



DEPARTMENT OF THE NAVY
DEPUTY UNDER SECRETARY OF THE NAVY/DEPUTY CHIEF MANAGEMENT OFFICER
DEPARTMENT OF THE NAVY CHIEF INFORMATION OFFICER
WASHINGTON DC 20350-1000

17 September 2012

MEMORANDUM FOR DISTRIBUTION

Subj: ACHIEVING MEASURABLE EFFICIENCIES THROUGH DATA CENTER
CONSOLIDATION, SYSTEM, AND APPLICATION RATIONALIZATION
GUIDANCE

- Ref: (a) OMB Memo, Implementation Guidance for the Federal Data Center Consolidation Initiative, of 19 Mar 2012
(b) SECNAVINST 5230.14, Information Technology Portfolio Management Implementation, of 9 Nov 2009
(c) UNSECNAV Memo, Department of the Navy (DON) Information Technology (IT)/Cyberspace Efficiency Initiatives and Realignment, of 3 Dec 2010
(d) DON CIO Memo, Department of the Navy (DON) Information Technology (IT)/Cyberspace Efficiency Initiatives and Realignment Tasking, of 20 Dec 2010
(e) DoD Instruction 8510.01, DoD Information Assurance Certification and Accreditation Process (DIACAP), of 28 Nov 2007
(f) DON CIO Memo, Department of the Navy (DON) Information Technology Policy Guidance for Fiscal Year 2012, of 15 Dec 2011
(g) DON DCMO Memo, Requirement to Update Department of Defense Information Technology Portfolio Repository (DITPR-DON), of 11 Jun 2012
(h) SECNAVINST 5230.15, Information Management/Information Technology Policy for Fielding of Commercial off the Shelf Software, of 10 Apr 2009
(i) ASN RDA Memo, Data Center Consolidation Task Force Updated Direction, of 24 Jul 2012

Encl: (1) Department of the Navy (DON) Application Rationalization Review Criteria

Purpose

In support of reference (a) and in accordance with references (b) through (i), the Department of the Navy (DON) must engage in the immediate strategic transformation of Information Technology (IT) in business systems, applications, and processes within Programs of Record (POR) and functional area portfolios. DON IT management processes do not enable adequate transparency across all four DoD mission areas including the Warfighting Mission Area (WMA), Business Mission Area (BMA), Defense Intelligence Mission Area (DIMA), and Enterprise Information Environment Mission Area (EIEMA), and the Research, Development, Test & Evaluation (RDT&E) environment. Therefore, new processes will be implemented to improve service delivery, cost transparency, and enable substantive system/application rationalization processes. These steps will enable the DON to achieve budget savings while ensuring mission needs are met.

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Scope

The scope of this memorandum includes applications, networks, and systems classified as Mission Assurance Category (MAC) II and III, and DON data centers (as defined in reference (a)), currently operating on any ashore network.

Actions

1. Enterprise Information Infrastructure Management

No later than 90 days of this issuance, the DON Deputy CIO (DDCIO (Navy) and DON Deputy CIO (DDCIO) (Marine Corps) shall develop and provide to the DON Chief Information Officer (CIO) an Infrastructure-as-a-Service Cost Card for the Navy Enterprise Data Center (NEDC) and Marine Corps Enterprise IT Services (MCEITS) Enterprise IT Center (EITC), reflecting FY13 rates. Additionally, DON data centers (as defined in reference (a)) that maintain servers or systems for another organization are required to develop and execute service cost card(s).

Within 120 days of this issuance, the DDCIO (Navy) and DDCIO (Marine Corps) designated Leads for Data Center Consolidation will provide implementation plans for their respective Services to the DON CIO showing their planned migration to a common computing environment that capitalizes on the opportunity for shared resources provided through the NEDC and MCEITS programs. This plan will include the following:

- a. Increased reliance on virtualized platforms that are developed using the enterprise criteria defined within the NEDC and MCEITS models and which constitute a “Virtual First” standard for future systems.
- b. Development of Service enterprise standards to include modernization of DON virtualization platforms to be established and maintained by the Navy Data Center Consolidation Task Force (NDCC-TF) and MARCORSYSCOM respectively.
- c. A waiver process for addressing legacy hardware and software that cannot be brought into compliance with this standard.
- d. Cross command connectivity of all virtualization deployments to enable enterprise visibility and improve situational awareness.
- e. Operational commands to have end-to-end visibility across local, regional and enterprise level networks to enable accurate and timely data sharing regarding the health and mission readiness of the DON Enterprise Information Environment.

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f. Staffing and management plan to provide monitoring of the environment using existing staff.

g. Plan for resourcing, deployment and utilization of an enterprise IT Asset Management tool.

Any non-MCEITS or non-NEDC data centers operating within the scope defined above shall review their services, develop a cost card, and submit the card to the DON CIO within 120 days of the MCEITS/NEDC cost card submission to DON CIO. MCEITS and the NEDC will provide their rates and the information used to develop those rates so that non-enterprise data centers can leverage their efforts.

2. Application and System Rationalization

Utilizing enclosure (1), initially developed by the Functional Area Managers (FAMs), and leveraging industry best practices, DON CIO will update the DON Application and Database Management System (DADMS) application questionnaire to reflect additional criteria as defined in enclosure (1).

Per references (f) and (g) and within 120 days of this issuance, the DDCIO (Navy) and DDCIO (Marine Corps), and the Secretariat organizations shall ensure that all systems and applications have complete and up-to-date entries in the Department of Defense (DoD) IT Portfolio Repository – DON (DITPR-DON) and DADMS. In addition, effective for FY13 an assertion shall be provided that a thorough review has been conducted to ensure the accuracy of the information provided in DITPR-DON and DADMS.

The criteria in enclosure (1) should be used by DDCIO (Navy) and DDCIO (Marine Corps), in collaboration with Services' Technical Authorities and FAMs, to analyze applications and systems as part of the data center consolidation effort. DDCIO (Navy) and DDCIO (Marine Corps) will publish the authoritative list of applications and systems to retain, modernize, or terminate. For those decisions that cannot be made at the Service level, recommendations will be provided to the DON CIO by DDCIO (Navy) and DDCIO (Marine Corps) within 180 days from the issuance of this memorandum for final determination.

3. Network Registration

The DDCIO (Navy), DDCIO (Marine Corps), and the Secretariat FAMs shall ensure that all Unclassified ashore networks and the applications and systems running on each network have complete and up-to-date entries in DADMS.

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4. Ongoing Portfolio Management

The DON CIO, in conjunction with the DDCIO (Navy), DDCIO (Marine Corps), and the Navy, Marine Corps, and Secretariat FAMs will review the DON system portfolios on a semi-annual basis, to be coordinated with the DON Annual Program Review process.

a. DON CIO will maintain the criteria, standards and authoritative repository for DON applications, systems, networks, and servers in DADMS and DITPR-DON.

b. Per reference (f), if a review reveals that a system, application, or network is not registered in DITPR-DON or DADMS, DON CIO will notify in writing, as applicable, the DDCIO (Navy), DDCIO (Marine Corps), Chief of Naval Operations (CNO), CNO (N8), CNO (N2/N6) and Deputy Commandant, Programs and Resources, and HQMC Command, Control, Communications, and Computers, (C4), and recommend that the funding be halted until the IT asset has been registered.

c. Systems, applications, and networks with the failures or vulnerabilities listed below will be given a 60-day notice to remediate the issue or risk loss of connectivity (reference (e)). The DON CIO will notify in writing, as applicable, the DDCIO (Navy), DDCIO (Marine Corps), CNO, CNO (N8), CNO (N2/N6) and Deputy Commandant, Programs and Resources, and HQMC (C4), and recommend that the funding be halted until successful remediation has been demonstrated.

- Unmitigated CAT1 vulnerabilities
- No software maintenance or waiver in place, reference (h)
- Unsupported legacy hardware platform(s)
- Unsupported operating systems
- Expired Initial Authority to Operate (IATOs) and ATOs

5. Evaluation and Reporting

Enhanced reporting of DON information infrastructure capability and utilization, combined with additional application/system data, will provide value by enabling outcome-based decisions. Through the collection and verification of additional data in DITPR-DON and DADMS, decision makers will have the enhanced capability to evaluate the DON portfolios at all levels of the Department.

The evaluation of all future IT investments and sustainment decisions will incorporate a DON Business Value Index (BVI) review, the details of which will be defined in a BVI

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Implementation Plan. The details of the DON BVI will be delivered by the DON CIO within 180 days of the issuance of this memorandum. A DON BVI report will review the mission, business, technical, and financial impact of IT within the enterprise. The consolidation and rationalization of systems, applications, networks, and servers is a continuous process, so a regular evaluation of the portfolio is required. The BVI will become a critical tool in the ongoing evaluation and review of applications and systems.

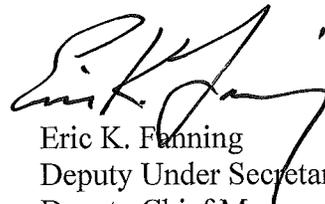
6. Governance

As a part of an annual IT review and reporting process, DDCIO (Navy) and DDCIO (Marine Corps) will brief the results of their IT portfolio management process to include any recommendations and issues for the rationalization of systems, applications, data centers, and networks to the DON Principal Deputy CIO. The DON Principal Deputy CIO, in coordination with DDCIO (Navy) and DDCIO (Marine Corps), will identify any applications and systems that should be considered for DON-wide use and develop a summary of the recommendations with the pros and cons for presentation to the DON Information Enterprise Governance Board (IGB) for approval. For those IT areas identified for DON-wide use that fall in the Business Mission Area, recommendations will be presented to the Business Transformation Council (BTC) for decision.

The DON point of contact for this effort is Ms. Barbara Hoffman, DON Principal Deputy CIO. She can be reached at (703) 695-1842 or at barbara.hoffman@navy.mil.



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