



Guidance for Coordinating the Evaluation of Capital Planning and Investment Control (CPIC) Proposals for ERM Applications

Electronic Records Management (ERM) E-Government Initiative

Enterprise-wide Electronic Records Management Issue Area
Issued June 23, 2003

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1. INTRODUCTION

The strategic focus of the Office of Management and Budget's (OMB) E-Gov Initiatives is to utilize commercial best practices in key government operations. The National Archives and Records Administration (NARA) is the managing partner for the Electronic Records Management (ERM) E-Gov Initiative. NARA's ERM Initiative will provide a policy framework and guidance for electronic records management applicable government-wide.

This guidance document is one of a suite of documents to be produced under NARA's ERM Initiative that, when taken together, form the structural support for ensuring a level of uniform maturity in both the Federal government's management of its electronic records and its ability to transfer electronic records to NARA.

NARA's ERM Initiative

NARA's ERM Initiative is intended to promote effective management and access to federal agency information in support of accelerated decision making. The project will provide federal agencies guidance in managing their electronic records and enable agencies to transfer electronic records to NARA. To this end, the ERM Initiative is divided into four subject or Issue Areas, each led by a different federal agency. They are:

- Correspondence management and tracking (Department of Energy (DOE)).
- Enterprise-wide ERM (Environmental Protection Agency (EPA)).
- Electronic Information Management Standards (Department of Defense (DOD)).
- Transfer of permanent e-records to NARA (NARA).

Goals for the four issues areas include: improving communications through documentation sharing and collaboration; providing information on the infrastructure needed to develop and implement ERM systems; providing guidance in managing records in compliance with statutory record management requirements; and addressing the transfer of permanent electronic records to NARA. These documents are interdependent and provide federal agencies with the full complement of guidance needed to implement ERM.

This document is the first of four documents to be produced under the Enterprise-wide ERM Issue Area. The Enterprise-wide ERM documents are aimed at helping agencies understand the technology and policy issues associated with procuring and deploying an enterprise-wide ERM system. They

include guidance for evaluating Capital Planning and Investment Control (CPIC) proposals; guidance on developing agency-specific functional requirements for ERM systems; guidance on developing and launching an ERM pilot project; and a “lessons learned” paper from the Environmental Protection Agency’s proof of concept ERM pilot as well as other agencies’ implementation experiences.

2. APPLICATION OF THIS GUIDANCE DOCUMENT

This guidance provides three basic steps for evaluating CPIC proposals for ERM applications from the perspective of encouraging an enterprise-wide approach. The primary audience for this document consists of those federal agencies that have already made the decision to acquire and implement an ERM system. As such, this document makes a number of assumptions (detailed below) about the level of knowledge of ERM systems and about the capabilities an Agency possesses to acquire and implement an ERM system. Those agencies that have not yet made the decision to acquire and implement an ERM system will still benefit from this guidance document as it details the direction these agencies will need to move in the future. The assumptions are:

- An enterprise-wide ERM system has been implemented or is planned.
- The agency is developing or has developed an Enterprise Architecture that includes an enterprise-wide ERM solution.
- The agency senior managers and Investment Review Board are cognizant of the Federal Enterprise Architecture Framework.
- The Department or Agency Records Officer has an understanding of ERM (purpose, components, and functionality) and how it differs from paper recordkeeping.
- The agency has other ERM systems or ERM related CPIC proposals.

This guidance is meant to help agency staff effectively coordinate and control the acquisition and implementation of ERM capabilities enterprise-wide. It is designed for use by Agency managers who are in the process of making funding decisions for their enterprise-wide ERM system, while at the same time considering multiple CPIC proposals for systems with similar functions or requirements. Written from the perspective of an administrator evaluating a portfolio of ERM-related projects, the criteria presented in the guidance provide a set of decision points to help determine if office-specific ERM systems should be funded independently or integrated with an agency’s enterprise-wide ERM system. It may also be useful for agencies in reviewing other CPIC proposals for systems that need ERM functionality.

This guidance was borne out of the experience of federal agency managers whose aim was to have one enterprise-wide ERM system and who received multiple CPIC proposals (Exhibit 300s) (from offices within their agencies) that were either operating or contemplating acquiring ERM systems.

NOTE: This guidance is not meant to assist in evaluating the business case of individual proposals or to assist agencies in selecting particular technologies or software applications (these comparisons should be done separately); rather, the criteria contained in the steps below should help agencies manage an enterprise-wide approach to ERM.

A glossary is included at the end of this document for the general understanding of the terms and concepts used throughout this document. The appendix provides background on applicable records management statutes and regulations.

3. ENTERPRISE-WIDE ERM FUNCTIONALITY

NARA defines electronic records management as “using automated techniques to manage records regardless of format. ERM is the broadest term that refers to electronically managing records on varied formats, be they electronic, paper, microform, etc.”¹ Electronic record keeping or management systems are defined by NARA as “a system that meets an agency’s record keeping needs...an electronic information system in which records are collected, organized, and categorized to facilitate preservation, retrieval, use and disposition (36 CFR 1234.2). An electronic system that will ensure that the records it maintains will have sufficient authenticity and reliability to meet all of the agency’s record keeping needs.”²

For the purpose of this initiative, ERM is defined to include functionality supporting record collection, organization, categorization, storage, metadata capture, physical record tracking, retrieval, use, and disposition.³ This definition is consistent with NARA’s definition but elaborates further on the functionality generally offered in ERM systems.

It is important to understand these definitions since the majority of records produced today are electronic and federal agencies will need to have the capability to create, manage, and legally dispose of and/or permanently retain electronic records. Electronic records must be managed in a manner that preserves the integrity of the record and facilitates electronic access to the record now and into the future.

Centralized Versus Decentralized ERM

While many agencies have established records management systems for retaining and retiring paper

¹“Context For Electronic Records Management,” Fast Track Guidance, National Archives and Records Administration, 11/30/99.

²“Context For Electronic Records Management,” Fast Track Guidance, National Archives and Records Administration, 11/30/99.

³ERM definition adapted from “electronic recordkeeping system” entry in the EPA Glossary of Common Records Management Terms; <http://www.epa.gov/records/gloss/index.htm>.

records, many do not have electronic systems to assist individual employees in their day to day creation, management and disposition of *electronic* records. Consequently, e-mail and other electronic documents that are records must be printed to paper and filed in an approved record keeping system.

Federal agencies may want to consider an enterprise-wide centralized approach to ERM for the following reasons:

- ERM systems provide mechanisms to manage agency records as required by law throughout their life cycle, that is, from their creation, to their maintenance and use, and then to their ultimate disposition. This includes “locking down” documents so that they are unalterable, and managing version control of specific documents. They also include the functionality to store and destroy records at the appropriate time. Storing records in an enterprise-wide system may provide agencies with better management control of their records.
- Enterprise-wide systems or cross-agency partnering can often reduce the cost otherwise associated with operating multiple, disparate records management systems, including administration, maintenance, training, etc. They also support the Administration’s goals to unify and simplify E-Government.
- Often records of continuing value must be kept well beyond the life of the system that created the record. Doing so requires having the technology to read these records. Having a central ERM system with the capability to read these records into the future alleviates the need to maintain generally outdated software on many agency systems.
- An ERM system can provide a central access point to active and inactive information assets (records) of an agency.

Agencies should examine their technology needs, plans, and architecture when contemplating centralized versus decentralized electronic records management. This decision should be made early as it will have a great impact on how systems should be evaluated. Step Two below offers factors to consider when contemplating this decision.

4. EVALUATING CPIC PROPOSALS WITH AN AIM TOWARD ENTERPRISE-WIDE ERM SYSTEMS

Agencies endeavoring to implement an enterprise-wide ERM should consider the following steps when reviewing their CPIC proposals.

NOTE: The criteria included in the steps below are not intended to assist agencies in selecting particular technologies or software applications (these comparisons should be done separately); rather, the criteria should help agencies manage an enterprise-wide approach to ERM.

<i>Step One - Identify projects with ERM components</i>
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The purpose of this step is to identify CPIC proposals that require the purchase of ERM tools (i.e., records management application software), keeping in mind the goal of an enterprise ERM system.

Because of the complexity of the effort and high costs to the agencies, it takes a significant amount of time to procure and implement an enterprise ERM system. As agencies methodically move towards enterprise ERM, individual agency program offices may propose projects that include ERM software, components, or functionality for local use.

Records officers must be involved in the CPIC proposal evaluation process for any proposals that contain ERM components or functionality. Their focus should be on the Agency ERM solution and how an identified proposal supports, compliments, or duplicates the Agency solution. Where it is unclear if a specific proposal contains ERM components or functionality, the records officer may need to do a quick preview of the proposal to determine if it is ERM related. If a CPIC proposal requests funding for a program-specific ERM system (rather than use of the agency's enterprise ERM system), it should be further investigated before funding.

Proposals that provide ERM functionality should be examined to see if they overlap with the enterprise ERM goal.

CPIC proposals may have ERM requirements or functionality if they can:

- Declare documentary materials as a record
- Capture records in a secure repository
- Organize records for efficient retrieval
- Limit access to records to authorized users
- Preserve records for their entire life cycle
- Allow for disposition of records based on approved agency schedules

Outcome: In addition to your CPIC proposal for an enterprise-wide ERM system, you may now have identified other CPIC proposals that requested funding for program-specific ERM functionality, separate from the enterprise ERM system.

Step Two - Evaluate whether separate funding for program-specific ERM is warranted

The purpose of this step is to evaluate whether those CPIC proposals identified in step one (proposals that requested funding for **program-specific or local** ERM systems) should be funded separately from the enterprise ERM system.

Funding restrictions, unique functional requirements, and security concerns may be compelling business reasons for separately funding program-specific ERM systems. The compelling business need for one agency may not be the same for another. Each agency must look at their own mission, needs, and environment to make these determinations.

Compelling business reasons for separately funding program-specific ERM systems:

- The system may be funded in a way that requires separate accounting (e.g., Congressional).
- There may be an urgent need for a system to be implemented before an enterprise-wide system will be in place (e.g. national security, legal mandate).
- The system may have unique functionality that cannot be supported by an enterprise-wide system (e.g. integrations with hardware or software that cannot be supported by potential ERM COTS products).
- There may be security concerns for the storage of some data in a centralized system.

Outcome: You have now identified those projects that for compelling business reasons should continue to be funded in tandem with your enterprise-wide ERM system. The CPIC proposal should clearly justify this need.

Step Three - Determine project's life cycle status and the value of continuing or ending project

The purpose of this step is to evaluate whether those CPIC proposals for ERM systems identified in step two as not meeting the criteria for separate funding, should continue to be funded.

In certain circumstances, agencies may want to continue funding legacy ERM systems in the maintenance and upgrades phases but apply standards that would enable them to be incorporated into an enterprise-wide system in the future. Doing so allows legacy ERM systems to continue to provide needed functionality until these systems can be integrated with or migrated to the enterprise-wide ERM system. Agencies may also consider continuing to fund ERM projects in the early life-cycle phase as they may yield significant value. Additionally, the requirements analysis conducted in the early phase of

ERM systems development may yield useful configuration information applicable to an enterprise-wide system.

Questions for evaluating whether to continue funding program-specific projects in the development phase:

- Is this a legacy system already in place or a new project that could be coordinated as part of an enterprise-wide implementation?
- Is the project in a life-cycle phase that would benefit the overall organization? For example, if an office is gathering requirements, this could be useful for an enterprise-wide system down the road. Projects that are ready to acquire products but have not yet considered enterprise-wide needs should be halted.
- Are there related agency projects that could be expanded or merged?
- Will the project require functionality that is not currently available in the enterprise-wide system but is planned for a future phase?

Outcome: You have now identified those ERM projects that while duplicative of the enterprise-wide ERM system, may warrant continued funding. The CPIC proposal should show how the results of these projects will be used to add value to the enterprise-wide ERM project. You may also have identified CPIC proposals that don't warrant continued funding.

5. SUMMARY

There are three basic steps for evaluating CPIC proposals for enterprise ERM applications: 1) have records staff review all CPIC proposals for ERM functionality that may overlap with the proposed enterprise ERM system; 2) determine if the system has a compelling business reason to be continued separately from an enterprise-wide ERM system; 3) determine if systems may have some value in continuing, to some degree, even when they may be duplicative of an agency ERM system. A guiding factor in the fund/don't fund decision is the determination of which ERM approach, enterprise or program-specific, provides the best opportunity to manage electronic records in a way that ensures accessibility and integrity throughout their life cycle.

Glossary

- Capital Planning and Investment Control (CPIC) Proposal – A management technique used by the management branch to review and evaluate large federal IT investments.
- Electronic Records – Information, in an electronic state, that is determined to be a record.
- Electronic Records Management (ERM) - Functionality to support record collection, organization, categorization, storage of electronic records, metadata, and location of physical records, retrieval, use, and disposition.
- Electronic Document Management (EDM) - Functionality to support the computerized management of electronic and paper-based documents. Associated components include a system to convert paper documents to electronic form, a mechanism to capture documents from authoring tools, a database to organize the storage of documents, and a search mechanism to locate the documents.
- Enterprise and Enterprise-wide – Deployment or use of a single software application throughout all subdivisions or components of an organization.
- Investment Review Board – A federal agency group that reviews large IT investments requested by agencies in their CPIC proposals.
- Program-specific – Pertaining to a single or local organization. For example, within the Department of Interior (DOI), a system for the Bureau of Land Management (BLM) might be characterized as program-specific as it would not necessarily be affected by or integrated the other DOI systems.

Appendix A. Federal Records Management Statutes and Regulations

This appendix provides background on some of the applicable statutes and regulations requiring federal agencies and their employees to implement records management practices for all records, including records in electronic form.

Federal Records Act (FRA): Requires federal agencies to make and preserve records that document the actions of the federal government. Generally, records are those documents, regardless of media, that record agency functions, policies, decisions, procedures and essential transactions. The mandates of the FRA require federal agencies to have the capabilities to create and maintain trustworthy records. Trustworthy records not only help preserve the rights of the government and its citizens but also promote quality decision making and efficient business practices.

The FRA charges NARA with providing guidance and assistance to federal agencies with respect to ensuring adequate and proper documentation of the policies and transactions of the Federal Government and ensuring proper records disposition.

Freedom of Information Act (FOIA): Requires agencies to locate, retrieve, screen, and respond with documents deemed to be legally releasable at any point in the document/record life cycle.

Electronic Freedom of Information Act (E-FOIA) Amendments of 1996: Requires agencies to provide documents in electronic format when requested.

Government Paperwork Elimination Act: Requires that, when practicable, Federal agencies use electronic forms, electronic filing, and electronic signatures to conduct official business with the public by 2003.

The Privacy Act (PA) of 1974: Requires that Federal agencies properly create, maintain, use, disseminate, and document the disposition authority for records maintained about individuals (either citizens or aliens legally admitted to the United States).

The E-Government Act of 2002: Requires the management and promotion of electronic Government services and processes. This has broad application to the accessibility, usability, and preservation of Government information, including records.