

**PART I - A**

**PART I: SUMMARY INFORMATION AND JUSTIFICATION**  
*In Part I, complete Sections A, B, C, and D for all capital assets (IT and non-IT). Complete Sections E and F for IT capital assets.*  
 OMB Text Limitations - SHORT ANSWER(250 Characters), MEDIUM ANSWER(500 Characters) and LONG ANSWER(2500 Characters)

<b>Section A: Overview (All Capital Assets)</b>			
I.A.1) Date of Submission (mm/dd/yyyy)			
Aug 26, 2008			
I.A.2) Agency			
029 - Department of Veterans Affairs			
I.A.3) Bureau			
00 - Agency Wide Initiatives			
I.A.4) Name of this Investment:(SHORT ANSWER)			
Financial Management System (FMS)-2010			
I.A.5) Unique Project(Investment) Identifier: Update the UPI using the Exhibit 53 tab.			
029-00-01-01-01-1140-00			
I.A.6) What kind of investment will this be in FY2010? (Please NOTE: Investments moving to O&M in FY2010, with Planning/Acquisition activities prior to FY2010 should not select O&M. These investments should indicate their current status.)			
Operations and Maintenance			
I.A.7) What was the first budget year this investment was submitted to OMB?			
FY2002			
I.A.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: (LONG ANSWER)			
FMS is the VA's core financial system, which contains VA's single Standard General Ledger for financial reporting and is the single financial system for all administrative payments and accounting. FMS is in the operations and maintenance stage, and is planned for replacement by the FLITE program. Until FLITE replaces FMS in FY 2012, FMS must be maintained to provide the critical payment and accounting services required by all VA activities in support of the VA mission, as well as the PMA goal of Improved Financial Performance. This includes such items as eliminating erroneous payments, producing quarterly and annual financial statements and reports, monitoring and executing budget, and disbursing funds through Treasury.			
I.A.9) Did the Agency's Executive/Investment Committee approve this request?			
Yes			
I.A.9.a) If "yes," what was the date of this approval?			
Aug 10, 2006			
I.A.10) Did the Project Manager review this Exhibit?			
Yes			
I.A.11) Contact information of Program/Project Manager?			
	<b>Project Managers Names (SHORT ANSWER)</b>	<b>PM Phone</b>	<b>E-mail (SHORT ANSWER)</b>
<b>Primary in-house</b>	Michael Whittington	202.461.6308	mike.whittington@va.gov

I.A.11.a) What is the current FAC-P/PM (for civilian agencies) or DAWIA (for defense agencies) certification level of the program/project manager?

Senior/Expert-level

I.A.11.b) When was the Program/Project Manager Assigned?

Jan 1, 2003

I.A.11.c) What date did the Program/Project Manager receive the FACP/PM certification? If the certification has not been issued, what is the anticipated date for certification?

Dec 23, 2003

I.A.12) Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.

Yes

I.A.12.a) Will this investment include electronic assets (including computers)?

Yes

I.A.12.b) Is this investment for construction or retrofit of a federal building or facility? (Answer applicable to non-IT assets only)

No

I.A.12.b.1) If "yes," is an ESPC or UESC being used to help fund this investment?

I.A.12.b.2) If "yes," will this investment meet sustainable design principles?

I.A.12.b.3) If "yes," is it designed to be 30% more energy efficient than relevant code? (Answer applicable to non-IT assets only)

I.A.13) Does this investment directly support one of the PMA initiatives?

Yes

I.A.13.a) If "yes," check all that apply:

	PMA Initiatives for XML Submission	PMA Initiatives
		- Human Capital
Yes	Budget Performance Integration	- Budget Performance Integration
Yes	Financial Performance	- Financial Performance
Yes	Expanded E-Government	- Expanded E-Government
		- Competitive Sourcing
		- Faith Based and Community
		- Real Property Asset Management
Yes	Eliminating Improper Payments	- Eliminating Improper Payments
		- Privatization of Military Housing
		- Research & Development Investment Criteria
		- Housing & Urban Development Management & Performance
		- Broadening Health Insurance Coverage through State Initiatives
		- "Right Sized" Overseas Presence
Yes	Coordination of VA and DoD Programs and Systems	- Coordination of VA & DoD Programs and Systems

I.A.13.b) Briefly and specifically describe for each selected how this asset directly supports the identified initiative(s)? (e.g. If E-Gov is selected, is it an

approved shared service provider or the managing partner?)(MEDIUM ANSWER)

supports BPI by compliance with JFMIP financial system requirements and use of SGL; supports FP by reducing manual interventions, duplicate data entry, and some duplicate applications and data files; supports E-Gov by enabling EFT initiatives; supports EIP by monitoring and tracking budget execution, and producing consolidated financial statements; supports Coord of VA and DoD Programs and Systems with Central Contractor Registration (CCR) initiative;

I.A. 14) Does this investment support a program assessed using the Program Assessment Rating Tool (PART)? (For more information about the PART, visit [www.whitehouse.gov/omb/part](http://www.whitehouse.gov/omb/part).)

No

I.A. 14.a) If "yes," does this investment address a weakness found during a PART review?

I.A. 14.b) If "yes," what is the name of the PARTed program? (SHORT ANSWER)

I.A. 14.c) If "yes," what rating did the PART receive?

I.A. 15) Is this investment information technology? (See section 53.8 for definition)

Yes

I.A. 16) What is the level of the IT Project? (per CIO Council PM Guidance)

Level 1

I.A. 17) What project management qualifications does the Project Manager have? (per CIO Council PM Guidance)

Qualification Status	Qualification Status for XML Submission	Description
1	(1) Project manager has been validated as qualified for this investment	(1) - Project manager has been validated as qualified for this investment.
		(2) - Project manager qualification is under review for this investment.
		(3) - Project manager assigned to investment, but does not meet requirements.
		(4) - Project manager assigned but qualification status review has not yet started.
		(5) - No Project manager has yet been assigned to this investment.

I.A. 18) Is this investment or any project(s) within this investment identified as "high risk" on the Q4-FY 2008 agency high risk report (per OMB Memorandum M-05-23)

Yes

I.A. 19) Is this project (investment) a Financial Management System? (see section 53.3 for definition)

Yes

I.A. 19.a) If so, does this project (investment) address a FFMA (Federal Financial Managers Integrity Act) compliance area?

Yes

I.A. 19.a.1) If yes, which compliance area?

US Standard General Ledger

I.A. 19.a.2) If "no," what does it address? (MEDIUM ANSWER)

I.A. 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 A-11 section 52 (LONG ANSWER)

Name: Financial Management System

Acronym: FMS

I.A.20) What is the percentage breakout for the total FY2010 funding request for the following? (This should total 100%)

<b>Percentage of Total Investment</b>	
<b>% Hardware</b>	
<b>% Software</b>	
<b>% Services</b>	
<b>% Others</b>	

I.A.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?

NA

I.A.22) Contact information of individual responsible for privacy related questions:

<b>Contact Name: (SHORT ANSWER)</b>	Dennis Stewart
<b>Phone Number:</b>	202-461-7456
<b>Title: (SHORT ANSWER)</b>	IT Specialist
<b>E-mail: (SHORT ANSWER)</b>	dennis.stewart2@va.gov

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

Yes

I.A.24) Does this investment directly support one of the GAO High Risk Areas?

No

## PART I - B

### PART I: SUMMARY INFORMATION AND JUSTIFICATION

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### Section B: Summary of Funding (All Capital Assets)

I.B.1) FILL IN TABLE IN CURRENT VALUES (in millions)

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

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.

Category of Funds	PY-1 and Earlier	PY 2008	CY 2009	BY 2010
<b>Planning Total</b>	0.000	0.000	0.000	0.000
<b>Acquisition Total</b>	0.000	0.000	0.000	0.000

<b>Operations &amp; Maintenance Total</b>	58.051	13.130	12.076	14.276
<b>Total, All Stages (Non-FTE)</b>	58.051	13.130	12.076	14.276
<b>Government FTE Costs</b>	1.960	1.830	0.000	0.000
<b>Govt. FTE Numbers</b>	49	18	0	0
<b>Total (FTE and Non-FTE)</b>	60.011	14.960	12.076	14.276

Government FTE Costs SHOULD NOT be INCLUDED as part of the TOTAL, All Stages Resources represented.

Note: 1) For the cross-agency investments, this table should include all funding (both managing partner and partner agencies). 2) Total, All Stages Resources should equal Total, All Stages Outlays.

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

No

I.B.2.a) If Yes, How many and in what year? (MEDIUM ANSWER)

I.B.3) If the summary of spending has changed from the FY2009 President's budget request, briefly explain those changes. (LONG ANSWER)

FTE numbers were adjusted for FY10 forward.

## PART I - C

### PART I: SUMMARY INFORMATION AND JUSTIFICATION

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### Section C: Acquisition/Contract Strategy (All Capital Assets)

I.C.1) If earned value is not required or will not be a contract requirement for any of the contracts or task orders above, explain why? (LONG ANSWER)

FMS' contracts support Operations and Maintenance work in a Steady State environment and as such, an EVMS is not required per VA Directive 6061.

There are two contracts/task orders used to support FMS. There is a competitively awarded FFP contract with Delta Solutions & Technologies (Delta), and a non competitive service level agreement (SLA) with the Austin Automation Center (AAC). FMS has used AAC for 10+ years, Delta Solutions for 7+ years. Contracts allow contractors to propose the most innovatively efficient course of action. FMS works closely with both contractors to vet those proposals for ideal results.

The Delta contract includes the required security clauses derived from a performance based SOW. Delta provides software support equivalent to what would be provided by a software vendor. They create software fixes and patches, provide production software support, support the annual close process, provide data fixes and workarounds, perform maintenance work and special tasks as required. This contract contributes to the cost, schedule, and performance goals of FMS by providing support for system efficiencies and enhancements. It also provides for required activities to keep VA compliant with federal regulations.

The SLA with the AAC is used to provide basic operational services for the FMS mainframe application. The AAC provides hardware hosting and operating system/batch processing software maintenance. Additionally, they are responsible for the COOP. Franchise staff provide FFP estimates for all other technical services via the Service Request process. The sum of all services provided may not exceed the SLA unless additional funds are provided. This contract provides for the actual operation of FMS and therefore supports the goals of cost, schedule, and performance by using a shared service center to host and operate FMS.

Schedule and life cycle costs are the two risks that cannot be fully mitigated by a fixed price contract. As a legacy system, FMS is often

grandfathered or exempted from most legislative and regulatory changes. However when these changes must be implemented, FMS typically has a short time frame to become compliant. Because the probability of occurrence is basic and the impact considered low, it would not be cost efficient to maintain a constant state of readiness for complex changes to a steady state system that VA plans to phase out of service. Hence VA uses FFP with optional activities to mitigate risk.

I.C.2) Do the contracts ensure Section 508 compliance?

Yes

I.C.2.a) Explain why not or how this is being done? (MEDIUM ANSWER)

VA policy requires that every contract is compliant with Section 508.

I.C.3) Is there an acquisition plan which has been approved in accordance with agency requirements?

Yes

I.C.3.a) If "yes," what is the date?

Jan 20, 2006

I.C.3.a.1) Is it Current?

Yes

I.C.3.b) If "no," will an acquisition plan be developed?

I.C.3.b.1) If "no," briefly explain why: (MEDIUM ANSWER)

## PART I - D

### PART I: SUMMARY INFORMATION AND JUSTIFICATION

In Part I, complete Sections A, B, C, and D for all capital assets (IT and non-IT). Complete Sections E and F for IT capital assets.

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### Section D: Performance Information (All Capital Assets)

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 (indicators) 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 measure.

Agencies must use the following table to report performance goals and measures for the major investment and use the Federal Enterprise Architecture (FEA) Performance Reference Model (PRM). 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 each of the four different Measurement Areas (for each fiscal year). The PRM is available at [www.egov.gov](http://www.egov.gov). The table can be extended to include performance measures for years beyond the next President's Budget.

Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvements to the Baseline	Actual Results
2006	Quality of Life	Technology	Availability	System availability	The percentage of actual system up time compared to planned up time.	96% or better	99%
2006	Quality of Life	Mission and Business Results	Payments	Interest Payments	Interest Payments per Million.	Less than \$100 per Million	\$84 per million

2006	Quality of Life	Processes and Activities	Cycle Time	The time required to produce products or services.	Average time to produce a standard report.	30 minutes or less	.21 hours
2006	Quality of Life	Customer Results	Response Time	Time to respond to customer inquiries and requests and time to deliver products or services.	Average time to respond and resolve customer issues.	48 hours or less	27.9 hours
2007	Quality of Life	Technology	Availability	System availability	The percentage of actual system up time compared to planned up time.	96% or better	99%
2007	Quality of Life	Mission and Business Results	Payments	Interest Payments	Interest Payments per Million.	Less than \$100 per Million	\$ 83.76 per million
2007	Quality of Life	Processes and Activities	Innovation and Improvement	The time required to produce products or services.	Average time to produce a standard report.	30 minutes or less	.21 hours
2007	Quality of Life	Customer Results	Response Time	Time to respond to customer inquiries and requests and time to deliver products or services.	Average time to respond and resolve customer issues.	48 hours or less	23.2 hours
2008	Quality of Life	Technology	Availability	System availability	The percentage of actual system up time compared to planned up time.	96% or better	Data Available 09/30/2008
2008	Quality of Life	Mission and Business Results	Payments	Interest Payments	Interest Payments per Million.	Less than \$100 per Million	Data Available 09/30/2008
2008	Quality of Life	Customer Results	Response Time	Time to respond to customer inquiries and requests and time to deliver products or services.	Average time to respond and resolve customer issues.	Continued communication with AAC programmers and Field station staff. Implement FRDW project.	Data Available 09/30/2008
2009	Quality of Life	Technology	Availability	System availability	The percentage of actual system up time compared to planned up time.	96% or better	Data Available 09/30/2009
2009	Quality of Life	Mission and Business Results	Payments	Interest Payments	Interest Payments per Million.	Less than \$100 per Million	Data Available 09/30/2009
2009	Quality of Life	Customer Results	Response Time	Time to respond to customer inquiries and requests and time to deliver products or services.	Average time to respond and resolve customer issues.	Continued communication with AAC programmers and Field station staff	Data Available 09/30/2009

2008	Quality of Life	Processes and Activities	Cycle Time	The time required to produce products or services.	Average time to produce a standard report.	30 minutes or less	Data Available 09/30/2008
2009	Quality of Life	Processes and Activities	Cycle Time	The time required to produce products or services.	Average time to produce a standard report.	30 minutes or less	Data Available 09/30/2009

**PART I - F**

**PART I: SUMMARY INFORMATION AND JUSTIFICATION**

*In Part I, complete Sections A, B, C, and D for all capital assets (IT and non-IT). Complete Sections E and F for IT capital assets.*

*OMB Text Limitations - SHORT ANSWER(250 Characters), MEDIUM ANSWER(500 Characters) and LONG ANSWER(2500 Characters)*

**Section F: Enterprise Architecture (EA) (IT Capital Assets only)**

*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.*

*I.F.1) Is this investment included in your agency's target enterprise architecture?*

Yes

*I.F.1.a) If "no," please explain why? (LONG ANSWER)*

*I.F.2) Is this investment included in the agency's EA Transition Strategy?*

Yes

*I.F.2.a) If "yes," provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment. (MEDIUM ANSWER)*

Financial Management System (FMS)

*I.F.2.b) If "no," please explain why? (LONG ANSWER)*

*I.F.3) Is this investment identified in a completed (contains a target architecture) and approved segment architecture?*

Yes

*I.F.3a) If "yes," provide the six digit code corresponding to the agency segment architecture. The segment architecture codes are maintained by the agency Chief Architect.*

500-000

*Segment Architecture Mapping Reference Table:*

<b>BUSINESS SEGMENT NAME</b>	<b>SEGMENT ARCHITECTURE CODE</b>
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**NOTE:**

(a\*) - Use existing SRM Components or identify as "NEW". A "NEW" component is one not already identified as a service component in the FEA SRM.

(b\*) - 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.

(c\*) - '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.

(d\*) - 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.

**I.F.4) FEA TECHNICAL REFERENCE MODEL:**

I.F.4) To demonstrate how this major IT investment aligns with Reference Model (TRM), please list the Service Areas, Service Specifications supporting this IT investment.

**TECHNICAL REFERENCE MODEL TABLE:**

	<b>FEA SRM Component (a*)</b>	<b>FEA TRM Service Area</b>	<b>FEA TRM Service Category</b>	<b>FEA TRM Service Standard</b>
1	OLAP	Component Framework	Data Management	Reporting and Analysis
2	Activity-Based Management	Service Platform and Infrastructure	Database / Storage	Database
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NOTE:
(a*) - Service Components identified in the previous question(I.F.3) should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications
(b*) - 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.
I.F.5) Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?
Yes
I.F.5.a) If "yes," please describe. (LONG ANSWER)
Pay.Gov will be used by VBA for an upcoming benefits processing that will interface with FMS .

<b>PART III - A</b>
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<b>Part III: For "Operation and Maintenance" investments ONLY (Steady State)</b>
Part III should be completed only for investments identified as "Operation and Maintenance" (Steady State) in response to Question 6 in Part I, Section A above.
OMB Text Limitations - SHORT ANSWER(250 Characters), MEDIUM ANSWER(500 Characters) and LONG ANSWER(2500 Characters)

<b>Section A - RISK MANAGEMENT (All Capital Assets)</b>
In order to successfully address this issue on the business case and capital asset plan, you must have performed a risk assessment at the initial concept, included mandatory risk elements defined below and demonstrate active management of the risk throughout the life-cycle of the investment.
For all investments, both IT and non-IT, you must discuss each of the following risks and present your plans to eliminate, mitigate, or manage risk, with milestones and completion dates. If there is no risk to the investment achieving its goals from a risk category, indicate so. If there are other risks identified, include them. Risk assessments should include risk information from all stakeholders and should be performed at the initial concept stage and then monitored and controlled throughout the life-cycle of the investment. Risk assessments for all investments must include: 1) schedule ; 2) initial costs; 3) life-cycle costs); 4) technical obsolescence; 5) feasibility; 6) reliability of systems; 7) dependencies and interoperability between this investment and others; 8) surety (asset protection) considerations; 9) risk of creating a monopoly for future procurements; 10) capability of agency to manage the investment; and 11) overall risk of investment failure.
In addition, for IT investments, risk must be discussed in the following categories 12) organizational and change management; 13) business; 14) data/info; 15) technology; 16) strategic; 17) security; 18) privacy; and 19) project resources. For security risks, identify under the Description column the level of risk as high, medium, or basic. What aspect of security determines the level of risk, i.e., the need for confidentiality of information, availability of information or the system, reliability of the information or system? Under the Current Status column, list the milestones remaining to mitigate the risk.
Moreover, for each risk category with a probability of occurrence of at least medium and impact of at least medium, please indicate whether or not the costs to mitigate the risk have been incorporated into your lifecycle cost estimates in the summary of spending stages section of this Exhibit 300. If not, please also indicate why in your response.
III.A.1) Does the investment have a Risk Management Plan?
Yes
III.A.1.a) If "yes," what is the date of the plan?
Nov 17, 2006
III.A.1.b) Has the Risk Management Plan been significantly changed since last year's submission to OMB?
No
III.A.1.c) If "yes," describe any significant changes: (LONG ANSWER)
III.A.2) If there currently is no plan, will a plan be developed?
III.A.2.a) If "yes," what is the planned completion date?
III.A.2.b) If "no," what is the strategy for managing the risks? (LONG ANSWER)



