

Exhibit 300 (BY2008)

PART ONE	
OVERVIEW	
1. Date of Submission:	2007-02-05
2. Agency:	009
3. Bureau:	38
4. Investment Name:	CMS Modernized IT Infrastructure (EDCs)
5. UPI:	009-38-01-04-01-1050-00
6. <i>What kind of investment will this be in FY2008?</i>	
Mixed Life Cycle	
7. <i>What was the first budget year this investment was submitted to OMB?</i>	
FY2006	
8. <i>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.</i>	
<p>The Enterprise Data Centers (EDC) are the foundation of the enterprise infrastructure that will support all CMS production Data Center Operations. This investment will provide the infrastructure & program management office to transition all CMS production operations currently performed by over 20 disparate Data Centers into 3 integrated Enterprise Data Centers. The vision is to have all production applications hosted in one of the EDCs with the Baltimore CMS Data Center used as a test & validation environment for all CMS applications. This investment was reviewed & approved by the Information Technology Review Board & currently is in the control phase of the CPIC process The privately owned EDCs will be operated by industry leaders. The EDCs will provide CMS with world-class application hosting centers & be capable of operating a redundant & scalable environment for mainframe & mid-tier computing. The EDCs will be geographically dispersed & designed for interoperability. CMS also will establish a common enterprise infrastructure (CEI) that facilitates highly integrated operations (e.g., cyber security), seamless handoffs between EDCs & CMS, & common reporting & management in a distributed environment. The EDCs will provide CMS the capability to deploy secure, scalable, high-performing applications on the Internet. They will combine "best practice" quality management systems with secure operations found in traditional data centers with the agility, access, & customer responsiveness required for successful e-Business. The EDCs will provide CMS business owners with many benefits, including: 1) Improving service levels to beneficiaries & providers through support of web-based services, better & timely access to quality data, relief of data center capacity constraints, integrated help desks & enterprise call centers, & more control over security & privacy; 2) Giving CMS business owners the ability to host applications in a controlled environment with more flexibility to respond to increased Medicare claims processing; 3) Providing the computing infrastructure for Medicare FFS Contracting Reform, realizing savings from economies of scale; 4) Improving the ability to timely implement new applications or make changes to existing applications across any EDC through the standardization of enterprise-level infrastructure; & 5) Establishing the EDCs in a structured way helps implement its legislative mandates & position CMS to meet its future business needs.</p>	
9. <i>Did the Agency's Executive/Investment Committee approve this request?</i>	
yes	
9.a. <i>If "yes," what was the date of this approval?</i>	
2006-06-23	
10. <i>Did the Project Manager review this Exhibit?</i>	
yes	
12. <i>Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.</i>	
yes	
12.a. <i>Will this investment include electronic assets (including computers)?</i>	
yes	
12.b. <i>Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)</i>	
no	
13. <i>Does this investment support one of the PMA initiatives?</i>	

yes	
<i>If yes, select the initiatives that apply:</i>	
Competitive Sourcing	
Expanded E-Government	
Financial Performance	
13.a. Briefly describe how this asset directly supports the identified initiative(s)?	
CMS conducts competitive contracting programs in an effort to streamline the performance of operations and to assign functional responsibilities to the private sector where they can provide equal or better cost-effective services than the government. CMS assures better services at lower cost through e-government efforts. In addition, performance requirements can be built into the contracts. The EDCs will be owned and operated by industry leaders.	
14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?	
no	
14.a. If yes, does this investment address a weakness found during the PART review?	
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 3	
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)	
(1) Project manager has been validated as qualified for this investment	
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?	
no	
19.a. If yes, does this investment address a FFIA compliance area?	
no	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	
Hardware	7
Software	8
Services	85
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?	
no	
22. Contact information of individual responsible for privacy related questions.	
<i>Name</i>	
Maribel Franey	
<i>Phone Number</i>	
410-786-0757	
<i>Title</i>	
Director, Privacy Compliance	
<i>Email</i>	
Maribel.Franey@cms.hhs.gov	
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	0.000	0.000	0.000	0.000
Acquisition Budgetary Resources	2.032	11.921	47.541	35.600
Maintenance Budgetary Resources	0.000	0.000	1.544	2.215
Government FTE Cost	0.524	0.538	0.552	0.567
# of FTEs	2	2	2	2

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?

no

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.

Agencies must use Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for years beyond FY 2006.

Table 1

	Fiscal Year	Strategic Goal(s) Supported	Performance Measure	Actual/baseline (from Previous Year)	Planned Performance Metric (Target)	Performance Metric Results (Actual)
1	2006	Foster excellence in the design and administration of CMS programs	Number of FFS data centers	20	19	TBD
2	2006	Promote the fiscal integrity of CMS	Cost per FFS Claim	12 cents	10 Cents	TBD

		programs and be an accountable steward of public funds				
3	2007	Foster excellence in the design and administration of CMS programs	Number of FFS data centers	19	10	TBD
4	2007	Promote the fiscal integrity of CMS programs and be an accountable steward of public funds	Cost per FFS Claim	10 cents	8 cents	TBD

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	2006	Mission and Business Results	Budget and Performance Integration	Number of FFS data centers	22	19	TBD
2	2006	Customer Results	Customer Satisfaction	Percentage of favorable customer surveys	97%	97.5%	TBD
3	2006	Processes and Activities	Savings and Cost Avoidance	Cost per FFS claim	12 cents	10 cents	TBD
4	2006	Technology	Availability	Percentage of production jobs completed on time	98%	98.5%	TBD
5	2007	Mission and Business Results	Budget and Performance Integration	Number of FFS data centers	19	10	TBD
6	2007	Customer Results	Customer Satisfaction	Percentage of favorable customer surveys	97.5%	98%	TBD
7	2007	Processes and Activities	Savings and Cost Avoidance	Cost per FFS claim	10 cents	8 cents	TBD
8	2007	Technology	Availability	Percentage of production jobs completed on time	98.5%	99%	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

1.a. If no, please explain why?

Not Applicable.

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.

CMS MMA Contracting Reform. In order to provide HHS more detail and insight into our investments, last year's major initiative was split out into a separate investment.

2.b. If no, please explain why?

Not Applicable.

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	Configuration Management	As the business rules in the fee for service claims areas changes, the shared system needs to be loaded onto the data center's mainframe computer platform, in order to carry out these changes	Management of Processes	Configuration Management			No Reuse	1
2	Information Retrieval	Retrieving information for the sake of processing claims	Knowledge Management	Information Retrieval			No Reuse	4
3	Information Sharing	The sharing of information through the processing of claims for the coordination of benefits	Knowledge Management	Information Sharing			No Reuse	1

4	Data Exchange	The exchange of information to ensure that appropriate claims payments have been made	Data Management	Data Exchange			No Reuse	1
5	Data Cleansing	The cleansing of data (e.g. address hygiene) for the purpose of directing claims payments to authorized and correct party	Data Management	Data Cleansing			No Reuse	1
6	Computers / Automation Management	Providing automation tools, platforms, IT systems and infrastructure in the support of back office services and engineering for an integrated environment to support claims processing	Asset / Materials Management	Computers / Automation Management			No Reuse	77
7	Network Management	The providing for and management of the communications data links for incoming and going network access for claim processing inquiries	Organizational Management	Network Management			No Reuse	9
8	Identification & Authentication	Security control points to identify and authorize system access to claims data	Security Management	Identification and Authentication			No Reuse	4
9	Change Management	Change control process in order to insure changes to the claims processing systems are documented and tracked	Management of Processes	Change Management			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	Computers / Automation Management	Service Platform and Infrastructure	Hardware / Infrastructure	Servers / Computers	IBM CPU 2086-450; IBM CPU 2064-1C9
2	Identification and Authentication	Component Framework	Security	Supporting Security Services	IBM RACF; CA ACF2
3	Network Management	Service Access and Delivery	Delivery Channels	Virtual Private Network (VPN)	ATT MDCN VPN
4	Configuration Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	CA Endeavor MVS
5	Network Management	Service Platform and Infrastructure	Hardware / Infrastructure	Network Devices / Standards	IBM 3745; IBM 3746; CISCO 2950-24
6	Computers / Automation Management	Service Platform and Infrastructure	Hardware / Infrastructure	Peripherals	DASD: IBM 2105-800; EMC 5700; EMC 8830; Amdahl SP300; Amdahl SP400. TAPE: IBM 3480-A/B22; IBM 3490 A20; IBM 3590-H1A/A14; IBM 3592-J1A; STK VSM3; STK 9310; STK 9840; STK 9490; STK 4480.
7	Information Sharing	Service Access and Delivery	Delivery Channels	Internet	Sterling Commerce Connect Direct SNA
8	Data Cleansing	Service Interface and Integration	Interoperability	Data Transformation	Sterling Commerce Gentran; DOCSense Finalist
9	Data Exchange	Service Access and Delivery	Delivery Channels	Internet	IBM TCP/IP
10	Computers / Automation Management	Service Platform and Infrastructure	Software Engineering	Integrated Development Environment	IBM Z/OS;Tivoli Wrlkd Schdlr&Netview;ACF/NCP&VATM,DSF ;IBM ISPF;JES2,Tivoli Omegamon;SDSF;ICFRU;RMDS;Tape Stckr;COBOL&Compiler;DFSORT;Ditto ;High Level Assblr;REXX 370;VIPS ALGS;Syncsrt;Serena Comparex;SAS SAS/BASE;CA Optimizer;FileAid,Expediter&Strobe
11	Information Retrieval	Service Platform and Infrastructure	Software Engineering	Integrated Development Environment	IBM CICS TS 390
12	Change Management	Service Platform and Infrastructure	Software Engineering	Integrated Development Environment	IBM INFOMAN

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

5.a. If yes, please describe.

Not Applicable.

6. Does this investment provide the public with access to a government automated information system?

no
6.a.1. If yes, provide the specific product name(s) and version number(s) of the required software and the date when the public will be able to access this investment by any software (i.e. to ensure equitable and timely access of government information and services).
Not Applicable.

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?

2005-03-01

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.)

The contract and resulting task orders are performance based, with an award fee based on established SLAs and QPMs. Weekly technical meetings and monthly management meetings are held to ensure risks are identified early and mitigated.

COST & SCHEDULE

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

no

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

5.497

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

5.497

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

5.409

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

Contractor Only

2.e. As of date:

2007-02-12

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)?

1.02

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

0.088

7. Is the CV or SV greater than 10%?

no

7.b. If yes, explain the variance.

There are no negative cost or schedule variances to report.

7.c. If yes, what corrective actions are being taken?

No corrective actions are warranted for this investment.

7.d. What is most current Estimate at Completion?

83.932

8. Have any significant changes been made to the baseline during the past fiscal year?

no