

Exhibit 300 (BY2010)

PART ONE

OVERVIEW

1. Date of Submission:
2009-04-10

2. Agency:
015

3. Bureau:
45

4. Name of this Capital Asset:
Web Requisition Tracking System / Integrated Procurement System (Web RTS/IPS) - Major

5. Unique Project Identifier:
015-45-01-01-01-2560-00

6. What kind of investment will this be in FY2010?
Mixed Life Cycle

7. What was the first budget year this investment was submitted to OMB?
FY2010

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 Office of Procurement is responsible for, guarantees that, all acquisition, contractual commitments, and contract administration of equipment, supplies, and services by IRS is performed within the framework of Federal, Treasury, and IRS statutes and regulations. The organization ensures that goods and services needed by the IRS are acquired in a timely, effective, and ethical manner while meeting the needs of the IRS at an equitable cost. To ensure high quality and efficiency, The Office of Procurement implemented and manages IRS procurement information technology systems essential to IRS mission to effectively manage all procurement actions. These systems automate and streamline virtually all daily purchasing activities, from requisition initiation to contract closeout/archiving, including credit card buys and payment authorization. The systems improve/streamline business purchase processes while ensuring business rules and controls essential to good business performance and legal compliance. The systems also manage all activities and maintain full documentation. The systems provide management with essential decision-making information and control tools that would otherwise be nearly impossible to obtain. webRTS/IPS is the umbrella system around which all of the component system are built and is also the name of the total system. This investment covers all aspects of delivering, maintaining, and managing the continuous operation and improvement of the total system. Prior to webRTS/IPS, the activities involved in processing and approving requisitions, solicitations, contracts, receipt and acceptance and payment was a manual, time-consuming process for all IRS organizations. webRTS/IPS provides the business units and service organizations highly automated and effective tools for performing IRS acquisition processes and activities. The continued productivity of the Office of Procurement as well as the business and other units is completely dependent upon the availability of webRTS/IPS funded by this investment. Planned productivity improvements rely upon the enhancement and security improvements included in this investment. webRTS/IPS is a legacy system under IRS classification method, but uses the Modernization Infrastructure and management methods. This investment includes activities to ensure future compliance with all IRS standards. Prior to FY 2010, this system was a "Non-Major System", UPI 015-45-01-01-02-2428-00

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

9.a. If "yes," what was the date of this approval?
2008-09-18

10. Did the Program/Project Manager review this Exhibit?
yes

11. Program/Project Manager Name:
Clark, Lee
Program/Project Manager Phone:

202-283-1618

Program/Project Manager Email:

Lee.Clark@irs.gov

11.a. What is the current FAC-P/PM certification level of the project/program manager?
New Program Manager

11.b. When was the Program/Project Manager Assigned?
2008-07-23

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?
2009-07-23

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)?
no

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

If yes, select the initiatives that apply:

Expanded E-Government

Financial Performance

Human Capital

13.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?)

Human Capital: The system reduces manual paperwork processing and tracking burden, improving productivity

Financial Performance: The system delivers precise spend/receipt info to other finance systems to meet OMB/Treasury requirements accurately on time and tracks/reports spend info to IRS/other management/audit users

Expanded E-Government: The system is a great tool to perform all acquisition activities and capture information electronically, greatly increasing accuracy and timeliness

14. Does this investment support a program assessed using the Program Assessment Rating Tool (PART)?
no

15. Is this investment for information technology?
yes

16. What is the level of the IT Project (per CIO Council's PM Guidance)?
Level 3

17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)
(2) Project manager qualification is under review for this investment

18. Is 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?
yes

19.a. If yes, does this investment address a FFIA compliance area?
yes

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

Supports "Control Activities" compliance area by ensuring: Segregation of duties occurs; Only authorized personnel can perform specific actions; Transactions are properly authorized and processed accurately, and; Documentation is complete.

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

Area	Percentage
Hardware	0
Software	0
Services	100
Other	0

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

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

Name
Lee Clark
Phone Number
202-283-1618
Title
Project Manager
Email
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23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?

yes

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

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

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.

Cost Type	Py-1 & Earlier -2007	PY 2008	CY 2009	BY 2010
Planning Budgetary Resources	0.000	0.000	0.000	0.318
Acquisition Budgetary Resources	0.000	0.000	0.000	0.000
Maintenance Budgetary Resources	0.000	0.000	1.782	1.362
Government FTE Cost	0.000	0.000	4.108	4.240
# of FTEs	0	0	26	26

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

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

no

3. If the summary of spending has changed from the FY2009 President's budget request, briefly explain those changes.

Web RTS/IPS is reporting as a new Major investment. The FY2009 President's Budget and FY2010 Budget Request were based historical data that was quoted as half-year costs for O&M but inadvertently entered as full-year contractor costs. Additionally, the FTE costs were not included in those figures. The Project Office is striving to get this allocation correct based on historic costs. Additionally, Web RTS/IPS is reporting as mixed life cycle due to the need to execute a technology refresh to correct security weaknesses. The current webRTS / webIPS applications are developed on proprietary, non-standard Novell Extend application code. This Novell software version is no longer maintained and supported by Novell. Since the existing application server software is no longer supported and maintained, other

infrastructure software components (e.g., SUN Operating System and Oracle database) can not be upgraded beyond the supported Novell supported level of the existing version. Funding has been requested beginning in FY2009 to re-code the webRTS / webIPS applications to remove the non-supported, proprietary software product To date, Web RTS/IPS has been allocated \$4.4Mill FY08 funding from IRS Infrastructure to apply to the Technology Refresh-Security Remediation. The Project Office has been promised additional funding from FY09 and FY10 to cover the remaining DME costs.

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

	Fiscal Year	Strategic Goal Supported	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
1	2009	Effectively Managed U.S. Government Finances	Processes and Activities	Timeliness	Increase User Program timeliness by increasing percentage of significant milestone dates met in accordance with project work schedules	Specific milestones measured and actual on-time percentage rate for FY 2009 to be determined in FY 2009	Determine metric milestones and 2009 on-time performance baseline with late cause analysis	To be determined
2	2009	Effectively Managed U.S. Government Finances	Customer Results	Customer Satisfaction	Customer surveys conducted with Acquisition Planning Conference. show improved overall satisfaction with system	FY 2009 Survey results collected FY2009-Q2	Conduct customer satisfaction survey and determine satisfaction level baseline	To be determined
3	2009	Effectively Managed U.S. Government Finances	Technology	Data Reliability and Quality	Reduce user help desk calls due to system errors	100% of FY 2008 to be calculated FY2009-Q1	Compile helpdesk statistics detailing system error-based call number and causes	To be determined
4	2009	Effectively Managed U.S.	Customer Results	Accuracy of Service or Product	Increase User Interface operational	5 major operational inconsistencies	Review user interface, determine	To be determined

		Government Finances		Delivered	consistency	as of FY2008-Q3	"should be" characteristics, and provide to design team	
5	2009	Effectively Managed U.S. Government Finances	Technology	Operations and Maintenance Costs	Reduce the cost of performing enhancements and bug fixes by improving system documentation	100% of FY 2008 average Change Request cost to be calculated in FY2009-Q1	Determine average costs of CR types and cost factors, determine cost reduction strategies	To Be Determined
6	2009	Effectively Managed U.S. Government Finances	Mission and Business Results	Services Acquisition	Increase services contracting efficiency by integrating COMANS system services contract administration with acquisition tools, reducing data capture redundancy and allowing all services contracts to use tools	COMANS system separate from webRTS/IPS in FY 2008	Conduct analysis, design, and integration planning for functional merge	To be determined
7	2010	Effectively Managed U.S. Government Finances	Processes and Activities	Timeliness	Increase User Program timeliness by increasing percentage of significant milestone dates met in accordance with project work schedules	Specific milestones measured and actual on-time percentage rate for FY 2009 to be determined in FY 2009	10% increase in on-time completion of PWS milestones versus FY2009 actual results	To Be Determined
8	2010	Effectively Managed U.S. Government Finances	Customer Results	Customer Satisfaction	Customer surveys conducted with Acquisition Planning Conference. show improved overall satisfaction with system	FY 2009 Survey results collected FY2009-Q2	10% increase in Satisfied or better ratings over FY 2009 levels	To be determined
9	2010	Effectively Managed U.S. Government Finances	Technology	Data Reliability and Quality	Reduce user help desk calls due to system errors	100% of FY 2008 to be calculated FY2009-Q1	5% fewer help desk calls due to system errors vs. FY 2008	To Be Determined
10	2010	Effectively Managed U.S. Government Finances	Customer Results	Accuracy of Service or Product Delivered	Increase User Interface operational consistency	5 major operational inconsistencies as of FY2008-Q3	Zero major inconsistencies in re-development physical design and interface mockup	To Be Determined

11	2010	Effectively Managed U.S. Government Finances	Technology	Operations and Maintenance Costs	Reduce the cost of performing enhancements and bug fixes by improving system documentation	100% of FY 2008 average Change Request cost to be calculated in FY2009-Q1	FY 2010 average Change Request cost reduced to 85% of FY 2008 average CR cost	To Be Determined
12	2010	Effectively Managed U.S. Government Finances	Mission and Business Results	Services Acquisition	Increase services contracting efficiency by integrating COMANS system services contract administration with acquisition tools, reducing data capture redundancy and allowing all services contracts to use tools	COMANS system separate from webRTS/IPS in FY 2008	Integration of COMANS functionality in webRTS/IPS re-development design completed in FY 2010	To Be Determined

Enterprise Architecture

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.

This investment, named "Web Requisition Tracking System/Web Integrated Procurement System (WEB RTS/IPS)" has been included in the 2008 IRS Enterprise Transition Strategy (ETS) that will be published on 9/30/2008. As the ETS and MV&S activities evolve each year, investments for sustaining operations for non-majors started being included for providing a more complete domain strategic view even though they are not significantly affected by the transition strategy.

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

no

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

405-000

4. 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	IRS RTS/IPS - Procurement	This core component of the investment provides end-to-end tracking and standard processing of nearly all items and services acquired by any IRS unit, including purchase card transactions. It provides the interfaces for end users to define/fund requirements and for purchasing agents to properly obligate funds, sending financial data to IRSa€™ finance systems. It also provides the tools to receive and accept deliverables, recording the data for use in by other IRS payment and inventory systems.	Supply Chain Management	Procurement			No Reuse	28
2	RTS/IPS Database	The system functions around a complex and highly structured Oracle database hosted on MITS servers. The database contains detailed information on requirements and the purchasing actions taken to acquire goods/services to meet them. It maintains permanent legal records of the documents and authorizations of purchases as well as details of receipts and acceptance of the acquired goods. It stores the financial data for updating other systems and provides data for management reporting.	Data Management	Data Warehouse			No Reuse	20
3	eCatalog Database	The eCatalog data store is a separate Oracle database which	Data Management	Data Warehouse			No Reuse	10

		contains specific descriptions and ordering information for items on pre-negotiated CLIN-based contracts. A user may perform lookups of standard items with descriptions to find items which meet IRS standards (e.g., COE workstations and software or IRS network components). The data for selected items is stored as a formatted record set and transferred on command to populate the core database tables.						
4	Exchange RTS/IPS Data with Predefined Internal Management Systems	This investment exchanges data with other predefined IRS internal management systems. The exchanges use automatic batch processing technologies for operating efficiencies. The RTS/IPS systems perform data validation to ensure that the financial, payment, and inventory data exchanged is accurate and complete, ensuring that recipients of the data can rely upon it to perform their activities.	Data Management	Data Exchange			No Reuse	7
5	Exchange RTS/IPS Data with Predefined External Management Systems	Use of other Government contracting systems external to Treasury is legally mandated for completion of contracting actions. Access to the external system information is provided by the webIPS user interface, allowing the purchasing agent to use/update the external systems without leaving the webIPS application, eliminating redundant and error-prone duplication of data entry. webIPS performs data validation to ensure that the data exchanged is accurate and complete.	Data Management	Data Exchange			No Reuse	5

6	Track requisition approvals	webRTS manages and tracks the requisition approval process. The system provides the requisition initiator a defined interface for capturing requirements, funding sources, and approval of the requirement through the all levels. The system requires the Plan Manager to certify funding availability prior to forwarding the requisition for acquisition action. The system routes and tracks the requisition through each approval step, providing email status notices to all individuals involved.	Financial Management	Activity-Based Management			No Reuse	10
7	Process Tracking (Procurement and Requisition)	webRTS/IPS provides a single-system processing and tracking capability for all pre-award, award, and post-award acquisition activities, including requirements documentations, acquisition research and award, contract administration, receipt and acceptance of goods/services received, and contract close-out. It monitors activities and helps prevent unnecessary lags, provides standardization of acquisition procedures, and reports tracking data allow process performance analysis.	Tracking and Workflow	Process Tracking			No Reuse	10

5. 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	Procurement	Component Framework	Business Logic	Platform Dependent Technologies	IRS developed Custom Software

2	Data Warehouse	Service Platform and Infrastructure	Database / Storage	Database	Oracle - Oracle 8
3	Data Exchange	Service Access and Delivery	Delivery Channels	Internet	IPv6
4	Data Exchange	Service Access and Delivery	Delivery Channels	Intranet	IRS Infrastructure
5	Activity-Based Management	Component Framework	Data Management	Reporting and Analysis	IRS Required Management Reports
6	Process Tracking	Component Framework	Data Management	Reporting and Analysis	IRS Procurement Tracking and Reporting Roles

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

yes

6.a. If yes, please describe.

Current integration / interface with Contractor Central Registration (CCR) and Federal Procurement Data System (FPDS-NG) systems.

PART TWO

RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2008-09-16

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

no

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule:

The primary risk affecting the outcome of this investment is the lack of available funding to complete the Re-Development of the core system. Funding failure in FY 2010 would jeopardize the FY 2008 and 2009 Re-Development investments totaling \$6.7M and risk the required shutdown of the system due to the mandated security deadlines for replacement. Thus, the current investment would be lost and the cost avoidance figure would shift from avoidance to increased operating costs affecting the entire Service.

COST & SCHEDULE

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

yes

2. Is the CV% or SV% greater than $\hat{A} \pm 10\%$?

no

3. Has the investment re-baselined during the past fiscal year?

no