

Exhibit 300 (BY2008)

| PART ONE | |
|--|-------------------------------------|
| OVERVIEW | |
| 1. Date of Submission: | 2007-02-05 |
| 2. Agency: | 009 |
| 3. Bureau: | 00 |
| 4. Investment Name: | HHS Consolidated Acquisition System |
| 5. UPI: | 009-00-02-00-01-0040-00 |
| 6. What kind of investment will this be in FY2008? | |
| Planning | |
| 7. What was the first budget year this investment was submitted to OMB? | |
| FY2008 | |
| 8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap. | |
| <p>HHS has 10 OPDIVs and over 30 contracting offices processing hundreds of thousands of procurement transactions annually. The HHS acquisition community is lacking a transaction-based, integrated procurement system for all of HHS; many OPDIV's have their own system to support their acquisition functions, including both manual and automated processes. Having disparate systems complicates interfaces to financial, inventory or other systems which the department has or will employ. The purpose of this project is to implement an integrated procurement system across HHS utilizing Compusearch PRISM in collaboration with UFMS' Oracle Federal Financials and iProcurement. This investment is in direct alignment with the PMA, the Department Management Objectives and OMB LOB/Shared Services and E-gov initiatives through modernization of disparate acquisition systems. Space has been acquired for a Program Management Office (PMO) and an award to a Systems Integrator is anticipated in Q3 FY07. The HCAS investment is designed to help HHS achieve the following strategic objectives: Eliminate redundant and outdated acquisition systems by implementing a modern integrated HHS-wide system Produce accurate, timely, reliable, and relevant acquisition information to help HHS managers make fact-based operational decisions Comply with applicable federal financial/acquisition management requirements Strengthen internal controls by instituting standard business rules, data requirements and accounting policies across HHS Streamline operational activities to achieve more efficient and cost-effective business performance Continue to achieve unqualified audit opinions on annual financial statements Project Capital Planning Investment Control (CPIC) Status: HCAS is currently in the planning and DME phase. The Current State, Future State and Enterprise Architecture for the new unified acquisition system have been defined at a high level and recommendations will be incorporated in an Request for Proposal (RFP) for hiring a Systems Integrator. The funding will provide for a systems integrator to assist the HCAS team in implementing the HCAS system.</p> | |
| 9. Did the Agency's Executive/Investment Committee approve this request? | |
| yes | |
| 9.a. If "yes," what was the date of this approval? | |
| 2006-12-19 | |
| 10. Did the Project Manager review this Exhibit? | |
| yes | |
| 12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project. | |
| no | |
| 12.a. Will this investment include electronic assets (including computers)? | |
| yes | |
| 12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only) | |
| no | |
| 13. Does this investment support one of the PMA initiatives? | |
| yes | |
| <i>If yes, select the initiatives that apply:</i> | |

| |
|---|
| Budget Performance Integration |
| Eliminating Improper Payments |
| Expanded E-Government |
| Financial Performance |
| Human Capital |
| 13.a. Briefly describe how this asset directly supports the identified initiative(s)? |
| Through this investment, the Department will realize decreased acquisition processing time, greater transferability of knowledge and knowledge dissemination throughout the acquisition and financial community. Since the system will interface to the Department's financial system, there will be enhanced budget integration, financial performance and a decrease in the number of improper payments. This system will allow for expanded E-gov with increased web-based access to the system. |
| 14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)? |
| no |
| 15. Is this investment for information technology (See section 53 for definition)? |
| yes |
| 16. What is the level of the IT Project (per CIO Council's PM Guidance)? |
| Level 2 |
| 17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance) |
| (4) Project manager assigned but qualification status review has not yet started |
| 18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)? |
| no |
| 19. Is this a financial management system? |
| yes |
| 19.a. If yes, does this investment address a FFMIA compliance area? |
| yes |
| 19.a.1. If yes, which compliance area: |
| Compliance with Federal financial management systems requirements |
| 19.b. If yes, please identify the system name(s) and system acronym(s) as reported in the most recent financial systems inventory update required by Circular A11 section 52. |
| HCAS - HHS Consolidated Acquisition System interfacing to the Unified Financial Management System (UFMS) |
| 20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%) |
| Hardware 3 |
| Software 0 |
| Services 92 |
| Other 5 |
| 21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities? |
| n/a |
| 22. Contact information of individual responsible for privacy related questions. |
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| Title |

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23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?

yes

SUMMARY OF SPEND

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

| | PY-1 & Earlier | PY | CY | BY |
|---------------------------------|----------------|------|------|------|
| | -2005 | 2006 | 2007 | 2008 |
| Planning Budgetary Resources | | | | |
| Acquisition Budgetary Resources | | | | |
| Maintenance Budgetary Resources | | | | |
| Government FTE Cost | | | | |
| # of FTEs | | | | |

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

yes

2.a. If "yes," how many and in what year?

It is anticipated that up to twenty-two Federal employees will be working on this project at peak time, however, it is anticipated that most employees will be detailees from the OPDIVs. Staffing of the PMO is currently underway and specific numbers and timeframes are not available at this time.

3. If the summary of spending has changed from the FY2007 President's budget request, briefly explain those changes.

N/A

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov.

Table 2

| | Fiscal Year | Measurement Area | Measurement Grouping | Measurement Indicator | Baseline | Planned Improvement to the Baseline | Actual Results |
|---|-------------|------------------------------|---------------------------|---|---|--|----------------|
| 1 | 2007 | Mission and Business Results | Staff Acquisition | Development of Project Management Office | Federal Project management team consisting of Project Officer and Alternate Project Officer | Expansion of Project Management Team to include UFMS and Contractor Support, Assets (Integration Team) | TBD |
| 2 | 2007 | Customer Results | Customer Impact or Burden | Total number of interviews conducted with OPDIVs to assess current and future state | 3-5 Interviews per OPDIV | Reduce number of interview to mitigate time burden on OPDIVs | TBD |
| 3 | 2007 | Processes and Activities | Participation | Total amount of OPDIVs participating in the planning phase of project | 1-3 OPDIV representatives | Maintain and/or increase participation by OPDIVs, UFMS, and Assets | TBD |
| 4 | 2007 | Technology | Internal Data Sharing | Total number of data sources identified by site | Data sources identified in enterprise architecture | Identification of disparate systems for data conversion from multiple site data sources to consolidated acquisition system | TBD |

EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

HHS Acquisition

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component

provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

| | Agency Component Name | Agency Component Description | Service Type | Component | Reused Component Name | Reused UPI | Internal or External Reuse? | Funding % |
|----|-----------------------------------|-----------------------------------|-----------------------------|---|-----------------------|------------|-----------------------------|-----------|
| 1 | Procurement | Procurement | Supply Chain Management | Procurement | | | No Reuse | 20 |
| 2 | Sourcing Management | Sourcing Management | Supply Chain Management | Sourcing Management | | | No Reuse | 5 |
| 3 | Catalog Management | Catalog Management | Supply Chain Management | Catalog Management | | | No Reuse | 5 |
| 4 | Ordering/Purchasing | Ordering/Purchasing | Supply Chain Management | Ordering / Purchasing | | | No Reuse | 18 |
| 5 | Invoice/Requisition Tracking | Invoice/Requisition Tracking | Supply Chain Management | Invoice / Requisition Tracking and Approval | | | No Reuse | 5 |
| 6 | Configuration Management | Configuration Management | Management of Processes | Configuration Management | | | No Reuse | 3 |
| 7 | Quality Management | Quality Management | Management of Processes | Quality Management | | | No Reuse | 3 |
| 8 | Strategic Planning | Strategic Planning | Investment Management | Strategic Planning and Mgmt | | | No Reuse | 2 |
| 9 | Information Sharing | Information Sharing | Knowledge Management | Information Sharing | | | No Reuse | 2 |
| 10 | Data Exchange | Data Exchange | Data Management | Data Exchange | | | No Reuse | 5 |
| 11 | Legacy Integration | Legacy Integration | Development and Integration | Legacy Integration | | | No Reuse | 5 |
| 12 | Enterprise Application | Enterprise Application | Development and Integration | Enterprise Application Integration | | | No Reuse | 15 |
| 13 | Data Integration | Data Integration | Development and Integration | Data Integration | | | No Reuse | 10 |
| 14 | Identification and Authentication | Identification and Authentication | Security Management | Identification and Authentication | | | No Reuse | 1 |
| 15 | Access Control | Access Control | Security Management | Access Control | | | No Reuse | 1 |

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

| | SRM Component | Service Area | Service Category | Service Standard | Service Specification (i.e., vendor and product name) |
|----|---|-------------------------------------|---------------------------|------------------------------------|--|
| 1 | Procurement | Service Access and Delivery | Access Channels | Web Browser | Internet Explorer |
| 2 | Sourcing Management | Service Access and Delivery | Delivery Channels | Internet | Unknown |
| 3 | Catalog Management | Service Platform and Infrastructure | Delivery Servers | Application Servers | n/a |
| 4 | Ordering / Purchasing | Service Platform and Infrastructure | Delivery Servers | Web Servers | Microsoft Internet Information Server |
| 5 | Invoice / Requisition Tracking and Approval | Service Platform and Infrastructure | Software Engineering | Software Configuration Management | Oracle |
| 6 | Configuration Management | Service Platform and Infrastructure | Software Engineering | Test Management | Unknown |
| 7 | Quality Management | Service Platform and Infrastructure | Database / Storage | Database | Oracle |
| 8 | Strategic Planning and Mgmt | Service Platform and Infrastructure | Database / Storage | Storage | Oracle |
| 9 | Information Sharing | Service Platform and Infrastructure | Hardware / Infrastructure | Servers / Computers | SUN et al |
| 10 | Data Exchange | Service Platform and Infrastructure | Hardware / Infrastructure | Wide Area Network (WAN) | HHS NET |
| 11 | Legacy Integration | Service Platform and Infrastructure | Hardware / Infrastructure | Local Area Network (LAN) | HHS NET |
| 12 | Enterprise Application Integration | Service Platform and Infrastructure | Hardware / Infrastructure | Network Devices / Standards | Unknown |
| 13 | Data Integration | Component Framework | Security | Certificates / Digital Signatures | HHS PKI Program |
| 14 | Identification and Authentication | Component Framework | Presentation / Interface | Dynamic Server-Side Display | HHS NET |
| 15 | Access Control | Component Framework | Presentation / Interface | Content Rendering | Unknown |
| 16 | Data Exchange | Component Framework | Data Interchange | Data Exchange | HHS Email |
| 17 | Information Sharing | Component Framework | Data Management | Database Connectivity | HHS NET |
| 18 | Strategic Planning and Mgmt | Component Framework | Data Management | Reporting and Analysis | Unknown |
| 19 | Data Integration | Service Interface and Integration | Integration | Middleware | Unknown |
| 20 | Enterprise Application Integration | Service Interface and Integration | Integration | Enterprise Application Integration | Unknown |
| 21 | Data Exchange | Service Interface and Integration | Interoperability | Data Format / Classification | Unknown |
| 22 | Data Exchange | Service Interface and Integration | Interoperability | Data Types / Validation | Unknown |

| |
|--|
| 5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)? |
| no |
| 6. Does this investment provide the public with access to a government automated information system? |
| no |

PART TWO

RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2006-10-11

1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?

no

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule: (O&M investments do NOT need to answer.)

Project risks and mitigation strategy were defined in the Risk Management Plan developed during the conceptual design phase. The Project Management Team has developed a risks/issues database to ensure all risks and their respective mitigation strategies are tracked and closely monitored. The life cycle cost estimate includes risk mitigation and management costs associated with the FTEs needed to manage and minimize these risks as well as identify and strategize on those risks that may surface as the project progresses.

COST & SCHEDULE

Does the earned value management system meet the criteria in ANSI/EIA Standard 748?

yes

2.a. What is the Planned Value (PV)?

1.340

2.b. What is the Earned Value (EV)?

1.340

2.c. What is the actual cost of work performed (AC)?

0.264

What costs are included in the reported Cost/Schedule Performance information?

Contractor and Government

2.e. As of date:

2007-01-31

3. What is the calculated Schedule Performance Index (SPI= EV/PV)?

1

4. What is the schedule variance (SV = EV-PV)?

0.000

5. What is the calculated Cost Performance Index (CPI = EV/AC)?

5.08

6. What is the cost variance (CV = EV-AC)?

1.076

| |
|---|
| <i>7. Is the CV or SV greater than 10%?</i> |
| yes |
| <i>7.a. If yes, was it the CV or SV or both?</i> |
| CV |
| <i>7.d. What is most current Estimate at Completion?</i> |
| 4.635 |
| <i>8. Have any significant changes been made to the baseline during the past fiscal year?</i> |
| no |
| |