

**PRELIMINARY
COST/BENEFIT ANALYSIS OF
THE INFORMATION
SYSTEMS PLAN**

**ANALYSIS OF CURRENT IM/IT
EXPENDITURES**

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EXECUTIVE SUMMARY

The U.S. Agency for International Development (A.I.D.) recently completed development of an Information Systems Plan (ISP) and enlisted the assistance of OGDEN Government Services for preparation of a preliminary cost/benefit analysis of the ISP. This report addresses one of the primary subtasks - to identify and quantify all current A.I.D. Information Management/Information Technology (IM/IT) expenditures.

We reviewed documentation and met with numerous key individuals both from the A.I.D. Finance and Administration Office of Information Resources (FA/IRM) and from A.I.D. units outside FA/IRM to determine current IM/IT costs. These individuals included IRM managers, administrative managers, finance and budget managers, program managers, and systems administrators. In addition, we met several times with the ISP Cost/Benefit Analysis Steering Committee made up of high-level managers representing FA/IRM, FA/Budget, FA/Financial Management, FA/Management Control Systems, and program bureaus. We are keeping the Steering Committee informed as to our activities and progress. In addition, we are also obtaining guidance and support from the Steering Committee.

We obtained very useful information from our interviews and documentation reviews. However, the information needed to build and support cost estimates for the current AID IM/IT program was simply not available. Some of our critical findings are:

- The 43-A report, based on OMB Circular A-11 requirements, is not all inclusive (excludes some IM/IT expenditures in AID/W outside of FA/IRM and IM/IT expenditures made from program funds), apparently lacks consistency with the Agency Budget Submission (ABS) and IRM Reviews, and is not in a form useful for cost/benefit analysis purposes.
- While managers outside of FA/IRM that were interviewed could discuss IM/IT activities, few could provide associated cost estimates because the estimates are not readily available from the existing budget and accounting systems.
- Many missions do not report IM/IT expenditures to AID/W. In addition, it was not possible to validate the controls, accuracy, or completeness of the reporting process.

We recommend that the focus of this task shift to achieving two critical goals that will provide the greatest benefit to A.I.D.:

- 1) Develop a stronger baseline of existing IM/IT cost estimates through additional analysis. This will include evaluating contract information (within security guidelines), speaking with staff from representative missions (perhaps by telephone), and conducting additional interviews as necessary. This will provide agency management with a greater understanding of how resources are used to conduct IM/IT activities.
- 2) Develop a means to plan, budget, track, and account for IM/IT expenditures through the use of an effective coding structure.

1. INTRODUCTION

1.1 BACKGROUND

The U.S. Agency for International Development (A.I.D.) recently completed development of an Information Systems Plan (ISP) and enlisted the assistance of OGDEN Government Services for preparation of a preliminary cost/benefit analysis of the ISP.

A.I.D. is at a very early stage in the initiation phase of its ISP effort. At this juncture, the Agency has estimated the non-recurring development and five year implementation costs for hardware, software, systems development, security, and installation, but has not estimated full life cycle costs and the cost of the current information management/information technology (IM/IT) program. OGDEN's task is to:

- Identify and quantify all current IM/IT expenditures and project these costs for the ISP life cycle period.
- Define the full life cycle costs of the ISP systems, including validating the estimates of system development costs.
- Analyze and project the impact on Agency IM/IT expenditures of implementing the ISP over the five year implementation period and beyond.
- Define and analyze both the quantitative and qualitative benefits likely to accrue to the Agency, including projected cost savings once the ISP is fully implemented.

This report covers the first listed item above, the cost of the current IM/IT program.

1.2 SCOPE

The Agency needs information upon which to base decisions about pursuing ISP implementation funding through its budget process and about further developing ISP implementation plans and actions. These decisions will in part be made based on the results of a preliminary cost/benefit analysis, i.e., based on an early indication of the costs and benefits of the ISP conceptual design relative to the baseline. It is the Agency's intent that the baseline be established through identification, quantification, and documentation of the cost or expenditures of the current IM/IT program.

A definition of IM/IT expenditures (or synonymously, Federal Information Processing [FIP] resources) was constructed at the outset of our work on this subtask as a starting

point. How the definition was constructed and, specifically, what it defines are both described later in this report. In general, however, IM/IT was defined to include Information Resources Management (IRM) costs incurred throughout the Agency, not just those IRM costs generated or controlled by the A.I.D. Directorate for Finance and Administration component organization known as the Office of IRM (FA/IRM). It was also meant to include activities outside the ADP arena in conformance with the spirit and intent of the Paperwork Reduction Act. This properly carries the definition beyond the traditional view held by some to also include information management activities, whether or not they are automated.

Previously, the Agency had identified:

- All the costs incurred within FA/IRM,
- Limited costs incurred or funded in other FA Directorate offices,
- Costs incurred in the Office of the Inspector General, and
- Certain Operating Expense (OE) funded costs incurred in the overseas mission components of the Directorate for Operations' Regional Bureaus.

It had not identified:

- Program funded costs incurred in the overseas missions or A.I.D./W,
- Any costs incurred in the Washington, DC offices of the Directorate for Operations, except for buy-ins to FA/IRM,
- Any costs incurred in the Directorate for Policy, except for buy-ins to FA/IRM.

In essence, the subtask was to attempt to fill in the blanks.

1.3 APPROACH

The planned approach was to first gain an understanding of the cost centers, i.e., where and how IM/IT fund obligations are planned, incurred, monitored, controlled, and reported, and to then go to responsible, knowledgeable individuals within the Agency to collect specific cost data.

We planned to gain the understanding by:

- Meeting with and discussing the current IM/IT program with key individuals in FA/IRM,

- Reviewing any and all relevant reports and other documents prepared by or otherwise available in FA/IRM, and
- Reviewing relevant reports from outside review groups such as the Office of the Inspector General.

We planned to accomplish the data collection by meeting with and interviewing budget analysts, procurement officers, and other similar employees familiar with detailed cost records; as well as with selected other individuals across the Agency as recommended by FA/IRM. The plan was to conduct eight to twelve such interviews.

Given that the data collection points would represent only a sample of the Agency, the expectation was that after we collected the costs we would have to construct models upon which to base estimates or projections to, thereby, represent the IM/IT costs of the entire Agency. There was not to be an attempt to construct a statistically valid random sample, but rather to target potentially high value cost centers for examination and analysis.

This report documents these efforts and our findings and analysis.

2. PROCESS

2.1 INTRODUCTION

As discussed in the approach subsection above, the process of identifying and quantifying the cost of the current IM/IT program involved gaining an understanding of the program and collecting and analyzing data. Oversight was (and continues to be) provided by a Steering Committee, whose members occupy higher level policy positions in components of the FA and Operations Directorates.

This section of our report discusses the processes employed for us to gain understanding of the program and to collect data. In Section 4, Data Collection, we discuss other, non-process, more substantive aspects of the data collection effort.

2.2 GAINING UNDERSTANDING

We were provided a day-to-day contact person from the ISP project management staff who briefed us on the organization of the Agency, the organization and staffing of FA/IRM, the ISP and the current IM/IT program, including its organization and distribution of functions and responsibilities. He also provided us a number of publications, reports and other documents for review. A list of these documents (along with other documents we received from other FA/IRM people and from some of the non-FA/IRM people we interviewed) is in Appendix A.

Our contact point also arranged a number of meetings for us with other FA/IRM people, as follows:

<u>Name</u>	<u>Division</u>	<u>Topic Area</u>
Gerry Sajewski	Planning, Management & Acquisition	FA/IRM Budget; IM/IT cost reports
Sue Buzzard	Telecommunications & Computer Operations	Mainframe operation and cost allocation
Bill Anderson	Systems Development & Maintenance	Systems inventory and allocation of maintenance costs by system

Joe Gueron	Customer Liaison & Support	Program-funded IRM projects in AID/W and overseas
Sandy Muldoon	Customer Liaison & Support	OE-funded IRM spending in missions
Jesse Cloud	Information, Policy & Administration	ISP information architecture and migration costs

A summary of these discussions is provided in Appendix B. Since our task involves analysis of costs, the summary is not a synopsis of the discussion with each individual, but rather a summary by analysis cost area.

The following subsection discusses a second element of the process, the guiding we received from a Steering Committee.

2.3 STEERING COMMITTEE

A seven member steering committee was appointed by the FA/IRM Director to guide us in our work. The members and their A.I.D. organizational units are:

<u>Name</u>	<u>Organization</u>
Ron Grosz	Research and Development
Pete McLain	Latin America and Caribbean Bureau
Marcus Rarick	FA/Budget
Joe Keady	FA/Financial Management
Frank Kenefick	FA/Management Control System
Jerry Sajewski	FA/IRM Planning, Mgmt. & Acquisition
Linda Lion	FA/IRM Office of the Director

We first met with the Committee on April 7, 1993, following preparation and submission of a project plan and a draft questionnaire to be used as an interview guide, and two additional times during the course of our data collection efforts to discuss particular issues.

Among the questions we asked the Committee at the initial meeting was:

"What are the incentives to convince program managers to identify Federal Information Processing (FIP) costs and information that may not even have been previously shared with FA/IRM?"

The Committee cautioned us to do the following in our data collection interviews:

- Begin with providing each interviewee with a definition of FIP,
- Describe what the cost/benefit analysis project is all about and how it fits into the greater scheme of things, and
- Make sure it is understood that the project is not an exercise to capture other people's money.

The Committee also developed a list of names of people we should interview. At a subsequent meeting, the list was revisited and expanded. Not all the people recommended were interviewed, as the list had grown beyond the original eight to twelve planned for and because we experienced some difficulty in getting interviews arranged. In many cases, the person we actually interviewed was a representative of the person who had been suggested and contacted.

FA/IRM produced a short definition/explanation of IM/IT which captured the essence of the discussions at the Steering Committee meeting. The definition, included in this report as Appendix C, was provided to the offices of the interviewees who were scheduled for interview, i.e., those who had not already been interviewed. When the interview list was expanded the office of the FA/IRM Director made personal contacts to solicit the interviews. The solicitation is also included in Appendix C. Appendix D lists all the people actually interviewed.

The Steering Committee meetings are used as a forum for issue discussion. Two key issues, not related to the current subtask, but related to the task as a whole were discussed. They are:

- The level of ISP component detail in which to complete the preliminary cost/benefit analysis.
- The treatment of AWACS, ETA and mission PC/LAN conversion in the ISP analysis.

The results of discussion of those issues are included in Appendix F.

The next subsection discusses the process of interviews outside FA/IRM for data collection.

2.4 DATA COLLECTION

Personal interviews of one session of about one hour each were arranged for and conducted with each of the interviewees. As shown in Appendix D, this included all three Directorates plus the Office of the Inspector General, and including four of the

Regional bureaus. Also as shown in the Appendix, there were, in some instances, more than one participant from a host office, but all participants were there to discuss the same program or functional area. An exception was Research and Development, in which case two group sessions were held with different people at each session. The participants at the group sessions covered different program or functional areas, though there were some cases of more than one person from a particular office/function. We solicited data and information from 20 people outside the FA/IRM area in 15 separate interview or group meeting sessions.

Prior to our having met with the Steering Committee, we developed and submitted as a deliverable under this contract an interview questionnaire. The questionnaire was not meant to be used and was not used as a step by step questionnaire that we would use in total with each interviewee. Instead it was intended to be comprehensive in content, i.e., address all the areas with which we must be concerned in the overall total task, but serve as a guide or checklist to assure that we would cover all necessary and appropriate topics with each interviewee, considering his or her role in the Agency and his or her interface with FIP or IRM. For the convenience of readers, the questionnaire is repeated as an enclosure to this report and is shown in Appendix E. This Appendix also illustrates an example of how we drew from the questionnaire to tailor it to the specific functional area of one interviewee. This was done for each interviewee. Both documents in Appendix E illustrate that we intended to address other, future subtasks in addition to the current one of identifying the cost of the current IM/IT program. This was because we would not have an opportunity to interview the people repeatedly through the course of the task and therefore would have to address all aspects of the tasks in one interview.

We are not satisfied with the results of the interview process. The information obtained from the interviews is not adequate to serve as a basis for credible cost estimates. This is discussed in Section 4. Recommendations regarding how to proceed with the task and satisfy this deficiency are provided in the concluding section of this report.

The following section, Section 3, discusses some of the major reports we reviewed which address current IM/IT program expenditures.

3. EXISTING REPORTS

3.1 INTRODUCTION

The starting point of our analysis, after gaining an understanding of the Agency's program of IM/IT work, and before initiating other data collection work with people outside FA/IRM, was with existing reports showing what the Agency already knew about the cost of the current program. We had previously been advised that through existing cost collection mechanisms it was reported that the Agency spends about \$50 million annually, but also that the Agency suspects that actual, non-reported costs could be millions of dollars more. We reviewed portions of three such reports:

- Report on Obligations for Major Information Technology Systems,
- Annual Budget Submission, and
- IRM Review Reports.

All three reports are required by external central agencies or legislative authorities. In the following subsections we discuss the purpose and requirements of each report, the report methodology, and our analysis of the report. Following that we provide a comparative analysis of the three reports.

3.2 REPORT ON OBLIGATIONS FOR MAJOR INFORMATION TECHNOLOGY SYSTEMS

3.2.1 Purpose and Requirements

This report is known as Exhibit 43-A and Exhibit 43-B. The two exhibits are included in each agency's budget submission to the Office of Management and Budget (OMB). The regulatory requirement for submission of the reports is in OMB Circular A-11, Preparation and Submission of Annual Budget Estimates. The legislative requirement for the information management oversight function, which is in part to be exercised by collecting and reporting actual and planned information management cost data through this process, is found in the Paperwork Reduction Act of 1980. The Act is the principal and founding expression of legislative intent in establishing the IRM concept and program in the Federal Government. Circular A-11 states that through this report:

"Data on acquisition, operation, and use of information technology systems are collected for oversight of the acquisition and use of automatic data processing, telecommunications, and other information technology to manage information resources, as required by the Paperwork Reduction

Act of 1980. These data are also used for analysis in support of the Chief Financial Officers Act of 1990."

The A-11 specifies the reporting format for Exhibit 43-A, Summary Report on Obligations for Major Information Technology Systems, and for Exhibit 43-B, Major Information Technology Acquisition Plans, but does not specify the method of recordkeeping or data collection to enable reporting. The report is a part of the official agency budget submission and is required to be in conformance with and in support of the budget submission. It must be revised to reflect final decisions in the President's Budget and be resubmitted to OMB.

The 43-A report is the single document A.I.D. annually produces reporting the cost of its information management program.

3.2.2 Data Collection Methodology

In A.I.D. the data collection methodology is that missions and selected A.I.D./W units are solicited by FA/IRM for a data submission. FA/IRM prepares a data call cable to missions which requests the submission; it includes brief descriptions of the data elements taken from A-11, instructs that the submission report on OE funds expended, and provides a contact point in FA/IRM/CLS for questions.

The selected A.I.D./W units are telephoned by FA/IRM for the submission. They are:

- The Office of the Inspector General,
- FA/FM for AWACS data,
- FA/AS for space costs associated with FA/IRM operations,
- FA/B for personnel compensation costs of FA/IRM direct hires, and
- FA/HRDM for the cost of IRM commercially-provided training.

The missions which respond usually do so by cable, but some use other written, electronic means. The reports are accumulated by FA/IRM and then submitted to the Administrative Management Staff (FA/AMS) which in turn submits the report to FA/B.

In April 1993 agency's OMB allowances for FY 1994 were reduced forcing cutback of agency budget plans. Accordingly, FA/B revised the budget year (FY 1994) figures of the completed 43-A report for budget conformance. The timing required that this be done without input from the individual A.I.D. component bureaus.

Exhibit 1 and Exhibit 2 at the end of this document are copies of the summaries of the FY 1993 and FY 1994 reports.

3.2.3 Analysis

The 43-A report does not truly represent the cost of the agency IM/IT program as it is certain that the following are excluded:

- The cost of IM/IT activities in A.I.D./W, generated outside of FA/IRM, other than buy-ins to FA/IRM contracts. The only costs paid outside of FA/IRM that are solicited for the report are the costs of FA/IRM functional areas that are centrally managed elsewhere. An example is that while FA/IRM's computer center space costs which are managed by FA/AS are included in the report, the cost of information management activities actually performed by FA/AS, e.g., the records management program, is not included in the report.
- The cost of IM/IT activities financed with Program funds at missions.

Though the first bullet above addresses organizations reporting or not reporting, the issue of exclusion of program funds from the report applies to that bullet item as well because many A.I.D./W offices outside the FA Directorate have only program funds, and no OE funds with which to operate. Any IM/IT activities those offices conduct are done with program funds.

The issue of program funds used for IM/IT costs is one of the more controversial issues within the agency and is discussed more fully in Section 4, Data Collection.

In addition to the fact that cost items are excluded, there are other indicators which render the data in the completed report questionable. They are:

- The raw response rate from missions for the most current report was approximately 64%,
- There is a significant amount of extrapolation and estimating performed in FA/IRM to complete the report using a cost estimation modeling technique which needs refinement,
- The quality and methodology of recordkeeping has not been verified, and
- The timing of the 43-A preparation and submission is not in synchronization with other budget planning.

The raw response rate may be adjusted for:

- Offices that closed after the data call and before the due date, and

- Factors speculated as accounting for nonreporting, e.g., small offices with a presumed low-level of activity, new offices still getting fully established, and offices experiencing some sort of upheaval.

The adjusted response rate is about 76%. While this may be a good response rate for involuntary surveys, it is a poor response rate for a mandatory report of high significance. Though the report request is communicated through the formal, high level, State Department cable system, the line officers above the mission Directors are not involved in insuring that the request gets complied with and are not involved in the planning or reviewing of the program or the figures representing program expenditures.

In order to estimate amounts for nonreporting missions, the individuals in FA/IRM responsible for report accumulation go to individuals in the CLS Division for assistance. These CLS individuals are the people in FA/IRM most familiar with the missions and their structure, size, and scope. They have much information available, and some have even been on site at some mission offices, but they do not have the wherewithal to estimate past year, current year, and budget year figures for a particular mission. Instead they determine which reporting offices most closely resemble nonreporting offices and FA/IRM duplicates the figures from the selected reporting offices. In the case of the Africa Bureau, of the total amount shown in the Agency's report for Africa, 25% was estimated by FA/IRM, i.e., the missions' reported amounts were increased by 34%. The total Africa amount then represents about half of all the overseas expenditures included in the Agency report.

As an example of extrapolation employed to account for nonreporting countries, Lesotho, Mali, Zambia, and Namibia did not report. The figures reported for Ghana were duplicated for each of the four nonreporting missions. A report we observed in the Africa Bureau office shows a range of one to four in the number of staff members dedicated to information management support in those four countries, while Ghana shows one. Such staffing could be an indicator of the relative level of the IM/IT program dollars in each country. It is not evident that there is opportunity for correlation of such data by people accumulating the 43-A report data. In pointing out these extrapolation deficiencies we are not claiming an inaccuracy in the report and we are not faulting the method of extrapolation, as much as we are criticizing the fact that such extrapolation must be done. It is our professional judgement, however, that if the system cannot be changed to provide for more complete reporting, then a valid modeling technique should be developed.

We found that the people we interviewed in A.I.D./W regional bureau offices were not familiar with the 43-A amounts reported by their missions. Several indicated to us, however, that based on their knowledge of mission operations, their belief was that the A-11 guidance would be too general for mission use and that missions were probably reporting principally those costs associated with FA/IRM-sponsored programs, e.g., PC/LAN installation/conversion and perhaps the cost of the system administrator positions, but not the true information management costs.

When the 43-A submissions are required to be made the budget year allowances are not yet known. The Fiscal Year 1994 submissions were made in November and December 1992. The figures in the budget year column then represent wishes more than plans. When the budget year allowances do become known it is too late to get any replanning done by missions. Instead FA/B adjusts the column to conform to the allowances, i.e., makes an adjustment comparable to the level of change made in the allowances. This assumes that the information management spending would change in proportion to the total spending. Informed sources tell us that would not be the case. Many suspect that when the budget year funding is cut, information management spending is cut by an even greater amount, or at least the planned spending is cut significantly and the unit adopts a wait and see posture regarding the availability of year end funding.

During FA/IRM's processing of the 43-A submissions there is no discussion with the regional bureau offices for any review, clearance, or second opinion. The only communiques with the missions are in regard to follow up for nonsubmission.

3.3 ANNUAL BUDGET SUBMISSION

3.3.1 Purpose and Requirements

The A.I.D. Congressional Budget Presentation is voluminous and extremely detailed owing to the critical and far reaching nature of the Agency's mission and program of work and the resultant Congressional interest in the programs. The budget documents are more detailed than those of many Federal agencies of the size and funding level of A.I.D. Because of this, the internal budget Agency Budget Submissions (ABS) within the Agency and the submissions to OMB for President's Budget decision making are also quite voluminous and detailed. Mission ABS' covering program funds include numerous tables, summaries, and aggregate analyses of projects, special issues, special interests, Congressional interest items and so forth. The part of the ABS covering OE funds is also detailed; there are 70 line items reported.

OE ABS' cover three years. For example, the Fiscal Year 1994 ABS, completed in June 1992, reports FY 1992, 1993, and 1994. It itemizes decreases, wage and price increases, and other increases. The ABS includes several separate line items for the lease, purchase, and maintenance of ADP hardware and software. There is also a narrative discussing groupings of line items and tables showing the change proposed from year to year.

3.3.2 Review and Approval Methodology

The preparation, review, and approval of the ABS submission is a lengthy process. It is almost never-ending in that when final decisions are made for a given submission, it is time to start a new submission process all over again. In January or February A.I.D./W

with FA/B issues guidelines to the overseas and Washington offices which address what to provide, the level of detail, the LOTUS spreadsheets, and requirements for the narrative explanations of increases and decreases. The submissions are sent on diskette directly to FA/B, whose analysts work with the missions and the bureau offices to refine the amounts. The analysts review the submissions against the guidance and cause changes to be made to bring submissions into line with the guidance. The analysts are in direct contact with missions and deal with them more than through bureau office people.

By July each bureau provides a revision. In the case of the regional bureaus, the bureau office July submission includes each of the missions, but most of the changes reflected were worked out between FA/B and the missions. When the final OMB allowances for the President's Budget become known in November to December the submission is updated. Usually the allowances are in more detail for program funds (addressing an interest area or country or project) and in little detail for OE funds. While the updating process is cumbersome, there is a budget trail for changing the program fund amounts, but the OE changes must be done somewhat arbitrarily.

3.3.3 Analysis

The arrays of program funds are all intended to show different cuts on accomplishment of the Agency mission, goals, and objectives in individual countries and sectors. If there are information management components in those projects, the budget submission does not speak to the information management aspect, but only to the program or project objective.

While the OE arrays include the spending for information management, some of the amounts are spread throughout the submission. For missions there are discreet information management line items within the "U500, Office Operations" and "U600, Nonexpendable Property Procurement" series of functional codes as follows:

- U525 ADP Hardware Lease/Maintenance
- U526 ADP Software Lease/Maintenance

- U607 ADP Hardware Purchases
- U608 ADP Software Purchases

For A.I.D./W units only ADP software is coded. As is the case throughout A.I.D. OE planning mechanisms, the total costs of all U.S. direct hires, Foreign National direct hires, and contract personnel for all purposes are shown under different functional codes. There is not an itemization of these costs for information management, nor are there any summaries in the OE budget submissions reflecting information management program activities. The OE budget submissions do not present an information management picture.

The few key information management figures shown in the ABS are not reviewed by any people having information sufficient to make judgements about the appropriateness of the amounts. The FA/B analysts rely on trend analysis, i.e., if the amounts are in line with what has been taking place during recent years they are not questioned. More emphasis in the analysis is focused on the program aspects rather than the support aspects of the budget. The same is true of the analysis in some regional bureaus. If the overall ABS, especially the narrative, seems to be in support of the guidance and gives proper regard to emphasis areas in the guidance, e.g., X amount devoted to environmental projects, then the support amounts carry.

There is no review or participation in the review by FA/IRM and no opportunity for correlation of the ABS with information management planning documents. In addition, as pointed out in the preceding section, the 43-A submissions from missions proceed along a separate track.

3.4 IRM REVIEWS

3.4.1 Purpose and Requirements

There are no direct, specific requirements for an IRM review program in Federal agencies. However, OMB Circular A-130, Management of Federal Information Resources, one of the Paperwork Reduction Act implementing documents, has numerous references to the IRM program oversight responsibilities of agencies. An example reference quoted from A-130 is:

"The head of each agency shall.....develop internal agency information policies and procedures and oversee, evaluate, and otherwise periodically review agency information resources management activities for conformity with the policies set forth in this Circular..."

A.I.D., like most agencies, has established a review program.

3.4.2 Review Methodology

Reviews are performed by FA/IRM personnel and can cover such topics as telecommunications, security, ADP acquisition and any IM/IT topic. The findings and recommendations in review reports are synopsisized and actions to carry out the recommendations are tracked in FA/IRM. For reviews of activities outside FA/IRM the review is not only exercise of oversight responsibility, but also the direct provision of service to the unit being reviewed.

One IRM review topic is ADP management reviews of overseas operations. During Fiscal Year 1992 seven reviews of overseas offices were completed. El Salvador and Guatemala were among the missions reviewed.

3.4.3 Analysis

We received copies of the reports for the El Salvador and Guatemala reviews from FA/IRM/CLS during the process of gaining an understanding of the current IM/IT program before we visited personnel in the bureaus. We reviewed the reports with an interest only in information regarding the cost of the program. We saw that while the IRM reviews do not cover budget per se, they do address spending levels. As an example, the El Salvador review reported on:

- A contract the Mission awarded for \$55,000 for on call maintenance of some peripheral equipment, pointing out the high expense for the return and recommending an option, and
- Three options developed by the reviewers for migration to a LAN, along with cost estimates for each and a spreadsheet detailing the hardware and software requirements and costs.

Our assessment of the two IRM reviews we read is that the reviews are of high quality. We did not read them for the purpose of assessing quality, but having read them we believe the review process could play a very important part in budget planning.

In the next subsection we provide a narrative description of an effort to compare portions of the above three reports.

3.5 COMPARATIVE ANALYSIS

As in many Federal agencies, the budget document and the budget process in A.I.D. continues to be the principal planning process. While there are many other planning systems and planning processes, the budget process drives many of the other processes instead of being a financial plan for accomplishment of the other plans. More disconcerting is the fact that the budget process overrides many other processes. Such is the case of the interaction of the budget process with the process of planning for major information technology systems.

We made a comparison of information management data elements in the El Salvador 43-A submission, its ABS, and the IRM review. It does not appear that the \$55,000 maintenance contract is reported or reported identically in the other two documents. The ABS shows for 1992, for ADP Hardware Lease/Maintenance, \$37,800 with wage and price increase estimates for 1993 and 1994 increasing the request to \$41,600 and \$45,800, respectively. The 43-A submission shows no amount for this cost item. We

recognize that these variations are insignificant amounts in the greater scheme of the cost of the A.I.D. IM/IT program, but there are three thoughts upon which one should reflect:

- The lack of data consistency is an indicator of the possible lack of quality of either the reports themselves, or the systems requiring the reports, and should arouse suspicion regarding the overall reports.
- The lack of data consistency is an indicator that planning for the purpose of assuring efficiency and effectiveness in meeting the program mission and providing appropriate data to allow program oversight to occur are not being done properly.
- We mentioned this apparent discrepancy to several A.I.D. policy and operating officials and none was surprised. They fully expect discrepancies such as this to occur in great magnitude.

We also recognize that figures are sometimes reported differently in various reports because of differing requirements for the inclusion, exclusion, or distribution of overhead and other indirect cost items. There are other possible explanations for this type of apparent discrepancy:

- There is no single definition of IM/IT in use in the Agency. The definition or explanation included in Exhibit C was developed for this task. Though it generally conforms to recent opinions received from the A.I.D. Solicitor and with the policy in the March 23, 1993 memorandum from the Office of the Administrator, it or no other single definition is available to preparers of the ABS and the 43-A and other reports.
- There is no integrated record system used to record, track, and report this type of data. Different automated or manual recordkeeping systems are employed for capturing data for the various reports, even for the same data elements.
- Because of the ultimate use of the ABS and the greater significance attached to it, more emphasis is placed on that document. There often is not budget personnel involvement in preparation of reports like the 43-A.
- Report preparers sometimes have different motivations for the presentation of data in reports depending upon the intended audience.

A systems approach of integrating the requirements for preparation of all budget documents can provide an effective foundation for eliminating these causes and assuring data quality.

In the comparison of El Salvador data we also noted that the amounts requested in the ABS for financing LAN costs far exceeded the amounts in the IRM review spreadsheet, as follows:

- The IRM review team members projected an installed cost, including all hardware, software, wiring and associated costs to provide networked PC's on every OE desk of \$220,799.
- The ABS requested an increase for 1993 for LAN hardware and software, excluding freight, of \$800,300, offset by a decrease in 1994 of the nonrecurring portion, \$789,000.

It is our opinion that FA/IRM cannot fully administer its oversight responsibilities if it does not have some involvement in the budget development process for the IM/IT program. For example, a policy guidance role and an analysis role may be appropriate as opposed to a budget approval role.

In the following Section we discuss what resulted from the interview process--the information provided to us and the cost data that has been made available to us at this point.

4. DATA COLLECTION

4.1 INTRODUCTION

Interviews were conducted of the people listed on the table in Appendix C. Many of the interviewees spent considerable time during the sessions raising operational concerns they or their organization have over the IM/IT program or FA/IRM. These "gripe" sessions did provide us insight into the difficult time the Agency will have implementing the ISP, but are not otherwise germane to the task of identifying costs of IM/IT program activities. Therefore we are not dealing with the individual complaints in this report. We have passed them on to FA/IRM management, without identification of sources, and found management to be receptive to the customer relations input. In the following three subsections we describe the results of the interviews, discuss the significant information and issues we became aware of through the interviews, and the cost data we have obtained or are awaiting.

4.2 INTERVIEWS

It was time consuming to establish contact with a number of the people, and it was, in several cases, difficult to get interviews scheduled quickly. We found many of the people with whom we spoke to be very busy and feeling pressured because of the volume and quick pace of work activities.

We appreciate the open and frank discussion the interviewees provided and we appreciate them having found the time to talk with us. We did experience a number of problems, however. The principal problem areas are described below.

Interview preparation

Only in a few cases did the person contacted by FA/IRM actually participate in the interview. In most cases substitutes or representatives were designated. Having representatives was not in itself a problem, but most had not had any discussion about the interview session with the principal who was contacted by FA/IRM. Such discussion would have been preferred in those cases where the principal was not also going to be a participant.

As a result many interviewees did not know what the meeting was about much before the session occurred. Most had only been forwarded the E-mail soliciting commitment to a meeting (see Appendix C, second item), and some read it only moments before the meeting. Consequently only one interviewee had done any meaningful preparation of presentation and materials before the meeting.

Knowledge of cost items

In addition to the one person mentioned above, only one other was able to provide or estimate all the costs of her organization during the session. One other provided us some cost information and requested to provide the remainder later. A few more knew the cost elements, but did not have the data available at the meeting and agreed to provide it later. Several others were familiar with IM/IT program activities, but had no involvement with or knowledge of cost information. Most said that others in their offices would have to be contacted to get the information. Our choice was to schedule even more interviews or ask the interviewees to obtain the information. Several people did commit to obtaining it and providing it when it became available. Most of the people who agreed to obtain cost information have not yet provided it.

Understanding of the ISP

All other subtasks in our overall task involve the ISP, its impact on the current IM/IT program, or other potential non-system impacts on the current IM/IT program. Therefore it was our intention to query the interviewees about ISP impacts during the same interview. We found that most of the people that we actually interviewed knew little or nothing about the ISP--some had some gross misconceptions. A few, such as the interviewee responsible for AWACS implementation, was, because of the relationship of AWACS to the ISP, very much aware of the ISP. Some had experienced some previous involvement with the ISP, but were not current on it. There was virtually nothing we learned from the interviewees regarding impact of the ISP on their organization's systems or regarding the future of those systems after ISP implementation.

Despite these problems we did garner some information. The following subsection summarizes the significant items.

4.3 DATA YIELDED

Our intent in this subsection is not to provide a full report on each interview but to:

- Briefly mention the principal focus of those interviews that were for background information and for scoping purposes
- Highlight information about proponent offices' systems in those instances where information was available from the interviewee.

The material is telegraphic in nature and is intended to provide the reader with the gist of the information passed on to us. The material is arranged by office we met with within the two topic groupings, i.e., background information and proponent's systems.

Background

Finance and Administration/IRM (FA/IRM)--In addition to the round of meetings with FA/IRM from across the office, we met with the individuals responsible for budget documentation several times. This focused on structure of the budget in FA/IRM, the FA/IRM contracts and how buy-ins function, and the policy, processes, and procedures regarding the 43-A and 43-B reports.

Finance and Administration/Budget (FA/B)--With respect to OE the discussion was largely about the policy, rules, and regulations regarding use of OE funding for IM/IT program activities and the budget development and allocation processes. This discussion also provided us some information about budget funding initiatives for IM/IT, such as the introduction of CD ROM technology in the Office of Administrative Services records management program, and about other locations/units within the agency where funds are spent on IM/IT activities. The discussion regarding program funding also addressed development and allocation processes and funding rules. The FA/B program funding had no specific information regarding the use of program funds for IM/IT.

Office of the Inspector General (IG)--We learned that there have not been many recent audits of the IM/IT program other than those dealing with security. The principal reason for this is that the Office of the Inspector General, in support with the ISP concept, believes that an overall systems correction cannot be piecemealed. In other words an overhaul on a grand scale such as with implementation of the ISP is appropriate. IG is reluctant to audit and make recommendations regarding existing systems (whether corporate or stovepipe) because considerable sums could then be spent fixing systems with no measurable overall positive impact on agency systems improvement.

Finance and Administration/Financial Management (FA/FM)--This discussion focused on AWACS and was principally for the purpose of gaining information about future elements of our task. We did obtain a more clear picture of the AWACS project and were provided updated information on some costs that had been excluded from the AWACS cost/benefit analysis.

Proponent's systems

IG--operates independently from the agency, but receives many support services from A.I.D. and reimburses the agency for them. IG buys into FA/IRM contracts at a cost of \$221,400 for the current year, excluding telecommunications costs of \$416,800.

IG operates several resource management and internal tracking systems, e.g., OSCAR, a Wang-based imaging system for background investigation purposes, and has developed one sizeable data base for case management on investigations.

The costs for activities it operates itself and for those reimbursed to A.I.D. are already included in the agency's reports.

Finance and Administration/Administrative Services (FA/AS)--responsible for the Communications/Records Program which includes mail services, the Directives program, and the records management program. The FY 1992 cost of program is \$1,400,000 plus a rough estimate of \$374,000 to \$400,000 for direct hires costs.

The traditional approach to records has been to microfiche. Technology is outdated so FA/AS is beginning to convert to CD-ROM and has two projects underway:

- Directives/Handbooks - Project called Handbook Certification, i.e., cleaning up and reissuing quality directives and then switch to electronic media. FA/AS has funding to buy CD-ROM equipment for missions that don't already have equipment (about 40 have some equipment now). FA/AS bought into CDIE contract; FY 1993 is first year; switched microfiche funding into this activity through the ABS process. Costs are to be provided us.
- Records Improvement - CD-ROM being explored. Estimated costs, excluding working group direct hire costs, are:

— Contractor	\$646,300
— Test Hardware/Software	\$1,500
— Updating RM Workshops	\$20,000
HRDM to match workshop costs	
— Missions will finance PC's; Bureaus & Offices will finance Records Liaison Officers	

CDIE already had a contract with LTS for CD-ROM and has the infrastructure available for obtaining the agency's project records. FA/AS will now share about one-third of contract

Base micrographics program is projected to grow in wage/price increases and upgrades during CD-ROM implementation/conversion.

Center for Development Information and Evaluation (CDIE)--CDIE (Evaluation organization) sponsors PRISM is defining information components that could be automated; clarifying offices objectives, how performance is measured and how to get data, etc. 99% of what has been done to date deals with the substance of the information, not with information management, systems development, or related activities. CDIE (Evaluation organization) developed prototypes and passed on to IRM 6 months ago. In the meantime spent an insignificant amount of time and resource creating some data bases on program objectives, sub-objectives, descriptions of performance indicators and targets.

CDIE (Development Information organization) operates the Development Information System (DIS), one dimension of many-faceted uses and interpretations. Is a collection of

abstracts of A.I.D. projects--has contract to write abstracts. Also write abstracts of new reports, magazines, journals for people to order. Create an awareness journal. All of this is used by project designers, developers, donors, and researchers. Have 20 research analysts. General public and contractors are charged for materials. Only A.I.D. gets research; others get only info. Agency finances (reimburses) one-third of cost, rest is from users.

Documents are microfilmed. Data bases is CD-ROM. CD-ROM also includes text of CDIE evaluation reports. Disks go to Regional Bureaus who pay. Maintained on CDIE HP mini. Annual cost information for DIS provided since the meeting slates cost at \$675,000, excluding direct hire cost.

CDIE involvement in Magellan system is minimal. Helped install the software in bureaus that have it and is putting in economic data by country. FA/IRM is responsible for bureau Magellan systems, e.g., writing new menus and bureaus handle the rest. Administrator's office is dealing with creating an Executive Information System.

The data provided is shown below:

Estimated FY93 Costs

	FTEs	FY93 Costs
Abstracting	2	\$ 65,000
Microfilming	2	\$ 70,000 (Lab) \$ 50,000 (Ven)
Systems Development & Maintenance	4	\$260,000
LAN Administration	2	\$110,000
Computer Hardware & Software	NA	\$120,000
Total	10	\$675,000

Food and Humanitarian Assistance (FHA)--all four major program areas have tracking systems:

- Foreign Disaster Assistance - system on clipper
- Food for Peace - UNIX platform
- Private and Voluntary Cooperation - UNIX platform
- American Schools and Hospitals Abroad - Wang PC spreadsheet

FA/IRM currently working with them to bring these four tracking systems into one in FHA. Costs are to be provided.

Research and Development (R&D)--The sessions with Research and Development personnel were group sessions. Because of that, the meetings took on the form of an explanation of the task and the data needed and a call for data to be submitted, rather than interviews. There was not time to discuss each persons functional or program area individually. The Office of Population, the Office of International Training, and the Program Office agreed to provide costs. The Program Office supplied costs of \$449,673, excluding direct hire cost, as follows:

R&D/PO – EXISTING ANNUAL IM/IT COSTS

BUSINESS AREA: Operations Management

ACTIVITY	DH FTEs #s – OE Funded	CONTRACTOR #s	CONTRACTOR \$s – Pgm Funded	OTHER
SITE AND FACILITY Space, Supplies, etc.			\$23,987.00	
HARDWARE				
PC/LAN Purchase PCs(NR)			\$41,071.00	
Operations	1 (GM-13)	7 (1)	\$383,615.00	
Data Base Admin(PMIS)	1 (GS-11)			
TRAVEL			\$1,000.00	
TOTAL:	2	7	\$449,673.00	

(1) – CAS, 4 – \$191,615
 LTS,1 – 30,000
 ESDS,1 – 102,000
 ERA ,1 – 60,000

RD/PO: IMITCOST.WK1 93/04/28

Near East Regional Bureau--implementing Magellan system now. Has contractor on staff through buy in to a CDIE contract. An Economic Analyst under the CDIE contract performs duties such as:

- Implements Magellan
- Provides training on Magellan
- Provides trouble shooting in the office regarding all hardware, software, and user problems
- Obtains World Bank, International Monetary Fund, and similar other economic data by modem from A.I.D. mainframe (tape CDIE receives from IMF, etc., and puts on A.I.D. mainframe), writes SAS programs and converts to LOTUS for distribution.

No cost information was known or available.

Asia Regional Bureau--Interviewees named 5 noncorporate systems requiring Asia Bureau activity:

- Magellan - has two CDIE consultants; administered by Technical Resource Unit
- Project Development System - maintains Project Implementation Review (PIR); administered by Project Development Office
- Data entry on financial systems - has people dedicated full time for data entry for 3 major functions:
 - maintaining old (history) data
 - ongoing obligation data
 - planning, including field data from mission disks
- Document Tracking - contract actions, dbase PC

The costs for these activities are to be provided.

Bureau for Private Enterprise (PRE)--Center for Trade and Investment Services (CTIS)--does not include any other part of PRE. Has 8 contractors and FTE for 8 direct hires, though only 5 are now filled. No direct hires do any IM/IT work, except interviewee (Asst Director) who spends about 20% of her time on strategic design (less than \$20,000). Has:

- Six data bases on CD-ROM server
- Four other MIS' (PRE wants bureau on Magellan, but not on now)

Needed client incoming call tracking system. Developed in house; costs are low, intentionally:

- Borrowed a Commerce system, tailored to needs (software enhancement to develop a report generator) by LTS (CDIE contractor) for \$20,000.
- Piloting CD technology; bought servers - have 7 CD's simultaneously accessing; LTS designed.
- Upcoming design work - \$10,000 - \$15,000 multi-media system (presentation on CTIS services)

Total annual cost of all is about \$60,000 (IM/IT portion of CDIE contracts with LTS computer services, DEVTECH program management, and Academy of Educational Development project management) plus Assistant Director's 20% time.

The above information illustrates the cost data we have obtained to date (summarized in Exhibit 4) and other important IM/IT information we obtained. It also illustrates, however, just as the discussion in Section 3 shows, that the new data collected and the existing data do not yet give a basis for confidently projecting the agency's total annual IM/IT expenditures. The final subsection of this report section on data collection discusses some of the related problems and issues.

4.4 ISSUES

The data that has been provided to us since the interviews needs analysis and followup. Based on what we have seen to date, the additional data to arrive will probably also require followup. Also, for the data to be useful in a cost/benefit analysis it must be cast into a different cost element structure than is reported on the Exhibit 43-A report and than is customarily maintained in A.I.D. offices and record systems. A worksheet illustrating the proper analysis format is shown in Exhibit 3. While we obtained some information in FA/IRM to allocate some of the FA/IRM-generated costs to the worksheet elements, we will have to construct models for use in distributing the remainder of the costs. We explained the worksheet to many of the interviewees and left copies with them to use as a reporting form. The complexity of the analysis structure increases the amount of followup that will be necessary.

In addition the interviews as a whole have molded several issues for us. These are discussed in this subsection.

Contracts

We were aware that FA/IRM awards and controls a large number of IM/IT related contracts and that many A.I.D. units buy in to these contracts. These data are, of course, already available to FA/IRM. We had believed that these contracts comprised the vast majority of IM/IT contracting.

We became aware that there may be large dollar volume information management components of project contracts, funded with program funds, at the regional bureaus and at the missions. It was our expectation that the individuals we would be talking to in the regional bureaus could advise us of the amounts. We were also advised that dealing through the bureaus would be much more effective and expedient than dealing through the contract files. Through the interview process we learned that many of the people we talked to are more aware of program activity than of costs and contracts and that the individuals in regional bureaus do not have a great awareness of the activities of missions.

We also learned early on that CDIE controls IM/IT contracts. FA/B estimated the amount to be about \$6 million per year. We expected, after interviewing CDIE personnel, that the cost data they would supply would account for this. As shown in the preceding section, the amount CDIE reported in the past week is far short of that. In interviews with other units after having interviewed CDIE we came to learn that many units have buy ins to CDIE. It also appears that some contracts, seemingly not for IM/IT work, are in actuality used for such work. One reason for that is that project type individuals who have some computer expertise get used for IM/IT work in the units in which they are assigned in the absence of staff in the unit.

The contracting technique employed produces an intertwined web, an enigma which requires a fresh new analysis.

New Leads

During the course of the interviews we received information regarding systems that have been developed and about IM/IT analytical work that was sponsored in organizations other than FA/IRM. In several cases the items appear to be costly and were provided to us by different units than the proponent units--after we had already met with the proponent units. At this point the information can only be treated as leads, but surely should be examined.

Policy

Earlier in this report we mentioned a March 23, 1993 memorandum from the office of the Administrator to the Executive Staff. The subject of the memorandum is "Policies and Guidelines for Nonpersonal Service Contracts in A.I.D./W". Among other things the policy provides that:

- All contractors in Washington, with minor exception, are required to be nonpersonal service contractors.
- Nonpersonal service contractors cannot perform inherently governmental functions.
- All costs for direct hires must be financed from OE.
- All costs of doing business, i.e., serving the needs of the agency, must be financed from OE.

We have been told that the policy was controversial at the time of issuance and that while some believe it is not enforceable, most want to portray 100% compliance and ignorance of any "violation".

We have also been told that because of employment ceiling limitations, the absence of sufficient IM/IT expertise in some direct hire employees, and the ability to obtain contract employees with all necessary hardware and software expediently, some offices are "driven" to use nonpersonal contracts for internal management. In addition some offices only have program funding available to them. For example, in the Africa Bureau we were told they only have program funds. We were told that the Famine Early Warning System (FEWS) may be completely IM/IT because it is for reporting information, not managing any projects. Its cost may be at \$7 million annually. We had not mentioned this item earlier as we believe we have insufficient information at this point, but raise it here as an example of the difficulty experienced with the policy.

It is generally believed that except for the temporary relief provided by a grandfather clause, IM/IT costs should be funded from OE. Our assignment requires us to determine program funds being used for IM/IT in addition to OE costs. We have no role in A.I.D. policy and no desire to become embroiled in a controversy, but the situation does place us in the position of more resembling auditors or investigators than analysts.

In the next section we provide a recommendation on how to proceed.

5. RECOMMENDATIONS

5.1 INTRODUCTION

At this point the current IM/IT program costs have not yet been documented. We do believe it is critical that the agency have a more complete picture of its IM/IT costs than it currently has. The cost/benefit analysis requires a more solid baseline. In addition, we believe the agency must take steps now to establish the discipline to track FIP expenditures routinely. The next two subsections provide some recommendations.

5.2 COST COLLECTION

As discussed in this paper, estimating costs of the current IM/IT program in A.I.D. has proven to be more difficult than originally expected. Estimating the full cost is simply not possible because all of the information is not available. Spending on FIP cannot be determined from either budget or accounting records.

However, some additional cost information can be obtained by further research including:

- Reviewing A.I.D. contract records to determine which contracts are for IM/IT activities or may have IM/IT components. While cost estimates were not available from interviews, many FIP activities were identified. With help from A.I.D. staff, the FIP activities can be traced to specific contracts. Contract files can be reviewed to estimate costs associated with those activities.
- Querying missions more intensively. True cost estimates for missions are not available from the 43-A budget documents because many missions do not provide information. Also, 43-A information is not in a form useful for performing a cost benefit analysis or later determining the impact of the ISP on current FIP expenditures. Discussing FIP expenditures more indepth with two missions is likely to shed light on FIP expenditures in missions. Information gained from such discussions, taken in conjunction with 43-A information, will provide a more accurate picture of mission expenditures. A method such as conference calls could be used. While several mission staff could participate, the Executive Officer (EO) might be the person to start with.

We recommend that work on some of the future deliverables be scaled down in favor of putting more energy into developing a realistic and solid baseline. We could provide needed answers to the cost/benefit analysis questions and issues that have been the subject of our discussions, such as:

- Are the ISP development costs valid?
- What are the benchmarks and industry standards for estimating maintenance and other full life cycle costs in relation to development costs when using an information engineering methodology?
- What should the ISP life cycle period be?
- How should the cost/benefit analysis be constructed, in terms of time period covered, given phased implementation of the ISP by business area?
- What is the appropriate discount rate to use?

If the approach were to satisfy those needs, it would be possible to devote more time to a better identification of the baseline.

5.3 COST MANAGEMENT

At present the A.I.D. IM/IT program is only the program conducted through FA/IRM. Based on our review of records and the interviews we conducted we believe the agency's total expenditures for IM/IT are simply an accumulation of related, but independent costs, not a representation of an agency plan or a program. Regardless of the total amount that may be spent, the agency does not plan an IM/IT program, does not account for it, and cannot attest to the efficiency or effectiveness of the expenditures. The agency-wide IM/IT budget is not directly linked to supporting and meeting field program mission, goals, and objectives.

Installing a strong budget and accounting code structure for FIP spending would establish the discipline necessary to track FIP expenditures. Critical factors in implementing such requirements include:

- Adequate education and training,
- Agency executive level support for implementing the code structure in the budget and accounting systems, and
- Assurance that the cost information will be used for management purposes, and not to take funds from programs.

This needs to be done to enable A.I.D. to carry out the responsibilities assigned to it through OMB Circular A-130. In addition, implementation of the ISP will require a recordkeeping infrastructure sufficient to document plans for each segment of the ISP and assure adequate project management.

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APPENDIX A

Documents Reviewed

A.I.D IRM Organization

Office of Information Resources Management Organizational Chart, October, 1992

Functional Statements, Office of Information Resources Management: (MIS/IRM)

Committee Charter, Draft Re-Charter of ISP Steering Committee, February 2, 1993

Committee Charter, Information Management Committee, October 2, 1991

A.I.D IRM Plans

"A.I.D. Strategic Information Resources Management Plan, 1991-1996," September 1990

"Strategic Information Resources Management Plan: Volume I," November, 1991

"Strategic Information Resources Management Plan: Volume II," January, 1992

"Information Systems Plan Volume I: Report to Management," December, 1992

"Information Systems Plan Volume II: Appendices," December, 1992

A.I.D. Systems

"FA/IRM/SDM System Inventory," March 1, 1993

Memorandum from Barry Goldberg, FA/IRM, "Federal Information Processing (FIP) Resources," December 28, 1992

Memorandum from Dennis Diamond, GC/EPA, "FIP Resources," January 5, 1993

Memorandum from Wayne H. Van Vechten, "Synopses for the FY-1992 IRM Reviews"

"Summary of USAID Information Technology Status as of 2/18/93," February 18, 1993

"Summary of Africa Bureau Information Technology Status"

Annual Budget Submission, FY-1994 - Nigeria, June 1992

Annual Budget Submission, FY-1994 - Zimbabwe, June 1992

Annual Budget Submission, FY-1994 - Gambia, July 1992

Annual Budget Submission, FY-1994 - CCWA Small Country Program, July 1992

Annual Budget Submission, FY-1994 - Botswana, July 1992

USAID/Guatemala, Information Resources Management Review, August 1992

USAID/San Salvador, Information Resources Management Review, August 1992

A.I.D. Congressional Presentation FY 1993

United States Trade and Development Program, FY 1993 Congressional Presentation

Agency for International Development, FY 1993 Congressional Presentation

International Organizations and Programs, FY 1993 Congressional Presentation

Agency for International Development, FY 1993 Congressional Presentation,
February 3, 1992

Agency for International Development, FY 1993 Congressional Presentation, Statistical
Annex, February 3, 1992

Agency for International Development, FY 1993 Summary Tables

A.I.D. Financial Management Systems

A.I.D. Washington Accounting and Control System (AWACS) - Project Charter, March
24, 1993

A.I.D. Washington Accounting and Control System (AWACS) - Cost/Benefit Lifecycle
Cost Discussion

A Cost/Benefit Analysis for the Proposed AWACS Systems, February, 1992

"Financial Management Status Report and 5-Year Plan for FY 1992-1996," August 28,
1992

A.I.D. Policies

Index of Directives, Document No. 1354, December 11, 1991

Internal Directive No. 1-1, Management Guidelines - Revised IRM Directive System,
April 29, 1991

Internal Directive No. 1-3, Management Guidelines - Emergency Plan for Floors Ten and
Eleven, SA-14, April 29, 1991

Internal Directive No. 1-4, Management Guidelines - Preparation of Policy Statements, September 30, 1991

Internal Directive No. 3-1, Data Administration, July 15, 1991

Internal Directive No. 3-2, Metric Units of Measurements, October 8, 1991

Internal Directive No. 9-1, Procurement Guidelines - Migration to Open Systems, October 1, 1991

Internal Directive No. 14-1, IRM Human Resource Procedures - Personnel Management for IRM, July 19, 1991

Internal Directive No. 15-1, Contract Administration - Contractor Training Concerning IRM Core Contracts, June 11, 1991

Internal Directive No. 15-2, Contract Administration Guidelines - Sign-In and Sign-Out Policy and Procedures for IRM Level of Effort Contract Staff, July 15, 1991

Internal Directive No. 20-1, Applications Development Guide - Service Requests to SDM, May 24, 1991

Internal Directive No. 23-1, Client Support and Liaison - Guidelines for Forming an Information Technology Committee, June 11, 1991

Internal Directive No. 23-2, Client Support and Liaison - Systems Administrators Policy, July 19, 1991

Internal Directive No. 26-1, Government Guidelines and Regulations - Equivalent Access to Federal Information Processing Resources for Handicapped or Disabled Employees, April 29, 1991

MS/IRM Internal Directive 2-1, Information Engineering: Life Cycle Development Methodology, April 3, 1991

Memorandum for the Executive Staff from James H. Michel, "Policies and Guidelines for Nonpersonal Service Contracts in AID/W," March 23, 1993

FA/IRM Internal Budget Documents

OMB Exhibit 43A, "Report on Obligations for information Technology Systems - FY 1993," April 27, 1992; related instructions and draft 1994 Updates

OMB Exhibit 43B, "Major Information Technology Acquisition Plans - FY 1993," related instructions and draft 1994 Updates

Office of Information Resources Management (FA/IRM), Annual Budget Submission, Part I, May 12, 1992

Proposed P-Code Definitions, September 9, 1992

Recent Audit Reports

Audit of A.I.D.'s Practices Reviewing and Reporting on Unliquidated Obligations, Report No. 9-000-92-013, September 30, 1992

Information on A.I.D.'s Implementation of MACS and Automation in West and Central Africa, Information Report No. 7-000-92-1-I, October 16, 1991

APPENDIX B

MEETINGS WITHIN FA/IRM

Summary by Cost Analysis Area

HARDWARE

The AID/W hardware platform consists primarily of an IBM 3083 mainframe, several WANG VS minicomputers, and PC/LAN with UNIX boxes, servers, and client machines. Missions rely primarily on WANG VS minicomputers and PC/LAN.

Mainframe, Peripherals, and Third Party Supporting Software

AID owns an IBM 3083 that is housed in a contractor owned facility in Beltsville, MD. Contractor personnel operate the 3083 in Beltsville. This includes 6 operators, a tape librarian, and 4 system programmers. FA/IRM has 1 direct hire on site in the facility.

AID has an IBM service contract to maintain the 3083. AID is leasing supporting third party software, e.g. Timeplex. AID pays an annual fee to lease and maintain this software.

FA/IRM allocates costs associated with the mainframe computer by office and by function/system based on utilization reports.

AID is in the process of acquiring a new mainframe to replace the aging IBM 3083. Currently, demand for the system is overwhelming, especially in the afternoons, to the point that access can be impossible. The trend for level of demand is likely to continue to increase as the system is confronted with more data, more transactions, and more users. The system workload was analyzed by GSA in a recent study.

AID/W uses several large capacity printers in addition to numerous other line printers. FA/IRM is currently working on the issue of printing locally. AID intends to install BAR workstations with printing capabilities.

Minicomputers

AID owns and operates several aging WANG VS minicomputers located in the Washington, DC metropolitan area and in missions. AID is in the process of migrating off the WANG minicomputers onto the mainframe computer and PC/LAN.

FA/IRM manages and funds the maintenance of the WANG minicomputers in Washington and overseas through a contract with the WANG corporation.

PC/LAN

AID is implementing PC/LAN in the Washington area as well as in the missions. The PC/LAN program in Washington is entitled ETA (Excellence Through Automation). The PC/LAN program involves installing and networking UNIX boxes, servers, and client workstation machines. Wiring for the LAN is an ongoing activity.

AID has a contract to purchase PCs for AID/W and the field. AID has a target of around 2500 workstations on the LAN, with around 1800 installed currently. AID still has a lot of WANG PCs.

System administrators from the various offices are responsible for managing the LAN and applications on the LAN. Their duties generally include troubleshooting, access, passwords, installing PCs, and acquiring and installing software. In addition, FA/IRM provides technical LAN administrators responsible for duties such as assuring system performance.

A large number of local printers have been, and are being, acquired to run on the LAN. FA/IRM purchases the majority of these printers. In addition, FA/IRM holds a contract for the maintenance and repair of the printers.

TELECOMMUNICATIONS

AID currently employs several means of telecommunication (not meant to be mutually exclusive):

DITSPO - the organization that provides secure telecommunications service internationally for agencies such as the State Department and AID. The service uses dedicated 1.5 MBS lines. The disadvantages of DITSPO are that it is not available in all regions and line speed is limited. Although greater performance (bandwidth) can be achieved, it must be paid for. Currently, greater performance has not been purchased.

Commercial Phone Lines - AID also uses commercial phone lines for dial-up service. Generally, missions fund the calls with AID/W. However, in some cases telecommunication costs for dial-up are split between FA/IRM and the missions.

E Mail - The E Mail system serves AID/W and most Missions. E mail is transmitted by phone lines between AID/W and the missions. Data files are often transmitted as attachments. However, confidential information cannot be transmitted on E Mail, it must go through secure network or pouch. In addition, many of the missions are not yet accessing E Mail.

State Department Telegrams - AID sends and receives both classified and unclassified telegrams through the Cable Room.

Diplomatic Pouch - AID pays private couriers for communications sent hard-copy through diplomatic pouch.

SOFTWARE

DBMS

Currently, most applications running on the mainframe computer use IDMS or INQUIRE DBMS. AID is in the process of establishing ORACLE as the standard DBMS. FA/IRM staff performs data base administration for AID/W. Missions with large scale applications provide their own data base administrators.

Application Software Development

Generally, large-scale system development is on hold due to 1) funding constraints, 2) the requirement to run on the ORACLE DBMS, established as the standard, and 3) limiting development to the ISP framework. An example of a project on hold is the Project Accounting Information System (PAIS).

Small scale enhancements to major systems are moving forward under the FA/IRM System Development and Maintenance (SDM) contract for software maintenance (see below). In addition, program offices are developing a lot of local applications to run on the LAN.

FA/IRM acquires and installs much of the off-the-shelf software running on the LAN in AID/W. Program offices pay for some of this software running in their office. Individual program offices also purchase and install some of the software, especially software that is installed on individual workstations.

Application Software Maintenance and Enhancements

FA/IRM SDM maintains and enhances the 66 systems in the AID systems inventory. SDM perform additional tasks as well, for example data base administration, overhead tasks, library control, and cable control. SDM maintenance is managed by direct hires and performed primarily by contractors.

Managers in FA/IRM and other AID offices prepare written requests for maintenance services and submit them to SDM. SDM schedules the work based on a mix of criteria, e.g. first come first serve and prioritization based on what is considered most critical.

Workload projections for maintenance are flat, although the need for development is growing. A backlog does exist for certain types of work, e.g. FACS.

Contractor costs are recorded in the Resource Utilization System (RUS). The contract is currently stabilizing at 54 contractor work years (CWY). Costs for maintenance are

incorporated into the 43A through contractor bills that flow through the FA/IRM Budgeting Division.

While most of the work performed by SDM is financed by the FA/IRM budget, other AID organizations can obtain services through the contract with "buy-ins". Examples of buy-ins that have occurred include (1) Distribution System for Disaster Aid, (2) CIMS, (3) FA/AS permanent storage accounting system.

The only chargebacks associated with SDM activities is associated with work done for OPIC. OPIC is charged by AID annually.

Some of the applications developed and maintained outside of FA/IRM are:

Magellan. Magellan is not so much a system as an umbrella which supports pulling together various applications in program offices. It is also currently being implemented in the missions. Some of the databases included in Magellan are accessible agency-wide. Magellan is serving to achieve three critical purposes - (1) sharing data across AID organizations, (2) promoting common definitions for data items, and (3) ensuring discipline of data quality.

Semi-annual Report. Each AID mission is required to prepare Semi-annual Report data. Traditionally, missions have sent data that is inconsistent in format and content. Program offices are coordinating to develop a system that will promote consistency in the data submissions from the missions.

Time-series Information. CDIE is working with programs to store and make accessible to programs large quantities of program information, e.g. demographic information, obtained from external sources such as the UN, Commerce, and the IMF, on the mainframe.

Project Information. CDIE is working with programs to store project information on CD ROM that would be accessible to programs.

SECURITY

Currently, FA/IRM has a security staff of 6 - 3 DHs and 3 contractors. They are involved in developing security policy and guidelines, strengthening password protection and policy for issuing system access IDs, and defining the allowable number of log on attempts.

OTHER FIP ACTIVITIES

IM/IT Planning

FA/IRM is the focal point for IRM planning in AID. The two major planning processes are (1) the ISP, and (2) the IRM Strategic Plan, updated annually. In addition, the FA/IRM Client Liaison and Support Division assists missions with planning.

The ISP is designed to promote involvement of IRM and non-IRM managers from throughout AID. An individual has been assigned responsibility for each major initiative of the ISP. Many of these individuals are functional managers from outside of FA/IRM,

IRM planning takes place in a more informal manner in the program offices. While the organizations vary by program office, the FA/IRM Client Liaison and Support Division typically works with Executive Management Services (EMS), the organization generally responsible for administration in the Bureaus. The EMS is responsible for planning and technical FIP issues.

Generally, the Executive Officers (EO) in the missions are responsible for IRM and administrative functions. The Bureaus work with the FA/IRM Client Liaison and Support Division to define requirements and develop long-range FIP plans, i.e. Assessment Reports. The Assessment Reports are used by missions to steer their FIP program and acquisitions.

IM/IT Resource Acquisition

FA/IRM manages several Agency-wide contracts to acquire FIP products and services. While FA/IRM is the primary consumer of many of these products and services, other AID offices can participate through buy-in as mentioned above.

The missions primarily acquire their own FIP resources. A notable exception is maintenance of the WANG minicomputers. The associated contract with WANG is managed and paid for by FA/IRM.

IRM Review Program

FA/IRM conducts several IRM reviews each year. The review reports are shared with management and GSA. Each review generally addresses a specific FIP function such as PC training. In addition, FA/IRM conducts Mission Assessments addressing all IRM activities in a mission.

PROGRAM FUNDED FIP ACTIVITIES

FA/IRM provides project support for IRM activities, FIP and non-FIP, for program funded projects. The supporting staff of FA/IRM contractors and administrative support is funded by program monies. Examples of program funds spent on FIP are:

- Africa Bureau develops and maintains applications processing information associated with such things as housing data and participant training (PTIS system).
- Services provided by the Census Bureau through inter-agency agreements
- FHA
- Food for Peace program in FVA
- Some missions, e.g. Egypt and Morocco use program funds for FIP projects. For example, one mission developed a system to manage portfolios. Another mission is developing a FIP corporate system.

APPENDIX C

AID Preliminary Cost/Benefit Analysis of the ISP

Objective of Cost/Benefit Analysis Interviews

Objective of Cost/Benefit Analysis Interviews

The interviews are intended to help the contractor get a handle on the totality of information management/information technology (IM/IT) spending in the Agency. Historically, there has been no mechanism in place to collect this information.

The definition of IM/IT has several dimensions. First of all, it is intended to cover all spending on IM/IT -- hardware, software, telecommunications, and services of both contractors and employees. It includes both OE and program funding. However, it excludes spending on projects that will be turned over to a host country. Thus, if a Mission builds an automated system to help it keep track of a health project, that is counted as IM/IT spending. If the same Mission builds a system as part of a health project, and turns the system over to the health ministry, that is not counted. Finally, the Steering Group has recommended that the definition of services be interpreted narrowly. Thus, if an office has a contract in place to track and manage sectoral data on, say, health or population, only that part of the contract covering actual programming, systems maintenance, or data entry should be counted; not the analytical staff who use the data. Similarly, if the Budget Office has four budget analysts who each spend a quarter of their time keying in data from cables, these will not be counted; whereas, if they employed a single data entry clerk to do this work full time, that person would be counted.

The objectives are to first understand the full magnitude of IM/IT spending, and then to assist in identifying overlaps, duplications or inefficiencies, and finally, to assist in defining the likely impact of the ISP on this spending over the long term. There is no intent on FA/IRM's part to take control of all Agency IM/IT spending, but simply to define and rationalize it, working through an intra-Agency steering group.

From: Linda Lion@IRM.OD@AIDW
 Subject: ISP Cost-Benefit Analysis
 Date: Thursday, April 22, 1993 11:43:40 EDT
 Attach:
 Certify: N
 Forwarded by:

 SUMMARY: I need your help to identify someone(s) in your office or bureau (and pave the way for us to meet with them) whom we could interview for approx. one hour sometime next week (week of April 26) as part of the Preliminary Cost-Benefit Analysis under the Agency's Information Systems Plan (ISP). Please advise via Email the name of the appropriate person(s) so we can schedule a meeting. It would be great but not essential if you could attend the meeting/interview as well. See addtl info below which hopefully will help you to determine whom in your office/bureau would be appropriate to be interviewed.

BACKGROUND: As you know or may have heard, we have begun to implement the Agency's Information Systems Plan (ISP), the first step in a multi-year effort to upgrade all information systems in A.I.D. using the information engineering methodology. One of the activities we are undertaking as part of launching the ISP is a preliminary cost-benefit analysis. We have hired a contractor to perform the study which has 4 overall objectives:

- 1) Define the full life cycle costs of the ISP systems, including validating the estimates of systems development costs;
- 2) Identify and quantify all current IM/IT expenditures in the Agency and project these costs for the period defined in objective No. 1 above;
- 3) Analyze and project the impact on Agency IM/IT expenditures of implementing the ISP over the five-year implementation period and beyond; and,
- 4) Define and analyze both the quantitative and qualitative benefits likely to accrue to the Agency, including projected cost savings once the ISP is fully implemented.

The analysis is required to determine whether implementation of the ISP will yield sufficiently significant benefits and savings to the Agency to warrant the Agency making the investment. The study involves interviews, reviews of documents, collection of data, financial analysis, and the preparation of reports on specific deliverables. The results will constitute a "baseline" CBA which we will continuously update/revise as we implement the ISP.

ACTION REQUESTED: WE NEED YOUR HELP TO IDENTIFY AND LINE UP APPROPRIATE PERSON(S) IN YOUR OFFICE OR BUREAU WHOM WE CAN INTERVIEW TO OBTAIN THE DATA AND INFORMATION REQUIRED FOR THE STUDY.

The interviews are intended to help the contractor get a handle on the totality of information management/information technology

IM/IT) spending in the Agency. Historically, there has been no mechanism in place to collect this information. This is the first ever attempt to build an Agency "IRM" (in the generic sense) budget.

The definition of IM/IT has several dimensions. First of all, it is intended to cover all spending on IM/IT -- hardware, software, telecommunications, and services of both contractors and employees. It includes both OE and program funding. However, it excludes spending on projects that will be turned over to a host country. Thus, if a Mission builds an automated system to help it keep track of a sector project, that is counted as IM/IT spending. If the same Mission hires a contractor under a project to help build an information system for a public or private sector host country institution, that is not counted as an Agency IM/IT expenditure. Finally, the Agency Steering Group, which is helping us implement this study, has recommended that the definition of IM/IT services be interpreted narrowly. Thus, if an AID/W Bureau/Office has a contract in place to track and manage sectoral data on, say, health or population, only that part of the contract covering actual programming, systems maintenance, or data entry should be counted, not the analytical staff who use the data. Similarly, if the Budget Office has four budget analysts who each spend a quarter of their time keying in data from cables, these will not be counted, whereas, if they employed a single data entry clerk to do this work full time, that person would be counted.

The objectives are to first understand the full magnitude of IM/IT spending, and then to assist in identifying overlaps, duplications or inefficiencies, and finally, to assist in defining the likely impact of the ISP on this spending over the long term. There is no intent on FA/IRM's part to take control of all Agency IM/IT spending, but simply to define and rationalize it, working through an intra-Agency steering group.

I look forward to hearing from you. Many thanks in advance and best regards.

APPENDIX D

AID Preliminary Cost/Benefit Analysis of the ISP

Interviews Conducted for Analysis of the Current IM/IT Program Expenditures

DATE	NAME	ORGANIZATION
Office of the Administrator		
April 15, 1993	Bob Mein, Stuart Nichols	Inspector General
April 15, 1993	Phil Henegan	Inspector General
Directorate for Finance and Administration		
April 8, 1993	Marcus Rarick	Budget
April 13, 1993	Ken Milow	Budget
April 16, 1993	Joe Keady, Keith Tayloe	Financial Management
May 11, 1993	Cathy Smith	Administrative Services
May 13, 1993	Jerry Sajewski, et al	Information Res. Mgmt.
Directorate for Policy		
April 15, 1993	John Eriksson, Gerald Britan, Maury Brown	Center for Development Information and Evaluation
Directorate for Operations		
April 15, 1993	Larry Tanner, Jeanne Markunas	Bureau for Food and Humanitarian Assistance
April 21, 1993	Ron Grosz, Alan Kreger, Kathy Kosar, Brian Kennedy, Randy Hoffman	Bureau for Research and Development (OIT, Pop, UC)
April 22, 1993	Ron Grosz, Betty Roche, Kathy Thompson, Johnnie Holt	Bureau for Research and Development (N, PO)
April 13, 1993	Pete McLain, Bob Meehan	Bureau for Latin America and the Caribbean
April 29, 1993	Leslie Daugherty, Debra Hymes	Bureau for Near East
May 12, 1993	Dennis Lauer	Bureau for Africa
May 14, 1993	Peter Davis, Theresa Ware, Myra Proctor	Bureau for Asia
May 18, 1993	Deborah Diaz	Bureau for Private Enterprise (CTIS)

APPENDIX E

AID ISP Preliminary Cost Benefit Analysis

Interview Questionnaire

Planning, Budgeting, and Spending for FIP Resources and Activities

Describe the process of budgeting for FIP resources and activities involving the 43A and 43B schedules.

Identify significant spending on FIP from OE that is not reported in the 43As.

Describe ways in which program funds are spent on FIP.

Describe how FIP spending is recorded and accounted for.

Describe how procurement for FIP resources is conducted.

Describe how the planning, budgeting, and accounting for FIP could be improved.

FIP Cost Estimates

Provide descriptions and fund amounts/estimates for

- Existing zero-based FIP costs, i.e., those costs necessary to continue operations, with no development or major enhancements, categorized by direct-hire FTEs, contractor work years and dollars, and other outlays for equipment, user charges, etc,
- Estimated changes to the zero-based FIP costs based on expected changes to levels of use and demand over time,
- Ongoing and currently planned FIP development projects (other than the ISP), with actual and projected costs categorized by direct-hire FTEs, contractor work years and dollars, and other outlays for equipment, user charges, etc,
- Impact of the ISP on the existing zero-based FIP costs, and
- Impact of the ISP on the ongoing and currently planned FIP development projects.

Provide these descriptions and fund amounts/estimates for each for the eight business areas:

- Core Accounting
- Procurement
- Annual Budgeting
- Operations Management
- Property Management
- Workforce Management
- Guidance
- Communications

Categorize the discussion of costs as follows:

- Hardware, e.g. mainframe, minis, PCs, peripherals - purchase, installation, maintenance and repair, operations, and replacement.
- Application Software - purchase, development, installation, conversion and implementation, maintenance, and operations
- Non-Application Software, e.g. DBMS - purchase, development, installation, conversion and implementation, maintenance, and operations
- Telecommunications - purchase, installation, hook-up, usage, maintenance, and operations
- Data and Database Administration - maintaining tables, files, publications, and the information contents of these items.
- FIP Security - purchase and development, implementation, maintenance, and operations
- Overhead - space, property, and supplies associated with FIP
- Training associated with FIP
- Travel associated with FIP

In particular, address:

- Center for Development, Information, and Evaluation (CDIE)

- Food for Peace FIP activities
- FVA FIP
- PTIS (International Training) FIP

ISP Development Costs

Identify and discuss concerns with existing ISP development cost estimates and the support and assumptions used to derive the cost estimates.

Identify and discuss factors, variables, and contingencies that could cause the ISP development costs to vary.

Other Benefits and Cost Savings of the ISP

Identify, describe, and estimate dollar amounts associated with opportunities for benefits and costs savings resulting from implementing the ISP, for example, for activities to:

- Automate tasks currently performed manually.
- Eliminate redundant data entry.
- Streamline data entry with on-line, interactive entry and editing, improved error correction features, common user interface (CUI), and greater access to PCs/terminals.
- Eliminate or reduce the need to reconcile data across applications and systems.
- Provide for improved reporting through ad-hoc reporting and more standard reports.
- Provide greater access to various systems and data through open systems, greater networking and telecommunications, and corporate systems and databases.
- Reduce time spent searching and researching for information by standardizing and defining data.

- Improved management decision making resulting from better and more timely information and from improved project management and correspondence tracking capabilities.

AID ISP Preliminary Cost Benefit Analysis

Interview - Joe Keady, FA/FM

Is FM responsible for the FMFIA reporting process?

In past years the FMFIA identified weaknesses regarding the accounting system which the AWACS effort is addressing. Have any of these reports identified weaknesses in the IRM function or other IRM systems? Could we obtain a copy of the report?

We have seen different lists of existing systems which would be eliminated or folded into AWACS (in the ISP, the A-127 5-year systems plan, and other related papers. It is understandable that the list may change as decisions are made. Is there a current list? What adjustments need to be made to the C/B analysis data to account for this?

What is the relationship of integration of the procurement management systems with the financial management system, i.e., is that effort considered a part of AWACS or is it separate? How was it treated in the cost/benefit analysis?

From our quick reading of the AWACS C/B analysis we get the impression that all the baseline cost figures were provided to you by IRM. Is that a correct impression? Are there no costs incurred in FA/FM that should be considered IRM costs?

Do you feel that the baseline costs used in that analysis are still valid?

Do you have any role in the 43-A reporting process?

When did the AWACS project start? Were there costs in FY 1992 or earlier?

Is the Agency's last 43-B report accurate regarding the projected AWACS costs? What activities will occur at those dollar levels?

What is the relationship of the AWACS effort to the ISP?

We would like to hear your views on:

The fact that the AWACS project is being considered a part of the ISP.

The question of whether or not the AWACS costs and benefits should be included in the ISP C/B analysis.

The meaning and significance of such statements as the ISP Core Accounting BAA may necessitate modifications in the AWACS design.

APPENDIX F

STEERING COMMITTEE DECISIONS

At the April 28, 1993 meeting of the Steering Committee meeting two issues for discussion/decision were put before the Committee, as follows:

- **ISP Business Areas**

Discussion of comments made during interviews regarding agency managers' views of the eight business areas.

- **Inclusion or Exclusion of AWACS Data**

Discussion of the relationship of AWACS to the ISP and its role in the cost/benefit analysis.

The following summarizes the discussion results:

ISP Business Areas

The discussion began with the preliminary cost/benefit analysis contractor's report that several managers had commented during interviews that the eight business areas identified in the ISP are really not the business areas, but the seven administrative areas and the mission of the agency in one business area.

Committee members, including FA/IRM leadership present, pointed out that:

- The graphics in the ISP made it appear as though all business areas are equal
- The Operations business area should really be three areas
- An event is scheduled for June, 1993 to discuss redefinition of the Operations business area with the program people
- A new staff paper, presumably written in or for the Administrator's office, regarding the future of the agency, includes a similar, but expanded business area list

The contractor's basic question was in regard to what level of detail should be used in the cost/benefit analysis--the eight business areas or some other array. The discussion produced the following direction:

- The preliminary analysis should be without regard to business area, but rather an agency-wide estimate of the entire ISP cost and benefit.
- Following completion of the business area analyses, the cost/benefit analysis should be refined to address business areas. The BAA's will produce the alternatives in each business area upon which to make the cost/benefit comparisons.

AWACS Data

A series of issues had been raised within FA/IRM at the outset of the task regarding how to handle projects that are related to the ISP, but are separate initiatives and how to deal with sunk costs. The following information was made available to the committee in a discussion paper:

INCLUSION/EXCLUSION OF AWACS DATA IN ISP C/B ANALYSIS

Two initiatives, AWACS and the ETA program, were underway prior to completion of the ISP. Because they were developed separately from the ISP they have not been considered to be integral parts of the ISP. However, because both are IM/IT activities their costs were identified as "related" costs to the ISP, i.e., shown as add-ons to the ISP estimated development costs of \$46 million to reach an overall total of \$72 million. This relationship gives rise to a question of whether the projected costs and benefits of the two initiatives should or not should not be included in the ISP C/B analysis.

Using AWACS as the example, there are perhaps three perspectives from which to view and analyze the question:

- Business Area Analysis perspective - the relationship of AWACS to the Core Accounting business area
- Accounting or economics perspective - which costs are sunk costs and what are the guidelines on addressing sunk costs
- Political perspective - the image the agency hopes to establish regarding an agency-wide IM/IT program

It was pointed out that there is a third initiative, the PC/LAN conversion at missions.

The discussion resulted in the following decisions:

- The costs of ETA and PC/LAN that have already been spent are in fact sunk costs, i.e., costs that have already been incurred and will not be impacted by any future decisions. Sunk costs are properly excluded from cost/benefit analyses. These activities will happen regardless of any turn in events or modification of the ISP.
- AWACS costs already expended are not sunk costs as AWACS is part of the Core Accounting Business Area and could be impacted by future decisions. Also there are costs yet to be incurred. It was decided that AWACS could not be excluded, but because of the nature of it, its funding status and implementation schedule it should be recorded as a separate item.

EXHIBIT 1

April 27, 1992
(revised)

A-11-43A

Report on Obligations for Information Technology Systems

Agency for International Development

Obligations for Information Technology Systems

	1991	1992	1993
1. <u>Capital Investments (\$000)</u>			
A. Purchase of hardware	11,820.9	5,517.6	7,989.6
B. Purchase of software	1,988.3	1,652.4	1,695.0
C. Site	<u>418.6</u>	<u>452.6</u>	<u>436.2</u>
Subtotal	14,227.8	7,622.6	10,120.8
2. <u>Personnel</u>			
A. Compensation, benefits, and travel (\$000)	6,404.9	7,013.8	7,432.8
B. Workyears	<u>(150.4)</u>	<u>(157.5)</u>	<u>(160.5)</u>
Subtotal	6,404.9	7,013.8	7,432.8
3. <u>Equipment rental, space and other operating costs(\$000)</u>			
A. Lease of hardware	5.4	8.0	8.0
B. Lease of software	100.6	102.5	107.5
C. Space	1,811.3	1,619.6	1,727.8
D. Supplies and other	<u>1,342.0</u>	<u>1,611.2</u>	<u>1,872.8</u>
Subtotal	3,259.3	3,341.3	3,716.1
4. <u>Commercial Services (\$000)</u>			
A. ADPE Time	158.2	177.7	193.5
B. Voice communications	1,301.5	1,431.9	1,536.3
C. Data communications	150.8	215.9	267.2
D. Operations and maintenance	8,743.4	8,529.1	10,032.5
E. Systems analysis, programng, design and engineering	6,054.8	5,201.5	5,795.6
F. Studies and other	855.3	732.8	781.5
G. Significant use of informatn technology	<u>2.7</u>	<u>25.0</u>	<u>25.0</u>
Subtotal	17,266.7	16,313.9	18,631.6

A-11-43A

Report on Obligations for Information Technology Systems

Agency for International Development

Obligations for Information Technology Systems

5. Interagency services (\$000)

A. Payments	5,619.6	6,715.7	7,022.0
B. Offsetting collections	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Subtotal	5,619.6	6,715.7	7,022.0

6. Intra-agency services (\$000)

A. Payments	0.0	0.0	0.0
B. Offsetting collections	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Subtotal	0.0	0.0	0.0

7. Other Services (\$000)

A. Payments	0.0	0.0	0.0
B. Offsetting collections	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Subtotal	0.0	0.0	0.0

Totals

Total Obligations	46,778.3	41,007.3	46,923.3
Workyears	(150.4)	(157.5)	(160.5)

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ID WASHINGTON COMBINED

	1991	1992	1993
Capital Investments (\$000)			
• Purchase of hardware	5,760.7	1,216.7	3,548.7
• Purchase of software	849.3	697.5	700.0
• Site or Facility	281.0	353.9	359.9
Subtotal	6,891.0	2,268.1	4,608.6

Personnel			
• Compensation, benefits, and travel (\$000)	4,862.0	5,081.8	5,289.0
• Workyears	85.9	88.5	88.5
Subtotal	4,862.0	5,081.8	5,289.0

Equipment rental, space and other operating costs(\$000)			
• Lease of hardware	0.0	0.0	0.0
• Lease of software	98.4	100.0	105.0
• Space	1,616.8	1,378.8	1,461.5
• Supplies and other	405.0	503.7	620.1
Subtotal	2,120.2	1,982.5	2,196.6

Commercial Services (\$000)			
• ADPE Time	153.4	172.5	187.5
• Voice Communications	372.5	393.8	433.2
• Data Communications	66.5	44.0	46.2
• Operations & maint.	5,869.4	6,549.3	6,929.7
• Sys.analysis/program'g/design/engineering	6,048.8	5,197.5	5,769.6
• Studies and other	753.7	651.7	700.4
• Significant use of Tech.	0.0	0.0	0.0
Subtotal	13,264.3	13,008.8	14,066.6

Interagency Services			
• Payments	5,617.6	6,713.7	7,020.0
• Offsetting Collections	0.0	0.0	0.0
Subtotal	5617.6	6713.7	7020.0

Total Obligations	32,755.1	29,054.9	33,170.8
Workyears	85.9	88.5	88.5

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gations for Information Technology Systems
MISSIONS + WANG OVERSEAS MAINTENANCE

	1991	1992	1993
Capital Investments (\$000)			
• Purchase of hardware	6,060.2	4,300.9	4,440.9
• Purchase of software	1,139.0	954.9	995.0
• Site or Facility	137.6	98.7	76.3
Subtotal	7,336.8	5,354.5	5,512.2

Personnel			
• Compensation, benefits, and travel (\$000)	1,575.5	1,948.0	2,159.8
• Workyears	64.5	69.0	72.0
Subtotal	1,575.5	1,948.0	2,159.8

Equipment rental, space and other operating costs(\$000)			
• Lease of hardware	5.4	8.0	8.0
• Lease of software	2.2	2.5	2.5
• Space	194.5	240.8	266.3
• Supplies and other	937.0	1,107.5	1,252.7
Subtotal	1,139.1	1,358.8	1,529.5

Commercial Services (\$000)			
• ADPE Time	4.8	5.2	6.0
• Voice Communications	929.0	1,038.1	1,103.1
• Data Communications	84.3	171.9	221.0
• Operations & maint.	2,874.0	1,979.8	3,102.8
• Sys.analysis/prograa'g/design/engineering	6.0	4.0	26.0
• Studies and other	69.0	65.1	65.1
• Significant use of Tech.	2.7	25.0	25.0
Subtotal	3,969.8	3,289.1	4,549.0

Interagency Services			
A. Payments	2.0	2.0	2.0
B. Offsetting Collections	0.0	0.0	0.0
Subtotal	2.0	2.0	2.0

Total Obligations	14,023.2	11,952.4	13,752.5
Workyears	64.5	69.0	72.0

AGENCY FOR INTERNATIONAL DEVELOPMENT
 Major Information Technology Acquisition Plans
 (in thousands of dollars)

rev. 2/24/92

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	
Item:	Acquisition of LANs and Workstations						()
Obligations:	-	2000	6477	-	-	-	
Description:	Acquisition of PCs, LANs and related software and hardware to provide desktop automation and communications to A.I.D./Washington staff, under the Agency's "Excellence Through Automation" program.						
Item:	A.I.D./Washington Accounting and Control System (AWACS)						(✓)
Obligations:	3200	3200	1700	700	680	320	
Description:	Design and implementation of a single, integrated financial system which meets the objectives of OMB Circular A-127 and JFMIP Core requirements, and reduces overall financial system maintenance costs while providing timely, accurate data to support management decision-making.						

EXHIBIT 2

Report on Obligations for Information Technology Systems

Agency for International Development

22-APR-93

Obligations for Information Technology Systems

OMB Circular A-11, Schedule 43-A

	1992	1993	1994
1. Capital Investments (\$000)			
A. Purchase of hardware	10,297.8	11,748.0	6,604.9
B. Purchase of software	2,129.2	2,735.6	1,247.7
C. Site or Facility	504.3	538.8	509.2
Subtotal	12,931.3	15,022.4	8,361.8
2. Personnel			
A. Compensation, benefits, and travel (\$000)	8,498.4	9,276.7	8,112.2
B. Workyears	(227.5)	(236.2)	(216.3)
Subtotal	8,498.4	9,276.7	8,112.2
3. Equipment rental, space and other operating costs(\$000)			
A. Lease of hardware	10.6	10.8	9.0
B. Lease of software	141.0	92.9	92.8
C. Space	1,667.0	1,749.5	1,743.0
D. Supplies and other	1,674.2	1,874.0	1,694.4
Subtotal	3,492.8	3,727.0	3,539.2
4. Commercial Services (\$000)			
A. ADPE Time	245.7	260.4	254.3
B. Voice Communications	2,063.9	2,106.7	1,710.9
C. Data Communications	177.5	155.5	135.1
D. Operations & maint.	9,747.9	9,319.5	9,266.1
E. Sys. analysis/program'g/ design/engineering	7,917.0	7,812.2	7,853.4
F. Studies and other	777.7	1,381.3	1,020.4
G. Significant use of Tech.	5.0	5.0	4.3
Subtotal	20,934.7	21,040.6	20,244.5
5. Interagency Services			
A. Payments	5,490.7	6,538.2	5,915.1
B. Offsetting Collections	0.0	0.0	0.0
Subtotal	5,490.7	6,538.2	5,915.1
Total Obligations	51,347.9	55,604.9	47,172.8
Workyears	(227.5)	(236.2)	(216.3)

Report on Obligations for Information Technology Systems

Agency for International Development

22-APR-93

Obligations for Information Technology Systems
ALL AID WASHINGTON COMBINED

	1992	1993	1994
1. Capital Investments (\$000)			
A. Purchase of hardware	3,171.0	4,621.2	547.1
B. Purchase of software	788.1	1,394.5	107.8
C. Site or Facility	254.2	288.7	296.6
Subtotal	4,213.3	6,304.4	951.5
2. Personnel			
A. Compensation, benefits, and travel (\$000)	5,571.9	6,350.2	6,624.7
B. Workyears	86.0	95.6	96.8
Subtotal	5,571.9	6,350.2	6,624.7
3. Equipment rental, space and other operating costs(\$000)			
A. Lease of hardware	0.0	0.0	0.0
B. Lease of software	140.4	92.3	92.3
C. Space	1,373.7	1,456.2	1,493.7
D. Supplies and other	273.3	473.1	503.6
Subtotal	1,787.4	2,021.6	2,089.6
4. Commercial Services (\$000)			
A. ADPE Time	164.9	179.6	185.6
B. Voice Communications	529.4	572.2	406.6
C. Data Communications	41.8	19.8	19.8
D. Operations & maint.	7,691.2	7,262.8	7,517.9
E. Sys.analysis/program'g/ design/engineering	7,879.5	7,774.7	7,821.5
F. Studies and other	691.9	1,295.5	947.5
G. Significant use of Tech.	0.0	0.0	0.0
Subtotal	16,998.7	17,104.6	18,898.9
5. Interagency Services			
A. Payments	5,488.7	6,536.2	5,913.4
B. Offsetting Collections	0.0	0.0	0.0
Subtotal	5,488.7	6,536.2	5,913.4
Total Obligations	34,060.0	38,317.0	32,478.1
Workyears	86.9	95.6	96.8

Report on Obligations for Information Technology Systems

Agency for International Development

22-Apr-93

Obligations for Information Technology Systems

OVERSEAS MISSIONS & R.I.G.S

	1992	1993	1994
1. Capital Investments (\$000)			
A. Purchase of hardware	7,126.8	7,126.8	6,057.8
B. Purchase of software	1,341.1	1,341.1	1,139.9
C. Site or Facility	250.1	250.1	212.6
Subtotal	8,718.0	8,718.0	7,410.3
2. Personnel			
A. Compensation, benefits, and travel (\$000)	2,926.5	2,926.5	2,487.5
B. Workyears	140.6	140.6	119.5
Subtotal	2,926.5	2,926.5	2,487.5
3. Equipment rental, space and other operating costs(\$000)			
A. Lease of hardware	10.6	10.6	9.0
B. Lease of software	0.6	0.6	0.5
C. Space	293.3	293.3	249.3
D. Supplies and other	1,400.9	1,400.9	1,190.8
Subtotal	1,705.4	1,705.4	1,449.6
4. Commercial Services (\$000)			
A. ADPE Time	80.8	80.8	68.7
B. Voice Communications	1,534.5	1,534.5	1,304.3
C. Data Communications	135.7	135.7	115.3
D. Operations & maint.	2,056.7	2,056.7	1,748.2
E. Sys.analysis/program'g/ design/engineering	37.5	37.5	31.9
F. Studies and other	85.8	85.8	72.9
G. Significant use of Tech.	5.0	5.0	4.3
Subtotal	3,936.0	3,936.0	3,345.6
5. Interagency Services			
A. Payments	2.0	2.0	1.7
B. Offsetting Collections	0.0	0.0	0.0
Subtotal	2.0	2.0	1.7
Total Obligations	17,287.9	17,287.9	14,694.7
Workyears	140.6	140.6	119.5

Report on Obligations for Major Information Technology Systems

Agency for International Development

FINANCIAL SYSTEMS

(in thousands of dollars)

	<u>1992</u>	<u>1993</u>	<u>1994</u>		
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <u>CHECK ONLY ONE:</u> <input type="checkbox"/> Non-financial <input checked="" type="checkbox"/> Financial <input type="checkbox"/> Mixed (<input type="checkbox"/> % Financial) </td> <td style="width: 50%; vertical-align: top;"> <u>CHECK ONLY ONE:</u> <input type="checkbox"/> New System <input type="checkbox"/> Replacement System <input checked="" type="checkbox"/> Existing System (<input type="checkbox"/> % Upgrade(c)) </td> </tr> </table>			<u>CHECK ONLY ONE:</u> <input type="checkbox"/> Non-financial <input checked="" type="checkbox"/> Financial <input type="checkbox"/> Mixed (<input type="checkbox"/> % Financial)	<u>CHECK ONLY ONE:</u> <input type="checkbox"/> New System <input type="checkbox"/> Replacement System <input checked="" type="checkbox"/> Existing System (<input type="checkbox"/> % Upgrade(c))
<u>CHECK ONLY ONE:</u> <input type="checkbox"/> Non-financial <input checked="" type="checkbox"/> Financial <input type="checkbox"/> Mixed (<input type="checkbox"/> % Financial)	<u>CHECK ONLY ONE:</u> <input type="checkbox"/> New System <input type="checkbox"/> Replacement System <input checked="" type="checkbox"/> Existing System (<input type="checkbox"/> % Upgrade(c))				
<u>1. Capital Investments</u>					
A. Purchase of hardware	0.0	90.8	0.0		
B. Purchase of software	0.0	45.4	0.0		
C. Site or Facility	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>		
Subtotal	0.0	136.2	0.0		
<u>2. Personnel</u>					
A. Compensation, benefits, and travel	19.7	20.7	21.7		
B. Workyears (0)	<u>0.3</u>	<u>0.3</u>	<u>0.4</u>		
Subtotal	19.7	20.7	21.7		
<u>3. Equipment rental, space and other operating costs</u>					
A. Lease of hardware	29.8	30.7	32.0		
B. Lease of software	18.3	19.6	20.9		
C. Space	16.0	16.0	16.0		
D. Supplies and other	<u>1.0</u>	<u>1.1</u>	<u>1.2</u>		
Subtotal	65.1	67.4	70.1		
<u>4. Commercial Services</u>					
A. ADPE Time	0.0	0.0	0.0		
B. Voice Communications	0.0	0.0	0.0		
C. Data Communications	0.0	0.0	0.0		
D. Operations & maint.	89.7	94.2	99.0		
E. Sys.analysis/program'g/ design/engineering	702.5	752.7	790.5		
F. Studies and other	0.0	0.0	0.0		
3. Significant use of Tech. Subtotal	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>		
	792.2	846.9	889.5		
<u>Interagency Services</u>					
1. Payments	0.0	0.0	0.0		
3. Offsetting Collections	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>		
Subtotal	0.0	0.0	0.0		
<u>TOTALS</u>					
Total Obligations	877.0	1,071.2	981.3		
Total budget authority (net)	0.0	0.0	0.0		
Total outlays (net)	0.0	0.0	0.0		

Report on Obligations for Major Information Technology Systems

Agency for International Development

FINANCIAL ACCOUNTING & CONTROL SYS.

HIGH RISK SYSTEM

(in thousands of dollars)

<u>CHECK ONLY ONE:</u>	<u>CHECK ONLY ONE:</u>
<input type="checkbox"/> Non-financial	<input type="checkbox"/> New System
<input checked="" type="checkbox"/> Financial	<input type="checkbox"/> Replacement System
<input type="checkbox"/> Mixed (<input type="checkbox"/> % Financial)	<input checked="" type="checkbox"/> Existing System (<input type="checkbox"/> % Upgrade(s))

	<u>1992</u>	<u>1993</u>	<u>1994</u>
<u>Capital Investments</u>			
A. Purchase of hardware	0.0	620.7	0.0
B. Purchase of software	0.0	310.4	0.0
C. Site or Facility	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Subtotal	0.0	931.1	0.0
<u>Personnel</u>			
A. Compensation, benefits, and travel	33.7	35.4	37.2
B. Workyears (0)	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>
Subtotal	33.7	35.4	37.2
<u>Equipment rental, space and other operating costs</u>			
A. Lease of hardware	121.2	127.0	133.7
B. Lease of software	100.1	106.8	114.6
C. Space	<u>87.3</u>	<u>87.3</u>	<u>87.3</u>
D. Supplies and other	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Subtotal	308.6	321.1	335.6
<u>Commercial Services</u>			
1. ADPE Time	0.0	0.0	0.0
3. Voice Communications	0.0	0.0	0.0
2. Data Communications	0.0	0.0	0.0
0. Operations & maint.	316.6	332.3	348.9
2. Sys. analysis/program'g/design/engineering	1,264.2	1,430.9	1,502.5
1. Studies and other	0.0	0.0	0.0
1. Significant use of Tech.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Subtotal	1,580.8	1,763.2	1,851.4
<u>Interagency Services</u>			
0. Payments	0.0	0.0	0.0
0. Offsetting Collections	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Subtotal	0.0	0.0	0.0
<u>TOTALS</u>			
Total Obligations	1,623.1	3,050.8	2,224.1
Total budget authority (net)	0.0	0.0	0.0
Total outlays (net)	0.0	0.0	0.0

Report on Obligations for Major Information Technology Systems

Agency for International Development

MIXED SYSTEMS

(in thousands of dollars)

<u>CHECK ONLY ONE:</u>	<u>CHECK ONLY ONE:</u>
<input type="checkbox"/> Non-financial	<input type="checkbox"/> New System
<input type="checkbox"/> Financial	<input type="checkbox"/> Replacement System
<input checked="" type="checkbox"/> Mixed (<u> </u> % Financial)	<input checked="" type="checkbox"/> Existing System (<u> </u> % Upgrade(s))

	<u>1992</u>	<u>1993</u>	<u>1994</u>
<u>1. Capital Investments</u>			
A. Purchase of hardware	0.0	140.5	0.0
B. Purchase of software	0.0	70.3	0.0
C. Site or Facility	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Subtotal	0.0	210.8	0.0
<u>2. Personnel</u>			
A. Compensation, benefits, and travel	31.5	33.1	34.7
E. Workyears (0)	<u>0.6</u>	<u>0.7</u>	<u>0.7</u>
Subtotal	31.5	33.1	34.7
<u>3. Equipment rental, space and other operating costs</u>			
A. Lease of hardware	74.1	75.5	77.0
B. Lease of software	24.2	25.7	27.7
C. Space	21.1	21.1	21.1
D. Supplies and other	<u>1.5</u>	<u>1.6</u>	<u>1.7</u>
Subtotal	120.9	123.9	127.5
<u>4. Commercial Services</u>			
A. ADPE Time	0.0	0.0	0.0
B. Voice Communications	0.0	0.0	0.0
C. Data Communications	0.0	0.0	0.0
D. Operations & maint.	173.7	182.4	191.6
E. Sys. analysis/program'g/ design/engineering	665.6	720.3	754.4
F. Studies and other	0.0	0.0	0.0
G. Significant use of Tech.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Subtotal	639.3	902.7	946.0
<u>5. Interagency Services</u>			
A. Payments	0.0	0.0	0.0
B. Offsetting Collections	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Subtotal	0.0	0.0	0.0
<u>TOTALS</u>			
A. Total Obligations	991.7	1,270.5	1,108.2
B. Total budget authority (net)	0.0	0.0	0.0
C. Total outlays (net)	0.0	0.0	0.0

AGENCY FOR INTERNATIONAL DEVELOPMENT
Major Information Technology Acquisition Plans
 (in thousands of dollars)

	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>
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Title:	Implementation of LANs and Workstations	()
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Obligations:	10200	7900
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Description:	Acquisition of PCs, LANs and related software and hardware and upgrades to provide and allow full utilization of desktop automation and communications Agency-wide.
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Item:	A.I.D./Washington Accounting and Control System (AWACS)	()
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Obligations:	3496	2500	700	700	300
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Description:	Design and implementation of a single, integrated financial system which meets the objectives of OMB Circular A-127 and JFMIP Core requirements, and reduces overall financial system maintenance costs while providing timely, accurate data to support management decision-making.
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AGENCY FOR INTERNATIONAL DEVELOPMENT
Major Information Technology Acquisition Plans
(in thousands of dollars)

FY 93 FY 94 FY 95 FY 96 FY 97 FY 98

Item: Information Systems Plan Implementation ()

Obligations: 3478 9641 16772 13186 3698

Description: Staff resources and hardware/software costs to develop and implement the information systems and technology architectures outlined in the Agency's Information Systems Plan. Includes performing business areas analysis in eight Agency business areas, rapid development of resulting required systems, and acquisition and installation of Agency-wide processing and telecommunications information technology resources to effectively support the new systems.

EXHIBIT 3 - Data Collection Form

AND EXISTING LIMIT COSTS

BUSINESS AREA =
ACTIVITY

DM FTEs

Contractor #s

Contractor \$

Other

SITE AND FACILITY

Setup

Space, Supplies, etc

HARDWARE

Mainframe + Mini

Purchase (NR)

Lease

Maintain (R)

Operate (R)

Peripherals

PC/LAN

Purchase PCs (NR)

Install LAN (NR)

Maintain LAN (R)

Operate LAN (R)

Telecommunications

Install Lines (NR)

Use Charges (R)

Voice

Data

Operations and Maint

SOFTWARE

Purchase Off-Shelf

Lease

Development (NR)

Applications

Non-Application

Installation

Conversion

Maintenance

Applications

Non-Application

Enhancements

Applications

Non-Applications

Operations

Data Base Admin

SECURITY

TRAVEL

TRAINING

Assumptions:

1. Projected increase in existing FIP costs =

EXHIBIT 4

COST OF CURRENT IM/IT PROGRAM
SUMMARY TOTALS OF NEW DATA COLLECTED

ORGANIZATION	FTE's	CONTRACTOR,EQUIP,
Admin. Svcs. Communications & Records Management	Estimated Cost: \$374,000 - \$400,000	\$1,400,000
Admin. Svcs. Records Improvement		\$ 707,800
CDIE	10	\$ 675,000
R&D, Program Office	2	\$ 449,673
PRE, CTIS	.2	\$ 60,000

IPD-63112
20-73/91

U.S. Agency for International Development

Preliminary Cost/Benefit Analysis of the ISP

Steering Committee Meeting

June 2, 1993 - 1:30-2:30 pm

Agenda

- Summary of "Analysis of Current IM/IT Expenditures" Report
- Selected Current Program Cost Data
- Approach for Identifying Additional Current Program Expenditures

U.S. Agency for International Development

Preliminary Cost Benefit Analysis of the ISP

Summary of "Analysis of Current IM/IT Expenditures" Report

Status:

- Data collection and analysis is incomplete
- Are completing additional work to better identify the cost of the current program
- Are revising the timeframes for remaining deliverables to accommodate this.

Existing Data:

- Results of extrapolation required to complete 43A report are questionable
- Little relationship to budget plans; not a planning document itself
- Outside the FA/IRM-sponsored program, there is not an agency IM/IT program

Issues:

- Policy and guidelines for nonpersonal service contracts
- Contracts awarded by some units create an intertwined web through the agency

U.S. Agency for International Development
Preliminary Cost/Benefit Analysis of the ISP

Selected FY 1992 Cost Data
(\$ in 000's)

Cost Category	A.I.D./W	Missions	Total
Capital Investments	4213.3	8718.0	12931.3
Personnel Compensation	5571.9	2926.5	8498.4
Operations and Maintenance	7691.2	2056.7	9747.9
Systems Analysis, Programing, Design	7879.5	37.5	7917.0
Communications:			
Commercial	571.2	1670.2	2141.4
State Dept.	5488.7	2	5490.7
Subtotal	31,415.80	15,410.90	46,726.70
Other	2,644.20	1,877.00	4,621.20
Total	34060.0	17287.9	51347.9

Current IM/IT Program Expenditures
Approach to Identifying Additional Cost Data
Examination of CIMS Data and Selected Contract Documents

Methodology:

From a CIMS report compile a list of:

- Computer-related contracts,
- Contracts that sound as though they might have an IM/IT component, and
- Contracts with vendors we have heard have done IM/IT work

Select a sample of these contracts to read.

Garner usable information from contracts.

Initiate data call to A.I.D. units for remainder of contracts.

Missions

Query two missions by conference call to:

- Validate amounts reported through Exhibit 43A process
- Discuss IM/IT components of program funded projects
- Obtain information to distribute costs by FIP activity area

A.I.D./W

Distribute a written data call:

- Provide a list of contracts to each bureau accompanied by a data collection form and ask specific questions to answer about each contract.
- Follow up with units that have previously provided data, but appears to be incomplete.