

M-96-20, Implementation of the Information Technology Management Reform Act of 1996

April 4, 1996

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MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

FROM: Alice M. Rivlin
Director

SUBJECT: Implementation of the Information Technology Management Reform Act of 1996

This memorandum provides preliminary guidance to Federal agencies on the implementation of the Information Technology Management Reform Act of 1996 (ITMRA), Pub. L. 104106, which President Clinton signed into law on February 10, 1996. ITMRA repeals Section 111 of the Federal Property and Administrative Services Act of 1949 (popularly referred to as the "Brooks Act") and establishes a new statutory scheme for information technology management and acquisition within the Executive branch. The Act's provisions take effect on August 8, 1996, 180 days after enactment. This memorandum addresses two areas -- the designation of the chief information officer (CIO) and the role of the General Services Board of Contract Appeals (GSBCA) in information technology protests.

In addition to this memorandum, OMB Circulars will be revised to provide further guidance to agencies. OMB will seek agency and public comment of draft revisions to Circular A130, "Management of Federal Information Resources," so that these revisions will be final by early August 1996. In addition, OMB Circular A-11, "Preparation and Submission of Budget Estimates," will be revised as part of the annual update of that Circular.

Agency Chief Information Officers

Section 5125(a) of ITMRA amends Section 3506 of the Paperwork Reduction Act of 1996 (PRA), Pub. L. 104-13, 44 U.S.C. Chapter 35, by establishing the position of Chief Information Officer in place of the designated senior official for information resources management previously established by the PRA. This provision is intended to establish clear accountability for agency information resources

management activities, provide for greater coordination among the agency's information activities, and ensure greater visibility of such activities within each agency.

One of the most important responsibilities of the CIO is to promote effective agency operations by implementing budget-linked capital planning for, and performance-based management of, information technology systems. Under the ITMRA, agencies are to determine, before making an investment in a new information system to support a particular function, whether the function should be performed or supported by the private sector or another agency. Agencies should also, where appropriate, reorganize and revise the way a function is performed to improve its effectiveness before making significant IT investments to support that work. To ensure that these strategic issues are addressed by the agency, the Act makes the CIO explicitly responsible for promoting improvements in agency work processes.

The CIO is also charged with facilitating the development, implementation, and maintenance of a sound and integrated information technology architecture for the agency, and promoting the effective design and operation of all major information resources management processes. The duties of the CIO are set forth at section S 125(c) of the ITMRA.

Designation and Organizational Placement of the Chief Information Officer.

Each agency head is expected to select and position a CIO to ensure the effective acquisition and use of IT and to carry out the agency's information resources management responsibilities. While the organizational placement of the CIO is to be determined by the agency head, the person selected should report to the agency head directly, and not through another official. The CIO must actively participate, with the agency head and other senior agency officials, in planning and budgeting deliberations, support of work process redesign in areas being considered for IT investment, and the development of information technology program performance measures. Consistent with the ITMRA for the agencies listed in the Attachment, information resources management shall be the primary duty of the CIO.

The agency head may designate as the CIO any individual who has the professional qualifications and experience required for the duties of the position. The position may be filled by recruiting and appointing someone from outside the agency, by the current senior information resources management official, or by someone holding another position in the agency. ¹

Agencies may also establish CIOs for major subcomponents or bureaus, and may also appoint deputy CIOs that have additional experience in work process redesign, design and management of information technology architectures, and data and telecommunications management.

Relation to Chief Financial Officer (CFO).

The head of the agency is responsible for defining the operating relationship between the CIO and CFO functions and ensuring coordination in the implementation of the ITMRA, the PRA, the Chief Financial Officers Act, and the Government Performance and Results Act. The CFO continues to be responsible for developing, implementing, and maintaining the financial management systems as provided for in the CFO Act. In agencies where financial systems represent a substantial part of the agency's information systems portfolio, it may be appropriate for the same person to serve as both CIO and CFO, so long as the mix of the CFO/CIO duties and qualifications is consistent with the intent of ITMRA. Finally, Section S 126 of the 11 ITMRA encourages the CIO and CFO to work together under the direction of the agency head to ensure that the agency's information systems provide reliable, consistent, and timely program performance information.

Appointment Process.

By August 8, 1996, the head of each agency shall designate its Chief Information Officer, as required by ITMRA and the PRA.

Each agency listed in the Attachment should consult with the OMB Deputy Director for Management prior to establishing and filling the position, and provide the following information:

- the CIO's name, background and experience.
- an organization chart which identifies the CIO's position relative to the head of the agency, and other senior agency officials, and the agency staff and associated resources assigned, or to be assigned, to the CIO for the performance of functions assigned by the PRA and ITMRA.
- a description of the CIO's authority and responsibilities.

All agencies should provide the name, title, and phone number for the CIO to OMB once the position is filled. This information should be mailed to Room 10236, New Executive Office Building, Washington, D.C. 20503. This information should be updated as changes occur.

Role of the General Services Board Of Contract Appeals (GSBCA)

The repeal of the Brooks Act revokes the GSBCA's authority to hear and decide bid protests. The GSBCA will continue to hear and decide protests received up to and including August 7, 1996. The GSBCA will not accept any protest received on or after August 8, 1996.

Inquiries. Inquiries or suggestions regarding the role of the Chief Information Officer may be directed to the Information Policy and Technology Branch in OMB's Office of Information and Regulatory Affairs (202) 395-3785. Inquiries regarding the role of the GSBCA should be directed to OMB's Office of Federal Procurement Policy (202) 395-6803.

Footnotes

1. In agencies listed in the Attachment, if the position is placed in the Senior Executive Service (career or non-career), the agency head may set the pay of the incumbent at any rate of the Senior Executive Service in accordance with 5 U.S.C. S383.

Attachment

Department of Agriculture
Department of Commerce
Department of Defense
Department of the Army
Department of the Navy
Department of the Air Force
Department of Education
Department of Energy
Department of Health and Human Services
Department of Housing and Urban Development
Department of Interior
Department of Justice
Department of Labor
Department of State
Department of Transportation
Department of Treasury
Department of Veterans Affairs
Environmental Protection Agency
National Aeronautics and Space Administration
Social Security Administration
Agency for International Development
Federal Emergency Management Agency

General Services Administration
National Science Foundation
Nuclear Regulatory Commission
Office of Personnel Management
Small Business Administration