

January XX, 2017

M-18-XX

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Mick Mulvaney
Director

SUBJECT: Implementation of the Modernizing Government Technology Act

The Federal government must be accountable for mission-driven results and have the necessary tools to deliver. The Modernizing Government Technology Act (MGT Act) will be a key piece in this Administration's continued efforts to prioritize Federal technology improvements by providing financial resources and technical expertise that will improve the way agencies invest in modern technology solutions. Effective implementation of the MGT Act will help agencies improve service delivery to the public, keep sensitive data and systems secure, and save taxpayer dollars. This memorandum sets forth Administration objectives and necessary agency actions to implement the MGT Act.

Background

The MGT Act was passed as part of the Fiscal Year 2018 National Defense Authorization Act (NDAA) on December 12, 2018.¹ The MGT Act has two primary provisions that seek to address agency IT modernization needs:

1. The establishment of a centralized Technology Modernization Fund (TMF) and Technology Modernization Fund TMF Board (TMF Board) to oversee and administer the fund²; and
2. The authorization for all CFO Act agencies³ to establish IT Working Capital Funds⁴ (IT WCFs).

This memorandum provides guidance to agencies as OMB coordinates initial implementation and planning efforts for the TMF. In addition, OMB provides additional guidance to CFO Act agencies⁵ regarding the administration and funding of projects by an agency IT WCF. OMB

¹ P. Law 115-91, National Defense Authorization Act for Fiscal Year 2018, Title X, Subtitle G (§§ 1076 through 1078).

² Ibid. §1078(b)(1).

³ 31 U.S.C., §901(b).

⁴ P. Law 115-91, Title X, Subtitle G, §1077(b)(1).

⁵ 31 U.S.C., §901(b).

reserves to right to provide additional guidance, if necessary, once the TMF and TMF Board are established and receive appropriations.

A. Guidance to Agencies on the Technology Modernization Fund and TMF Board

Section A of this guidance is applicable to all agencies (as defined in 5 U.S.C. §551(1)), except where provided below.

Section 1 – The Technology Modernization Fund

The MGT Act authorizes up to \$250,000,000 in appropriations for each of Fiscal Years 2018 and 2019. The TMF is established to fund agency IT modernization projects, cross agency IT modernization projects, and, where applicable, technical assistance from the General Services Administration (GSA) or other applicable Federal entities to ensure successful execution of a project. The MGT Act does not provide appropriations for the TMF, which is currently pending as part of the Fiscal Year 2018 President's Budget request.

When established, the Technology Modernization Fund Board (TMF Board) will receive project proposals from agencies, evaluate those proposals against a standardized set of criteria with the assistance of technical experts from GSA, and make recommendations for project funding to the GSA Administrator. Further information on the TMF Board and the initial project selection process is described in the sections below.

While the TMF Board will ultimately decide on the portfolio of projects recommended for funding by the GSA Administrator, it is expected that initial rounds of funding will go to projects that meet criteria identified in Appendix A. OMB has established this criteria and will provide it to the TMF Board as a baseline to evaluate projects for recommended funding.

The TMF pioneers a new model for Federal technology modernization projects. Funds will be distributed in an incremental manner, tied to milestones and objectives. Agencies that receive funds from the TMF will work with the TMF Board, GSA, and OMB to ensure projects make maximum use of commercial products and services in their planning and execution, and have a high probability of success. TMF funds will be repaid over a period not to exceed five years, aided through cost savings and avoidance, subject to a written agreement and the availability of out-year agency appropriations. Incremental funds transfers will be tied to successful delivery (more information on the mechanics of reimbursement and other financial and accounting issues are described in Appendix B). If advisable, a select number of successful projects may operate as proofs of concept and will provide valuable insights to the TMF Board, which may recommend prioritizing the selection of more comprehensive modernization projects that can serve the interests of the Executive Branch as a whole.

Where applicable, TMF funding would be used to supplement and accelerate modernization efforts proposed in annual budget submissions, and would not duplicate any funding provided through the existing budget and appropriations processes, including any agency funding of IT modernization projects through established IT WCFs. Consistent with the MGT Act, agencies

may not submit any requests to the TMF, or utilize funding transferred into an agency WCF, to fund any project that has been expressly denied or restricted by Congress.

Section 2 – The Technology Modernization Fund Board

The TMF Board will be established on March 12, 2018, pursuant to section 1078(e) of the Act and subject to available appropriations. The TMF Board will consist of seven members:

- The Administrator of the Office of E-Government (Federal CIO);
- A senior official from GSA with technical expertise in information technology development;
- A member of the Department of Homeland Security's (DHS) National Protection and Programs Directorate (NPPD); and
- Four at large members appointed by the Director of OMB.

The TMF Board will maintain criteria related to the evaluation of project proposals, review and grade project proposals, and recommend the funding of modernization projects to the GSA Administrator. The GSA Administrator will ensure that appropriate administrative and technical staff are made available to support the operations of the TMF Board, including the technical vetting and refinement of agencies' project proposals, facilitate the funding of projects recommended by the TMF Board, and assist in oversight of funded projects. The TMF Board will operate according to a Charter, to be approved at the first meeting of the TMF Board. At a minimum, the Charter will detail the following:

- Roles and responsibilities;
- Rules and Procedures by which agencies will submit proposals for TMF Board consideration;
- The criteria the TMF Board will use to evaluate projects for recommended funding;
- Voting procedures and processes for recusal, if necessary;
- The process by which the TMF Board will recommend to the GSA Administrator that a project be funded; and
- Oversight of projects.⁶

Post establishment, and in coordination with OMB, the TMF Board will distribute information and communications regarding the TMF, including updates to the submission and evaluation process, refined criteria, and recordings of meeting minutes.

Section 3 – Proposal Submissions Process

Project Proposal Submission

Because IT Modernization is an Administration priority, all CFO Act agencies must **submit at least one (1) initial project proposal** to ofcio@omb.eop.gov by February 16, 2018 using the

⁶ The charter of the Board will encompass all requirements provided in §1078(c)(2).

template provided in Appendix C, informed by the Modernizing Government Technology Guidelines in Appendix A. These project proposals will serve as the initial corpus of projects considered by the TMF Board for possible funding. All project proposals are subject to TMF Board evaluation and approval. All CFO Act agencies are strongly encouraged to submit more than one (1) Project Proposal by the submission date and may continue to submit project proposals after the deadline. All other departments and agencies are encouraged, but not required, to submit project proposals; however, project proposals submitted after February 16, 2018 may not be eligible for primary consideration.

Initial agency submissions should show a strong preference for modernizing mission support and citizen facing services, including maximizing, to the extent practicable, the adoption of commercial technologies to achieve the aim of the modernization proposal. Agencies are further encouraged to submit proposals for common platforms or other modernization projects that will serve multiple components within a single agency or multiple agencies. The TMF Board will consider all project proposal submissions.

Once Congress appropriates funds for the TMF, the TMF Board, and the administrative and technical support staff who support it, will begin their evaluation process of the project proposals and will follow up with agencies whose proposals meet the interest of the TMF Board. Project proposals neither guarantee funding from the TMF, nor require agencies to accept funds for any submitted proposals. If a project proposal is conclusively recommended by the TMF Board, additional details will be worked out collectively between the TMF Board, the GSA Administrator, and the respective agency.

Concept Papers

In order to continuously source strong potential projects from various parts of the Executive Branch and encourage innovative ideas throughout Government, all agencies are encouraged to submit concept papers, using the template in Appendix D, to ofcio@omb.eop.gov. Concept papers should also be informed by the Modernizing Government Technology Guidelines in Appendix A. Agencies whose concept papers merit high interest of the TMF Board may be asked to work with GSA to build the submission into a more robust project proposal for evaluation and funding decisions. The TMF Board will accept concept papers submissions on a rolling basis.

The process described Section 3 serves only as a temporary mechanism for project proposal submission. Post establishment, the TMF Board may implement a process for submitting, evaluating, and recommending projects for funding and will communicate this new process for Federal Departments and Agencies.

B. Guidance to CFO Act Agencies on IT Working Capital Funds

Section B of this guidance is applicable to all CFO Act agencies (as defined in 31 U.S.C. §901).

All CFO Act agencies are authorized to establish an IT Working Capital Fund (WCF).⁷ IT WCFs can be used to improve, retire, or replace legacy information technology systems; enhance cybersecurity of existing systems; improve efficiency and effectiveness of existing systems; transition to commercial cloud computing and other innovative platforms; invest in shared services solutions; address evolving threats to information security; reimburse funds transferred from the Technology Modernization Fund; and may only fund any program, project, or activity that has not been denied or restricted by Congress.

By [insert 21 days] 2018, all CFO Act agencies are directed to notify their OMB Resource Management Officer (RMO) and the OFCIO Desk Officer of the agency's intent to establish an IT WCF in FY 2018 and initiate the process of creating a new Treasury account for the WCF. Should an agency determine after this date that the agency will establish the IT WCF, the agency must notify their OMB RMO and the OFCIO Desk Officer of the agency's intent to establish the IT WCF fund at least 30 days prior to establishment.

In addition to OMB budgetary responsibilities for this fund, OMB's role in agency IT WCFs is primarily to oversee the IT investments supported by this fund. In the fiscal quarter after an agency establishes an IT WCF, and every quarter thereafter, the agency will report to OMB on all IT investments funded, and planned to be funded, out of the IT WCF. Pursuant to the MGT Act, each agency shall submit to OMB:

- a) All planned transfers and reprogramming actions for the upcoming quarter, including a brief narrative justification;
- b) Updates to the IT Dashboard, reflecting changes to all investments or projects funded from the IT WCF in the prior quarter and planned for funding in the upcoming quarters (including all necessary updates to IT Portfolio/Business Cases/Standard Reports)
- c) A summary by fiscal year of actual obligations, expenditures, and unused balances.

OMB will work with agencies to align this reporting to already established reporting processes (such as the OFCIO integrated data collection process, Agency Strategic reviews, PortfolioStats, TechStats, etc). Non-deliberative portions of this information will be made public on ITDashboard.gov. Agencies that establish WCFs should consider, to the extent applicable, the criteria and guidance the TMF Board formally approves for TMF projects.

Agencies are reminded that, pursuant to the MGT Act, all transfers to and reprogrammings in the WCFs are subject to any applicable reprogramming restrictions or transfer authorities in current law. Agencies are encouraged to review existing agency-specific authorities to identify accounts with applicable transfer authority. By [insert 21 days], agencies should review existing agency-specific authorities to identify accounts with applicable transfer authority and submit the account names to their OMB RMO and OFCIO desk officer.

⁷ P. Law 115-91, Title X, Subtitle G, §1077(b)(1).

Additional Provisions

With the exception of the appointment authority for the four at large members to the TMF Board, the duties prescribed in the MGT Act that pertain to the Director of OMB have been delegated to the Administrator of the Office of E-Government.

Questions regarding this memorandum should be directed to ofcio@omb.eop.gov.

Enclosures

APPENDIX A

Modernizing Government Technology Guidelines

A thoughtful IT modernization strategy prioritizes projects based on impact and probability of success. Impact can be measured by effect on users, risk reduction, opportunity enablement, and common solutions. Probability of success can be measured by team and project strategy strength. The following questions are neither exhaustive nor may be applicable to all agency projects, but serve to provide a framework to identify projects ripe for IT modernization through agency IT Working Capital Funders (WCFs), the Technology Modernization Fund (TMF), and beyond.

Agencies submitting Project Proposals and Concept Papers to the TMF should cite and attach evidence that their project meets as many of these prioritization considerations as applicable. The TMF Board may use these guidelines and any other evidence in selecting projects for the TMF.

These guidelines shall not be construed to affect existing or prospective OMB IT Modernization legislative, budgetary, administrative, and regulatory materials.

User Impact

- *Mission effectiveness.* How does this project will enhance mission effectiveness and flexibility? How does this project reduce a time-consuming administration distraction unrelated to mission goals?
- *Public benefit.* How will this project improve quality of life for the American public?
- *User benefit.* How will this project improve usability of systems for government or non-government users?
- *Public approval.* How does this project tackle an area of government delivery that has been under scrutiny and/or provide a new accountability tool to bolster trust in government?

Risk Reduction

- *Breadth of risk.* Would the agency's mission or other agencies' missions be significantly impacted if the current legacy system failed or was interrupted?
- *Past incidents.* How does the project have incident details that the agency can provide to show the need for modernization?
- *Technological audits.* How does the project have third part audits or (non-scan) penetration tests that can highlight the need for modernization?
- *Relative patch time.* How does the system this project is designed to modernize rely on unsupported and/or unpatchable hardware or software relative to similar systems?
- *Obsolescing skills.* How does the project upgrade or replace hardware or software that relies on workforce with skillsets that are becoming less common?
- *Tertiary risks.* How does the system related to this project currently rely on or have many technological dependencies that would affect the agency significantly if it failed?

Opportunity Enablement

- *Savings potential.* Will this project reduce operations and maintenance (O&M) costs due to efficiencies gained by moving to modern architectures and skillsets?
- *Demonstrated savings.* Has an agency performed a similar project which resulted in cost savings?
- *Saving accrual.* How long will it take for this IT modernization investment to return savings or realize other quantifiable value?
- *Lasting financial impact.* Will this project produce long-term savings for the agency or agencies using it?
- *Sinking market value.* Would this project upgrade or replace a system that currently does not reflect market price reductions?
- *Time critical.* How would this project significantly benefit from being executed now instead of a year from now?
- *Market flexibility.* How does this project reduce vendor lock-in (including services and tools)?
- *Government-wide added value.* How does the project help move technology from a smaller more expensive market to a larger less expensive market?

Common Solutions

- *Reuse.* Is the technology that is being upgraded or replaced widely used across government? Is there a code sharing or open source provision identified in the project plan?
- *Cross-Agency technology.* Will two or more agencies collaborate to create a shared solution for a common problem or cross agency mission area? How many agencies have interest or an equity in this solution?
- *Use shared tools.* Will this project use, support, or enhance a current common technology solution between agencies?

Team Strength

- *Demonstrated success.* Has this team demonstrated success in a similar modernization project in the past? Has a similar project been demonstrated to succeed in the past?
- *Proximity to leadership.* How does this project have access and approval by agency leadership?
- *Technical experts identified.* Have technical experts been identified to develop the project, including documentation that supports expertise: resumes, technical history, etc.
- *Subject matter experts identified.* Have subject matter experts been identified to develop the project, including documentation that supports expertise: resumes, subject matter project history, etc.
- *Users identified and access.* Have users for this technology project been identified and are they readily available for iterative user testing in the development of this project?

- *Maintainers identified.* Have technical experts and training been identified and included in this project scope to ensure the agency can use and continue to update the project as needed?

Project Strategy Strength

- *Readiness.* When are all of identified team members and tools ready to start execution on the project plan?
- *Iterative project plan.* Is the project plan agile and iterative with short sprints and opportunities for intervention?
- *Procurement plan.* Are all of the needed acquisition vehicles prepared?
- *IT Portfolio fit.* How does the project enhance or fit into the ongoing IT modernization strategies at the agency or agencies?

APPENDIX B

Disbursement and Reimbursement of TMF Funds

The TMF Board-recommended projects will receive a “commitment” to a specified dollar amount that will be dedicated to the project. All fund transfers from the TMF must be reimbursed over a period not to exceed five years from the date funds were incrementally transferred. The full committed amount will be held in the balance of the TMF until transferred on an incremental basis. Reimbursement of transferred amounts will be made in accordance with the terms established in a written agreement.

Written Agreements:

In a format prescribed by GSA, in consultation with OMB, all TMF transfers require a written agreement between GSA and the receiving agency stipulating the purpose of the transfer and reimbursement terms. Written agreements will constitute a legal obligation of the receiving agency to reimburse the Fund, subject to the availability of agency appropriations. Reimbursement is not contingent upon the achievement of project-related savings. Funds for reimbursement can be derived from any agency account supporting information technology activities pursuant to Section 1078 (b)(5)(A)(ii).

A written agreement will include, at a minimum:

- The amount of the transfer that will be made to the agency by the Fund and the purpose for which the funds will be used by the agency;
- The appropriately vetted schedule on which transfers will be made and expected reimbursement shall occur;
- A statement that funds shall be transferred only on an incremental basis, tied to metric based milestones achieved by the agency through the use of rapid, iterative, development processes;
- A reliable estimate of any project-related cost savings or avoidance relative to pre-modernization activities;
- Planned acquisition strategy, including use of full and open competition, and use of commercial products and services to the extent practicable;
- How the GSA Staff and the TMF Board will perform oversight of the project; and
- Any other requirements GSA or the TMF Board may deem necessary for project success, in order to execute a transfer.

A change in the written agreement that the Chair of the TMF Board (Chair) deems to be immaterial to the project, such as a change in incremental funding amount or reimbursement schedule that does not impact the total TMF commitment amount or overall project schedule, may be approved by GSA and the partner agency with OMB and TMF Board consultation.

Reimbursement Schedule:

To ensure amounts transferred return to the Fund in a timely manner, the first reimbursement should take place no more than 12 months after the date of an incremental transfer, or six months after completion of the project, whichever is less. Reimbursement amounts should generally be spread proportionately across the reimbursement period and may not be disproportionately back-loaded to later years.

Agencies may submit for TMF Board consideration projects requiring repayment terms exceeding five years. For such projects that receive conditional TMF Board approval, the GSA Administrator must submit the relevant written agreement between the agency and the Administrator of General Services to the Director of OMB for approval prior to any final funding commitment by the TMF Board.

Incremental transfers from the TMF may be covered by the same underlying written agreement but each incremental transfer will be treated separately for reimbursement schedule purposes. A reimbursement amount is based on amounts actually transferred, not the total amount committed by the TMF Board.

To maximize the time-value of TMF funding and keep the fund revolving, TMF funding should be committed on a project for no more than two years from the initial incremental transfer of funding. Incremental transfers should not be disproportionately back-loaded toward the end of this two-year maximum. A project should have no less than two, but no more than six, incremental transfers throughout the transfer period, unless the Administrator, in consultation with the Chair, allows for an exception. In addition to any actions taken by the TMF Board to revoke committed funds due to project performance, GSA will review encumbered funds at least quarterly to identify where funds can be de-committed and reallocated.

While the MGT Act authorizes incremental transfers of TMF funding, agencies must continue to comply with the recording statute and bona fide needs rule for TMF-funded projects, and so, agencies may not incrementally fund non-severable services contracts using transferred TMF funding.

The TMF Board will consider a limited amount of higher-risk repayment proposals and will recommend that the repayment terms be structured accordingly.

Administrative Costs:

In addition to reimbursement of amounts transferred from the TMF, agencies will pay an administrative fee as determined by GSA in consultation with OMB. The administrative fee covers the cost of operating the TMF including reviewing and recommending project proposals, support to the TMF Board and technical assistance to agencies in preparation of project proposals, monitoring projects and executing transfers. In addition, any optional project execution assistance or "imbedded" GSA labor may be separately paid on a reimbursable basis using transferred project funds or any available agency funding.

OMB Resource Management Office Review:

Prior to final consideration by the TMF Board, a proposed commitment of TMF funds must be submitted for preliminary OMB Resource Management Office (RMO) review, including the reimbursement plan. With GSA facilitation, the requesting agency must demonstrate their anticipated ability to reimburse from within base resources (subject to the availability of out-year appropriations), including the Treasury account number(s) from which reimbursement will be derived, the planned reimbursement schedule and amount, specific identification of offsets or reductions to base resources as applicable, and planned out-year budget impacts. All reimbursements must be incorporated into the base of out-year budget submissions. Agencies may not plan to repay the TMF by requesting a topline increase in agency funding.

In addition to RMO consultation on all projects that go before the TMF Board for final consideration, GSA and the receiving agency must obtain RMO concurrence before the execution of any funds transfer pursuant to Section 1078 (b)(5)(B)(i), including any necessary apportionment action. Following OMB concurrence, GSA must bring any changes in the project plan or schedule to OMB's attention at least 15 calendar days before a planned transfer. From that point forward, consistent with appropriations law, any material changes to the reimbursement terms must be reviewed by the RMO.

Project proposals must include a reliable estimate of any project-related cost savings or avoidance relative to pre-modernization activities using the templates provided. This estimation process will be subject to GAO review pursuant to the MGT Act. Consistent with OMB Circular A-131, the term "cost savings" refers to "a reduction in actual expenditures below the projected level of costs to achieve a specific objective," and the term "cost avoidance" refers to "an action taken in the immediate time frame that will decrease costs in the future." With GSA assistance, estimates must undergo appropriate due diligence and concurrence from the agency CFO Office prior to submission to the TMF Board and consultation with OMB RMO's.

Reimbursement for Common platforms:

An agency with its own appropriate reimbursable authorities (not provided by the MGT Act) may request TMF funding to become a "managing partner". A managing partner is an agency that acts as a centralized shared service provider, receiving TMF funds to host a common solution for which the managing partner charges a fee-for-service to participating agencies. The TMF written agreement will be between GSA and the managing partner, not between GSA and the partner agencies. The managing partner will handle collections of fee-for-service amounts under their own authorities and through separate agreements with partner agencies. The managing partner will be liable for TMF reimbursement subject to the agreed upon terms regardless of payments made under separate agreements.

Corrective Action:

The TMF Board will conduct regular reviews of each project and vote at each meeting subsequent to a project receiving an initial transfer from the Fund, to affirm to the release of incremental funding tranches and recommend such release to the GSA Administrator. The TMF Board reserves the right to recommend amendments to any written agreement, and to ask the

GSA Administrator to withhold incremental funding, if a project of failing health requires corrective action.

In the event of a failure to make a reimbursement to the TMF, the GSA Administrator and head of the receiving agency, if unable to resolve, must provide written notification and consult with the Director of OMB for mediation. The TMF Board Charter will further outline how the TMF Board will continuously oversee project execution to identify where corrective action or revocation of committed funds is warranted.

Accounting Treatment:

All transfers between the Fund and receiving agencies shall be recorded as non-expenditure transfers requiring apportionment by OMB. To facilitate tracking through Treasury and agency accounting systems, OMB may apportion transfers by project (Category B). Consistent with OMB Circular A-11, it may be necessary to establish no-year TAFS at the receiving agency to align with the TMF period of availability. The non-expenditure transfer does not obligate funds. Pursuant to Section (5)(A)(iii), obligations to make a payment under the written agreement are not recorded at the time of transfer but are to be recorded in the fiscal year in which they are due to GSA.

Available Reimbursement Mechanisms:

The following examples illustrate how agencies can enable reimbursement of transferred TMF funding. Agencies are encouraged to establish and leverage IT Working Capital Funds as authorized by the MGT Act, as well as any other existing centralized agency accounts, to take advantage of flexible payment mechanisms. Agencies are reminded that, pursuant to the MGT Act, all transfers to and reprogrammings in the IT Working Capital Funds are subject to any applicable reprogramming restrictions or transfer authorities in current law. In many cases, transfer authorities are limited and require specific Congressional notification prior to a transfer or reprogramming.

Default Reimbursement Mechanism

- **Identify Offsets:** Identify an offsetting reduction from the existing resource base (i.e. contract reductions, decommissioning of systems, deferred low priority maintenance). Formulate the planned reimbursement into out-year budget submissions.

If other planned reimbursement mechanisms do not materialize, reimbursement is made from existing agency resources and subject to the repayment terms in the written agreement

Other Enabling Mechanisms:

- **Project-Related Savings:** If project completion results in immediate project-related savings that can materialize in the first year, agencies may reallocate funding to TMF reimbursement, assuming savings are sufficient to cover the amount due each year. Agencies must formulate the planned reimbursement into out-year budget submissions.

- *Proportional Reimbursement:* To the extent that an investment crosses organizations, an agency may identify multiple accounts or bureaus (i.e. the benefiting organizations) to pay a proportionate reimbursement amount to the TMF. Agencies must formulate the planned reimbursement into out-year budget submissions.
- *Restructure Appropriations Requests:* An agency may reduce out-year budget requests in existing IT accounts and restructure the agency's request to instead include an appropriations request in the IT WCF that will then be used to repay the TMF.
- *Shared Costs:* Multiple agencies may partner with a managing partner, with its own appropriate reimbursable authorities, who invests in a common platform that is shared across the agencies. The managing partner receives TMF funding to develop the common solution, then charges a fee-for-service to partner agencies. Funds collected by the managing partner from multiple agencies are then used to centrally repay the TMF. Included in the fee-for-service is an additional "pass through" O&M fee to reimburse for any operating costs.

APPENDIX C

Project Proposal Template

Instructions: Please complete all of the fields below in part A and part B. Project Proposals will be considered by OMB as an agency initial submission pursuant to OMB Memorandum M-18-XX. Please avoid the use of acronyms or terminology likely to be unfamiliar to someone outside of your agency and/or program area.

Please send the completed form, as a Word document, to ofcio@omb.eop.gov. OMB will confirm receipt and, if necessary, reach back out to the agency for any follow up questions or clarification.

General Information

<i>Project Name:</i>	
<i>Sponsoring Agency:</i>	
<i>Project Sponsor Name:</i>	
<i>Project Sponsor Title and Office:</i>	
<i>Project Sponsor Email:</i>	
<i>CFO Sponsor Name and Title:</i>	

Part A

A.1 Describe the problem this project is intended to address, including negative impacts to users of the status quo system or approach; cybersecurity risks; mission or operational risks, etc.

A.2 Describe the project you are proposing.

A.3 Describe the impact successful completion of this project will have, as well as how that impact will be demonstrated and measured.

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Part B

Technology

B.1 Describe the following characteristics associated with the current state technology.

<i>Current system users:</i>	
<i>Number of active users:</i>	
<i>Current annual costs:</i>	
<i>Current FISMA baseline:</i>	
<i>Type of system: (Infrastructure, Platform, Application, Other)</i>	
<i>Languages and operating systems in use:</i>	
<i>Other systems the current one integrates with or is dependent upon:</i>	

Resources

B.2 Total requested TMF funding amount. If less than the total project cost, also state the total project cost and identify the specific source of funding for the difference.

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B.4 Has the project previously received funding and is it included in out-year budgets? If yes, please indicate the source and amount, by fiscal year.

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B.5 Please provide specific details on the source of funding at your agency that would be used for repayment identifying the specific offset(s) and reprioritization of funding that will be made to enable repayment. The repayment term may not exceed five years.

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B.6 Consistent with figures in table B.7, describe the project's expected financial return on investment (ROI) including the status quo O&M cost, total DME cost to modernize, and projected O&M costs post-modernization.

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B.7 Instructions: Figures should clearly reflect a before-and-after financial picture comparing obligations pre-modernization, during modernization, and post-modernization.

- *DME: DME costs should reflect all costs associated with the modernization project.*
- *O&M: O&M should reflect three years of actual legacy O&M costs (FY2016-2018) and all years of projected post modernization O&M costs through FY 2024.*
- *Figures should be entered in thousands of dollars*

Category	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected
DME									
O&M									
Other									

Project Implementation

B.8 Please describe the project milestones and estimate the percent of the total TMF funding needed for each stage in the following table.

Milestone	# of months to achieve milestone	% of total TMF funding	Desired outcome	Metrics used to evaluate performance

B.9 Please describe your experience with similar projects and level of execution readiness.

B.10 Describe the human resources you have access to at present to implement this project, including an agency digital service team, other agency development team, available contractor support, etc.

B.11 Describe the risks associated with this project that may pose a challenge to successful implementation, including a planned mitigation strategy.

APPENDIX D

Concept Paper Template

Instructions: Please fill out all of the information requested below. Concept Papers selected by the TMF Board for Project Proposal review may receive assistance in developing an in-depth proposal and business case to present to the TMF Board. Please avoid the use of acronyms or terminology likely to be unfamiliar to someone outside of your agency and/or program area.

Please send the completed form, as a Word document, to ofcio@omb.eop.gov. OMB will confirm receipt and, if necessary, reach back out to the agency for any follow up questions or clarification. Please limit Concept Papers to 1 additional page (“General Information” excepted).

General Information

<i>Project Name:</i>	
<i>Sponsoring Agency:</i>	
<i>Project Sponsor Name:</i>	
<i>Project Sponsor Title and Office:</i>	
<i>Project Sponsor Email:</i>	
<i>CFO Sponsor Name and Title:</i>	

1. Describe the problem you want to solve and how your project will solve that problem. (1-3 sentences)

2. Describe the estimated TMF funding request. If less than the estimated total project cost, also state the estimated total project cost

3. Describe the expected timeline for implementation, including timelines for project milestones and metrics for success.

4. Describe the human resource requirements for this project proposal, including any agency digital service experts, other agency development resources, and contractor support, etc.

