



DATE: September 28, 2017

FROM: Chief Information Officer
Office of Information Technology (OIT)

TO: IHS Senior Staff, IHS Area Directors and Area Information Systems
Coordinators

SUBJECT: FITARA Implementation Requirements for FY2018

ISSUE

In FY2017, Special Category Approvers for Information Technology (IT) acquisitions were established in UFMS to meet the requirements for HHS CIO Delegation of Acquisitions Approval as required under the Federal IT Acquisitions Reform Act (FITARA). To bring the IHS into better compliance with FITARA Requirements, the IHS is incorporating and requiring the use of the new Agency Procurement Request (APR) form for all IT acquisitions and projects in FY18.

Any IHS IT investment, acquisition, or project with five-year costs that total \$25,000 or greater requires adherence to a review and approval process from both within and, possibly, outside the IHS, depending on the costs. An approved Business Need Statement (BNS) and/or Business Case, and completion of the APR form is required prior to any UFMS acquisition submission.

Please ensure our IT investments are reviewed by the appropriate officials as specified below.

DISCUSSION

In accordance with the Clinger-Cohen Act of 1996 and FITARA, the IHS CIO, the Technical Review Board (TRB) and the Information Technology Investment Review Board (ITIRB) are responsible for ensuring that IT related expenditures support the IHS mission, promote the life-cycle management of IT systems as capital investments, and ensure IT expenditure approvals are based on established selection criteria.

The sections below summarize the approval criteria and required documentation for IHS IT acquisitions, expenditures, and projects.

Business Needs Statement (BNS)

The requirement for a BNS and its approvals are based on project costs, as follows:

- Requirement for BNS:
 - Required for all acquisitions, expenditures, and projects with 5-year costs over \$25,000.
- Approvals of the BNS:

- For all acquisitions, expenditures, and projects with 5-year costs under \$25,000 that have a BNS, the Investment Manager will either approve the BNS or delegate the approval authority.
- For all acquisitions, expenditures, and projects with 5-year costs between \$25,000 and \$100,000, the Investment Manager will either approve the BNS or delegate the approval authority.
- For all acquisitions, expenditures, and projects with 5-year costs greater than \$100,000, the BNS must be approved by the Investment Manager, Enterprise Architect, and Chief Information Officer.

Business Case (BC)

- Requirement for the BC:
 - Required for all acquisitions, expenditures, and projects with 5-year costs greater than \$100,000.
- Approvals of the BC:
 - For all acquisitions, expenditures, and projects with 5-year costs between \$100,000 and \$500,000, the BC is approved by the CIO.
 - For all acquisitions, expenditures, and projects with 5-year costs greater than \$500,000 the BC is approved by the CIO and the ITIRB.

OIT Business Sponsor

For all IT acquisitions, expenditures, and projects that do not have a clear external Business Sponsor, the IHS Chief Medical Officer (CMO) is considered to be the Business Sponsor regardless of the dollar amount. The purpose of this is to maintain a separation of duties and avoid conflicts of interest wherein OIT would be initiating and approving its own work. The CMO's approval of the BNS is obtained by submitting it to the Capital Planning and Investment Control (CPIC) Manager.

Enterprise Performance Lifecycle

Once an acquisition, expenditure, or project has been authorized by IT governance, the project must meet the Enterprise Performance Lifecycle (EPLC) Framework requirements. The intent of implementing the EPLC Framework is to improve the quality of IT projects within IHS by ensuring that adequate planning, management, and execution of projects takes place. Improved project management of IT projects leads to reduced project failures, and in turn, reduced costs.

INFORMATION AND GUIDANCE

The OIT has posted Capital Planning and Investment Control (CPIC) "How To" Guides and the APR form on the IHS CPIC website located under the *Resources* menu item at:

<http://www.ihs.gov/cio/cpic/>

The following link is for the *IHS Capital Planning and Investment Control BNS and BC Manager*, which is the application used to develop the BNS and Business Case.

<https://home.ihs.gov/cpicwebapp/>

NOTE:

- It is not acceptable to break acquisitions, expenditures, or projects up into sub-projects for the sole purpose of reducing project costs to avoid having to complete the required documentation. Justification will be required for breaking a project into sub-projects.
 - The total costs of all such sub-projects will be consolidated and held to the 5-year lifecycle cost threshold.

- The Department of Health and Human Service (HHS) Chief Information Officer (CIO) may designate any IHS investment for HHS review, regardless of life-cycle cost.
- Under the HHS implementation of FITARA, medical devices which connect to the IHS network (typically considered “biomedical devices”) are considered to be covered by this guidance.
- Under OMB M-16-19 which concerns the Data Center Optimization Initiative, expenditures on data center construction, upgrades, or retrofitting are considered to be covered by this guidance.

To ensure timely approval for IT expenditures, areas are requested to submit a summary of IT acquisitions, expenditures, and projects to Mr. Rauland Sharp, CPIC Manager, Office of Information Technology, IHS, by November 30, 2017. Mr. Sharp is also available to provide technical assistance and can be reached at Rauland.Sharp@ihs.gov or at (301) 348-3435.

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Cc: Mr. Santiago Almaraz, Director, Division of Acquisition Policy, HQ