100 million over 5 years. In conjunction with Division CAO, review Acquisition Plans for contracts that significantly vary from an approved Acquisition Strategy for major IT investments.	Through Division ELPCs, approve life cycle of IT investments. Integration of data reporting and analysis to inform budget, investment management and lifecycle to drive continuous improvement.	Formalizes an appropriate, clear and consistent delineation to Division leadership of their authority and oversight while creating a pathway for HHS CIO visibility. Increases transparency and discussions among leadership at Division and Agency level on how to best capitalize on IT investments. Creates new integrated approach to data analysis across funding streams, investments and acquisitions for improved holistic view and assessment of IT support of mission.
HHS CFO	In conjunction with HHS CIO, annual approval of IT budget for IT investments of over $20 million/$100 million over 5 years, and review for transparency IT investments between			Ensures review and certification of HHS IT budget request by HHS CIO and HHS CFO

Role	Budget	Acquisition	Life Cycle	Improvements
	$10 million and $20 million annually/$50 and $100 million over 5 years.			
Division CFO	In conjunction with Division CIO, annual approval of IT budget for IT investments. In conjunction with Division CIO, annually briefing HHS CIO and CFO on all major IT investments.	In conjunction with Division CIO, review and approve Acquisition Strategies for all major IT investments.	Through Division governance and ELPC processes, approve life cycle of IT investments. Integration of data reporting and analysis to inform budget, investment management and lifecycle to drive continuous improvement.	Formalizes an appropriate, clear and consistent delineation to Division leadership of CIO and CFO joint authority and oversight of IT budget. Creates new integrated approach to data analysis across funding stream, investment and acquisitions for improved holistic view and assessment of IT support of mission.
HHS CAO		In conjunction with HHS CIO, review and approve acquisition strategies for IT investments over $20 million annually/$100 million over 5 years. In conjunction with HHS CIO, review Acquisition Plans for contracts that significantly vary from an approved Acquisition Strategy for investments over $20 million annually/$100 million over 5 years.		Improved visibility throughout planning, programming, and budget processes through use of acquisition strategies, acquisition plans, and reporting processes.
Division CAO		In conjunction with Division CIO and CFO, review and approve Acquisition Strategies for all major IT investments over $10 million annually/$50 million over 5 years. In conjunction with Division CIO, review Acquisition Plans for contracts that	Through Division EPLCs, approve life cycle of IT investments. Integration of data reporting and analysis to inform budget, investment management and lifecycle to drive continuous improvement.	Creates new joint approvals of Acquisition Strategies for major IT investments within Divisions and review of significant changes to contract actions under those Strategies. Creates new integrated approach to data analysis across funding

Role	Budget	Acquisition	Life Cycle	Improvements
		significantly vary from an approved Acquisition Strategy for major IT investments.		streams, investments and acquisitions for improved holistic view and assessment of IT support of mission.

Currently, the most significant HHS-level IT governance bodies are the IT Steering Committees (ITSCs). Each Committee is focused on one of three core portfolios/domains: Administration and Management, Health and Human Services, and Scientific Research. Each Committee is chaired by the HHS CIO along with two co-chairs representing the programmatic aspects of the Domain. Through these ITSCs, whose roles will be strengthened by FITARA implementation, the HHS CIO is able to ensure effective use of HHS IT resources and eliminate redundant IT investments across these mission or mission-support domain areas. Under the leadership of the HHS CIO, the ITSCs are responsible for establishing Departmental IT strategies relevant to the domain area, identifying areas for inter-Division collaboration on IT initiatives, and reviewing major or Enterprise-wide IT investments, acquisitions, or projects. The ITSCs are composed of senior representatives from the Divisions including mission/business representatives as well as the Division CIOs to assure the appropriate programmatic focus.
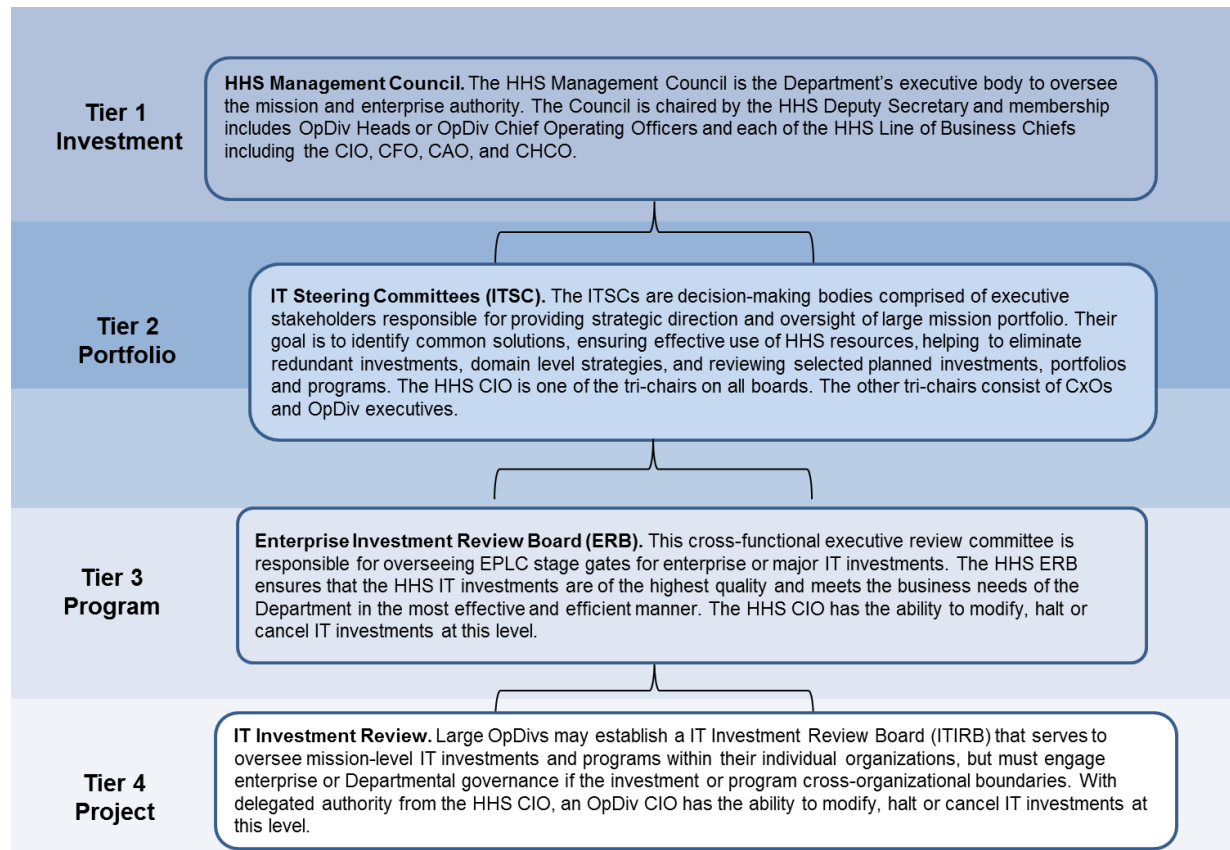
- The Administrative Management Domain (AMD) focuses on IT investments that support acquisitions, budget, facilities, finance, grants administration, human resources, and other administration and management functions, and includes cybersecurity and Departmental IT infrastructure.
- The Health and Human Services Domain (HHSD) focuses on IT investments that support access to care, quality health care, disease prevention, health promotion, reduction of health disparities, health administration, and federal programs that promote the economic and social well-being of families, children, individuals, and communities.
- The Scientific Research Domain (SRD) includes IT investments that directly support the common needs of the scientific research programs in basic, clinical, regulatory, or applied sciences at HHS.

The ITSCs are a relatively new improvement to the HHS IT governance framework. To date, these committees are effective in supporting the HHS CIO, improving visibility of HHS IT investments, identifying high priority opportunities for Department-level investment, and overseeing the progress and performance of approved investments. Moving forward, the ITSCs will be modified to review out-of-cycle investment requests, perform portfolio management, in addition to monitoring performance of investments within their respective domain. Using the Select Phase of the Capital Planning and Investment Control (CPIC) process, an ITSC review could be performed using a submitted CPIC portfolio business case. The business case must support a business need, contain a cost estimate and alternatives, and include a goal to develop and strengthen over time. Outside the budget process, IT investments over $20 million annually/$100 million over five years will be evaluated by ITSCs prior to HHS CIO approval.

In addition, HHS will require investment-specific Enterprise Investment Review Boards (EIRBs) for all major Enterprise-level IT investments (i.e., Department-wide investments such as the

HHS Human Resources System Modernization). These EIRBs will be required to report status, progress, and plans to the relevant ITSC.

Figure 2: HHS IT Governance Framework

Tier 1 Investment	**HHS Management Council.** The HHS Management Council is the Department's executive body to oversee the mission and enterprise authority. The Council is chaired by the HHS Deputy Secretary and membership includes OpDiv Heads or OpDiv Chief Operating Officers and each of the HHS Line of Business Chiefs including the CIO, CFO, CAO, and CHCO.
Tier 2 Portfolio	**IT Steering Committees (ITSC).** The ITSCs are decision-making bodies comprised of executive stakeholders responsible for providing strategic direction and oversight of large mission portfolio. Their goal is to identify common solutions, ensuring effective use of HHS resources, helping to eliminate redundant investments, domain level strategies, and reviewing selected planned investments, portfolios and programs. The HHS CIO is one of the tri-chairs on all boards. The other tri-chairs consist of CxOs and OpDiv executives.
Tier 3 Program	**Enterprise Investment Review Board (ERB).** This cross-functional executive review committee is responsible for overseeing EPLC stage gates for enterprise or major IT investments. The HHS ERB ensures that the HHS IT investments are of the highest quality and meets the business needs of the Department in the most effective and efficient manner. The HHS CIO has the ability to modify, halt or cancel IT investments at this level.
Tier 4 Project	**IT Investment Review.** Large OpDivs may establish a IT Investment Review Board (ITIRB) that serves to oversee mission-level IT investments and programs within their individual organizations, but must engage enterprise or Departmental governance if the investment or program cross-organizational boundaries. With delegated authority from the HHS CIO, an OpDiv CIO has the ability to modify, halt or cancel IT investments at this level.

HHS is also committed to strengthening the role and responsibilities of the long-standing HHS CIO Council, comprised of the HHS CIO and Division CIOs. The charter for this Council will be revised to focus its responsibilities on the execution of new FITARA responsibilities; to identify high priority opportunities for greater Department-wide efficiencies or economies in the areas of general IT infrastructure and cybersecurity; to support the HHS CIO in assessing the technical architectural and design for major Enterprise-level IT investments; and to advise leadership on relevant technology opportunities, evolving trends, and prospective capabilities to be considered as part of programmatic planning processes.

3.0   Comprehensive IT Policies

The HHS CIO, in concert with the relevant business partners, is responsible for defining Department IT policies and standards, including the processes, milestones, review gates, and overall policies for capital planning, enterprise architecture, project management, and IT reporting. Currently, the HHS CIO public web site provides access to more than thirty policies and standards. However, many of these policies and standards require updating to reflect new FITARA legislation, OMB policy, and more current HHS policy and procedures.

To ensure better alignment of the HHS IT policy with today's requirements and expectations, in FY2016, HHS will update all IT policies and distribute agency-wide. HHS's first priority will be to address the following critical policy requirements:

- Define new HHS IT Management policy to address new FITARA legislative requirements; clarify HHS CIO authorities, roles, and responsibilities; and reflect HHS planned approaches and processes, as reflected in this document.
- Update existing HHS Capital Planning and Investment Control policy to incorporate new requirements and authorities.
- Update existing HHS Enterprise Performance Life Cycle policy to incorporate new requirements, authorities, and processes.

4.0 Effective Management of IT … From Planning through Execution

HHS recognizes that IT investment planning and management is a dynamic and fluid process that occurs at multiple levels throughout the Department at any given time and throughout the IT lifecycle. IT investments are selected and continually monitored and evaluated to ensure that each approved IT investment effectively and efficiently supports the HHS mission and strategic goals as outlined in HHS' Strategic Plan. The HHS Strategic Plan, which includes input from the HHS CIO, provides a road map for the development of the HHS IT Investment Plan. HHS's IT management framework is focused on addressing the following key questions:

- Are we selecting the right IT investments to support mission needs?
- How are we ensuring that IT investments will deliver anticipated benefits on time and within budget?
- How do we determine whether operational IT investments continue to efficiently and cost-effectively support requirements and deliver benefits?

This implementation plan strengthens the Department's management processes for planning and budgeting, acquisition and execution. The full budget formulation process is illustrated in Appendix A.

4.1   Planning and Budgeting

The primary responsibility and focus for the HHS CIO, CFO, and CAO will be the approval, through a governance framework, of IT budget, acquisitions (through acquisition strategy approval) and investment lifecycle for projects over $20 million annually/$100 million over 5 years as well as selected critical investments within a limited number of special interest areas as determined by the HHS IT Steering Committees and HHS CIO Council (e.g., cyber security). This focus provides the HHS CIO with the responsibility and accountability necessary for the high impact, high value IT investments, while facilitating the appropriate reviews to take place among senior HHS program, policy, and operations leadership to enable the right decisions to best support the Agency's mission.

With delegated authority from the HHS CIO and developed in accordance with the requirements and guidance within the HHS FITARA Implementation Plan, the Division CIOs, CFOs, and

CAOs will approve through Division governance processes, IT budget, acquisitions (through acquisition strategy approval) and investment lifecycle for all projects under $20 million annually/$100 million over 5 years. The Division will report acquisition strategies and budget information for IT investments between $10 million and $20 million annually/$50 and $100 million over 5 years to HHS leadership to enhance the transparency of such investments and to assist in identifying areas in which efficiencies may be found across Divisions.

For the FY 2017 budget cycle, the HHS CIO and CFO worked together to implement an expanded internal budget formulation process to address the FITARA's integrated program and IT budget requirement. This work will be leveraged to incorporate the perspectives of program, IT (Division and HHS CIO), acquisition, and budget, in the formulation and subsequent execution of HHS budgets. Beginning with the FY 2017 budget cycle, HHS enhanced its processes by including specific reviews of the Division IT portfolio with a focus on major IT investments, areas of significant increase or decrease, requirements for new investments or modernization of operational investments to meet high priority mission or programmatic needs, and Division-specific areas of special consideration. This new process included full participation from the HHS CIO, CFO, CAO, CHCO, and other key Department leadership as well as the Division CIO and key Division leadership. These reviews resulted in more visibility and understanding of the Division mission/programmatic context and related IT investment priorities, and enabled the HHS CIO and CFO to identify potential high impact opportunities for improved management of Department-wide IT efforts.

HHS intends to build on this new process and will make further improvements as part of the FY2018 planning and budget formulation cycle, which will begin in early calendar year 2016. Each Division will hold internal reviews that will include the Division CIO as part of their IT budget formulation process. Starting in fiscal year FY2016, Divisions must incorporate the Division CIO within governance processes that include IT resources and capabilities. This is a new requirement under the plan. The Division needs to ensure that enterprise architecture and IT planning supports the development of a business approach for transforming to the desired future state, and drives the HHS priorities to investments that will achieve this.

In addition, the HHS CIO will leverage the expertise and experience of the IT Steering Committees as well as the HHS CIO Council to identify areas where efficiencies or economies can be achieved across Divisions or domain areas as part of early planning processes. As just initiated in response to FITARA in the FY 2017 budget formulation, the HHS CIO and CFO will continue to hold joint budget meetings with each Division to review and vet their IT needs with applicable stakeholder bodies for input. The HHS CIO and CFO will 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. In addition, the CIO will assert that he/she reviewed and approved the major IT investments' portion of the budget request at the various stages of development.

In cases where IT investments arise outside of the traditional budget formulation/CPIC process (e.g., because of the passage of new legislation), the Divisions will collaborate with the HHS CIO and CFO to ensure the proper review and approval prior to moving forward with a major IT

investment, consistent with established approval thresholds. Divisions will obtain approval through established governance processes and escalation will occur as necessary.

The HHS CIO will consult with the HHS CFO on the approval of reprogramming or movement of funds for IT resources that require Congressional notification. HHS has now modified existing procedures to ensure that the CIO is included in the clearance process for these packages.

This enhancement of the HHS budget formulation process will result in a review of major IT proposals and associated required resources at least 21 months in advance of acquisition execution. Conceptual approval at this point will allow the Divisions to continue the development of acquisition strategies for the programs to ensure robust planning for the program and continued collaboration and transparency between the Divisions and the HHS CIO and CFO.

OMB FITARA Common Baseline	HHS Self-Assessment	Improvements Planned
A1./A2. Visibility of IT resource plans/decisions to CIO - The CFO and CIO jointly shall define the level of detail with which IT related 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).	**Rating 2:** HHS's CFO has traditionally governed the overall planning, programming, and budgeting process with contributions from the CIO for IT-related spending and initiatives. Division CIOs, working closely with Division CFOs to formulate and review the IT budget for each Division, report to the HHS CIO and CFO on IT budget requests.	Beginning in the latter part of the FY 2017 budget formulation cycle and phasing in fully in FY 2018 budget cycle, the HHS CIO will collaborate with the HHS CFO and define the IT-related information required and the overall IT approach. This will build upon current processes in use to identify and report on IT spending represented in the IT Portfolio (in the former Exhibits 53 and 300). Beginning in the FY 2017 budget formulation cycle and phasing in fully in FY 2018 budget cycle, the HHS CIO and CFO will jointly approve the overall HHS IT budget and the IT budget for investments over $20 million annually/$100 million over 5 years. Building upon current processes in use for IT capital planning and investment control reporting, Division CIOs and CFOs will jointly review, approve and submit a Division IT Budget for submission to HHS consistent with the process and information requirements established by the HHS CIO and CFO.
B1./B2. CIO role in pre-budget submission for programs - that include IT and overall portfolio. The agency head shall ensure the agency-wide budget development process includes the CFO, CAO, and CIO and CIO guidelines are applied to the	**Rating 2:** HHS has a robust budget formulation process for IT and non-IT funding needs.	HHS will use the President's budget development process in conjunction with the existing IT capital planning process to ensure comprehensive identification of IT spending including programmatic IT and the associated justifications for the

OMB FITARA Common Baseline	HHS Self-Assessment	Improvements Planned
planning of all IT related resources during budget formulation.		budget amounts. The HHS CIO will leverage the recently established HHS IT Steering Committees and the HHS CIO Council to identify and review anticipated new IT investments over $20 million prior to formal budget formulation processes. This will better inform the HHS IT budget decision making and engage discussions earlier than current practice.
C1. **CIO role in planning program management** - 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 migrations	**Rating 2**: HHS is implementing a more comprehensive IT investment governance structure for oversight of IT investments. Investments are reviewed at various organizational levels (HHS, Division, local unit). Through the three IT Steering Committees (Health and Human Services, Scientific Research, and Administration and Management), the HHS CIO executes his/her role in planning program management for major and Department-wide IT investments. Additionally, HHS has implemented a standard methodology for planning, managing, and assessing the performance of IT investments (referred to as the HHS Enterprise Performance Life Cycle methodology or HHS EPLC). HHS has established Executive Review Boards, chaired by the HHS CIO, that conduct HHS-wide life cycle reviews and approvals using the established EPLC methodology. Divisions each have life cycle review processes that reflect the EPLC framework and requirements for investments under their purview and that are approved within the Division IT governance structure.	HHS will strengthen its recently established IT governance structure and enhance its management authority through development and implementation of **specific and clearly delineated roles and responsibilities of the HHS CIO and the Division CIOs**. The HHS CIO will focus on review and approval through the HHS governance structure of the overall HHS IT portfolio, for IT investments of over $20 million annually/$100 million over 5 years, and for specific Department-wide special initiatives (e.g., cybersecurity). Division CIOs with delegated authority from the HHS CIO will be responsible through Division IT governance processes for the review and approval of the Division IT portfolio, IT investments under $20 million, and for assuring transparency to HHS of investments over $10 million annually/$50 million over 5 years. The HHS IT Steering Committees, chaired by the CIO along with two co-chairs representing the programmatic aspects of the Domain, will develop and apply criteria to determine magnitude, importance, and risk of IT investments and assist the HHS CIO in assessing the health of the Agency's portfolio. These criteria will be applied in strategic assessments of the IT investments to allow for a more consistent and rigorous HHS review of investments.

OMB FITARA Common Baseline	HHS Self-Assessment	Improvements Planned
D1./D2. CIO approval of agency IT budget in submission to OMB. Agency OMB justifications shall include a statement that affirms "CIO has reviewed and approves the major IT investments' portion of this budget request." 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. The CIO and CFO shall jointly certify that the IT Portfolio (formerly Exhibit 53) includes appropriate estimates of all information technology resource portions of the budget request.	**Rating 2:** The HHS CIO has been involved in the instructions, guidance, development, and review of Division and HHS-level IT portfolios (formerly Exhibits 53 and 300).	Beginning with the FY 2017 President's budget formulation, the HHS CIO and CFO affirm to all three IT-related affirmations in the budget submission.
E2. Ongoing CIO engagement with program managers. 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 strategic plan.	**Rating 2**: HHS addresses the collaboration through a distributed approach using the network of Division CIOs and Division governance processes. Approaches include EPLC stage gate reviews, operational analyses, investment reviews, TechStat reviews, and others. Divisions actively engage program managers in adapting EPLC processes and metrics based on significance and complexity of IT investments and consistent with the Department's strategic mission and operational objectives. Metrics are primarily determined at the program/project level.	The HHS CIO will work with the CFO and CAO to provide enhanced focus on clear, compelling and meaningful performance metrics within IT investments to directly support the HHS mission. The HHS CIO will actively leverage the HHS CIO Council to define strategies and performance measures for Department-wide technology investments as well as the recently implemented IT Steering Committees for major investments within each of the cross-cutting domain areas. The HHS CIO will develop and provide guidance to Divisions on best practices in determining high quality performance metrics within the HHS EPLC framework. Division CIOs will develop within Division governance processes, enhanced coordination among program managers and CIO staff to support incorporation of metrics that support Division mission, goals and objectives.
L1./L2. CIO approval of reprogramming. The CIO must approve any movement of funds for IT resources that requires Congressional notification. The CIO must approve reprogramming prior to submission to OMB.	**Rating 2**: HHS CFO has modified the current reprogramming process to incorporate HHS CIO to review and approve IT reprogramming requests.	Prior to submission to OMB, the HHS CIO will approve any future movement of funds for IT resources that requires Congressional notification.

4.2   IT Acquisition

The Assistant Secretary for Financial Resources serves as the HHS CAO and, through the Office of Grants and Acquisition Policy and Accountability (OGAPA), provides management and oversight of the HHS acquisition life cycle, including establishing acquisition policy and acquisition workforce development. Acquisition authority is appropriately delegated throughout the Department to Division Heads and designated Heads of Contracting Activity (HCAs). HHS business processes and practices related to the acquisition life cycle ensure compliance with the Federal Acquisition Regulation (FAR) and the HHS Acquisition Regulation (HHSAR), which supplements the FAR. There are also complementary internal policies, guidance, processes, and procedures (e.g., directives for acquisition strategies and acquisition plans). Successful implementation of FITARA requirements mandates a close partnership between the HHS CIO and the HHS CAO at the Department-level, and similar working relationships between Division CIOs and Division HCAs at the Division-level.

HHS established new requirements for acquisition strategies and plans that involve IT and is moving forward proactively to implement these new processes. The acquisition strategy is established at the inception (concept phase) of an investment/acquisition to support the business case, identify and mitigate risks, and serve as the baseline for the acquisition plan. The acquisition strategy will describe the overall approach for acquiring IT capabilities needed to fulfill investment/programmatic objectives. Acquisition strategy development requires identification of issues and risks that might impact an acquisition(s) to allow early action to eliminate or mitigate the issues and risks. The acquisition strategy is a living document used throughout the investment's life cycle. A certified Program/Project Manager (P/PM), who meets the Federal Acquisition Certification (FAC) requirements appropriate to the scope of the investment, will be required to review the acquisition strategy at least annually and update as needed. The P/PM serves as the integrator, leading a multifunctional team (technical experts, budget, finance, contracting professionals, small business, legal counsel, et al.) as plans for the investment/acquisition mature. Acquisition strategies will occur at the IT investment level and will delineate each contract that the Division will execute in support of the investment.

To meet new FITARA requirements in a way that provides visibility and authority at the appropriate level of organizational oversight, HHS established thresholds for acquisition strategy review and approval. Specifically, for the most significant IT acquisitions, the HHS CIO and HHS CAO will be required to approve acquisition strategies for IT investments with an estimated total value greater than or equal to $20 million annually or $100 million over a five-year period. HHS estimates that the value of these acquisition strategies will provide visibility to the HHS CIO and HHS CAO for the majority of IT investments (based on cost). For many Divisions this would include up to 70% of IT investment spending.

For major IT investments between $10 million and $20 million annually or $50 million and $100 million over a five-year period, the Division CIO, with delegated authority from the HHS CIO, and Division Head (or designee such as the Division HCA) will approve the acquisition strategies. For strategies below this threshold, the Division may delegate approvals as determined by the Division CIO and the Division Head (or designee).

Figure 3: HHS Acquisition Threshold Approvals

Estimated Funding Per Year/Per Five Years	Approval Level
$20M+/$100M+	HHS CIO and CAO
$10M-$20M/$50M-$100M	Division CIO and Division Head (or designee)
<$10M/<$50M	Approval level determined by Division CIO and Division Head (or designee)

The approval of an acquisition strategy will serve as approval of individual procurements deriving from the acquisition strategy if the strategy does not change significantly, in terms of scope or dollars, from initial approval. As the acquisition strategies are approved in a manner consistent with these thresholds, acquisition plans documenting a plan of actions applying the FAR, HHSAR and other internal acquisition policies can be developed. Procurement actions that do not align with an approved acquisition strategy will need to be sent to the HHS CIO and CAO or Division CIO and HCA for individual approval. The acquisition strategy and the acquisition plan are living documents and may require changes throughout the acquisition life cycle; the Division will communicate these changes immediately to the HHS CIO and CAO.

As implementation of FITARA moves forward, the HHS CIO and CFO will evaluate the new threshold levels after a cycle of implementation and make changes as necessary. In addition, the HHS CIO and CAO will work collaboratively with the Divisions, including Division CIOs, to continue to enhance IT purchasing through category management and the use of strategic sourcing vehicles and Government-Wide Acquisition vehicles (e.g., GSA, NITAAC, and any other GWACs). In addition to having a Government-wide acquisition vehicle focused specifically on biomedical health IT and IT services, the HHS CIO has also established a new Vendor Management Office to establish enterprise-wide IT license agreements.

HHS also recognizes the importance of having a highly capable and IT-knowledgeable acquisition workforce. To address this need, HHS has had a robust program to train and certify contract officers (FAC-C) and contract officer representatives (FAC-COR) for many years. More recently, there has been a focus on building a cadre of certified level 1-3 P/PMs with the necessary training and experience to manage acquisition projects and portfolios of various sizes and complexity. While HHS has been implementing the FAC-P/PM strategy for several years and has a solid base of commercially certified project management professionals (PMPs), HHS will use a phased approach for full implementation because of the time required to complete all requirements and achieve certification. Additionally, HHS has been expanding the use of incremental development approaches (such as agile); this also will continue to be phased in and may not be appropriate for all projects or systems. Additional actions being undertaken by the HHS CIO and HHS CAO are described in a later section.

OMB FITARA Common Baseline	HHS Self-Assessment	Improvements Planned
F1/F2. Visibility of IT planned expenditure reporting to CIO. The CFO, CAO and CIO shall define agency-wide policy for the level with which IT resource levels are described.	**Rating 2**: The CIO, CFO and CAO have defined the agency-wide level of reporting and will review planned IT expenditures for those IT investments that are at least $20 million annually/$100 million over 5 years. Division CIO, CFO and	The HHS CIO will work with the HHS CFO, CAO, and Divisions to assess current IT expenditure reporting to determine critical FITARA data needs, how to best integrate the data, and how to improve the quality and utility to

OMB FITARA Common Baseline	HHS Self-Assessment	Improvements Planned
	CAOs will review all other levels of planned IT expenditures. Reporting for major IT investments will continue in the PMT for OMB reporting (53s and 300s).	better support visibility and accountability. The HHS CIO will also determine how to better integrate disparate data reporting and analytics from a variety of Department-level systems to better inform decision-making.
I1. Shared acquisition and procurement responsibilities. 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).	**Rating 2**: HHS CIO has established policies and procedures for reviewing cost estimates as a part of the business case review in the planning phase.	The HHS CIO will review the EPLC process to implement improvements in the cost estimation review process consistent with established thresholds, and incorporate as a part of the business case review in the planning phase. The HHS CIO will work with the Division CIOs to ensure validation that the acquisition strategy is included IT governance processes. The HHS CIO will modify IT management policy to require adequate incremental development principles in IT investments.
I2. Shared acquisition and procurement responsibilities. 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: • Led by personnel with appropriate FAC-PPM certification; • Reviewed for opportunities to leverage acquisition initiatives such as shared services, category management, including strategic sourcing, and use such approaches as appropriate; and • Supported by cost estimates that have been reviewed by the CIO and strategies that adequately implement incremental development.	**Rating 2**: HHS has had a robust program to train and certify contract officers (FAC-C) and contract officer representatives (FAC-COR) for many years. More recently, there has been a focus on building a cadre of certified level 1-3 P/PMs with the necessary training and experience to manage acquisition projects and portfolios of various sizes and complexity. HHS has been implementing the FAC-P/PM strategy for several years and has a solid base of commercially certified project management professionals (PMPs). The HHS CIO reviews cost estimates during budget formulation processes.	HHS CAO will use a phased approach for full implementation of all FAC P/PM level requirements and achieve certification. HHS is building internal capacity by developing staff to have the needed levels of experience and training as well as developing a strategic plan to enhance its ability to attract new hires with the expertise and experience required. HHS has been expanding the use of incremental development approaches (such as agile); this also will continue to be phased in and may not be appropriate for all projects or systems. Generally new projects with less definition on specific IT requirements up front work best for this approach; however, criteria for incremental development are being refined as the Agency gains experience with these approaches.

OMB FITARA Common Baseline	HHS Self-Assessment	Improvements Planned
K1. CIO review and approval of acquisition strategy and acquisition plan. Agencies shall not approve an acquisition strategy or acquisition plan (as described in FAR Part 7[1]) or inter-agency agreement (such as those used to support purchases through another agency) that includes IT without review and approval by the agency CIO. • Appropriateness of IT related portions of statement of needs or statement of work; • The CIO shall consider the following factors when reviewing acquisition strategies and acquisition plans: • Appropriateness of contract type for IT- related resources; Appropriateness of above with respect to the mission and business objectives supported by the IT strategic plan; and • CIO approval is not required for specific steps in the contracting process such as the evaluation of offers, including price reasonableness, the responsibility of sources, or selection of an awardee.	**Rating 2**: The HHS CAO has issued new policy requiring Departmental approval for acquisition strategies for all investments over $20 million annually/$100 million over 5 years. Consistent with this approach, the HHS CIO has begun collaboratively reviewing and approving acquisition strategies for IT investments with the HHS CAO.	HHS will implement this requirement based on the multi-tiered threshold approach described throughout this implementation plan. When the threshold for HHS review is triggered (at $20 million annually/$100 million over 5 years in IT), the HHS CIO and CAO will review and approve the acquisition in accordance with the criteria and considerations noted in this element of the common baseline. Specifically, they will focus on the appropriateness of IT support needed within the statements of work and contract type to best support the mission of business objectives. HHS estimates that the value of these acquisition strategies across HHS will allow the HHS CIO to account for approximately 70% of IT spending across the Department. Division CIOs with delegated authority from the HHS CIO and the Division Head (or designee such as the Division HCA) will approve acquisition strategies for major IT investments between $10 million and $20 million annually/$50 to $100 million over 5 years. For acquisition strategies approved at the Department level, Division CIOs and CAOs are expected to assure related acquisition plans and contracting actions are reasonable in price, responsible in sources, and follow an approved acquisition strategy. In these cases, additional approvals are not required.
K2. CAO is responsible for ensuring contract actions that contain IT are consistent with CIO-approved acquisition strategies and plans. The CAO shall indicate to the CIO which planned acquisition strategies and acquisition plans include IT resources. The CAO shall ensure the agency shall initiate no contract actions or inter-agency agreements that include IT unless they are	**Rating 2**: The HHS CAO has issued new policy requiring Departmental approval for acquisition strategies for all investments over $20 million annually/$100 million over 5 years and guidance specifying processes for acquisition strategies and acquisition plans. The HHS CAO is referring acquisition strategies and plans that include IT resources to the HHS CIO. Consistent with this	The HHS CAO will publish guidance to contracting officers regarding approval for processing and coding IT acquisitions to assure that contract actions containing IT are consistent with CIO approved acquisition strategies and plans, consistent with the thresholds identified in this implementation plan. The HHS CAO will continue to refer

OMB FITARA Common Baseline	HHS Self-Assessment	Improvements Planned
reviewed and approved by the CIO or are consistent with the acquisition strategy and acquisition plan previously approved by the CIO. Similar, process for contract modifications. 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.	approach, the HHS CIO has begun collaboratively reviewing and approving acquisition strategies for IT investments with the HHS CAO.	planned acquisition strategies and acquisition plans that include IT resources over $20 million annually/$100 million over 5 years to the HHS CIO. The CAO will prevent initiation of a contracting action, or a modification for substantial change to a contract, or inter-agency agreements that include IT over $20 million annually unless the CIO jointly agrees or they are consistent with the acquisition strategy previously approved by the HHS CIO. Similarly, the Division CAO will work collaboratively with the Division CIO to ensure these actions for IT investments under $20 million annually/$100 million over 5 years.

4.3   Execution

HHS has more than 100 Division and Department-wide IT investments that are considered major and hundreds of lesser value investments that are in various stages of execution at any time. To maximize the value of approved IT investments, the Department leverages the HHS Enterprise Performance Life Cycle (EPLC) framework as the Department's standard methodology for planning, managing, and oversight of IT project performance. This valuable project management process has been widely recognized as a standard and best practice in other federal agencies and has even been incorporated into international government entities. While recognizing the EPLC policy needs to be updated to reflect new FITARA requirements, it provides a consistent framework for ensuring the quality of HHS IT products through improved project management processes at Department and Division levels (See Appendix A for a diagram of the EPLC framework). Industry and government experience demonstrates that the quality of IT projects is directly proportional to the quality of the management processes used to acquire and operate the IT products those projects produce.

The EPLC framework identifies ten lifecycle phases that provide the flexibility needed to adequately manage risk while allowing for differences in project size, complexity, scope, duration, etc. Examples of flexibility include the ability (with IT governance approval) to tailor the framework where particular phases or deliverables may not apply, to aggregate phases and deliverables when appropriate, or to provide for conditional stage gate approvals that allow progress to a subsequent phase in a manner that identifies and controls for risk. The framework includes project reviews, exit criteria and stage gates to determine if the project is ready to move forward to the next phase. The EPLC framework also accommodates iterative and incremental development methodologies and will be updated to reflect new authorities for CIO participation, delegation, and decision-making.

The EPLC framework allows HHS to improve the quality of project planning and execution, reducing overall project risk. Reducing risk, in turn, increases HHS's ability to move IT projects that best meet business needs into the production environment more quickly and with established cost constraints. The framework also provides an effective vehicle for adopting and propagating best practices in IT management. Finally, the framework provides a solid foundation for project manager training and certification, and more effective IT planning.

In addition, a key component to implementing FITARA in an organization as large and diverse as HHS is transparency into ongoing IT investments throughout their lifecycle. By having transparency, the HHS CIO can work collaboratively with the Divisions and governance entities to identify areas that need additional management attention, or to identify areas of potential opportunity for efficiency and economies of scale. To achieve transparency, the HHS CIO will work with the HHS CFO, CAO, and Divisions to enhance the following data sharing processes:

Modify current data gathering mechanisms
- Monthly updates to business case data on public OMB IT Dashboard which provides detailed information about cost, schedule and technical performance and risk ratings for HHS major IT investments.
- Quarterly updates, or as major changes are made, to the Division Procurement Forecast
- Quarterly reports on IT through OMB/HHS OCIO Integrated Data Call.
- Quarterly FISMA reports on IT security.
- Quarterly updates to Division information for the OMB Agency IT Portfolio Summary, including acquisition strategy metadata.

Moving forward, HHS will be updating our CPIC and EPLC policies to improve overall program management practices. In addition, HHS will incorporate lessons learned from its risk management program to implement more consistent risk-based methodologies to identify programs' opportunities for improvement as early as possible. Examples of risk-based methodologies are:

- **Operational Analysis.** The HHS EPLC provides a standard approach for evaluating system performance and user satisfaction as well as assessing improvements that could be made by adoption of more modern technologies for systems that are in an operational status. The operational analysis can provide useful information to the HHS CIO or Division CIOs as they assess whether the IT project should continue, or be modified or terminated.
- **Investment Performance Reviews.** HHS's accountability and governance framework assures that there are rigorous and consistent approaches for assessing IT investment performance at the Department-level, within a specific IT Domain area, at Division-levels, and at program or project levels. For FITARA the Department has improved our strong program evaluation construct by implementing a standard methodology for evaluating IT investment performance. This new element measures both program value and risk to better assess program outcomes and IT investment performance. Our processes will perform ongoing risk management by providing insights and visibility of major IT program performance before a program becomes high-risk.

- **CIO Authority to Modify, Terminate, or Pause Troubled Investments.** Starting in FY 2015, if a review for a major system results in an assessment that it is "High Risk" for two consecutive quarters, the HHS or Division CIO will require that a TechStat review be conducted to identify actions that can be taken to reduce risk. If the program remains at high risk for four consecutive quarters, the HHS or Division CIO will require a risk mitigation plan and a formal program review through the ITSCs. If a program remains at high risk for eight consecutive quarters, funding will be withheld until the HHS or Division CIO and OMB have validated risk reduction. In cases where there is a disagreement with HHS CIO recommendations, the Division head may appeal through the HHS Deputy Secretary.

OMB FITARA Common Baseline	HHS Self-Assessment	Improvements Planned
E1. Ongoing CIO engagement with program managers. The CIO must establish and maintain a process to regularly engage with program managers to evaluate IT supporting each agency strategic objective, as well as policies to govern delegation of this and other authorities. It is 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.	**Rating 2**: HHS will continue to address this principle through a distributed approach using the network of HHS and Division CIOs based on the significance of each investment. Approaches include EPLC stage gate reviews, operational analyses, investment reviews, TechStat reviews, and others. The HHS CIO primarily will focus on HHS-wide initiatives.	The HHS CIO will review the existing stage gate review processes in the EPLC to implement changes for better program/IT engagement. Divisions will incorporate program centered processes into Division EPLC frameworks. Improved engagement with program managers will occur throughout the Department. The HHS CIO will focus on the Department's overall IT portfolio, major IT systems and Department-wide investments. Division CIOs will focus on the overall Division IT portfolio, Division major systems and lesser value investments. HHS IT Domain Committees include mission and programmatic executives to assure alignment with strategic and programmatic objectives. The HHS CIO Council members engage with program managers at the Department and Division level to address prospective and current opportunities for technology-centric or general IT infrastructure capabilities.
G1. CIO defines IT processes and policies. 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. These policies shall be posted publicly and shared with	**Rating 2:** The HHS CIO has published a well-established set of policies, instructions, and processes for capital planning, project management, and reporting. For example, the HHS EPLC approach to project management has been in place since 2008, and hundreds of projects follow the methodology each year.	The HHS CIO will review its landscape of policies and processes to ensure they comprehensively cover these topics and specifically indicate where exceptions may be appropriate and under what circumstances such as the use of incremental development approaches. The HHS CIO will focus on updating critical IT management policies, including CPIC and EPLC policies, to incorporate new FITARA

OMB FITARA Common Baseline	HHS Self-Assessment	Improvements Planned
OMB through the IDC.		requirements. The HHS CIO will also review all policies to ensure that they are current, are posted publicly, and shared with OMB. The HHS CIO will conduct a review of agile IT development practices and work with the Divisions to inform process improvements for the HHS EPLC methodology.
H1. CIO role on program governance boards. 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 (even "embedded IT"—see definitions), including bureau Investment Review Boards (IRB). The CIO shall notify OMB of all governance boards they are a member of and keep this up to date at least annually.	**Rating 2**: HHS will strengthen the enterprise governance model to provide clear delineation of authorities and accountabilities at all levels of the Department. The HHS CIO is the chair, a co-chair, or a member of relevant governance boards and will provide this information to OMB. HHS uses an enterprise governance model for IT investments over $20 million annually/$100 million over 5 years. Division CIOs chair or co-chair similar Division IRB governance structures built upon the HHS framework and have the authority to review and approve all other IT investments.	The HHS CIO will notify OMB of all governance boards he/she is a member of at the beginning of each fiscal year. Consistent with HHS CIO policy, Divisions have governance processes that are closely aligned with mission responsibilities, funding appropriations, and programmatic structures. In addition, Divisions are required to follow the HHS Enterprise Project Life Cycle policy, the Department's enterprise-wide, standard methodology for planning, managing, and overseeing IT project performance. These processes are in place to assure Division-level IT investments are selected based on their support of Division mission requirements and operational needs; that selected investments meet approved cost, schedule, and performance milestones; and, that they successfully achieve specified benefits and outcomes throughout their lifecycle. HHS Divisions will be required to document their governance and decision-making processes and submit to the HHS Deputy Secretary and HHS CIO as part of the delegation process. With authorities delegated by the HHS CIO, Division CIOs will focus attention on the overall Division IT portfolio, the planning and execution of Division major investments, and all other Division investments.
J1. CIO role in recommending modification, termination, or pause of IT. The CIO shall conduct	**Rating 2**: The HHS CIO has the ability to modify, terminate, or pause an IT program through TechStat	Continuing the use of TechStats for major IT investments, the HHS CIO has the authority to recommend to

OMB FITARA Common Baseline	HHS Self-Assessment	Improvements Planned
TechStat reviews or use other applicable performance measurements to evaluate IT activities of the agency. The CIO shall 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.	reviews. With the implementation of the FITARA plan, HHS will codify its process for TechStat as a means to obtain greater insight and make information decisions about projects that are not meeting their budget, milestone, and/or scope plans.	the Agency head or her designee the continuation, modification, pause, or termination of a reviewed acquisition, investment, or activity with significant IT component. The HHS Deputy Secretary will be engaged in the resolution, in the event the Division head or Division CIO disagrees with the HHS CIO recommendation.

5.0   A Strong and Effective IT Workforce

The HHS Office of the Chief Human Capital Officer (CHCO) creates and operates the HHS Human Resources (HR) programs, policies, and processes that support the mission of HHS and its Divisions. These activities include establishing a workforce strategy that facilitates continuous learning, employee development, and sound succession planning. The HHS CIO and HHS CHCO are working in partnership to develop a Department-level plan to address critical IT workforce needs and improve our ability to attract and retain world class IT talent to support the HHS mission. Elements of this plan are underway and we expect this plan to be completed in FY 2016.

Over the last year, the HHS CIO has been an active party in the recruitment of a Division CIO and HHS plans to continue this practice across all Divisions. The HHS CIO (or designee) will participate in new Division CIO recruitments and provide a recommendation to the Division head on the selection of the Division CIO. In addition, the HHS CIO will advise Division leadership on the relevant knowledge and skills necessary for the execution of Division CIO responsibilities. The Division Head and HHS CIO will agree on the selection of the Division CIO.

The HHS CIO will work with the CHCO to provide subject matter expertise for IT-related workforce requirements in conjunction with other business functions. For example, the HHS CIO is working closely with the HHS CAO to define key IT-related competencies and skills needed for the Department's acquisition workforce. The HHS CIO is currently working on efforts to develop competencies for critical workforce needs in cybersecurity and will be extending the lessons learned from this initiative for other areas of the IT workforce.

The HHS CIO and CHCO will work together to formally establish a new agency-wide critical element for all Division-level CIO performance plans and communicate this new requirement through a policy memorandum to be distributed to all Department and Division level leadership. In FY2016 and beyond, the HHS CIO shall submit mid-year and annual input to the PMAP to Division heads regarding the performance of the Division CIOs. The Division Head will consider the input from the HHS CIO when determining the initial summary rating and will discuss the input with the Division CIO during progress reviews. Performance input will be focused on progress and results related to Department-level IT initiatives through the process currently

known as the HHS CIO Work Plan. The CIO Work Plan is a scorecard with elements (e.g., OMB PortfolioStat initiatives) that are to be completed at the Department and Division levels. The work plan is updated yearly and HHS CIO ratings are provided on a quarterly basis.

HHS publicly posts the required Division IT Leadership Directory on the HHS CIO web site[5]. In the second phase of this effort, to be completed by December 31, 2015, the HHS CIO will include information about employees that hold the duties of a CIO but not the official title in their position description.

Promoting the right organizational construct for the HHS CIO leadership is critical to successful management and execution of IT. For FITARA-related responsibilities, the HHS CIO will now report directly to the HHS Deputy Secretary, who serves as the HHS Chief Operating Officer, and will continue to report to the HHS Assistant Secretary for Administration for administrative purposes. The HHS CIO attends Senior Leadership meetings chaired by the Secretary; meets regularly with the Deputy Secretary to review Department IT plans, status, and management issues or risks; and is a member of the HHS Management Council, which is chaired by the Deputy Secretary, and includes Department senior leadership and Division heads or Chief Operating Officers.

OMB FITARA Common Baseline	HHS Self-Assessment	Improvements Planned
M1. CIO approves new bureau CIOs. 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.)	**Rating 2**: HHS is implementing a process through which the HHS CIOs will be involved in the recruitment and approval process for Division CIOs. The HHS CIO (or designee) will participate in new Division CIO recruitments through membership on search panels and provide a recommendation to the Division head on the selection of the Division CIO.	The HHS CIO will be involved in the following recruitment activities for new Division CIOs: participation in the interview process, participation as a subject matter expert in reviewing candidates, and participation in the selection process. The Division Head and HHS CIO will agree on the selection of the Division CIO.
N1. CIO role in ongoing bureau CIOs' evaluations. The CHCO and CIO shall jointly establish an agency-wide critical element (or elements) included in all bureau CIOs' performance evaluations. The [agency] CIO shall be the rating official for at least this critical element(s) for all bureau CIOs. 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-	**Rating 2**: The HHS CIO currently provides input into Division CIO performance evaluations through the use of annual Division CIO Work Plans, which specify outcomes to be achieved by HHS and associated Division contributions in relation to HHS goals, Portfolio Stat requirements, and other IT program and performance expectations. The CIO Work Plan includes a description of each item and its purpose, the Divisions' role,	The HHS CIO and CHCO will work together to formally establish a new rating element for Division-level CIO performance plans and communicate this new requirement through a policy memorandum to be distributed to all Department and Division level leadership. In FY2016 and beyond, the HHS CIO shall submit mid-year and annual input to the PMAP to Division heads regarding the performance of the Division CIOs in relation to the specific element as

---

[5] The Bureau IT Leadership Directory is located at http://www.hhs.gov/web/governance/digital-strategy/index.html

OMB FITARA Common Baseline	HHS Self-Assessment	Improvements Planned
specific performance requirement" in the Executive Performance Plan. Each such agency may determine which critical element(s) (ECQs) contain these requirements. For agencies which 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. **N2. CIO role in ongoing bureau CIOs' evaluations**. The CHCO and CIO shall jointly establish an agency-wide critical element (or elements) for the evaluation of bureau CIOs.	outcome objective, measurement method, weighting factor if any, reporting frequency, and point of contact. The end-of-year assessment results in a final score of 0-100% for each Division CIO, which feeds into the CIO's critical element performance rating.	well as overall Division CIO performance. The Division Head will consider the input from the HHS CIO when determining the initial summary rating and will discuss the input with the Division CIO during progress reviews. HHS will continue its approach to establish annual CIO Work Plans. It has been in place as an option for three performance years, and will now be a requirement to be universally used across all HHS Divisions. The Division head or rating official (if other than the Division head) will determine the overall summary rating for Division-level CIOs.
O1. Bureau IT Leadership Directory. CIO and CHCO will conduct a survey of all bureau CIOs and CIO and CHCO will jointly submit to OMB a report identifying all bureau officials with title of CIO or duties of a CIO. The report will identify for each: · Employment type (e.g. GS, SES, SL, ST, etc.) · Type of appointment (e.g. career, appointed, etc.)· · Other responsibilities (e.g. full-time CIO or combination CIO/CFO) · Direct supervisor (e.g. bureau head, other official)	**Rating 2**: HHS published the leadership directory for Division CIOs on the HHS CIO web site. The HHS CIO is currently working with the HHS CHCO to identify the Department's officials with the duties of the CIO.	HHS publicly posts the required Division IT Leadership Directory on the HHS CIO web site. In the second phase of this effort, to be completed by December 31, 2015, the HHS CIO will include information about employees that hold the duties of a CIO but not the official title in their position description.
P1. IT Workforce. 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.	**Rating 2**: Led by the HHS CIO, HHS has an established effort involving all Divisions to develop an IT Community Workforce Development Plan to enable the Department to recruit and retain critical IT talent, maintain workforce skills, and better anticipate future mission requirements. Additionally, the HHS Acquisition Office operates the FAC-P/PM Board that governs the establishment of requirements to gain certification at levels 1-3 for IT procurements and reviews and approves the credentials of HHS staff applying for	The HHS CIO and CHCO will work collaboratively to review and refine competency requirements for IT staff and leadership. This will help the Agency better use IT workforce planning to ensure HHS is not only anticipating and responding to the mission, but also maintaining workforce skills through recruitment and skill development. In the important area of cybersecurity, the HHS CIO is working with HHS CHCO on establishing career ladder and competencies for three IT cybersecurity positions in FY 2015.

OMB FITARA Common Baseline	HHS Self-Assessment	Improvements Planned
	certification at any level.	This pilot will be expanded next year to incorporate other critical IT positions.
Q1. CIO reports to agency head (or deputy/COO). 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". 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 IT.	**Rating 2**: For FITARA-related responsibilities, the HHS CIO will now report directly to the HHS Deputy Secretary, who serves as the HHS Chief Operating Officer, and will continue to report to the HHS Assistant Secretary for Administration for administrative purposes. The HHS CIO attends Senior Leadership meetings chaired by the Secretary; meets regularly with the Deputy Secretary to review Department IT plans, status, and management issues or risks; and is a member of the HHS Management Council, which is chaired by the Deputy Secretary, and includes Department senior leadership and Division heads or Chief Operating Officers.	Changes in reporting relationships will strengthen access to Secretary, Deputy Secretary, and Departmental leadership.

5.0 Commitment to Continuous Improvement

As is clear by this implementation plan, HHS is committed to taking the necessary steps to improve the planning, management, and execution of IT resources needed to implement Department priorities in a cost effective, efficient, and high quality manner to best serve HHS's beneficiaries and American taxpayers. HHS leadership and staff representing all major mission areas, business functions, and operational activities have spent extensive time to perform a thorough assessment to determine best ways forward to meet the spirit and the letter of the new law. Although HHS has a number of critical governance processes in place, these processes will be strengthened, and in some cases, completely replaced with more agile and flexible processes. During this planning process, best practices and high quality processes were found within Divisions and at the Department level. HHS is capitalizing upon these best practices and processes to drive continued improvement.

This plan provides an overview of our current position with regard to new FITARA requirements, identifies the areas of opportunity for improvement, and highlights key actions we will take to comply with OMB's implementation guidance. In response to FITARA, HHS has already taken significant action to improve processes and close critical gaps in IT management. Critical examples of activities that are well underway (see Figure 4) are examples of HHS's

commitment to improved management of IT resources. We look forward to continued engagement with the Office of Management and Budget, Congress, and other Federal Departments as we gain experience and share best practices in this important management area.

Figure 4: Examples of Commitment to Continuous Improvement

Role	Baseline	Gaps	Current Changes	Future Improvement Plan
Budget	All Divisions submit IT budgets to HHS for review and approval in accordance with annual budget timelines.	Historically, informal discussion occurred within Divisions and at the HHS level across finance/budget, IT and program areas. However, the IT budget was formally reviewed separately by CIO and by CFO in different formats and potentially with different Division leadership. This was identified as a gap, creating potential for duplication, as well missed opportunities.	In FY17 budget formulation, HHS CFO, CIO and Assistant Secretary for Administration discussed the IT budget together with a combined team from each Division, including Division CIO, CFO, and program staff.	Formalize and document annual IT budget briefing from Divisions to HHS, linking budget submission information with PMT reporting to provide holistic view and discussion of IT budget to support mission needs. Share and incorporate best practices across Divisions in collaborative CFO/CIO budget formulation processes.
Acquisitions	All Divisions submit acquisition reports on all IT contracts awarded to HHS. Requirement for Acquisition Strategy for major IT investments and programs.	Contract action reports are often not linked directly to Investment management reporting and oversight. They may be viewed as specific to acquisitions/contracts oversight and did not necessarily directly inform IT budget and investment processes. Acquisition Strategies for IT investments over $20 million were not consistently reviewed and approved by both the HHS CIO and CAO collaboratively.	HHS and Divisions are reviewing data elements available from various area reporting mechanisms to determine critical FITARA data needs, how to best integrate the data across Divisions and operating foci, and use data to support transparency and accountability. Assessments of potential integration methods and techniques are underway. Finalizing HHS CIO/CAO collaborative Acquisition Strategy review process for IT investments over $20 million.	Share and incorporate best practices across Divisions. HHS will integrate disparate data reporting and analysis from a variety of separate systems to better inform investment decisions. Formalize collaborative CIO/CAO IT investment approval processes for IT investments over $20 million annually.

Role	Baseline	Gaps	Current Changes	
			CIO and CAO bringing together Division and program leadership to have comprehensive and critical discussions for IT investments over $20 million.	
Life Cycle	HHS has an established Enterprise Performance Life Cycle (EPLC) with required specified artifacts and division level delegation.	Best practices incorporation across Divisions would likely enhance overall quality throughout HHS. Information within artifacts does not uniformly inform the entire life cycle process. Enhanced integration of data and lessons learned would support decision making for IT budget and IT investment management.	HHS Divisions are assessing potential process improvements of the life cycle to better incorporate and link budget, IT investment oversight, and an acquisition planning/awards data within the process. Developing clear delegation guidelines for who is accountable and responsible for what investments across stages.	Evaluate Division best practices to support further EPLC process development in context of FITARA. HHS will conduct a review/evaluation of Agile IT development, working with Divisions to support pilots of agile processes to inform process improvement for the HHS EPLC.
IT Investment Reporting And Oversight	All Divisions report major IT investments in the PMT (OMB Agency IT Portfolio Summary and Major IT Business Case). HHS performs required TechStats on high risk investments.	Best practices incorporation across Divisions would likely enhance overall quality throughout HHS. Enhanced integration of major IT investment (PMT) data with budget data to support decision making for IT budget, IT investment management, and the IT life cycle.	HHS is working collaboratively with Divisions to identify critical data from the PMT with budget data to support FITARA and best inform IT investment value decisions. Review of HHS TechStat lessons learned to provide best practices for Divisions to improve IT investments as well as the EPLC.	Develop and implement consistent approach to data analysis from existing reports to best use information from across funding streams, investments and acquisitions for improved holistic view and assessment of IT support of mission. Enhanced and formalized feedback loops from Investment reporting and oversight into EPLC and budget processes and decisions.
IT Cadres/ HR	HHS employs a specialized workforce to support IT investment needs.	Divisions need more certified FAC P/PMs to handle a growing number of complex IT investments.	Sharing best practices across Divisions for hiring, training, and staff development.	Strategic HHS plan developed in conjunction with Divisions to develop and maintain cadre of

Role	Baseline	Gaps	Current Changes	Future Improvement Plan
		No overall HHS comprehensive strategic plan for attracting and retaining highly skilled IT workforce in a highly competitive environment.	Centralized HHS FAC P/PM training resources contract awarded to support Division efforts in training and certification.	IT professionals through use of designated hiring pathways, continuous training and certification programs, and succession planning.

Appendix A: HHS Budget Formulation Process
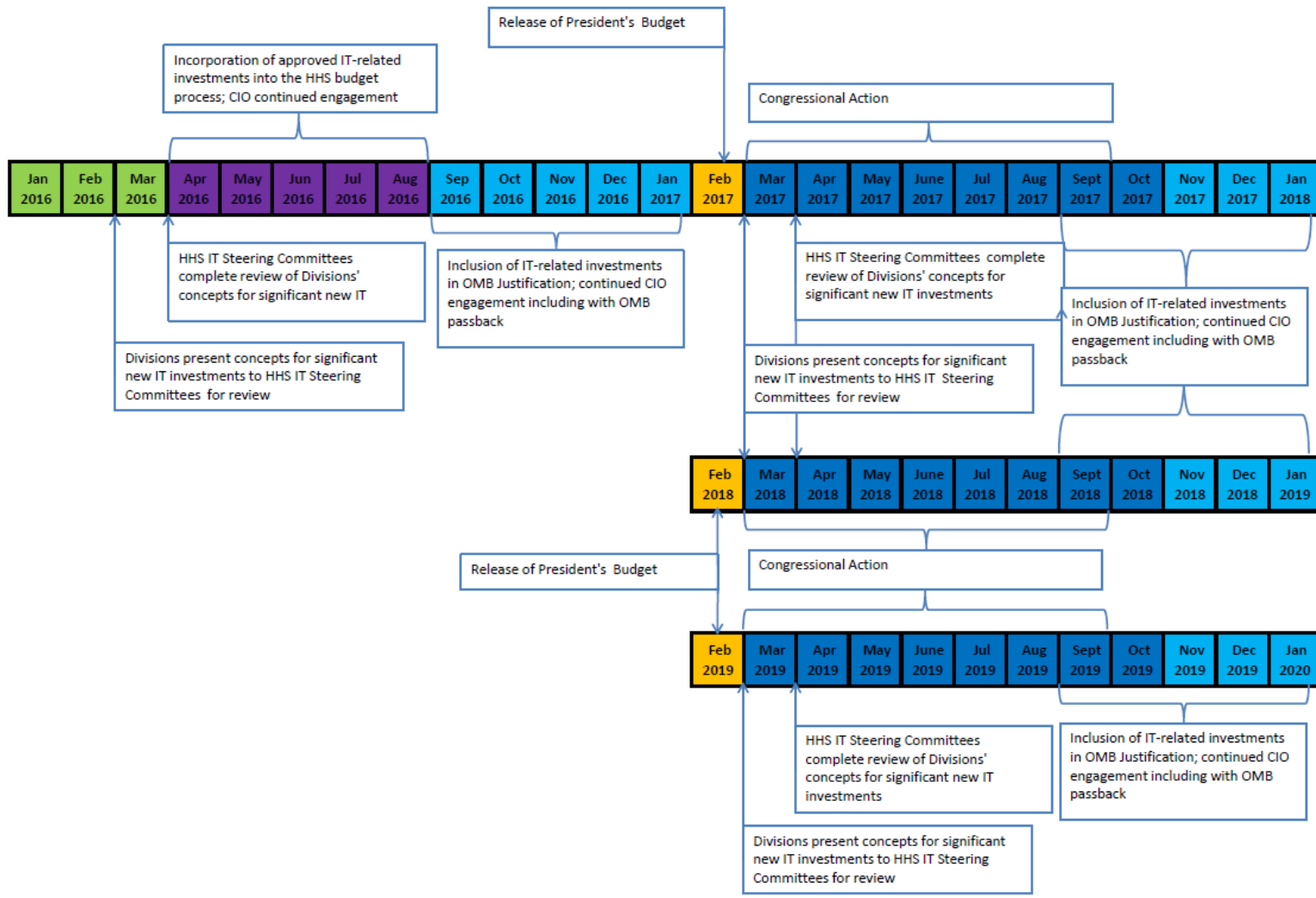
Appendix B: Enterprise Performance Life Cycle (EPLC) Framework