

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: Resource Management
- 4. Name of this Capital Asset: Exhibit 300 - Consolidated American Payroll System (CAPPS) and Interagency ePayroll Migration
- 5. Unique Project (Investment) Identifier: (For IT investment only, see section 53. For all other, use agency ID system.) 014-00-01-01-01-1146-00

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:

BACKGROUND

The Consolidated American Payroll Processing System (CAPPS) generates payments to all U.S. citizen employees of DoS and other serviced agencies. The system makes payments to Foreign Service employees, Civil Service employees, and Personal Services Contractors; all of which are subject to Federal legislation and pay plans. It excludes foreign nationals, who are paid using other systems that operate in a manner unique to the foreign localities. CAPPS, which serves as the central repository of American payroll information and has been in operation for 24 years, incurs maintenance costs to support new federal regulations (e.g. changes promulgated by OPM and IRS) and DoS policy changes.

A STRATEGY TO MOVE TO E-PAYROLL

DoS has been an active participant in the government-wide e-Payroll Consolidation effort and was granted an exemption by OPM for mandated migration to a service provider by 9/30/04. DoS, along with its serviced payroll partners, determined that the payroll solution offered by the National Finance Center (NFC), a unit of the USDA, appeared to best meet their combined needs. However, further development of a comprehensive "gap" analysis with NFC showed a significant increase to the original cost estimate for migration and hosting and timeframe for migration, particularly in comparison with the preferred strategy proposed by State. As a result, OMB and OPM have recommended that, as an alternative to the NFC migration, the Department conduct a public/private competition (including the Department's proposed option). This led to producing the following related deliverables:

- Q4 2007: Draft Acquisition Plan
- Q1 2008: Final Acquisition Plan
- Q2 2008: e-Payroll Requirements and Traceability Matrix
- Q3 2008: Draft RFI geared towards conducting a public vs private competition

By building on these activities, the Department expects to select an e-Payroll provider in FY09, perform most of the necessary development, conversion and configuration activities in FY10-11, and migrate to the system that will replace CAPPS in FY12.

INTERIM OPERATIONS

During the interim transition period, DoS will continue to operate CAPPS in a reduced Steady State mode to ensure that its own serviced agency employees receive uninterrupted accurate and timely payments. This remaining CAPPS' Steady State investment is primarily intended to fund operating costs and mandatory statutory, regulatory, and policy changes.

- 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? No

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- a. Will this investment include electronic assets (including computers)? No
- b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only) No
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: Expanded E-Government
- 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?) Following the tentative selection of the National Finance Center (NFC) as its approved shared service provider, the Department collaborated with NFC to conduct a "fit gap" analysis. After evaluating the findings, OMB recommended that the Department conduct a private vs. public sector competition to directly support the e-Payroll initiative. To further this new approach, the investment's WBS was rebaselined in July 2007 and its acquisition plan was updated in Q1 2008.
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) Yes
19. Is this a financial management system? Yes
- a. If "yes," does this investment address a FFMIA compliance area? No
1. If "yes," which compliance area:
2. If "no," what does it address? This investment addresses the e-Payroll initiative that falls under the President's Management Agenda (PMA).
- 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 Consolidated American Payroll System (CAPPS)
21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities? N/A
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval? Yes

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	Percent reduction in manual/corrected W-2s produced.	In FY04, 60 W-2Cs were produced.	2% reduction	42% reduction achieved -- (NOTE: this activity has been concluded for FY05).
2005	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Percent of employee payments made by scheduled pay date.	95%	96%	99% of FY05 employee salary payments were made by the scheduled end date
2005	Strengthening Consular and Management Capabilities	Mission and Business Results	Human Resource Management	Compensation Management	Percent reduction of manual T&A transactions.	The number of manual T&A transactions input/corrected for FY2004 was 14,253.	2% reduction in manual T&A transactions	Actuals through August 31, 2005: 30,093 T&A adjustments were applied. This is 111% higher than the previous year.
2005	Strengthening Consular and Management Capabilities	Processes and Activities	Management and Innovation	Innovation and Improvement	Percent reduction of dollars paid through supplemental checks.	In FY04, \$98,042,452 was paid through supplemental checks.	2% reduction	Actuals through August 31, 2005, \$97,201,009 has been paid through supplemental checks. This is 99% of the previous fiscal year total
2005	Strengthening Consular and Management Capabilities	Technology	Efficiency	Technology Improvement	Percent reduction in unique types of pay-related Nature of Actions that require manual processing in CAPPS.	In FY04, 195,881 "special" transactions (such as differentials, allowance, and special pay) were processed.	2% reduction	Actuals through August 31, 2005: 164,607 special actions have been processed. This is 84% of the previous fiscal year total.
2006	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Percent reduction in manual/corrected W-2s produced.	60	3% reduction	Actuals through September, 2006: 216
2006	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Percent of employee payments made by scheduled pay date.	95%	97%	99% of FY06 employee salary payments were made by the scheduled end date
2006	Strengthening Consular and Management Capabilities	Mission and Business Results	Human Resource Management	Compensation Management	Percent reduction of manual T&A transactions.	14,253 transactions	3% reduction in manual T&A transactions	Actuals through September 30, 2006: 87,372 which is 513% higher than the baseline number
2006	Strengthening Consular and Management Capabilities	Processes and Activities	Management and Innovation	Innovation and Improvement	Percent reduction of dollars paid through supplemental checks.	98042452	3% reduction	Actuals through September 30, 2006: \$115,784,805 which is 18% higher than the

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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
								baseline number
2006	Strengthening Consular and Management Capabilities	Technology	Efficiency	Technology Improvement	Percent reduction in unique types of pay-related Nature of Actions that require manual processing in CAPPS.	195881	3% reduction	Actuals through September 30, 2006: 168,163 which is 14% lower than the baseline number
2007	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Reduction in manual/corrected W-2s produced.	60	57	As of 09/30/07: 30 amended W-2s were produced
2007	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Percent of employee payments made by scheduled pay date.	95%	98%	As of 9/30/07, 99% of FY07 employee salary payments were made by the scheduled end date
2007	Strengthening Consular and Management Capabilities	Mission and Business Results	Human Resource Management	Compensation Management	Reduction of manual T&A transactions.	87372	83003	As of 9/30/07, 58,690 transactions
2007	Strengthening Consular and Management Capabilities	Processes and Activities	Management and Innovation	Innovation and Improvement	Reduction of dollars paid through supplemental checks.	115784805	109995565	As of 09/30/07: \$115,336,197
2007	Strengthening Consular and Management Capabilities	Technology	Efficiency	Technology Improvement	Reduction in unique types of pay-related Nature of Actions that require manual processing in CAPPS.	195881	188046	As of 09/30/07: 171,793
2008	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Percent of employee payments made by scheduled pay date.	95%	98.50%	As of 09/30/08: 99%
2008	Strengthening Consular and Management Capabilities	Mission and Business Results	Human Resource Management	Compensation Management	Reduction of manual T&A transactions.	87372	82567	As of 09/30/08: 103597
2008	Strengthening Consular and Management Capabilities	Processes and Activities	Management and Innovation	Innovation and Improvement	Reduction of dollars paid through supplemental checks.	115784805	109416641	As of 09/30/08: 126994116
2008	Strengthening Consular and Management Capabilities	Technology	Efficiency	Technology Improvement	Reduction in unique types of pay-related Nature of Actions that require manual processing in CAPPS.	195881	187066	As of 09/30/08: 124,584
2009	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Percent of employee payments made by scheduled pay date.	95%	99%	
2009	Strengthening Consular and Management Capabilities	Mission and Business Results	Human Resource Management	Compensation Management	Reduction of manual T&A transactions.	87372	82130	
2009	Strengthening Consular and Management Capabilities	Processes and Activities	Management and Innovation	Innovation and Improvement	Reduction of dollars paid through supplemental checks.	115784805	108837717	
2009	Strengthening Consular and Management Capabilities	Technology	Efficiency	Technology Improvement	Reduction in unique types of pay-related Nature of Actions that require manual processing in CAPPS.	195881	186087	

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
Consolidated American Payroll System (CAPPS)	No	No	This system does not collect PII from or about the public.	Yes	http://www.state.gov/documents/organization/102795.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. Consolidated American Payroll System (CAPPS) and Interagency ePayroll Migration
 - b. If "no," please explain why?

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)
Enterprise Application Integration	Support the redesigning of disparate information systems into one system that that uses a common set of data models to capture new information within a single system.	Back Office Services	Development and Integration	Enterprise Application Integration	Enterprise Application Integration		No Reuse	
Instrumentation and Testing	Support the validation of application or system capabilities and requirements	Back Office Services	Development and Integration	Instrumentation and Testing			No Reuse	
Software Development	Support the creation of both graphical and process application or system software	Back Office Services	Development and Integration	Software Development			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.

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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)
Instrumentation and Testing	Service Access and Delivery	Access Channels	Other Electronic Channels	
Software Development	Service Access and Delivery	Access Channels	Other Electronic Channels	
Enterprise Application Integration	Service Interface and Integration	Integration	Enterprise Application Integration	
Instrumentation and Testing	Service Platform and Infrastructure	Database / Storage	Database	
Software Development	Service Platform and Infrastructure	Database / Storage	Database	
Instrumentation and Testing	Service Platform and Infrastructure	Delivery Servers	Application Servers	
Software Development	Service Platform and Infrastructure	Delivery Servers	Application Servers	
Instrumentation and Testing	Service Platform and Infrastructure	Hardware / Infrastructure	Servers / Computers	
Software Development	Service Platform and Infrastructure	Hardware / Infrastructure	Servers / Computers	
Instrumentation and Testing	Service Platform and Infrastructure	Support Platforms	Dependent Platform	
Software Development	Service Platform and Infrastructure	Support Platforms	Dependent Platform	

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? | 8/22/2008 |
| b. Has the Risk Management Plan been significantly changed since last year's submission to OMB? | No |