




United States Department of the Interior

OFFICE OF THE ASSISTANT SECRETARY
POLICY, MANAGEMENT AND BUDGET
Washington, D.C. 20240

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MEMORANDUM

To: Assistant Secretaries
Inspector General
Bureau Directors
Bureau/Office Chief Information Officers
Bureau Capital Planning Executives

From: P. Lynn Scarlett 

Subject: Capital Asset Investment Management Clarification

I take this opportunity to applaud everyone involved for their excellent work in improving the FY 2004 Capital Assets submission for the best Exhibit 53 and set of Exhibit 300s ever submitted by Interior. The Department and Bureaus did a remarkable job coordinating and preparing the Department of the Interior portfolio for submission to the Office of Management and Budget (OMB). To maintain the progress exhibited over this past year, improvements are needed to the Department of the Interior's Capital Planning and Investment Control process to effect a clearer definition and focus of the associated roles and responsibilities of various Departmental Offices, Bureau investment management structures, and the DOI Office of the Chief Information Officer (OCIO). These improvements will enable continuous progress in implementing the DOI Capital Planning and Investment Control (CPIC) Guide.

The FY 2004 foundation and these improvements will enable the following future successes:

- Assuring consistency among the Exhibit 300 business cases and Exhibit 53 submission
- Classifying projects accurately as "major" for consideration by OMB
- Achieving a level of quality assurance for stronger business cases that rate a higher "scoring"
- Training across-the-board for better Bureau and Office submissions
- Clearer and more timely guidance on requirements and timelines for the IT budget and DOI IT Capital Asset portfolio processes and submissions
- Integration of OMB's I-TIPS into the process
- Establishing a clear point of contact with OMB, GAO, and the Bureaus throughout each aspect of the Capital Asset portfolio submission, review, decision, and accommodation phases
- Moving beyond defining a process and governance framework to developing viable guidelines for *portfolio management*

- Developing more Enterprise-wide projects and cross-cutting initiatives within Interior and with other Agency partnerships

To move beyond the process into the implementation of more efficient and effective investment management, the lessons learned in the early implementation efforts of the DOI CPIC process are an invaluable foundation. Future successes will be achieved with effective collaboration among Bureaus, the OCIO and various PMB Offices including the Office of Budget (POB), the Office of Acquisition and Property Management (PAM), and the Office of Managing Risk and Public Safety (MRPS) in their newly aligned duties and responsibilities. Changes to the CPIC guidelines will be made as appropriate and as agreed to by the CIO, Deputy Assistant Secretary, Policy and International Affairs, and the Deputy Assistant Secretary, Budget and Finance. The following directives delineate the current clarified roles for capital investment management in the Department:

I. There are three major divisions of authority and responsibility:

- A. Information Technology (IT) directed by the DOI Chief Information Officer and executed by the Office of the Chief Information Officer (OCIO) (IT)
- B. Construction directed by the Assistant Director, Policy and International Affairs, and executed by the Office of Managing Risk and Public Safety (MRPS) (Construction)
- C. Other Capital Assets (such as leases) directed by the Assistant Director, Budget and Finance and executed by the Office of Acquisition and Property Management (PAM)

II. The DOI Chief Information Officer will:

- A. Direct the entire IT Investment Management process and associated resources as the fundamental, critical basis for developing a viable Enterprise IT Portfolio for the Department.
- B. Establish and maintain any interfaces and points of contact with entities involved in the CIO's IT Investment Management (non-budgetary), including OMB.
- C. Identify and direct efforts for IT project integration opportunities and determine appropriate tasking for leadership of these initiatives.
- D. Conduct the ranking and multi-year IT planning review efforts for IT business cases.
- E. Implement the maturity-based IT investment management (GAO ITIM) framework throughout the Department to include:
 - 1. Defining the levels of IT investment maturity.

2. Overseeing the IT-related CPIC investments for success at each maturity level.

3. Integrating each critical process into the overall framework of the DOI IT architecture and ensure DOI commitment to IT security.

F. Determine, execute and enforce oversight of all aspects related to DOI IT investment portfolio management with appropriate coordination with the Interior IT Management Council (ITMC).

G. Direct the usage of I-TIPS including responsibilities for maintenance of Bureau- and Office-specific portfolios.

H. Ensure a standardized approach for IT investment CPIC training is provided for all DOI Bureaus and Offices.

III. The Director, Office of Managing Risk and Public Safety will determine appropriate authority and responsibility for Construction Capital Investment management. MRPS shall maintain support of all Construction products and processes relevant to the ITMC.

IV. The Director, Office of Acquisition and Property Management (PAM), directing other Capital Assets (such as leases), will determine appropriate authority and responsibility for all non-IT and non-Construction Capital Investment management.

Additionally, PAM will provide administrative support to the DOI Management Improvement Team (MIT) and the Management Excellence Council (MEC) to include the decision feedback to the CPIC review boards; coordinate the final CPIC decision sheets and final submission of the CPIC Exhibits for inclusion in the budget submission through POB and all other resources and materials required to conduct their investment management business.

V. The Office of Budget (POB) will coordinate all aspects of funding relating to the submissions accompanying the President's budget (i.e. the Exhibit 300s and Exhibit 53s) including:

A. Being the overall DOI point of contact with OMB.

B. Directing Bureaus and Offices on reconciliation of funds reflected in both the Exhibit 300s and 53s.

C. Compiling and maintaining the OMB Exhibit 53 including usage of the I-TIPS Exhibit 53 and related functionality and receiving CIO concurrence for submission.

D. Compiling, maintaining, and coordinating all aspects of the budget and passback processes.

I thank you in advance for your cooperation and support for these improvements. We must recognize that capital asset management begins and ends in our mission areas. We do not expect the information technology, construction, or other capital asset programs to guide or restructure the way we conduct business at the ground level. That responsibility rests solely with your programs.