

STATEMENT OF SANJEEV (SONNY) BHAGOWALIA, CHIEF INFORMATION OFFICER, OFFICE OF THE SECRETARY, U.S. DEPARTMENT OF THE INTERIOR, BEFORE THE HOUSE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM, OVERSIGHT HEARING ON THE NETWORX TRANSITION DELAY

May 20, 2010

INTRODUCTION

Good Morning, Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear before you today to discuss the "Networx" transition.

My name is Sanjeev Bhagowalia and I am also known as "Sonny". I am the Chief Information Officer (CIO) for the US Department of the Interior (DOI), where I also serve as the Chief Freedom of Information Act (FOIA) Officer and Senior Agency Official for Privacy (SAOP). I have almost 25 years of Industry and Government experience and expertise in Information Technology (IT), Information Resources Management (IRM) and executive leadership in diverse environments of large size, scope and complexity.

I play two roles regarding the "Networx" Program:

- First, as the DOI CIO, I am responsible for leading DOI's transition to Networx. DOI has a large, dispersed IT environment in approximately 2400 locations throughout the United States
- Second, as Chair of the Interagency Management Council (IMC) Executive Steering Committee (ESC), I serve in an advisory capacity to General Services Administration (GSA) in the development, coordination, and oversight of the telecommunications' programs of the Federal Government, including Networx. As a member of the Federal CIO Council, I was requested to serve in this capacity to be a bridge between GSA and the Federal CIO community to bring a voice of the customer and improve the success of Networx transition by the CIOs across Federal Government. In addition, we, the IMC ESC have partnered with GSA as a means for raising the visibility of Networx services

across the Federal government CIO Community. I note also that I am not the Chair of the IMC. The GSA Assistant Commissioner for Integrated Technology Services, Federal Acquisition Service is the Chair of the IMC as noted in the Charter. If the Chair is not present at an IMC meeting, I support the meeting as the senior ranking IMC ESC chair.

I would also like to add that Office of Management and Budget (OMB) has been a great help in moving the transition forward based on the executive support received from the new Federal CIO and Administrator for E-Government and IT, OMB, Vivek Kundra, who is also the director of the Federal CIO Council. After hearing, in November, 2009, of this program's assessment, status and request for help, the Federal CIO immediately joined us to help. Our new collaborative executive commitment from GSA, IMC, IMC ESC, Federal CIO Council, combined with our collective focus on performance and results with a "trust but verify" framework of regular follow-up, has started to produce results. We have recently passed the historic half-way Networx transition mark (50.4% metric) and are on a positive path to completion, although challenges remain. As public servants, we all remain committed to do our part to help this important national program realize immense savings across the Government and ensure taxpayer value.

1. What is causing the continued delay in the transition to Networx?

As the overall agency responsible for the management of the program, GSA has indicated that there are seven reasons for the continued delay in the transition to Networx:

- 1) Other Agency Priorities
- 2) Contract Complexity
- 3) Changes In the Regulatory Environment
- 4) Tailoring in lieu of standard Networx service offerings
- 5) Lack of Agency inventory

- 6) Lack of sufficient Agency managers with adequate technical skills and background in network services contracting
- 7) Contractor ordering systems have been inadequate

I will defer to GSA's expertise in these matters but agree with their assessment. I have chosen to highlight three reasons why there are some continued delays in my capacity as IMC ESC Chair (as of September, 2009) and in my DOI CIO role:

- a) Size, Scope and Complexity of Contract: First, it is important to understand the size, scope and complexity of the Networkx contract. There are more than 7,000 requirements that were identified by agencies that are now met by the Networkx contract. The FTS2001 contract contains approximately 5 million line items, while the Networkx contract contains over 28 million line items, or an increase of almost six-fold. Also, Networkx is the largest telecommunications program in the history of the Federal government. The Networkx contract is more varied and flexible than the FTS2001 contract with more tailoring options. This flexibility is necessary to address the convergence of telecommunications technologies, but it poses unique challenges to Agencies in utilizing the contract and more complexity means more delays.
- b) Other Agency Priorities and Executive Commitment: Given the scope of the program and the many competing priorities that agencies are faced with, it is likely that many agencies were and are simply overwhelmed by the task at hand, which slowed initial progress. Lack of executive commitment from the top is also contributing to focus on resource allocation, prioritization and delays. Please note, the recent involvement of the IMC ESC and Federal CIO Council and regular follow-up by OMB has started to ameliorate this issue with steady progress, which is yielding results
- c) The Bow Wave of Transition: However, thanks to the continued efforts of GSA, OMB and Agency CIOs, Federal agencies are now highly engaged in the transition process and progress appears to be accelerating. Ironically, this acceleration is now impacting the

ability of vendors to respond to that large volume of agency procurements that have recently been released and the transition process

2. What problems exist in the Networx program's procurement process?

Again, I have reviewed the GSA process and believe that GSA's overall procurement process and steps were clear and well laid out. This is despite the fact that they were trying to establish a "common standard process" across Government with additional "tailored process" available to any agency. In my analysis, I agree with GSA's assessment that there are three problem areas experienced by Agencies to conduct their transition: (1) insufficient inventory data, (2) complexity of Networx offerings, and (3) challenges in completing the Fair Opportunity process.

In my view as an agency CIO, the biggest challenge at an agency level has been that the procurement process is duplicative in nature and requires a lot of coordination within an agency and subsequent interaction with GSA, prior to award. GSA worked diligently to award the Networx contract to five telecommunication vendors. Yet agencies must expend resources and considerable time selecting a fair opportunity candidate. A simplified process that allows the agencies to pick a fair opportunity vendor that best suit their needs would have improved the efficiency of the process. Also, Agencies were provided procurement flexibility on a new Statement of Objectives (SOO) versus a proven Statement of Work (SOW) approach. Previous directions on SOO approaches in Government have proven to be hard to implement and lost time in evaluation and selection, whilst the "tried-and-true" proven SOW approach has been easier to compare vendors for award.

3. What steps have you, in your role as Chairman of the Interagency Management Council, taken to assist with the transition and expedite the transition?

As I have stated earlier, I am not the Chair of the IMC . In order to strengthen the ability of the IMC to assist with the Networx transition, the IMC's charter was revised in April 2009. This revision reflects the progression from telecommunications to information technology and network services and better aligns the IMC with the Federal CIO Council. The revised charter

also elevated the role of the IMC ESC and suggested the members be SES representing the agencies. The revised charter is included as part of this testimony. In July, 2009, I was installed as one of the five IMC ESC members, and in September, 2009, I was elected by the IMC to chair the IMC ESC and to support the IMC, when the GSA Chair is not present.

OMB issued Memorandum M-08-26 stating that all agencies are required to transition from FTS2001 to Networx, and that new services must transition to Network unless a business case justifies otherwise. My review suggested that there was no framework for follow-up or verification, no Senior Executive Service (SES) participation on a regular basis at the GSA, Agency and OMB at the IMC meetings or process.

As the IMC ESC Chair, I immediately went to work focusing IMC attention on Networx Transition progress with five steps to improve the effectiveness and efficiency of the program, to realize savings for taxpayers:

1. Senior Leadership and Executive Commitment: Within two days of being elected to chair the ESC, I was able to place Networx on the agenda of the Federal CIO Council. Networx has remained as a standing monthly agenda item on the CIO Council's agenda ever since with visibility and metrics for all agencies to be shown in plain sight in an open and transparent manner. I was instrumental in partnering with GSA, and the new Federal CIO, to get this effort underway
2. Balance between Customers and Providers: I also focused considerable attention on ensuring that agencies' issues and voices regarding the Networx transition were brought to the attention of the IMC, senior GSA management, and the Federal CIO.
3. A Focus on Metrics: I believe in the maxim "what gets measured gets done" or "what you measure is what you get". Ergo, I championed the concept of Networx transition transparency and suggested many detailed transition metrics (sliced and diced by time, agency, milestone, cost etc.) to illustrate transition progress being made by the agencies and benchmarks of performance to show leading and lagging indicators of making the final goal

4. Open and Transparent Communications: I helped in the establishment of a “Networx Day” to enhance communications, awareness and improve two-way dialogue within/between Government and Industry. “Networx Day” provided senior Government executives, Networx Transition Managers, and key industry network services providers with a comprehensive overview of the Networx contract, its importance, and to highlight the need for urgency in completing the transition. I was a keynote speaker at this event, as was the Federal CIO, and I moderated a Networx Carrier Panel during Networx Day. I have also enthusiastically promoted the Networx transition by being a guest speaker at numerous symposia including the Association for Federal Information Resources Management’s (AFFIRM’s) Voice of the Customer: Networx Transition and Beyond, and 1105 Group’s The Road to Transformation and Innovation – How Networx Can Take Your Agency in New Directions. I have also participated in a series of agency CIO/OMB meetings, highlighting agency plans to accelerate Networx transition progress. I have championed Networx transition transparency and promoted Networx transition challenges and benefits. I also encouraged GSA to be more open on the Networx Website, and use new social media and they have put the metrics openly on the site and are using Twitter for Networx!
5. “Trust-But-Verify”: I have partnered with OMB and GSA in a relentless follow-up conducted by GSA with each agency on a regular basis to verify progress, assist with issue resolutions and bring senior executive commitment at the CIO level or higher to verify and ensure priority and resource allocation to get the job done. This involves meetings, conference call, e-mail, correspondence and briefings.

In short, I have gone above and beyond my daily Cabinet Department CIO role through numerous engagements with the IMC and the Federal CIO Council to assist this effort.

4. What steps should Federal agencies, vendors and other stakeholders take to expedite the transition to Networx?

GSA has highlighted six steps Agencies, vendors and other stakeholders can take to expedite the transition to Networx : (a) Making outstanding Fair Opportunity decisions; (b) Verifying

inventories; (c) Writing orders for transitioning services; (d) Assisting contractors in verifying site information; (e) Be Meticulous With Accuracy Of Order Entry; and (f) Refine Processes To Scale With Order Volumes

I would like to highlight three of them:

1. The single most important step is to adopt a “like for like” transition approach. This approach focuses on transitioning existing services to the new contract. Agencies should avoid the temptation to leverage the contract to institute organizational transformation during transition with the 50 services available on the contract. This approach reduces the scope and complexity of the transition process. When transition is complete, agencies can consider how to leverage Networkx to change the way they deliver telecommunications services and address the broader organizational change that will go hand in hand with those changes.
2. Agencies should also have a solid handle on verifying their inventory of FTS2001 services. An up-to-date inventory is critical to allow for the recommended “like for like” transition approach. Agencies should also have dedicated resources assigned to the transition. A full time Contracting Officer to the project is critical.
3. Procurement Process Delays: Vendors should adhere to the allocated time for proposal development. When vendors ask for extensions of 200% or 300%, this introduces delays into the already aggressive transition schedule. In some cases this is due to inadequate SOW specificity from Government and in some cases it is lack of preparation from Industry and/or inadequate specificity in response

5. What has been working well and are there ways that the Federal Government can further capitalize in those areas?

There have been three things that have worked well and the federal government should capitalize on these areas:

- 1) The biggest reason that the pace of the transition is accelerating is the commitment of senior leadership at OMB, GSA and the Agencies, the use of metrics to track performance and the “trust but verify” framework of follow-up. Continuing this support and maintaining this focus is critical in order to maintain the current momentum.
- 2) Another important tool that supports transition activities is the Networx inventory application tool that was developed by GSA. This tool allows GSA and Agencies to audit the inventory records of Networx contractors throughout the duration of the contracts. The tool also records the services that have been installed. Agencies should use this tool to ensure that the Networx inventory is complete and accurate.
- 3) Finally, the efforts of the Transition Working Group (TWG) have been invaluable in providing a wide variety of support to the overall program including defining Networx requirements, developing transition guides, creating guidelines for bureau transition activities and sharing lessons learned. The outstanding contributions of this group should be acknowledged and continue through the course of the transition.

Conclusion

I am committed to supporting this initiative and will continue to collaborate with GSA, all agencies involved in the transition across Government and OMB. I continue to provide agency leadership as we move forward in our transition at DOI. I appreciate very much the opportunity to address the Committee on this important national program. I welcome your support and attention to the program and believe it is providing needed focus and attention to all agencies to expedite and energize their commitment to getting the job done! An open and transparent process is providing impetus to getting the job done.

As I have described, it is in the best interest of the government to continue our momentum and finish the task at hand. We have just passed the half-way point (thanks to our recent focus). Now, all stakeholders need to remain committed and focused which will save money for the

taxpayers, as indicated by GSA, and utilize the other features and benefits of the 50 services available in this program.

I believe in the power of redemption and change. This will be a significant positive milestone in our federal government as an example of positive turn-around. It can be positively remembered as "anything can be fixed as long as everyone works together with a unity of purpose to a common end." We all look forward to that day we achieve the milestone together.

This concludes my testimony. I am happy to answer any questions that you may have.