



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

# Memorandum

Subject: **ACTION**: Purchasing Restrictions to Control  
Information Technology (IT) Costs

Date: **APR 14 2004**

From: Assistant Administrator for Information Services  
and Chief Information Officer

Reply to  
Attn. of:

To: FAA Management Board

As we have discussed at Flight Plan reviews, controlling IT costs is a key element of the Organizational Excellence goal of controlling overall agency costs. The Information Technology Executive Board (ITEB), under the Administrator's direction, is focusing on four near-term imperatives: (1) server consolidation, (2) web consolidation, (3) standardized IT components such as desktops and local area networks, and (4) enterprise licenses and purchasing agreements. Teams have been meeting for the past few weeks to develop plans around these four areas and to develop a methodology to ensure that achieved cost savings can be quantified.

Although the teams have not yet completed their plans, they have identified early cost savings steps that the ITEB endorses and that I am announcing today. These steps have been reviewed with the Chief Information Officer (CIO) Council, whose members represent all parts of the agency with significant investments in information technology. The timing of this announcement is to ensure the maximum impact in reducing IT costs in the remainder of FY-04 and for FY-05. Effective immediately, we are establishing the following restrictions:

1. No new servers may be purchased or connected to the aeronautical data telecommunications network (ADTN).
2. A determination has been made to continue investing in seven data centers at the Aeronautical and Technical Centers at this time (see attached listing). Other data centers at the Aeronautical and Technical Centers not identified on the list will revert to maintenance funding only. This investment restriction does not affect data centers at other locations at this time.
3. Whenever a product is available through an enterprise purchasing agreement, it must be purchased through that agreement.
4. No new support contracts may be executed that permit automatic multi-year period of performance without LOB/SO CIO annual authorization to exercise the following-year

option for these areas: helpdesks, local area networks, Web development and operation, and server administration. These areas are targeted for standardization and consolidation.

Please communicate these restrictions to all approving officials, purchasing agents, contracting officers, and their technical representatives within your organizations. All information technology purchases must be identified by the requesting organization in all agency contracts and subcontracts. Managers and other approving officials must exercise care and control over credit card IT purchases and ensure compliance with the restrictions above.

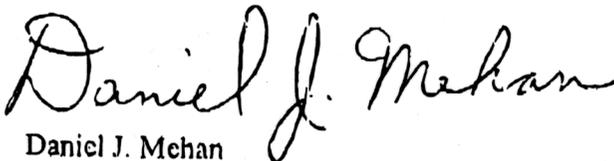
A waiver is available for any restriction above if it meets one of the following three conditions:

- a. The restriction has a direct measurable negative impact on a service we provide the public.
- b. The restriction will adversely affect an LOB/SO business or performance goal.
- c. The restriction will result in an increase in overall agency costs.

The CIO or IT lead of each business or staff office (see the attached list) may approve waivers. That waiver must state the reason for the request and the dollar amount of the request. The LOB/SO CIOs will forward their approved waivers to me. Approved waivers on Web-related requests must also be sent to APA-1. I will analyze and aggregate the waivers, looking for trends that will help determine what additional steps are needed to maximize cost savings.

It is our intention that the funds saved through these restrictions will be used to fund Flight Plan initiatives; such savings and their uses should be identified to me as well as Ramesh K. Punwani, the new agency CFO. These steps announced today are the first of several to be taken by the ITEB to maximize cost savings and move the agency closer to being a "world class" IT organization.

If you have any questions, please do not hesitate to call me on x34570 or have a member of your staff contact Mark Noonan on x79906.



Daniel J. Mehan

Attachment 1 - Data Centers Authorized for Additional Investment  
Attachment 2 - Listing of LOB/SO Chief Information Officers or IT Leads

**Attachment 1 : Data Centers Authorized for Additional Investment**

**On the Mike Monroney Aeronautical Center Campus:**

- 1. AVR-11D Operations Center, located in the ARB
- 2. AVN-42A facility located in ARB
- 3. Systems Maintenance Facility (SMF) operated by AMI located in Multipurpose Building (MPB)
- 4. AOS-200 facility located in Building 189

**On the William J. Hughes Technical Center Campus:**

- 1. AOS-550 facility in Building 316
- 2. ACX facility in Building 300
- 3. Technical Center Data Center (TCDC) facility in Building 300



Daniel J. Mohan

Attachment 1 - Data Centers Authorized for Additional Investment  
 Attachment 2 - Listing of LOB/CO Chief Information Officers or IT Leads

**Attachment 2. : Listing of LOB/SO Chief Information Officers or IT Leads**

Tina Amereihn/John Dean	AVR
Mark Bruno	ABA
Paul Dykeman	AEP
Dennis Filler	ATO
Bill Henschel	ASY
Bruce Herron	ASH
Rodney Herron	AHR
Phyllis Preston	APA
Tim Schmidt	ARC
Ernie Villacarlos	ARP