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1ST SESSION

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To amend section 11317 of title 40, United States Code, to improve the transparency of the status of information technology investments, to require greater accountability for cost overruns on Federal information technology investment projects, to improve the processes agencies implement to manage information technology investments, to reward excellence in information technology acquisition, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 28, 2009

Mr. CARPER (for himself, Ms. COLLINS, Mr. LIEBERMAN, and Mr. VOINOVICH) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

A BILL

To amend section 11317 of title 40, United States Code, to improve the transparency of the status of information technology investments, to require greater accountability for cost overruns on Federal information technology investment projects, to improve the processes agencies implement to manage information technology investments, to reward excellence in information technology acquisition, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Information Tech-
3 nology (IT) Investment Oversight Enhancement and
4 Waste Prevention Act of 2009”.

5 **SEC. 2. FINDINGS.**

6 Congress finds the following:

7 (1) The effective deployment of information
8 technology can make the Federal Government more
9 efficient, effective, and transparent.

10 (2) Historically, the Federal Government has
11 struggled to properly plan, manage, and deliver in-
12 formation technology investments on time, on budg-
13 et, and performing as planned.

14 (3) The Office of Management and Budget has
15 made significant progress overseeing information
16 technology investments made by Federal agencies
17 but continues to struggle to ensure that such invest-
18 ments meet cost, schedule, and performance expecta-
19 tions.

20 (4) Congress has limited knowledge of the ac-
21 tual cost, schedule, and performance of agency infor-
22 mation technology investments and has difficulty
23 providing the necessary oversight.

24 (5) In July 2008, an official of the Government
25 Accountability Office testified before the Sub-
26 committee on Federal Financial Management, Gov-

1 ernment Information, Federal Services, and Inter-
2 national Security of the Committee on Homeland
3 Security and Governmental Affairs of the Senate,
4 stating that—

5 (A) agencies self-report inaccurate and un-
6 reliable project management data to the Office
7 of Management and Budget and Congress; and

8 (B) the Office of Management and Budget
9 should establish a mechanism that would pro-
10 vide real-time project management information
11 and force agencies to improve the accuracy and
12 reliability of the information provided.

13 **SEC. 3. REAL-TIME TRANSPARENCY OF IT INVESTMENT**
14 **PROJECTS.**

15 Section 11302(c)(1) of title 40, United States Code,
16 is amended by striking the period at the end and inserting
17 the following: “, including establishing a Website, updat-
18 ing the Website on a quarterly basis, and including on the
19 Website, not later than 90 days after the date of the enact-
20 ment of the Information Technology (IT) Investment
21 Oversight Enhancement and Waste Prevention Act of
22 2009—

23 “(1) the cost, schedule, and performance of all
24 major information technology investments using

1 earned-value management data based on the ANSI
2 EIA-748-B standard;

3 “(2) accurate quarterly information since the
4 commencement of the project;

5 “(3) a graphical depiction of trend information
6 since the commencement of the project;

7 “(4) a clear delineation of investments that
8 have experienced cost, schedule, or performance vari-
9 ance greater than 10 percent over the life cycle of
10 the investment;

11 “(5) an explanation of the reasons the invest-
12 ment deviated from the benchmark established at
13 the commencement of the project; and

14 “(6) the number of times investments were
15 rebaselined and the dates on which such rebaselines
16 occurred.”.

17 **SEC. 4. IT INVESTMENT PROJECTS.**

18 (a) SIGNIFICANT AND GROSS DEVIATIONS.—Section
19 11317 of title 40, United States Code, is amended to read
20 as follows:

21 **“SEC. 11317. SIGNIFICANT AND GROSS DEVIATIONS.**

22 “(a) DEFINITIONS.—In this subchapter:

23 “(1) AGENCY HEAD.—The term ‘Agency Head’
24 means the head of the Federal agency that is pri-

1 marily responsible for the IT investment project
2 under review.

3 “(2) ANSI EIA-748-B STANDARD.—The term
4 ‘ANSI EIA-748-B Standard’ means the measure-
5 ment tool jointly developed by the American Na-
6 tional Standards Institute and the Electronic Indus-
7 tries Alliance to analyze Earned Value Management
8 systems.

9 “(3) APPROPRIATE CONGRESSIONAL COMMIT-
10 TEES.—The term ‘appropriate congressional com-
11 mittees’ means—

12 “(A) the Committee on Homeland Security
13 and Governmental Affairs of the Senate;

14 “(B) the Committee on Oversight and Gov-
15 ernment Reform of the House of Representa-
16 tives;

17 “(C) the Committee on Appropriations of
18 the Senate;

19 “(D) the Committee on Appropriations of
20 the House of Representatives; and

21 “(E) any other relevant congressional com-
22 mittee with jurisdiction over an agency required
23 to take action under this section.

24 “(4) CHIEF INFORMATION OFFICER.—The term
25 ‘Chief Information Officer’ means the Chief Infor-

1 mation Officer designated under section 3506(a)(2)
2 of title 44 of the Federal agency that is primarily re-
3 sponsible for the IT investment project under review.

4 “(5) CORE IT INVESTMENT PROJECT.—The
5 terms ‘core IT investment project’ and ‘core project’
6 mean a mission critical IT investment project des-
7 ignated as such by the Chief Information Officer,
8 with approval by the Agency Head under subsection
9 (b).

10 “(6) DIRECTOR.—The term ‘Director’ means
11 the Director of the Office of Management and Budg-
12 et.

13 “(7) EARNED VALUE MANAGEMENT.—The term
14 ‘Earned Value Management’ means the cost, per-
15 formance, and schedule data used to determine
16 project status and developed in accordance with the
17 ANSI EIA-748-B Standard.

18 “(8) GROSSLY DEVIATED.—The term ‘grossly
19 deviated’ means cost, schedule, or performance vari-
20 ance that is at least 40 percent from the Original
21 Baseline.

22 “(9) INDEPENDENT GOVERNMENT COST ESTI-
23 MATE.—The term ‘independent government cost es-
24 timate’ means a pragmatic and neutral analysis, as-
25 sessment, and quantification of all costs and risks

1 associated with the acquisition of an IT investment
2 project, which—

3 “(A) is based on programmatic and tech-
4 nical specifications provided by the office within
5 the agency with primary responsibility for the
6 development, procurement, and delivery of the
7 project;

8 “(B) is formulated and provided by an en-
9 tity other than the office within the agency with
10 primary responsibility for the development, pro-
11 curement, and delivery of the project;

12 “(C) contains sufficient detail to inform
13 the selection of an Earned Value Management
14 baseline benchmark measure under the ANSI
15 EIA-748-B standard; and

16 “(D) accounts for the full life cycle cost
17 plus associated operations and maintenance ex-
18 penses over the usable life of the project’s
19 deliverables.

20 “(10) IT INVESTMENT PROJECT.—The terms
21 ‘IT investment project’ and ‘project’ mean an infor-
22 mation technology system or information technology
23 acquisition that—

24 “(A) requires special management atten-
25 tion because of its importance to the mission or

1 function of the agency, a component of the
2 agency, or another organization;

3 “(B) is for financial management and obli-
4 gates more than \$500,000 annually;

5 “(C) has significant program or policy im-
6 plications;

7 “(D) has high executive visibility;

8 “(E) has high development, operating, or
9 maintenance costs;

10 “(F) is funded through other than direct
11 appropriations; or

12 “(G) is defined as major by the agency’s
13 capital planning and investment control process.

14 “(11) LIFE CYCLE COST.—The term ‘life cycle
15 cost’ means the total cost of an IT investment
16 project for planning, research and development,
17 modernization, enhancement, operation, and mainte-
18 nance.

19 “(12) ORIGINAL BASELINE.—

20 “(A) IN GENERAL.—Except as provided
21 under subparagraph (B), the term ‘Original
22 Baseline’ means the ANSI EIA-748-B Stand-
23 ard-compliant Earned Value Management
24 benchmark established at the commencement of
25 an IT investment project.

1 “(B) GROSSLY DEVIATED PROJECT.—If an
2 IT investment project grossly deviates from its
3 Original Baseline (as defined in subparagraph
4 (A)), the term ‘Original Baseline’ means the
5 ANSI ELA-748-B Standard-compliant Earned
6 Value Management benchmark established
7 under subsection (e)(3)(C).

8 “(13) SIGNIFICANTLY DEVIATED.—The term
9 ‘significantly deviated’ means Earned Value Manage-
10 ment variance that is at least 20 percent from the
11 Original Baseline.

12 “(b) CORE IT INVESTMENT PROJECTS DESIGNA-
13 TION.—Each Chief Information Officer, with approval by
14 the Agency Head, shall—

15 “(1) identify the major IT investments that are
16 the most critical to the agency; and

17 “(2) designate any project as a ‘core IT invest-
18 ment project’ or a ‘core project’, upon determining
19 that the project is a mission critical IT investment
20 project that—

21 “(A) represents a significant high dollar
22 value relative to the average IT investment
23 project in the agency’s portfolio;

1 “(B) delivers a capability critical to the
2 successful completion of the agency mission, or
3 a portion of such mission;

4 “(C) incorporates unproven or previously
5 undeveloped technology to meet primary project
6 technical requirements; or

7 “(D) would have a significant negative im-
8 pact on the successful completion of the agency
9 mission if the project experienced significant
10 cost, schedule, or performance deviations.

11 “(c) COST, SCHEDULE, AND PERFORMANCE RE-
12 PORTS.—

13 “(1) QUARTERLY REPORTS.—Not later than 14
14 days after the end of each fiscal quarter, the project
15 manager designated by the Agency Head for an IT
16 investment project shall submit a written report to
17 the Chief Information Officer that includes, as of
18 the last day of the applicable quarter—

19 “(A) a description of the cost, schedule,
20 and performance of all projects under the
21 project manager’s supervision;

22 “(B) the original and current project cost,
23 schedule, and performance benchmarks for each
24 project under the project manager’s supervision;

1 “(C) the quarterly and cumulative cost,
2 schedule, and performance variance related to
3 each IT investment project under the project
4 manager’s supervision since the commencement
5 of the project;

6 “(D) for each project under the project
7 manager’s supervision, any known, expected, or
8 anticipated changes to project schedule mile-
9 stones or project performance benchmarks in-
10 cluded as part of the original or current base-
11 line description;

12 “(E) the current cost, schedule, and per-
13 formance status of all projects under super-
14 vision that were previously identified as signifi-
15 cantly deviated or grossly deviated; and

16 “(F) any corrective actions taken to ad-
17 dress problems discovered under subparagraphs
18 (C) through (E).

19 “(2) INTERIM REPORTS.—If the project man-
20 ager for an IT investment project determines that
21 there is reasonable cause to believe that an IT in-
22 vestment project has significantly deviated or grossly
23 deviated since the issuance of the latest quarterly re-
24 port, the project manager shall submit to the Chief
25 Information Officer, not later than 14 days after

1 such determination, a report on the project that in-
2 cludes, as of the date of the report—

3 “(A) a description of the original and cur-
4 rent program cost, schedule, and performance
5 benchmarks;

6 “(B) the cost, schedule, or performance
7 variance related to the IT investment project
8 since the commencement of the project;

9 “(C) any known, expected, or anticipated
10 changes to the project schedule milestones or
11 project performance benchmarks included as
12 part of the original or current baseline descrip-
13 tion;

14 “(D) the major reasons underlying the sig-
15 nificant or gross deviation of the project; and

16 “(E) a corrective action plan to correct
17 such deviations.

18 “(d) DETERMINATION OF SIGNIFICANT DEVI-
19 ATION.—

20 “(1) CHIEF INFORMATION OFFICER.—Upon re-
21 ceiving a report under subsection (c), the Chief In-
22 formation Officer shall—

23 “(A) determine if any IT investment
24 project has significantly deviated; and

1 “(B) report such determination to the
2 Agency Head.

3 “(2) CONGRESSIONAL NOTIFICATION.—If the
4 Chief Information Officer determines under para-
5 graph (1) that an IT investment project has signifi-
6 cantly deviated and the Agency Head has not issued
7 a report to the appropriate congressional committees
8 of a significant deviation for that project under this
9 section since the project was last required to be
10 rebaselined under this section, the Agency Head
11 shall submit a report to the appropriate congres-
12 sional committees, the Director, and the Government
13 Accountability Office that includes—

14 “(A) written notification of such deter-
15 mination;

16 “(B) the date on which such determination
17 was made;

18 “(C) the amount of the cost increases and
19 the extent of the schedule delays with respect to
20 such project;

21 “(D) any requirements that—

22 “(i) were added subsequent to the
23 original contract; or

24 “(ii) were originally contracted for,
25 but were changed by deferment or deletion

1 from the original schedule, or were other-
2 wise no longer included in the require-
3 ments contracted for;

4 “(E) an explanation of the differences be-
5 tween—

6 “(i) the estimate at completion be-
7 tween the project manager, any contractor,
8 and any independent analysis; and

9 “(ii) the original budget at comple-
10 tion;

11 “(F) a statement of the reasons underlying
12 the project’s significant deviation; and

13 “(G) a summary of the plan of action to
14 remedy the significant deviation.

15 “(3) DEADLINE.—

16 “(A) NOTIFICATION BASED ON QUARTERLY
17 REPORT.—If the determination of significant
18 deviation is based on a report submitted under
19 subsection (c)(1), the Agency Head shall notify
20 Congress and the Director in accordance with
21 paragraph (2) not later than 21 days after the
22 end of the quarter upon which such report is
23 based.

24 “(B) NOTIFICATION BASED ON INTERIM
25 REPORT.—If the determination of significant

1 deviation is based on a report submitted under
2 subsection (c)(2), the Agency Head shall notify
3 Congress and the Director in accordance with
4 paragraph (2) not later than 21 days after the
5 submission of such report.

6 “(e) DETERMINATION OF GROSS DEVIATION.—

7 “(1) CHIEF INFORMATION OFFICER.—Upon re-
8 ceiving a report under subsection (c), the Chief In-
9 formation Officer shall—

10 “(A) determine if any IT investment
11 project has grossly deviated; and

12 “(B) report any such determination to the
13 Agency Head.

14 “(2) CONGRESSIONAL NOTIFICATION.—If the
15 Chief Information Officer determines under para-
16 graph (1) that an IT investment project has grossly
17 deviated and the Agency Head has not issued a re-
18 port to the appropriate congressional committees of
19 a gross deviation for that project under this section
20 since the project was last required to be rebaselined
21 under this section, the Agency Head shall submit a
22 report to the appropriate congressional committees,
23 the Director, and the Government Accountability Of-
24 fice that includes—

1 “(A) written notification of such deter-
2 mination, which—

3 “(i) identifies the date on which such
4 determination was made; and

5 “(ii) indicates whether or not the
6 project has been previously reported as a
7 significant or gross deviation by the Chief
8 Information Officer, and the date of any
9 such report;

10 “(B) incorporations by reference of all
11 prior reports to Congress on the project re-
12 quired under this section;

13 “(C) updated accounts of the items de-
14 scribed in subparagraphs (C) through (G) of
15 subsection (d)(2);

16 “(D) the original estimate at completion
17 for the project manager, any contractor, and
18 any independent analysis;

19 “(E) a graphical depiction that shows
20 monthly planned expenditures against actual
21 expenditures since the commencement of the
22 project;

23 “(F) the amount, if any, of incentive or
24 award fees any contractor has received since the

1 commencement of the contract and the reasons
2 for receiving such incentive or award fees;

3 “(G) the project manager’s estimated cost
4 at completion and estimated completion date for
5 the project if current requirements are not
6 modified;

7 “(H) the project manager’s estimated cost
8 at completion and estimated completion date for
9 the project based on reasonable modification of
10 such requirements;

11 “(I) an explanation of the most significant
12 occurrence contributing to the variance identi-
13 fied, including cost, schedule, and performance
14 variances, and the effect such occurrence will
15 have on future project costs and program
16 schedule;

17 “(J) a statement regarding previous or an-
18 ticipated rebaselining or replanning of the
19 project and the names of the individuals respon-
20 sible for approval;

21 “(K) the original life cycle cost of the in-
22 vestment and the expected life cycle cost of the
23 investment expressed in constant base year dol-
24 lars and in current dollars; and

1 “(L) a comprehensive plan of action to
2 remedy the gross deviation, and milestones es-
3 tablished to control future cost, schedule, and
4 performance deviations in the future.

5 “(3) REMEDIAL ACTION.—

6 “(A) IN GENERAL.—If the Chief Informa-
7 tion Officer determines under paragraph (1)(A)
8 that an IT investment project has grossly devi-
9 ated, the Agency Head, in consultation with the
10 Chief Information Officer and the appropriate
11 project manager, shall develop and implement a
12 remedial action plan that includes—

13 “(i) a report that—

14 “(I) describes the primary busi-
15 ness case and key functional require-
16 ments for the project;

17 “(II) describes any portions of
18 the project that have technical re-
19 quirements of sufficient clarity that
20 such portions may be feasibly pro-
21 cured under firm, fixed-price type con-
22 tract;

23 “(III) includes a certification by
24 the Agency Head, after consultation
25 with the Chief Information Officer,

1 that all technical and business re-
2 quirements have been reviewed and
3 validated to ensure alignment with the
4 reported business case;

5 “(IV) describes any changes to
6 the primary business case or key func-
7 tional requirements which have oc-
8 curred since project inception; and

9 “(V) includes an independent
10 government cost estimate for the
11 project conducted by an entity ap-
12 proved by the Director;

13 “(ii) an analysis that—

14 “(I) describes agency business
15 goals that the project was originally
16 designed to address;

17 “(II) includes a gap analysis of
18 what project deliverables remain in
19 order for the agency to accomplish the
20 business goals referred to in subclause
21 (I);

22 “(III) identifies the 3 most cost-
23 effective alternative approaches to the
24 project which would achieve the busi-

1 ness goals referred to in subclause (I);
2 and

3 “(IV) includes a cost-benefit
4 analysis, which compares—

5 “(aa) the completion of the
6 project with the completion of
7 each alternative approach, after
8 factoring in future costs associ-
9 ated with the termination of the
10 project; and

11 “(bb) the termination of the
12 project without pursuit of alter-
13 natives, after factoring in fore-
14 gone benefits; and

15 “(iii) a new baseline of the project is
16 established that is consistent with the inde-
17 pendent government cost estimate required
18 under clause (i)(V); and

19 “(iv) the project is designated as a
20 core IT investment project and subjected
21 to the requirements under subsection (f).

22 “(B) SUBMISSION TO CONGRESS.—The re-
23 medial action plan and all corresponding re-
24 ports, analyses, and actions under this para-

1 graph shall be submitted to the appropriate
2 congressional committees and the Director.

3 “(C) REPORTING AND ANALYSIS EXEMP-
4 TIONS.—

5 “(i) IN GENERAL.—The Chief Infor-
6 mation Officer, in coordination with the
7 Agency Head and the Director, may forego
8 the completion of any element of a report
9 or analysis under clause (i) or (ii) of sub-
10 paragraph (A) if the Chief Information Of-
11 ficer determines that such element is not
12 relevant to the understanding of the dif-
13 ficulties facing the project or that such ele-
14 ment does not further the remedial steps
15 necessary to ensure that the project is
16 completed in a timely and cost-efficient
17 manner.

18 “(ii) IDENTIFICATION OF REASONS.—
19 The Chief Information Officer shall include
20 the reasons for not including any element
21 referred to in clause (i) in the report sub-
22 mitted to Congress under subparagraph
23 (B).

24 “(4) DEADLINE AND FUNDING CONTIN-
25 GENCY.—

1 “(A) NOTIFICATION AND REMEDIAL AC-
2 TION BASED ON QUARTERLY REPORT.—

3 “(i) IN GENERAL.—If the determina-
4 tion of gross deviation is based on a report
5 submitted under subsection (c)(1), the
6 Agency Head shall—

7 “(I) not later than 45 days after
8 the end of the quarter upon which
9 such report is based, notify the appro-
10 prium congressional committees and
11 the Director in accordance with para-
12 graph (2); and

13 “(II) not later than 180 days
14 after the end of the quarter upon
15 which such report is based, ensure the
16 completion of remedial action under
17 paragraph (3).

18 “(ii) FAILURE TO MEET DEAD-
19 LINES.—If the Agency Head fails to meet
20 the deadline described in clause (i)(II), ad-
21 ditional funds may not be obligated to sup-
22 port expenditures associated with the
23 project until the requirements of this sub-
24 section have been fulfilled.

1 “(B) NOTIFICATION AND REMEDIAL AC-
2 TION BASED ON INTERIM REPORT.—

3 “(i) IN GENERAL.—If the determina-
4 tion of gross deviation is based on a report
5 submitted under subsection (c)(2), the
6 Agency Head shall—

7 “(I) not later than 45 days after
8 the submission of such report, notify
9 the appropriate congressional commit-
10 tees in accordance with paragraph (2);
11 and

12 “(II) not later than 180 days
13 after the submission of such report,
14 ensure the completion of remedial ac-
15 tion in accordance with paragraph (3).

16 “(ii) FAILURE TO MEET DEAD-
17 LINES.—If the Agency Head fails to meet
18 the deadline described in clause (i)(II), ad-
19 ditional funds may not be obligated to sup-
20 port expenditures associated with the
21 project until the requirements of this sub-
22 section have been fulfilled.

23 “(f) ADDITIONAL REQUIREMENTS FOR CORE IT IN-
24 VESTMENT PROJECT REPORTS.—

1 “(1) INITIAL REPORT.—If a remedial action
2 plan described in subsection (e)(3)(A) has not been
3 submitted for a core IT investment project, the
4 Agency Head, in coordination with the Chief Infor-
5 mation Officer and responsible program managers,
6 shall prepare an initial report for inclusion in the
7 first budget submitted to Congress under section
8 1105(a) of title 31, United States Code, after the
9 designation of a project as a core IT investment
10 project, which includes—

11 “(A) a description of the primary business
12 case and key functional requirements for the
13 project;

14 “(B) an identification and description of
15 any portions of the project that have technical
16 requirements of sufficient clarity that such por-
17 tions may be feasibly procured under firm,
18 fixed-price contracts;

19 “(C) an independent government cost esti-
20 mate for the project;

21 “(D) certification by the Chief Information
22 Officer that all technical and business require-
23 ments have been reviewed and validated to en-
24 sure alignment with the reported business case;
25 and

1 “(E) any changes to the primary business
2 case or key functional requirements which have
3 occurred since project inception.

4 “(2) QUARTERLY REVIEW OF BUSINESS
5 CASE.—The Agency Head, in coordination with the
6 Chief Information Officer and responsible program
7 managers, shall—

8 “(A) monitor the primary business case
9 and core functionality requirements reported to
10 Congress and the Director for designated core
11 IT investment projects; and

12 “(B) if changes to the primary business
13 case or key functional requirements for a core
14 IT investment project occur in any fiscal quar-
15 ter, submit a report to Congress and the Direc-
16 tor not later than 14 days after the end of such
17 quarter that details the changes and describes
18 the impact the changes will have on the cost
19 and ultimate effectiveness of the project.

20 “(3) ALTERNATIVE SIGNIFICANT DEVIATION
21 DETERMINATION.—If the Chief Information Officer
22 determines, subsequent to a change in the primary
23 business case or key functional requirements, that
24 without such change the project would have signifi-
25 cantly deviated—

1 “(A) the Chief Information Officer shall
2 notify the Agency Head of the significant devi-
3 ation; and

4 “(B) the Agency Head shall fulfill the re-
5 quirements under subsection (d)(2) in accord-
6 ance with the deadlines under subsection (d)(3).

7 “(4) ALTERNATIVE GROSS DEVIATION DETER-
8 MINATION.—If the Chief Information Officer deter-
9 mines, subsequent to a change in the primary busi-
10 ness case or key functional requirements, that with-
11 out such change the project would have grossly devi-
12 ated—

13 “(A) the Chief Information Officer shall
14 notify the Agency Head of the gross deviation;
15 and

16 “(B) the Agency Head shall fulfill the re-
17 quirements under subsections (e)(2) and (e)(3)
18 in accordance with subsection (e)(4).”.

19 (b) INCLUSION IN THE BUDGET SUBMITTED TO CON-
20 GRESS.—Section 1105(a) of title 31, United States Code,
21 is amended—

22 (1) in the matter preceding paragraph (1), by
23 striking “include in each budget the following:” and
24 inserting “include in each budget—”;

1 (2) by redesignating the second paragraph (33)
2 (as added by section 889(a) of Public Law 107–296)
3 as paragraph (35);

4 (3) in each of paragraphs (1) through (34), by
5 striking the period at the end and inserting a semi-
6 colon;

7 (4) in paragraph (35), as redesignated by para-
8 graph (2), by striking the period at the end and in-
9 serting “; and”; and

10 (5) by adding at the end the following:

11 “(36) the reports prepared under section
12 11317(f) of title 40, United States Code, relating to
13 the core IT investment projects of the agency.”.

14 (c) IMPROVEMENT OF INFORMATION TECHNOLOGY
15 ACQUISITION AND DEVELOPMENT.—Subchapter II of
16 chapter 113 of title 40, United States Code, is amended
17 by adding at the end the following:

18 **“SEC. 11319. ACQUISITION AND DEVELOPMENT.**

19 “(a) PURPOSE.—The objective of this section is to
20 significantly reduce—

21 “(1) cost overruns and schedule slippage from
22 the estimates established at the time the program is
23 initially approved;

1 “(2) the number of requirements and business
2 objectives at the time the program is approved that
3 are not met by the delivered products; and

4 “(3) the number of critical defects and serious
5 defects in delivered information technology.

6 “(b) OMB GUIDANCE.—The Director of the Office
7 of Management and Budget shall—

8 “(1) not later than 180 days after the date of
9 the enactment of this section, prescribe uniformly
10 applicable guidance for agencies to implement the
11 requirements of this section, which shall not include
12 any exemptions to such requirements not specifically
13 authorized under this section; and

14 “(2) take any actions that are necessary to en-
15 sure that Federal agencies are in compliance with
16 the guidance prescribed pursuant to paragraph (1)
17 not later than 1 year after the date of the enactment
18 of this section.

19 “(c) ESTABLISHMENT OF PROGRAM.—Not later than
20 120 days after the date of the enactment of this section,
21 each Chief Information Officer, upon the approval of the
22 Agency Head (as defined in section 11317(a) of title 40,
23 United States Code) shall establish a program to improve
24 the information technology (referred to in this section as
25 ‘IT’) processes overseen by the Chief Information Officer.

1 “(d) PROGRAM REQUIREMENTS.—Each program es-
2 tablished pursuant to this section shall include—

3 “(1) a documented process for IT acquisition
4 planning, requirements development and manage-
5 ment, project management and oversight, earned-
6 value management, and risk management;

7 “(2) the development of appropriate metrics
8 that can be implemented and monitored on a real-
9 time dashboard for performance measurement of—

10 “(A) processes and development status of
11 investments;

12 “(B) continuous process improvement of
13 the program; and

14 “(C) achievement of program and invest-
15 ment outcomes;

16 “(3) a process to ensure that key program per-
17 sonnel have an appropriate level of experience, train-
18 ing, and education, at an institution or institutions
19 approved by the Director, in the planning, acquisi-
20 tion, execution, management, and oversight of IT;

21 “(4) a process to ensure that the agency imple-
22 ments and adheres to established processes and re-
23 quirements relating to the planning, acquisition, exe-
24 cution, management, and oversight of IT programs
25 and developments; and

1 “(5) a process for the Chief Information Officer
2 to intervene or stop the funding of an IT investment
3 if it is at risk of not achieving major project mile-
4 stones.

5 “(e) ANNUAL REPORT TO OMB.—Not later than the
6 last day of February of each year, the Agency Head shall
7 submit a report to the Office of Management and Budget
8 that includes—

9 “(1) a detailed summary of the accomplish-
10 ments of the program established by the Agency
11 Head pursuant to this section;

12 “(2) the status of completeness of implementa-
13 tion of each of the program requirements, and the
14 date each such requirement was deemed to be com-
15 pleted;

16 “(3) the percentage of Federal IT projects cov-
17 ered under the program compared to all of the IT
18 projects of the agency, listed by number of programs
19 and by annual dollars expended;

20 “(4) a detailed breakdown of the sources and
21 uses of the amounts spent by the agency during the
22 previous fiscal year to support the activities of the
23 program;

1 “(5) a copy of any guidance issued under the
2 program and a statement regarding whether each
3 such guidance is mandatory;

4 “(6) the identification of the metrics developed
5 in accordance with subsection (b)(2);

6 “(7) a description of how paragraphs (3) and
7 (4) of subsection (b) have been implemented and any
8 related agency guidance; and

9 “(8) a description of how agencies will continue
10 to review and update the implementation and objec-
11 tives of such guidance.

12 “(f) ANNUAL REPORT TO CONGRESS.—The Director
13 of the Office of Management and Budget shall provide an
14 annual report to Congress on the status and implementa-
15 tion of the program established pursuant to this section.”.

16 (d) CLERICAL AMENDMENTS.—The table of sections
17 for chapter 113 of title 40, United States Code, is amend-
18 ed—

19 (1) by striking the item relating to section
20 11317 and inserting the following:

“11317. Significant and gross deviations.”;

21 and

22 (2) by inserting after the item relating to sec-
23 tion 11318 the following:

“11319. Acquisition and development.”.

1 **SEC. 5. IT TIGER TEAM.**

2 (a) PURPOSE.—The Director of the Office of Man-
3 agement of Budget (referred to in this section as the “Di-
4 rector”), in consultation with the Administrator of the Of-
5 fice of Electronic Government and Information and Tech-
6 nology at the Office of Management and Budget (referred
7 to in this section as the “E-Gov Administrator”), shall as-
8 sist agencies in avoiding significant and gross deviations
9 in the cost, schedule, and performance of IT investment
10 projects (as such terms are defined in section 11317(a)
11 of title 40, United States Code).

12 (b) IT TIGER TEAM.—

13 (1) ESTABLISHMENT.—Not later than 180 days
14 after the date of the enactment of this Act, the E-
15 Gov Administrator shall establish a small group of
16 individuals (referred to in this section as the “IT
17 Tiger Team”) to carry out the purpose described in
18 subsection (a).

19 (2) QUALIFICATIONS.—Individuals selected for
20 the IT Tiger Team—

21 (A) shall be certified at the Senior/Expert
22 level according to the Federal Acquisition Cer-
23 tification for Program and Project Managers
24 (FAC-P/PM);

25 (B) shall have comparable education, cer-
26 tification, training, and experience to success-

1 fully manage high-risk IT investment projects;
2 or

3 (C) shall have expertise in the successful
4 management or oversight of planning, architec-
5 ture, process, integration, or other technical
6 and management aspects using proven process
7 best practices on high-risk IT investment
8 projects.

9 (3) NUMBER.—The Director, in consultation
10 with the E-Gov Administrator, shall determine the
11 number of individuals who will be selected for the IT
12 Tiger Team.

13 (c) OUTSIDE CONSULTANTS.—

14 (1) IDENTIFICATION.—The E-Gov Adminis-
15 trator shall identify consultants in the private sector
16 who have expert knowledge in IT program manage-
17 ment and program management review teams. Not
18 more than 20 percent of such consultants may be
19 formally associated with any 1 of the following types
20 of entities:

21 (A) Commercial firms.

22 (B) Nonprofit entities.

23 (C) Federally funded research and develop-
24 ment centers.

25 (2) USE OF CONSULTANTS.—

1 (A) IN GENERAL.—Consultants identified
2 under paragraph (1) may be used to assist the
3 IT Tiger Team in assessing and improving IT
4 investment projects.

5 (B) LIMITATION.—Consultants with a for-
6 mally established relationship with an organiza-
7 tion may not participate in any assessment in-
8 volving an IT investment project for which such
9 organization is under contract to provide tech-
10 nical support.

11 (C) EXCEPTION.—The limitation described
12 in subparagraph (B) may not be construed as
13 precluding access to anyone having relevant in-
14 formation helpful to the conduct of the assess-
15 ment.

16 (3) CONTRACTS.—The E-Gov Administrator, in
17 conjunction with the Administrator of the General
18 Services Administration (GSA), may establish com-
19 petitively bid contracts with 1 or more qualified con-
20 sultants, independent of any GSA schedule.

21 (d) INITIAL RESPONSE TO ANTICIPATED SIGNIFI-
22 CANT OR GROSS DEVIATION.—If the E-Gov Administrator
23 determines there is reasonable cause to believe that a
24 major IT investment project is likely to significantly or
25 grossly deviate (as defined in section 11317(a) of title 40,

1 United States Code), including the receipt of inconsistent
2 or missing data, or if the E-Gov Administrator determines
3 that the assignment of 1 or more members of the IT Tiger
4 Team could meaningfully reduce the possibility of signifi-
5 cant or gross deviation, the E-Gov Administrator shall
6 carry out the following activities:

7 (1) Recommend the assignment of 1 or more
8 members of the IT Tiger Team to assess the project
9 in accordance with the scope and time period de-
10 scribed in section 11317(c)(1) of title 40, United
11 States Code, beginning not later than 14 days after
12 such recommendation. No member of the Tiger
13 Team who is associated with the department or
14 agency whose IT investment project is the subject of
15 the assessment may be assigned to participate in
16 this assessment. Such limitation may not be con-
17 strued as precluding access to anyone having rel-
18 evant information helpful to the conduct of the as-
19 sessment.

20 (2) If the E-Gov Administrator determines that
21 1 or more qualified consultants are needed to sup-
22 port the efforts of the IT Tiger Team under para-
23 graph (1), negotiate a contract with the consultant
24 to provide such support during the period in which

1 the IT Tiger Team is conducting the assessment de-
2 scribed in paragraph (1).

3 (3) Ensure that the costs of an assessment
4 under paragraph (1) and the support services of 1
5 or more consultants under paragraph (2) are paid
6 by the major IT investment project being assessed.

7 (4) Monitor the progress made by the IT Tiger
8 Team in assessing the project.

9 (e) REDUCTION OF SIGNIFICANT OR GROSS DEVI-
10 ATION.—If the E-Gov Administrator determines that the
11 assessment conducted under subsection (d) confirms that
12 a major IT investment project is likely to significantly or
13 grossly deviate, the E-Gov Administrator shall recommend
14 that the Agency Head (as defined in section 11317(a)(1)
15 of title 40, United States Code) take steps to reduce the
16 deviation, which may include—

17 (1) providing training, education, or mentoring
18 to improve the qualifications of the program man-
19 ager;

20 (2) replacing the program manager or other
21 staff;

22 (3) supplementing the program management
23 team with Federal Government employees or inde-
24 pendent contractors;

25 (4) terminating the project; or

1 (5) hiring an independent contractor to report
2 directly to senior management and the E-Gov Ad-
3 ministrator.

4 (f) REPROGRAMMING OF FUNDS.—

5 (1) AUTHORIZATION.—The Director may direct
6 an Agency Head to reprogram amounts which have
7 been appropriated for such agency to pay for an as-
8 sessment under subsection (d).

9 (2) NOTIFICATION.—An Agency Head who re-
10 programs appropriations under paragraph (1) shall
11 notify the Committee on Appropriations of the Sen-
12 ate and the Committee on Appropriations of the
13 House of Representatives of any such reprogram-
14 ming.

15 (g) REPORT TO CONGRESS.—The Director shall in-
16 clude in the annual Report to Congress on the Benefits
17 of E-Government Initiatives a detailed summary of the
18 composition and activities of the IT Tiger Team, includ-
19 ing—

20 (1) the number and qualifications of individuals
21 on the IT Tiger Team;

22 (2) a description of the IT investment projects
23 that the IT Tiger Team has worked during the pre-
24 vious fiscal year;

1 (3) the major issues that necessitated the in-
2 volvement of the IT Tiger Team to assist agencies
3 with assessing and managing IT investment projects
4 and whether such issues were satisfactorily resolved;

5 (4) if the issues referred to in paragraph (3)
6 were not satisfactorily resolved, the issues still need-
7 ed to be resolved and the Agency Head's plan for re-
8 solving such issues;

9 (5) a detailed breakdown of the sources and
10 uses of the amounts spent by the Office of Manage-
11 ment and Budget and other Federal agencies during
12 the previous fiscal year to support the activities of
13 the IT Tiger Team; and

14 (6) a determination of whether the IT Tiger
15 Team has been effective in—

16 (A) preventing projects from deviating
17 from the original baseline; and

18 (B) assisting agencies in conducting appro-
19 priate analysis and planning before a project is
20 funded.

21 **SEC. 6. AWARDS FOR PERSONNEL FOR EXCELLENCE IN**
22 **THE ACQUISITION OF INFORMATION SYS-**
23 **TEMS AND INFORMATION TECHNOLOGY.**

24 (a) IN GENERAL.—Not later than 180 days after the
25 enactment of this Act, the Director of the Office of Per-

1 sonnel Management shall develop policy and guidance for
2 agencies to develop a program to recognize excellent per-
3 formance by Federal Government employees and teams of
4 such employees in the acquisition of information systems
5 and information technology for the agency.

6 (b) ELEMENTS.—The program referred to in sub-
7 section (a) shall, to the extent practicable—

8 (1) obtain objective outcome measures; and

9 (2) include procedures for—

10 (A) the nomination of Federal Government
11 employees and teams of such employees for eli-
12 gibility for recognition under the program; and

13 (B) the evaluation of nominations for rec-
14 ognition under the program by 1 or more agen-
15 cy panels of individuals from government, aca-
16 demia, and the private sector who have such ex-
17 pertise, and are appointed in such a manner, as
18 the Director of the Office of Personal Manage-
19 ment shall establish for purposes of the pro-
20 gram.

21 (c) AWARD OF CASH BONUSES.—As part of the pro-
22 gram referred to in subsection (a), the Director of the Of-
23 fice of Personnel Management, in consultation with the
24 Director of the Office of Management and Budget, shall
25 establish policies and guidance for agencies to award to

1 any Federal Government employee or teams of such em-
2 ployees recognized pursuant to the program a cash bonus
3 authorized by any other provision of law to the extent that
4 the performance of such individual so recognized warrants
5 the award of such bonus under such provision of law.

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