

Exhibit 300: Capital Asset Plan and Business Case Summary

Part I: Summary Information And Justification (All Capital Assets)

Section A: Overview (All Capital Assets)

- 1. Date of Submission: 4/10/2009
- 2. Agency: Department of State
- 3. Bureau: A/Lm Logistics Management
- 4. Name of this Capital Asset: Exhibit 300 - A-LM - Integrated Logistics Management System
- 5. Unique Project (Investment) Identifier: (For IT investment only, see section 53. For all other, use agency ID system.) 014-00-01-05-01-1130-00

6. What kind of investment will this be in FY 2010? (Please NOTE: Investments moving to O&M in FY 2010, with Planning/Acquisition activities prior to FY 2010 should not select O&M. These investments should indicate their current status.) Mixed Life Cycle

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:

Summary: ILMS is the Department's enterprise-wide, supply chain management system. It is the backbone of the Department's logistics infrastructure and provides for the requisition, procurement, distribution, transportation, receipt, asset management, diplomatic pouch and mail, and tracking of goods and services domestically and overseas. The program ties to the Department's strategic plan, goal #7 - Strengthening Consular and Management Capabilities by providing worldwide access to timely information via state-of-the-art supply chain management tools, while balancing the need for information with appropriate security constraints.

Justification: ILMS is the systems implementation of a business process re-engineering effort which called for an enterprise wide supply chain management system. The re-engineering effort identified 20 disparate, stovepipe systems which resulted in extensive, error prone, duplicate data entry. The integrated solution strengthens management capabilities and provides substantial benefits through:

- * The implementation of an efficient, integrated and flexible supply chain management system to streamline worldwide logistics operations.
- * Providing fully integrated transactions with the financial system which reduces error prone data entry and improves the overall quality of financial data.
- * Realizing efficiencies in data mining and data availability. ILMS users can see supply chain transactions through status tracking. Executives and managers can pull data from ILMS, reducing, or in some cases eliminating the need for special reports, queries and costly data calls.

Performance: ILMS provides critical internal controls for the Department and addresses weaknesses identified by the OIG in the area of property management. In addition, ILMS improves the quality and timeliness of Department of State financial data due to the integration of the requisition system, procurement system, and financial system(s).

Status: ILMS is currently in the control phase of the Department's capital planning and investment control (CPIC) cycle. ILMS is fully deployed domestically with the requisition, procurement, warehouse, transportation, diplomatic pouch and mail, and asset management features in full operation. In CY2008 the system began global deployment following a successful pilot phase which concluded in DEC 2007. ILMS has been rolled out to over 26 overseas posts as of Sept. 2008, and will reach 4 more by years end.

- 9. Did the Agency's Executive/Investment Committee approve this request? Yes
 - a. If "yes," what was the date of this approval? 7/14/2008
- 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? Yes
 - a. Will this investment include electronic assets (including computers)? Yes
 - b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable) No

to non-IT assets only)

1. If "yes," is an ESPC or UESC being used to help fund this investment?

2. If "yes," will this investment meet sustainable design principles?

3. If "yes," is it designed to be 30% more energy efficient than relevant code?

13. Does this investment directly support one of the PMA initiatives? Yes

If "yes," check all that apply:

Competitive Sourcing
Expanded E-Government
Financial Performance
Budget Performance Integration

a. 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?)

Competitive Sourcing - Improved competition and strategic sourcing. Vendor and commodity code analysis leads to better pricing from vendors via fact based negotiations and order consolidation. Financial Performance - Improved quality and timeliness of financial reports due to integration of requisition, procurement & financial systems. E-Government - Provides near real time access to supply chain data. Budget Performance Integration - Provides detailed metrics to monitor vendor performance.

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.) No

a. If "yes," does this investment address a weakness found during a PART review? No

b. If "yes," what is the name of the PARTed program?

c. If "yes," what rating did the PART receive?

15. Is this investment for information technology? Yes

If the answer to Question 15 is "Yes," complete questions 16-23 below. If the answer is "No," do not answer questions 16-23.

For information technology investments only:

16. What is the level of the IT Project? (per CIO Council PM Guidance) Level 2

17. In addition to the answer in 11(a), what project management qualifications does the Project Manager have? (per CIO Council PM Guidance) (1) Project manager has been validated as qualified for this investment

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) No

19. Is this a financial management system? No

a. If "yes," does this investment address a FFMIA compliance area? No

1. If "yes," which compliance area: N/A

2. If "no," what does it address? N/A

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

N/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? Yes

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

Question 24 must be answered by all Investments:

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 or qualitative 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. The table can be extended to include performance measures for years beyond the next President's Budget.

Performance Information Table								
Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results
2005	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Customer Benefits - Customer satisfaction levels and tangible impacts to customers as a result of the products or services provided. Metric: Number of users benefiting from real time financial integration and/or integrated supply chain visibility.	1000	1250	As of 31 July 2005, 1,500 users. Requisition, Procurement, Distribution and DPM are 100% deployed domestically. Asset Management is 70% deployed domestically. Transportation and EPM are in pilot mode.
2005	Strengthening Consular and Management Capabilities	Customer Results	Timeliness and Responsiveness	Response Time	Timeliness and responsiveness - Time to respond to customer inquires and requests and time to deliver products and services. Metric: Percent (%) of time the required delivery date was within Department of State standards. Data from DPM.	50%	75%	After transitioning to ILMS, the Diplomatic Pouch and Mail (DPM) users experienced a 85% improvement in their ability to ship in a timely manner while increasing the number of shipments processed in a 24 hr period.
2005	Strengthening Consular and Management Capabilities	Mission and Business Results	Supply Chain Management	Logistics Management	Supply chain management involves the purchasing, tracking, and overall management of goods and services. Metric: Increase in the percent of paperless transactions across the supply chain integration points. i.e., Procurement to Asset Management.	Prior to the implementation of ILMS there were no fully integrated supply chain transactions. Zero (0) % of the transactions.	10% per year of all procurement actions across the Department.	The Department's fiscal year closing cycle reported in FY2005 attributed , 8,964 of 18,914 integrated procurement actions to ILMS which accounted for \$1.6 billion of the Departments \$3.6 billion in procurement, or 44%
2005	Strengthening Consular and Management Capabilities	Processes and Activities	Quality	Errors	Quality - Error rates and complaints related to products or services. Metric: Number (#) of	Non-integrated financial transactions, prior to the implementation of ILMS, historically were	Reduce error rate to less than 25%.	Error rate of less than 25% due to the implementation of integrated fiscal edits.

Exhibit 300: Exhibit 300 - A-LM - Integrated Logistics Management System (Revision 11)

Performance Information Table								
Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results
					errors or rejected transactions in the financial system due to data entry of fiscal strip data.	rejected due to data entry errors at a rate of 75%.		
2005	Strengthening Consular and Management Capabilities	Technology	Financial (Technology)	Operations and Maintenance Costs	Financial (technology) - Cost avoidance through reducing or eliminating IT redundancies. Metric: Reduction of the number of logistics systems.	Twenty (20) disparate, non-integrated systems	Reduction from 20 to 10 in FY2005.	Implementation of ILMS and related business process reengineering activities under a Duplicate Action Team (DAT) initiative have resulted in 15 systems being retired thru 31 JULY 2005.
2006	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Customer Benefits - Customer satisfaction levels and tangible impacts to customers as a result of the products or services provided. Metric: Number of users benefiting from real time financial integration and/or integrated supply chain visibility.	1,500 users	2,500 users	Over 3,000 users total have been trained in the use of ILMS components.
2006	Strengthening Consular and Management Capabilities	Mission and Business Results	Supply Chain Management	Logistics Management	Supply chain management involves the purchasing, tracking, and overall management of goods and services. Metric: Increase in the percent of paperless transactions across the supply chain integration points. i.e., Procurement to Asset Management.	44% of all transactions	Annual increase of 10% per year of all procurement actions across the Department.	Exceeded target. ILMS processed more than 80% of the 21,000 transactions at Department of State. Total transaction value of at \$4,699,578,407.
2006	Strengthening Consular and Management Capabilities	Processes and Activities	Quality	Errors	Quality - Error rates and complaints related to products or services. Metric: Number (#) of errors or rejected transactions in the financial system due to data entry of fiscal strip data.	Non-integrated financial transactions, prior to the implementation of ILMS, historically were rejected due to data entry errors at a rate of 75%.	Reduce error rate to less than 50%. Historically, error rates approached 80% to 90% on initial double data entry for several classes of transactions.	Final 2006 results - The number of errors in transactions related to financial system integration has been reduced to less than 25% for transactions that pass ILMS financial edits.
2006	Strengthening Consular and Management Capabilities	Technology	Financial (Technology)	Operations and Maintenance Costs	Financial (technology) - Cost avoidance through reducing or eliminating IT redundancies. Metric: Reduction of the number of logistics systems.	Twenty (20) disparate, non-integrated systems	Reduction from 10 to 5 in FY2006.	Final 2006 results - Implementation of ILMS and related business process reengineering activities under a Duplicate Action Team (DAT) initiative have resulted in a

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Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results
								total of 17 systems being retired through 2006.
2007	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Customer Benefits - Customer satisfaction levels and tangible impacts to customers as a result of the products or services provided. Metric: Number of users benefiting from real time financial integration and/or integrated supply chain visibility.	2,500 users	2,750 users	Final results: Exceeded goal - 2,850 total trained users.
2007	Strengthening Consular and Management Capabilities	Mission and Business Results	Supply Chain Management	Logistics Management	Supply chain management involves the purchasing, tracking, and overall management of goods and services. Metric: Increase in the number of paperless transactions across the supply chain integration points. i.e., Procurement to Asset Management.	80% of transactions conducted paperless	10% per year of all procurement actions across the Department paperless.	Final results: Exceeded goal. Implementation of ILMS resulted in the retirement of the one remaining acquisition system, Comprizon, which remained in the Department of State after 2006. 100% paperless integration.
2007	Strengthening Consular and Management Capabilities	Processes and Activities	Quality	Errors	Quality - Error rates and complaints related to products or services. Metric: Number (#) of errors or rejected transactions in the financial system due to data entry of fiscal strip data.	Non-integrated financial transactions, prior to the implementation of ILMS, historically were rejected due to data entry errors at a rate of 75%.	Reduce error rate to less than 25%.	Final results: Exceeded goal. The number of errors in transactions related to financial system integration has been reduced to less than 2% for transactions that pass ILMS financial integration edits.
2007	Strengthening Consular and Management Capabilities	Technology	Efficiency	Operations and Maintenance Costs	Financial (technology) - Cost avoidance through reducing or eliminating IT redundancies. Metric: Reduction of the number of logistics systems.	Twenty (20) disparate, non-integrated systems	Reduction from 5 to 3 in FY2007.	Final results: Exceeded goal. 17 systems retired thru 2007. Remaining systems targeted for integration via EAI, Post Administrative Support System (PASS).
2008	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Customer Benefits - Customer satisfaction levels and tangible impacts to customers as a result of the products or services provided. Metric: Number of users benefiting from real time financial	2,850 users	250 new users for FY2008, for a total of 3,250 users by the end of FY2008.	[Actual results SEP 2008 - Exceeded goal, 4,000+ active users as of SEP 2008. This includes all 35 domestic bureaus, 73 DPM sites, and 26 overseas posts.]

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Performance Information Table								
Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results
					integration and/or integrated supply chain visibility.			
2008	Strengthening Consular and Management Capabilities	Mission and Business Results	Supply Chain Management	Logistics Management	Supply chain management involves the purchasing, tracking, and overall management of goods and services. Metric: Increase in the number of overseas paperless transactions across the supply chain.	20 posts	Increase by 10% per year number of overseas procurement actions executed in ILMS.	Exceeded target 26 posts up and running or 11.8% of the total number of posts
2008	Strengthening Consular and Management Capabilities	Processes and Activities	Management and Innovation	Compliance	Management and Innovation - Compliance with applicable requirements, risk mitigation and knowledge management. Metric: Number of departmental entities in compliance with mandate to use standard asset management system.	35 domestic bureaus	10 additional posts	Results SEP 2008 - Exceeded goal, 26 posts in compliance by using standard system
2008	Strengthening Consular and Management Capabilities	Technology	Technology Costs	Operations and Maintenance Costs	(Technology Cost) - Cost avoidance through reducing or eliminating IT redundancies. Metric: Reduction of the number of logistics systems.	3 Systems	Retire 20 Post instances of WPAS, NEPA, PASS Procure	Results SEP 2008 - Exceeded target, ILMS deployment and integration resulted in retirement of 26 post systems/components.
2009	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Customer Benefits - Customer satisfaction levels and tangible impacts to customers as a result of the products or services provided. Metric: Number of users benefiting from real time financial integration and/or integrated supply chain visibility.	4,000 users	10 posts with approximately 1,000 additional users	TBD
2009	Strengthening Consular and Management Capabilities	Mission and Business Results	Supply Chain Management	Logistics Management	Supply chain management involves the purchasing, tracking, and overall management of goods and services. Metric: Increase in the number of overseas posts generating paperless transactions across the supply chain.	26 posts	Increase by 10% per year the number of overseas procurement actions executed in ILMS.	TBD

Performance Information Table								
Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results
2009	Strengthening Consular and Management Capabilities	Processes and Activities	Management and Innovation	Compliance	Management and Innovation - Compliance with applicable requirements, risk mitigation and knowledge management. Metric: Number of departmental entities in compliance with mandate to use standard asset management system.	26 posts	10 additional posts	TBD
2009	Strengthening Consular and Management Capabilities	Technology	Technology Costs	Operations and Maintenance Costs	(Technology Cost) - Cost avoidance through reducing or eliminating IT redundancies. Metric: Reduction of the number of logistics systems.	26 post system instances	Retire 10 Post instances of WPAS, NEPA, PASS Procure	TBD

Section E: Security and Privacy (IT Capital Assets only)

8. Planning & Operational Systems - Privacy Table:					
(a) Name of System	(b) Is this a new system? (Y/N)	(c) Is there at least one Privacy Impact Assessment (PIA) which covers this system? (Y/N)	(d) Internet Link or Explanation	(e) Is a System of Records Notice (SORN) required for this system? (Y/N)	(f) Internet Link or Explanation
ILMS	No	No	This system does not collect personal information from or about the public.	Yes	http://www.state.gov/documents/organization/102776.pdf

Details for Text Options:
 Column (d): If yes to (c), provide the link(s) to the publicly posted PIA(s) with which this system is associated. If no to (c), provide an explanation why the PIA has not been publicly posted or why the PIA has not been conducted.
 Column (f): If yes to (e), provide the link(s) to where the current and up to date SORN(s) is published in the federal register. If no to (e), provide an explanation why the SORN has not been published or why there isn't a current and up to date SORN.
 Note: Working links must be provided to specific documents not general privacy websites. Non-working links will be considered as a blank field.

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

In order to successfully address this area of the capital asset plan and business case, the investment must be included in the agency's EA and Capital Planning and Investment Control (CPIC) process and mapped to and supporting the FEA. The business case must demonstrate 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
 - a. If "no," please explain why?

2. Is this investment included in the agency's EA Transition Strategy? Yes
 - a. If "yes," provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment. Integrated Logistics Management System - ILMS
 - b. If "no," please explain why?

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4. Service Component Reference Model (SRM) Table:								
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.egov.gov .								
Agency Component Name	Agency Component Description	FEA SRM Service Domain	FEA SRM Service Type	FEA SRM Component (a)	Service Component Reused Name (b)	Service Component Reused UPI (b)	Internal or External Reuse? (c)	BY Funding Percentage (d)
Property and asset management	Lifecycle cost activities associated with accounting for and internal controls of capitalized property	Back Office Services	Asset / Materials Management	Property / Asset Management			No Reuse	
Integration with external systems FPDS-NG, CCR, and PowerTrack	Provide for integration and data sharing for key fields across applications	Back Office Services	Development and Integration	Legacy Integration			No Reuse	
Inventory Management	Provide for the balancing of customer service levels with inventory investment	Business Management Services	Supply Chain Management	Inventory management			No Reuse	
Requisition Tracking and Approval	Support the identification of where a shipment or delivery is within the business cycle	Business Management Services	Supply Chain Management	Invoice / Requisition Tracking and Approval			No Reuse	
Logistics and Transportation	Provide for efficient freight and traffic management	Business Management Services	Supply Chain Management	Logistics and Transportation			No Reuse	
Procurement	Requisitioning and contracting of goods and services	Business Management Services	Supply Chain Management	Procurement			No Reuse	
Warehouse Management	Provide for the storage and movement of materials within a warehouse, including these processes: material receipt, order picking, packaging, labeling and shipping	Business Management Services	Supply Chain Management	Warehouse management			No Reuse	
Customer Support Desk	Provide assistance to users experiencing problems when using the system	Support Services	Systems Management	Issue Tracking			No Reuse	

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 percentage of the BY requested funding amount transferred to another agency to pay for the service. The percentages in the column can, but are not required to, add up to 100%.

5. Technical Reference Model (TRM) Table:				
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 (a)	FEA TRM Service Area	FEA TRM Service Category	FEA TRM Service Standard	Service Specification (b) (i.e., vendor and product name)
Logistics and Transportation	Component Framework	Security	Certificates / Digital Signatures	

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5. Technical Reference Model (TRM) Table: 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 (a)	FEA TRM Service Area	FEA TRM Service Category	FEA TRM Service Standard	Service Specification (b) (i.e., vendor and product name)
Legacy Integration	Service Interface and Integration	Integration	Enterprise Application Integration	
Logistics and Transportation	Service Platform and Infrastructure	Database / Storage	Database	
Invoice / Requisition Tracking and Approval	Service Platform and Infrastructure	Delivery Servers	Application Servers	
Procurement	Service Platform and Infrastructure	Delivery Servers	Application Servers	
Inventory management	Service Platform and Infrastructure	Delivery Servers	Application Servers	
Property / Asset Management	Service Platform and Infrastructure	Delivery Servers	Application Servers	
Warehouse management	Service Platform and Infrastructure	Delivery Servers	Application Servers	
Issue Tracking	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	

a. 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

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.

6. Will the application leverage existing components and/or applications across the Government (i.e., USA.gov, Pay.Gov, etc)? Yes

Exhibit 300: Part II: Planning, Acquisition and Performance Information

Section B: Risk Management (All Capital Assets)

You should have performed a risk assessment during the early planning and initial concept phase of this investment's life-cycle, developed 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.

- | | |
|---|-----------|
| 1. Does the investment have a Risk Management Plan? | Yes |
| a. If "yes," what is the date of the plan? | 6/13/2008 |
| b. Has the Risk Management Plan been significantly changed since last year's submission to OMB? | Yes |