Exhibit 300 (BY2008)

PART ONE	
OVERVIEW	
1. Date of Submission:	2007-02-05
2. Agency:	009
3. Bureau:	90
4. Investment Name:	OS IT Service Center (ITSC)
5. UPI:	009-90-02-00-01-0001-00

6. What kind of investment will this be in FY2008?
Operations and Maintenance

7. What was the first budget year this investment was submitted to OMB?
FY2004

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.
The purpose of the IT Service Center (ITSC), which supports the Consortium of smaller OpDivs, is to manage the consolidated IT infrastructure for their mutual benefit and for the benefit of HHS. The Consortium members include Administration for Children and Families (ACF), Administration for Healthcare Research and Quality (AHRQ), Administration on Aging (AOA), Health Resources and Services Administration (HRSA) regional offices, Office of the Inspector General (OIG), Office of the Secretary (OS), Program Support Center (PSC), and Substance Abuse and Mental Health Services Administration (SAMHSA). The benefit of this consolidation is a reduction in government IT staff for the Small OpDivs. ITSC has moved from a Government Owned, Contractor Operated (GOCO) model to a Contrator Owned, Contractor Operated (COCO) model for delivery of managed services. The former model was unable to fill the performance gaps of timeliness of services and inefficiency. The new model puts the burden of performance on the contractor. Financial rewards are tied to metrics that measure timely and consistent delivery of services. The contractor provides support in the following tasks: 1. Core IT Infrastructure Support Services 2. Database Administration and Application Support 3. Application Hosting 4. Continuity of Operations (COOP) and Disaster Recovery (DR) Support 5. Infrastructure Support Initiatives 6. Training Support 7. ITSC Network Support 8. Miscellaneous Support Services By contracting the delivery of O&M services to a private organization, the ITSC investment is aligned with the PMA goal of Competitive Sourcing.

9. Did the Agency's Executive/Investment Committee approve this request?
yes

9.a. If "yes," what was the date of this approval?
2006-06-23

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

If yes, select the initiatives that apply:
Competitive Sourcing

13.a. Briefly describe how this asset directly supports the identified initiative(s)?

IT investments support competitive sourcing when they engage private and non-profit organizations for the provision of information technology services such as operations & maintenance of the implemented system. The investment is aligned to the PMA goal of Competitive Sourcing when non-government personnel are contracted to provide IT services. The ITSC investment aligns with this initiative. ITSC has contracted with Unisys to deliver O&M IT services to the Small OpDivs.

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 2

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 FFMIA compliance area?

no

19.a.1. If yes, which compliance area:

Not Applicable

19.a.2. If no, what does it address?

Delivery of IT services to the Small OPDIVs.

20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)

Hardware	0
Software	0
Services	95
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?

yes

22. Contact information of individual responsible for privacy related questions.

Name

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

no

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	0.000	0.000	0.000	0.000
Maintenance Budgetary Resources	44.472	30.902	43.385	42.348
Government FTE Cost	10.402	5.727	4.962	4.926
# of FTEs	0	0	0	0

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

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	2004	HHS Goal 8. Achieve excellence in management practices	Provide a network that is available to end users 99.985% of the time	None; the IT Service Center became operational in FY2004	99.985%	99.985%
2	2004	HHS Goal 8. Achieve excellence in management practices	Provide applications that are available to end users 99.985% of the time	None; the IT Service Center became operational in FY2004	99.985%	99.985%

3	2004	HHS Goal 8. Achieve excellence in management practices	Provide data that are available to end users 99.985% of the time	None; the IT Service Center became operational in FY2004	99.985%	99.985%
4	2004	HHS Goal 8. Achieve excellence in management practices	Help desk will answer incoming calls within 45 seconds	None; the IT Service Center became operational in FY2004	45 seconds	45 seconds
5	2004	HHS Goal 8. Achieve excellence in management practices	Help desk will resolve 65% of incoming calls within 2 hours	None; the IT Service Center became operational in FY2004	65%	50%
6	2004	HHS Goal 8. Achieve excellence in management practices	Help desk will resolve 90% of incoming calls within 4 hours	None; the IT Service Center became operational in FY2004	90%	80%
7	2004	HHS Goal 8. Achieve excellence in management practices	Data will have less than 0.05% loss incidents per month per user	None; the IT Service Center became operational in FY2004	< .05%	< .05%
8	2004	HHS Goal 8. Achieve excellence in management practices	Lost files will be recovered within 24 hours of request in 95% of instances	None; the IT Service Center became operational in FY2004	24 hours	24 hours
9	2004	HHS Goal 8: Achieve excellence in management practices	Remove user account within 4 hours after receiving notice of user leaving OPDIV 100 percent of the time	None; the IT Service Center became operational in 2004	4 hours	4 hours
10	2005	HHS Goal 8. Achieve excellence in management practices	Provide a network that is available to end users 99.985% of the time	99.985%	99.985%	99.985%
11	2005	HHS Goal 8. Achieve excellence in management practices	Provide applications that are available to end users 99.985% of the time	99.985%	99.985%	99.985%
12	2005	HHS Goal 8. Achieve excellence in management practices	Provide data that are available to end users 99.985% of the time	99.985%	99.985%	99.985%
13	2005	HHS Goal 8. Achieve excellence in management practices	Help desk will answer incoming calls within 45 seconds	45 seconds	45 seconds	45 seconds
14	2005	HHS Goal 8. Achieve excellence in	Help desk will resolve 65% of incoming calls within 2 hours	50%	65%	22%

		management practices				
15	2005	HHS Goal 8. Achieve excellence in management practices	Help desk will resolve 90% of incoming calls within 4 hours	80%	90%	60%
16	2005	HHS Goal 8. Achieve excellence in management practices	Data will have less than 0.05% loss incidents per month per user	< .05%	< .05%	< .05%
17	2005	HHS Goal 8. Achieve excellence in management practices	Lost files will be recovered within 24 hours of request in 95% of instances	24 hours	24 hours	24 hours
18	2005	HHS Goal 8. Achieve excellence in management practices	Remove user account within 4 hours after receiving notice of user leaving OPDIV 100 percentof the time	4 hours	4 hours	4 hours

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	Help Desk Services	Tickets closed and completed within 10 business days	None	99%	99%
2	2006	Customer Results	Access	Satisfaction with Support Availability	None	Establish Baseline	TBD
3	2006	Processes and Activities	Financial Management	Reduction in Service Provider Charge per Units by Seat.	None	5% reduction	$178 per seat
4	2006	Technology	Availability	Major network Component Availability	None	99.985%	100%
5	2007	Mission and Business Results	Help Desk Services	Tickets closed and completed within 10 business days	99%	99%	TBD
6	2007	Customer Results	Access	Satisfaction with Support Availability	TBD	1% increase	TBD
7	2007	Processes and Activities	Financial Management	Reduction in Service Provider Charge per Units by Seat.	178$	5% reduction	TBD
8	2007	Technology	Availability	Major network Component	100%	99.985%	TBD

				Availability			

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.

OS IT Service Center (ITSC)

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	ITSC	Provide service and product delivery to the right customers.	Customer Relationship Management	Customer / Account Management			Internal	30
2	ITSC	Ensure customer comments and perspectives are received.	Customer Relationship Management	Customer Feedback			Internal	2
3	ITSC	Collect and analyze customer information.	Customer Relationship Management	Surveys			Internal	4
4	ITSC	Maintain customer configurations.	Customer Relationship Management	Contact and Profile Management			Internal	2
5	ITSC	ITSC has a centralized phone number for all service calls.	Customer Relationship Management	Call Center Management			Internal	1
6	ITSC	Create orderly process to manage	Management of Processes	Change Management			Internal	10

		infrastructure changes.					
7	ITSC	Promote easy access to help.	Customer Initiated Assistance	Online Help		Internal	1
8	ITSC	Control the hardware and software environment.	Management of Processes	Configuration Management		Internal	5
9	ITSC	Identify and minimize negative potential impacts.	Management of Processes	Risk Management		Internal	2
10	ITSC	Monitor and maintain network communications capability.	Investment Management	Strategic Planning and Mgmt		Internal	10
11	ITSC	Capture logon information	Security Management	Identification and Authentication		Internal	2
12	ITSC	Establish and enforce access permissions.	Security Management	Access Control		Internal	5
13	ITSC	Protect hardware, software, and data assets.	Security Management	Intrusion Detection		Internal	2
14	ITSC	Confirm authorized system access.	Customer Relationship Management	Customer / Account Management		Internal	2
15	ITSC	Administer network accounts.	Customer Relationship Management	Customer / Account Management		Internal	2
16	ITSC	Create and grant access abilities.	Customer Relationship Management	Customer / Account Management		Internal	4
17	ITSC	Captures system information.	Security Management	Audit Trail Capture and Analysis		Internal	2
18	ITSC	Ensures legal infrastructure COTS software.	Systems Management	License Management		Internal	2
19	ITSC	Create orderly process to manage policies.	Management of Processes	Governance / Policy Management		Internal	2
20	ITSC	Maintain physical accountability and inventory.	Asset / Materials Management	Computers / Automation Management		Internal	10

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	Email	Service Access and Delivery	Access Channels	Wireless / PDA	Blackberry
2	Email	Service Access and Delivery	Access Channels	Collaboration / Communications	Microsoft Outlook
3	Information Sharing	Service Access and Delivery	Access Channels	Other Electronic Channels	N/A
4	Information Sharing	Service Access and Delivery	Delivery Channels	Internet	Internet Explorer, Netscape Navigator
5	Information Sharing	Service Access and Delivery	Delivery Channels	Intranet	Internet Explorer, Netscape
6	Network Management	Service Access and Delivery	Delivery Channels	Virtual Private Network (VPN)	Cisco, Checkpoint, Aventail
7	Governance / Policy Management	Service Access and Delivery	Service Requirements	Legislative / Compliance	N/A
8	Access Control	Service Access and Delivery	Service Requirements	Authentication / Single Sign-on	N/A
9	Enterprise Application Integration	Service Access and Delivery	Service Requirements	Hosting	N/A
10	Network Management	Service Access and Delivery	Service Transport	Supporting Network Services	Cisco-based WAN/LAN
11	Network Management	Service Access and Delivery	Service Transport	Service Transport	TCP/IP, HTTP, FTP
12	Information Sharing	Service Access and Delivery	Access Channels	Web Browser	Internet Explorer, Netscape
13	Enterprise Application Integration	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Microsoft
14	Enterprise Application Integration	Service Platform and Infrastructure	Delivery Servers	Web Servers	Microsoft, Apache
15	Enterprise Application Integration	Service Platform and Infrastructure	Delivery Servers	Application Servers	Microsoft, UNIX
16	Enterprise Application Integration	Service Platform and Infrastructure	Database / Storage	Database	Oracle, Microsoft
17	Enterprise Application Integration	Service Platform and Infrastructure	Database / Storage	Storage	Adic hardware, Legato,Veritas, EMC SAN
18	Network Management	Service Platform and Infrastructure	Hardware / Infrastructure	Servers / Computers	Compaq, Dell, HP
19	Network Management	Service Platform and Infrastructure	Hardware / Infrastructure	Embedded Technology Devices	Intel
20	Asset Cataloging / Identification	Service Platform and Infrastructure	Hardware / Infrastructure	Peripherals	HP printers and scanners
21	Network Management	Service Platform and Infrastructure	Hardware / Infrastructure	Wide Area Network (WAN)	MCI VBNS network

22	Network Management	Service Platform and Infrastructure	Hardware / Infrastructure	Local Area Network (LAN)	Categories 5 and 6 cable connected to CISCO equipment
23	Network Management	Service Platform and Infrastructure	Hardware / Infrastructure	Network Devices / Standards	Cisco
24	Intrusion Detection	Component Framework	Security	Certificates / Digital Signatures	HHS-generated Microsoft and Verisign certificates
25	Intrusion Detection	Component Framework	Security	Supporting Security Services	ISS IDS devices, Securify, Checkpoint, Cisco PIX
26	Information Sharing	Component Framework	Presentation / Interface	Static Display	HTML

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

yes

5.a. If yes, please describe.

ITSC leverages several Government wide applications such as GovTrip for all travel expenses. ITSC also utilizes Prices for billing customers and CORE to track transactions. ITSC tracks status of funds with Unified Financial Management System (UFMS).

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

no

PART THREE

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?

2005-06-30

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

yes

1.c. If yes, describe any significant changes:

The risks identified reflect changes in the contract structure and implementation from GOCO to COCO. Risk was identified in transitioning to a new contractor and a new service model. Sufficient overlap time was built in for a successful transition to the new contract. The contract vehicle minimizes the risk to the government by placing service responibility on the contractor. The contractor is financially motivated to meet all service levels. Penalties and rewards are based on performance.

COST & SCHEDULE

1. Was operational analysis conducted?

yes

1.a. If yes, provide the date the analysis was completed.

2007-01-12

What were the results of your operational analysis?

The operational analysis was captured in nine separate contractor line item numbers. The operational milestones are Core IT Infrastructure and Support, Database Administration and Applications Support, Application Hosting, COOP/DR Support, Infrastructure Support, Training Support, ITSC Network Support, Miscellaneous Support, and Travel and Other ODC's. Core IT Infrastructure Support and ITSC Network Support are the largest operational expenses. ITSC has requested an

increase of $5.233 million from $29.131 million to $34.364 million. This increase includes $2.2 million for circuits, $1.8 million for Balckberrys, $0.5 million for Rent, $0.5 million for software licenses, and $0.2 million for other costs.