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# Strategic Portfolio Review

## FY 2009

### (FINAL)

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June 2008

## Revision History

Date	Version	Summary of changes
June, 2008	1.0	Original Submission

## Synopsis

The Information Technology (IT) Strategic Portfolio Review (SPR) is an analysis of how fiscal year (FY) 2009 IT portfolio investments are aligned with HUD's Target Enterprise Architecture (EA). The SPR contains business impact statements based upon analysis of the respective IT investments pertaining to HUD's IT portfolio that support the select process for FY 2010 budget, assist program areas in improving their overall program planning and FY 2010 business case submissions, and provide information for formulating and revising HUD's IT strategies, goals and objectives. The SPR analysis focuses on the major IT portfolio investments that align with the EA Mission Area, Business Service, and Enterprise Service segments identified in the EA Modernization Plan<sup>1</sup>. A Strategic portfolio approach and overall portfolio-wide business impact statement have been included.

### *DEMONSTRATED LEVEL OF EA PRACTICE MATURITY*

This document supports the following level of EA practice maturity relative to the Office of Management and Budget (OMB) EA assessment framework version 2.1.

Assessment Criteria	Level(s)	Document Reference	Summary Content
CPIC Integration	5	Use/5.2.4	Strategic Portfolio review to align program areas with Target EA

<sup>1</sup> Enterprise Architecture Modernization Plan Version 3.0, February, 2008.

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# 1 Introduction

The Information Technology (IT) Strategic Portfolio Review (SPR) supports the HUD investment strategy<sup>2</sup> and maturity of the Enterprise Architecture (EA). It is an analysis of how fiscal year (FY) 2009 IT portfolio investments are aligned with HUD's Target EA. The SPR was performed by the HUD EA Team, in order to improve HUD's investment decision-making and business modernization effort. It contains business impact statements pertaining to HUD's IT portfolio in order to support the select process for FY 2010 budget preparation.

The business impact statements for the investments in the portfolio are organized by the HUD Mission Areas, Business Services, and Enterprise Services segments identified in the EA Modernization Plan<sup>3</sup>. In addition to the business impact statements, the SPR also identifies strategic impacts that influence all of the investments in HUD's Portfolio.

The impact statements are intended to:

- Provide relevant guidance to the Technology Investment Board Executive (TIBEC), Technology Investment Board Working Group (TIBWG), and Program areas on IT Investment Strategy
- Demonstrate the relationship between IT Investment strategy and the IT Master Schedule, the Enterprise Modernization Plan, & the Performance Architecture
- Identify requirements for Business Modernization Planning
- Align/improve performance milestones/metrics
- Identify changing business priorities
- Eliminate or consolidate duplicative investments, where practical
- Assist in HUD's modernization planning
- Identify coordination points of development and migrations across business areas
- Assist business areas in further developing their Business Modernization efforts
- Reduce technology diversity
- Prioritize investment funding towards modernization initiatives

## 1.1 PURPOSE

The SPR Evaluation provides the basis for the SPR. It contains the sources to be used for assessing the SPR criteria, provides a general approach for conducting the evaluation and the relevant business impact statements. The SPR provides information used to improve HUD's investment decision-making and IT management. It identifies items required for program areas to become more aligned with the EA and assists program areas in improving their planning and business case submissions. It also

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<sup>2</sup> OCIO War Room Analysis, 2006.

<sup>3</sup> Enterprise Architecture Modernization Plan Version 3.0, February 2008.

provides information for formulating and revising HUD's IT strategies, goals and objectives.

## *1.2 INTENDED AUDIENCE*

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The primary stakeholder groups for the SPR are listed below:

**TIBEC and TIBWG** –)Technology Investment Board Executive Committee (TIBEC) and The Technology Investment Board Working Group (TIBWG), comprised mainly of Business Program Sponsors, drive all decision-making associated with the select, control and evaluate cycle of HUD's IT investment portfolio. The SPR is approved by the TIBEC and used as input by the board members when making investment decisions.

**Program Areas and IT Project Teams** – HUD staff that author, or contribute to the creation or update of the Office of Management and Budget (OMB) Exhibit 300 (E300). They use the approved SPR when developing program plans and Exhibit 300s.

**ITIM Staff** – IT Investment Management (ITIM) staff review business cases and provide tailored guidance and feedback to Business Program Sponsors and Project Managers. The SPR is used as input in the business case review process.

**EA Practice** – HUD's Chief Architect and EA Team develop the Target EA and monitor the transition to the Target EA. The SPR is used to identify both strategic and tactical opportunities for moving HUD's portfolio toward the Target EA.

## 2 SPR Methodology

To conduct the SPR the following IT Portfolio artifacts were examined:

- OMB FY 2009 Evaluation Criteria
- Enterprise Modernization Plan February 2008
- Federal Transition Framework (FTF): EA Integration Summary and Strategy 2008
- HUD Performance Architecture 2008
- IT Portfolio Master Schedule
- HUD Strategic Portfolio Review Recommendations 2007
- HUD Strategic Portfolio Review 2007
- 2009 Annual Performance Plan
- FY 2009 Budget Summary
- Single Family Blueprint
- Rental Housing Assistance Blueprint
- Enterprise Architecture Information Management Blueprint
- Financial Management Blueprint Part I
- Financial Management Blueprint Part II
- FY 2008 Budget Summary
- HUD Prior Year Investment Scores
- Acquisition Management Modernization Plan: Decision Paper 1
- Acquisition Management Modernization Plan: Decision Paper 2
- Acquisition Management Modernization Plan: Decision Paper 3
- Business Modernization Process Guidebook

The FY 2009 IT Portfolio was examined with regards to compliance with the ITIM investment strategy and HUD EA documentation<sup>4</sup>. Past SPR recommendations were reviewed to determine progress and relevancy to this year's SPR recommendations. In addition, the following criteria were established and used when evaluating the IT Portfolio:

**Number of business cases submitted** – The number of business cases submitted by a Program area can be an indicator of how successfully a business area has progressed in consolidating their investments. It is a goal to eventually have a single investment for each segment.

**Milestones Alignment with Enterprise Modernization Plan/IT Master Schedule** – Performance Milestone consistency across all artifacts is necessary for strategic planning. The Enterprise Modernization Plan (EMP) serves as the framework for business areas. Ensure milestones reported in the EMP are up to date and accurate.

**Legacy System retirements** – As new systems are deployed using new technologies and part of the HUD technology base becomes obsolete, some of HUD's existing systems should be retired. The number of systems retired annually is a function of the

<sup>4</sup> <http://www.hud.gov/offices/cio/ea/newea/resources/>

current number of systems, the amount of funding for new investments, and the ability to provide functionality in newer systems that make older systems redundant or unnecessary. Systems for Retirements, Replacement and migration should be indicated on the IT Portfolio Master Schedule.

***Use of Technical Reference Model (TRM) in system development*** – As investments and systems are planned, developed and deployed, they are required to adhere to the approved technology and product standards in the TRM. The Configuration Change Management Board (CCMB) is the body that approves standards and manages the content of the TRM. For new investments and major upgrades, full TRM compliance is expected.

***Prior year's investment scores for investments in business area*** – How well a business area's investments were scored by OMB is a reflection of the quality of their business case. Scores below a three will be evaluated for specific improvements to increase scores in future business case submissions.

***Modernization Plan Maturity*** – Business Modernization Plans enable HUD to traverse the agency's strategic vision and goals to tactical execution of the business areas and services. Business Modernization Plans for each business area may need to be created and/or updated. The lack of a Business Modernization Plan that uses HUD's current Business and IT Modernization Guide adversely impacts HUD's decision making process and strategic planning.

***Performance Measure Quality*** - The quality of the investment's performance measurements should create a clear "line of sight" to HUD's strategic goals and objectives, demonstrating how the investment helps the Agency to achieve its mission. HUD's Performance Architecture, Management Plan and Enterprise Modernization Plan documents an investment's "line of sight" with HUD's mission. Performance measures should be clearly defined, achievable, and include significant benefits identified in the Alternative Analysis benefits.

***Cross Investment Dependency*** - Continue to modernize HUD's business operations to improve cross investment efficiency and effectiveness, Promote internal collaboration and reuse through business modernization planning (segment architecture development) for core mission areas and shared services.

***Cross Agency Initiatives*** – HUD collaborates with other Federal agencies, such as Dept of Treasury, Department of Health and Human Services (DHHS), Social Security Administration (SSA) , to name a few, in the implementation of its programs. The Enterprise Strategy should include cross Agency initiatives into the plan, moving from individual agency-level systems to common or shared Federal services.

### 3 Strategic Portfolio Approach

The HUD IT Portfolio must reflect the planned modernization strategy and enterprise-wide goals, objectives, and dependencies defined in the Enterprise Modernization Plan and the IT Master Schedule. This document serves as a guide so that HUD IT investments can reflect this HUD strategy 1) by aligning the business cases (IT Investments) to reflect performance milestone dependencies among the other IT initiatives, 2) Business areas can review requirements for business modernization planning and then execute the business modernization planning effort, and 3) HUD can better prioritize funding IT Investments in order to support the HUD Strategy.

#### 3.1.1 Financial Management Strategic Portfolio Dependencies

Financial Management Modernization (FMM) is a major component of modernization strategy impacting all modernization initiatives within HUD. Each of the performance milestones (blue triangles) identified in the following chart represents a performance milestone dependency between a specific IT Initiative and the Financial Management Modernization initiative. Decision-makers can review this information and

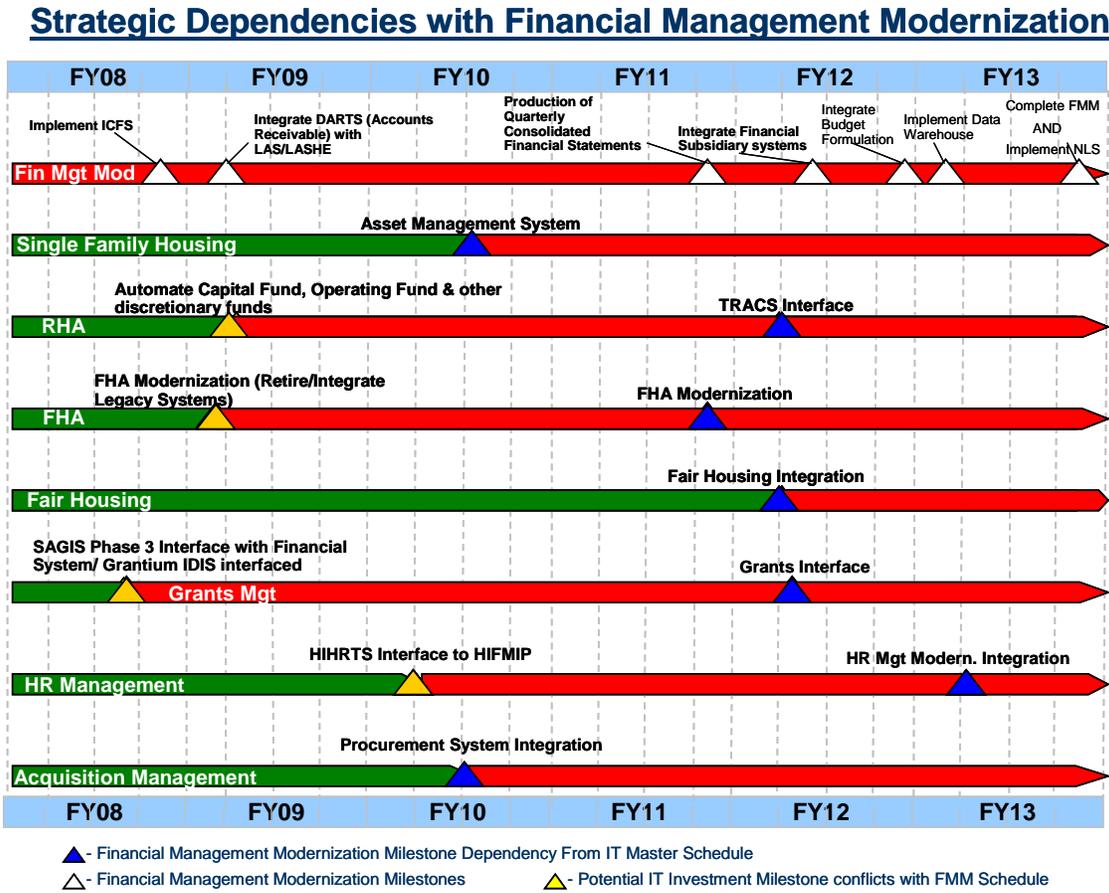


Figure 1 – Financial Management Strategic Portfolio Dependencies

analyze the impact that funding an initiative has upon other IT Initiatives as well as being able to prioritize and better allocate IT funds. Also critical to other IT initiatives in Figure 1 are the milestone dependencies (identified by the yellow triangles) that potentially conflict with the FMM plan. These dependencies indicate a need for the respective business area and Financial Management to collaborate on some of their key performance milestones since they are dependent either in whole or in part and the timing of these dependencies varies considerably across the planning phase identified in Figure 1. Also note that Figure 1 indicates the impact if Financial Management Modernization was not funded, significantly impacting a number of other IT Investments.

### 3.1.2 HUD Budget year posture vs. IT Strategic portfolio

The chart below shows the dates, by year, of the last updated business modernization plan for each IT investment as it correlates to the percentage of Development Modernization Enhancement (DME)/ Steady State (SS) for Budget Year (BY) 2009\*. Most business modernization plans were completed in 2005/2006; indicating a need to allocate resources to support modernization lifecycle operations. Recommend consideration be given to the fact that a high percentage of HUD funding is

Core Mission Areas	DME (%)	SS (%)	Bus. Mod Plan
Multi-family Housing Finance	9.41	3.49	2006
Single Family Housing	18.88	7.24	2006
RHA (PIH)	21.36	4.91	2005
RHA (TRACS)	3.39	1.58	2005
Federal Housing Administration	11.33	5.16	2005
Fair Housing	0.00	0.54	
<b>Business Services</b>			
Financial Management	13.13	8.22	2005
Grants Management	11.54	3.75	2006
Human Resources Mgmt	0.87	0.37	2005
Acquisition Management	0.69	0.47	2008
<b>Enterprise Services</b>			
EDRM	3.53	0.34	2006
IT Infrastructure		51.45	

FY 2009 Budget Year SPR - \*Based upon Exhibit 53 dated 9-10-07

**Figure 2 – Percentage of Development Modernization Enhancement (DME) and Steady State (SS) Summary versus date of Business Modernization Plans**

currently planned to support those areas that are in greatest need of updating formal business modernization plans. The more outdated a business modernization plan is, the less relevant it may be in regards to current requirements and the less likely the business areas can clearly justify funding their requirements. As Figure 2 indicates, the

trend at HUD has been to allow business modernization planning to remain outdated. The impact of this has delayed the business areas' progress towards identifying meaningful performance gains and further understanding that these gains can be achieved within a reasonable timeframe and budget. Instead, the trend for HUD spending has gone primarily toward maintenance of legacy systems and very little towards development. Unless, resources are allocated towards Business Modernization planning this trend will likely continue to produce the same stagnant results. The purpose, method, and additional strategic implications of Business Modernization planning are further addressed in section 4.1 of this document, the Portfolio-Wide Business Impact Statement.

### 3.1.3 Federal Housing Administration (FHA)/Single Family Housing (SFH) Modernization Effort

FHA/SFH Modernization is a high priority for funding. Consideration must be given to addressing and resolving the General Accounting Office (GAO) findings with regards to Single Family systems:

- Lack of Reliable Information
- Redundancy of System Functionality
- Lack of Integration Between Systems
- Lack of Required Functionality
- High Maintenance Cost

Funding the FHA/SFH modernization effort will effectively consolidate legacy systems into a more manageable group of related systems that will align to the HUD EA Target Architecture. Data integrity issues currently exist among numerous SFH systems, a single new system with a single database is currently planned. This will also reduce redundancies of system functionality as well as resolve the lack of integrity among the current numerous systems. Reducing the number of legacy systems will significantly reduce maintenance costs for these systems each year. However, it is recommended as indicated in paragraphs 3.1.1 and 3.1.2 of this document, that these business areas revisit their performance milestone dependencies with the Financial Management Modernization effort and update their Business Modernization Plans accordingly. While the FHA/SFH modernization is a high priority it must be noted that the Housing business areas have historically been recommended to update their business modernization plans and each year funding has been applied to maintenance in lieu of modernization. It is imperative that in order to break this cycle of spending toward maintenance, some resources must be allocated toward updating the business modernization plans with priority of effort to those areas in housing that will optimize IT solutions that support current business requirements.

## 4 Business Impact Statements

The business impact statements for the investments in the portfolio are organized by the HUD Mission Areas, Business Services, and Enterprise Services identified in the EA Modernization Plan<sup>5</sup>.

- Mission Areas
  - Multifamily Housing Finance (MFHF)
  - Single Family Housing (SFH)
  - Rental Housing Assistance (PIH)
  - Rental Housing Assistance (TRACS)
  - Federal Housing Administration (FHA)
  - Fair Housing
- Business Services
  - Financial Management
  - Grants Management (eGrants)
  - Human Resources Management (HIHRTS)
  - Acquisition Management (HIAMS)
- Enterprise Services
  - Electronic Document and Records Management (EDRM)
  - IT Infrastructure

Imbedded throughout each of the business impact statements are recommendations to improve the business cases and the overall HUD IT portfolio.

### 4.1 PORTFOLIO-WIDE

#### 4.1.1 Business Impact Statement

A portfolio-wide review reveals a strategic direction and recommendation addressed in the following portfolio-wide categories: FY 2008 Recommendations, Performance Milestones/Dependencies, Alignment with HUD Enterprise Modernization Plan and HUD Performance Architecture, Business Modernization Plan, Technical Reference Model (TRM) Compliance, and Service Component Reference Model (SRM) Analysis.

This portfolio-wide impact statement is followed by more detailed business impact statements for each of the business areas. The business areas refer to the portfolio-wide business impact statement to provide additional rationale as it applies to all of the IT Investments.

##### 4.1.1.1 FY 2008 Portfolio-wide Recommendations

The following table provides a list of recommendations identified in SPR FY 2008 that apply across HUD's horizontal and vertical Mission Areas, Business Services and Enterprise Services. The table also identifies the status for each recommendation.

<sup>5</sup> Enterprise Architecture Modernization Plan Version 3.0, February 2008.

Recommendation	Status
1. Continue to consolidate common business functionality from different IT investments into the appropriate business case and align project resources accordingly.	In progress. HUD has continued to effectively consolidate IT investments. Additional information is provided in paragraph 4.1.1.2.
2. Improve performance measures.	In progress – the IT Master Schedule is updated on a monthly basis. This document was aligned with the HUD Strategic Plan, the Performance Architecture document and the Enterprise Modernization Plan during February 2008.
3. Leverage the FTF Catalog	In progress. The FTF is updated annually. The following business areas have successfully integrated in the Federal Transition Framework and participate in one or more cross-agency IT initiatives: Federal Housing Administration, Financial Management, Grants Management, Human Resources Management, and Acquisition Management. More can be accomplished in this endeavor as indicated in paragraph 4.1.1.7.
4. Update and maintain segment architectures (Business Modernization Plans) using new Business Modernization Process Guidebook, March 2008.	In progress – Acquisition Management has successfully established a Business Modernization Plan as of 2008. It remains a recommendation that other business areas update their business modernization plans since their plans are either non-existent or outdated.
5. Establish enterprise technology services (ETS).	In progress- IPTs have been formed to coordinate enterprise technology services with Program Areas (i.e. Federal Segment Architecture [FSAWG], Data Stores Advisory Group [DSAG]). OCIO re-organization is planned to facilitate enterprise technology services.
6. Develop guidance for integrating Enterprise and Business Services into Mission Areas (Governance Model).	In progress - Enterprise Modernization Plan (EA Transition Strategy) – March 2008 and Enterprise Architecture 5.0 – February 2008.

Consistent findings and recommendations across the IT portfolio carry strategic impacts that are significant and should be analyzed and leveraged to benefit the agency. There are two primary areas of analysis: Consolidation of Investments and Requirements for Formal Business Modernization Planning. This analysis demonstrates great strides the agency is making in overall efficiency and effectiveness and also illustrates how resources may be

prioritized and allocated to support continued agency success in moving the IT portfolio forward.

#### 4.1.1.2 Impact of Consolidating Investments

HUD has continued to successfully consolidate IT investments around integrated transition activities (segments and overarching activities) defined by the EA Transition Strategy, reducing the total number of major investments through migration to a functionally-oriented IT investment portfolio. Investment consolidation improves the overall efficiency and effectiveness of agency IT investments, providing opportunities for increased agency-wide and government-wide collaboration and reuse, increased cost savings/cost avoidance, and improvements in the management and use of enterprise information. Trends in investment consolidation between FY 2004 and FY 2009 are summarized in the chart below.

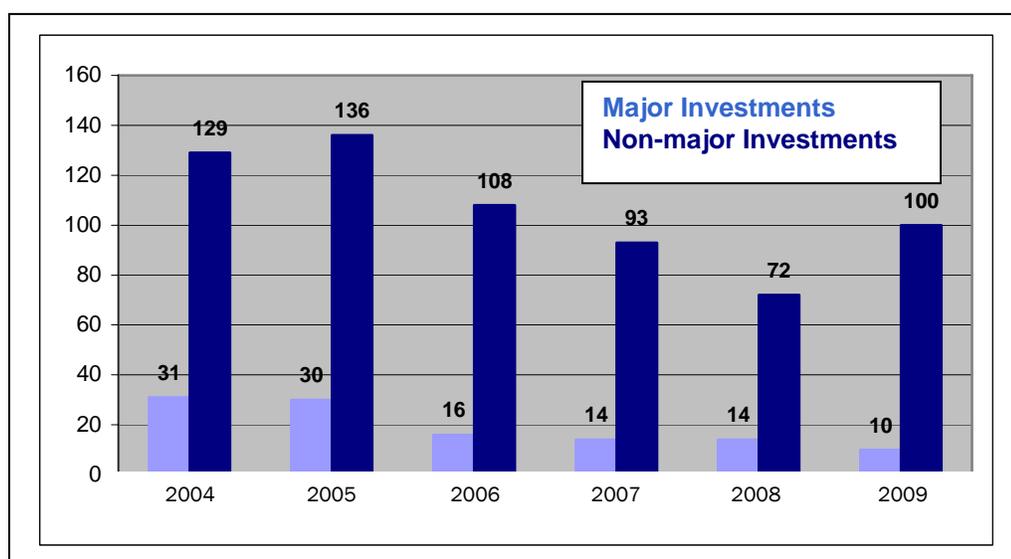


Figure 3 – Trends in HUD Investment Consolidation 2004-2009

#### 4.1.1.3 Performance Milestones/Dependencies

Modernization initiatives should reflect performance milestones AND dependencies with other IT initiatives. HUD's investment Strategy moving forward should reflect dependencies among these initiatives. Aligning performance milestones and dependencies among IT Initiatives clarifies the agency's modernization priorities. It allows business area decision-makers to reconcile modernization initiatives and investments across the enterprise. The most prominent example of this was addressed earlier in paragraph 3.1.1 regarding performance milestones dependencies with the Financial Management Modernization effort. In addition to identifying these dependencies, business areas must then act to collaborate and coordinate these dependencies. Decision-makers can review this information and understand the impact that funding an initiative has upon other IT Initiatives as well as being able to prioritize and better allocate IT funds.

#### 4.1.1.4 Alignment with HUD Enterprise Modernization Plan and HUD Performance Architecture

Performance indicators listed in the business case in many instances are not aligned with HUD Enterprise Architecture documentation. To ensure that the performance milestones are realistic, credible, and clearly defined, they must be supported by performance indicators and other performance metrics identified in the HUD Enterprise Modernization Plan (EMP) EA Transition Strategy Version 3.0 February 2008 and the HUD Performance Architecture (PA) Version 3.0 February 2008. The performance milestones listed in the IT Master Schedule are aligned with the HUD Enterprise Modernization Plan and Performance Architecture. It is recommended that the IT investments use the performance milestones from the IT Master Schedule, the HUD Enterprise Modernization Plan and the HUD Performance Architecture since these documents and metrics are aligned. It is further recommended that if any new or updated information be included in the business cases regarding performance metrics, the language (i.e. performance indicators, measurement areas, measurement categories, measurement groupings) should be derived from these HUD Enterprise Architecture documents in an effort to maintain consistency and alignment. The Office of Management and Budget (OMB) assessed the alignment of these documents during March 2008 and provided an overall rating of “Green”; indicating that HUD is meeting the standards for alignment accordingly. It follows then that business cases should be in alignment with the EA documentation in order to provide more credibility to their cases.

#### 4.1.1.5 Business Modernization Plan

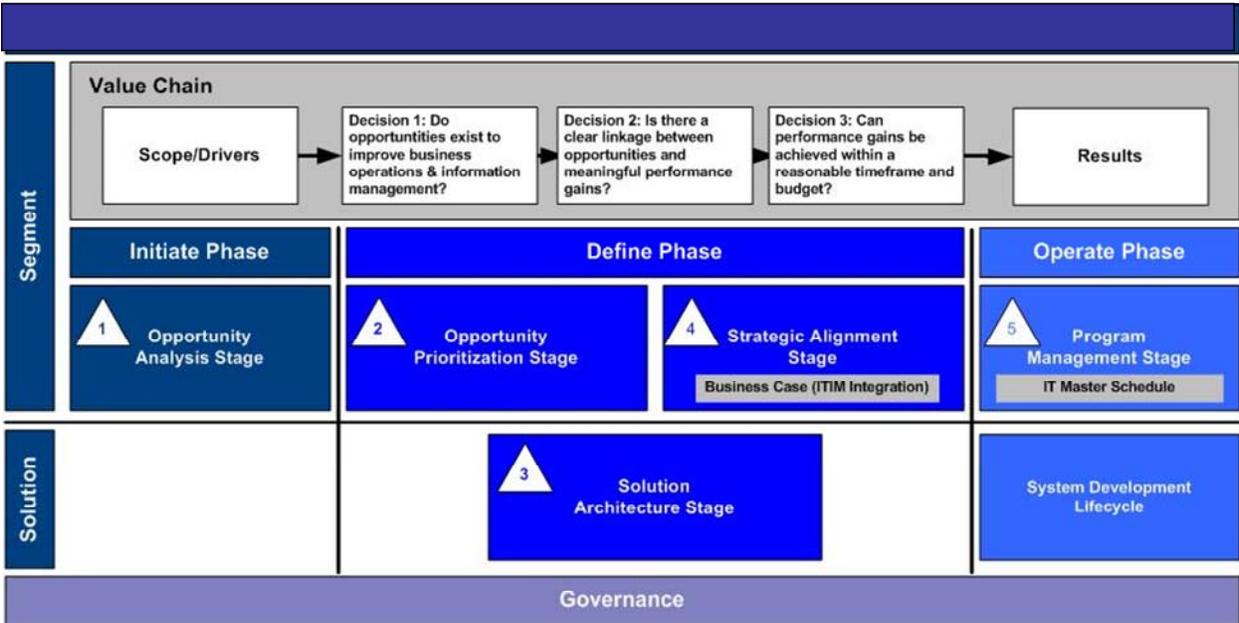
Modernization plan maturity indicates most business areas have inconsistent levels of maturity and while most have modernization efforts underway (albeit outdated) they could all benefit from executing the Business Modernization Planning process in order to arrive upon key decisions that will drive their business modernization efforts more effectively. The HUD formal business modernization planning process expands upon current modernization efforts and will determine the following fundamental decision points for each of the business areas:

- Opportunities exist to improve business operations & information management
- There is clear linkage between opportunities and meaningful performance gains
- Performance gains can be achieved within a reasonable timeframe and budget.

The purpose of business modernization is to link HUD’s enterprise architecture (strategic vision for business modernization) and the development and implementation of business services and information solutions to achieve performance improvements. Planning for Business services solutions and IT must be coordinated since they must occur in parallel. In order to arrive upon this synchronicity between the business service requirement and the solution, a business requirement will require a solution, for example, that encompasses the fusion of a new process and an IT solution that supports that new process.

The Federal Enterprise Architecture (FEA) Program Assessment Framework is the OMB guidance that places emphasis on the development of business modernization plans. HUD’s Business Modernization Process Guidebook documents an approved, tested and

successful methodology that will also enable prioritization of business requirements that will improve the development of business modernization efforts. The basic process is illustrated in chart in figure 4.



**Figure 4 – Business Modernization Planning Process**

A by-product of this planning process is three decision papers. The chart below illustrates the nature of the decisions and the content and products created and developed as a result of executing the business modernization planning process:

Decision Paper 1	Decision Paper 2	Decision Paper 3
<p><b>Modernization Opportunities</b>  <b>Prioritization Criteria</b></p>	<p><b>Vision (What?)</b>                      Baseline CONOPS/TCO                      Target CONOPS                      Business and Technical Solutions                      Functional Requirements</p> <p><b>Performance Indicators (Why?)</b>  <b>Solution Alternatives (How?)</b>  <b>Implementation Plan (When?)</b></p>	<p><b>Modernization Plan Overview</b>  <b>Strategic Alignment</b>  <b>Performance Metrics</b>  <b>Target TCO/Funding Strategy</b>  <b>Reuse Plan</b>  <b>Workforce Capability Analysis</b>  <b>Program Plan</b>  <b>Risk Management</b></p> <p style="text-align: center;">Business Case                      EMP / IT Master Schedule</p>

**Figure 5 - Business Modernization Planning Decision Paper Descriptor Chart**

It follows that, in particular, Decision Paper 3 develops further the performance metrics, strategic alignment, and in particular bringing together the Business Case, the Enterprise Modernization Plan and the IT Master Schedule are addressed during formal business modernization planning and could thus resolve many of the findings and trends addressed in this SPR.

#### **4.1.1.6 Technical Reference Model (TRM) Compliance**

TRM Tables in most of the business cases refer to some technologies that are either obsolete or new and are not listed on the current HUD TRM. These technologies must be properly identified and presented to the CCMB for adjudication. As IT investments and systems are planned, developed and deployed, they are required to adhere to the approved technology and product standards in the HUD TRM. This allows HUD to make better IT investment decisions and identify enterprise technologies that can be leveraged across multiple investments. Obsolete technologies are also identified on the HUD TRM as business areas retire legacy systems and adopt new processes. Managing technologies via the TRM aligns strategic business priorities with information technology priorities and achieves the following benefits:

- Sharing services and technologies across organizational and functional lines
- Making simplified investment decisions
- Improving interoperability
- Reducing redundancies and gaps in IT investments
- Accelerating System Implementation

#### **4.1.1.7 Service Component Reference Model (SRM) Analysis**

The SRM tables in a number of the business cases oftentimes do not include any references to external/internal reuse components. The HUD IT portfolio can improve this area by reviewing Cross Agency Initiatives (CAI) indicated in the Federal Transition Framework (FTF): EA Integration Summary & Strategy and the Enterprise Modernization Plan (EMP) with the efforts of the business areas. In the event any components can be reused, they should be considered as potential dependencies and subsequently included in the IT Master Schedule as performance milestones that demonstrate consolidation and reuse. These dependencies equate to increased capabilities and provide opportunities for increased agency-wide and government-wide collaboration and reuse, as well as increases in cost savings or cost avoidances.

## 4.2 MISSION AREA SEGMENTS

### 4.2.1 Multifamily Housing Finance

#### 4.2.1.1 Overview

The primary mission of the Office of Multifamily Housing (MF) Housing is to support the production and preservation of affordable rental housing. The Multifamily Housing Finance (MFHF) Mission Area relies on 3 primary types of assistance: (1) capital advances to support the production of housing targeted to the elderly and disabled, (2) mortgage insurance to encourage the flow of capital to finance the construction and ownership of rental housing projects, and (3) direct rental assistance payments to projects that serve very-low income households (via Rental Housing Assistance Line Of Business (RHA LOB)). MFHF also administers a number of programs aimed at improving the quality of life of residents.

The Integrated Real Estate Management System (iREMS) business case is a consolidation of 8 existing MF systems that will be modernized and combined into a single integrated MF system.

The following HUD IT Portfolio investment was reviewed for this segment:

- o Integrated Real Estate Management System (iREMS) - 251480

#### 4.2.1.2 FY 2008 MFHF Recommendations

The following table provides a list of recommendations identified in SPR FY 2008 for the investment. The table also identifies the status for each recommendation.

Recommendation	Status
1. Formalize a Business Modernization Plan (Segment Architecture) using HUD's standard methodology.	Scheduled to begin 05/2009. (IT Master Schedule, version 15. (see 4.2.1.3.3 below).
2. Revisit performance measurements to determine relationship with HUD's Annual Performance Plan (APP) performance indicators.	HUD EA facilitated a collaborative session with the Program Area to align performance measurement to HUD's Strategic Plan. Program Areas should update current Exhibit 300, revision 12 with aligned information. (see 4.2.1.3.4 below)
3. The investment name in the IT portfolio should be changed to 'Multifamily Housing Finance' rather than 'iREMS'.	Investment name remains "iREMS" in the current Exhibit 300, revision 12.
4. Collaborate with Public and Indian Housing (PIH) to establish an integrated project-based asset management business model.	Pending policy change.

Recommendation	Status
5. Coordinate Active Partners Performance System (APPS) modernization with HUD Business Partner Management segment planning to ensure incorporation into enterprise solution.	As part of the FY 10 development tasks, iREMS will provide significant code that can be used by the Business Partner Management segment.
6. Align financial management functions (i.e. MFIS, MFCS, and HMIMIS) with the financial management business area.	In progress - MFIS and MFCS will align with FHA Subsidiary Ledger in FY 09. FHA will be part of Financial Management's Modernization. No indication that HMIMIS has aligned with Finance Management. (see 4.2.1.3.3 below)
7. Identify and coordinate transition of subsidy contract administration functionality to RHA, once RHA supports contract administration functionality.	No relevant information found in iREMS Exhibit 300, revision 12; however, RHA will re-engineer and implement a new solution for certification and subsidy submissions in FY 2008. (IT Master Schedule, version 14).
8. Develop an enterprise repository of property and tenant data.	No relevant information found in iREMS Exhibit 300, revision 12.
9. Align Grants Management functions from DAP with the grants management business area.	No relevant information found in iREMS Exhibit 300, revision 12.

#### 4.2.1.3 FY 2009 MFHF Findings and Recommendations

Upon review of the iREMS IT Portfolio materials, a number of findings were identified for the Multifamily Housing Finance business area. The findings, recommendations and rationale are identified in the following paragraphs.

##### 4.2.1.3.1 Finding: Existing maintenance cost of redundant legacy systems and software platforms is approximately \$7 million per year.

Recommendation: Modernize and integrate existing legacy systems into an integrated solution to enhance business requirements and reduce operations and maintenance costs.

Recommendation: Identify the cost savings associated with the retirement and migration of legacy systems.

##### 4.2.1.3.2 Finding: Inadequate data sharing capabilities with external business partners.

Recommendation: Work with HUD's Business Partner Management segment to improve data sharing and interface with external business partners (Business to Government).

##### 4.2.1.3.3 Finding: iREMS's current major milestones are not reflected in its Exhibit 300.

Recommendation: Include existing iREMS major milestones in the Exhibit 300, as listed in the IT Master Schedule:

- Retire REMS in Inventory of Automated Systems (IAS) (9/2008)
- Expand REMS event notification system to automate notifications that are sent to Housing Project Managers (9/2010)
- Award MFHF contract for the Development Application Processing (DAP) systems (3/2009)
- Business Modernization Planning (5/2009)

**4.2.1.3.4 Finding: iREMS's Performance Information Table (Exhibit 300) is not aligned with HUD EA recommended Performance Architecture document.**

Recommendation: Continue to align performance measurements in the Exhibit 300 with recommended language in EA performance documents. These documents create a clear line of sight to HUD's Strategic Plan (i.e. Collaboration on Enterprise Modernization Roadmap Document – Jan 2008, Performance Architecture - version 3.0, IT Master Schedule - version 14, and Enterprise Modernization Plan (EMP) - version 3.0.). Further rationale for this alignment is provided in paragraph 4.1.1.4.

**4.2.1.3.5 Finding: MFHF's business modernization plan (Segment Architecture) was last updated in March 2006.**

Recommendation: Update MFHF's Business Modernization Plan using HUD's Business Modernization Process Guidebook in order to arrive upon key decisions that will drive their business modernization efforts more effectively. HUD's Business Modernization Process Guidebook documents an approved, tested and successful methodology that will also enable prioritization of business requirements that will improve the development of business modernization efforts. The purpose of business modernization planning is further addressed in paragraph 4.1.1.5 of this document.

**4.2.1.3.6 Finding: iREMS's TRM Table (Exhibit 300) identifies service specification technologies that are not included in HUD's approved TRM.**

Recommendation: The following technologies, Transact SQL, Microlog Envoy, Sun Web Server 6, Cool Gen 4.1A, Eastman Enterprise Work Management and PVCS, are listed in the TRM Table, but are not part of HUD's enterprise-wide TRM. These technologies and future technologies must be submitted to the Configuration Change Management Board (CCMB) for adjudication.

**4.2.1.3.7 Finding: iREMS's SRM table (Exhibit 300) does not identify reusable service components (i.e. cross-agency initiatives and other IT Investments), which can be leveraged to improve service offerings.**

Recommendation: Continue to update the MFHF Exhibit 300 with internal/external service components which may be dependencies to other IT Portfolio investments and CAIs, resulting in consolidation, reuse and cost savings. Further rationale for cross-agency initiatives is provided in the SRM analysis in paragraph 4.1.1.7.

## 4.2.2 Single Family Housing

### 4.2.2.1 Overview

HUD's Single Family Housing (SFH) mission area encompasses the processes, systems, and technologies that enable HUD to provide mortgage insurance to lenders on loans for the development/purchase/refinancing of new or existing homes, condominiums, and manufactured housing; financing of houses needing rehabilitation; and for reverse equity mortgages to elderly homeowners. Secondary activities within this mission area include the administration of subsidies (i.e., vouchers) for use toward down payments or mortgage payments, as well as certain grant programs dedicated to the building or maintenance of single family dwellings.

The SFH business case is a consolidation of 23 legacy and cuff systems used for carrying out Single Family Housing business functions. In total, SFH reports 35 legacy systems (duplicated and non-integrated databases and cuff systems) which are unable to perform existing business functionalities – yearly costs of operating and maintaining these legacy systems vary greatly each year, but are reported to be in a range between \$40-60 million.

The following HUD IT Portfolio investment was reviewed for this segment:

- o Single Family Housing Consolidated Line of Business – P233 – 1768060

### 4.2.2.2 FY 2008 SFH Recommendations

The following table provides a list of recommendations identified in SPR FY 2008 for the investment. The table also identifies the status for each recommendation.

Recommendation	Status
1. Formalize a Business Modernization Plan (Segment Architecture) using HUD's standard methodology.	Scheduled to begin 09/2008. (IT Master Schedule, version 15) (see 4.2.2.3.4 below)
2. Revisit performance measurements to determine relationship with APP performance indicators.	HUD EA facilitated a collaborative session with the Program Area to align performance measurement to HUD's Strategic Plan. Program Areas should update current Exhibit 300, revision 12 with aligned information. (see 4.2.2.3.3 below)
3. Coordinate FHA Connection modernization plans with HUD Portal and Identity Management plans through Enterprise Technology Services (ETS).	In progress- FHA plans to use HUD's Portal Technology once development funding is available. FHA will implement E-Authentication for FHA Connection in FY 2010 (IT Master Schedule, version 15).
4. The investment name in the IT portfolio should be changed to 'Single Family Housing' rather than 'Single Family Integration'.	Completed - the investment's name is Single Family Housing Consolidated Line of Business in the Exhibit 300, revision 15.

Recommendation	Status
5. Consolidate the Single Family Housing business case to include systems associated with the Mission Area functionality (i.e., DSRS and Notes).	SFMNS – Notes – A80N and DSRS - A80D are subsystems of SFH Consolidated Line of Business Exhibit 300.
6. Align the Financial Management functions (i.e. SFPCS-U and SFPCS-P) and Grants Management functions (i.e. HCS) with the appropriate business areas.	No relevant information found to verify SFPCS-U and SFPCS-P are aligned to the Financial Management. HCS is still aligned to SFH.
7. Establish Loan Insurance as a business service and develop a business modernization plan	The Loan Insurance Module will be designed and developed in FY10.

#### 4.2.2.3 FY 2009 SFH Recommendations

Upon review of the SFH IT Portfolio materials, a number of findings were identified for the SFH business area. The findings, recommendations and rationale are identified in the following paragraphs.

##### 4.2.2.3.1 Finding: SFH has over 35 duplicated and non-integrated databases and cuff systems, which are unable to perform existing business functionalities, and cost over \$60,000,000 per year to operate and maintain.

Recommendation: Modernize existing systems into an integrated solution that will support existing business processes, as recommended by Government Accountability Office (GAO). For further explanation see paragraph 3.1.3.

Recommendation: Identify the cost savings associated with the retirement and migration of legacy systems.

##### 4.2.2.3.2 Finding: SFH's current major milestones are not reflected in its Exhibit 300.

Recommendation: Include existing SFH milestones in the Exhibit 300, as listed in the IT Master Schedule:

- Complete Deployment of E-Endorsement/Lender Insurance electronic submissions (6/2010)
- Develop Formal Business Modernization Plan (9/2008)

##### 4.2.2.3.3 Finding: The SFH Exhibit 300 Performance Information table (Exhibit 300) is not completely aligned with recommended performance measurements identified in HUD Enterprise Architecture performance artifacts.

Recommendation: Continue to align performance measurements in the Exhibit 300 with recommended language in EA performance documents. These documents create a clear line of sight to HUD's Strategic Plan (i.e. Collaboration on Enterprise Modernization Roadmap Document – Jan 2008, Performance Architecture - version 3.0, IT Master

Schedule - version 14, and Enterprise Modernization Plan (EMP) - version 3.0.). Further rationale for this alignment is provided in paragraph 4.1.1.4.

**4.2.2.3.4 Finding: SFH's business modernization plan was last updated in September 2005.**

Recommendation: Update SFH's Business Modernization Plan using HUD's Business Modernization Process Guidebook in order to arrive upon key decisions that will drive their business modernization efforts more effectively. HUD's Business Modernization Process Guidebook documents an approved, tested and successful methodology that will also enable prioritization of business requirements that will improve the development of business modernization efforts. The purpose of business modernization planning is further addressed in paragraph 4.1.1.5 of this document.

**4.2.2.3.5 Finding: The SFH Exhibit 300 lists over 300 service specifications, some of which are not included in HUD's TRM.**

Recommendation: HARTS, a LOTUS Notes Based system and Service Oriented Architecture (SOA) CM Tool are listed in the TRM Table of the Exhibit 300, but are not in HUD's TRM. These technologies and future technologies should be submitted to the CCMB for adjudication.

**4.2.2.3.6 Finding: The SFH Exhibit 300 does not include external reuse service components, including Pay.gov.**

Recommendation: Continue to update the SFH Exhibit 300 with internal/external service components which may be dependencies to other IT Portfolio investments and CAIs, resulting in consolidation, reuse and cost savings. Further rationale for reuse and SRM analysis is provided in paragraph 4.1.1.7.

## 4.2.3 Rental Housing Assistance

### 4.2.3.1 Overview

The mission of Rental Housing Assistance (RHA) business area is to ensure safe, decent, and affordable housing for qualified low-income families; create opportunities for residents' self-sufficiency and economic independence; and assure fiscal integrity by all program participants. Within RHA there are 4 primary functions: Inventory Management (IM), Resource "Subsidy" Allocation (RA), Oversight & Monitoring (O&M) and Enterprise Income Verification (EIV).

The RHA business case is a consolidation of five major and 9 non-major systems for the RHA segment.

The following HUD IT Portfolio investments were reviewed for this segment:

1. Rental Housing Assistance - 411990
2. Web Access Security Sub-System (WASS) - 307940
3. Tenant Rental Assistance Certification System (TRACS) - 251780

#### 4.2.3.2 FY 2008 RHA Recommendations

The following table provides a list of recommendations identified in SPR FY 2008 for the investment. The table also identifies the status for each recommendation.

Recommendation	Status
1. Identify a project lead and business sponsor(s) to lead Business Modernization.	No relevant information found in Exhibit 300, revision 12; nor in the select summary.
2. Formalize a Business Modernization Plan (Segment Architecture) using HUD's standard methodology and BPR artifacts.	Scheduled to begin 09/2008. (IT Master Schedule, version 15) (see 4.2.3.3.5 below)
3. Consolidate current RHA investments where appropriate.	Completed - the RHA Exhibit 300 is a consolidation of the existing systems that support RHA.
4. Revisit performance measurements to determine relationship with APP performance indicators.	HUD EA facilitated a collaborative session with the Program Area to align performance measurement to HUD's Strategic Plan. Program Areas should update current Exhibit 300, revision 12 with aligned information. (see 4.2.3.3.4 below)
5. Coordinate WASS modernization with HSPD-12, FHA Connection and HUD Identity Management to ensure a single enterprise solution.	In progress - the EA Team is currently coordinating with selected Programs Areas to implement this recommendation.
6. Collaborate with MFHF on the development of an enterprise repository for property and tenant data.	In progress - this is a policy issue and was addressed during the select process/and to the TIBWG. A repository for property and tenant data can exist only if policy is changed.
7. Consolidate Customer Service (Help Desk) functions for RHA.	No relevant information found in Exhibit 300 (revision 12); no indication of any progress made on this recommendation.
8. Identify and coordinate transition of Section 8 program processing from Financial Management.	Completed - Project-based Section 8 data was converted from HUDCAPS in 5/2007. (see 4.2.3.3.3 below)
9. Identify and coordinate transition of contract administration functionality from REMS.	No relevant information found in Exhibit 300 (revision 12). Re-engineering and implementation of front-end Contract module from EASEL to web-based - FY 2008. (IT Master Schedule, version 15)
10. Identify and coordinate transition of subsidy management functionality (i.e. VMS) to Subsidies and Grants Information System (SAGIS).	RHA will implement a Housing Choice Voucher Management system in 9/2009. (see 4.2.3.3.3 below)

Recommendation	Status
11. Consolidate RHA compliance and monitoring functionality under Compliance and Monitoring investment.	RHA will implement a new on-site monitoring component for the compliance assessment of PHA management in 2009. (see 4.2.3.3.3 below)
12. Collaborate with MFH and PIH to establish an integrated project-based asset management business model.	RHA will integrate PIH and MFHF housing tenant data with other income sources in FY 2009. (Exhibit 300, revision 1)

#### 4.2.3.3 FY 2009 RHA Recommendations

Upon review of the RHA IT Portfolio materials, a number of findings were identified for the RHA business area. The findings, recommendations and rationale are identified in the following paragraphs.

##### 4.2.3.3.1 Finding: TRACSMail, an obsolete system, will cease to operate in FY 08, which can jeopardize the voucher submission for all Multifamily subsidy payments.

Recommendation: Implement iMax, TRACSMail replacement, to continue processing \$8 billion in annual subsidy payments.

Recommendation: Identify the cost savings associated with the retirement and migration of legacy systems.

##### 4.2.3.3.2 Finding: WASS, a web access security subsystem, provides secure authentication and authorization for 27 HUD systems and is part of RHA's Line of Business.

Recommendation: WASS functionalities should be incorporated into an enterprise-wide Portal and Identity Management solution.

##### 4.2.3.3.3 Finding: Some current major milestones are not reflected in the RHA Exhibit 300.

Recommendation: Include milestone dependencies to Financial Management's Modernization Plan:

- Automate formula funding for Capital Fund, Operating Fund, and Office of Native American Program Funds, and support other discretionary funding programs (9/2009)

Recommendation: Include existing RHA milestones, as listed in the IT Master Schedule:

- Formalize Project-based Section 8 Budget Estimate Process. (4/2008)
- Support Inventory Management's transition to Project Based Asset Management. (4/2008)
- Business Modernization Planning. (11/2008)
- Implement Housing Subsidy Function based on Tenant Data. (12/2008)

- Support Error Log Tracking, part of the Rental Housing Integrity Improvement initiative (RHIIIP). (12/2008)
- Increase HUD's elimination of improper payments by improving the voucher review process. (6/2009)
- Increase the accuracy of subsidy calculation and determination by implementing a Housing Choice Voucher Management. (9/2009)
- Implement the Uniform Relocation Act by extending EIV to support CPD. (9/2010)
- Improve HUD's on-site reviews by field offices of PHAS by increasing PHAS certification reviews. (12/2010)

**4.2.3.3.4 Finding: RHA's Performance Information Table (Exhibit 300) is not aligned with HUD EA recommended Performance Architecture document.**

Recommendation: Continue to align performance measurements in the Exhibit 300 with recommended language in EA performance documents. These documents create a clear line of sight to HUD's Strategic Plan (i.e. Collaboration on Enterprise Modernization Roadmap Document – Jan 2008, Performance Architecture - version 3.0, IT Master Schedule - version 14, and Enterprise Modernization Plan (EMP) - version 3.0.). Additional rationale for this alignment is provided in paragraph 4.1.1.4.

**4.2.3.3.5 Finding: RHA's business modernization plan (Segment Architecture) was last updated in 2005.**

Recommendation: Update RHA's Business Modernization Plan using HUD's Business Modernization Process Guidebook in order to arrive upon key decisions that will drive their business modernization efforts more effectively. HUD's Business Modernization Process Guidebook documents an approved, tested and successful methodology that will also enable prioritization of business requirements that will improve the development of business modernization efforts. The purpose of business modernization planning is further addressed in paragraph 4.1.1.5 of this document.

**4.2.3.3.6 Finding: The RHA's TRM Table (Exhibit 300) identifies service specification technologies that are not included in HUD's approved TRM.**

Recommendation: The following technologies (PERL, Hummingbird 7.0, Cool Gen Comm Bridge 4.1A, DEPCON Central v5r2, CA Top Secret, Informatica, DPS-1100, RDMS/RDMS 9R3, TOAD 7.2, CMPlus, Unisys and UNIX) are listed in the TRM Table, but are not part of HUD's enterprise-wide TRM. These technologies and future technologies should be submitted to the CCMB for adjudication

**4.2.3.3.7 Finding: The RHA SRM table (Exhibit 300) does not identify reusable service components (i.e. cross-agency initiatives and other IT Investments), which can be leveraged to improve service offerings.**

Recommendation: Continue to identify internal/external service components that can improve RHA's business performance and provide consolidation, integration, reuse and cost savings. Further rationale for reuse and SRM analysis is provided in paragraph 4.1.1.7.

## 4.2.4 Federal Housing Administration

### 4.2.4.1 Overview

The Federal Housing Administration Financial Operations (FHAFO) initiative provides FHA with integrated budget management, funds control, accounting, and financial operations in support of FHA's mission to expand affordable housing and homeownership opportunities, to support development of affordable rental housing and health care facilities, to strengthen program controls and improve program management. FHA produces accurate, timely financial statements directly from FHA general ledger that are compliant with the requirements of Federal Financial Management Improvement Act (FFMIA) and other standards. This improves FHA's ability to manage financial risk.

The FHAFO effort is a consolidated initiative consisting of two major parts. The first part implemented a Federal Generally Accepted Accounting Principles (FED-GAAP) certified general ledger for FHA that is compliant with the e-GOV President's Management Agenda (PMA) objective for Financial Systems integration. The second part implements an integrated, modern Target Enterprise Architecture solution for the 12 legacy systems supporting FHAFO business processes.

The following HUD IT Portfolio investment was reviewed for this segment:

- Federal Housing Administration Financial Operations (FHAFO) - 1768050

### 4.2.4.2 FY 2008 FHA Recommendations

The FHAFO investment was not part of the SPR FY 2008 analysis; however, section 4.2.2.2, number 3, is a FHA recommendation that provides some background information on the FY 2008 recommendation regarding FHA intent to use the HUD Portal.

### 4.2.4.3 FY 2009 FHA Recommendations

Upon review of the FHA IT Portfolio materials, a number of findings were identified for the FHA business area. The findings, recommendations and rationale are identified in the following paragraphs.

#### 4.2.4.3.1 Finding: Existing FHA systems inadequately meet new legislative and administrative initiatives in response to current problems in the U.S. housing market.

Recommendation: Prioritize and implement FHA's new business requirements to improve the operations of current financial systems to manage risk and control costs by:

- Maintain and modernize existing systems
- Implement FHA Modernization and Risk-Based Pricing
- Eliminate long-standing security deficiencies in existing systems

Recommendation: Identify the cost savings associated with the retirement and migration of legacy systems.

#### **4.2.4.3.2 Finding: One of FHA's milestone dependencies to Financial Management Modernization conflicts with Financial Management timeline.**

Recommendation: Collaborate and further identify the following milestone dependency with Financial Management; (FHA due date is FY09; the FMM due date is during FY11)

- FHA Modernization (Retire/Integrate 5 FHA legacy Systems)

#### **4.2.4.3.3 Finding: Some of FHA's current dependencies to other IT investments are not reflected in HUD's IT Master Schedule.**

Recommendation: Include existing performance milestones and dependencies to other IT Portfolio investments in HUD's IT Master Schedule, as listed in the Exhibit 300.

- Financial Management Dependency – migration of FHA financial systems to Financial Management Integrated Core Financial System (ICFS).
- Department of Treasury Dependency – implementation of pay.gov to eliminate the use of lockboxes for collections.

#### **4.2.4.3.4 Finding: FHA's Performance Information Table (Exhibit 300) is not aligned with HUD EA recommended Performance Architecture document.**

Recommendation: Continue to align performance measurements in the Exhibit 300 with recommended language in EA performance documents. These documents create a clear line of sight to HUD's Strategic Plan (i.e. Collaboration on Enterprise Modernization Roadmap Document – Jan 2008, Performance Architecture - version 3.0, IT Master Schedule - version 14, and Enterprise Modernization Plan (EMP) - version 3.0.). Additional rationale for this alignment is provided in paragraph 4.1.1.4.

#### **4.2.4.3.5 Finding: FHA's business modernization plan (Segment Architecture) was last updated in 2005.**

Recommendation: Update FHA's Business Modernization Plan using HUD's Business Modernization Process Guidebook in order to arrive upon key decisions that will drive their business modernization efforts more effectively. HUD's Business Modernization Process Guidebook documents an approved, tested and successful methodology that will also enable prioritization of business requirements that will improve the development of business modernization efforts. The purpose of business modernization planning is further addressed in paragraph 4.1.1.5 of this document.

#### **4.2.4.3.6 Finding: FHA's TRM Table (Exhibit 300) identifies over 90 service specifications, some of which are not included in HUD's approved TRM.**

Recommendation: The following technologies (ColdFusion Enterprise) are listed in the TRM Table, but are not part of HUD's enterprise-wide TRM. These technologies and future technologies must be submitted to the CCMB for adjudication.

**4.2.4.3.7 Finding: The FHA's SRM table (Exhibit 300) does not identify reusable service components (i.e. cross-agency initiatives and other IT Investments), which can be leveraged to improve service offerings.**

Recommendation: Continue to identify internal/external service components that can improve FHA's business performance and provide consolidation, integration, reuse and cost savings. One external service component includes Treasury's government-wide Pay.gov service. Further rationale for reuse and SRM analysis is provided in paragraph 4.1.1.7.

## 4.2.5 Fair Housing

### 4.2.5.1 Overview

Title Eight Automated Paperless Office Tracking System Maintenance (TEAPOTS) supports the Office of Fair Housing and Equal Opportunity's (FHEO) administration of the federal laws and establishment of national policies that make sure all Americans have equal access to the housing of their choice. In particular, this system automates the investigation and tracking of housing discrimination complaints and compliance reviews carried out by FHEO in its implementation and enforcement of the Fair Housing Act and other civil rights laws.

The following HUD IT Portfolio investment was reviewed for this segment:

- FHEO – Title Eight Automated Paperless Office Tracking System Maintenance (TEAPOTS) - 308160

### 4.2.5.2 FY 2008 FH Recommendations

The following table provides a list of recommendations identified in SPR FY 2008 for the investment. The table also identifies the status for each recommendation.

Recommendation	Status
1. Identify a project lead and business sponsor to formalize Business Modernization Planning (Segment Architecture).	No progress noted; no relevant information found in TEAPOTS Exhibit 300 (revision 12).
2. Formalize a Business Modernization Plan (Segment Architecture) using HUD's standard methodology.	No progress noted; no relevant information found in TEAPOTS Exhibit 300 (revision 12).
3. Consolidate current Fair Housing investments.	No progress noted; no relevant information found in TEAPOTS Exhibit 300 (revision 12).

### 4.2.5.3 FY 2009 FH Recommendations

Upon review of the FH IT Portfolio materials, a number of findings were identified for the FH business area. The findings, recommendations and rationale are identified in the following paragraphs.

**4.2.5.3.1 Finding: FH's Exhibit 300 does not provide adequate justifications for the Program Area's business requirements.**

Recommendation: Update FH's Exhibit 300 to identify funding justifications for business requirements that meet part or in whole HUD's mission.

#### **4.2.5.3.2 Finding: There are no major milestones listed in FH Exhibit 300 and HUD's IT Master Schedule.**

Recommendation: Coordinate with Financial Management and include milestone dependencies to Financial Management Modernization effort:

- OFHEO – Fair Housing Integration. (during FY 2012)

Recommendation: Include FH existing major milestones in the Exhibit 300 and IT Master Schedule to communicate the Program Area's priorities with Program Areas and stakeholders.

#### **4.2.5.3.3 Finding: FH's Performance Information table (Exhibit 300) consists of two measurement indicators.**

Recommendation: Update FH's performance measurement with clear, measurable performance indicators, aligned to HUD's strategic goals. Additionally plan to align performance indicators, performance metrics and results with HUD Enterprise architecture documents. Further information regarding this alignment is provided in paragraph 4.1.1.4.

#### **4.2.5.3.4 Finding: FH currently does not have a business modernization plan.**

Recommendation: As a core mission area for HUD, FH should develop a Business Modernization Plan using HUD's Business Modernization Process Guidebook in order to arrive upon key decisions that will drive their business modernization efforts more effectively. HUD's Business Modernization Process Guidebook documents an approved, tested and successful methodology that will also enable prioritization of business requirements that will improve the development of business modernization efforts. The purpose of business modernization planning is further addressed in paragraph 4.1.1.5 of this document.

#### **4.2.5.3.5 Finding: TEAPOTS's TRM Table (Exhibit 300) identifies service specification technologies that are not included in HUD's approved TRM.**

Recommendation: The TRM Table should be completed to include existing service specifications. These technologies and future technologies must be submitted to the CCMB for adjudication.

#### **4.2.5.3.6 Finding: The TEAPOTS's SRM table (Exhibit 300) does not identify reusable service components (i.e. cross-agency initiatives and other IT Investments), which can be leveraged to improve service offerings.**

Recommendation: Continue to identify internal/external service components that can improve TEAPOTS' business performance and provide consolidation, integration, reuse and cost savings. Further rationale for reuse and SRM analysis is provided in paragraph 4.1.1.7.

## *4.3 BUSINESS SERVICE SEGMENTS*

### 4.3.1 Financial Management

#### **4.3.1.1 Overview**

The Financial Management business function encompasses a comprehensive set of accounting and finance processes, technologies, and services designed to manage the

HUD's financial control activities and flow of financial information across HUD's information systems. Specifically, this segment architecture encompasses functions and service components related to accounting, billing, collections and receivables, credit transactions, expense management, payment settlement, payments and financial management.

Integrated financial management supports the mission of HUD and is an inherent function of the delivery of all programs. To enable cost-effective mission achievement and risk mitigation, financial management at all levels of HUD must manage and control programs through activities that:

- Capture business event information
- Ensure budgetary integrity
- Establish financial control over obligations and costs
- Produce timely, accurate, consistent, and complete financial data

HUD's Financial Management vision comprises of a four-phased approach to fully integrate programmatic and financial information. Integrated financial and programmatic information will allow HUD to be proactive in decision-making and timely in providing information to its various constituencies. The four phases are:

- Phase I: Organizational Preparation.
- Phase II: Implementation of Core Financials
- Phase III: Operational Systems Enhancements
- Phase IV: Integrated Financial and Program Performance

The following HUD IT Portfolio investments were reviewed for this segment:

- HUD Financial Management - 1768010

#### 4.3.1.2 FY 2008 Financial Management Recommendations

The following table provides a list of recommendations identified in SPR FY 2008 for the investment. The table also identifies the status for each recommendation.

Recommendation	Status
1. Formalize a Business Modernization Plan (Segment Architecture) using HUD's standard methodology.	In progress – the HUD Integrated Financial Management Improvement Project (HIFMIP) project plan exists, but is outdated and does not reflect EA's Business Modernization Process Guidebook. See paragraph 4.3.1.3.3 for additional information.
2. Leverage cross-agency materials (Federal Transition Framework) when planning the Financial Management segment.	In progress – Fed Traveler and WINATS (CAIs) have been implemented.
3. Revisit performance measurements to determine relationship with APP performance indicators.	In progress - performance measurement alignment was updated in EA artifacts, but not in current Exhibit 300 (revision 12) (see 4.2.3.3.4 below)

Recommendation	Status
4. The investment name in the IT portfolio should be changed to 'Financial Management' rather than 'HUD FMLOB'.	Investment is referred to FMLOB in the Financial Management Exhibit 300 (revision 12).
5. Identify and coordinate transition procurement applications (HIAMS, SPS, HPS) into new Acquisitions Management segment.	Completed.
6. Continue transition of section 8 program functionality.	Completed - Section 8 data was converted from HUDCAPS in 5/2007
7. Identify and coordinate transition of mortgage insurance functionality to appropriate segments.	No relevant information found in Financial Management Exhibit 300 (revision 12).
8. Identify and coordinate transition of correspondence tracking functionality to Electronic Document and Records Management segment (iManage).	No relevant information found in Financial Management Exhibit 300 (revision 12).
9. Consolidate financial management functions (i.e. SFPCS-U, SFPCS-P, MFIS, MFCS, HMIMIS) into the financial management business area.	In progress - MFIS and MFCS will consolidate with FHA Modernization, which is part of Financial Management's Modernization.
10. Develop standard operating procedures that provide the details regarding how another Mission Area, Business Service or Enterprise Service can use Financial Management services.	No relevant information found in Financial Management Exhibit 300 (revision 12).

#### 4.3.1.3 FY 2009 Financial Management Recommendations

Upon review of the Financial Management IT Portfolio materials, a number of findings were identified for the Financial Management business areas. The findings, recommendations and rationale are identified in the following paragraphs.

##### 4.3.1.3.1 Finding: Potential conflicts exist with the migration of other IT investments to HUD's Integrated Core Financial System (ICFS).

Recommendation: Establish formal collaboration with Program Areas to identify their specific dependencies to Financial Management.

##### 4.3.1.3.2 Finding: Financial Management's Performance Information Table (Exhibit 300) is not aligned with HUD EA recommended Performance Architecture document.

Recommendation: Continue to align performance measurements in the Exhibit 300 with recommended language in EA performance documents. These documents create a clear line of sight to HUD's Strategic Plan (i.e. Collaboration on Enterprise Modernization Roadmap Document – Jan 2008, Performance Architecture - version 3.0, IT Master

Schedule - version 14, and Enterprise Modernization Plan (EMP) - version 3.0.). Further information regarding this alignment is provided in paragraph 4.1.1.4.

**4.3.1.3.3 Finding: Financial Management’s business modernization plan, HIFMIP Roadmap, was last updated in December, 2005.**

Recommendation: Update Financial Management’s Business Modernization Plan using HUD’s Business Modernization Process Guidebook in order to arrive upon key decisions that will drive their business modernization efforts more effectively. HUD’s Business Modernization Process Guidebook documents an approved, tested and successful methodology that will also enable prioritization of business requirements that will improve the development of business modernization efforts. The purpose of business modernization planning is further addressed in paragraph 4.1.1.5 of this document.

**4.3.1.3.4 Finding: Financial Management’s TRM Table (Exhibit 300) identifies service specification technologies that are not included in HUD’s approved TRM.**

Recommendation: The following technologies (DBL, IBM JCL, QLP, Eastman imaging) are listed in the TRM Table, but are not part of HUD’s enterprise-wide TRM. These technologies and future technologies should be submitted to the CCMB for adjudication.

**4.3.1.3.5 Finding: Financial Management is leveraging Cross-Agency Initiatives (CAIs) as part of its target architecture.**

Recommendation: Continue to identify internal/external service components that can improve Financial Management’s business performance and provide consolidation, integration, reuse and cost savings. External service components include e-Travel, Pay.gov and e-Payroll provided by United States Department of Agriculture National Financial Center (USDA-NFC). Further rationale for cross-agency initiatives, reuse and SRM analysis is provided in paragraph 4.1.1.7.

## 4.3.2 Grants Management

### 4.3.2.1 Overview

The Grants Management segment focuses on the processes, systems and technologies that support the administration and management of Grants Management programs (i.e., evaluating, scoring, awarding, monitoring grant programs). The scope of HUD’s Grants Management activities is limited to back-office grant processes, ensuring little or no duplication with the Grants.gov functionality, which is a front-end portal allowing grantees access to grants information.

The goal of Grants Management is to increase/improve government to citizen (citizen centric), and government to business services by leveraging technology (share the savings), reduces overall maintenance and development costs (results orientated) while supporting a core business function (grants) within HUD.

The following HUD IT Portfolio investments were reviewed for this segment:

- o Community Planning and Development ((CPD) - 1768100 - (964750) - HUD eGrants

#### 4.3.2.2 FY 2008 Grants Management Recommendations

The following table provides a list of recommendations identified in SPR FY 2008 for the investment. The table also identifies the status for each recommendation.

Recommendation	Status
1. Formalize a Business Modernization Plan (Segment Architecture) using HUD's standard methodology.	An updated Grants Business Modernization Plan is planned for FY 09.
2. Leverage cross-agency materials (Federal Transition Framework) when planning the Grants Management segment.	In progress- Grants Management leveraged grants.gov portal in FY 05 – 07. In FY 08, HUD's GMLOB Implementation Plan was not approved by OMB.
3. Revisit performance measurements to determine relationship with APP performance indicators.	In progress - performance measurement alignment was updated in EA artifacts, but not in current Exhibit 300, revision 12.
4. Identify and coordinate transition of Grants Management functionality from SFH (i.e. HCS) and MFHF (i.e. DAP).	No relevant information found in Exhibit 300 (revision 12) nor in the select summary.
5. Identify and coordinate transition of subsidy management functionality from RHA (i.e. VHS) to Subsidies and SAGIS.	No relevant information found in Exhibit 300 (revision 12) nor in the select summary.
6. Identify and coordinate transition of Section 8 program processing from Financial Management.	Completed - Section 8 data was converted from HUDCAPS in 5/2007
7. Develop standard operating procedures that provide the details regarding how another Mission Area, Business Service or Enterprise Service can use Grants Management services.	No relevant information found in Exhibit 300 (revision 12).
8. Complete Grants enterprise data model.	In progress – Grants Integrated Project Team (IPT) is formed and undergoing data model planning.

#### 4.3.2.3 FY 2009 Grants Management Recommendations

Upon review of the Grants Management IT Portfolio materials, a number of findings were identified for the Grants Management business area. The findings, recommendations and rationale are identified in the following paragraphs.

**4.3.2.3.1 Finding: Grants Management Implementation Strategy Plan to establish a GMLOB as the consortia lead rejected by Office of Management and Budget (OMB)**

Recommendation: Grants Mgt line of business must align with one of the following consortium leads: HHS/ACF, Education, or NSF in keeping with the most recent OMB findings and recommendations based upon the OMB assessment reported in June 2008.

Recommendation: Review applicable Fit/Gap analysis in order to identify shared service components that can best align technology solutions to one of the three GMLOB consortium leads. Further recommend using the HUD EA Business Modernization Planning Process Guidebook practices in reviewing this analysis. This and other solutions should be further expanded and followed up by executing a formal business modernization planning process. Paragraph 4.3.2.3.4 provides further guidance and recommendation on the business modernization planning process requirement.

**4.3.2.3.2 Finding: eGrants's Performance milestone dependency with Financial Management Modernization is not reflected in the business case (Exhibit 300)**

Recommendation: The following milestone must be validated and coordinated with Financial Management; currently FMM indicates this milestone will occur during FY12, while Grants Management indicates it will occur during FY08:

- SAGIS Resources Allocation in Phase 3 Interfaces with the new HUD financial Systems (4/2008)

**4.3.2.3.3 Finding: eGrants's Performance Information Table (Exhibit 300) is not aligned with HUD EA recommended Performance Architecture document.**

Recommendation: Continue to align performance measurements in the Exhibit 300 with language in EA performance documents. These documents create a clear line of sight to HUD's Strategic Plan (i.e. Collaboration on Enterprise Modernization Roadmap Document – Jan 2008, Performance Architecture - version 3.0, IT Master Schedule - version 14, and Enterprise Modernization Plan (EMP) - version 3.0.). Further information regarding this alignment is provided in paragraph 4.1.1.4.

**4.3.2.3.4 Finding: Grants Management's business modernization plan was last updated in February 2006.**

Recommendation: Update Grants Management's Business Modernization Plan using HUD's Business Modernization Process Guidebook in order to arrive upon key decisions that will drive their business modernization efforts more effectively. HUD's Business Modernization Process Guidebook documents an approved, tested and successful methodology that will also enable prioritization of business requirements that will improve the development of business modernization efforts. The purpose of business modernization planning is further addressed in paragraph 4.1.1.5 of this document.

#### 4.3.2.3.5 Finding: eGrants's TRM Table (Exhibit 300) identifies service specification technologies that are not included in HUD's approved TRM.

Recommendation: DEPCON Central technology is listed in the TRM Table, but is not part of HUD's enterprise-wide TRM. These technologies and future technologies should be submitted to the CCMB for adjudication.

#### 4.3.2.3.6 Finding: eGrants's SRM table (Exhibit 300) does not identify reusable external service components (i.e. cross-agency initiatives), which can be leveraged to improve service offerings.

Recommendation: Continue to identify internal/external service components that can improve Grants Management's business performance and provide consolidation, integration, reuse and cost savings. One external service component includes the use the Grants.gov portal to find grant opportunities, apply for grants, and obtain status of submissions. Further rationale for cross-agency initiatives, reuse and SRM analysis is provided in paragraph 4.1.1.7.

### 4.3.3 Human Resources Management

#### 4.3.3.1 Overview

The Human Resource Management segment encompasses a comprehensive suite of processes, services and technologies to fully support the management of human resources across HUD. It makes available all HR information to managers and supervisors for workforce planning and employee development, and helps to ensure HUD employees are used in the most effective manner possible. Specifically, sub-functions, processes, and service components related to career development and retention, contingent workforce management, education and training, personnel administration, recruiting, retirement management, skills management, time reporting and workforce acquisition and optimization reside within this segment.

The following HUD IT Portfolio investments were reviewed for this segment:

- ADMIN - 202750 - HUD Integrated Human Resources and Training System (HIHRTS)

#### 4.3.3.2 FY 2008 Human Resources Management Recommendations

The following table provides a list of recommendations identified in SPR FY 2008 for the investment. The table also identifies the status for each recommendation.

Recommendation	Status
1. Formalize a Business Modernization Plan (Segment Architecture) using HUD's standard methodology.	In progress; a formal business modernization plan is planned for FY 2009. (IT Master Schedule, version 15)
2. Leverage cross-agency materials (Federal Transition Framework) when planning the Human Resources Management segment.	In progress – HR Mgt currently uses federal-wide solutions (i.e. HR Connection and USA Staffing).

Recommendation	Status
3. Revisit performance measurements to determine relationship with APP performance indicators.	In progress - performance measurement alignment was updated in EA artifacts, but not reflected in current Exhibit 300, revision 12. See paragraph 4.3.3.3.2.
4. Develop standard operating procedures that provide the details regarding how another Mission Area, Business Service or Enterprise Service can use Human Resources Management services.	No relevant information found in Exhibit 300 (revision 12).

#### 4.3.3.3 FY 2009 Human Resources Management Recommendations

Upon review of the Human Resources Management IT Portfolio materials, a number of findings were identified for the Human Resources Management business area. The findings, recommendations and rationale are identified in the following paragraphs.

##### 4.3.3.3.1 Finding: Performance milestone dependency conflicts with the dependency milestone identified by Financial Management

Recommendation: The following dependency milestone must be validated and coordinated with Financial Management; currently FM indicates this dependency will occur during FY13, while HR Mgt indicates it will occur during FY10.

- HIHRTS Interfaces to HIFMIP (FY10)

##### 4.3.3.3.2 Finding: Human Resources Management's Performance Information Table (Exhibit 300) is not aligned with HUD EA recommended Performance Architecture document.

Recommendation: Continue to align performance measurements in the Exhibit 300 with recommended language in EA performance documents. These documents create a clear line of sight to HUD's Strategic Plan (i.e. Collaboration on Enterprise Modernization Roadmap Document – Jan 2008, Performance Architecture - version 3.0, IT Master Schedule - version 14, and Enterprise Modernization Plan (EMP) - version 3.0.). Further information regarding this alignment is provided in paragraph 4.1.1.4.

##### 4.3.3.3.3 Finding: Human Resources Management's business modernization plan was last updated in April 2005.

Recommendation: Update Human Resources Management's Business Modernization Plan using HUD's Business Modernization Process Guidebook in order to arrive upon key decisions that will drive their business modernization efforts more effectively. HUD's Business Modernization Process Guidebook documents an approved, tested and successful methodology that will also enable prioritization of business requirements that will improve the development of business modernization efforts. The purpose of business modernization planning is further addressed in paragraph 4.1.1.5 of this document.

## 4.4 ENTERPRISE SERVICE SEGMENTS

### 4.4.1 Electronic Document and Records Management

#### 4.4.1.1 Overview

The Electronic Document and Records Management Enterprise Service enables HUD to effectively manage all of its documents and records in a consistent, legal, and logical manner, from creation to final disposition, using a common set of tools, standards and policies. The core objective of Document Management is to promote collaboration and sharing, and capture much of HUD's knowledge in digital format.

As part of its overall modernization plan, HUD is undertaking an enterprise office system modernization project for its records and document management. HUD's Electronic Records System (HERS) planning began in FY 2003, and the Department is now moving forward with this effort as a major investment for FY 2007/2008.

The following HUD IT Portfolio investments were reviewed for this segment:

- o Administration ((ADM) - 663580 - HUD Electronic Records System (HERS))

#### 4.4.1.2 FY 2008 Electronic Document and Records Management Recommendations

The following table provides a list of recommendations identified in SPR FY 2008 for the investment. The table also identifies the status for each recommendation.

Recommendation	Status
1. Formalize a Business Modernization Plan (Segment Architecture) using HUD's standard methodology.	In progress. A formal business modernization plan is planned for FY 2008. (IT Master Schedule, version 15)
2. Collaborate with cross departmental business areas to establish value propositions that address business area opportunities.	In progress – currently supporting cross departmental records management functions.
3. Leverage cross-agency materials FTF when planning the EDRM segment.	In progress - the use of eSignature.
4. Revisit performance measurements to determine relationship with APP performance indicators.	In progress - performance measurement alignment updated in EA artifacts, not reflected in current Exhibit 300 rev. 12
5. Consolidate current Electronic Document and Records Management investments.	An enterprise Electronic Records and Document Management system (HERS) is planned for implementation FY 2009. Anticipate it will reduce the number of document/record mgt systems by eight.
6. Develop standard operating procedures that provide the details regarding how another Mission Area, Business Service or Enterprise Service can use Grants Management services.	No relevant information found in Exhibit 300, revision 12.

#### 4.4.1.3 FY 2009 Electronic Document and Records Management Recommendations

Upon review of the Electronic Document and Records Management IT Portfolio materials, a number of findings were identified for the EDRM business areas. The findings, recommendations and rationale are identified in the following paragraphs.

##### 4.4.1.3.1 Finding: HERS current major milestones are not reflected in its Exhibit 300.

Recommendation: Include the following milestones in the Exhibit 300, as listed in the IT Master Schedule:

- Develop a formal Freedom of Information Act (FOIA) Business Modernization Plan (8/08)
- Implement eSignature in CTS and FMS2 (2/09)
- Implement Enterprise Electronic Records and Documents Management/HERS (8/10)

Recommendation: Identify the cost savings associated with the retirement and migration of legacy systems.

##### 4.4.1.3.2 Finding: HERS Performance Information Table (Exhibit 300) is not aligned with HUD EA recommended Performance Architecture document.

Recommendation: Continue to align performance measurements in the Exhibit 300 with recommended language in EA performance documents. These documents create a clear line of sight to HUD's Strategic Plan (i.e. Collaboration on Enterprise Modernization Roadmap Document – Jan 2008, Performance Architecture - version 3.0, IT Master Schedule - version 14, and Enterprise Modernization Plan (EMP) - version 3.0.). Further information regarding this alignment is provided in paragraph 4.1.1.4.

##### 4.4.1.3.3 Finding: Electronic Document and Records Management's does not have a business modernization plan.

Recommendation: Create EDRM's Business Modernization Plan using HUD's Business Modernization Process Guidebook in order to arrive upon key decisions that will drive their business modernization efforts more effectively. HUD's Business Modernization Process Guidebook documents an approved, tested and successful methodology that will also enable prioritization of business requirements that will improve the development of business modernization efforts. The purpose of business modernization planning is further addressed in paragraph 4.1.1.5 of this document.

##### 4.4.1.3.4 Finding: HERS TRM Table (Exhibit 300) identifies service specification technologies that are not included in HUD's approved TRM.

Recommendation: Silanis ApproveIT technology is listed in the TRM Table, but is not part of HUD's enterprise-wide TRM. This technology and future technologies should be submitted to the CCMB for adjudication.

##### 4.4.1.3.5 Finding: HERS SRM table (Exhibit 300) does not identify reusable service components, that can be leveraged with other HUD IT investments and Cross Agency Initiatives (CAIs).

Recommendation: Continue to identify internal/external service components that can improve HERS business performance and provide consolidation, integration, reuse and cost

savings. One external service component includes the use the National Archives and Records Administration (NARA). Further rationale for cross-agency initiatives, reuse and SRM analysis is provided in paragraph 4.1.1.7.

#### 4.4.2 IT Infrastructure

##### 4.4.2.1 Overview

This project provides HUD with a centralized IT infrastructure to support its Program Areas. The HUD Information Technology Services (HITS) contracts awarded to Electronic Data Systems (EDS) and Lockheed Martin are the major components of this investment. These contracts are fixed-price, performance-based and provide the personnel, materials, equipment, COTS and system software, data network, facilities, and related services required to deliver IT services. HUD sets measurable performance standards and measures performance using Service Level Agreements that result in cash incentives and disincentives. A major part of this investment will provide HUD with a complete infrastructure modernization that includes upgrading the office automation suite, replacing older servers, workstations and notebooks, data services & equipment, and increasing storage capacity to increase performance.

HITS provides 24 core functions. These are hardware and software support, desktop and notebook support, database management, enterprise engineering, telecommunications, performance modeling, technology assessment, help desk support, system acceptance, disaster recovery, integration and testing, Electronic Data Interchange, facilities management, security, database management, configuration management, program management, LAN/WAN administration and circuits, TV/video conferencing, printing and distribution, tape management, and program management.

The following HUD IT Portfolio investments were reviewed for this segment:

- OCIO - 1768070-1067780 - Departmental IT Infrastructure

##### 4.4.2.2 FY 2008 IT Infrastructure Recommendations

This investment was not part of the FY 2008 SPR.

##### 4.4.2.3 FY 2009 IT Infrastructure Recommendations

Upon review of the IT Infrastructure IT Portfolio materials, a number of findings were identified for the IT Infrastructure business area. The findings, recommendations and rationale are identified in the following paragraphs.

###### 4.4.2.3.1 Finding: IT Infrastructure Project Plan does not identify dependencies to HUD IT Portfolio investments.

Recommendation: Collaborate with HUD stakeholders (i.e. IPT) to identify performance dependencies to IT Infrastructure. Failure to do so will result in additional maintenance costs to support lingering legacy systems as well as a waste of resources due to poor timing on the rollout of new systems.

#### **4.4.2.3.2 Finding: IT Infrastructure's does not have a current business modernization plan.**

Recommendation: Create an IT Infrastructure's Business Modernization Plan using HUD's Business Modernization Process Guidebook in order to arrive upon key decisions that will drive their business modernization efforts more effectively. HUD's Business Modernization Process Guidebook documents an approved, tested and successful methodology that will also enable prioritization of business requirements that will improve the development of business modernization efforts. The purpose of business modernization planning is further addressed in paragraph 4.1.1.5 of this document. using HUD's Business Modernization Process Guidebook in order to arrive upon key decisions that will drive their business modernization efforts more effectively. The purpose of business modernization planning is further addressed in paragraph 4.1.1.5 of this document.

#### **4.4.2.3.3 Finding: IT Infrastructure has not sufficiently clarified or identified the benefits it provides to the HUD Business Areas**

Recommendation: Clearly state in the Exhibit 300 (business case) narrative; statements that describe the benefits (cost savings/cost avoidance, increased capabilities) provided by IT Infrastructure.

### 4.4.3 Acquisition Management

#### **4.4.3.1 Overview**

Procurement is a cross-cutting support function within HUD. Most program areas rely on contract support to achieve program objectives and overall agency mission accomplishment. The fundamental business issue at HUD is that acquisition management is performed with numerous legacy systems that are not fully integrated and do not interface with all of HUD's financial systems. This results in a manual and duplicative paper-based process. The HUD acquisition environment is fragmented from both a system and process perspective, characterized by the use of dual procurement systems with limited or no interoperability to the Department's multiple financial systems. The solution to HUD's acquisition management problems is a single enterprise-wide procurement management and contract writing system referred to as the HUD Integrated Acquisition Management System (HIAMS).

The following HUD IT Portfolio investments were reviewed for this segment:

- OPC - 663600 - HUD HIAMS

#### **4.4.3.2 FY 2008 Acquisition Management Recommendations**

Acquisition Management was not part of the FY 2008 SPR.

#### **4.4.3.3 FY 2009 Acquisition Management Recommendations**

Upon review of the Acquisition Management IT Portfolio materials, a number of findings were identified for the Acquisition Management business area. The findings, recommendations and rationale are listed in the following paragraphs.

**4.4.3.3.1 Finding: Some of Acquisition Management's current major milestones are not reflected in its Exhibit 300.**

Recommendation: Include Acquisition Management's integration with Financial Management, a Financial Management dependency milestone:

- Integrate Procurement System with ICFS (5/10)

Recommendation: Identify the cost savings associated with the retirement and migration of legacy systems.

**4.4.3.3.2 Finding: Acquisition Management's Performance Information Table (Exhibit 300) is not completely aligned with HUD EA recommended Performance Architecture document.**

Recommendation: Continue to align performance measurements in the Exhibit 300 with recommended language in EA performance documents. These documents create a clear line of sight to HUD's Strategic Plan (i.e. Collaboration on Enterprise Modernization Roadmap Document – Jan 2008, Performance Architecture - version 3.0, IT Master Schedule - version 14, and Enterprise Modernization Plan (EMP) - version 3.0.). Further information regarding this alignment is provided in paragraph 4.1.1.4.

**4.4.3.3.3 Finding: The investment does not list service specifications in the Exhibit 300.**

Recommendation: The Acquisition Management completed its requirements and planning phase in Q2, FY 2008, which is reflected in the Exhibit 300. As the investment is developed and implemented, all future technologies should be submitted to the CCMB for adjudication.

## Conclusion

The next step for this Strategic Portfolio Report (SPR) is to present it to the TIBWG and TIBEC for approval. Once approval is received, recommend an approach be developed that assigns priority of development of business modernization plans for modernization initiatives based upon a measure of priority to include:

- Planned Investment
- Status of Modernization
- Role in the Enterprise Modernization Plan (dependencies)
- Cross Agency Initiatives

This SPR assists in steering the HUD IT portfolio and ensures that the business cases reflect the planned modernization strategy and enterprise-wide goals, objectives and dependencies defined in the IT Master Schedule and the Enterprise Modernization Plan

## 5 Appendix A Investment to Segment Mapping

Segment	Segment Type	Program Area	PCAS	ITIM Investment Name
Multifamily Housing Finance	Mission Area	HSG	1768000	IREMS
Multifamily Housing Finance	Mission Area	HSG	251460	APPS
Multifamily Housing Finance	Mission Area	HSG	251760	REMS
Multifamily Housing Finance	Mission Area	HSG	251800	DAP
Multifamily Housing Finance	Mission Area	HSG	251840	MDDRS
Multifamily Housing Finance	Mission Area	HSG	251850	Mark-to-Market
Multifamily Housing Finance	Mission Area	HSG	306660	MF Integ
Multifamily Housing Finance	Mission Area	HSG	712930	Neig. Networks
Multifamily Housing Finance	Mission Area	HSG	1467920	OPIIS
Multifamily Housing Finance	Mission Area	HSG	251300	MF Insur. Sys
Multifamily Housing Finance	Mission Area	HSG	251330	MF Claims Sys
Multifamily Housing Finance	Mission Area	CPD	252290	Title V System
Multifamily Housing Finance	Mission Area	HSG	251560	HMIMIS
Rental Housing Assistance	Mission Area	PIH-REAC	411990	Rental Hsg Assistance
Rental Housing Assistance	Mission Area	PIH-REAC	302075	National Housing Locator
Rental Housing Assistance	Mission Area	HSG	251780	TRACS
Rental Housing Assistance	Mission Area	PIH-REAC	1667960	Inventory Mgmt
Rental Housing Assistance	Mission Area	PIH-REAC	1667980	Oversight and Monitoring
Rental Housing Assistance	Mission Area	PIH-REAC	1667990	EIV
Rental Housing Assistance	Mission Area	PIH-REAC	307870	PASS
Rental Housing Assistance	Mission Area	PIH-REAC	307680	RASS
Rental Housing Assistance	Mission Area	PIH-REAC	307800	CASS
Rental Housing Assistance	Mission Area	PIH-REAC	307820	FASS-PH

Segment	Segment Type	Program Area	PCAS	ITIM Investment Name
Rental Housing Assistance	Mission Area	PIH-REAC	307810	FASS-FHA
Rental Housing Assistance	Mission Area	PIH-REAC	307830	MASS
Rental Housing Assistance	Mission Area	PIH-REAC	307860	NASS
Rental Housing Assistance	Mission Area	PIH-REAC	307880	QASS
Rental Housing Assistance	Mission Area	PIH-REAC	307940	WASS
Rental Housing Assistance	Mission Area	PIH-REAC	307790	Tenant Eligibility Sub-system (TASS)
Rental Housing Assistance	Mission Area	PIH-REAC	307900	Development Coordination Group (DCG)
Single Family Housing	Mission Area	HSG	663400	SF Integration
Single Family Housing	Mission Area	HSG	251250	HECM
Single Family Housing	Mission Area	HSG	251360	SAMS
Single Family Housing	Mission Area	HSG	251370	Neighborhood Watch
Single Family Housing	Mission Area	HSG	251380	SFHEDW
Single Family Housing	Mission Area	HSG	251390	Housing Counseling
Single Family Housing	Mission Area	HSG	251400	CHUMS
Single Family Housing	Mission Area	HSG	251410	Institution Master File
Single Family Housing	Mission Area	HSG	251420	ARRTS
Single Family Housing	Mission Area	HSG	251440	CAIVRS
Single Family Housing	Mission Area	HSG	251680	FHA Connection
Single Family Housing	Mission Area	HSG	307890	LASS
Single Family Housing	Mission Area	HSG	712890	Disposition Property Ctrl Sys
Single Family Housing	Mission Area	HSG	251270	CSFSS
Single Family Housing	Mission Area	HSG	251280	SFDMS
Single Family Housing	Mission Area	HSG	663400F	SF Integration
Single Family Housing	Mission Area	HSG	251140	SFIS
Single Family Housing	Mission Area	HSG	251080	SF Insurance Claims Subsys
Single Family Housing	Mission Area	HSG	251210	SFPCS-P

Segment	Segment Type	Program Area	PCAS	ITIM Investment Name
Single Family Housing	Mission Area	HSG	251170	DSRS
Single Family Housing	Mission Area	HSG	251190	NOTES
Single Family Housing	Mission Area	HSG	251220	SFPCS-U
Single Family Housing	Mission Area	HSG	251310	DCAMS
Single Family Housing	Mission Area	HSG	251320	Title I
Fair Housing	Mission Area	FHEO	308160	TEAPOTS
Fair Housing	Mission Area	FHEO	308210	FHEO Maint. Project
Fair Housing	Mission Area	FHEO	663500	Fair Lending Portal
Fair Housing	Mission Area	FHEO	309150	Client Information System
Financial Management	Business Service	CFO	1768010	HUD FMLOB
Financial Management	Business Service	CFO	202540	PAS/LOCCS
Financial Management	Business Service	CFO	202620	HUDCAPS
Financial Management	Business Service	CFO	202670	REAP/TEAM
Financial Management	Business Service	CFO	202740	LAS/CFO Rec. Maint
Financial Management	Business Service	CFO	203390	EZ Budget
Financial Management	Business Service	CFO	307840	BOSS
Financial Management	Business Service	CFO	360690	ARCATS
Financial Management	Business Service	CFO	411740	HIFMIP
Financial Management	Business Service	HSG	410350	FHA Financial Operations Modernization
Financial Management	Business Service	HSG	410350	FHA SL
Financial Management	Business Service	HSG	251200	PICS
Financial Management	Business Service	OPC	202800	HPS
Financial Management	Business Service	OPC	307780	SPS
Financial Management	Business Service	GNMA	411000	Ginnie Mae Maint
Financial Management	Business Service	OPC	1767980	HIAMS
Grants Management	Business Service	ADM	964750	HUD eGrants

Segment	Segment Type	Program Area	PCAS	ITIM Investment Name
Grants Management	Business Service	CPD	252190	Econ Dev Init.
Grants Management	Business Service	CPD	252200	IDIS
Grants Management	Business Service	CPD	252210	GMP Sys Maint
Grants Management	Business Service	CPD	252220	DRGR
Grants Management	Business Service	CPD	252230	SNAPS
Grants Management	Business Service	CPD	252240	EZ/EC System
Grants Management	Business Service	PIH-REAC	1667970	Subsidies and Grants Information System (SAGIS)
Human Resources Management	Business Service	ADM	202750	HIHRTS
Human Resources Management	Business Service	DEPSEC/S EC	203470	EEOTRACS
Electronic Document and Records Management	Enterprise Service	ADM	663580	HERS (ERM)
Electronic Document and Records Management	Enterprise Service	ADM	203080	ACRRS
Electronic Document and Records Management	Enterprise Service	ADM	203070	HCM
Electronic Document and Records Management	Enterprise Service	ADM	203090	HUDClips
Electronic Document and Records Management	Enterprise Service	ADM	252030	Exec Sec Legacy Sys Maint
Electronic Document and Records Management	Enterprise Service	HSG	252510	SF/MF Mortgage Sales Library
Electronic Document and Records Management	Enterprise Service	HSG	306700	ILS/RESPA
Electronic Document and Records Management	Enterprise Service	DEPSEC/S EC	307450	HIPRS

Segment	Segment Type	Program Area	PCAS	ITIM Investment Name
Electronic Document and Records Management	Enterprise Service	ADM	410940	DDS
Electronic Document and Records Management	Enterprise Service	ADM	411140	Presentation Graphics
Electronic Document and Records Management	Enterprise Service	CFO	307660	HTMS
Electronic Document and Records Management	Enterprise Service	DEPSEC/S EC	252010	Sec Tech Support
Electronic Document and Records Management	Enterprise Service	DEPSEC/S EC	308720	ALJ Sys Maint
Electronic Document and Records Management	Enterprise Service	ENFC	202920	ECIS
Electronic Document and Records Management	Enterprise Service	HSG	306680	QADLS
Electronic Document and Records Management	Enterprise Service	HSG	410890	AFOCS
Administrative Management	Business Service	ADM	307690	FIRMS
Administrative Management	Business Service	DEPSEC/S EC	308340	Labor Relations
Information and Technology Management	Business Service	OCIO	304290	System Engineering Support
Information and Technology Management	Business Service	ADM	304080	Email
Information and Technology Management	Business Service	DEPSEC/S EC	411200	Internet/Intranet
Information and Technology Management	Business Service	OCIO	1067780	Department IT Infrastructure
Information and Technology Management	Business Service	OCIO	309680	IT Security

Segment	Segment Type	Program Area	PCAS	ITIM Investment Name
Information and Technology Management	Business Service	OCIO	1717970	Integ. IT Mgmt
Information and Technology Management	Business Service	OCIO	303820	EA
Information and Technology Management	Business Service	OCIO	308580	Data Mgmt
Information and Technology Management	Business Service	OCIO	309390	ITIM
Information and Technology Management	Business Service	OCIO	309420	Dept E-Government Program
Information and Technology Management	Business Service	OCIO	663510	CIO Legacy Sys Maint
Information and Technology Management	Business Service	DEPSEC/S EC	308600	Public Access Technologies
Enforcement	Business Service	ENFC	202940	DECMS
Enforcement	Business Service	ENFC	561490	ECPCIS
Administrative Management	Business Service	ADM	251770	Admin Legacy Sys Maint.
Geospatial Data Management and Analysis	Enterprise Service	OCIO	307650	Geocode Service Center
Planning and Resource Allocation		HSG	306690	FHA Survey
N/A		OCIO	308330	ICB Track Sys
N/A		OGC	411300	OGC Sys Maint
N/A		PD&R	309460	PD&R Maint
N/A		HSG	252600	EDI
N/A		OCIO	663030	EDDS
N/A		PD&R	302070	Enterprise Integration
N/A			999999	Other Small Projects