U.S. DEPARTMENT OF COMMERCE

DEPARTMENTAL MANAGEMENT

FY 2015 CONGRESSIONAL SUBMISSION

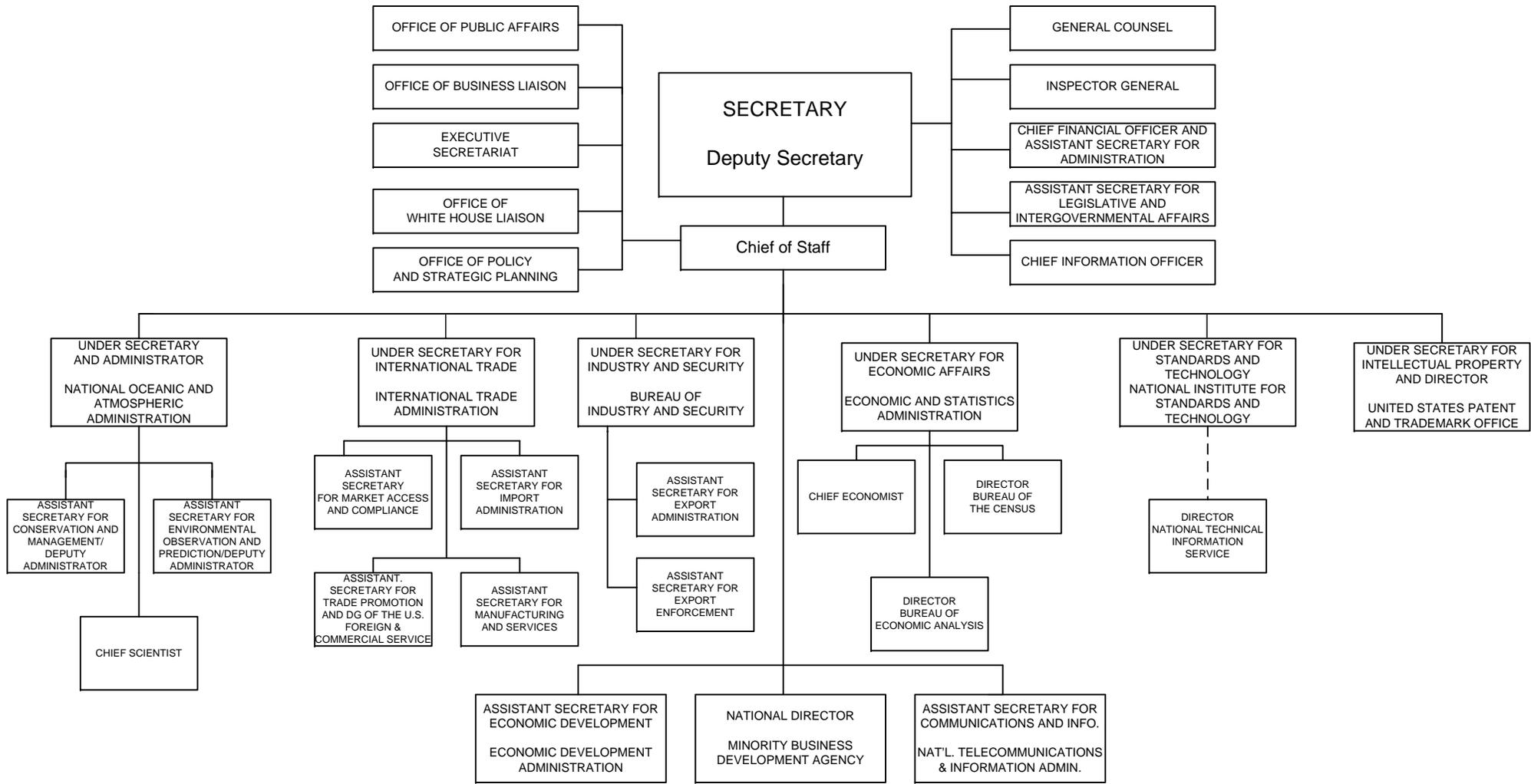Department of Commerce
Departmental Management
Budget Estimates, Fiscal Year 2015
Congressional Submission

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U.S. DEPARTMENT OF COMMERCE

SECRETARY

Deputy Secretary

Chief of Staff

Left staff offices:
- OFFICE OF PUBLIC AFFAIRS
- OFFICE OF BUSINESS LIAISON
- EXECUTIVE SECRETARIAT
- OFFICE OF WHITE HOUSE LIAISON
- OFFICE OF POLICY AND STRATEGIC PLANNING

Right staff offices:
- GENERAL COUNSEL
- INSPECTOR GENERAL
- CHIEF FINANCIAL OFFICER AND ASSISTANT SECRETARY FOR ADMINISTRATION
- ASSISTANT SECRETARY FOR LEGISLATIVE AND INTERGOVERNMENTAL AFFAIRS
- CHIEF INFORMATION OFFICER

UNDER SECRETARY AND ADMINISTRATOR — NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
- ASSISTANT SECRETARY FOR CONSERVATION AND MANAGEMENT/ DEPUTY ADMINISTRATOR
- ASSISTANT SECRETARY FOR ENVIRONMENTAL OBSERVATION AND PREDICTION/DEPUTY ADMINISTRATOR
- CHIEF SCIENTIST

UNDER SECRETARY FOR INTERNATIONAL TRADE — INTERNATIONAL TRADE ADMINISTRATION
- ASSISTANT SECRETARY FOR MARKET ACCESS AND COMPLIANCE
- ASSISTANT SECRETARY FOR IMPORT ADMINISTRATION
- ASSISTANT. SECRETARY FOR TRADE PROMOTION AND DG OF THE U.S. FOREIGN & COMMERCIAL SERVICE
- ASSISTANT SECRETARY FOR MANUFACTURING AND SERVICES

UNDER SECRETARY FOR INDUSTRY AND SECURITY — BUREAU OF INDUSTRY AND SECURITY
- ASSISTANT SECRETARY FOR EXPORT ADMINISTRATION
- ASSISTANT SECRETARY FOR EXPORT ENFORCEMENT

UNDER SECRETARY FOR ECONOMIC AFFAIRS — ECONOMIC AND STATISTICS ADMINISTRATION
- CHIEF ECONOMIST
- DIRECTOR BUREAU OF THE CENSUS
- DIRECTOR BUREAU OF ECONOMIC ANALYSIS

UNDER SECRETARY FOR STANDARDS AND TECHNOLOGY — NATIONAL INSTITUTE FOR STANDARDS AND TECHNOLOGY
- DIRECTOR NATIONAL TECHNICAL INFORMATION SERVICE

UNDER SECRETARY FOR INTELLECTUAL PROPERTY AND DIRECTOR — UNITED STATES PATENT AND TRADEMARK OFFICE

Bottom boxes:
- ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT — ECONOMIC DEVELOPMENT ADMINISTRATION
- NATIONAL DIRECTOR — MINORITY BUSINESS DEVELOPMENT AGENCY
- ASSISTANT SECRETARY FOR COMMUNICATIONS AND INFO. — NAT'L. TELECOMMUNICATIONS & INFORMATION ADMIN.

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Department of Commerce
Departmental Management

Executive Summary

The Department of Commerce's mission is to promote job creation, economic growth, sustainable development, and improved living standards for all Americans by working in partnership with businesses, universities, communities and workers to: 1) Build for the future and promote U. S. competitiveness in the global marketplace, by strengthening and safeguarding the Nation's economic infrastructure; 2) Keep America competitive with cutting-edge science and technology and an unrivaled information base; and 3) Provide effective management and stewardship of our Nation's resources and assets to ensure sustainable economic opportunities. Commerce's business and industry-related programs can help realize the priority goals of the President in the areas of trade, technology, telecommunications networks and infrastructure, environmental infrastructure, economic development, and minority business.

Departmental Management's (DM) objective is to develop and provide policies and procedures for administrative planning, oversight, coordination, direction, and guidance to ensure implementation of the Department's mission.

Departmental Management is comprised of the following:

- The **Salaries and Expenses** appropriation provides funding for two program activities; Executive Direction and Departmental Staff Services. Executive Direction funds the development and implementation of Departmental policies and coordinates the Bureaus' program activities to accomplish the Departmental mission. Departmental Staff Services funds the development and implementation of the Department's internal policies, procedures, and other administrative guidelines.

- The **Working Capital Fund** is a reimbursable fund, providing necessary centralized services to the client Bureaus. These services fall under two program activities; Executive Direction and Departmental Staff Services. Executive Direction funds the General Counsel, the Chief Information Officer, and Public Affairs. The Departmental Staff Services funds the Security Office, Human Resource Management, Civil Rights, Financial Management, Facilities and Environmental Quality, Acquisition Management, Office of Privacy and Open Government, and the Office of Program Evaluation and Risk Management. For FY 2015, the WCF plans to provide centralized services supporting: Strategic Sourcing, Risk Management Information System, Learning Management System, Managed Trusted Internet Protocol Service, Enterprise Application System, Environmental Compliance and Reporting System, Environmental Management System and an Audit Management System. In addition, the Department continues to request funding for the Business Application Solution, a Department-wide project that is critical to the mission of the Department and operates this initiative through the Working Capital Fund. The Business Application Solutions program requests funding to continue the implementation of systems modernization improvements started in FY 2014. The investment is needed to address significant system and operational inefficiencies and redundancies across the Department, and resolve a lack of sufficient departmental managerial reporting capabilities. Planned activities for FY 2015 include activities necessary to continue Phase I Implementation Activities that were started in FY 2014. These activities include finalizing the data model, gap analysis and remediation design; conducting conference room pilots; updating Federal Shared Service Provider system components; conducting conversion activities; development of archiving solution; testing (unit, system, and user acceptance), training, transitioning Phase I operations and maintenance legacy support; and conducting

post-implementation review. Additionally, there are ongoing tasks such as program governance, program/project management, organizational change management, and technical management that will require continued support during FY 2015.

- The **Herbert C. Hoover Building Renovation and Modernization** account provides no year funding for the Department's expenses associated with the modernization of the Herbert C. Hoover Building (HCHB). The planned renovation of the Department's headquarters by the General Services Administration (GSA) will extend the building's useful life through infrastructure upgrades, major security upgrades, and historic preservation of some features. The FY 2015 request reflects the Department's continued focus to improve major building infrastructure components including information technology/telecommunications, emergency power requirements and fire and life safety improvements that are operating beyond their useful life and deteriorating.

- The **Franchise Fund** is a fee-for-service account. Congress established the Franchise Fund Pilot Program in the Government Management Reform Act (GMRA) of 1994 to allow market forces to improve the delivery of common administrative services. In 1996, Department of Commerce's (DOC) Office of Computer Services (OCS) began operating as a Federal franchise fund, providing Information Technology (IT) support services to organizations within DOC and other federal agencies. In FY 2004, Commerce's authorization to operate a Federal franchise fund was made permanent. In FY 2011, the Department closed the Office of Computer Services (OCS). Although OCS services no longer exist, the franchise fund's authority remains. At this time, the Department proposes to rescind the remaining unobligated balances in the Franchise Fund.

- The **Emergency Steel Guaranteed Loan Program and the Emergency Oil and Gas Guaranteed Loan Program** are subsidized loan programs that were enacted in 1999 to assist the steel and the oil and gas industries. Authority for the Emergency Oil & Gas Guaranteed Loan Program expired in 2001 and the Emergency Steel Loan Guarantee Board expired December 31, 2011.

Other Required Information

The Department of Commerce, along with its operating units, supports and is an active participant in the Government-wide E-Government Initiatives and Lines of Business. Each initiative or Line of Business is managed by another federal agency, such as the General Services Administration, and was implemented in part to avoid redundancy and duplication of government-side activities such as rulemaking, human resource servicing, financial management, grants management, etc. The e-Government initiatives and Lines of Business play a key role in the Department's enterprise architecture, particularly for administrative systems. These initiatives and Lines of Business promote internal efficiency in acquisition and other administrative activities. The Department's external customers benefit from a single source for grant postings; grant application submission and applying for benefit programs. The Department's e-government participation provides better services to the citizen, promotes transparency, and actively supports our stakeholders in the business community.

Department of Commerce
Departmental Management
Budget Estimates for Fiscal Year 2015

Executive Summary

Departmental Management – SUMMARY OF REQUESTED APPROPRIATIONS
(Dollar amounts in thousands)

Appropriation		2014 Enacted		2015 Estimate		Increase (+) Decrease (-)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Salaries and Expenses	Pos./ Approp.	193	55,500	193	57,637	0	2,137
	FTE	152		152		0	
HCHB Renovation and Modernization	Pos./ Approp.	5	4,000	5	11,733	0	7,733
	FTE	5		5		0	
Franchise Fund	Pos./ Approp.	0	0	0	(2,906)	0	(2,906)
	FTE	0		0		0	
	Pos./ Approp.	198	59,500	198	66,464	0	6,964
Total Budget Authority	FTE	157		157		0	

DEPARTMENTAL MANAGEMENT

FY 2013 Annual Performance Report / FY 2015 Annual Performance Plan

Part 1   Summary Information

Section 1   Overview

Mission Statement

The Department of Commerce creates the conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship. The organizations that make up Departmental Management (DM) support the Office of the Secretary and support and monitor the activities of bureaus and operating units.

Description

Departmental Management (DM) develops and implements policy affecting U.S. and international activities as well as internal goals and operations of the Department. DM serves as the primary liaison with the executive branch and Congressional and private sector groups, and acts as the management and administrative control point for the Department. Executive Direction develops and implements Departmental policies and coordinates Bureau program activities to accomplish the Department's mission while Departmental Staff Services develops and implements the Department's internal policies, procedures, and other administrative guidelines. DM is located in the Herbert Clark Hoover Building in Washington, D.C. with all DM staff in either Washington or in outlying offices in the Washington suburbs.

FY 2013 Accomplishments

In FY 2013, the Department was ranked the Best Place to Work in the Federal Government out of 19 large Federal agencies on the 2013 rankings produced by the Partnership for Public Service, an upward movement of two positions from being ranked fourth in 2012. The U.S. Patent and Trademark Office (USPTO) was ranked first out 300 agency subcomponents, an upward movement of three positions from being ranked fourth in 2012. The rankings are based upon the Best Places Index, which is calculated using three questions from the annual Federal Employee Viewpoint Survey (FEVS) – (1) I recommend my organization as a good place to work; (2) How satisfied are you with your organization; and (3) How satisfied are you with your job. Based on the 2013 FEVS results, the Department's index was 67.6, and USPTO's index was 84.4, 9.8 and 26.6 points higher than the Government-wide index. Since the rankings were first launched in 2003, the Government-wide index of 57.8 is the lowest exhibited in a given year. Yet while many Federal agencies are experiencing significant declines, the Department has managed to maintain steady levels of employee satisfaction, in times of lean Federal budgets and resources.

BusinessUSA continued to achieve the Department's customer service initiative, streamlining access to enterprise assistance resources across the entire federal government by expanding the online platform, Business.USA.gov, to help U.S. businesses and exporters of all sizes find information about available federal programs without having to waste time and resources navigating the federal bureaucracy. The Business.USA.gov site BusinessUSA accelerated its technology deployment and released 41 new or enhanced capabilities through the Business.USA.gov website. BusinessUSA deployed a new and easy use home page, with an entirely different look and feel. It released new tools, wizards and interchangeable tiles to facilitate easier navigation. It deployed a responsive design that automatically adapts website views to the user's device. It strengthened its search engine capabilities. BusinessUSA maintained interactions with businesses and sought their input as to what they would like to see from a Web site when it comes to finding federal government resources. Their feedback was critical to BusinessUSA's technology development and deployment plan.   FY 2013 was BusinessUSA's first full year of operations. BusinessUSA expanded its multi-

channel approach for responding to customer inquiries through the 1-800-FED-INFO contact center and email. It continued to lead an interagency collaboration to support improved business assistance and enhanced customer service. BusinessUSA expanded its knowledgebase of business-facing resources to 4,154 and success stories to 178. Cumulatively, it has promoted over 25 thousand local business related events.

The Department achieved the highest percentage of veteran new hires over the past 20 years at 13.2% in FY 2013, an increase of 3.6% from FY 2012. Additionally, the percentage of disabled veteran new hires increased to 3.6% in FY13 from 2.8% in FY12. Efforts to support of Executive Order 13518 "Employment of Veterans in the Federal Government" included coordinating the Veterans Day event "Celebrating the Contributions of Veterans" with keynote Major General Gary S. Patton; assigning Veterans Preference and USERRA e-learning modules to over 3,100 hiring managers and Human Resources practitioners; attending and providing informational interviews at the 2013 Wounded Warrior Federal Employment Conference in Alexandria, VA, and the Service Academy Career Conference in Washington, DC; and delivering a two-hour presentation on employment opportunities and hiring flexibilities to transitioning service members, veterans, and military spouses, during OPM's Agency Spotlight Program. Additionally, members of the DOC Veteran Employment Council referred over 100 qualified disabled veteran resumes to hiring managers for non-competitive appointment consideration.

Section 2   Corresponding DoC Strategic Themes, Goals, and Objectives

Goal	Objective #	Objective Name	Leader:
Operational Excellence	5.1	Strengthen organizational capabilities to drive customer-focused, outcomes-driven mission performance by building a learning culture that engages and empowers staff, providing people the tools they need to do their jobs, and managing for results	Patrick Gallagher, Acting Deputy Secretary, Department of Commerce

Key Challenge for the Department

The primary challenge facing the Commerce Department is to be responsive and nimble, constantly adapting to the fast-changing needs of the U.S. private sector in the 21st century. In this highly competitive environment, achieving operational excellence is essential for the Department to execute its strategy and maximize value to customers. The factors that determine excellence include people, processes, technology, and management. Given the many factors that support excellence, the underpinning of the Department's Operational Excellence goal is focus. The intent is to generate rapid impact as well as longer term transformation through a small, carefully selected set of actions that yields significant and measurable progress across the Department.

First and foremost, the success of the Department depends on an engaged workforce that benefits from meaningful work, clear organizational direction, and accountability for meeting customer needs. Second, success during a time of rapidly-evolving technology is achieved only when employees have the right technology tools and information to do their job effectively. Third, operational excellence hinges on managing for results and using an evidence-based dashboard that enables continuous improvement at all levels of the organization.

Key Strategies for achieving the objective

Build a learning organization:

Developing the right skills and knowledge is critical for accomplishing the mission, improving employee satisfaction, and growing the next generation of leaders. The Department is committed to transforming itself into a learning organization - one that values learning as an ongoing creative process; continually develops, adapts, and transforms itself in response to changing conditions; and improves the core capabilities of its people at all levels, individually and collectively, to excel in serving customers and delivering results.

Commerce will design a framework that focuses on the key characteristics of a learning organization to drive excellence in all aspects of mission delivery: systems thinking, personal mastery, mental models, a shared vision, and team learning. Recognizing that senior leaders play a critical role in leading the transformation to a learning organization, the Department will focus first on designing a framework of knowledge and skills that are essential for all members of the Department's Senior Executive Service. The goal is to develop experienced, proactive leaders, who are able to drive strong workforce engagement and mission performance.

Create a 21st century information technology infrastructure:

The Commerce Department depends on high quality, reliable, and secure information technology (IT) to carry out its mission. To create an IT infrastructure that employs developments and manages vulnerabilities, the Department will design and implement an integrated Commerce-wide enterprise IT architecture. The new architecture will deliver mission and enterprise data anytime, anywhere through swift, seamless, and secure services on-demand to internal and external Commerce stakeholders. Key architecture principles will guide this effort from each of three viewpoints: mission, user, and technology. The end result will be an architecture that aligns mission needs, technology drivers, a common set of requirements for capabilities and services, and minimum standards for interoperability and cybersecurity. A federated roadmap will guide phased implementation of the architecture.

The Department also will develop and deploy a customer-driven set of IT shared services. The integrated enterprise IT architecture will "do in common that which is commonly done." The Department's CIO Council will engage customers in bureaus and offices to define shared services areas for commodity, business, and mission IT services. The collaboration will establish priorities for customer-service excellence, leadership, workforce, and culture change essential to achieve phased but pervasive implementation.

Manage for results:

The Department plans to be on the leading edge of a newly evolving management paradigm to drive results. Managing for results requires aligning the Department to the Strategic Plan which establishes clearly defined goals, objectives, and measures of progress. The metrics will enable collaboration, empowerment, and learning at all levels because they provide specific guidance on what the organization is to accomplish. Regular review of these metrics will enable staff to identify and resolve emerging problems before they escalate and detrimentally affect mission delivery. Performance data on program, personnel, and resources will also be reviewed regularly. The metrics and performance data together will provide the "evidence" needed to develop ever more effective individuals, tactics, and strategies to optimize resource allocation decisions and deliver high impact results.

Overall anticipated outcomes

In conjunction with the bureaus, the following is a listing of overall outcomes the Department expects to accomplish in working to achieve this objective:

● Design and pilot the senior leader component of the Commerce organizational learning framework;
● Develop an integrated Commerce-wide IT enterprise architecture; adopt a federated implementation roadmap; and meet major milestones to transition the bureau IT systems, services, and devices;
● Develop a Commerce-wide enterprise IT shared services plan; adopt a federated implementation roadmap; and meet major milestones to transition delivery of common IT services to shared services; and,
● Design and implement an evidence-based program assessment dashboard to enable continuous improvement at all levels of the organization (DM, All Bureaus).

Progress plans

In FY 2013 - FY 2014, the Commerce department-wide performance management system was significantly up-graded.   The changes will facilitate very clear alignment between SES Performance Plans and the Department's strategic plan, specific strategies, and tactics. All Federal agencies are publishing new strategic plans in March 2014. All plans are in the framework now required by the Government Performance and Results (GPRA) Modernization Act of 2010 and the implementing OMB rules and guidance. Consistent with the framework now required by the Government Performance and Results Modernization Act , the new Commerce Strategic plan has five goal areas: Trade and Investment; Innovation; the Environment; Data; and Operational Excellence. Strategic goals are supported by objectives and measurable indicators of progress toward the objectives. Each objective is supported by several key strategies.

The Department of Commerce FY 2014-2018 Strategic Plan will be deployed to the Commerce workforce through Action Plans for each objective. Although multiple Commerce bureaus will be working to accomplish almost all of the Strategic Objectives, each of the Strategic Objectives has one "owner." The owner is the executive who will coordinate and monitor progress toward the objective for the entire Department. The strategies for each objective also typically involve more than one bureau. Therefore action plans are made up of single bureau initiatives that support the strategies and each initiative is owned by a specific executive. The action plans, down to the initiative level of detail, and quarterly status reports on the plans are posted on an Executive Dashboard. The Dashboard will be updated during the year and will be continuously available to management on-line.

The performance indicators for Strategic Objectives and supporting initiatives will be included in the performance plans of the owners. If an SES member does not own an initiative, their plan will include performance indicators that reflect their role in one or more initiative. However, there are over 50 strategies and each has multiple initiatives. Many SES members will be the primary owner of an initiative and its associated indicators.

This mission centered approach to tracking progress and creating clear accountability for results will include monitoring progress on Operational Excellence. The focus of the Operational Excellence element of the Strategic Plan is on workforce development, modernization of IT infrastructure, and moving performance management to a role model level.   Measures of progress in these areas will be included in SES Performance Plans.

Quarterly progress on the Strategic Plan Objectives, including results indicators, will be reviewed by the Department Management Council (DMC) and the Executive Management Council (EMT).   Members of the DMC are the principal career managers of the bureaus. The EMT is the politically appointed leadership. As required by OMB Circular A-11, progress toward objectives will also be assessed in-depth annually to identify any changes in strategy or tactics that would accelerate progress.

Apart from indicators directly aligned to the Department Strategic Plan, there are suites of performance indicators that are reviewed by the councils of principal support professionals. Councils of bureau principal Human Resources, Finance, Acquisition and Information Technology mangers review and are accountable for the performance of processes central to effective operations. Every quarter the respective councils review data on cycle-time, quality, cost and outcomes of core processes. For instance, time to hire, the performance of IT security measures, and progress on strategic sourcing are reported and reviewed. These performance indicators are included in the support managers performance plans.

The Department's new Strategic plan can be accessed via: http://www.osec.doc.gov/bmi/budget/

Part 2   Performance Results and Plans

Section 1:   FY 2013 Summary Description of Performance by Objective

FY 14-18 Strategic Goal: Operational Excellence

FY 14-18: Strategic Objective: Strengthen organizational capabilities to drive customer-focused, outcomes-driven mission performance by building a learning culture that engages and empowers staff, providing people the tools they need to do their jobs, and managing for results

Benefits:

As U.S. society becomes increasingly oriented toward using electronic means of communication and information dissemination, Federal agencies must ensure that they continue to be as responsive as possible to the needs of the public, the private sector, other levels of government, and other Federal agencies. DM must promote leading-edge technologies, collaboration, and technology transformation across the Department, ensuring alignment with mission requirements, goals, and objectives in order to deploy and maintain systems able to perform at the highest levels. The Department must have the capacity to do business with the public and its partner agencies, both as a more than $8 billion worldwide enterprise, and as an integrated set of individual programs. This requires that it identify, adopt, and maintain business practices essential to successful operations; use its resources wisely; and effectively implement the laws that affect it. In order to ensure the accomplishment of its mission, the Department has developed and put into place policies and programs designed to enable the successful operation of its units, the effective and efficient use of both material and human resources, and the implementation of laws and regulations that govern the use of those resources.

Achieving organizational and management excellence is a goal that requires extensive interaction and coordination among entities throughout the Department. DM - consisting of the Offices of the Secretary, Deputy Secretary, Chief Financial Officer and Assistant Secretary for Administration, Chief Information Officer, and General Counsel - provides the policies and guidelines that support the management infrastructure the Department needs to carry out its mission.

Recurring Indicators

The following tables report on indicators that existed in FY 2013 and recur in FY 2014 onward.

Indicator	Target	Actual	Status*	Trend
Provide accurate and timely financial information and conform to Federal standards, laws and regulations governing accounting and financial management.	Eliminate any significant deficiency within 1 year of determination that there is a significant deficiency

Complete FY 2013 A-123 assessment of internal controls | Eliminated the material weakness but two significant deficiencies remain

Completed FY 2013 A-123 assessments | Not Met | Negative |
Unqualified Audit Opinion	Unqualified	Unqualified	Met	Not Enough Data
For each administrative / business system, maintain compliance and alignment with OMB initiatives	Maintain compliance	Maintained compliance	Met	Not Enough Data
Percent of dollars awarded using high-risk contracting authorities	Maintain 10% reduction in the share of dollars obligated under new contract actions that are	$223M	Met	Not Enough Data

	awarded with high-risk contracting authorities			
Savings achieved through more effective acquisition practices	Save $18M	$29M	Exceeded	Not Enough Data
Deliver effective management of information technology resources including cyber security	IT investments have cost/schedule overruns and performance shortfalls averaging less than 10%. Percentage of systems in production with valid Authority to Operate (ATOs) is 100%. Perform IT Security Compliance review of all operating units and 30 assessments. Percentage of moderate / high impact systems with "top 5" security controls fully implemented is 100%.	On average, for its major IT investments in the development stage, the Department achieved its cost target of being within 10% variance (under budget) and was within a 25% schedule variance. 99% of systems in production with valid Accreditation and Authorization (A&A). Conducted IT Security compliance review of all OUs and 34 assessments. Implemented 100% of moderate / high impact systems with "top 5" security controls.	Met	Stable
Average number of calendar days to complete hiring actions	80	103	Not Met	Varying
Percentage of employees with approved individual Development Plans	27%	25%	Met	Not Enough Data
Attrition rate of permanent employees	11%	6%	Exceeded	Not Enough Data
Number of participants trained via leadership development programs	65	92	Exceeded	Not Enough Data
Percentage of Commerce-wide leadership development program graduates promoted or selected for leadership positions	5%	19%	Exceeded	Not Enough Data
Number of Human Capital Framework and Delegated Examining audits conducted	5	12	Exceeded	Not Enough Data
Total injury case rate – number of work-related injuries and illnesses per 100 employees	2.3	0.84	Exceeded	Not Enough Data

Non-recurring Indicators (these indicators appear only in FY 2013 and are not tied to the new goals and objectives)

The following table shows all the indicators that appeared in FY 2013, but are being discontinued in FY 2014.

Indicator	Target	Actual	Status	Trend
Contact Center – Customer satisfaction per quarter	90% approval	58% approval	Not Met	Not Enough Data
Number of unique visitors with quarter over quarter	529,200	497,700	Met	Not Enough Data

increase				
Website customer satisfaction per quarter – customer experience	70%	66%	Met	Not Enough Data
Website customer satisfaction per quarter – customer ability to complete purpose	70%	52%	Not Met	Not Enough Data
Number of referrals to other sites with quarter over quarter increase	73,100	109,447	Exceeded	Not Enough Data
For each administrative / business system, reduction of the number of locations that house DOC's financial and acquisition systems	1	7	Not Met	Not Enough Data
For each administrative / business system, reduce the number of data calls and consolidate efforts to streamline the data through one source	1	7	Not Met	Not Enough Data
Results-oriented performance culture index	63	61	Met	Not Enough Data
Percentage of employees feeling personally empowered with work processes	54%	53%	Met	Not Enough Data

* The status of the measures follows these guidelines: Exceeded = >100% of target, Met = 90-100% of target, Net Met = <90% of target

All FY 2013 Indicators:

DM exceeded or met 72 percent of its targets in FY 2013. DM has added or modified several indicators in the last three years. Consequently several of them do not have enough data yet to predict a trend.

Note: The total number of indicators in the two charts do not equal because in some cases indicators had historical information reflecting a stable trend, but did not have FY 2013 targets.

Status of FY 2013 Indicators

7 Exceeded
9 Met
6 Not Met

Trends of Indicators

2 Positive
5 Stable
1 Negative
1 Varying
15 Not Enough Data
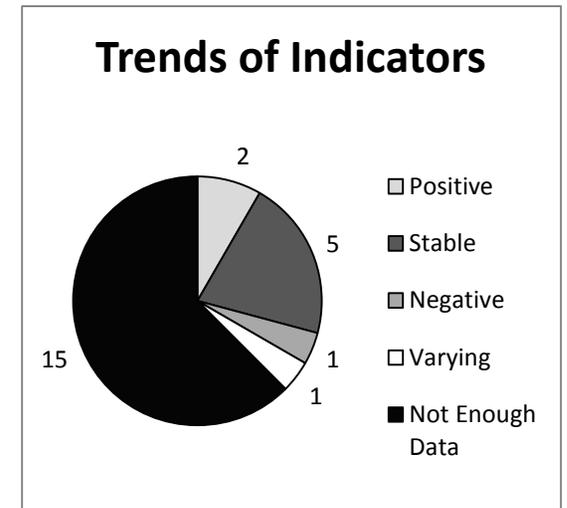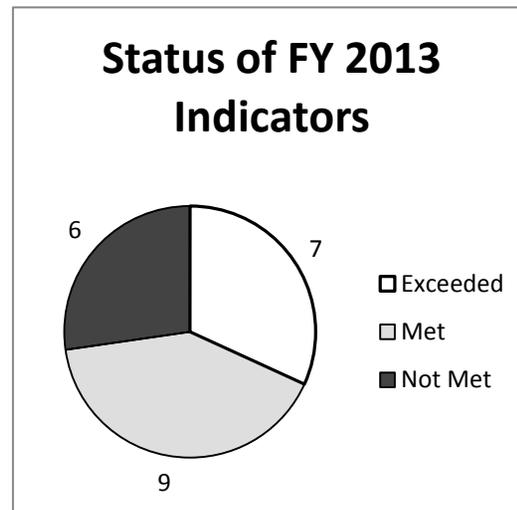
Section 2: Detailed Description of Past and Future Performance by Objective

New or Recurring Indicators

FY 14-18 Strategic Goal: Operational Excellence

FY 14-18: Strategic Objective: Strengthen organizational capabilities to drive customer-focused, outcomes-driven mission performance by building a learning culture that engages and empowers staff, providing people the tools they need to do their jobs, and managing for results

Indicators	4F Website - Number of Visits 4G Contact Center - Number of Calls 4H Website - Customer Satisfaction - Experience with Service 4I Contact Center – Customer Satisfaction - Experience with Service 4J Website – Customer Impact - Ability to Find Useful Information 4K Contact Center – Customer Impact - Ability to Find Useful Information
Description	BusinessUSA identified 6 new external performance measures that focus on promotion of services, customer satisfaction and customer impact. The goals for each of the measures were based on FY13 data, analysis and lessons learned. The new measures and performance targets reflect stretch goals for each fiscal year.

4F. Website - Number of Visits

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target						New	850,464	1,245,165
Actual								
Status								

4G. Contact Center - Number of Calls

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target						New	17,430	21,184
Actual								
Status								

4H. Website - Customer Satisfaction - Experience with Service

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target						New	70%	70%
Actual								
Status								

4I. Contact Center – Customer Satisfaction - Experience with Service

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target						New	70%	70%
Actual								
Status								

4J. Website – Customer Impact - Ability to Find Useful Information								
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target						New	70%	70%
Actual								
Status								

4K. Contact Center – Customer Impact - Ability to Find Useful Information								
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target						New	70%	70%
Actual								
Status								

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
Contact Center IVR system, customer interaction, webtrend analytics, and 4Q online survey	Quarterly	Data will be stored in a cloud based solution	Quarterly validation process	No	Capture, analyze and report initial activities; review findings and establish baseline

Indicator	Provide accurate and timely financial information to conform to federal standards, laws, and regulations governing accounting and financial management
Description	This indicator ensures that the Department of Commerce is accountable to the American people, and that no Significant Deficiencies, formerly known as "Reportable Conditions," (i.e. deficiencies in the design or operation of internal controls) remain unaddressed. To determine if financial information is being provided in a timely and accurate manner, the Department will assess whether those individuals who can best use the information are receiving it within timeframes that render it relevant and useful in their day-to-day decisions.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	Eliminate any significant deficiency within 1 year of determination Complete FY 2008 A-123 assessment of internal controls	Eliminate any significant deficiency within 1 year of determination Complete FY 2009 A-123 assessment of internal controls	Eliminate any significant deficiency within 1 year of determination Complete FY 2010 A-123 assessment of internal controls	Eliminate any significant deficiency within 1 year of determination Complete FY 2011 A-123 assessment of internal controls	Eliminate any significant deficiency within 1 year of determination Complete FY 2012 A-123 assessment of internal controls	Eliminate any significant deficiency within 1 year of determination Complete FY 2013 A-123 assessment of internal controls	Eliminate repeat significant deficiency within 1 year of determination Complete FY 2014 A-123 assessment of internal controls	Eliminate repeat significant deficiency within 1 year of determination Complete FY 2015 A-123 assessment of internal controls
Actual	Significant deficiency was not eliminated Completed FY 2008 A-123 assessment of internal controls for financial reporting	One significant deficiency was not eliminated Completed FY 2009 assessments	One significant deficiency was not eliminated Completed FY 2010 assessments	Eliminated significant deficiency Completed FY 2011 A-123 assessment	FY 2012 Audit identified one material weakness and one significant deficiency. Completed FY 2012 A-123 assessment of internal controls	Eliminated the material weakness but two significant deficiencies remain Completed A-123 assessments		
Status	Not Met	Not Met	Not Met	Met	Not Met	Not Met		
Trend	Negative							

Explanation	The FY 2013 (and previous years) wording of the indicator is poor in that the finding of a significant deficiency occurs at the end of a fiscal year, thereby not allowing any time to correct the deficiency. Given the timetable of events, according to this wording, it would never be possible to meet this target.
Actions to be taken	Beginning in FY 2014, the wording has been changed to reflect work that is possible in that year, that is a significant deficiency that has been identified at the end of a fiscal year would be corrected in the subsequent year, i.e., a repeated significant deficiency.

		Validation and Verification			
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
Consolidated financial statements and Office of Inspector General (OIG) reports	Annual	Bureau or department financial records	OIG audits	None	Continue to comply with Federal Financial Management Improvement Act of 1996 (FFMIA)

Indicator	Unmodified audit opinion							
Description	This indicator reflects the result of the Financial Statement Audit. The goal is to receive an "unmodified" audit opinion. There are several types of audit opinions: (1) unqualified, in which the Auditor concludes that the Financial Statements give a true and fair view in accordance with the financial reporting framework used for the preparation and presentation of the Financial Statements; (2) qualified, in which Auditor encounters a situation that does not comply with generally accepted accounting principles, however the rest of the financial statements are fairly presented; and (3) disclaimer, which is issued when the Auditor cannot form, and consequently refuses to present, an opinion on the financial statements.							
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target						Unmodified	Unmodified	Unmodified
Actual						Unmodified		
Status						Met		
Trend	Not Enough Data.							
Validation and Verification: No formal mechanism is in place. The unmodified audit is completed independently by outside financial auditors.								

Indicator	For each administrative / business system, maintain compliance and alignment with OMB initiatives.							
Description	This indicator reflects the requirement to maintain compliance and alignment with OMB initiatives, including the guiding principles reflected in the OMB system modernization requirements (split projects into smaller, simpler segments with clear deliverables; focus on most critical needs first; and provide ongoing, transparent project oversight) data center consolidation requirements, and cloud computing requirements (Infrastructure as a Service; Software as a Service).							
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target						Compliance	Compliance	Compliance
Actual						Maintained compliance		
Status						Met		
Trend	Not Enough Data.							
Validation and Verification: The approach for the BAS project is in direct support of OMB Memorandum M-13-08, Improving Financial Systems Through Shared Services, where the BAS project is in the planning phase with the Department of Transportation as a shared service provider. OMB is actively involved in this project, and is briefed on a regular basis through bi-weekly status meetings.								

Indicator	Dollars awarded using high-risk contracting authorities.							
Description	High-risk contracting authorities such as noncompetitive contracting, cost-reimbursement contracts, and time-and materials and labor-hour contracts pose special risks of overspending. While these contract authorities are important tools when used appropriately, GAO and OIG oversight reviews indicate that they are often used without an appropriate basis or sufficient management and oversight to limit taxpayer risk. This element will measure the Department's progress in managing risk through reducing the use of high-risk contracting authorities.							
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target					Reduce by 10 percent the share of dollars obligated under new contract actions that are awarded with high risk contracting authorities	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities	Maintain 10 percent reduction in share of dollars obligated under new contract actions using high risk contracting authorities
Actual						$228M		
Status						Met		
Trend	Not Enough Data.							
	Validation and Verification							
Data Source	Frequency		Data Storage	Internal Control Procedures		Data Limitations		Actions to be Taken
Federal Procurement Data System	Annual		Federal Procurement Data System	Quarterly independent verification and validation process		None		None

Indicator	Savings achieved through more effective acquisition practices.							
Description	Sound acquisition practices help guard against inefficiency and waste and improve the ability to obtain quality supplies and services that are on time and within budget. There are many ways to achieve savings through more effective acquisition practices, including: ending contracts that do not meet program needs; negotiating more favorably priced contracts; developing more strategic acquisition approaches; and reengineering ineffective business processes. This element will measure the Department's progress in reducing spending through more effective acquisition practices.							
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target						Save $18M	Save $18M	Save $18M
Actual						$29M		
Status						Exceeded		
Trend	Not Enough Data.							
	Validation and Verification							
Data Source	Frequency		Data Storage	Internal Control Procedures		Data Limitations		Actions to be Taken
DOC Procurement Data System	Annual		DOC Procurement Data System	Quarterly independent verification and validation process		Manual data collection process		None

Indicators	6A. Average number of calendar days to complete hiring actions 6B. Percentage of employees with approved Individual Development Plans 6C. Attrition rate of permanent employees (excluding VERA/VSIP and RIF) 6D Number of participants trained via Commerce-wide Leadership Development programs 6E Percentage of Commerce-wide Leadership Development program graduates promoted or selected for leadership position 6F Leadership & Knowledge Management Index 6G Employee Engagement Index 6H Number of Human Capital Framework and Delegated Examining audits conducted 6I. Total injury case rate – number of work-related injuries and illnesses per 100 employees
Description	These measures represent a combination of indicators focusing on strategic recruitment, training and development, retention, and the Department's efforts to achieve and maintain a diverse, productive workforce. These indicators permit a comprehensive assessment of the Department's efforts to strategically manage its human capital. Such an assessment is critical to ensure that the workforce contains the necessary skill sets to carry out the Department's mission. Calculations: The following items provide more detailed information concerning certain indicators: • **Number of participants trained via Commerce and Federal Leadership Development Programs:** Due to the duration of certain programs beyond one fiscal year and the additions and eliminations of programs over the years, each fiscal year listed includes different programs among the following: the Executive Education Program, Leading Executives Driving Government Excellence Program, Executive Leadership Development Program, and Aspiring Leaders Development Program • **Leadership & Knowledge Management Index:** An index computed by the Office of Personnel Management (OPM) based upon the annual Federal Employee Viewpoint Survey results on 12 survey items. • **Employee Engagement Index:** An index computed by OPM based upon the annual Federal Employee Viewpoint Survey results on 15 survey items.

6A. Average number of calendar days to complete hiring actions

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target			80	80	80	80	80	80
Actual			105	83	84	103		
Status			Not Met	Met	Met	Not Met		
Trend	Varying							

Explanation	The 23 days over the 80-day hiring timeline standard can be attributed to five steps, which collectively account for 24 days beyond their step standards. The following steps had the greatest number of days beyond their standards at the Department-level: (1) The time taken between the official job offer and non-selection notifications to remaining applicants was 6 days beyond the 2-day standard. (2) The time allotted for vacancy announcements to remain open on USAJobs was 5 days beyond the 7-day standard. (3) The time taken between the completion of the back-end hiring process and the entrance on duty was 5 days beyond the 15-day standard. (4) the time taken between the tentative job offer and receiving final security clearance was 4 days beyond the 3-day standard. (5) The time taken to review and evaluate applications was 4 days beyond the 15-day standard.

Actions to be taken	The Principle HR Managers (bureau HR executives) discuss and review the data on a quarterly basis as part of our HRstat performance reviews.

<table>
<tr><td colspan="6" align="center">Validation and Verification</td></tr>
<tr><td>Data Source</td><td>Frequency</td><td>Data Storage</td><td>Internal Control Procedures</td><td>Data Limitations</td><td>Actions to be Taken</td></tr>
<tr><td>Servicing HR Office (SHRO) Hiring Action Tracking Systems</td><td>Quarterly</td><td>SHRO Hiring Action Tracking Systems</td><td>Quarterly DOC data review</td><td>None</td><td>None</td></tr>
</table>

6B. Percentage of employees with approved Individual Development Plans

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target						28%	26%	27%
Actual						25%		
Status						Met		
Trend	Not Enough Data							

<table>
<tr><td colspan="6" align="center">Validation and Verification</td></tr>
<tr><td>Data Source</td><td>Frequency</td><td>Data Storage</td><td>Internal Control Procedures</td><td>Data Limitations</td><td>Actions to be Taken</td></tr>
<tr><td>OPM Federal Employee Viewpoint Survey (FEVS)</td><td>Annual</td><td>OPM FEVS</td><td>3-month data review and report preparation</td><td>None</td><td>None</td></tr>
</table>

6C. Attrition rate of permanent employees (excluding VERA/VSIP and RIF)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target						11%	TBD	TBD
Actual						6%		
Status						Exceeded		
Trend	Not Enough Data							

Changes to Targets	PHRMs are in the process of updating HR State metrics and targets for FY 2014

<table>
<tr><td colspan="6" align="center">Validation and Verification</td></tr>
<tr><td>Data Source</td><td>Frequency</td><td>Data Storage</td><td>Internal Control Procedures</td><td>Data Limitations</td><td>Actions to be Taken</td></tr>
<tr><td>National Finance Center (NFC) database</td><td>Quarterly</td><td>NFC database</td><td>Quarterly DOC data review</td><td>None</td><td>None</td></tr>
</table>

6D Number of participants trained via Commerce-wide Leadership Development programs

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target		50-60	50-7080	100-200	100-200	65	45	TBD
Actual		100	57	90	162	92		
Status		Exceeded	Met	Met	Met	Exceeded		
Trend	Positive							

Adjustments to targets	In FY 2013, the types of leadership programs changed resulting in a lower target							

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
CLC LMS	Annual	CLC LMS	Program Manager and Bureau Chief Learning Officers Council review	None	None

6E Percentage of Commerce-wide Leadership Development program graduates promoted or selected for leadership position

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target						5%	20%	TBD
Actual						19%		
Status						Exceeded		
Trend	Not Enough Data							

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
CLC LMS and NFC database	Annual (SES CDP Biennial)	CLC LMS and NFC database	Program Manager review	Difficult to assess for separated graduates	None

6F Leadership and Knowledge Management index

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target							N/A	TBD
Actual			64%	65%	65%	65%		
Status								
Trend	Stable							

Adjustments to targets	The Department of Commerce FY14-FY18 Strategic Plan focuses on leadership and engagement. Therefore, those two Federal Employee Viewpoint Survey (FEVS) indices have replaced the previous FEVS indicators. Departmental targets will be established for FY15 based upon the results of the upcoming 2014 survey.

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
OPM FEVS	Annual	OPM FEVS	3-month data review and report preparation	None	None

6G Employee Engagement index

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target							n/a	TBD
Actual			69%	70%	70%	70%		
Status								
Trend	Stable							

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
OPM FEVS	Annual	OPM FEVS	3-month data review and report preparation	None	None

6H Number of Human Capital Framework and Delegated Examining audits conducted

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target						5	10	TBD
Actual						12		
Status						Exceeded		
Trend	Not Enough Data							

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
Office of HR Accountability (OHRA) audit schedule and reports	Annual	Reports stored on shared drive, hard copies kept for 3 years following audits	Office Director regulatory and procedural compliance review	None	None

6I. Total injury case rate – number of work-related injuries and illnesses per 100 employees

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target						1.03	1.02	TBD
Actual			1.71	1.38	1.04	0.84		
Status						Exceeded		
Trend	Positive							

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
DOL Protecting our Workers and Ensuring Reemployment (POWER) Tracking System	Quarterly	DOL POWER Tracking System	Quarterly data review	Based upon workers' comp claims info	Collect data for annual review of Dept. and Bureaus

Non-Recurring Indicators

DM has discontinued the following indicators beginning in FY 2014.

Indicators	4A. Contact Center – Customer satisfaction per quarter 4B. Website – Number of unique visitors with quarter over quarter increase 4C. Website – Customer satisfaction per quarter– "customer ability to complete purpose" 4D. Website – Customer satisfaction per quarter – "customer experience"

	4E. Website – Number of referrals to other sites with quarter over quarter increase					
Description	BusinessUSA identified 5 key external performance indicators and targets that focus on customer Impact / satisfaction and rate of acceleration. A baseline was established January 30, 2013. The baseline accounted for approximately 12 months of website and contact center activities to ensure fair and equitable metrics were derived					

	4A. Contact Center – Customer satisfaction per quarter					
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target						90%
Actual						58%
Status						Not Met
Trend	Not Enough Data					
Explanation	FY2013 results represent partial year (Q3 and Q4) due to technical delays to implement Inter-active Voice Response (IVR) customer satisfaction survey tool. Number of calls and respondents was low due to sequestration. The corresponding budget reductions eliminated available resources to market and promote BusinessUSA.					

	4B. Website – Number of unique visitors with quarter over quarter increase					
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target						529,200
Actual						497,700
Status						Met
Trend	Not Enough Data					

	4C. Website – Customer satisfaction per quarter– "customer ability to complete purpose"					
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target						70%
Actual						52%
Status						Not Met
Trend	Not Enough Data.					
Explanation	FY2013 results represent partial year (Q1 through Q3). The survey question proved to be too broad and generated inconsistent responses to the survey. The score reflects inconclusive results due to the phrasing of the survey question, "ability to complete purpose." BusinessUSA investigated comments from respondents who provided low scores and found a misalignment between the objective of the question (determine the impact of the information provided to the customer) versus the customer expectation for visiting the site. Examples of this include, "I needed to put my kids to bed," "I ran out of time", etc. It was also observed that the phrasing of the question covers the broad spectrum of government services offered and ability to successfully achieve a financial outcome. For example, a customer may visit Business.USA.gov because their objective is to get a loan, a grant, a contract from the Federal government. Since the customer was not able to achieve his/her objective the response to the question would be negative. The overall finding is that the question generated inconclusive results.					

	4D. Website – Customer satisfaction per quarter – "customer experience"					
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target						70%

						66%
Actual						66%
Status						Met
Trend	Not Enough Data.					

4E. Website – Number of referrals to other sites with quarter over quarter increase

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target						73,100
Actual						109,447
Status						Exceeded
Trend	Not Enough Data.					

Indicators	6F Results-oriented performance culture index 6H Percentage of employees feeling personally empowered with work processes
Description	The Department of Commerce FY14-FY18 Strategic Plan focuses on leadership and engagement. Therefore, those two Federal Employee Viewpoint Survey (FEVS) indices have replaced the previous FEVS indicators listed here.

Deliver effective management of information technology resources including cyber security

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013

Target	Cost/schedule overruns /performance shortfalls less than 10%
	
	All national-critical and mission-critical systems certified and accredited with acceptable, quality documentation in place
		Cost/schedule overruns /performance shortfalls less than 10%
		
		All national-critical & mission-critical systems certified and accredited with acceptable, quality documentation in place
			IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%
			
			Perform IT security compliance review of all operating units, and 10 FISMA systems in CSAM
			
			Deploy an enterprise-wide role-based cybersecurity training program
			  Deploy national security and emergency initial operating capability
				IT investments have cost/ schedule overruns and performance shortfalls averaging less than 10%
				
				Perform IT security compliance review of all operating units, and 10 FISMA systems in CSAM
				
				Increase security training completion rate to 80% for privileged users (role-based)
				Deploy 80% of the required NCSD 3-10 communications capabilities.
				
				 Expand cyber intelligence communications channel to all operating unit Computer Incident Response Teams.
					All investments within 10% of cost and schedule.
					
					Performed IT Security Compliance reviews
					
					Increased security training completion rate to 80% for privileged users (role-based).
					
					Deployed 80% of the required NCSD 3-10 Communications capabilities.
					
					Expand cyber intelligence communications channel to all operating unit
					   Computer Incident Response Teams.
						IT investments have cost /schedule overruns and performance shortfalls averaging less than 10%.
						
						Percentage of systems in production with valid Accreditation and Authorization (A&A) is 100%
						
						Perform IT Security compliance review of all OUs and 30 assessments
						
						Percentage of moderate / high impact systems with "top 5" security controls fully implemented is 100%

Actual	Cost/schedule overruns/ performance shortfalls less	Cost/ schedule overruns and performance	IT investments had cost/ schedule overruns and	All I investments within 10% of	75% of major IT investments had	On average, for its major IT investments in the

than 10% All national-critical and mission-critical systems certified and accredited with acceptable, quality documentation in place	shortfalls averaged under 10%. CSAM & C&A enhancements were deployed. IT security compliance in all operating units and five FISMA systems in CSAM were reviewed.	performance shortfalls averaging less than 10%. Completed security and vulnerability assessments for all operating units. Submitted findings and recommendations to operating units and OCIO for review. Implemented Cyber Security Development Program and graduated 20 candidates from the Department's first class. Enrolled candidates in the program's second class. More than 8 candidates have obtained or are planning to obtain security related certifications. Deployed National Security and Emergency Network in the development environment. Received official approval to connect from Defense Intelligence Agency.	cost and schedule Perform IT Security Compliance reviews 89% completion rate of security training for privileged users (role-based). NCSD 3-10 did not receive funding	cost/schedule overruns and performance shortfalls averaging less than 10% Completed 29 security assessments. Conducted IT security compliance checks of all Department operating units and in-depth internal control review meetings with five selected operating units as part of the Department's IT internal control review program. Trained Authorizing Officials and System Owners throughout the Department with quarterly workshops. Achieved greater than 85% of required security training for privileged users (role-based). The Department is currently at 50%. Required equipment and systems are installed at the Herbert C. Hoover Building. Deploying classified connectivity to all outside bureau	development stage, the Department achieved its cost target of being within 10% variance (under budget) and was within a 25% schedule variance. 99% of systems in production with valid Accreditation and Authorization (A&A) Conducted IT Security compliance review of all OUs and 34 assessments Implemented 100% of moderate / high impact systems with "top 5" security controls
Status	Met	Met	Met	Met	Met	Met
Trend	Stable					
For each administrative / business system, reduce the number of instances						
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target						1
Actual						7
Status						Not Met
Trend	Not Enough Data					
Explanation	DOC continues to maintain multiple redundant system environments across the Department, including the three production instances of the Commerce Business Systems and four production instances the C.Suite acquisition system.					
For each administrative / business system, reduce the number of data calls and consolidate efforts to streamline						

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target						1
Actual						7
Status						Not Met
Trend	Not Enough Data					
Explanation	DOC continues to maintain multiple redundant system environments across the Department, including the three production instances of the Commerce Business Systems and four production instances the C.Suite acquisition system. As such, responding to data calls still requires pulling data from multiple sources/data warehouses.					

Results-oriented performance culture index						
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target						63%
Actual			60%	61%	61%	61%
Status						Met
Trend	Stable					

Percentage of employees feeling personally empowered with work processes						
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target						54%
Actual			51%	52%	52%	53%
Status						Met
Trend	Stable					

Part 3   Resource Requirements Table

Beginning in FY 2014, the Department is shifting to the structure of the new strategic plan. Therefore, the following table should be used to report past funding and FTE from FY 2008 to FY 2013 and projected levels for FY 2014. Note: Because we are changing the structure of the strategic plan, at this time we are not requiring that the funding and FTE amounts be broken out by specific objective to which they apply either according to the old or new strategic plan structure, only that amounts by program activity

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Estimate	FY 2015 Base	Increase / Decrease	FY 2015 Request
Salaries and Expenses										
Total Funding										
Direct	42.6	52.8	57.9	57.5	56.2	51.1	55.5	57.6	0	57.6
Reimbursable										
Total	42.6	52.8	57.9	57.5	56.2	51.1	55.5	57.6	0	57.6
Total FTE	173	164	179	173	151	155	152	152	0	152

Part 4   Agency Priority Goals

None

Part 5   Other Information

Section 1   Major Management Priorities and Challenges

The Department continues to strengthen leadership skills through enhanced leadership development programs and comprehensive identification of competencies for mission-critical occupations. The results of these efforts will be used to refine and evaluate succession plans to maintain appropriate levels of critical workforce skill sets. These products will enable us to expeditiously fill mission-critical positions and continue to close existing competency gaps. Implementation of the Federal Equal Opportunity Recruitment Program and Disabled Veterans Affirmative Action Program plans continues to be another important priority. The Department has developed these plans in order to sustain existing diversity in the Commerce workforce and to continue our progress towards increasing the representation of minority and disabled candidates in applicant pools. Information security is another critical issue, and the Department continues its focus on implementing effective certification and accreditation practices for the information technology systems that support our work.

The Department's efforts are likewise focused on the effective use of competitive sourcing and on furthering the public's electronic access to the Department's products and services. With Commerce spending approximately $3 billion of its budget through contracts, effective acquisition management is fundamental to the Department's ability to accomplish its mission.

The Department is working to develop more effective processes for performing major systems acquisitions by integrating the program management capabilities within the Department. The new process will be implemented through a shared framework with clearly identified and substantiated decision points for major programs that is scalable to all programs and projects within the Department. The measures associated with the DM performance goals, noted above, reflect these challenges and priorities

Section 2   Cross-Agency Priority Goals / Collaborations

Concerning cross agency collaborations, within Departmental Management, the Office of the Chief Information Officer (OCIO) is fully engaged in the Federal Data Center Consolidation (FDCCI) Initiative and has active membership on the FDCCI Task Force. OCIO is also represented on the Digital Government Strategy Working Group and is working with the Office of Management and Budget to contribute to and leverage lessons learned in the delivery of our first two milestones. OCIO has engaged with the Department of Justice to have them host the Cyber Security Assessment and Management system as a Software as a Service (SaaS) solution, and OCIO has also engaged GSA to have them host the Electronic Capital Planning and Investment Control system, also as an SaaS solution. Both of these have already been completed and are in full production use.

Section 3   Program evaluations

Within the Department, the Commerce Information Technology Review Board (CITRB) is the mechanism used to assess the health and performance of all IT investments by identifying wasteful, duplicative, or low-value investments and driving the IT budget formulation and execution process as mandated by the Clinger Cohen Act of 1996. The CITRB acts as a board of directors and provides advice to the Secretary and Deputy Secretary on critical IT matters. The board oversees IT project, program and portfolio reviews and approves requests for Information Technology Investment Authority prior to contract awards for IT services. Additionally, the CITRB conducts TechStat Accountability Reviews to address critical and/or significant problems with investment initiatives. The CITRB ensures

that sound investment criteria, project management methodologies, risk management frameworks and strong cyber security measures are in place to provide the greatest return on investment (ROI) for the taxpayer dollar.

Outside of the OCIO, at the present time, Departmental Management does not have any program evaluations planned for its activities in FY 2013. However, for the FY 2014 budget, the Office of Program Evaluation and Risk Management (OPERM) is proposing the addition of two FTEs to staff the program evaluation function and one contractor. The function is delegated through Department Organization Order 20-30 and is specifically responsible for: (1) Developing and overseeing implementation of a collaborative approach for conducting objective evaluation of programs, processes, administrative functions, initiatives, and other activities to identify opportunities for enhancing efficiency and effectiveness, and to ensure consistency with the objectives and goals established in the Department's strategic plan. The contractor will provide advisory services for the development and implementation of a Program Evaluation function.

In addition, the Procurement Performance Excellence Office (PPEO) requested FY2014 funding to add one junior FTE and $47,000 in contract support. The PPEO's vision is to maintain the momentum of the Commerce Cost Reduction Project, sustain savings achieved to date, and implement new initiatives to drive additional efficiencies over time. In order to meet these objectives the PPEO will need the additional FTE and contract support.

Section 4   Hyperlinks.

The FY 2015 Congressional Justifications (including each bureau Annual Performance Plan/Report) and past PARs, Citizens' Reports, Strategic Plans and Congressional Justifications are available via the Department of Commerce website at: ://www.osec.doc.gov/bmi/budget/.

Section 5   Data Validation and Verification

"The FY 2013 Summary of Performance includes in the Secretary's Statement, an assessment of the reliability and completeness of the Department's performance data."

Exhibit 5

Department of Commerce
Departmental Management
Salaries and Expenses
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Direct Obligations
2014 Enacted	193	152	55,500	57,944
less: Transfers of unobligated balances			0	(2,444)
plus: 2015 Adjustments to base			2,137	2,137
2015 Base	193	152	57,637	57,637
plus: 2015 Program Changes	0	0	0	0
2015 Estimate	193	152	57,637	57,637

Comparison by activity:		2013 Actual		2014 Enacted		2015 Base		2015 Estimate		Increase/(Decrease) Over 2015 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction	Pos./BA	112	32,478	112	31,546	112	32,760	112	32,760		0
	FTE/Obl.	91	31,464	91	33,990	91		91			
Departmental Staff	Pos./BA	84	21,881	81	23,954	81	24,877	81	24,877		0
Services	FTE/Obl.	64	22,291	61	23,954	61		61			
TOTALS	Pos./BA	196	54,359	193	55,500	193	57,637	193	57,637	0	0
	FTE/Obl.	155	53,755	152	57,944	152		152		0	

Adjustments to Obligations:									
Recoveries		(17)							
Unobligated balance, start of year		(40)		(2,444)					
Unobligated balance, transferred		(2,660)							
Unobligated balance, rescission									
Unobligated balance, end of year		2,444							
Unobligated balance, expiring		877							
Financing from Transfers:									
Transfer from other accounts (-)		(2,387)							
Transfer to other accounts (+)									
Appropriation		51,972		55,500		57,637		57,637		0

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Exhibit 6

Department of Commerce
Departmental Management
Salaries and Expenses
SUMMARY OF REIMBURSABLE OBLIGATIONS
(Dollar amounts in thousands)

		2013 Actual		2014 Enacted		2015 Base		2015 Estimate		Increase/(Decrease) Over 2015 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Reimbursable Program	Pos./BA	60		60		60		60		0	
	FTE/Obl.	60	85,655	60	91,008	60	93,627	60	93,627	0	0
1/ COMMITS	Pos./BA			0		0		0		0	
	FTE/Obl.		1,517	0	736	0		0	0	0	0
TOTALS	Pos./BA	60		60		60		60		0	
	FTE/Obl.	60	87,172	60	91,744	60	93,627	60	93,627	0	0

Adjustments to Obligations:
  Recoveries (COMMITS)   (950)
  Unobligated balance, start of year (COMMITS)   (990)   (736)

  Unobligated balance, transferred
  Unobligated balance, end of year   736
  Unobligated balance, expiring

Financing from Transfers:
  Transfer from other accounts (-)
  Transfer to other accounts (+)

| Reimbursable Authority | | | 85,968 | | 91,008 | | 93,627 | | 93,627 | | 0 |

1/ Commerce Information Technology Solutions - Transferred COMMITS to GSA October 2007 and remains active until contracts are outlaid.

Exhibit 7

Department of Commerce
Departmental Management
Salaries and Expenses
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	2013 Actual	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease) Over 2015 Base
Total Obligations	140,927	149,688	151,264	151,264	0
Offsetting collections from:					
Federal funds	(85,968)	(91,008)	(93,627)	(93,627)	0
Trust funds					
Non-Federal sources					
Recoveries	(967)				
Unobligated balance, start of year	(1,030)	(3,180)			
Unobligated balance, transferred	(2,660)				
Unobligated balance, end of year	3,180				
Unobligated balance, expiring	877				
Budget Authority	54,359	55,500	57,637	57,637	0
Financing:					
Transfer from other accounts (-)	(2,387)	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	51,972	55,500	57,637	57,637	0

Exhibit 9

Department of Commerce
Departmental Management
Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	FTE	Amount
Adjustments:		
Pay Raises		89
Annualization of FY 2014 Pay Raise		
Pay raise of 1% assumed to be effective January 1, 2014.		

Total cost in FY 2015 of the FY 2014 pay increase	354,667	
Less amount requested in FY 2014	(266,000)	
Amount requested in FY 2015 for FY 2014 pay increase	88,667	

FY 2015 Pay Raise
A general pay raise of 1% is assumed to be effective January 1, 2015.

Total cost in FY 2015 of pay increase	198,000	262
Payment to Working Capital Fund	64,000	
Amount requested in FY 2015 for FY 2015 pay increase	262,000	

Civil Service Retirement System (CSRS)		(39)

The cost of agency contributions for CSRS will decrease due to the decrease in the number of employees
covered by CSRS from 8.6% in FY 2014 to 6% in FY 2015. The contribution rate will remain the same at 7.00%
for FY 2014 and FY 2015.

FY 2015 ($21,407,000 x .0600 x .0700)	89,909	
FY 2014 ($21,407,000 x .0860 x .0700)	128,870	
Total adjustment to base	(38,961)	

Federal Employees' Retirement System (FERS)		328

The estimated percentage of payroll for employees covered by FERS will increase from 91.4% in 2014 to 94% in FY 2015.
The contribution rate will increase from 11.9% in FY 2014 to 13.2% in FY 2015.

FY 2015 ($21,407,000 x .940 x .132)	2,656,181	
FY 2014 ($21,407,000 x .914 x .119)	2,328,354	
Total adjustment to base	327,827	

Exhibit 9

Department of Commerce
Departmental Management
Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	FTE	Amount
Adjustments:		

Thrift Savings Plan (TSP)   23

The cost of agency contributions for TSP will increase from 91.4% in 2014 to 94% in FY 2015. The contribution rate is expected to remain 4.1%.

FY 2015 ($21,407,000 x .940 x .0410)	825,026
FY 2014 ($21,407,000 x .914 x .0410)	802,206
Total adjustment to base	22,820

Federal Insurance Contributions Act (FICA) - OASDI   25

The annual salary subject to the OASDI tax will increase from $115,800 in FY 2014 to $119,100 in FY 2015. The percent of salaries below the cap will increase from 91.4% in FY 2014 to 94% in FY 2015. The total salaries taxable by OASDI will decrease from 90% in FY 2014 to 89.5% in FY 2015. The OASDI tax rate remains the same 6.2% in FY 2015. The combination of the above adjustments results in a net increase of $25,302.

FERS payroll subject to FICA tax in FY 2015 ($21,407,000 x .940 x .895 x .062)	1,116,602
FERS payroll subject to FICA tax in FY 2014 ($21,407,000 x .914 x .900 x .062)	1,091,783
Subtotal	24,819
Other payroll subject to FICA tax in FY 2015 ($416,000 x .940 x .895 x .062)	21,699
Other payroll subject to FICA tax in FY 2014 ($416,000 x .914 x .900 x .062)	21,216
Subtotal	483
Total adjustment to base	25,302

Health Insurance   42

Effective January 2013, the cost of the U.S. Government's contribution to the Federal employee's health insurance premium increased by 2.7%. Applied against the FY 2014 estimate of $1,545,000 the additional amount required is $41,715.

Employee Compensation   (8)

The Employees Compensation Fund is based on an actual billing from the Department of Labor.

Exhibit 9

Department of Commerce
Departmental Management
Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	FTE	Amount
Adjustments:		
Rental Payments to GSA		593
The Herbert C. Hoover Building rent is projected to increase in FY 2015. An additional increase of $593,000 is required to fund this increase.		
Printing and Reproduction		1
GPO has provided an estimated rate increase of 1.4%. This percentage was applied to the FY 2014 estimate of $39,000 to arrive at an increase of $546.		
Utilities, Pepco		(44)
The average decrease for PEPCO electricity is projected to be -7%. This percentage was applied to the 2014 electricity estimate of $623,000 for a decrease of $43,610.		
Utilities, Water		44
The increase for DCWASA is projected to be 44%. This percentage was applied to the 2014 water estimate of $101,000 for an increase of $44,440.		
Utilities, Steam		(17)
The average decrease for steam is projected to be -5%. This percentage was applied to the 2014 steam estimate of $344,000 for a decrease of $17,200.		
National Archives and Records Administration Storage Costs		42
The National Archives and Records Administration (NARA) costs are expected to increase from $62,973 in FY 2014 to $104,876 in FY 2015 for a total increase of $41,903.		
Working Capital Fund		646
An additional $646,000 is required to fund cost increases in Departmental Management's Working Capital Fund.		
General Pricing Level Adjustment		151
This request applies OMB economic assumptions for FY 2015 of 1.4% to sub-object classes where the prices that the Government pays are established through the market system. Factors are applied to communications, utilities, and miscellaneous charges (excluding postage & FTS) ($3,248); rental payments to others ($112); other services ($138,572); supplies and materials ($2,128); equipment ($6,496), for a total increase of $150,556.		
Total FY 2015 Adjustments to Base	0	2,137

Exhibit 10

Department of Commerce
Departmental Management
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Compare by activity:		2013 Actual		2014 Enacted		2015 Base		2015 Estimate		Increase/(Decrease) Over 2015 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction	Pos./BA	112	32,478	112	31,546	112	32,760	112	32,760	0	0
	FTE/Obl.	91	31,464	91		91	0	91	0	0	0
Departmental Staff	Pos./BA	84	21,881	81	23,954	81	24,877	81	24,877	0	0
Services	FTE/Obl.	64	22,291	61		61	0	61	0	0	0
TOTALS	Pos./BA	196	54,359	193	55,500	193	57,637	193	57,637	0	0
	FTE/Obl.	155	53,755	152	57,944	152		152		0	

Exhibit 12 – 15

Department of Commerce
Departmental Management
Salaries and Expenses
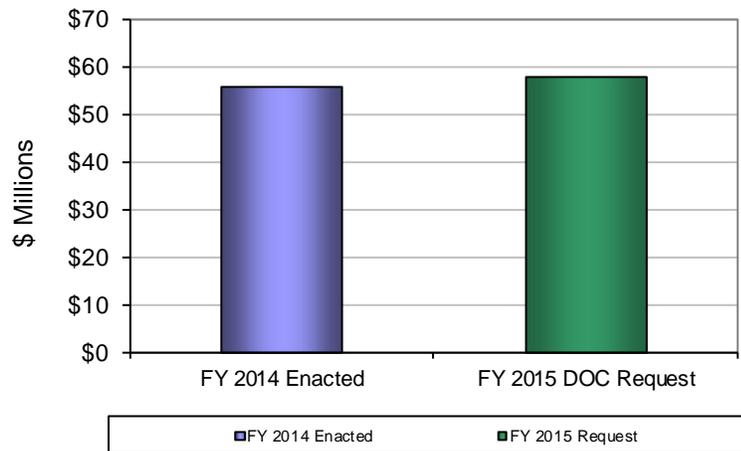
APPROPRIATION ACCOUNT: SALARIES AND EXPENSES

BUDGET PROGRAM: EXECUTIVE DIRECTION AND DEPARTMENTAL STAFF SERVICES

For FY 2015, Departmental Management (DM) requests a total of $57,637,000 and 152 FTE for Executive Direction and Departmental Staff Services (including inflationary adjustments).

PROGRAM JUSTIFICATION:

Salaries and Expenses Overview

Department Management provides Departmental policies, planning, and administrative guidance to ensure the efficient and effective implementation of the Department's mission statement.   DM develops and implements policy affecting U.S. and international activities as well as internal goals and operations of the Department. DM serves as the primary liaison with the executive branch, for legislative affairs and private sector groups. Furthermore DM acts as the management and administrative control point for the Department. Within the Salaries and Expenses Appropriation, two budget program activities fund the senior officials and support staff responsible for providing leadership in ensuring the accomplishment of the Department's mission.

Executive Direction develops and implements Departmental policies and coordinates Bureau program activities to accomplish the Departmental mission. This includes the oversight, direction and coordination of the Department's many activities and the representation of the Administration before the public, the business community, the Congress and other executive agencies and departments. These services are provided by the following offices:
- Key offices that support these functions are the Office of the Secretary, Deputy Secretary, Chief of Staff, Executive Secretariat, Office of Business Liaison, Office of Legislative and Intergovernmental Affairs, Policy and Strategic Planning, and the Office of Public Affairs.
- The Office of General Counsel (OGC) provides legal advice, guidance and services on matters involving Departmental programs and components. Supervises the development of the Department's legislative program and the delivery of effective legal services for the growing needs of major programs.

- The Office of the Chief Information Officer (OCIO) leads the management of information resources throughout the Department, ensuring that the Department's programs make full and appropriate use of information technology (IT). Implements Government-wide and Departmental policies, programs and activities in all aspects of information technology management, including IT security and providing analysis, design, development, support, and oversight for Department automated systems for Administration. Provides Department-wide coordination and technical support for the development and operation of information technology resources, including telecommunications. Manages the Department's IT security and critical IT infrastructure programs.
- The Office of the Chief Financial Officer and Assistant Secretary for Administration (OCFO/ASA) oversees the Department's financial resources, human resources management and facilities. Establishes and monitors implementation of Departmental policies and procedures for administrative functions affecting program operations in Commerce's operating units. Coordinates implementation of government-wide and Departmental management reforms. Manages the Department's headquarters offices located in the Herbert C. Hoover Building in Washington, D.C.
- BusinessUSA (BUSA) links American businesses to a portfolio of DOC and other Federal, state and local partner resources that enable client companies to become globally competitive.

Departmental Staff Services develops and implements the Department's internal policies, procedures, and other administrative guidelines. This includes both assisting the Secretary to plan, supervise and direct the resources and programs of the Department and execute his/her obligations under law, providing consistency in the bureaus' administrative operations. Activities of Departmental Management's Salaries and Expenses relate to DOC's Performance Goal of identifying and effectively managing human and material resources critical to the success of the Department's strategic goals. These services are provided by the following offices:

- The Office of Security (OSY) plans, develops, and implements policies and procedures for managing and delivering security services for the Department. Provides counterespionage, anti-terrorism and emergency management program support, puts forth guidance to Departmental offices and operating units regarding security matters as they relate to the protection of personnel, facilities, property and information. Specifically, establishes and enforces policies and procedures for conducting background investigations and granting security clearances; safeguarding classified and sensitive documents and information; assessing threats and determining risks to Departmental assets; and ensuring proper communications security for classified information.
- The Office of Human Resources Management (OHRM) implements Government-wide and Departmental policies, programs and activities in all aspects of human resources management and administration including recruitment and placement, classification, payroll support and administration, incentive awards, training and development, employee and labor relations, department-wide oversight and evaluation of human resources management activities, unemployment and workers' compensation, employee health and safety, employee benefits and drug testing.
- The Office of Civil Rights (OCR) develops and manages the Department's Equal Employment Opportunity (EEO) policies and programs. Conducts discrimination complaint investigations and adjudications, provides equal employment program support and affirmative action program support to selected operating units.
- The Office of Financial Management (OFM) implements policies and procedures for Departmental financial management operations, provides consolidated financial

reporting, internal controls, develops and maintains the Commerce Business System, the Department's financial management system. Provides complete financial stewardship for all activities included in Departmental Management. Oversees and administers all budget functions for the Office of the Secretary, manages the Department's Working Capital Fund and provides financial support and guidance Department-wide. Departmental-level management of travel, personal property and fleet motor vehicles.

- The Office of Facilities and Environmental Quality (OFEQ) provides Department-level management of real property, energy and environmental programs. Provides management of the following Herbert C. Hoover Building programs and services: publications; printing; library services; mail; messenger and distribution services; space management and use; environmental management; building management including operations, maintenance, repairs, and renovations; labor services; historic preservation; and shipping/receiving.

- The Office of Acquisition Management (OAM) develops, coordinates, and maintains the Department's acquisition regulations, policies and procedures. Provides contracting technical services, including acquisition strategies and guidance for the procurement of products and services in support of the Office of Secretary (OS), selected special projects and related administrative support. Performs federal assistance administrative duties and responsibilities to ensure that federal assistance actions comply with Departmental procedures. Manages Competitive Sourcing A-76/FAIR Act Program.

- The Office of Program Evaluation and Risk Management (OPERM) develops and oversees implementation of integrated, enterprise-wide policies, procedures, and strategies for assessing and managing risk; conducts evaluations of programs, processes, and administrative functions to identify opportunities for enhancing effectiveness and efficiency across the Department of Commerce; and serves as liaison with the Government Accountability Office and Office of Inspector General regarding audits and studies involved in strengthening nonfinancial internal controls.

- The Office of Privacy and Open Government (OPOG) develops and manages Departmental compliance with privacy policies as per the Privacy Act of 1974, the E-Government Act of 2002, and the Federal Information Security Management Act. It also coordinates the Department's response to incidents involving personally identifiable information, administers the Departmental Freedom of Information Act program, administers and coordinates the Departmental transparency and Open Government activities, manages the Department's numerous Federal Advisory Committee Act advisory committees, and manages the Department's directives system and relevant Executive Orders used to prescribe the basic management structure and organizational arrangements of the Department.

- The Office of Budget's (OB) primary responsibility is helping to prepare and defend the Department's annual budget request. The Office also supports long-range planning, conducts Department-level budget execution activities, supports development of performance measures and annual performance plans, and helps Bureaus implement Commerce budget procedures and policies.

- The Office of Small and Disadvantaged Business Utilization (OSDBU) is an advocacy and advisory office responsible for promoting the use of small disadvantaged, 8(a), women-owned, veteran-owned, service-disabled veteran-owned, and HUBZone small businesses within the DOC's acquisition process.

SIGNIFICANT INFLATIONARY ADJUSTMENTS:

DM requests a net increase of $2,137,000 and 0 FTE to fund inflationary adjustments to current programs for Executive Direction and Departmental Staff Services base activities. The increase will fund the estimated 2015 federal pay raise of 1 percent. The increase will also provide inflationary increases for non-labor activities, including service contracts, utilities, field office lease payments, and rent charges from the General Service Administration (GSA). In addition this increase includes the Working Capital Fund program increase charges to the S&E account to fund Business Applications Solutions, OCIO, OHRM, OFM, OFEQ, OPERM and OAM initiatives.

SUB-PROGRAM:

EXECUTIVE DIRECTION

The objectives of the Executive Direction are to:

Provide overall leadership, policy direction, and coordination of bureau programs in furtherance of the Department's mission. In addition the OCIO office provides administrative oversight and operational support in the development, acquisition, deployment, operation and security of information technology.

DEPARTMENTAL STAFF SERVICES

The objectives of the Departmental Staff Services are to:

Provide administrative oversight and operational support to ensure effective management of fiscal resources and business processes by which the Department carries out its responsibilities; the security of the facilities and property used to administer the Department's programs; and, the recruitment, training, retention, and management of a diverse and highly effective workforce with the skills and abilities required to achieve the Department's mission.

Statement of Need and Economic Benefits – Cost Benefit Analysis

The Department continues to find alternative solutions to work smarter with less while increasing efficiency with existing resources.

Base Resources Assessment

Base Resource Amount: 57,637,000	Base FTE: 152

Departmental Management continues to fund Executive Direction which provides policy oversight for the Department and Departmental Staff Services which oversees the day-to-day operations of the Department. Within base resources the Department continues to support the BUSA initiative.

Performance Goals and Measurement Data:

Performance goals will continue to be met in each of the programs within Departmental Management.

Exhibit 16

Department of Commerce
Departmental Management
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class		2013 Actual	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease) Over 2015 Base
11	Personnel compensation:					
11.1	Full-time permanent	20,023	21,407	21,694	21,694	0
11.3	Other than full-time permanent	0	0	0	0	0
11.5	Other personnel compensation	233	542	542	542	0
11.9	Total personnel compensation	20,256	21,949	22,236	22,236	0
12.1	Civilian personnel benefits	5,818	6,308	6,679	6,679	0
13	Benefits for former personnel	25	30	30	30	0
21	Travel and transportation of persons	297	610	621	621	0
23.1	Rental payments to GSA	4,093	4,334	4,927	4,927	0
23.2	Rental payments to others	8	9	8	8	0
23.3	Communication, utilities and miscellaneous charges	1,189	1,887	1,873	1,873	0
24	Printing and reproduction	31	39	40	40	0
25.1	Consulting services	1,058	1,058	1,058	1,058	0
25.2	Other services	6,304	9,137	6,822	6,822	0
25.3	Purchase of goods and services from Gov't accounts	13,954	11,967	12,719	12,719	0
26	Supplies and materials	447	152	154	154	0
31	Equipment	275	464	470	470	0
32	Land Structures	0	0	0	0	0
99	Total obligations	53,755	57,944	57,637	57,637	0
	Less prior year recoveries	(17)				
	Unobligated balance, start of year	(40)	(2,444)			
	Unobligated balance, transferred	(2,660)				
	Unobligated balance, end of year	2,444				
	Unobligated balance, expiring	877				
	Transfers from other accounts	(2,387)	0			
	TOTAL BUDGET AUTHORITY	51,972	55,500	57,637	57,637	0

Exhibit 16

Department of Commerce
Departmental Management
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Personnel Data	2013 Actual	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease) Over 2015 Base
Full-Time Equivalent Employment:					
Full-time Permanent	115	112	112	112	0
Other than full-time permanent	40	40	40	40	0
Total	155	152	152	152	0
Authorized Positions:					
Full-time permanent	146	143	143	143	0
Other than full-time permanent	50	50	50	50	0
Total	196	193	193	193	0

Note: Other than full-time permanent FTE and positions include political appointees classified as full-time temporary.

Exhibit 32

Department of Commerce
Departmental Management
Salaries and Expenses
Justification of Proposed Language Changes

<u>FY 2015:</u>

Envisioned as a part of the "General Provisions – Department of Commerce"

1.

Sec. 109 The Secretary of Commerce may use funds appropriated to The Department of Commerce in this or any other Act to engage in activities that provide businesses and communities with information, advice, and referrals to Federal Government programs or related programs of state, local, and other governmental entities, non-profit entities, or other businesses: Provided, That, in carrying out these activities, the Secretary may use space provided by such governmental entities on a reimbursable or nonreimbursable basis.

Exhibit 33

Department of Commerce
Departmental Management
Salaries and Expenses
Appropriation Language and Code Citation

<u>FY 2015:</u>

<u>Salaries and Expenses</u>

1.   For expenses necessary for the Departmental Management of the Department of Commerce provided for by law.

15 U.S.C. 1501

15 U.S.C. 1501 provides that: "There shall be...the Department of Commerce, and a Secretary of Commerce, who shall be the head thereof…" The sections which follow 15 U.S.C. 1501 establish various Assistant Secretaries and define general powers and duties of the Department.

2.   Including not to exceed $4,500 for official entertainment.

No Specific Authority

5 U.S.C. 5536 prohibits additional pay or allowance to employees unless the appropriation therefore specifically states that it is for the additional pay or allowance.

Exhibit 34

Department of Commerce
Departmental Management
Salaries and Expenses
Consulting and Related Services
(Dollar amounts in thousands)

	2013 Actual	2014 Enacted	2015 Estimate
Consulting services	0	0	0
Management and professional services	1,058	1,058	1,058
Special studies and analyses	0	0	0
Management and support services for research and development	0	0	0
Total	1,058	1,058	1,058

Exhibit 35

Department of Commerce
Departmental Management
Salaries and Expenses
Periodicals, Pamphlets, and Audiovisual Products
(Dollar amounts in thousands)

	2012 Actual	2013 Actual	2014 Enacted	2015 Estimate
Periodicals	0	6	4	4
Pamphlets	8	0	0	0
Audiovisuals	0	0	0	0
Total	8	6	4	4

Exhibit 36

Department of Commerce
Departmental Management
Salaries and Expenses
Average Grade and Salaries

	2013 Actual	2014 Enacted	2015 Estimate
Average ES Grade	0.00	0.00	0.00
Average GS/GM Grade	12.77	12.72	12.73
Average GS/GM Salary	$104,945	$105,633	$104,584

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Exhibit 5

Department of Commerce
Departmental Management
Renovation and Modernization
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Direct Obligations
2014 Enacted	5	5	4,000	4,000
less: 2014 Adjustment to Base: Non-recurring Construction Costs	0	0	(2,961)	(2,961)
2015 Base	5	5	1,039	1,039
plus: Program funding			10,694	10,694
2015 Estimate	5	5	11,733	11,733

		2013 Actual		2014 Enacted		2015 Base		2015 Estimate		Increase/(Decrease) Over 2015 Base	
Comparison by activity:		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
HCHB Renovation	Pos./BA	5	1,998	5	4,000	5	1,039	5	11,733	0	10,694
	FTE/Obl.	5	2,065	5	5,178	5	1,039				
TOTALS	Pos./BA	5	1,998	5	4,000	5	1,039	5	11,733	0	10,694
	FTE/Obl.	5	2,065	5	5,178	5	1,039	0	0	0	0
Adjustments to Obligations:											
Recoveries			(234)								
Unobligated balance, start of year			(1,011)		(1,178)						
Unobligated balance, end of year			1,178								
Financing from Transfers:											
Transfer from other accounts (-)											
Transfer to other accounts (+)											
Appropriation			1,998		4,000		1,039		11,733		10,694

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Exhibit 7

Department of Commerce
Departmental Management
Renovation and Modernization
SUMMARY OF FINANCING
(Dollar amounts in thousands)

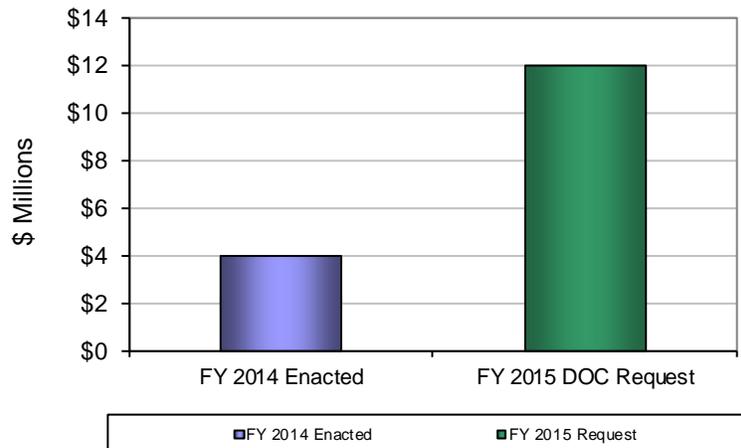|	2013 Actual	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease) Over 2015 Base
Total Obligations	2,065	5,178	1,039	11,733	10,694
Offsetting collections from:					
Federal funds	0	0	0	0	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	(234)	0	0	0	0
Unobligated balance, start of year	(1,011)	(1,178)	0	0	0
Unobligated balance, end of year	1,178	0	0	0	0
Budget Authority	1,998	4,000	1,039	11,733	10,694
Financing:					
Unobligated balance, rescission	0	0	0	0	0
Transfer from other accounts (-)	0	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	1,998	4,000	1,039	11,733	10,694

Exhibit 9

Department of Commerce
Departmental Management
Renovation and Modernization
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	FTE	Amount
Adjustments:		
Non-recurring Construction Costs	0	(2,983)

    * Note: Due to the nature of the renovation and modernization phases, each year this account has non-recurring construction only program costs. Only the personnel funding will be retained in the base.

Other Changes:

FY 2015 Pay Raise
    A general pay raise 1%, is assumed to be effective January 1, 2015.

Total cost in FY 2015 of pay increase	5,000	5
Amount requested in FY 2015 for FY2015 pay increase	5,000	

Federal Employees' Retirement System (FERS)   8
    The cost of agency contributions for FERS is 100%. The contribution rate will increase form 11.9% in
    FY 2014 to 13.2% in FY 2015.

FY 2015 ($596,000 x 1 x .132)	78,672	
FY 2014 ($596,000 x 1 x .119)	70,924	
Total adjustment to base	7,748	

Thrift Savings Plan (TSP)   6
    The cost of agency contributions for TSP 100% in FY 2015 and the contribution rate is 1%.

FY 2015 ($596,000 x 1 x .01)	5,960	
Total adjustment to base	5,960	

Health Insurance   1
    Effective January 2013, the cost of the U.S. Government's contribution to the Federal employee's health insurance
    premium increased by 2.7%. Applied against the FY 2014 estimate of $33,441 the additional amount required
    is $903.

General Pricing Level Adjustment   2

    This request applies OMB economic assumptions for FY 2015 of 1.4% to sub-object classes where the prices
    that the Government pays are established through the market system. Factors are applied to other services
    ($70); supplies and materials ($210); equipment ($1,932).

	FTE	Amount
Subtotal, Other Changes	0	22
Less amount absorbed		0
Total FY 2015 Adjustments to Base	0	(2,961)

Exhibit 10

Department of Commerce
Departmental Management
Renovation and Modernization
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Comparison by activity:		2013 Actual		2014 Enacted		2015 Base		2015 Estimate		Increase/(Decrease) Over 2015 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
HCHB Renovation and	Pos./BA	5	1,998	5	4,000	5	1,039	5	11,733	0	10,694
Modernization	FTE/Obl.	5	2,065	5	5,178	5	1,039				
TOTALS	Pos./BA	5	1,998	5	4,000	5	1,039	5	11,733	0	10,694
	FTE/Obl.	5	2,065	5	5,178	5	1,039				

Exhibit 12 – 15

Department of Commerce
Departmental Management
Renovation and Modernization

APPROPRIATION ACCOUNT: RENOVATION AND MODERNIZATION

BUDGET PROGRAM: RENOVATION AND MODERNIZATION

For FY 2015, Departmental Management requests an increase of $10,694,000 and 0 FTE from the FY2015 base for a total of $11,733,000 and 5 FTEs for the Herbert C. Hoover Building (HCHB) Renovation and Modernization project. Due to the nature of the renovation and modernization phases, each year this account has non-recurring construction only program costs. Only the personnel funding is retained in the base.

PROGRAM JUSTIFICATION:

Renovation and Modernization Overview

The HCHB renovation and modernization plan combines Department of Commerce (DOC) and General Services Administration (GSA) solutions to address major building systems that are beyond their useful life and deteriorating. The plan is an 8-phase modernization project which provides a solution that targets new, more efficient building systems. The driving factors for this project are fire and life safety compliance, deficient building systems (heating, ventilation, air-conditioning, and lighting), security improvements (perimeter security and blast resistant windows) and the recapturing of space in courtyard 6 (Swing Space Area). The FY 2015 request reflects the Department's continued focus in supporting the systems and renovation of the HCHB and is critical to the Department's portion of the HCHB Phase 4 completion.

PROGRAM CHANGE(S):

Renovation and Modernization Project (+10,694,000)
Proposed Actions:

DOC Construction Cost/Equipment & Furniture	5,704
Security	802
IT/Telecommunications	1,725
Relocation and Planning	1,420
Blast Windows	1,043
Total	10,694

DOC Construction Cost/Equipment and Furniture:

Build-out Phase 4 office spaces, storage areas and special purpose spaces, (e.g. a section of the new health care unit, and office/storage spaces gained or lost due to relocation of mechanical rooms, security office, Office of Civil Rights, Office of the Secretary area, International Trade Administration classified secure spaces, Office of Security secure room, restrooms and utility closets and associated special swing spaces). This also includes costs for Phase 4 furniture disassemble and office equipment.

Security:

Funding is necessary to complete the rewiring and installation of Phase 4 security systems.

Information Technology (IT/Telecommunications):

Funding is requested for the rewiring of IT/Telecommunications networks.

Relocation and Planning:

Funding is requested for test and evaluation of building systems prior to government acceptance, communications planning and execution, transition scheduling, and quality assurance and control.

Blast Windows:

Funding is requested for the procurement and installation of Phase 4 perimeter blast windows and building door entrances.

Statement of Need and Economic Benefits – Cost Benefit Analysis

The overall Department budget of the HCHB renovation project is approximately 14% of the total HCHB renovation cost. GSA provides the remainder of the funding. Even though alteration of the building was determined to be a higher cost alternative than leasing or new construction, the HCHB is an important asset in the GSA inventory and the headquarters of the Department since 1932. It is in the best interest of both agencies to renovate and maintain this landmark Federal Triangle property. Any fluctuation in the Departments appropriated funding will directly impact GSA's construction schedule. The FY 2015 request is critical to the Department's portion of completing the HCHB Phase 4 construction activities. The FY 2015 request will provide the Department the funds necessary to complete its responsibilities in the completion and utilization

of Phase 4 renovated spaces, and remain in lockstep with GSA's phased funding effort to continue focusing on modernizing the building.

Schedule and Milestones:

Phase 4: Fiscal Years 2014 – 2016
Phase 5: Fiscal Years 2016 – 2017
Phase 6: Fiscal Years 2017 – 2019
Phase 7: Fiscal Years 2019 – 2020
Phase 8: Fiscal Years 2020 – 2022

Deliverables:
- Project schedules and checklists
- Space utilization rates
- Risk management plan
- Technical review of submittals
- Construction documentation review and analysis
- Tenant improvement cost estimating and analysis

Performance Goals and Measurement Data:

Performance Goal: Measure 1	FY 2013 Est.	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target
With Change	100%	100%	100%	100%	100%	100%	100%
Without Change	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Description: Manage the DOC role in the HCHB Renovation Project to ensure the project milestones are completed on schedule. The performance measurement is to have 100% of project milestones meet target completion dates each quarter.							
Performance Goal: Measure 2	FY 2013 Est.	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target
With Change	0%	0%	0%	0%	0%	0%	0%
Without Change	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Description: Manage the DOC role in the HCHB Renovation Project to ensure the project is completed within budget. The performance measurement is to have no unit costs exceed the fiscal year budget							

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollars in thousands)

Budget Program: **Renovation and Modernization**

	Object Class	FY 2015 Increase
11	Personnel compensation	
11.1	Full-time permanent	$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	10,694
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	10,694

Exhibit 16

Department of Commerce
Departmental Management
Renovation and Modernization
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Classes		2013 Actual	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease) Over 2015 Base
11	Personnel compensation:					
11.1	Full-time permanent	514	596	601	601	0
11.3	Other than full-time permanent	0	0	0	0	0
11.5	Other personnel compensation	1	6	6	6	0
11.9	Total personnel compensation	515	602	607	607	0
12.1	Civilian personnel benefits	152	191	206	206	0
13	Benefits for former personnel	0	0	0	0	0
21	Travel and transportation of persons	0	1	1	1	0
22	Transportation of things	0	0	0	0	0
23.1	Rental payments to GSA	27	30	32	32	0
23.2	Rental payments to others	0	0	0	0	0
23.3	Communication, utilities and miscellaneous charges	4	9	9	9	0
24	Printing and reproduction	0	2	2	2	0
25.1	Consulting services	0	0	0	0	0
25.2	Other services	1,321	4,155	0	10,694	10,694
25.3	Purchase of goods and services from Gov't accounts	34	35	29	29	0
26	Supplies and materials	29	15	15	15	0
31	Equipment	(17)	138	138	138	0
41	Grants, subsidies and contributions	0	0	0	0	0
43	Interest and dividends	0	0	0	0	0
99	Total obligations	2,065	5,178	1,039	11,733	10,694
	Less prior year recoveries	(234)	0	0	0	0
	Unobligated balance, start of year	(1,011)	(1,178)			
	Unobligated balance, end of year	1,178	0			
	TOTAL BUDGET AUTHORITY	1,998	4,000	1,039	11,733	10,694

Exhibit 16

Department of Commerce
Departmental Management
Renovation and Modernization
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Personnel Data	2013 Actual	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease) Over 2015 Base
Full-Time Equivalent Employment:					
Full-time permanent	5	5	5	5	0
Other than full-time permanent	0	0	0	0	0
Total	5	5	5	5	0
Authorized Positions:					
Full-time permanent	5	5	5	5	0
Other than full-time permanent	0	0	0	0	0
Total	5	5	5	5	0

Exhibit 33

Department of Commerce
Departmental Management
Renovation and Modernization
Appropriation Language and Code Citations

For expenses necessary for the renovation and modernization of Department of Commerce facilities, $11,733,000 to remain available until expended.

Exhibit 5

Department of Commerce
Departmental Management
Working Capital Fund
SUMMARY OF RESOURCE REQUIREMENTS
(Dollars in thousands)

	Positions	FTE	Budget Authority	Reimbursable Obligations
Operating Plan, FY2014	652	570		185,283
less: Unobligated balance, start of year	0	0		0
plus: 2015 Adjustments to base	0	0		582
2015 Base	652	570		185,865
plus: Program increases	17	17		24,965
2015 Estimate	669	587		210,830

		2013 Actual		2014 Operating Budget		2015 Base		2015 Estimate		Increase/(Decrease) Over 2015 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Comparison by activity:											
Executive Direction	Pos./BA	279		268		268		268		0	
	FTE/Obl.	243	56,785	232	71,430	232	71,333	232	72,908	0	1,575
Departmental Staff Services	Pos./BA	351		384		384		401		17	
	FTE/Obl.	305	88,287	338	113,853	338	114,532	355	137,922	17	23,390
	Pos./BA	630		652		652		669		17	
TOTALS	FTE/Obl.	548	145,072	570	185,283	570	185,865	587	210,830	17	24,965
Adjustments to Obligations:											
Recoveries			(2,980)								
Unobligated balance, start of year			(13,337)		(11,104)						
Unobligated balance, end of year			11,104								
Total Reimbursable Authority			139,859		174,179		185,865		210,830		24,965

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Exhibit 9

Department of Commerce
Departmental Management
Working Capital Fund
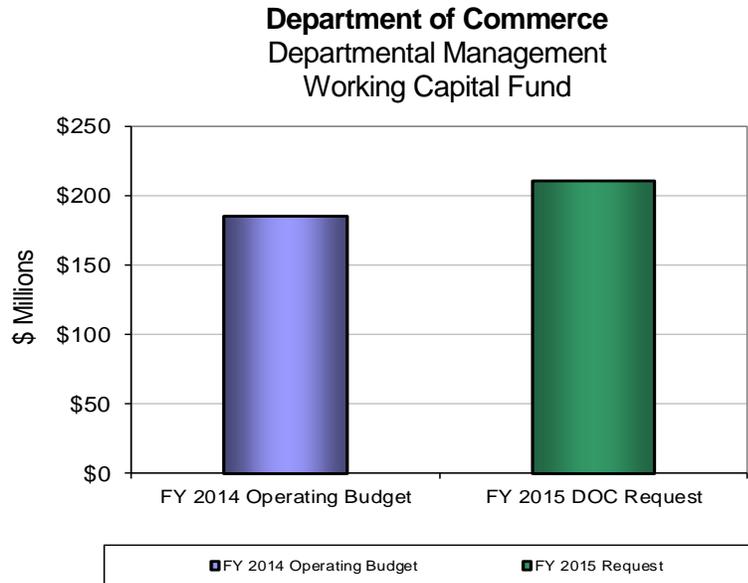(Dollar amounts in thousands)

	FTE	Amount
Adjustments:		

Non-recurring WCF services: (2,899)
The following initiatives were included in the FY 2014 budget and were one-time costs or needed at a reduced level in FY 2015:
Freedom of Information Act Module -$25; Enterprise Security Operations Center -$1,354, and WebTA - $1,520.

Other Changes:
Pay Raise ... 806

Annualization of FY 2014 Pay Raise
    The 2014 President's Budget assumed a pay raise of 1.0% effective January 1, 2014.

Total cost in FY 2015 of the FY 2014 pay increase	749,000	
Less amount requested in FY 2014	(562,000)	
Amount requested in FY 2015 for FY 2014 pay increase	187,000	

FY 2015 Pay Raise
    A general pay raise of 1.0% is assumed to be effective January 1, 2015.

Total cost in FY 2015 of pay increase	619,000	
Payment to Working Capital Fund	0	
Amount requested in FY 2015 for FY 2015 pay increase	619,000	

Full year cost in 2015 of positions financed for part year in 2014 0   26
    An increase of $26,227 is required to fund the full-year cost in 2015 of positions
    financed for part-year in 2014. The computation follows:

Annual salary of new positions in 2015	1	101,913
Less 5 percent lapse	0	(5,096)
Full-year cost of personnel compensation	1	96,817
Less personnel compensation in 2014	-1	(76,817)
Cost of personnel compensation in 2015	0	20,000
Adjustment for 2015 pay raise	0	150
Add'l amount required for personnel compensation	0	20,150
Benefits	0	6,077
Total adjustment-to-base	0	26,227

Exhibit 9

Department of Commerce
Departmental Management
Working Capital Fund
(Dollar amounts in thousands)

	FTE	Amount
Civil Service Retirement System (CSRS)	...	(131)

The cost of agency contributions for CSRS will decrease slightly due to the decrease in the number of
employees covered by CSRS from 8.8% in FY 2014 to 6.0% in FY 2015 for regular employees. The contribution rate
will remain the same at 7.00% for regular employees and 7.5% for law enforcement employees.

Regular:

FY 2015 ($67,064,795 x .060 x .07)	281,672
FY 2014 ($67,064,795 x .088 x .07)	413,119
Total adjustment to base	(131,447)

Law Enforcement:

FY 2015 ($1,479,205 x .0 x .075)	0
FY 2014 ($1,479,205 x .0 x .075)	0
Total adjustment to base	0

Total adjustment to base	(131,447)

	FTE	Amount
Federal Employees' Retirement System (FERS)	...	1,043

The cost of agency contributions for FERS will increase due to the increase in the number of employees
covered by FERS from 91.2% in FY 2014 to 94.0% in FY 2015 for regular employees. The estimated percentage of
payroll for law enforcement employees covered by FERS will remain the same in FY 2015.
The contribution rate will increase from 11.9% to 13.2% for regular employees and 26.3% for law enforcement employees.

Regular:

FY 2015 ($67,064,795 x .940 x .132)	8,321,400
FY 2014 ($67,064,795 x .912 x .119)	7,278,408
Total adjustment to base	1,042,992

Law Enforcement:

FY 2015 ($1,479,205 x 1.0 x .263)	389,031
FY 2014 ($1,479,205 x 1.0 x .263)	389,031
Total adjustment to base	0

Total adjustment to base	1,042,992

	FTE	Amount
Thrift Savings Plan (TSP)	...	38

The cost of agency contributions to the Thrift Savings Plan will increase slightly due to the number of employees
covered increasing from 91.2% in FY 2014 to 94.0% in FY 2015 for regular employees and will remain at 100%
in FY 2015 for law enforcement employees. The contribution rates will remain the same.

Regular:

FY 2015 ($67,064,795 x .940 x .02)	1,260,818
FY 2014 ($67,064,795 x .912 x .02)	1,223,262
Total adjustment to base	37,556

Law Enforcement:

FY 2015 ($1,479,205 x 1.0 x .02)	29,584
FY 2014 ($1,479,205 x 1.0 x .02)	29,584
	0

Total adjustment to base	37,556

Exhibit 9

Department of Commerce
Departmental Management
Working Capital Fund
(Dollar amounts in thousands)

	FTE	Amount
Federal Insurance Contributions Act (FICA) - OASDI	...	94

As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the percent of salaries below the cap will decreases from 92.7% in FY 2014 to 92.3% in FY 2015. The OASDI tax rate will remain 6.2% in FY 2014.

Regular:	
FERS payroll subject to FICA tax in FY 2015 ($67,064,795 x .940 x .923 x .062)	3,607,579
FERS payroll subject to FICA tax in FY 2014 ($67,064,795 x .912 x .927 x .062)	3,515,288
Subtotal	92,291
Law Enforcement:	
FERS payroll subject to FICA tax in FY 2015 ($1,479,205 x 1.0 x .923 x .062)	84,649
FERS payroll subject to FICA tax in FY 2014 ($1,479,205 x 1.0 x .927 x .062)	85,016
Subtotal	(367)
Other Salaries:	
Other payroll subject to FICA tax in FY 2015 ($1,387,000 x .940 x .923 x .062)	74,610
Other payroll subject to FICA tax in FY 2014 ($1,387,000 x .912 x .927 x .062)	72,701
Subtotal	1,909
Total adjustment to base	93,833

	FTE	Amount
Health Insurance	...	158

Effective January 2012, the cost of the U.S. Government's contribution to the Federal employee's health insurance premium increased by 3.4%. Applied against the FY 2015 estimate of $4,639,000, the additional amount required is $157,726.

	FTE	Amount
Rental Payments to GSA	...	124

GSA rates are projected to increase in FY 2015. An additional increase of $124,000 is required to fund this increase.

	FTE	Amount
Commerce Business System	...	227

Costs associated with the Commerce Business System will increase from $11,346,000 in FY 2014 to $11,573,000 in FY 2015. This results in an increase of $227,000.

	FTE	Amount
Postage	...	24

Effective January 22, 2012, the Governors of the Postal Service implemented a rate increase of 4.6% for shipping. This percentage was applied to the FY 2014 estimate of $517,000 to arrive at an increase of $23,782.

	FTE	Amount
General Pricing Level Adjustment	...	1,072

This request applies OMB economic assumptions for FY 2015 of 1.4% to sub-object classes where the prices that the Government pays are established through the market system. Factors are applied to transportation of things ($2,506); rental payments to other ($0); communications ($18,018); printing ($1,806); other services ($900,578); supplies and materials ($15,890) and equipment ($131,628).

	FTE	Amount
Subtotal, Other Changes	0	3,481
Less amount absorbed	0	0
Total FY 2015 Adjustments to Base	0	582

Exhibit 12 – 15

Department of Commerce
Departmental Management
Working Capital Fund

ACCOUNT: WORKING CAPITAL FUND

BUDGET PROGRAM: EXECUTIVE DIRECTION & DEPARTMENTAL STAFF SERVICES

For FY 2015, Departmental Management requests a net increase of $25,547,000 and 17 FTE, which comprises programmatic changes of $24,965,000 and 17 FTE and increases of $582,000 from inflationary adjustments including non-recurring initiatives over the FY 2015 base program for a total of $210,830,000 and 587 FTE for the Working Capital Fund (WCF).

BASE JUSTIFICATION FOR FY 2015:

Working Capital Fund Overview:

The U.S. Department of Commerce (DOC) WCF was established on June 28, 1944. The WCF's mission is to provide centralized services to the Department's bureaus and to agencies outside the Department in the most efficient and economical manner possible. The WCF was established without fiscal year limitation. It operates as a revolving fund and does not receive a yearly appropriation from Congress. Goods and services are financed by charging operating expenses back to the customers. The overall financial goal is to remain at a break even position. Organizational units provide the administrative support needed to accomplish DOC's overall mission. This mission focuses on promoting job creation, economic growth, sustainable development, and improved living standards for all Americans.

The Secretary of Commerce is vested with managing the WCF. Department Organizational Order 10-5 delegated this responsibility to the Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA). The CFO/ASA, acting through the Office of Financial Management, monitors the financial activities of the WCF service providing offices. This year the majority of offices reporting to the CFO/ASA have projects listed in the fund. In addition, the Office of Public Affairs, the Office of General Counsel and the Office of the Chief Information Office, which do not report directly to the CFO/ASA, also provide services through the fund.

The Working Capital Fund is a non-appropriated account which finances, on a reimbursable basis, Department-wide administrative functions that are more efficiently and economically performed on a centralized basis.

The Working Capital Fund budget is organized into 2 activities; Executive Direction and Departmental Staff Services. The Executive Direction activity is composed of 4 offices that include the Office of General Counsel (OGC), the Office of Public Affairs (OPA), the Office of the Chief Information Officer (CIO) and the Office of the Chief Financial Officer (CFO). The Departmental Staff Services activity is composed of 8 offices which include that include the Office of Security (OSY), the Office of Human Resource Management (OHRM), the Office of Civil Rights (OCR), the Office of Financial Management (OFM), the Office of Facilities and Environmental Quality (OFEQ), the Office of Acquisition Management (OAM), the Office of Program Evaluation and Risk Management (OPERM), and the Office of Privacy and Open Government (OPOG). Each office plays a pivotal role in the objectives of the Working Capital Fund and to the mission of the Department.

- The objectives of **Executive Direction** are to provide overall leadership, policy direction, and coordination of bureau program in furtherance of the Department's mission. These services are provided by the following:
  - **The Office of General Counsel (OGC)** provides legal advice, guidance and services on matters involving Departmental programs and components. Supervises the development of the Department's legislative program and the delivery of effective legal services for the growing needs of major programs.
  - **The Office of Public Affairs (OPA)** promotes public understanding and support of Department's programs, services and consumer issues. Ensures continuity and cost-effective management of Departmental Public Affairs programs. Acts as the primary point of contact on Departmental issues for the White House and Federal departments and agencies.
  - **Office of the Chief Financial Officer (CFO)** oversees the Department's financial resources, human resources and facilities. Establishes and monitors implementation of Departmental policies and procedures for administrative functions affecting program operations in Commerce's operating units. Coordinates implementation of government-wide and Departmental management reforms. Manages the Department's headquarters offices located in the Herbert C. Hoover Building in Washington, D.C.
- Also, an objective of Executive Direction is to provide administrative oversight and operational support in the development, acquisition, deployment, and operation security and information technology, including Cybersecurity, used to support the Department's mission. This service is provided by:
  - **The Office of Chief Information Officer (CIO)** leads the management of information resources throughout the Department, ensuring that the Department's programs make full and appropriate use of information technology (IT). Implements Government-wide and Departmental policies, programs and activities in all aspects of IT management, including IT security and providing analysis, design, development, support, and oversight for Department automated systems for Administration. Provides Department-wide coordination and technical support for the development and operation of information technology resources, including telecommunications. Manages the Department's IT security and critical IT infrastructure programs.

- The objectives of the **Departmental Staff Services** are to provide overall leadership, policy direction, and coordination of bureau programs in furtherance of the Department's mission.

Provide administrative oversight and operational support in the recruitment, training, retention, and management of a diverse and highly effective workforce with the skills and abilities required to achieve the Department's mission. These services are provided by:

- The **Office of Human Resource Management (OHRM)** implements Government-wide and Departmental policies, programs and activities in all aspects of human resources management and administration including recruitment and placement, classification, payroll support and administration, incentive awards, training and development, employee and labor relations, Department-wide oversight and evaluation of human resources management activities, unemployment and workers' compensation, employee health and safety, employee benefits and drug testing.
- **The Office of Civil Rights (OCR)** develops and manages the Department's Equal Opportunity (EEO) policies and programs. Conducts discrimination complaint investigations and adjudications, provides equal employment program support and affirmative action program support to selected operating units.

- In addition, an objective is to provide administrative oversight and operational support to ensure effective management of fiscal resources and business processes by which the Department carries out its responsibilities. These services are provided by:

  - **The Office of Financial Management (OFM**) implements policies and procedures for Departmental financial management, provides consolidated financial reporting, develops and maintains the Commerce Business System and the Department's financial management system. Provides Department-level management of travel personal property and fleet motor vehicles. Provides complete financial stewardship for all activities included in Departmental Management. Oversees and administers most budget functions for the Office of the Secretary, manages the Department's Working Capital Fund and provides financial support and guidance Department-wide.
  - **The Office of Acquisition Management (OAM)** provides contracting technical services, including acquisition strategies and guidance for the procurement of products and services in support of the Office of Secretary (OS), Office of Inspector General (OIG), selected special projects and related administrative support. Performs policy and oversight functions for the Department's acquisition and financial assistance programs. Performs federal assistance administrative duties and responsibilities to ensure that federal assistance actions comply with Departmental procedures. Manages Competitive Sourcing A-76/FAIR Act Program.
  - **The Office of Program Evaluation and Risk Management (OPERM)** develops and oversees implementation of integrated, enterprise-wide policies, procedures, and strategies for assessing and managing risk; conducts evaluations of programs, processes, and administrative functions to identify opportunities for enhancing effectiveness and efficiency across the Department; and serves as liaison with the Government Accountability Office and Office of Inspector General regarding audits and studies involved in strengthening nonfinancial internal controls.
  - **The Office of Privacy and Open Government (OPOG)** develops and manages Departmental compliance with privacy policies as per the Privacy Act of 1974, the E-Government Act of 2002, and the Federal Information Security Management Act. It also coordinates the Department's response to incidents involving personally identifiable information, administers the Departmental Freedom of Information Act program, administers and coordinates the Departmental transparency and Open Government activities, manages the Department's numerous Federal Advisory Committee Act advisory committees, and manages the Department's directives system and relevant Executive Orders used to prescribe the basic management structure and organizational arrangements of the Department.

- Also, an objective is to provide administrative oversight and operational support to ensure the effective management and security of the facilities and property used to administer the Department's programs.
  - **The Office of Security (OSY)** plans, develops, and implements policies and procedures for managing and delivering security services for the Department. Provides counterespionage, anti-terrorism and emergency management program support, puts forth guidance to Departmental offices and operating units regarding security matters as they relate to the protection of personnel, facilities, property and information. Specifically, establishes and enforces policies and procedures for conducting background investigations and granting security clearances; safeguarding classified and sensitive documents and information; assessing threats and determining risks to Departmental assets; and ensuring proper communications security for classified information.
  - **The Office of Facilities and Environmental Quality (OFEQ)** provides Department-level management of real property, energy and environmental programs. Provides management of the following Herbert C. Hoover Building programs and services: publications; printing; library services; mail; messenger and distribution services; space management and use; building management including operations, maintenance, repairs, and major and minor renovations; labor services; historic preservation; and shipping/receiving.

Significant Adjustments-to-Base (ATBs):

Departmental Management requests a net increase of $582,000 and 0 FTE to fund adjustments to current programs for WCF activities. This includes an increase of $3,481,000 and 0 FTE to fund inflationary adjustments. The inflationary adjustments cover the estimated 2015 Federal pay raise of 1 percent and increases for non-labor activities, including service contracts, utilities and rent charges from the General Service Administration (GSA). In addition, the request includes a decrease of $2,899,000 and 0 FTE from non-recurring initiatives that were included in the FY 2014 Budget request, which will not be needed or needed at a reduced funding level in FY 2015; therefore offsetting the adjustments-to-base.

PROGRAM CHANGES:

The Working Capital Fund is a non-appropriated account which receives funding on a reimbursable basis from Departmental bureaus for services. The WCF budget process adheres to the procedures required by the Commerce Budget Office for the Secretarial process. In addition, all WCF service increases are vetted through the Department's Chief Financial Officer's (CFO) Council. Service providing offices requesting program increases make presentations to the CFO Council and receive feedback from bureau CFO's regarding the proposed increases. The CFO Council then ranks all increases, which assists the CFO/ASA in making final decisions based on the Council's recommendations. For FY 2015, the following service increases are included: Departmental Environmental Compliance Assessment and Reporting System for $55,000, Environmental Management System annual third-party audit for $15,000, Risk Management Information System for $713,000, Learning Management System for $500,000, Enterprise Application Systems for $235,000, Audit Management System for $46,149, Managed Trusted Internet Protocol Service for $454,000, Virtual Desktop Infrastructure for $1,121,000, Strategic Sourcing for $800,000 and the Business Application Solutions for $21,026,000. Detailed exhibits are included in the budget.

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollars in thousands)

Budget Program: Executive Direction and Departmental Staff Services

	Object Class	FY 2015 Increase
11	Personnel compensation	
11.1	Full-time permanent	$3,339
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	1
11.8	Special personnel services payments	0
11.9	Total personnel compensation	3,340
12	Civilian personnel benefits	1,950
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	3
23.1	Rental payments to GSA	124
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	42
24	Printing and reproduction	2
25.1	Advisory and assistance services	713
25.2	Other services	18,912
25.3	Purchases of goods & services from Gov't accounts	250
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	16
31	Equipment	187
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	8
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	25,547

Exhibit 12 – 15

ACCOUNT: WORKING CAPITAL FUND

BUDGET PROGRAM: DEPARTMENTAL STAFF SERVICES/OFFICE OF FINANCIAL MANAGEMENT/BUSINESS APPLICATION SOLUTIONS (BAS)

For FY 2015, the Office of Financial Management requests an increase of $21,026,000 and 16 FTE from the FY2015 base for a total of $40,926,000 and 45 FTE for Business Application Solutions (BAS).

PROGRAM JUSTIFICATION:

Business Application Solutions (BAS) Overview

This funding request is to support the BAS project. In FY 2014, the BAS project began Phase I Implementation Activities for an integrated suite of financial management and business applications, specifically the Department's Core Financials, Data Warehouse, Acquisitions, and Property (Real, Personal, and Fleet) systems.

The funding request is needed to continue the implementation of systems modernization improvements started in FY 2014, and the investment is needed to address significant system and operational inefficiencies and redundancies across the Department, and resolve a lack of sufficient departmental managerial reporting capabilities.

Key critical business needs that will be met by the BAS project include: 1) Improving analytical reporting quality through Department-wide application and data standardization; 2) Gaining IT operational efficiencies by taking full advantage of cloud-based solutions, and reduce operational risks; 3) Providing timely access to accurate data for management decision making at a departmental reporting level; 4) Achieving consistent availability of information for management decisions and continuing the Department's clean audit opinion on its production systems, especially during transition; and 5) Reducing costly current system redundancies by consolidating interfaces and feeder systems and increasing emphasis on more efficient and effective administrative and business management.

The functional areas (and the supporting systems) included within the BAS project scope are:
- Core Financials (CBS)
    - Core Financial System (CFS)
    - Financial Statements
    - Bureau Reporting, Data Warehouses, and Portal Applications
- Acquisitions (Comprizon Suite)
    - C.Suite (C. Request, C.Award)
- Property (Personal, Real & Fleet)
    - Personal: Automated Property Management System (APMS), Oracle Assets, and Sunflower
    - Real: Federal Real Property Management (FRPM) System
    - Fleet: Sunflower

NOTE: PTO is not in the scope of BAS and NTIS is not in scope for Core Financials.

PROGRAM CHANGE(S):

Business Application Solutions ($21,026,000, 16 FTE)

The Department of Commerce is currently engaged with Department of Transportation Enterprise Services Center (DOT ESC) to explore the viability of utilizing a shared service solution. The budget estimates included in this document are based on market research analysis conducted in FY 2010 and FY 2011, and also include preliminary cost estimates from DOT ESC.

The original conceptual approach for implementing the BAS project was developed in FY 2009, and the project received funding to begin pre-planning activities in FY 2013 based on an "industry best practices" or "hybrid" approach in which DOC would implement its own suite of applications to meet BAS business objectives. The project received DOC-internal funding approval to begin implementation in FY2014 using this hybrid implementation approach.

However, the administration has stressed the importance of working with an existing Federal Shared Service Provider (FSSP) as the preferred approach for financial and mixed system modernization efforts. As a result, DOC engaged with the DOT ESC to conduct a discovery phase effort to refine schedule, scope and cost for the BAS program, which has subsequently informed the budget request for FY2015. This discovery phase officially began on April 16, 2013, with a DOT ESC Shared Service Overview presentation from DOT ESC personnel to DOC BAS stakeholders, OMB, and Treasury Office of Financial Innovation and Transformation (OFIT). The discovery phase completed on June 30, 2013.

Towards this objective, the Commerce Business System (CBS) Executive Board met on June 24, 2013 to review the preliminary cost estimates and qualitative assessments of the Discovery phase with DOT ESC. At that time, the CBS Executive Board approved proceeding to the Planning Phase of the BAS project, pending a final review of the cost estimates to be provided by DOT ESC.

Planned activities for FY 2015 include activities necessary to continue Phase I Implementation Activities that were started in FY 2014. These activities include finalizing the data model, gap analysis and remediation design; conducting conference room pilots; updating FSSP system components; conducting conversion activities; development of archiving solution; testing (unit, system, and user acceptance), training, transitioning Phase I operations and maintenance legacy support; and conducting post-implementation review. Additionally, there are ongoing tasks such as program governance, program/project management, organizational change management, and technical management that will require continued support during FY 2015.

The following table indicates the planned distribution of FTEs:

Cost Category	Fed FTEs
Program Management	4
Change Management	5
Data Conversion	10
DW and Reports	5
Interfaces	4
System Configuration	11
Testing (System and User Acceptance)	6
Totals	**45**

The BAS project impacts the entire Department, with all bureaus except PTO participating in the project and NTIS participating in the financial system modernization. Representatives from Census, NIST, NOAA, the Office of Financial Management (OFM), the Office of Acquisition Management (OAM), and the Office of Facilities and Environmental Quality (OFEQ) have been actively involved in

the pre-planning and Discovery phases of the project to date. As the project moves into the planning phase, all participating bureaus and offices will provide the subject matter experts to ensure the functionality of the systems meet the Department's needs.

Failure to fund FY 2015 BAS project activities will result in project delay and potential termination. Additional risks and impacts of not funding BAS in FY 2015 include the following:

- CBS is not certified as Financial System Integration Office (FSIO) nor is it Section 508 compliant. Compliance with these standards will require significant software changes. Assuming CBS can be made compliant with FSIO and 508 standards, there is no monitoring and enforcement mechanism for maintaining compliance over time as there is with vendor-supported and Federal Shared Service Provider solutions, where the software vendors are required to self-certify or face contractual penalties. It is not a core mission of DOC to maintain an in-house FSIO compliant financial system while vendor and outsourced solutions are readily available.
- DOC will incur higher than necessary annual Operations & Maintenance (O&M) costs because of multiple redundant application instances, interfaces, and feeder systems across the Department. It will be challenging financially for DOC to incorporate evolving Federal financial accounting functionality, interfaces, and reporting requirements. As DOC is the single agency that uses CBS, the costs cannot be spread among other customers.
- The long term stability and reliability of DOC legacy financial and business applications is questionable. The CBS application was built on 1980's technology that has become increasingly difficult and time-consuming to maintain. Maintaining CBS becomes an increasingly high risk as federal government staff with knowledge of the system will leave or retire. There is a high dependency on contractors with knowledge of the system that will not be available in the future. DOC is highly dependent on this shrinking labor pool to maintain the system while programming, testing, and deploying fixes and federal mandate upgrades. CBS system documentation is non-existent.
- Legacy data has built up over the 10-15 year operational lifespan of legacy financial and business systems to such an extent that it has threatened adequate system performance at all bureaus.
- DOC is not able to realize the qualitative benefits of standardized business processes, data, and reporting across bureaus and more critically at the Department level.
- The current legacy environment significantly increases the likelihood that individual organizations will continue to modernize applications in a stove-piped approach, thereby increasing implementation complexity, costs, and integration risk.
- Inability to realize IT operational efficiencies by not taking full advantage of cloud-based solutions and data center consolidations.
- DOC will not fully meet administrative objectives on "Cloud First" solutions, maximizing use of Shared Service Providers (SSPs), and data center consolidation efforts.

Statement of Need and Economic Benefits – Cost Benefit Analysis

The BAS project is a high priority project at the Department level, and has been specifically designed to address the following strategic goals and objectives:

- Provide access to timely and accurate data for management decision making at a departmental reporting level.
- Improve analytical reporting quality through department-wide centralized application and data standardization. Shift operational paradigm from transaction processing and reconciliation activities to information analysis and decision making.

- Assess different approaches for the Department to increase data standardization, identify IT operational efficiencies, and reduce operational risks moving forward.
- Increase emphasis on more efficiency and effective financial and administrative management approaches, information transparency, and dynamic reporting requirements.
- Determine alignment approaches with e-Gov initiatives, including travel, acquisitions, and grants.
- Improve support of strategic technology plans for a wide range of administrative business application environments.

A detailed current-state analysis was completed, and the conceptual modernization alternatives were defined and evaluated. An independent consulting firm was engaged to develop a detailed and objective qualitative and cost analysis of each modernization alternative identified, incorporating feedback from other federal CFO Act agencies, OMB and Treasury.

OMB and OFIT are highly engaged in the ongoing discovery and planning phase meetings and activities with DOTESC in order to help ensure transparency of the implementation planning process for BAS. By working closely with OMB and OFIT, the BAS project is intended to become a role-model for migrating to a FSSP and will help define the blueprint for shared service adoption across the Federal government.

The budget request represents a continuation of the multi-year implementation effort to migrate to a FSSP (BAS implementation is scheduled to begin in mid FY 2014). The total implementation schedule runs from FY 2014 through FY 2018. This budget request is for continued funding for the Phase I Implementation. Additional out-year resources will be needed for FY 2016 through FY 2018 to complete later phases of the BAS implementation. The total planning phase (FY 2013) and implementation phase (FY 2014 through FY 2018) current cost estimates, along with the estimated cost savings and return on investment (ROI), are summarized in the table that follows.

BAS FY2013-FY2022 Total Costs, Payback, and ROI		
Cost Component	Status Quo	BAS Program
Planning Phase	$ -	$ 3,900,000
Development Phase*	$ 10,765,504	$ 150,168,000
Total Development Modernization & Enhancement (DME)[1]	**$ 10,765,504**	**$ 154,068,000**
Total Operations & Maintenance (O&M)[2]	**$ 677,976,787**	**$ 477,140,498**
Grand	**$ 688,742,291**	**$ 631,208,498**
BAS O&M Savings Relative to Maintaining Status	n/a	$ (211,601,793)
Payback period (in years)[5]	n/a	8.63
ROI % in Year	n/a	137%
Additional Functional Ops Savings including	n/a	$ (31,637,978)
Total BAS O&M and Functional Ops	n/a	$ (243,239,771)
Payback period (in years) with Functional Ops Savings	n/a	8.26
ROI % in Year 10 with Functional Ops Savings	n/a	158%

* Status Quo Development Phase includes mandatory CBS Technology Upgrade & 508 Compliance Enhancements.

[1] Total DME = Planning Phase + Development Phase.
[2] Total O&M = Total Operations & Maintenance Costs for both Status Quo and BAS through project completion.

[3] Grand Total = Total DME + Total O&M.
[4] BAS O&M Savings Relative to Maintaining Status Quo = Status Quo Grand Total - BAS Total O&M.

[5] Payback Period = Point (in years) when Total DME - BAS O&M Savings Relative to Maintaining Status Quo = 0. 8.63 Years = FY2021.

[6] ROI % in Year 10 = BAS O&M Savings Relative to Maintaining Status Quo / Total DME.
[7] Additional anticipated savings from implementing Internet Payment Platform (IPP) and Consolidating Financial Operations.

[8] BAS O&M Savings Relative to Maintaining Status Quo + Additional Functional Ops Savings.

Schedule and Milestones:

Planned activities for FY 2015 include activities necessary to continue Phase I implementation activities that were started in FY 2014. These activities include finalizing the data model, gap analysis and remediation design; conducting conference room pilots; updating FSSP system components; conducting conversion activities; development of archiving solution; testing (unit, system, and user acceptance), training, transitioning Phase I operations and maintenance legacy support; and conducting post-implementation review. Additionally, there are ongoing tasks such as program governance, program/project management, organizational change management, and technical management that will require continued support during FY2015.

See the notional schedule below with key milestones:

Activity/Milestone	Start	Finish
Finalize Data Model, Gap Analysis, and Remediation Design	Oct 2014	Jan 2015
Continuation of Conference Room Pilots	Oct 2014	June 2015
Continuation of Conversion Activities	Jan 2015	Oct 2015
Development of Archiving Solution	Jan 2015	Oct 2015
Testing (Unit, System, and User Acceptance)	Mar 2015	Oct 2015
Training Activities	June 2015	Dec 2015
Phase I Operations and Maintenance Transition Planning	June 2015	Dec 2015

Deliverables:
- o Final data model, gap analysis and remediation design
- o Final data warehouse and archiving solution design
- o Completion of testing activities for Phase I implementation
- o Delivery of training to NOAA users on the new functionality for the core financials, acquisition, and property systems

Performance Goals and Measurement Data:

Business Application Solutions Performance Goals and Measurement Data

Performance Goal: Measure 1	FY 2012 Est.	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target
With Change	NA	NA	NA	NA	11	7	2
Without Change	NA	Multiple	Multiple	Multiple	Multiple	Multiple	Multiple

Description: For each administrative/business system, reduce the number of instances.
*This measure is contingent on funding in FY 2013 and FY 2014, with the results not expected before FY 2016. Therefore, for FY 2013-2015, the target is NA.

This performance measure represents the number count of instances (separate and distinct financial, acquisitions, property and grants production databases belonging to each bureau/office that is the system of record for that specific information and data) in the current environment versus the number count of instances in the target environment.

The goal is to reduce the number of locations that house DOC's financial and acquisition systems, as well as property (personal and real), grants, and fleet management, resulting in efficient and effective administration and business management. Currently, DOC maintains multiple redundant system environments replicated with variations across the Department. This results in significant system and operational inefficiencies and redundancies, one being cost, across DOC.

For the Commerce Business Systems (CBS – DOC's financial system of record in 12 of the 14 bureaus), there are three production instances within each of the production Bureaus (Census, NIST and NOAA) along with their supporting testing and training environments.

For the C.Suite acquisition system, there are four production instances within Census, NIST, NOAA and the Office of the Secretary along with their supporting testing and training environments.

For personal property systems, there are three production instances within the Office of the Secretary, Census, and NIST.

For real property systems, there are three production instances within the Office of the Secretary, NOAA, and NIST.

For fleet management, there is one production instance within the Office of the Secretary.

For grants management, there are two production instances within NOAA and NIST.

Performance Goal: Measure 2	FY 2012 Est.	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target
With Change	NA	NA	NA	NA	11	7	2
Without Change	Multiple	Multiple	Multiple	Multiple	Multiple	Multiple	Multiple

Description: For each administrative/business system, reduce the number of data repositories from which data must be extracted to respond to data calls. *This measure is contingent on funding in FY 2013 and 2014, with the results not expected before FY 2016. Therefore, for FY 2013-2016, the target is NA.

This performance measure reflects the number of data repositories that must be queried to gather the necessary data to respond to data calls (three for the financial system, four for the acquisition system, three for personal property, three for real property, and two for grants) for financial and administrative related data and information versus the number of repositories in the target environment that must be queried to respond to data calls. The goal is to eliminate the need to consolidate data and information from multiple sources. Currently, the significant system and operational inefficiencies and redundancies across DOC result in a lack of sufficient departmental managerial reporting. Data calls for information and data must be issued to each bureau/office that maintains the instance and the information and data submitted must be consolidated manually. This manual data reconciliation process has to occur because the data elements have different definitions and characters that result in a large manual consolidation reporting effort. The BAS project will improve analytical reporting quality through Department-wide centralized application and data standardization and will provide more timely access to accurate data for management decision making at the departmental reporting level.

Performance Goal: Measure 3	FY 2012 Est.	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target
With Change	NA	NA	NA	NA	90%	95%	98%
Without Change	90%	90%	80%	70%	60%	50%	40%

Description: % Chance of Receiving an Unqualified Audit Opinion.
This measure reflects the percent chance of receiving an unqualified audit opinion as a result of the Financial Statement Audit. The audit includes a review of the Department's consolidated balance sheets as of the end of a fiscal year and the related consolidated statements of net cost and changes in net position, and combined statements of budgetary resources for the years then ended. In addition, a key aspect of the financial statement audit is an assessment of the IT general controls, as IT systems significantly facilitate the Department's financial processing activities and maintain important financial data. The goal is to receive an unqualified audit opinion. There are several types of audit opinions: (1) unqualified, in which the Auditor concludes that the Financial Statements give a true and fair view in accordance with the financial reporting framework used for the preparation and presentation of the Financial Statements; (2) qualified, in which Auditor encounters a situation that do not comply with generally accepted accounting principles, however the rest of the financial statements are fairly presented; and (3) disclaimer, which is issued when the Auditor cannot form, and consequently refuses to present, an opinion on the financial statements.

The Department currently incurs higher than necessary annual O&M cost because of multiple redundant application instances, interfaces, and feeder systems. If we stay on the existing system, it will become more challenging financially to incorporate evolving Federal financial accounting functionality, interfaces and reporting requirements, leading to the potential that DOC will not obtain an unqualified audit opinion. In addition, with the current legacy system composed of multiple instances there is the necessity to have redundant IT controls, which decreases the likelihood that that Department will receive an unqualified audit opinion. The BAS system will reduce the number of instances that have to be maintained, thus increasing the likelihood that the Department will receive an unqualified audit opinion.

Performance Goal: Measure 4	FY 2012 Est.	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target
With Change	NA	NA	NA	NA	Partial Compliance	Partial Compliance	Partial Compliance
Without Change	NA	Non-Compliance	Non-Compliance	Non-Compliance	Non-Compliance	Non-Compliance	Non-Compliance

Description: For each administrative/business system, maintain compliance and alignment with OMB initiatives.

This measure reflects the requirement to maintain compliance and alignment with OMB initiatives, including the guiding principles reflected in the OMB system modernization requirements (leveraging SSPs, split projects into smaller, simpler segments with clear deliverables; focus on most critical needs first; and provide ongoing, transparent project oversight) data center consolidation requirements, and cloud computing requirements.

PROGRAM CHANGE PERSONNEL DETAIL

Budget Program: **Departmental Staff Services/Office of Financial Management**
Sub-program: **Commerce Business Systems Solutions Center**
Program Change: **Business Application Solutions**

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Various	Gaithersburg, MD	Various	16	$148,088	$2,369,408
					$0
					$0
					$0
Subtotal			16		$2,369,408
Less Lapse	0%		0		$0
Total Full-time permanent:			16		$2,369,408
2014 Pay Adjustment	1.0%				$23,694
2015 Pay Adjustment	1.0%				$23,931
Subtotal			16		$2,417,033
TOTAL					$2,417,033

Personnel Data	Number
Full-time Equivalent Employment	
Full-time permanent	16
Other than full-time permanent	0
Total	16
Authorized Positions:	
Full-time permanent	16
Other than full-time permanent	0
Total	16

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PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: **Office of the Secretary/Office of Financial Management**
Sub-program: **Commerce Business Systems Solutions Center**
Program Change: **Business Application Solutions (BAS)**

	Object Class	FY 2015 Increase
11	Personnel compensation	
11.1	Full-time permanent	$2,417
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	2,417
12	Civilian personnel benefits	725
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	17,876
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	8
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	21,026

Exhibit 12 – 15

APPROPRIATION ACCOUNT: WORKING CAPITAL FUND

BUDGET PROGRAM: EXECUTIVE DIRECTION/OFFICE OF CHIEF INFORMATION
OFFICER/VIRTUAL DESKTOP INFRASTRUCTURE (VDI)

For FY 2015, Office of Chief Information Officer requests a total of $1,121,000 and 0 FTE for Virtual Desktop Infrastructure (VDI) that will provide the ability for users to access applications and data from any location.

PROGRAM JUSTIFICATION:

Virtual Desktop Infrastructure (VDI) Overview

Desktop virtualization in the Herbert C. Hoover Building (HCHB) will provide the ability for users to access applications and data from any location, as if sitting at their own PC. This means simpler management of desktop devices because the software would reside on the server side. A VDI will facilitate mobile computing and telework, simplify Continuity of Operations (COOP) deployments, and reduce the cost and complexity of end-point security. This capability is dependent on a common or federated active directory, user authentication, and ID management solutions, and will be facilitated by the cloud-based email solution. Specific benefits of the VDI implementation will be realized in the following areas:

Lower Total Cost of Ownership – A VDI implementation will bring the benefits of a centralized architecture with improved operational efficiency.

Any Device, Any Where – With VDI, users have complete freedom of choice as to the device they use. Since the desktop image is managed at the server, the Department will be able to be more flexible in the devices provided to users.

Improved IT Productivity – A VDI will allow central management of all desktops and better control of what is being installed and used on the desktops. Deployment of virtual desktops is faster than using desktop-oriented imaging technology.

Operating system migrations are greatly simplified – With the current DOC infrastructure, the Department is forced to inventory all user equipment, and in some cases upgrade the unit. With VDI, the Department will be able to push out a new Office of Secretary image from a central service desk to the group of users being migrated.

Security – Security is a key factor in implementing a VDI solution. With VDI, the Department will have greater control of how desktops are secured, including the ability to lock down an image from a centralized service desk, and prevent copying data from an image to a local machine. Remote users will also benefit since sensitive data is stored on the server in the data center and not the device itself. If the device is lost or stolen, the information is protected. Virtual desktop management policies can also be used to block user access to USB drives, thus preventing a user from copying confidential data to portable media.

PROGRAM CHANGE(S):

Virtual Desktop Infrastructure (VDI) ($1,121,000)

Within the HCHB, the Departmental Office of the Chief Information Officer provides information technology (IT) infrastructure support to the Office of the Secretary, the Economic Development Administration, the Economics and Statistics Administration, and the Minority Business Development Administration. This infrastructure currently comprises approximately 2,000 desktop personal computers. Replacement of these personal computers with a virtualized desktop appliance will assist the Department in controlling a number of issues related to PC security, business continuity, remote access and data backup. The Department will also be able to achieve improvements in operational support, since many of the issues associated with software distribution, remote control, desktop reimaging and the provisioning of user profiles will be eliminated. Support will also be less expensive under a centralized and standardized VDI. Implementation of a VDI will allow the Department to sever the link between PC hardware refresh and operating system/application upgrades. By implementing a VDI, organizations can refresh their software configurations without considering the impact those changes may have on PC hardware.

VDI aligns with many of the Departmental Strategy Initiatives and promotes the administrative priorities such as the Federal Data Center Consolidation Initiative (FDCCI) and Telework Enhancement Act. Virtualization allows more efficient use of computing power and memory resources and reduces physical footprints. Furthermore, through VDI, access to the desktops environment can be easily extended to remote users; allowing them to be productive while teleworking from any remote locations.

Statement of Need and Economic Benefits – Cost Benefit Analysis

Status Quo – If the Department chooses to accept the status quo, it will continue to spend money inefficiently, negatively impact IT productivity, and fail to take advantage of advances in mobility and security capabilities. The Department's current PC delivery model is extremely costly to maintain, and assumes that, in many cases, users are tethered to a single physical device. Maintaining the status quo would avoid significant initial capital expenditures, but those avoided expenditures would be more than made up for by continued high operations and maintenance costs and the continued need to refresh an expensive population of desktop PCs. The Department currently has no disaster recovery contingency and if the Department choses to develop this capability, the Department would need to expend considerable resources to do so.

The Department will seek a complete, turn-key solution that provides an infrastructure web services platform in the cloud and offers a complete set of infrastructure and application services that would enable the Department to run virtually everything in the cloud: from enterprise applications and big data projects to mobile apps. One of the key benefits of cloud computing is the opportunity to replace up-front capital infrastructure expenses with low variable costs that scale to our organizational structure.

With this infrastructure, data centers are built in clusters in various global regions. This would provide the Department with the flexibility to place instances and store data across multiple availability zones, each of which is designed as an independent failure zone. These availability zones ensure high availability through separate discrete uninterruptable power supplies and onsite backup generation facilities, each fed via different grids from independent utilities. Single points of failure are further reduced by redundant connections to multiple tier1 transit providers.

Schedule and Milestones:

The milestones produced will include a Business Case Study and Return on Investment analysis. Additionally, market research for the VDI solution will be conducted as well as developing Project Plan and Schedule for the standing the VDI environment. Migration from the current desktops environment to the new VDI environment will be captured as well in the Project Plan and Schedule.

Deliverables:

The VDI solution will be established and offered first to the Office of the Secretary users. The OCIO may also choose to offer this VDI solution to other DOC bureaus outside of the Office of the Secretary to obtain additional cost savings.

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollars in thousands)

Budget Program: **Executive Direction/Office of Chief Information Officer**
Program Change: **Virtual Desktop Infrastructure (VDI)**

Object Class		FY 2015 Increase
11	Personnel compensation	
11.1	Full-time permanent	$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	1,035
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	86
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	1,121

Exhibit 12 – 15

APPROPRIATION ACCOUNT: WORKING CAPITAL FUND

BUDGET PROGRAM: DEPARTMENTAL STAFF SERVICES/OFFICE OF ACQUISITION MANAGEMENT/STRATEGIC SOURCING

For FY 2015, Departmental Management requests a total of $800,000 and 0 FTE for the Department's strategic sourcing program.

PROGRAM JUSTIFICATION:

Strategic Sourcing Overview

This funding request is to support DOC's strategic sourcing program. Strategic sourcing is a process that continuously analyzes an organization's spend, and puts in place processes and methodologies to achieve efficiencies. DOC's program is currently staffed in the Departmental Management, Salaries and Expenses account, with one government FTE, and support contractors. Strategic sourcing efforts began in January of 2011, and by March of 2011 the program was operational. The goal of strategic sourcing is to increase operational efficiency, reduce costs, and improve DOC's socio-economic performance.

In an effort to be efficient stewards of taxpayer dollars, DOC began their strategic sourcing program in 2011. DOC's program encompasses all bureaus, and touches many functional areas, including acquisition, information technology, and administrative services, among others. Strategic sourcing is a proven concept that works in both the commercial and public sector. DOC has already proven that it can be successful, and this budget request is the next step in institutionalizing the process.

The program will continue coordinating with all bureaus, and develop centralized strategies and guidance for achieving cost savings and other efficiencies. The program will lead the development of solutions with bureau involvement, and then measure the performance of underlying bureaus against said solution. This performance monitoring has been critical in changing behavior, and achieving results to date.

In addition to the aforementioned areas, strategic sourcing is well in line with both DOC and government focus areas. Strategic sourcing efforts directly support the President's "Campaign to Cut Waste," and have been recognized by outside entities and the White House alike. The program is a key component of DOC's acquisition improvement project, and DOC's overall strategic plan. DOC's strategic plan specifically highlights the need for organizational effectiveness, and challenges DOC to "reengineer key business processes to increase efficiencies, manage risk, and strengthen effectiveness." Strategic sourcing has already accomplished this goal, and has allowed for numerous efficiencies and cost savings to date. The program has awarded all contracts to small businesses, and achieved cost savings of $5.4M in FY11, $15.4M in FY12, and is on track to achieve $20.5M in FY13. These are hard savings that have given operational resources back to bureaus. In addition to hard savings generated by the program, there has been a substantial reduction of approximately 50,000 hours necessary to administer contracts and manage the contracts last year alone. This amounts to soft savings in the millions of dollars.

PROGRAM CHANGE(S):

Strategic Sourcing ($800,000)

The value of strategic sourcing is recognized in both the commercial and government sector. It is a recognized commercial best practice, and the value of it has been highlighted in numerous private and government studies alike. A recent Government Accountability Office (GAO) report (GAO-12-919) estimated that the government is not aggregating its buying power and could achieve savings of up to $50 billion by employing strategic sourcing.

Strategic sourcing savings are the result of the Department fundamentally shifting how it purchases and manages products and services. Historically, operating units within the Department had purchased most items separately and independently. The strategic sourcing program has worked to bring the different operational components of the Department together to leverage the increased purchasing power of the Department as a whole. This has allowed the Department to drive down costs in a substantial matter. In addition to purchasing at lower price, the strategic sourcing program has focused on purchasing less of an item wherever possible. The strategic sourcing program not only looks to collaborate within the Department, but with the rest of the government whenever possible. DOC is a federal leader in strategic sourcing, and actively participates in government-wide contracts for items such as office supplies and small package shipping.

This funding request is to acquire the necessary contract support personnel to assist the strategic sourcing direction with implementation of the strategic sourcing program. The personnel will be responsible for certain aspects of the program, and will coordinate to help bureaus achieve goals. More specifically, the program will continue coordinating amongst all bureaus, and develop centralized strategies and guidance for achieving cost savings and other efficiencies. The program will lead the development of solutions with bureau involvement, and then measure the performance of underlying bureaus against said solution. This performance monitoring has been critical in changing behavior, and achieving results to date.

A failure to approve funding towards strategic sourcing poses several risks to the DOC. First and foremost amongst these risks is a substantial loss of savings. By not applying funding for resources, the necessary actions to obtain savings will not be completed. Additionally, there are numerous strategic sourcing initiatives that are already in place. If there are no resources to manage these solutions, then these activities will have to be picked up by each of the underlying bureaus. Activities that are now being performed in a centralized manner will have to be done by all bureaus individually, which will lead to increased costs for the bureaus and the DOC as a whole. The DOC would be ramping down efforts on the program at the very time that the government as a whole is ramping up.

Statement of Need and Economic Benefits – Cost Benefit Analysis

The strategic sourcing program has delivered a substantial return on investment historically (8x), and this positive return will only continue in the future. The cost drivers for the program consist of personnel and contract support personnel, and returns are driven by cost savings in the form of lower costs for products. The table below represents a conservative future projection of hard savings (reductions in prices, not efficiency, cost avoidance, or soft savings), and the associated return on investment.

Year	Hard Savings	Program Cost	ROI
FY15	$7M	$.998M	7x
FY16	$8	$.998M	8x
FY17	$8.5M	$.998M	8.5x
FY18	$8.5M	$.998M	8.5x

Schedule and Milestones:

Schedules and milestones will vary based upon initiative. A common initiative will consist of an initial spend analysis, business case analysis, market research, acquisition strategy, acquisition plan, and the conduct of an acquisition. This will be followed by monthly assessments, reporting, and continuous communications.

Deliverables:

Typical outputs and deliverables include: business case analyses spend analysis reports, new strategic sourcing initiatives, acquisition plans and strategies, demand management strategies, cost savings, reduction in contracts, costs savings reports, strategic sourcing contracts and policies governing behavior.

Performance Goals and Measurement Data:

Performance Goal: Measure 1	FY 2013 Est.	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target
With Change	N/A	N/A	$7M	$8M	$8.5M	$8.5M	$8.5M
Without Change	N/A	N/A	$5M	$5M	$5M	-	-
Description: Capture savings through demand management and better pricing on strategically sourced contracts.							
Performance Goal: Measure 2	FY 2013 Est.	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target
With Change	N/A	N/A	70%	70%	70%	70%	70%
Without Change	N/A	N/A	0	0	0	0	0
Description: Reduce the total number of contracts through consolidation of targeted products and services							

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollars in thousands)

Budget Program: **Departmental Staff Services/Office of Acquisition Management**
Program Change: **Strategic Sourcing**

Object Class	FY 2015 Increase
Personnel compensation	
Full-time permanent	$0
Other than full-time permanent	0
Other personnel compensation	0
Special personnel services payments	0
Total personnel compensation	0
Civilian personnel benefits	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental Payments to others	0
Communications, utilities and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services	800
Purchases of goods & services from Gov't accounts	0
Operation and maintenance of facilities	0
Research and development contracts	0
Medical care	0
Operation and maintenance of equipment	0
Subsistence and support of persons	0
Supplies and materials	0
Equipment	0
Lands and structures	0
Investments and loans	0
Grants, subsidies and contributions	0
Insurance claims and indemnities	0
Interest and dividends	0
Refunds	0
Total obligations	800

Exhibit 12 – 15

ACCOUNT: WORKING CAPITAL FUND

BUDGET PROGRAM: DEPARTMENTAL STAFF SERVICES/OFFICE OF HUMAN RESOUCE
MANAGEMENT RISK MANAGEMENT INFORMATION SYSTEM

For FY 2015, Office of Human Resources Management (OHRM) requests a total of $713,000 and 0 FTE to purchase and implement a Commercial off-the-shelf (COTS) Department-wide, Risk Management Information System (RMIS), which is a web-based, electronic, vendor-hosted injury/illness and motor vehicle accident reporting system.

Risk Management Information System (RMIS) Overview

The objective of this injury reporting system would is to have a single entry injury reporting system so employees only have to enter the data one time and notification would be sent to the employee's supervisor, the bureau Safety Office, and the bureau Workers' Compensation (WC) Office. This allows action to be taken immediately to ensure the injured employee is brought back to work as soon as medically able. The RMIS would enable supervisors, Safety Managers, and WC Coordinators to track this. And, that also enables the bureaus to monitor the number of days away from work following and injury and to monitor their progress in returning employees to work which is a vital task to the WC program objective of reducing WC program employee cost. If you can measure reduction in days away from work, you can measure the cost savings. Currently we cannot do this.

Current activities include an ongoing dialogue with the Department of the Treasury as they begin the contracting process to purchase a COTS RMIS. Over the past several years, demonstrations of several RMIS have been shown to the bureaus.

Purchasing a RMIS is a priority for all bureaus, particularly Census and the National Oceanic Atmospheric Administration who represent 26,000 employees. Census received numerous Occupational Safety and Health Administration (OSHA) citations during the 2010 Decennial for errors in its injury recordkeeping and still has employees from the 1990 and 2000 Decennial on its workers' compensation rolls. Implementing a RMIS by 2016 is essential for Census to keep accurate records of the approximately 4,000 injuries they can expect as they prepare for and conduct the 2020 Decennial and return injured Decennial workers to work and to keep them off the long term compensation rolls. (Included in Census' $9 million 2012 workers' compensation costs were 26 cases from the 1990 Decennial for $482,718 and 71 cases from the 2000 Decennial for $1,635,774.)

The RMIS would modernize the Department's current labor intensive, manual system that bureaus use to report injuries and illnesses. It would put injury and motor vehicle accident statistics at bureau managers' fingertips so they could more accurately allocate safety and workers' compensation resources.

Also, implementing a RMIS would put the Department in compliance with the injury recordkeeping requirements of the Occupational Safety and Health Administration (OSHA) injury reporting standards (29 CFR 1904).

PROGRAM CHANGE(S):

Risk Management Information System (RMIS) ($713,000)

This initiative is to purchase and implement a COTS Department-wide RMIS, which is a web-based, electronic, vendor-hosted injury/illness and motor vehicle accident reporting system. RMIS requests funding of $545,000 to purchase a system and $168,000 for the first year's maintenance costs.

There are several risks of not pursuing the initiative. Census would risk adding more injured workers to the long term compensation rolls and receiving more OSHA citations for errors in injury recordkeeping. These additional citations would be classified as repeat because Census received similar citations for the 2010 Decennial. NOAA would be without an injury reporting system that meets OSHA requirements, and would also risk OSHA citations.

The Department would lose opportunities:
- o To reduce its workers compensation costs.
- o To identify and reverse injury trends.
- o To be in compliance with OSHA standard 1904, Injury Recordkeeping.
- o To file its injury forms electronically, which OSHA planned to require in 2013. (This OSHA rule is still with OMB.)
- o The Department would continue to see delays in injury reporting.
- o Employees would still have to report injuries twice.
- o To begin tracking work-related motor vehicle accidents.

The risks and opportunities of pursuing this initiative are more beneficial for the Department than not pursuing this initiative based on the quantitative and qualitative analysis below.

Statement of Need and Economic Benefits – Cost Benefit Analysis

The return on investment is that the RMIS would pay for itself within four years by eliminating the current duplicate reporting because employees now have to complete two separate forms: the CA-1 or CA-2 form and the Department's injury reporting form, CD-137. This RMIS injury reporting system would be a single entry system because the employee only has to enter the data one time with notification going immediately to the employee's supervisor, the bureau Safety Office, and the bureau Workers' Compensation Office. This allows action to be taken immediately to ensure the injured employee is brought back to work as soon as possible. This represents a savings to the bureaus in productivity.

RMIS would provide complete and consistent Department-wide injury data and easy access to data reports so bureaus and sub-organizations, as well as all levels of managers, could identify injury trends and use that information to more effectively direct safety resources to prevent future injuries. This is an effective method of preventing future WC cases.

Schedule and Milestones:

- Acquisition Process – Begins when funding is secured
  - o Statement of Work is written
  - o System Requirements are developed - desired system capabilities; list of must-haves, nice-to-haves, and bells and whistles.
  - o Market research is conducted
  - o Request for proposal is sent out
  - o Bids are received/reviewed
  - o Vendor selected
- Implementation Plan – Begins when vendor is selected

      o Appoint a cross-functional team
      o Develop schedule for bureau implementation
      o Develop project plan

Deliverables:

- Statement of Work
- Market Research
- Request for Proposal
- Implementation Plan

Performance Goals and Measurement Data:

By 2016, employees enter work-related injury data and motor vehicle accident information electronically.

    a. Percentage of bureaus and organizations reporting injuries and motor vehicle accidents electronically.

    b. In addition:

        i. OHRM submits monthly report on Department-wide injury statistics to the Secretary and CFO/ASA.

        ii. Bureaus submit monthly reports on their injury statistics to OHRM showing number of injuries and number of lost/restricted work days.

By 2017, establish individual lost/restricted work day baselines for each bureau and organization.

    c. Percentage of bureaus and organizations that have been assigned baselines.

        i. Future goal will be to track percentage reduction in lost/restricted work days accomplished by each bureau and organization.

Performance Goal: Measure 1	FY 2015 Est.	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target	FY 2020 Target	FY 2021 Target
With Change	0	7%	20%	80%	100%	100%	100%
Without Change	0	0	0	0	0	0	0

Description: Percent of the 13 entities (11 bureaus plus OIG and OS) that will use the RMIS to report work-related injuries/illnesses and motor vehicle accidents. Implementing RMIS at Census is the first priority for FY 2016.

This is a measure of process improvement and operational efficiency as we transition from manual data processing to electronic processing that enables employees to enter the incident data only one time, instead of twice. Using an electronic process will now make the data available to managers so they can make data-driven business decisions.

Performance Goal: Measure 2	FY 2015 Est.	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target	FY 2020 Target	FY 2021 Target
With Change			7%	20%	80%	100%	100%
Without Change	0	0	0	0	0	0	0

Description: Within one year of a bureau or organization's implementation of RMIS, establish their individual baseline to track improvements (reductions) in lost/restricted work days and continuation of pay

days. The measure is the percentage of bureaus and organizations that have been assigned baselines. (Note: the percentages in Measure 2 will follow the RMIS implementation timeline, and will be one year later than the implementation years in Measure 1.)

This measure will be critical to reducing the Department's workers' compensation costs. Tracking (and reducing) the number of lost/restricted work days and continuation of pay days due to work-related injuries will enable bureaus and organizations to identify their sub-organizations that are experiencing the most lost days and will have a significant impact on reducing WC costs and improving productivity.

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollars in thousands)

Budget Program: **Departmental Staff Services/Office of Human Resources**
Program Change: **Risk Management Information System**

Object Class		FY 2015 Increase
11	Personnel compensation	
11.1	Full-time permanent	$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	713
25.2	Other services	0
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	713

Exhibit 12 – 15

ACCOUNT: WORKING CAPITAL FUND

BUDGET PROGRAM: DEPARTMENTAL STAFF SERVICES/OFFICE OF HUMAN RESOURCE MANAGEMENT/ LEARNING MANAGEMENT SYSTEM

For FY 2015, Office of Human Resources Management (OHRM) requests an increase of $500,000 and 1 FTE from the FY 2015 base for a total of $2,025,000 and 10 FTE for the Department's Learning Management System.

PROGRAM JUSTIFICATION:

Learning Management System (LMS) Overview

The current LMS, the Commerce Learning Center is an enterprise system to manage employee's professional development; help employees plan training; and puts online learning on employee's desktops. The funds will cover the LMS system transition estimate at $100,000 for the LMS system implementation, data migration, and setup cost. To sustain the change of system and the ongoing operation of the LMS, the remaining $400,000 will cover a full-time FTE to manage the project, contractor supports/services, system migration, upgrade, training and report management.

PROGRAM CHANGE(S):

Department-wide Learning Management System (LMS) ($500,000, 1 FTE):

The Department's LMS fulfills the eGov eTraining initiative, also referred to as the Human Resources Line of Business/Human Resources Development (HR LOB/HRD) Program. The vision is the creation of a premier e-learning environment that supports the development of the Federal workforce and advances the accomplishment of agency missions. The initiative focuses on unifying, simplifying, and increasing access to quality e-learning products and services that offer one-stop access, leverage training across Commerce, reduce redundancies, and achieve economies of scale in purchase of learning technology infrastructure, purchase and/or development of e-learning content.

The objective of the increase is to implement a different LMS to support the Department's Strategic Plan -- Workforce Excellence -- in developing and supporting a diverse, highly qualified workforce with the right skills in the right jobs to carry out the Department's mission.

To date, the current LMS, named the Commerce Learning Center (CLC) has been supported by various volunteers/workgroups. The CLC was established in 2007 via the support of National Technical Information Service (NTIS), an OPM-approved e-Training Service Provider. In 2007, it took approximately sixty volunteers from across Commerce totaling 39,990 of hours of labor to stand up the CLC. In 2008, ongoing support from the bureaus added up to approximately 268 hours per week, which translates to approximately 6.7 FTE. Starting in 2009, throughout 2013, the volunteer labor force resulted in maintenance challenges. This diminished the benefit of the system and continues to negatively impact the learning opportunities for the Department. Our employees will not, and the DOC cannot, continue to work around these growing pains forever without significant risk to the integrity of the system and the faith of the DOC community in the system.

The current LMS, the CLC, is operating at risks identified during the NTIS and vendor Joint-Venture Partner agreement process. Three risks have been identified. They are:

- Risk (1): Section 508, the Amendment of the U.S. Workforce Rehabilitation Act of 1973: "Upon such notice, the Joint-Venture (JV) will work to put together a list of options that may work to resolve the issue." Implication: the vendor may charge or not devote resources for additional resource efforts to fix the issue.
- Risk (2): Termination clause has been reduced from 90 days to 30 days. Implication: NTIS has no rights to the vendor's system once the agreements expire or are terminated. The vendor may choose to share the data but may charge for the information.
- Risk (3): Reporting of potential security breaches is less strenuous than DOC.

In addition, the vendor does not view NTIS as a partner as much as a reseller (stated by vendor's legal team) which may lead to potential long term high price increase. There is no service level agreement to hold the vendor accountable for their performance. In addition, the existing CLC Information Technology platform is more than 6 years old and rapidly falling behind the evolving industry standards for learning management system (LMS) capabilities.

The implications of not funding the initiative are listed below:

- Catastrophic for delivering and tracking National Weather Service (NWS) training
- Obstacle to NWS (Strategic Plan) on becoming a "Weather Ready Nation"; to do that NWS needs to train their workforce on Decision Support to help our Emergency Managers and other Decision Makers better interpret the forecast and take action.
- USPTO would be challenged to provide support to our significant teleworking population.
- Degrade our ability to provide technical competency training beyond acceptable risk; this will ultimately, result in the Census being unable to fulfill its Constitutional service to our nation.
- Create a tremendous burden on NIST who would be required to seek an alternative means for capturing and recording staff training and development.

The Office of Human Resources Management will partner via NTIS, an OPM approved eTraining Service Provider (eTSP), to procure a new Department wide Learning Management System (LMS).

The initiative focuses on unifying, simplifying, and increasing access to quality e-learning products and services that offer one-stop access, leverage training across Commerce, reduce redundancies, and achieve economies of scale in purchase of learning technology infrastructure, purchase and/or development of e-learning content.

Statement of Need and Economic Benefits – Cost Benefit Analysis

Distance learning technology plays an important role in the transfer and development of organizational knowledge and skills. Tools for on-line collaboration, mobile and social networking media enable a 'real-time' exchange of work products, ideas and information. These emerging technologies hold promise for enhancing the bureau's ability to pool the intellectual capital of its geographically dispersed workforce, and to collaborate with the larger scientific community. Distance learning infrastructure is equally important across the rest of the Department for attracting and retaining the technology-savvy next generation of economists, social, physical and biological scientists, demographers, engineers, attorneys and other knowledge professionals for our workforce. Prospective employees will expect DOC's workplace to incorporate a degree of technological sophistication and connectivity at least comparable to that which they routinely enjoy in their own cars, mobile phones and homes.

Over the past decade the stand-alone LMS software market has begun to merge with systems for social learning, knowledge management and integrated talent management. The rate of change in new learning technologies is so rapid that the CLC, only six years after its initial deployment, is already lagging behind the state of the industry in its ability to accommodate new tools such as social media-based methods of employee development. Upgrading the CLC platform's functionality will inevitably become necessary.

In summation: OHRM already see a widening gap between the capabilities of the existing CLC platform and the emerging standards of e-learning delivery. We also know that to plan for, acquire and deploy a next generation LMS will take up to two years of concerted activity, involving dozens of stakeholders throughout DOC.

Schedule and Milestones:

Managing the LMS Recompete Acquisition plan and LMS Change Life Cycle will require developing a multi-year roadmap, creating a multi-disciplinary project team, and adopting an implementation approach that facilitates a smooth transition and ensures effective post-transition operations. Industry literature and DOC's experience with the deployment of its current LMS indicate that this LMS replacement process will take 18-24 months to complete. The following represent some of the major milestones and schedules:
- o February 2015: Migrate Data (Training Data and Content)
- o March 2015: Re-Engineer Business Process
- o April 2015: System Testing
- o May 2015: Conduct Training (System Users)
- o June 2015: The new LMS is in operation (Go-Live).

Deliverables:

There are various tangible outputs, including:
- o DOC LMS System Requirement Master Spreadsheet, including a Gap Analysis
- o DOC LMS System Requirement Document Summary
- o Project Plan
- o Communication/Change Management Plan
- o Training Document

Performance Goals and Measurement Data:

Performance Goal: Measure 1	FY 2013 Est.	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target
With Change	-	-	Compliance	Compliance	Compliance	Compliance	Compliance
Without Change	Non-Compliance	Non-Compliance	Non-Compliance	Non-Compliance	Non-Compliance	Non-Compliance	Non-Compliance
Description: The current LMS, the Commerce Learning Center (CLC), is operating at risks in regards to Section 508 not in compliance, shortened termination clause, and less strenuous practice when reporting of potential security breaches.							

PROGRAM CHANGE PERSONNEL DETAIL

Budget Program: **Departmental Staff Services/Office of Human Resource Management**
Program Change: **Learning Management System**

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Various	Washington, DC	GS-14	1	$119,238	$119,238
					$0
					$0
					$0
Subtotal			1		$119,238
Less Lapse	25%		0		($29,810)
Total Full-time permanent:			1		$89,428
2014 Pay Adjustment	1.0%				$894
2015 Pay Adjustment	1.0%				$903
Subtotal			1		$91,225
TOTAL					$91,225

Personnel Data	Number
Full-time Equivalent Employment	
Full-time permanent	1
Other than full-time permanent	0
Total	1
Authorized Positions:	
Full-time permanent	1
Other than full-time permanent	0
Total	1

.

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: **Departmental Staff Services/Office of Human Resource Management**
Program Change: **Learning Management System**

Object Class		FY 2015 Increase
11	Personnel compensation	
11.1	Full-time permanent	$90
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	1
11.8	Special personnel services payments	0
11.9	Total personnel compensation	91
12	Civilian personnel benefits	23
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	386
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	500

Exhibit 12 – 15

APPROPRIATION ACCOUNT: WORKING CAPITAL FUND

**BUDGET PROGRAM: EXECUTIVE DIRECTION/OFFICE OF CHIEF INFORMATION OFFICER/
MANAGED TRUSTED INTERNET PROTOCOL SERVICE (MTIPS)**

For FY 2015, the Office of Chief Information Officer (OCIO) requests a total of $454,000 and 0 FTE for Managed Trusted Internet Protocol Service (MTIPS) which will provide an enhanced security posture for Departmental networks.

PROGRAM JUSTIFICATION:

Managed Trusted Internet Protocol Service (MTIPS) Overview

The Office of the Secretary/Office of Chief Information Officer (OS/OCIO) has migrated from the legacy Internet connections to the Managed Trusted Internet Protocol Service (MTIPS). MTIPS facilitates the reduction of the number of internet connections in government networks and provides enhanced security posture by monitoring and analyzing Internet traffic coming in and out of government networks.

The OS/OCIO operates and manages the network backbone (HCHBNet) that supports voice, video and data for the Herbert C. Hoover Building (HCHB). With exception to the International Trade Administration, all DOC bureaus located in the HCHB subscribe to the HCHBNet standard network service offering. Internet connection is a component of the HCHBNet standard network service offering. In addition to the enhanced security posture that MTIPS provides with a managed security operations center that is 24/7, migrating from legacy Internet connection to MTIPS offers increased bandwidth (an upgrade from 90 mbps to 600 mbps) to meet emerging requirements. The increase in bandwidth is necessary to support key Departmental Strategic Initiatives such as the IT Shared Services, Unified Communication/Collaboration services such as Video Teleconferencing (VTC), Cloud (Email and Web Hosting) and Telework Enhancement. As applications are migrated locally to the Cloud it is imperative that enough bandwidth is available to minimize disruption in service.

PROGRAM CHANGE(S):

Managed Trusted Internet Protocol Service (MTIPS) ($454,000)

With the enhanced security monitoring, MTIPS offering is significantly more expensive than the legacy Internet connection. The monthly Internet connection cost has increased from $11,000 to $48,800 per month. As such, OCIO is requesting an annual increase of $454,000 to sustain the MTIPS cost.

MTIPS provides enhanced security posture for Departmental networks. Migrating from legacy Internet connection to MTIPS offers increased bandwidth that has become necessary to support key Departmental Strategic Initiatives.

Statement of Need and Economic Benefits – Cost Benefit Analysis

To comply with the OMB mandate, OS/OCIO has subscribed to MTIPS for Internet connection. MTIPS provides monitoring visibility of Internet traffic coming in and out of the HCHB. MTIPS facilitates the HCHB Internet access with standard security services provided through every

MTIPS connection (gateway). This "cloud-based" security is configured by the MTIPS vendor to ensure consistent, up-to-date Internet security without forcing the Department to maintain Internet security hardware and software on its premises. As Internet traffic passes through the gateway, MTIPS vendor's suite of security appliances performs all of the following: Firewall policy enforcement; Intrusion Detection Prevention Services; Anti-virus/Anti-spam Management; and E-mail scanning. This means that Agency information will remain on a private network and not enter a public network, thus providing enhanced security protection to the Department data. MTIPS architecture also provides diverse route and point of presence access to the MTIPS vendor's network, virtually eliminating single points-of-failure between the HCHB and the MTIPS gateway. MTIPS provides another layer of protection whereby all inbound Internet traffic is inspected by the monitoring/prevention security tools located at the MTIPS gateway prior to entering the HCHB network where another layer of internal protection also inspects the traffic for malicious payload. Through MTIPS monitoring, malicious activities are being monitored by sensors managed by Department of Homeland Security/United States Computer Emergency Readiness Team (US-CERT).

Although internal/local security tools are still required, by leveraging security capabilities that are in place at the MTIPS layer, some security in-house security tools can be eliminated such as gateway anti-virus scanning and protection. Through such tool decommissioning, funding previously allocated to support such activities can be re-prioritize to meet other emerging requirements.
Schedule and Milestones:

OS/OCIO already subscribes to MTIPS service; however, the existing bandwidth is only 300 mbps. To increase the bandwidth to 600 mbps, a service order is required to be submitted to the existing MTIPS vendor.

Deliverables:

MTIPS service is offered under the GSA Networx contract. The deliverables such as bandwidth reports, traffic monitoring, etc. are already available through the MTIPS web portal.

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollars in thousands)

Budget Program: **Executive Direction/Office of Chief Information Officer**
Program Change: **Managed Trusted Internet Protocol Services (MTIPS)**

Object Class		FY 2015 Increase
11	Personnel compensation	
11.1	Full-time permanent	$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	454
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	454

Exhibit 12 – 15

ACCOUNT: WORKING CAPITAL FUND

BUDGET PROGRAM: DEPARTMENTAL STAFF SERVICES/OFFICE OF FINANCIAL MANAGEMENT/ENTERPRISE APPLICATION SYSTEMS (EAS)

For FY 2015, the Office of Financial Management requests an increase of $235,000 and 0 FTE from the base for a total of $3,442,000 and 0 FTE for Enterprise Application Systems.

PROGRAM JUSTIFICATION:

Enterprise Application Systems Overview

The Enterprise Application Systems (EAS) program provides technical services to support the following CFO/ASA systems that are located at the Department of Transportation Enterprise Services Center (DOT ESC) in Oklahoma City, Oklahoma:

- Office of Financial Management: Oracle Hyperion Financial Reporting System
- Office of Acquisition Management: CSTARS C.Suite (C.Request & C.Award)
- Office of Administrative Services: Sunflower Personal Property and Fleet Management System & Federal Real Property Management System
- Office of Human Resource Management: WebT&A, Performance Payout System, Automated Classification System (ACS), Commerce Learning Center Staging Database, Executive Resource Information System – SES End of Year and Top Level, Honor Award Nominee System, Hiring Management System
- Office of Program Evaluation and Risk Management: Audit Management System

The DOT ESC provides Infrastructure As A Service (IAAS) data center hosting and disaster recovery services, information system security, and network and telecommunications services to DOC for these systems. The OFM/OFMS provides a number of IT support services including project management support, software license management, architecture planning, IT change management, database and application planning and design, domain creation and management, account administration, information system security support, disaster recovery support, Tier 2 help desk support and backup support.

The migration of the EAS applications to the DOT ESC Data Center has resulted in a significant improvement in performance, standardization, and security compliance. DOC maintains security compliance by performing CPU, windows, and database quarterly patching. The EAS security controls have been updated to comply with NIST Special Publication 800-53 rev3. A rigorous continuous monitoring program applying the NIST 800-53 rev3 risk management framework has been developed and is being executed. Weekly IT Change Control Board meetings are held to maintain a direct customer communication channel and to coordinate, plan and prioritize required system outages and routine hardware maintenance. DOT ESC continues to perform server virtualization on the EAS servers and have migrated the majority of these servers to Oracle 11g with the remaining applications to be migrated by the end of the Third Quarter, FY2013.

PROGRAM CHANGE(S):

Enterprise Application Systems ($235,000, 0 FTE)

The increase will cover the cost for the purchase of the Storage Area Network (SAN) on an as needed basis. This is a critical infrastructure component for data storage and retrieval for all of the

EAS systems. As the EAS systems are utilized by employees across all of DOC, the resulting costs will be distributed across all CFO/ASA offices by usage.

DOTESC will maintain the underlying infrastructure by providing the storage capacity within their existing SAN solution. The SAN will provide scalability, availability, disaster recovery, business continuity, and guaranteed uptime service levels.

These SAN costs will be recurring for the EAS systems. This increase does not require FTE. This requirement will be handled through an existing Inter/Intra Agency Agreement with DOT ESC for infrastructure hosting and discovery services. There are no offsets from lower value activities.

The EAS initiative fits into the DOC Strategic Plan in the Customer Service theme under Objective 21, "Provide a high level of customer service to our internal and external customers through effective and efficient functions implemented by empower employees." It also fits in the Organizational Excellence theme under Objective 24, "Create an IT enterprise architecture that supports mission-critical business and programmatic requirements, including effective management of cyber security threats."

This is a priority for the stakeholders who include the CFO/ASA Offices and their customers as it is a critical infrastructure component for data storage and retrieval. If the request for funding is not approved, the applications and data will be put at risk because DOC does not have the funding to buy a new SAN and DOT ESC will not continue to operate the current XP12000 Disk Array because it is at the end of life. It will be at high risk for security vulnerabilities and there will be no patches to fix these vulnerabilities.

Statement of Need and Economic Benefits – Cost Benefit Analysis

This request is for SAN capacity. This additional funding is required to support a critical infrastructure component for data storage and retrieval. Upon the EAS migration to DOT/ESC in Fiscal Year 2010, DOC transferred storage hardware – XP12000 Disk Array purchased in 2009 for the CBS Consolidation project (later disbanded) for $2,400,000 – which will come to the end of useful life on October 31, 2014, and must be replaced. The IAAS cloud storage solution going forward is to buy storage space on an as-needed basis instead of making a large investment in the purchase of new storage hardware. Based upon market research, the offset of buying on an as-needed basis is a cost savings of approximately $4,765,000. It would cost approximately $5,000,000 to purchase a new SAN, including hardware, software, and the related labor and implementation costs. After the purchase of the SAN, there would also be a maintenance cost of approximately $200,000 per year.

Schedule and Milestones:

- Additional storage will be purchased on an as-needed basis.

Deliverables:

- Purchase of additional storage for DOC enterprise application systems on an as needed basis.

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollars in thousands)

Budget Program: **Departmental Staff Services/Office of Financial Management**
Program Change: **Enterprise Application Systems (EAS)**

	Object Class	FY 2015 Increase
11	Personnel compensation	
11.1	Full-time permanent	$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	0
25.3	Purchases of goods & services from Gov't accounts	235
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	235

Exhibit 12 – 15

ACCOUNT: WORKING CAPITAL FUND

BUDGET PROGRAM: DEPARTMENTAL STAFF SERVICES/OFFICE OF FACILITIES AND ENVIRONMENTAL QUALITY/OFFICE OF SUSTAINABLE ENERGY AND ENVIRONMENTAL PROGRAMS

For FY 2015, the Office of Facilities and Environmental Quality (OFEQ) requests an increase of $70,000 and 0 FTEs from the FY 2015 base for a total of $1,197,000 and 5 FTEs for an Environmental Compliance and Reporting System (ECARS) and an Environmental Management System (EMS).

PROGRAM JUSTIFICATION:

Office of Sustainable Energy and Environmental Program Overview

This office coordinates DOC implementation and oversight of Federal mandates for facility energy conservation and environmental stewardship. Specifically, this office provides Department-wide policy and guidance aligned with Federal statutes, Executive Orders, and other applicable regulations; provides technical advice and assistance to DOC Operating Units; develops procedures to implement DOC environmental and facility energy policies; manages DOC programs for facility energy conservation and environmental stewardship; coordinates the assimilation and submission of special and annually recurring energy and environmental reports and awards programs; coordinates the assimilation and submission of the Office of Management and Budget (OMB) annual and mid-year Scorecards and Strategic Sustainability Performance Plan (SSPP); serves as the Secretary's subject matter expert on facility energy and environmental stewardship program matters; and, serves as lead liaison with matters involving the OMB, the Office of the Federal Environmental Executive (OFEE), General Services Administration (GSA), Government Accountability Office (GAO), the Inspector General (IG), other Department of Commerce Office of the Secretary Directors, the Environmental Protection Agency (EPA), US Army Corps of Engineers (USACE), and Department of Energy (DOE), and any other Federal agencies and national laboratories on energy and environmental program matters.

PROGRAM CHANGE(S):

- **Environmental Compliance and Reporting System (ECARS) and Environmental Management System (EMS) ($70,000 - 0 FTE):**

The funding increase being requested is required for procurement of a web-based Environmental Compliance and Reporting System (ECARS), $55,000, and procurement for an annual third party audit of the Department's Environmental Management System (EMS), $15,000, for a total requested increase of $70,000.

ECARS is a web-based commercial off-the-shelf environmental compliance tool that helps facility and operations managers in the field quickly determine which of their operations and activities are subject to the one or more of a multitude of federal and state environmental statutes and regulations. The tool then facilitates a self-assessment inspection against a set of criteria to measure compliance. Last, the tool allows for the entering, tracking, monitoring, and trend analysis of all identified deficiencies. This tool is critical in that it facilitates an environmental compliance program across the Department without requiring environmental compliance experts at all levels.

Currently, the Department has no visibility or oversight of the level of environmental compliance at its numerous facilities throughout the 12 Operating Units. A finding of non-compliance by a state or federal resource agency could result in significant monetary fines (up to $32,500 per day per incident until corrected) or Notices of Violation. Some environmental statutes, such as the Resource Conservation and Recovery Action (RCRA), carry criminal penalties for negligence and reject ignorance of the law as an affirmative defense. The Department's facility managers must have a system that informs them of new statutory requirements, allows them to conduct frequent inspections, identify and implement corrective actions, and track and report all of the above so that Commerce's Office of the Secretary has the ability to report environmental compliance status to the Council on Environmental Quality (CEQ) and the Office of Management and Budget (OMB) as required on an annual basis.

Centralized funding is imperative to ensure that all 12 Operating Units have access to and use a common ECARS system. Different systems at just two Operating Units incur duplicative costs and prevent visibility and oversight required to render the proper level of timely assistance by the OSEEP environmental compliance experts.

Statement of Need and Economic Benefits – Cost Benefit Analysis

A comprehensive environmental compliance program helps an agency avoid monetary fines (up to $32,500 per event per day until corrected) for instances of non-compliance. If administered properly and proactively, self-assessments by operations and/or facility managers can identify and correct discrepancies in advance of regulatory inspections. If the facility or operation is functioning under a comprehensive program, most regulators will consider that to be a mitigating factor and reduce or eliminate the monetary fine.

One non-compliance event, assuming corrective actions can be implemented within 2 weeks, could translate to fine of about $500,000 for "a single violation".

Schedule and Milestones:

April 2013: Comprehensive user training completed for all Bureau reps.
June 2013: Bureaus with owned facilities provide self-assessment schedule.
October 2013: Bureaus with owned facilities commence self-assessments of facilities and operations using ECARS.
March 2014: Bureaus with leased facilities provide self-assessment schedule.
October 2014: Bureaus with leased facilities commence self-assessments of facilities and operations using ECARS.

Deliverables:

Bureaus will provide schedules for environmental compliance self-assessments of all facilities and operations. Self-assessments of operations/activities conducted within owned facilities will commence in FY 2014 and within leased facilities in FY 2015.

Performance Goals and Measurement Data:

Performance Goal: Self-Assessments	FY 2013 Est.	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target	FY 2019 Target
With Change	5%	10%	50%	80%	100%	100%	100%
Without Change	5%	5%	5%	5%	5%	5%	5%
Description: Environmental compliance self-assessments of facilities and operations using/facilitated by ECARS.							

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollars in thousands)

Budget Program: **Departmental Staff Services/OSEEP**
Program Change: **Environmental Compliance and Reporting System (ECARS) and Environmental Management System (EMS)**

	Object Class	FY 2015 Increase
11	Personnel compensation	
11.1	Full-time permanent	$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	0
25.3	Purchases of goods & services from Gov't accounts	15
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	55
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	70

Exhibit 12 – 15

ACCOUNT: WORKING CAPITAL FUND

BUDGET PROGRAM: DEPARTMENTAL STAFF SERVICES/OFFICE OF PERFORMANCE, EVALUATION AND RISK MANAGEMENT/AUDIT MANAGEMENT SYSTEM (AMS)

For FY 2015, Office of Performance, Evaluation, and Risk Management (OPERM) requests an increase of $46,149 and 0 FTE from the FY 2015 base for a total of $745,000 and 4 FTE for OPERM for an Audit Management System (AMS).

PROGRAM JUSTIFICATION:

OPERM's Audit Management System (AMS) Overview

The OPERM Audit Management System (AMS) was developed by SureCode to provide audit tracking services to NOAA and allow the Department to execute Office of Inspector General (OIG) and General Accountability Office (GAO) audit Liaison and Follow-up functions. The system is also used by OIG, OAM and bureau officials to update and track GAO and OIG engagements, recommendations and audit action plans; OAM also uses the system to track and close Financial Assistance Audits. These functions are a requirement under OMB Circular A-50 and authorized under DOO 10-05.

Currently the AMS system is used to:
1. Track and coordinate all Department GAO and OIG engagements and audit follow-up activity.
2. Conduct mandatory OIG and GAO Audit Follow-up.
3. Close out OIG recommendations for performance, evaluation and inspection audits.
4. Track Departmental Audit Activity.
5. Produce the Annual Summary of Activity on OIG Audits Report.
6. Produce report information for Senior Department Management.

The Audit Management System has been successful in achieving its objectives; however, AMS must comply with IT Security requirements and Vulnerability Scanning Policy under DOC CITR-016.

PROGRAM CHANGE(S):

OPERM's Audit Management System (AMS) ($46,149)

Given the age of the AMS system, a program change is now required to implement and cover the costs associated with IT security scanning requirements, system enhancements, and 1st level help desk support.

IT Security Requirements - This new program change will provide funding in order to keep the AMS system compliant with IT security guidelines. The System Administrator is required to work with IT Security Staff to prepare for scans and research results, the results of these scans results in security vulnerabilities that must be remediated. There is also an IT security requirement that the AMS system undergoes disaster recovery testing.

System Enhancement Requirements - Upgrades to the AMS system will allow for the improvement of the audit tracking and follow-up process. The planned changes to the system will allow for the closure of audit recommendations throughout the year instead of on annual basis; allow for the

inclusion of action documentation within the system; allow for a higher-level official certification process within the system that is currently not available. In addition, system enhancements would increase user-friendliness by resolving conflicts with newer browsers and operating systems. Users would also be able to reset their own passwords.

1st Level Help Desk Support - OPERM audit Management Staff is currently responsible for providing 1st level help desk support to users, including account management and password reset.

Statement of Need and Economic Benefits – Cost Benefit Analysis

The requested funding is a set amount that allows the contractor to provide on-going system administration; user, and operational support; software development and maintenance; and help desk support for the AMS not to exceed 537 hours of support annually.

Schedule and Milestones:

This request is for the ongoing contractor support required to maintain the AMS system. This cost will stay consistent through upcoming fiscal years.

Deliverables:
- Ongoing Compliance with Vulnerability Scanning Policy under DOC CITR-016 and remediation of issues identified by the vulnerability scans
- System Enhancements that increase efficiency and user friendliness
- Level 1 Help Desk Support

Performance Goals and Measurement Data:

Performance Goals	Measurement Data (Estimated Hours - Annual)
Conduct Ongoing System Support	120
Conduct Annual Disaster Recovery Testing Exercise	15
Execute Support for Quarterly CSC IT Security Scanning Activities	60
Remediate Vulnerabilities Identified in System Scanning	102
Provide System Enhancements	180
Conduct Tier 1 User Help Desk Support (Account Management and Initial Troubleshooting.)	36
Conduct Tier 2 Help Desk Support (Troubleshoot and Resolve System and Application Issues.)	24
Totals	537

PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollars in thousands)

Budget Program: **Departmental Staff Services/OPERM**
Program Change: **Audit Management System**

Object Class		FY 2015 Increase
11	Personnel compensation	
11.1	Full-time permanent	$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	46
25.3	Purchases of goods & services from Gov't accounts	0
25.4	Operation and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	46

Exhibit 16

Department of Commerce
Departmental Management
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Classes	2013 Actual	2014 Operating Budget	2015 Base	2015 Estimate	Increase/ (Decrease) Over 2015 Base
11 Personnel compensation:					
11.1 Full-time permanent	56,354	67,902	68,734	71,241	2,507
11.3 Other than full-time permanent	514	642	642	642	0
11.5 Other personnel compensation	446	1,387	1,387	1,388	1
11.9 Total personnel compensation	57,314	69,931	70,763	73,271	2,508
12.1 Civilian personnel benefits	17,297	20,514	21,716	22,464	748
13 Benefits for former personnel	368	0	0	0	0
21 Travel and transportation of persons	400	680	680	680	0
22 Transportation of things	138	179	182	182	0
23.1 Rental payments to GSA	7,333	7,778	7,902	8,255	353
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	1,860	2,088	2,130	2,130	0
24 Printing and reproduction	49	129	131	131	0
25.1 Consulting services	3,931	1,175	1,175	1,888	713
25.2 Other services	33,025	54,743	52,972	73,302	20,330
25.3 Purchase of goods and services from Gov't accounts	15,825	17,529	17,529	17,779	250
25.7 Operation and maintenance of equipment	0	0	0	0	0
25.8 Subsistence and support of persons	0	0		0	
26 Supplies and materials	3,610	1,135	1,151	1,151	0
31 Equipment	3,922	9,402	9,534	9,589	55
41 Grants, subsidies and contributions	0	0	0	8	8
43 Interest and dividends	0	0	0	0	0
99 Total obligations	145,072	185,283	185,865	210,830	24,965
Prior year recoveries	(2,980)	0	0	0	0
Unobligated balance, start of year	(13,337)	(11,104)	0	0	0
Unobligated balance, end of year	11,104	0	0	0	0
TOTAL REIMBURSABLE AUTHORITY	139,859	174,179	185,865	210,830	24,965

Exhibit 16

Department of Commerce
Departmental Management
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Personnel Data	2013 Actual	2014 Operating Budget	2015 Base	2015 Estimate	Increase/ (Decrease) Over 2015 Base
Full-Time Equivalent Employment:					
Full-time permanent	514	536	536	553	17
Other than full-time permanent	34	34	34	34	0
Total	548	570	570	587	17
Authorized Positions:					
Full-time permanent	586	608	608	625	17
Other than full-time permanent	44	44	44	44	0
Total	630	652	652	669	17

Department of Commerce
Departmental Management
Working Capital Fund
DIRECT COST BY OFFICE
(Dollar amounts in thousands)

Offices:	2013 Actual			2014 Operating Budget			FY 2015 Estimate		
	POS	FTE	Amount	POS	FTE	Amount	POS	FTE	Amount
Human Resources Management	81	70	17,627	80	69	24,970	81	70	25,018
Civil Rights	15	13	2,346	15	13	2,815	15	13	2,867
Financial Management	46	40	22,310	94	88	41,340	110	104	63,509
Security	89	77	16,318	92	80	20,352	92	80	20,734
Facilities and Environmental Quality	89	77	22,457	72	60	16,318	72	60	16,751
Acquisition Management	23	20	5,934	23	20	6,270	23	20	7,205
Office of Privacy and Open Government	4	4	619	4	4	943	4	4	934
Office of Program Evaluation and Risk Managment	4	4	676	4	4	845	4	4	904
Subtotal, Departmental Staff Services	351	305	88,287	384	338	113,853	401	355	137,922
General Counsel	229	199	36,045	217	187	44,080	217	187	44,855
Chief Information Officer	40	35	19,343	42	37	25,302	42	37	25,974
Public Affairs	10	9	1,397	9	8	2,048	9	8	2,079
Total Working Capital Fund	630	548	$145,072	652	570	$185,283	669	587	210,830

Department of Commerce
Departmental Management
Working Capital Fund
DISTRIBUTION BY BUREAU
(Dollar amounts in thousands)

	2013 Actual	2014 Operating Budget	2015 Estimate
Office of the Secretary	$9,063	13,539	14,249
International Trade Administration	29,009	30,211	32,134
Economic Development Administration	3,106	3,917	4,266
National Telecommunications and Information Administration	6,900	8,457	8,924
National Technical Information Service	624	783	803
Bureau of the Census	25,286	33,908	41,406
Economic and Statistics Administration	2,328	2,892	3,371
National Oceanic and Atmospheric Administration	35,508	52,145	62,550
National Institute of Standards and Technology	14,007	14,782	17,245
Patent and Trademark Office	4,792	9,359	9,689
Minority Business Development Agency	2,621	2,604	2,818
Bureau of Industry and Security	9,697	10,165	10,617
Office of Inspector General	1,996	2,162	2,378
Total Commerce Bureaus	$144,937	184,924	210,450
Other Agencies	135	359	380
Total	$145,072	$185,283	$210,830

Exhibit 34

Department of Commerce
Departmental Management
Working Capital Fund
Consulting and Related Services
(Dollar amounts in thousands)

	2013 Actual	2014 Operating Budget	2015 Estimate
Consulting services	3,931	1,175	1,888
Management and professional services	0	0	0
Special studies and analyses	0	0	0
Management and support services for research and development	0	0	0
Total	3,931	1,175	1,888

The Department plans to implement a Human Resources Management System (HRMS) that is based on a Human Resources Line Of Business. The vision of the HRMS is to provide an Agency-wide, modern, cost-effective, standardized, and interoperable HR solution that delivers common, core functionality to support the strategic management of human capital and addresses the manual and inefficient processing of HR transactions across the Department. Consulting services will be necessary to provide project management support for the planned phased deployment.

Exhibit 5

Department of Commerce
Departmental Management
Franchise Fund
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Reimbursable Obligations
2014 Operating Plan	0	0	0	0
less: Obligations from prior years	0	0	0	0
less: Change in reimbursable activity	0	0	0	0
2015 Base	0	0	0	0
plus: program increase	0	0	(2,906)	(2,906)
2015 Estimate	0	0	(2,906)	(2,906)

		2013 Actual		2014 President's Budget		2015 Base		2015 Estimate		Increase/(Decrease) Over 2015 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Office of Computer Services	Pos./BA	0	0	0	0	0	0	0	(2,906)	0	(2,906)
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
TOTALS	Pos./BA	0	0	0	0	0	0	0	(2,906)	0	(2,906)
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
Adjustments to Obligations:											
Recoveries		0	0	0	0	0	0	0	0	0	0
Unobligated balance, start of year		0	(2,906)	0	(2,906)	0	(2,906)	0	0	0	2,906
Unobligated balance, end of year		0	2,906	0	2,906	0	2,906	0	0	0	(2,906)
Unobligated balance, rescission		0	0	0	0	0	0	0	(2,906)	0	(2,906)
Financing from Transfers:											
Transfer from other accounts (-)											
Transfer to other accounts (+)											
Reimbursable Authority		0	0	0	0	0	0	0	(2,906)	0	(2,906)

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Exhibit 12

Department of Commerce
Departmental Management
Franchise Fund

APPROPRIATION ACCOUNT: DEPARTMENTAL MANAGEMENT

BUDGET ACTIVITY: FRANCHISE FUND

The goal of the Commerce Franchise Fund is to promote entrepreneurial business activities in common administrative services across the Federal Government.

Congress established the Franchise Fund Pilot Program in the Government Management Reform Act (GMRA) of 1994 to allow market forces to improve the delivery of common administrative services. In 1996, Department of Commerce's (DOC) Office of Computer Services (OCS) began operating as a Federal franchise fund, providing Information Technology (IT) support services to organizations within DOC and other federal agencies. In FY 2004, Commerce's authorization to operate a Federal franchise fund was made permanent.

The Department closed the Office of Computer Services (OCS) at the beginning of FY 2011. The building lease expired on September 30, 2010 and all hosting services have moved to other providers. Although OCS services will no longer exist, the franchise fund's authority remains.

BASE JUSTIFICATION FOR FY 2015:

The Department proposes to rescind the remaining unobligated balances in the Franchise Fund.

Exhibit 16

Department of Commerce
Departmental Management
Franchise Fund
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Classes		2013 Actual	2014 President's Budget	2015 Base	2015 Estimate	Increase/ (Decrease) Over 2015 Base
		-2906	0			
11	Personnel compensation:					
11.1	Full-time permanent	0	0	0	0	0
11.3	Other than full-time permanent	0	0	0	0	0
11.5	Other personnel compensation	0	0	0	0	0
11.9	Total personnel compensation	0	0	0	0	0
12.1	Civilian personnel benefits	0	0	0	0	0
13	Benefits for former personnel	0	0	0	0	0
21	Travel and transportation of persons	0	0	0	0	0
22	Transportation of things	0	0	0	0	0
23.1	Rental payments to GSA	0	0	0	0	0
23.2	Rental payments to others	0	0	0	0	0
23.3	Communication, utilities and miscellaneous charges	0	0	0	0	0
24	Printing and reproduction	0	0	0	0	0
25.1	Consulting services	0	0	0	0	0
25.2	Other services	0	0	0	0	0
25.3	Purchase of goods and services from Gov't accounts	0	0	0	0	0
26	Supplies and materials	0	0	0	0	0
31	Equipment	0	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0	0
43	Interest and dividends	0	0	0	0	0
99	Total obligations	0	0	0	0	0
	Rescission of Unobligated Balances	0	0	0	0	0
	Unobligated Balance, start of year	(2,906)	(2,906)	(2,906)	(2,906)	0
	Unobligated balance, end of year	2,906	2,906	0	0	0
	Unobligated Balance, rescission	0	0	0	0	0
	Less prior year recoveries	0	0	0	0	0
	TOTAL REIMBURSABLE AUTHORITY	0	0	(2,906)	(2,906)	0

Exhibit 32

Department of Commerce
Departmental Management
Franchise Fund
Justification of Proposed Language Changes

(CANCELLATION)

Of the unobligated balances available for the Department of Commerce, Departmental Management, Franchise Fund, $2,906,000 are hereby permanently cancelled: Provided, That no amounts may be cancelled from amounts that were designated by the Congress as an emergency requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

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Exhibit 5

Department of Commerce
Departmental Management
Emergency Steel Guaranteed Loan Program
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Direct Obligations
Currently Available 2014	0	0	0	0
less: Obligations from prior years	0	0	0	0
less: Mandatory appropriations	0	0	0	0
less: Unobligated balances	0	0	0	0
plus: Unobligated balances, end of year	0	0	0	0
plus: 2015 Adjustments to Base	0	0	0	0
2015 Base	0	0	0	0
less: Program change	0	0	0	0
2015 Estimate	0	0	0	0

Comparison by activity:		2013 Actual		2014 President's Budget		2015 Base		2015 Estimate		Increase/(Decrease) Over 2015 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Guaranteed Loan Limit		0	0	0	0	0	0	0	0	0	0
Loan Subsidy	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
Administrative Expenses	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
Modification Costs	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
Credit Reestimates	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
TOTALS	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
Adjustments to Obligations:											
Mandatory Appropriations											
Recoveries/Refund			0		0		0		0		0
Unobligated balance, start of year			(291)		(291)		(291)		(291)		0
Unobligated balance, rescinded			0		0		0		0		0
Unobligated balance, end of year			291		291		291		291		0
Financing from Transfers:											
Transfer from other accounts (-)											
Transfer to other accounts (+)											
Budget Authority (rescission)			0		0		0		0	0	0

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Exhibit 7

Department of Commerce
Departmental Management
Emergency Steel Guaranteed Loan Program
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	2013 Actual	2014 President's Budget	2015 Base	2015 Estimate	Increase/ (Decrease) Over 2015 Base
Total Obligations (includes Discretionary and Mandatory balances)	0	0	0	0	0
Offsetting collections from:					
Federal funds	0	0	0	0	0
Trust funds	0	0	0	0	0
Recoveries/Refund	0	0	0	0	0
Mandatory Appropriations	0	0	0	0	0
Unobligated balance, start of year	(291)	(291)	(291)	(291)	0
Unobligated balance, end of year	291	291	291	291	0
Budget Authority/(Rescission)	0	0	0	0	0

Exhibit 16

Department of Commerce
Departmental Management
Emergency Steel Guaranteed Loan Program
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Classes	2013 Actual	2014 President's Budget	2015 Base	2015 Estimate	Increase/ (Decrease) Over 2015 Base
11 Personnel compensation:					
11.1 Full-time permanent	0	0	0	0	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	0	0	0	0	0
11.9 Total personnel compensation	0	0	0	0	0
12.1 Civilian personnel benefits	0	0	0	0	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	0	0	0	0	0
22 Transportation of things	0	0	0	0	0
23.1 Rental payments to GSA	0	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communication, utilities and miscellaneous charges	0	0	0	0	0
24 Printing and reproduction	0	0	0	0	0
25.1 Consulting services	0	0	0	0	0
25.2 Other services	0	0	0	0	0
25.3 Purchase of goods and services from Gov't accounts	0	0	0	0	0
26 Supplies and materials	0	0	0	0	0
31 Equipment	0	0	0	0	0
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	0	0	0	0	0
99 Total obligations	0	0	0	0	0
Mandatory Appropriations	0	0	0	0	0
Recoveries/Refund	0	0	0	0	0
Unobligated balance, start of year	(291)	(291)	(291)	(291)	0
Plus Unobligated Balance End of Year	291	291	291	291	0
TOTAL BUDGET AUTHORITY/(RESCISSION)	0	0	0	0	0