

VII. Office of Information and Technology (005)
VA History
Executive Summary

Section 5125(a) of the Clinger-Cohen Act of 1996 (Public Law 104-106) requires federal government agencies to establish the position of a Chief Information Officer (CIO) in place of the designated 'senior official' for information resources management previously authorized by the Paperwork Reduction Act (PRA). In meeting the requirements of the law, VA identified the Assistant Secretary for Management, already serving as the Chief Financial Officer (CFO), as the Department's CIO. (See Tab A - (004) Organization Chart.)

On July 1, 1998 the Secretary decided to split the CIO and CFO functions within the Department and established the new position of Assistant Secretary for Information and Technology. (See Tab B - (005) Organization Chart.) The entire organization of the Deputy Assistant Secretary for Information Resources Management was realigned under this new Assistant Secretary. Until the appointment process for a new Assistant Secretary is complete, the Principal Deputy Assistant Secretary for Information and Technology will be the Acting CIO. This change permits the appropriate emphasis on the Department's information and technology issues, which are key to improving service to veterans.

The Office of Information and Technology's (OI&T) has two fundamental roles. First, the office provides information technology (IT) support to the Administrations and Staff Offices so that they can accomplish their missions. Second, OI&T has oversight responsibility on behalf of the Secretary of Veterans Affairs to ensure that VA complies with laws, policies, and direction from external organizations such as the Office of Management and Budget (OMB), the Department of the Treasury, the General Services Administration (GSA), the General Accounting Office (GAO), and the Veterans Affairs Committees.

Clinger-Cohen Implementation

In response to the Clinger Cohen Act, VA established an IT Capital Investment Management Process that provides for the continuous identification, selection, control, life-cycle management, and evaluation of IT investments. This structured process provides a systematic method that enables the Department to minimize risks while maximizing the return on IT investments. The VA CIO Council plays an active role in this capital investment management process.

In addition, OI&T developed VA Directive 6000, VA Information Resources Management (IRM) Framework that defines an integrated process that consists of planning, budgeting, procurement, and management-in use of VA's information technology investments. VA's IT investments must be measured in relationship to their support of VA's mission, program goals and objectives.

The following activities all support Clinger Cohen implementation:

- **Enterprise IT Architecture** - VA is developing an enterprise architecture that provides a high level view of VA's interdepartmental business processes, information flows and relationships, applications processing, and data description layers. The Enterprise IT Architecture will encompass the business plans and IT systems and architectures of VA Administrations and Staff Offices.
- **IT Strategic Plan** - The VA IT Strategic Plan FY 2002 - 2006, provides the overarching strategy and priorities to guide the capital, budget, operational, and technical planning for IT by the Department's Administrations and Staff Offices. It also provides the foundation on which IT will be applied to support the Department's business operation.
- **Government Information Locator Service Site** - VA established an operational on-line Government Information Locator Service (GILS) site to help the public locate and access information. GILS is an integral part of the Federal Government's overall information management and dissemination infrastructure and will facilitate both identification and direct retrieval of government information.
- **One VA IT Vision** - The Department developed the One VA Vision of Information Technology Enhanced Customer Support to guide the operational, tactical, budget and capital planning for all future information technology initiatives for the entire Department. This IT Vision describes ways of using technology to improve customer service and to make VA appear seamless to veterans.
- **Modular Contracting** - Policies and procedures were established to allow removal of controls to allow the CIO's office and Administration and Staff Offices within VA to acquire IT resources from the contract vehicles promoting the incremental concept of "Modular Contracting." Various contracts and Blanket Purchase Agreements were awarded for personal computer hardware and software. The contracts are also available for use, on a non-mandatory basis by other agencies to satisfy their requirements, within the scope of the contract.

Freedom of Information Act Compliance

The Freedom of Information Act (5 U.S.C. 552) requires Federal agencies to make official agency records available to the public. It is VA's policy to disclose information from agency records to the fullest extent permitted by law.

VA's FOIA program is decentralized. Requests are submitted to VA Central Office Administrations and Staff Offices, the VA FOIA Officer, and to field facilities depending on which office is responsible for the requested records. The

number of FOIA requests submitted to VA has fluctuated over a five-year period (1993-1997) and has greatly increased during the last two fiscal years. The increases were due to the inclusion of Privacy Act requests in the FOIA report.

Information Security Program

VA's CIO made information security a principal agenda item for VA's information technology program. Efforts were pursued from a Department-wide perspective, concentrating on areas where consistency and balance across the Department are essential. A strategic investment of approximately \$83.3 million is planned over the six-year period FY 2000-FY 2005.

Implementation of Electronic Document Management System

In early 1994, the VA Chief of Staff expressed an interest in the application of document imaging to improve processing of correspondence for the Secretary's signature. This correspondence included letters from veterans and their families, Congress, the White House, other government agencies, professional organizations and the general public. At that time the correspondence was tracked using an outdated application developed by VA.

A commercial system was selected and pilots with fewer than 200 customers were begun. After several months of successful pilot operation, expansion funding was approved in August 1996. This funding provided for growth to accommodate over one thousand customers. EDMS became an official VA System of Records in April 2000.

Year 2000 Compliance

VA's CIO began the \$231 million dollar Year 2000 Program in earnest in December 1995. VA identified 318 software applications representing over 17 million lines of code that support VA's mission critical functions such as benefits delivery and health care. In addition, VA identified an inventory of 564 external data exchange interfaces. VA also has a \$4 billion dollar inventory of medical devices supplied by over 1300 manufactures.

VA successfully transitioned into the Year 2000 without any significant Year 2000 incidents. VA remained on a "Green" operational status throughout the date rollover period as well as leap year date rollover. VA benefits were paid on time and our health care facilities remained open throughout the date rollovers. VA also completed "health checks" at our Headquarters offices, 172 medical centers, 58 regional offices, all national cemeteries and data processing centers. These "health checks" systems found that these facilities were operational and no Year 2000 problems were encountered. This successful transition into the Year 2000 reflects the hard work performed nation-wide by VA employees to make VA's systems Year 2000 compliant. In recognition of our Year 2000 progress, Congressman Stephen Horn, Chairman of the Subcommittee on Government Management, Information and Technology, Committee on Government Reform, awarded a final grade of "A" to VA in November 1999.

Electronic Government

The Office of Information and Technology (OI&T) has worked to ensure that technology supported and enabled the development of One VA and enhanced delivery of services and benefits to our nation's veterans and their beneficiaries. One of OI&T's significant efforts at enabling One VA has been to promote integration across VA's Administrations and Staff Offices to enhance service to veterans. The *One VA Vision of Information Technology Enhanced Customer Service* (IT Vision) proposed ways in which technology could be used to meet this goal. The IT Vision was developed through interviews with key VA operations staff representing all of VA's business lines. The IT Vision defines a set of 21 IT-enhanced, functional capabilities or concepts, each of which contributes in a coordinated way to an environment of integrated customer service. The 21 concepts fall into four basic categories: Customer Support, Internal Data Sharing and Exchange, External Data Sharing and Exchange, and the Customer Service IT Infrastructure. These concepts showed how information can be readily available and shared both within and outside VA. Most of the Vision concepts are in the process of being established or have been implemented.

A significant technology that became prominent during the last eight years is the Internet and Intranet. This technology is key to achieving the goals and promise of electronic government. Recognizing this, in May 1999 OI&T, on behalf of the VA CIO Council, chartered 1999 an Internet Users Work Group (IUWG). The IUWG was made up of representatives from each Administration, Staff Office, the VA Webmasters Group, the VA IT Security Group, the Telecommunications Staff and four VHA VISNs. The IUWG mission was to identify and organize development of departmental level policies and strategies needed to guide the advantageous deployment and use of Internet technology by VA organizations, employees, contractors and customers. Department-wide policies and strategies have been developed and incorporated into a VA Handbook. The IUWG also developed privacy notification banners that are being used at all VA Internet sites. In addition, the web page templates developed by the Veterans Focus Internet Redesign Project (VFIRP) are being used by all Internet developers to give VA web sites a One VA look and feel. Other issues that will be addressed by the IUWG include ownership, content management, standards for development tools, electronic filing, and record retention, and network capacity.

VA's Internet web pages were given a new look during the spring of 2000 as a result of VFIRP. The VFIRP was a team effort, lead by Veterans Health Administration staff with representatives from the other Administrations and Staff Offices. Focus groups made up of veterans, veteran family members, business partners, VA staff, Congressional staff, and other interested parties assessed the current VA web site and three award-winning, best-of-breed web site designs and chose the one they liked the best. Guidelines for the web sites were

developed based on the recommendations coming from the focus groups. The revisions affect the VA home page and the three levels beneath it, bringing order and structure to the web site and making it easier for all of VA's customers to understand and to navigate. Templates have been created so that anyone designing deeper level pages for the VA site can use them to meet the new guidelines.

OI&T also uses information technology to fulfill its responsibilities under the Privacy and Freedom of Information Acts to ensure veterans and their dependents, Veterans Service Organizations, the military, the public, and VA employees around the world have full access to all the information to which they are entitled and need. OI&T accomplished its responsibilities by designing and contributing to the ongoing development of VA's internal web sites and its public web site. A significant achievement was the design and development of the VA Electronic Reading Room. This uniquely designed web site provides the public access to VA regulations, directives, statutes, and many other documents and material related to VA's mission and responsibilities. Several OI&T employees received a VA scissors award for their efforts in establishing this web site.

Office of Information and Technology (005)
VA History
Outline - Revised

Office of Information and Technology

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 - 1. Implementation of Clinger / Cohen Act
 - 2. Compliance with Freedom of Information Act
 - 3. Establishment of VA IT Security Program
 - 4. Implementation of Electronic Data Management System
 - 5. Y2K Activities
 - 6. Electronic Government

VII. Office of Information and Technology

A. Summary/Overview Establishment/Leadership

Section 5125(a) of the Clinger-Cohen Act of 1996 (Public Law 104-106) requires federal government agencies to establish the position of a Chief Information Officer (CIO) in place of the designated 'senior official' for information resources management previously authorized by the Paperwork Reduction Act (PRA). The Paperwork Reduction Act of 1995 requires the head of each agency to designate a senior official who shall report directly to the agency head to carry out the responsibilities of the agency under the Act. The Office of Management and Budget (OMB) Circular A-130, Management of Federal Information Resources, which implements the PRA also directs the head of each agency to appoint a senior official who will report directly to the agency head.

Executive Order 13011, Federal Information Technology, directs executive agencies to establish clear accountability for information resources management activities by creating an agency Chief Information Officer (CIO).

OMB Memorandum M-96-20, Implementation of the Information Technology Management Reform Act (Clinger-Cohen Act) says each agency head is expected to select and position a CIO to ensure the effective acquisition and use of information technology, and to carry out the agency's information resources management responsibilities.

Prior to the Clinger-Cohen Act, VA's information resources management (IRM) function had been assigned to the Office of the Assistant Secretary for Management. In meeting the requirements of the law, VA identified the Assistant Secretary for Management, already serving as the Chief Financial Officer (CFO), as the Department's CIO. (See Tab A - (004) Organization Chart.)

On July 1, 1998 the Secretary decided to split the CIO and CFO functions within the Department and established the new position of Assistant Secretary for Information and Technology. (See Tab B - (005) Organization Chart.) The entire organization of the Deputy Assistant Secretary for Information Resources Management was realigned under this new Assistant Secretary. Until the appointment process for a new Assistant Secretary is complete, the Principal Deputy Assistant Secretary for Information and Technology will be the Acting CIO. This change permits the appropriate emphasis on the Department's information and technology issues, which are keys to improving service to veterans.

Mission

The Office of Information and Technology's (OI&T) mission is to perform CIO functions for the Department, creating the best conditions for the introduction of new and enhanced One VA technologies responsive to veteran-centered business goals and to support the Department's mission.

Function/Activity

OI&T is responsible for directing VA's information resources functions. The Assistant Secretary for Information and Technology is the CIO for VA. The Office is composed of four (4) organizational elements: the Office of Policy and Program Assistance, the Office of Telecommunications, the Office of Information Technology and Administration, and the Austin Automation Center.

OI&T has two fundamental roles. First, the office provides information technology (IT) support to the Administrations and Staff Offices so that they can accomplish their missions. Approximately 80 percent of staff engage in these direct support activities. Second, OI&T has oversight responsibility on behalf of the Secretary of Veterans Affairs to ensure that VA complies with laws, policies, and directions from external organizations such as the Office of Management and Budget (OMB), the Department of the Treasury, the General Services Administration (GSA), the General Accounting Office (GAO), and the Veterans Affairs Committees. Approximately 20 percent of the staff engage in these stewardship activities.

Operations Role

OI&T provides VA with necessary computing and telecommunications capabilities to meet current and future needs. The operations focus is on the availability of a computing and telecommunications infrastructure to connect and integrate applications that must exchange and share information, and to accommodate existing and future applications and technologies in a modular, adaptable and cost effective manner. Services provided include:

- End-to-end wide area network (WAN) and telephone services for current and future requirements;
- Corporate office automation services platform and campus area network for VACO;
- IT, local and WAN management, help desk, facilities for data warehousing, archival storage, electronic data interchange.
- Communications with VA and non-VA entities, disaster recovery and office automation support; and
- Secure off-site storage, archiving, and records management services to VA and other Federal agencies.

Stewardship Role

OI&T provides leadership in the use of IT to improve customer service and assures stewardship through performance based, results based practices for managing information and IT. Activities include:

- Integrating business and IRM planning;
- Planning for security and contingencies to protect information and privacy across VA systems and networks;
- Evaluating the performance of IT programs and advising management;
- Reviewing and approving IT acquisitions;
- Facilitating inter-and intra-government partnerships;
- Educating and informing the Department on IRM issues, initiatives and legislation; and
- Sharing lessons learned.

OI&T also promotes the integrity of the Department's information management programs, through program reviews and specialized studies, in partnership with program officials. Listed below are the major legislative and regulatory drivers of the IT stewardship activities for OI&T.

- Government Performance and Results Act of 1993 (GPRA)
- Debt Collection Improvement Act (DCIA)
- Prompt Payment Act (PPA)
- Clinger-Cohen Act of 1996
- Chief Financial Officers Act of 1990 (CFO)
- Paperwork Reduction Act of 1995
- Government Management Reform Act of 1994 (GMRA)
- Government Paperwork Elimination Act (GPEA) October 1998
- Federal Managers' Financial Integrity Act (FMFIA) of 1996
- Competition in Contracting Act, Public Law 98-369
- Small Business & Federal Procurement Competition Enhancement Act of 1984, Public Law 98-577
- Federal Acquisition Regulation (FAR), 48 CFR, Chapter L
- Computer Security Act of 1987
- OMB Circular A-11
- OMB Capital Programming Guide (Supplement to A-11)
- OMB Circular A-130, Management of Federal Information Resources

B. Actions and Initiatives

B.1. Implementation of the Clinger-Cohen Act

The *Clinger-Cohen Act* requires Federal agencies to:

- Establish budget-linked capital planning and investment control, coupled with performance and results-based management;
- Have the CIO monitor and evaluate IT program performance and recommend the modification or termination of problem projects to the agency head; and

- Shift the focus of IT acquisitions from one of "grand design" solutions to modular contracting, where each element can function independently of the others yet contribute to the success of the project.

OMB, in collaboration with VA and other major agencies and departments, developed the *Capital Programming Guide*, which integrated various administrative and statutory asset management initiatives into a single, capital programming process. This was done to ensure capital assets contributed to achieving agency strategic goals and objectives. Agencies were encouraged to apply full analysis and management to capital assets that met the criteria for a "major acquisition."

OMB Circular A-11, Part 3, Planning, Budgeting, and Acquisition of Capital Assets defines major acquisitions as capital assets that require special management attention because of their importance to the agency mission; high development, operating, or maintenance costs; high risk; high return; or their significant role in the administration of agency programs, finances, property, or other resources. *OMB Circular A-11, Part 3* provides guidance on the planning, budgeting, and acquisition management of major fixed assets and requires agencies to provide information on all major fixed asset projects included in their budget submissions to OMB.

The General Accounting Office (GAO) also provides guidance to Federal agencies relating to managing IT investments. The process outlined by GAO involves three phases: **Select, Control, and Evaluate**. Each phase is conducted as part of a continual, interdependent management effort. Information from one phase is used to support activities in the other phases. VA has organized its IT Capital Investment Management Process according to the select, control, and evaluation phases of the IT investment process described in GAO publication *GAO/AIMD-10.1.13, Assessing Risks and Returns: A Guide for Evaluating Federal Agencies' IT Investment Decision-making*.

VA IT Capital Investment Management Process

The Clinger-Cohen Act requires agency heads to implement an approach for maximizing the value and assessing and managing the risks of IT investments. VA's IT investment management process is an integrated approach to managing IT investments that provides for the continuous identification, selection, control, life-cycle management, and evaluation of IT investments. This structured process provides a systematic method that enables the Department to minimize risks while maximizing the return on IT investments.

The Office of Information Technology's *VA Directive 6000, VA Information Resources Management (IRM) Framework* defines an integrated process that consists of planning, budgeting, procurement, and management-in use of VA's information technology investments. VA's IT investments must be measured in relationship to their support of VA's mission, program goals and objectives.

VA established a capital decision-making process that sets thresholds for review of capital investments. The *VA Capital Investment Methodology Guide* provides a basic reference for planning, preparing, evaluating and prioritizing capital investments. The *VA Information Technology Capital Investment Guide* provides guidance that applies specifically to IT capital investment management process. It addresses a complicated subject that straddles strategic and operational planning and the budget process.

Selection Phase

VA's IT investment management process begins with the *Selection phase*. In this phase, VA management determines priorities and makes decisions about which projects will be funded. The starting point for the Selection phase is the screening process. Projects being submitted for funding are compared against a uniform set of screening criteria and thresholds in order to determine whether the projects meet minimal requirements and to identify at what organizational level the projects should be reviewed. VA accomplishes this through the IT capital decision making process in a series of functional, technical and strategic reviews. The CIO Investment Panel (consisting of members drawn from organizations represented on the CIO Council that undertake significant IT investments or that have a stake in the IT investment decision-making process at a corporate level) assesses the costs, benefits, and risks of all IT projects—proposed, under development, operational, etc.—comparing the projects against each other and ranking and prioritizing them in preparation for the CIO Council's review. The CIO Council reviews the IT projects and makes decisions about which ones to select for funding based on mission needs and organizational priorities. Those systems and projects that the CIO Council selects for funding constitute the Department's portfolio of IT investments.

The Selection phase helps ensure that VA:

- a. Selects those IT projects that will best support mission needs, and
- b. Identifies and analyzes a project's risks and returns before a significant amount of project funds are spent. Success in this phase depends on management understanding and participation in investment decision-making. This decision-making is driven by accurate, up-to-date data and an emphasis on using IT to enhance mission performance.

Once selected, all of the projects in the portfolio are consistently controlled and managed. Progress reviews, in which the progress of projects are compared against projected cost, schedule, and expected mission benefits, are conducted at key milestones in each project's life cycle. The type and frequency of these reviews are usually determined based on the analyses of risk, complexity, and cost that went into selecting the project. If a project is late, over cost, or not meeting performance expectations, senior VA executives decide whether it should be continued, modified, or canceled, and actions are quickly taken to mitigate the effects of changes in risks and costs.

Control Phase

The Control phase helps ensure that as projects are developed and investment costs rise, that the project continues to meet mission needs, and if it is not or if problems have arisen, mitigating steps are quickly taken to address the deficiencies. Decisions made at the Control phase may include canceling the project, modifying it to better meet mission requirements, accelerating development of the project, or continuing its development as planned.

VA manages all of its IT investments, not just those projects that have been approved by the Chief Information Officer (CIO) Council and Capital Investment Board (CIB). While acquisitions that fall under organizational thresholds are managed and controlled at the Administration and Staff Office level, any acquisitions that fall under the threshold, but cost more than \$250,000 must be approved by the CIO.

VA organizations requesting supplies or services that cost more than \$250,000 and less than the organization's VA CIB established IT threshold must submit an *IRM Acquisition Approval Application* for CIO approval.

VA organizations requesting supplies or services as part of projects that have been approved by the CIO Council and VA CIB also must submit an *IRM Acquisition Approval Application for Projects that Have Been Approved—CIO Council and Capital Investment Board* for CIO approval.

The application identifies the minimum required data elements necessary for the VA CIO to provide reasonable assurance to the Secretary of the Department of Veterans Affairs, the President, and the Congress that VA's information technology acquisitions have been made in accordance with accepted acquisition policies and procedures.

The CIO Council conducts quarterly reviews to monitor the progress of IT projects by tracking costs and schedule performance. Quarterly reviews enable VA's IT decision-makers to develop a well-informed picture of current and potential problems for each ongoing IT project. They also enable the CIO Council to ensure that project managers take action to correct identified deficiencies.

During the Quarterly Review meeting that coincides with the development of the IT Portfolio for the next budget cycle, the CIO Council receives a more detailed annual report that, in addition to the regular quarterly review questions, answers the following questions:

- ✓ Are the answers to the "Three Pesky Questions" still "yes"?
- ✓ Does the project still adhere to the VA IT architecture?
- ✓ Have new requirements "crept" into the project?
- ✓ Have goals, objectives, scope or mission changed since the original application was submitted?
- ✓ Have any other planning assumptions changed?

- ✓ Is there sufficient confidence that the acquisition plan and accountability to ensure the success of the project are still high?
- ✓ Has a viable operational analysis been developed?
- ✓ Has a maintenance plan been developed to maximize the life of the investment and minimize operating costs?
- ✓ Have outcome performance measures been determined to ensure the project is viable? Do those measure support VA strategic goals?

During quarterly reviews, projects that have deficiencies or problems are identified. At this time the CIO Council may request an in-process review (IPR) on the IT project, or the council may request a formal briefing from the project/program office to obtain additional information. If, during this briefing, the CIO council feels more information is needed, at this time the CIO Council may also request an IPR. In addition to the CIO Council requesting an IPR, other key VA officials can request an IPR to gain additional IT project information.

Evaluation Phase

The Evaluation phase "closes the loop" on the IT investment management process by comparing actual results against estimates in order to assess performance and identify areas where future decision-making can be improved. Lessons learned during the Evaluation phase help VA decision-makers to modify future Selection and Control decisions to make better use of VA's resources.

Post implementation reviews (PIR) are conducted on all IT investments approved by the CIO Council and the VACIB that have been either fully deployed or cancelled. Once projects have been fully implemented, actual versus expected results are evaluated, to (1) assess the project's impact on mission performance, (2) identify any changes or modifications to the project that may be needed, and (3) revise the investment management processes based on lessons learned.

A significant number of VA's IT investments are not reviewed as part of the Capital Investment Process. These investments still require a suitable level of review. Administrations and Staff Offices are responsible for performing in-house PIRs on all investments exceeding \$250,000 but falling within the organizational threshold for approval. These reviews must also be conducted within 12 months after IT project implementation or termination. In addition, the Director, IRM Planning and Acquisitions Service, schedules PIRs for all Office of Information Technology IT investments exceeding \$250,000, as well as a suitable sampling of the Administrations' and Staff Offices' IT investments exceeding \$250,000 but falling within organizational thresholds for approval. These PIRs are used to validate organizational PIR processes and results.

Enterprise IT Architecture

At the May 2000 House Veterans Affairs Committee meeting on information technology, VA's Acting Chief Information Officer agreed to provide the Committee with a plan for developing an enterprise IT architecture that follows

the NIST five-layer model. In August 2000, VA provided a white paper, which described the plan and steps to be taken, a statement of work for contractor support, and a milestone chart with estimated completion dates. VA will develop an enterprise architecture that provides a high level view of VA's interdepartmental business processes, information flows and relationships, applications processing, and data description layers. It will encompass the business plans and IT systems and architectures of the various VA Administrations and Staff Offices. This will be an overarching document that will provide both a baseline analysis of VA's business processes, information needs, systems, and a vision of what IT changes are required to conduct business in an efficient manner.

IT Strategic Plan

The *VA IT Strategic Plan FY 2002 - 2006*, provides the overarching strategy and priorities to guide the capital, budget, operational, and technical planning for IT by the Department's Administrations and Staff Offices. It also provides the foundation on which IT will be applied to support the Department's business operation.

Government Information Locator Service Site

VA established an operational on-line Government Information Locator Service (GILS) site to help the public locate and access information. GILS is an integral part of the Federal Government's overall information management and dissemination infrastructure and will facilitate both identification and direct retrieval of government information.

One VA IT Vision

VA is committed to functioning as a unified department providing *One VA* customer service to the nation's veterans and their beneficiaries. To guide the operational, tactical, budget and capital planning for all future information technology initiatives for the entire department, the department developed the *One VA Vision of Information Technology Enhanced Customer Support* (also known as the *IT Vision*). The *IT Vision* describes ways of using technology to improve customer service and to make VA one organization for each veteran, rather than three distinct Administrations. The effective and efficient use of current and emerging technology in support of VA's business operations will ensure that VA meets the *One VA* goal. VA's *Strategic Plan* incorporates a commitment to design an Information Technology Architecture that will integrate all IT issues and opportunities throughout that relate directly to customer service.

Modular Contracting

Policies and procedures were established to allow removal of controls to allow the CIO's office and Administration and Staff Offices within VA to acquire IT

resources from the contract vehicles promoting the incremental concept of "Modular Contracting." Various contracts and Blanket Purchase Agreements were awarded for personal computer hardware and software. The contracts are also available for use, on a non-mandatory basis by other agencies to satisfy their requirements, within the scope of the contract.

B. 2. Compliance with Freedom of Information Act

FOIA (5 U.S.C. 552) requires Federal agencies to make official agency records available to the public. It is VA's policy to disclose information from agency records to the fullest extent permitted by law

VA's FOIA program is decentralized. Requests are submitted to VA Central Office Administrations and Staff Offices, the VA FOIA Officer, and to field facilities depending on which office is responsible for the requested records. The number of FOIA requests submitted to VA has fluctuated over a five-year period (1993-1997) and has greatly increased during the last two fiscal years. The increases were due to the inclusion of Privacy Act requests in the FOIA report. From 1993 to September 1997, information was collected on a calendar year basis. The 1996 electronic amendments to FOIA changed the reporting period to a fiscal year basis. The numbers of requests received during calendar years 1993-September 1997 and fiscal years 1998 and 1999 are: 16,422 (1993); 14,619 (1994); 11,888 (1995); 10,876 (1996); 8,876 (1997); 210,371 (FY 1998); and 1,151,326 (FY 1999).

B. 3. Information Security Program

In 1998 the Chief Information Officer (CIO) organization was made a separate Assistant Secretary position from that of the Assistant Secretary for Financial Management. The Office of Information and Technology was created to focus exclusively on information technology issues. The new Assistant Secretary for Information and Technology recognized that the Secretary of Veterans Affairs had accepted the recommendations of the GAO AIMD-98-175 study in September 1998, in particular that which emphasized the need for an entity-wide information security management and planning program. Consequently, the CIO made information security a principal agenda item for VA's information technology program.

In January 1999, the Acting CIO concentrated his security staffing resources in a single office to function as the Department-wide security management and planning group. Efforts were pursued from a Department-wide perspective, concentrating on areas where consistency and balance across the Department are essential. Emphasis on controls included those that correspond to a significant shared risk across the Department.

The CIO's team steered a Department Information Security Working Group through the process of formulating a capital investment proposal for security. The proposal called for a strategic investment of about \$83.3 million over the six-year period FY 2000-FY 2005. The annual cost for Fiscal Years 2000-2002 would then average \$16-18 million. Beyond FY 2002, the program would plateau at about \$10 million per year. The program's budget plan was approved by the Capital Investment Board in late August 1999, and later accompanied VA's FY 2001 budget submission to OMB, and then to Congress.

In advance of the availability of funds to be provided under the FY 2001 capital investment initiative, the CIO's team made numerous improvements to Department-wide information security in the areas of risk assessment, critical incident response capabilities, security policy issuance, employee awareness, and training.

B. 4. Implementation of Electronic Document Management System

In early 1994, the VA Chief of Staff expressed an interest in the application of document imaging to improve processing of correspondence for the Secretary's signature. This correspondence included letters from veterans and their families, Congress, the White House, other government agencies, professional organizations and the general public. At that time the correspondence was tracked using an outdated application developed by VA.

A Chief of Staff memorandum of May 1994 stimulated subordinate office demands for an improved system based on a graphical user interface and document imaging. This interest culminated in a project authorization sponsored by the Assistant Secretary for Management. Project initiation dates from late March 1995, with coordination by the Assistant Secretary of an executive agreement predicated on a project budget to be shared by component offices in proportion to their expected system use.

The Office of Information and Technology coordinated a project protocol and statement of work predicated on a minimally-tailored commercial solution. The project protocol recommended a modular acquisition, beginning with a pilot of fewer than 200 end users. The pilot customer base was expected to be those core staff who were most involved in the day-to-day handling of Congressional correspondence. Consequently, the Secretary's office, Congressional Affairs Liaison Unit, Veterans Health Administration, Veterans Benefits Administration, and National Cemetery System comprised the majority of pilot users.

Acquisition approval for the pilot was granted by the Deputy Assistant Secretary for IRM on July 27, 1995. Orders were subsequently placed to DMDI, Inc. (now Dynsolutions) and Wang (now Eastman Software) on September 29, 1995. Orders were based on a functional statement of work, which required DMDI to operate as the prime contractor for the project. Preparatory tasks were launched

by the contractor within weeks of receipt of orders. These initial activities were interrupted for lengthy periods by Federal government shutdowns in the winter of 1995-1996. By April 1996 the pilot was in production operation.

After several months of successful pilot operation, expansion funding was approved on August 8, 1996. This funding provided for growth to accommodate over one thousand customers. Orders for the expansion were issued to Dynsolutions and Eastman Software on September 29, 1996. Expansion proceeded in 1997 with the aggressive installation of up to 1,200 client seats. In addition, the Veterans Integrated Services Network (VISN) 8, the collocated medical center in Bay Pines, FL, and the Austin Automation Center were attached to the system as remote user clusters.

In July-August 1998, VA contracted with KPMG Peat Marwick to perform an independent Return on Investment (ROI) analysis of EDMS. The KPMG report substantiated a \$1.25 return in tangible benefits for each dollar invested in EDMS, as well as a variety of very compelling intangible benefits. This level of tangible benefit significantly exceeds the \$1.10 customarily required by OMB for investments in automation. More tellingly, the report revealed a continuous decline in the average number of days to process a correspondence piece, going from 69.2 days in March 1997 to 29.7 days in February 1998.

B. 5. Y2K Activities

Year 2000 Compliance

VA successfully transitioned into the Year 2000 without any significant Year 2000 incidents. VA remained on a "Green" operational status throughout the date rollover period as well as leap year date rollover. VA benefits were paid on time and our health care facilities remained open throughout the date rollovers. VA also completed "health checks" at our Headquarters offices, 172 medical centers, 58 regional offices, all national cemeteries and data processing centers. These "health checks" systems found that these facilities were operational and no Year 2000 problems were encountered. This successful transition into the Year 2000 reflects the hard work performed nation-wide by VA employees to make VA's systems Year 2000 compliant.

Year 2000 Computer Problem

The essence of the Year 2000 problem is that when the year changes from 1999 to 2000 or is entered as "00," systems and devices may not recognize this date as the intended or correct year. As a result of this ambiguity, systems or

application programs could possibly generate incorrect results forcing systems to shut down. VA's goal was to ensure that the systems that support benefits delivery and health care continued to provide uninterrupted support in the Year 2000 and beyond.

VA began the Year 2000 Program in earnest in December 1995. The challenge to VA seemed insurmountable. VA identified 318 software applications representing over 17 million lines of code that support VA's mission critical functions such as benefits delivery and health care. In addition, VA identified an inventory of 564 external data exchange interfaces. VA also has a \$4 billion dollar inventory of medical devices supplied by over 1300 manufactures. VA's health care facilities and regional offices are also dependent on uninterrupted services as electricity, water and facility-systems such as heating, cooling and ventilation. VA is also a consumer of products such as pharmaceuticals and food suppliers. The challenge was to ensure that not only were systems under our control Year 2000 compliant but also that the products and services provided by the private sector would be Year 2000 compliant and available.

VA's \$231 million dollar Year 2000 Program was lead by VA's CIO in VA's Office of Information and Technology. A Year 2000 Program Manager was appointed within the CIO Office. That manager worked very hard across VA and industry to ensure VA was ready for the Year 2000. Program delivery people and information technology people worked hand-in-hand within and across the Veterans Benefits Administration (VBA), the Veterans Health Administration (VHA), the National Cemetery Administration (NCA) and other VA organizational elements to ensure that VA would provide uninterrupted support of benefits delivery and health care services.

VA was also a member of the President's Council on Year 2000 and led the pharmaceutical sector group. VA was a major player in the medical devices, financial services, health care, and benefits delivery sector groups of the Year 2000 Council. These sector groups had representatives from both government and the private sector working toward a common goal: Year 2000 compliance. Through these efforts, VA was able to work with industry to ensure the uninterrupted availability of the services and products VA depended upon.

Because the Department of Treasury Financial Management System pays veterans benefits payments which in turn is transmitted to the Federal Reserve System, VA worked closely with both organizations to ensure that the systems supporting VA benefit payments were compliant and that benefit payments would be made on time.

Accomplishments

VA completed the Year 2000 renovation, validation, and implementation of our applications including all benefit payment-related applications and applications supporting health care by the March 31, 1999 OMB deadline. As for medical

devices, through our exhaustive efforts we found only one non-compliant medical device in our \$4 billion dollar medical device inventory that could potentially pose direct harm to a patient. This device was a radiation dosage therapy system owned by three VA health care facilities and the systems were removed from service.

Beginning in September 1998, under an interagency agreement, VA and HHS jointly posted data to the Federal Year 2000 Biomedical Clearinghouse as an on-line database operated and maintained by the Food and Drug Administration (FDA). This web page disseminated timely information about the potential impact of the Year 2000 date change on specific biomedical equipment to all health care providers, both public and private, and their patients.

Congressman Horn's Grade

In recognition of our Year 2000 progress, Congressman Stephen Horn, Chairman of the Subcommittee on Government Management, Information and Technology, Committee on Government Reform, awarded a final grade of "A" to VA in November 1999. Congressman Terry Everett, Chairman of the House Veterans' Affairs Subcommittee on Oversight and Investigations, stated "In my opinion, considering the fact that the VA has the second largest number of employees and the complexity of its mission, VA leads all federal agencies in being prepared for Y2K."

Veterans Payments

VA benefit payments, including compensation and pension, totaling \$1.9 billion to some 3.8 million beneficiaries, were successfully delivered on December 30, 1999. This includes both electronic funds transfer (EFT) and checks mailed to veterans and their dependents. VBA personnel transmitted new payment files to Treasury January 1, 2000 with no incidents. The VA regional offices reported that they were operating without any incidents. VA's Benefit Delivery Centers that process benefit payments reported a status of "Green."

Health Care

VA health care facilities status remained "Green" and were open and fully operational nation-wide during the transition to the Year 2000. Each VA Medical Center checked its information systems as well as facilities systems, security, electrical, environmental, health and safety and communications systems. VA's 22 Veterans Integrated Service Networks (VISNs) reported medical devices and systems operating normally and hospitals remained open and staffed around the clock.

VA's Year 2000 Success and "What if?"

This successful transition into the Year 2000 reflects the hard work performed nationwide by VA employees to make VA's systems Year 2000 compliant. If the Y2K problem had not been fixed, the financial and health lifeline upon which our nation's veterans and their families depend – in fact, the only source of income and health care services for many disabled and deserving people – would have been broken. Delaying a monthly payment or having unavailable health care services would have had catastrophic results in many households.

B.6. Electronic Government

During the last eight years the Office of Information and Technology (OI&T) has worked to ensure that technology supported and enabled the development of One VA and enhanced delivery of services and benefits to our nation's veterans and their beneficiaries. One of OI&T's significant efforts at enabling One VA has been to promote integration across VA's Administrations and Staff Offices to enhance service to veterans. The *One VA Vision of Information Technology Enhanced Customer Service* (IT Vision) proposed ways in which technology could be used to meet this goal. The IT Vision was developed through interviews with key VA operations staff representing all of VA's business lines. The IT Vision defines a set of 21 IT-enhanced, functional capabilities or concepts, each of which contributes in a coordinated way to an environment of integrated customer service. The 21 concepts fall into four basic categories: Customer Support, Internal Data Sharing and Exchange, External Data Sharing and Exchange, and the Customer Service IT Infrastructure. These concepts showed how information can be readily available and shared both within and outside VA. Most of the Vision concepts are in the process of being established or have been implemented.

A significant technology that became prominent during the last eight years is the Internet and Intranet. This technology is key to achieving the goals and promise of electronic government. Recognizing this, in May 1999 OI&T, on behalf of the VA CIO Council, chartered 1999 an Internet Users Work Group (IUWG). The IUWG was made up of representatives from each Administration, Staff Office, the VA Webmasters Group, the VA IT Security Group, the Telecommunications Staff and four VHA VISNs. The IUWG mission was to identify and organize development of departmental level policies and strategies needed to guide the advantageous deployment and use of Internet technology by VA organizations, employees, contractors and customers. Department-wide policies and strategies have been developed and incorporated into a VA Handbook. The IUWG also developed privacy notification banners that are being used at all VA Internet sites. In addition, the web page templates developed by the Veterans Focus Internet Redesign Project (VFIRP) are being used by all Internet developers to give VA web sites a One VA look and feel. Other issues that will be addressed by the IUWG include ownership, content management, standards for development tools, electronic filing, and record retention, and network capacity.

VA's Internet web pages were given a new look during the spring of 2000 as a result of VFIRP. The VFIRP was a team effort, lead by Veterans Health Administration staff with representatives from the other Administrations and Staff Offices. Focus groups made up of veterans, veteran family members, business partners, VA staff, Congressional staff, and other interested parties assessed the current VA web site and three award-winning, best-of-breed web site designs and chose the one they liked the best. Guidelines for the web sites were developed based on the recommendations coming from the focus groups. The revisions affect the VA home page and the three levels beneath it, bringing order and structure to the web site and making it easier for all of VA's customers to understand and to navigate. Templates have been created so that anyone designing deeper level pages for the VA site can use them to meet the new guidelines.

OI&T also uses information technology to fulfill its responsibilities under the Privacy and Freedom of Information Acts to ensure veterans and their dependents, Veterans Service Organizations, the military, the public, and VA employees around the world have full access to all the information to which they are entitled and need. OI&T accomplished its responsibilities by designing and contributing to the ongoing development of VA's internal web sites and its public web site. A significant achievement was the design and development of the VA Electronic Reading Room. This uniquely designed web site provides the public access to VA regulations, directives, statutes, and many other documents and material related to VA's mission and responsibilities. Several OI&T employees received a VA scissors award for their efforts in establishing this web site.

Supporting Documentation

- Executive Order 13011, Federal Information Technology
- OMB Memorandum M-96-20, Implementation of the Information Technology Management Reform Act (Clinger-Cohen Act)
- 1996 Office of Management Organization Chart
- 1998 Office of Information and Technology Organization Chart
- Government Performance and Results Act of 1993 (GPRA)
- Debt Collection Improvement Act (DCIA)
- Prompt Payment Act (PPA)
- Clinger-Cohen Act of 1996
- Chief Financial Officers Act of 1990 (CFO)
- Paperwork Reduction Act of 1995
- Government Management Reform Act of 1994 (GMRA)
- Government Paperwork Elimination Act (GPEA) October 1998
- Federal Managers' Financial Integrity Act (FMFIA) of 1996
- Competition in Contracting Act, Public Law 98-369

- Small Business & Federal Procurement Competition Enhancement Act of 1984, Public Law 98-577
- Federal Acquisition Regulation (FAR), 48 CFR, Chapter L
- Computer Security Act of 1987
- OMB Circular A-11
- OMB Capital Programming Guide (Supplement to A-11)
- OMB Circular A-130, Management of Federal Information Resources
- VA Information Technology Capital Investment Guide, June 30, 2000
- VA Capital Investment Methodology Guide, March 2000
- VA Directive 6000, VA Information Resources Management (IRM) Framework
- Veterans Affairs Enterprise Architecture Plan, August 2000
- VA IT Strategic Plan FY 2002 - 2006, March 2000
- The One VA Vision of Information Technology Enhanced Customer Support

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- 1 VA Capital Investment Methodology Guide, March 2000
- 2 VA IT Strategic Plan FY 2002-2006, May 2000
- 3 VA Enterprise Architecture Plan, August 2000
- 4 GAO/AIMD-98-175 – Information Systems, VA Computer Control Weaknesses Increase Risk of Fraus, Misuse, and Improper Disclosure
- 5 VA Directive 6000 – VA (IRM) Framework
- 6 OMB Memorandum M-96-20, Implementation of the Information Technology Management Reform Act of 1996
- 7 Executive Order 13011 – Federal Information Technology
- 8 The Freedom of Information Act (5 U.S.C. #552)

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- 2 Debt Collection Improvement Act (DCIA)
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- 4 Clinger-Cohen Act of 1996
- 5 Chief Financial Officers Act of 1998 (CFO)
- 6 Paperwork Reduction Act of 1995
- 7 Government Management Reform Act of 1990 (GMRA)
- 8 Government Paperwork Elimination Act (GPEA), Oct 1998
- 9 Federal Managers' Financial Integrity Act (FMFIA of 1996)
- 10 Competition in Contracting Act, Public Law 98-369
- 11 Small Business & Federal Procurement Competition Enhancement Act of 1984
Public Law 98-577
- 12 Federal Acquisition Regulation (FAR) 48 CFR, Chapter 7
- 13 Computer Security Act of 1987
- 14 OMB Circular A-11
- 15 OMB Capital Programming Guide (Supplement to A-11)
- 16 OMB Circular A-130, Management of Federal Information Resources

ATTACHMENTS

(004) ORGANIZATION CHART TAB A

(005) ORGANIZATION CHART TAB B

MEMORANDUM FROM THE
SECRETARY ESTABLISHING THE
OFFICE OF INFORMATION AND
TECHNOLOGY (005) TAB C