I'm forwarding you the PMA e-newsletter for January. As you might have heard, we'll be hosting the 2004 Government Performance Summit on March 3-5 and will once again focus on PMA, complete with updates from initiative owners. I hope you can join us for this important event (see details below). The spotlight section of the newsletter focuses this month on the Dept. of Interior. If you haven't been following their progress in implementing the PMA, you should be! DOI has demonstrated some remarkable leadership in management reform over the past 3 years—kudos to Lynn Scarlett, Scott Cameron and the entire DOI team!

As always, if your agency has a success or innovation to highlight in management improvement, please share it so we can add it to next month's newsletter.

-Carl DeMaio



January 2004

Table of Contents

- Government-wide News
- Budget and Performance Integration
- Improved Financial Management
- Strategic Management of Human Capital
- Competitive Sourcing
- Expanded E-Government
- Agency Spotlight: Department of Interior

Government-wide News

Congress Exercises Poor Oversight of Executive Branch

Some experts say that aggressive congressional oversight has been declining over several decades. They point to how Congress routinely allows federal programs to escape scrutiny by failing to reauthorize

them. The governing laws for these programs then lapse, but the programs remain in business only because Congress continues them through the must-pass appropriations bills. The result is no accountability in many federal programs. Some Republicans acknowledge that Congress has not done enough policing of the executive branch. This is shown in a study done by Joel Aberbach, a political scientist at the University of California, whose research shows the declining role of congressional committees. The panels met for a combined 1,281 days in 1997, about half the number of times that committees met in 1975, when they convened 2,552 days. The committees also devoted fewer days to performing agency oversight in 1997 (422 days) than they did in 1975 (459 days). This represents a drastic drop in legislative hearings and the kind of review that goes on when programs are reauthorized. What has happened is that the party leadership has seized control of the legislative agenda, and many things are done in big omnibus bills. To view this article go to:
http://www.govexec.com/dailyfed/0104/011504nj1.com



Featuring Six Tracks:
- Implementation Updates from All Five PMA Initiative Owners
- Measuring and Communicating Performance Results
- Town Hall Dialogues on Management Challenges
- Budgeting for Results
- Achieving Cost Efficiencies
- Leading Performance-Based Change

Featuring Keynote Addresses from:
- Elain Chao, Secretary of Labor
- Clay Johnson, OMB Deputy Director of Management
- Kyle McSlarrow, Deputy Secretary of Energy
- Tom Feeney, US Representative

With the continued implementation of the President's Management Agenda (PMA), Federal managers and employees have been called upon to "institutionalize" Performance management reforms in their agencies. The PMA–now in its third year–has been the focal point of management reform in the federal government. And come July 2004, each agency will be asked to demonstrate tangible results for the American taxpayer under the Administration's "Proud-to-Be" Milestones.

The federal management improvement agenda has never been more robust–and best practices are emerging across government on how to design and implement management reforms. To access these best practices and to share your perspectives on the management reform agenda, you are invited to attend the fifth annual Government Performance Summit, being hosted March 3-5, 2004 in Washington, DC. The event boasts a "who's who" agenda of management reform leaders…from the Administration,

Congress and leading federal agencies…and is filled with the latest government management innovations.

Stay Ahead of New Legislation, New OMB Circulars, and New Methodologies

The Government Performance Summit will provide a complete update on how your program can meet new management reform mandates unveiled in the past year. The Summit features an “implementation update” from the PMA Initiative Owners. Moreover, the Summit provides comprehensive coverage of new legislation passed by Congress in the past year, as well as various circulars, rules and regulations finalized by OMB and the Office of Personnel Management–covering everything from payment errors and IT budget justifications to competitive sourcing and employee performance evaluations.

Plan, Measure, Manage, and Budget...For Results!

Significant progress is being seen in the development of performance measures and the performance management capacities in the federal government. The Government Performance Summit provides comprehensive coverage of the latest innovations in performance management in government–from measuring outcomes to using management reforms to improve efficiencies and results. Moreover, two full tracks of the Summit are designed to help your program with the Program Assessment Rating Tool (PART)–the budget rating system used by the Office of Management and Budget (OMB) to evaluate performance management in each federal program.

Learn How to Lead Performance-Based Change

The management reforms mandated by the PMA must be viewed and implemented using an integrated approach in order to be truly successful. The barriers and ‘silos’ that have for too long separated the management functions of finance, acquisition, human resources, policy, planning, budget and technology must be broken down and their approaches coordinated. The Government Performance Summit will examine how to best bring those functions together into a cohesive, strategic approach to federal agency management. In addition, sessions will provide “how-to” advice from the front lines on designing and implementing management reform initiatives. The 2004 Government Performance Summit offers agencies the opportunity to master new approaches to federal management and to deliver improved and tangible results. Ensure your agency is well represented at this timely event by registering your agency today!

For more information go to:
http://www.governmentperformance.org/summit04/

Budget and Performance Integration

Reliance on CRs Hinders Budget Planning Process

Both Democratic- and Republican-controlled Congresses have had difficulty finishing the appropriations bills on time. Since 1996, when congressional Republicans were locked in a budget stalemate and allowed the federal government to close down, Congress routinely passes continuing resolutions (CRs) placing the unfunded parts of the government on autopilot, by supplying appropriations at the previous

year's level. However, rather than being routine, CRs should be used as last resort. These measures are not what the Constitution intended, and that's not the way the process is supposed to work. Government-by-CR has serious consequences. For instance, it places an unnecessary burden on many Americans who receive benefits through programs funded in the omnibus bill. Funding the government through a series of CRs makes everything more difficult. If federal departments and agencies do not know their final budget for the current year, they have difficulty planning a budget for the next fiscal year. And since the president's budget is sent to Capitol Hill in early February, agencies begin preparing their budgets in the middle of the previous year. To view this article go to:
http://www.govexec.com/dailyfed/0104/010904nj2.htm

Achieving Performance Integration in Government

Speaking at a December 2003 forum sponsored by the Performance Institute, Justine Rodriguez from the Office of Management and Budget (OMB) outlined the new OMB mandates regarding Budget/Performance Integration Initiative, and their expectations of this PMA initiative for the fiscal year. The presentation focused on the role of PART not only in illustrating program performance, but for driving cost management and accountability in government. To view this presentation go to:
http://www.performanceweb.org/performancemanagement/presentations/03-12_rodriguez.ppt

Education Performance Dialogue (February 27, Capitol Hill)

Are we getting results from federal education programs? This question is the focus of this forum that will explore how to improve Congressional oversight of the nation’s education programs. This forum will evaluate how education programs have fared under a new evaluation system being used by OMB, namely the Program Assessment Rating Tool (PART). Using the PART as a starting point, Executive and Legislative officials, external stakeholders and experts will dialogue on how to improve performance measures and subsequent evaluations applied to the nation’s federal education programs. To make this process fully effective, the Dialogue will feature a discussion between Congressional staff and education stakeholders on how to make education program performance information available during the annual PART evaluation, budget and appropriations process, as well as to the American people. For more information on the PART go to:
http://www.transparentgovernment.org/

2004 Best Practices Forum on Strategic Planning and Change Management in Government (January 22-23, Arlington, VA)

The Performance Institute is hosting an event to help agencies develop an effective strategic plan, linking performance to results. This involves creating clearly defined end outcomes and developing strategies to best link your resources to your agency’s goals. By using a Strategic Issue Landscape Assessment, the Institute can assist you determine what steps must be taken in order to implement your strategic plans and fulfill your agency’s mission. An emphasis is given on building stakeholder support to obtain the input of internal and external stakeholders to ensure your plans are fully integrated. Assessing organization culture to ensure readiness for adoption of new performance plans and accountability requirements will also be covered. For more information go to:
http://www.performanceweb.org/performancemanagement/p216/p216.htm

Improved Financial Management

OMB Criticized for not Implementing Erroneous Payments Law

Congress recently criticized the Office of Management and Budget (OMB) for being too lax in implementing a law designed to curb erroneous payments to federal program beneficiaries. Senate Finance Committee leaders say that OMB's May 2003 guidance on the 2002 Improper Payments Act may allow federal agencies to underreport spending mistakes. The House Government Reform Subcommittee on Financial Management expressed similar worries last year following a series of hearings examining the law. However, Linda Springer, controller of OMB's Office of Federal Financial Management, says that the administration's guidelines are stringent enough, and that the May 2003 rules ask federal agencies to monitor more programs than ever before for payment errors. The administration's efforts to help agencies catch and resolve spending errors predate the Improper Payments Information Act. OMB Circular A-11, Section 57 asks agencies to estimate erroneous payments generated by a variety of federal programs, including Medicare and Social Security. The improper payments law builds on requirements in Circular A-11, asking agencies to identify all programs susceptible to significant errors. Mistakes typically occur when agencies distribute benefits to ineligible applicants, over- or underpay beneficiaries, or send out duplicative payments. To view this article go to:
http://www.govexec.com/dailyfed/0104/011404a1.htm

Bush to Appoint New Finance Chief at DHS

President Bush intends to appoint Andrew Maner, a senior Customs and Border Protection official, as chief financial officer of the Homeland Security Department (DHS). The nomination comes at a critical time for the department, which is planning for an enterprise financial and asset management system for its 22 disparate agencies. The CFO's office is the lead agency on the project working in collaboration with several other departmental agencies. Maner currently works as the Customs agency's chief of staff, a position he's held since April 2002, advising the commissioner on policy, security, trade and management issues, as well as overseeing day-to-day operations of the office and interactions with executive and legislative branches. He also became director of the agency's Transition Management Office last March, overseeing the merger of four component agencies -- the U.S. Customs Service, the U.S. Border Patrol, the Immigration and Naturalization Service, and the Agriculture and Plant Health Inspection Service -- a task that is expected to take up to two years, involving 42,000 employees with combined budgets of $6.7 billion. To view this article go to:
http://www.fcw.com/fcw/articles/2004/0105/web-dhscfo-01-08-04.asp

---

Strategic Management of Human Capital

Less Buyouts than Expected from Federal Employees

When Congress approved a plan to offer buyouts and early retirement incentives to federal employees over a year ago, the Congressional Budget Office predicted 14,400 employees would take the money and leave. However, to date only 1,214 employees have taken buyouts worth up to $25,000, and about five times that number have taken early retirements. Buyouts are incentive payments to encourage civil service employees to leave the federal work force. Early retirements are opportunities to retire before meeting the age and service requirements normally needed. There are several reasons why buyouts

haven't been so popular. There was no incentive for managers to use them. It took a lot of work to request and justify them, and there was not too much payoff to the manager whether it worked or not. Few agencies budgeted for the buyouts. The buyouts are too small for some to accept. It is hard to implement early retirement and buyout programs fairly and effectively. Before buyout program is launched, managers need to take a close look at which skills they need to get their work done. Buyouts are a work force restructuring tool. Therefore before an agency engages in a buyout process, it needs to have long-term strategic thinking of the organization. To view this article go to:
http://federaltimes.com/index.php?S=2496603

New Rules Help Managers Quickly Bring Key Skills on Board

Two years after his retirement, the government wanted Terry Hoxworth, a former Customs Service agent, back. The Federal Law Enforcement Training Center, which trains most federal officers, desperately needed instructors after the September 2001 terrorist attacks. But Customs, one of the participating agencies, didn't want to pull an experienced agent off the job to fulfill its staffing obligation to the center. Hoxworth is one of at least 1,270 people hired to fill critical jobs the past two years under special provisions designed to bypass rigid hiring rules. The authorities include allowing retirees, like Hoxworth, to earn full salaries in addition to federal annuities. Normal rules cap how much income rehired annuitants can earn. Also, managers can ask to bring back employees who had received financial incentives, or buyouts, to leave federal service without requiring that those employees first repay the buyout. And managers can bypass traditional job competitions to make direct job offers to candidates with or without prior government experience for hard-to-fill or critical occupations. To view this article go to:
http://federaltimes.com/index.php?S=2476621

IRS Announces Major Overhaul

The Internal Revenue Service (IRS) announced a massive restructuring plan that will result in 2,400 layoffs at the tax agency. The IRS plans to close its tax return processing facility in Memphis, Tennessee, in October 2005. This will significantly streamline collections procedures. In 2005, the agency will shift collection and insolvency caseworkers currently spread among 92 different offices into four locations. The IRS overhaul would affect 6,700 of the agency's employees, about 6 percent of its 115,000-member workforce. Of these, 2,400 employees should expect to face involuntary separations after January 2005. Most of those employees work at the Memphis center, and nearly 2,000 are seasonal or contract workers. The National Treasury Employees Union, which represents IRS employees, vowed to fight the layoffs. To view this article go to:
http://www.govexec.com/dailyfed/0104/010704a2.htm

Defining the Role of HR in Competitive Sourcing

Tom Kaplan, Competitive Sourcing Officer at the Office of Personnel Management, spoke at HR Innovations 2003 on the importance of linking together two core PMA initiatives: competitive sourcing and the strategic management of human capital. Kaplan discussed the impact of competitive sourcing on the federal workforce as well as emerging trends, policies and roles that HR advisors will have now and in the future. To view this presentation go to:
http://www.performanceweb.org/humancapital/presentations/03-12_kaplan.ppt

Building and Maintaining a Diverse Government Workforce – Implementing and Measuring Innovative Diversity Recruitment Strategies (February 19-20, Arlington, VA)

Across government, HR departments realize that a diverse workforce is absolutely mandatory in order for an agency to be successful. Human Resources specialists in the federal government are responsible for complying with stringent new federal mandates while simultaneously preparing their agencies to cope with the looming wave of federal retirees. To access solutions for achieving diversity targets, agencies are invited to attend Building and Maintaining a Diverse Government Workforce, this February 19-20 at the Performance Institute in Arlington, VA. The Summit offers two days of interactive training sessions that will provide innovative strategies and practical solutions to build and maintain a diverse and high-quality workforce. For more information go to:
http://www.performanceweb.org/humancapital/P204/P204.htm

Competitive Sourcing

More Competitive Sourcing Expected in 2004

The controversial PMA initiative of competitive sourcing is intended to create value for taxpayers by lowering the costs for work. Either contractors show they can do quality work for less money or agency employees find ways to make their efforts more efficient. However, federal employees and their unions fought in 2003 to make it harder for agencies to open work to competition. They fear the process, which has slowed civilian agencies in trying to implement it. When an agency determines that a particular job could be done by the private sector, employees automatically believe they're going to be outsourced. The emphasis placed on the process in the President's Management Agenda overpowered their efforts. The goal of the President's Management Agenda is to institutionalize the process, and currently the government is on the threshold of making A-76 competitions work, and the results will become apparent in coming months. To view this article go to:
http://www.fcw.com/fcw/articles/2003/1215/web-sourcing-12-18-03.asp

Study Finds $70 Billion in Possible Outsourcing

Bush administration officials have estimated that almost 900,000 federal jobs could be suitable for outsourcing, and that they want agencies to open half of those to competition by September 2004. Based on these figures, the government's push to open federal jobs to competition could open as much as $70 billion outsourcing opportunities to private firms, including up to $5 billion for information technology companies, if all the potential jobs are outsourced. However, this is still uncertain because of the omnibus spending bill being debated in Congress, which will create several sets of standards if passed as written. It includes different rules for different agencies covered under the omnibus, and some agencies are covered by other bills. The House has passed the bill, but the Senate will not consider it until later this year. To view this article go to:
http://www.fcw.com/fcw/articles/2003/1215/web-outsource-12-18-03.asp

OMB to Ask Agencies for Long-term Job Competition Plans

The Office of Management and Budget will ask agencies to create multi-year plans through 2008 for opening federal jobs to private sector competition as a prerequisite for receiving a "green" rating in competitive sourcing. The plans, which will require agencies to subject a certain number of jobs to private competition over the next several years, will give OMB a tool to determine whether agencies deserve the

top rating in competitive sourcing. In the plans, OMB expects agencies to lay out schedules for competing all jobs deemed "suitable for competition," a subset of the 850,000 commercial positions that by law could be performed by contractors. A plan that merits a green rating would outline the process and timetable for looking at all the commercial work that is suitable for competition. Once a timetable for holding competitions is agreed, the agency could receive a "green" light for competitive sourcing before its plan is fully implemented, provided its stays on schedule and fulfills all OMB criteria. But if they fall behind, they would loose their green status. The planning exercise will allow OMB to work out a schedule that is appropriate for each agency, and possibly push some agencies to speed up the pace of their competitions. OMB will soon provide explicit guidance for the plans to the President's Management Council. To view this article go to:
http://www.govexec.com/dailyfed/1203/122303p1.htm

IT Firm Joins FAA Workers in Huge Job Competition

In a public-private job competition involving 58 flight service stations throughout the United States, 2,700 Federal Aviation Administration (FAA) workers will be joined by Harris Corp., an information technology contractor. Together, the two entities will form the "most efficient organization" (MEO) and submit the in-house bid. The pairing combines the FAA's veteran workforce with Harris, a Florida-based firm that holds several IT contracts with the agency and currently supplies technical equipment at some flight service stations. Observers expect the arrangement to boost the prospects of FAA workers in the competition, which has piqued the interest of other contractor heavyweights. Federal workers have teamed with private firms in competitions before, but the practice is extremely rare. Some agencies have been discouraged by the Federal Acquisition Regulation (FAR), which bars agencies from entering into a contractual relationship with a private firm before a contract has been awarded. But the FAA is exempt from the FAR. The agency is governed by its own acquisition rules, which encourage teaming arrangements. Office of Management and Budget rules, contained in OMB Circular A-76, also encourage in-house teams to partner with the private sector. To view this article go to:
http://www.govexec.com/dailyfed/0104/011204p1.htm

Reliability of Federal Procurement Data

The Federal Procurement Data System (FPDS) has been the federal government’s central database of information on federal procurement actions since 1978. Congress and executive branch agencies rely on FPDS to assess the impact that government-wide acquisition policies and processes are having on the system generally, as well as with respect to specific geographical areas, markets, and socio-economic goals. Therefore, reliable information is critical to informed decision making and to oversight of the procurement system. Yet, GAO continues to find that FPDS data are inaccurate and incomplete. Many of the errors in FPDS are due to data entry mistakes by agency contracting personnel. Reasons cited were: a lack of training, high personnel turnover, the complexity of the agency systems, and frequent changes to FPDS data entry requirements. Consequently, the administration is moving forward with plans to modernize that system through FPDS Next Generation (FPDS-NG), which became operational effective October 1, 2003. At the heart of the new system are data entry methods that rely less on manual inputs and more on electronic “machine-to-machine” approaches. Most agencies are expected to have computerized contract writing systems that will allow for direct submission of data to FPDS. To view this report go to:
http://www.gao.gov/new.items/d04295r.pdf

Air Traffic Controllers Agree to Contract Extension

The National Air Traffic Controllers Association (NATCA) and the Federal Aviation Administration (FAA) have reached an agreement on a two-year contract extension until September 30, 2005 for more than 15,000 workers. The FAA said the agreement will help the agency achieve the goals in its five-year strategic plan and will provide a period of stability while the agency implements a new Air Traffic Organization. The FAA is becoming a more performance-based organization, and this extension is a significant component of that effort. The agreement binds more controllers than ever to a performance-based pay system. Under the agreement, the number of controllers whose pay is tied partly to performance will increase from 37 percent to 75 percent. Controller performance will be measured against four national targets, including reducing operational errors and runway incursions, and increasing on-time performance and arrival efficiency rates. Also the agreement allows the FAA to adjust staffing levels at airports around the country based on workload. The FAA can now focus on the needs of the traveling public and the taxpayer. It estimates the agreement could save the government as much as $40 million over the next four years. To view this article go to:
http://www.govexec.com/dailyfed/1203/121003c1.htm

Performance-Based Contracting in Government

In a recent presentation, Carl DeMaio, the Institute's President, talked about what makes a contract performance-based, highlighting the critical success factors needed to design and manage such a contract. Also, he discussed how to develop performance measures as part of a performance management framework developed by the Performance Institute showing examples of where this was used successfully. To view this presentation go to:
http://www.performanceweb.org/contracting/presentations/03-12_demaio.ppt

Developing Most Efficient Organizations - Plan and Implement a Winning MEO for Government Competitions (March 25-26, Arlington, VA)

Competitive sourcing should no longer be considered a trend in government acquisition. New laws and mandates have established an altered acquisition environment that will remain well into the future. Threatening myths surrounding the competitive sourcing initiative forecast the elimination of government jobs. The fact is, job competitions are won by the government Most Efficient Organization (MEO) more than 50 percent of the time, but agencies still lack adequate training to improve their chances in competitions. This event is designed to take you through a successful model for designing and implementing an MEO, as well as address the latest legislative updates and key strategies. For more information go to:
http://www.performanceweb.org/contracting/C134/C134.htm

Expanded E-Government

The Next Phase of E-Government

The next phase of e-government will involve looking at the federal enterprise architecture to identify projects that will yield a "common government solution," said Karen Evans, OMB's administrator for e-government and IT. This year, OMB officials will focus on finding projects that fall into four lines of business that weren't originally identified as a part of the 24 e-government initiatives: public health information systems, criminal investigation, human resources systems and financial management

applications. Meanwhile, the 24 e-government initiatives will continue their course to completion to demonstrate the benefits of the president's management agenda and agency cooperation. Then the new initiatives working toward this common government solution will move up and take the place of the original initiatives. To view this article go to:
http://www.fcw.com/fcw/articles/2003/1215/web-evans-12-18-03.asp

Success of e-Rulemaking Project Hard to Demonstrate

The e-rulemaking project, administered by the Environmental Protection Agency, is one of 24 initiatives designed to make the federal government more accessible to citizens and enhance coordination among agencies. The initiative allows the public to view proposed federal rules and submit comments online. E-rulemaking also allows citizens to search for existing rules by visiting the Regulations.gov website. The idea is that sound rules come about after extensive deliberation and input from a range of interest groups. However, experts say that success of this project will be hard to demonstrate. The initial challenge is to define success. For example, analysts might focus on whether the public's participation in the regulatory process increases as a result of e-rulemaking. However an expert questioned whether increased public participation would improve the process of designing federal rules. The quality of comments on proposed regulations is more important than the sheer volume. Agencies also could look at whether e-rulemaking reduces costs. However, financial savings would not necessarily indicate success. Other experts question whether it is worth measuring e-rulemaking's success in the first place. Considering the challenges involved, analyses of the project's success could be quite expensive, time-consuming and, ultimately, uninformative. To view this website go to:
http://www.regulations.gov/

IT Projects Will Offer Vendors Share of Savings

Share-of-Savings is a contracting tool for IT projects, where the vendor pays for a new IT system at the start and receives a share of the savings realized. The share-in-savings concept has been touted as a way for agencies to modernize their computer and communications systems during a time of tight budgets. However, this contracting tool has received little interest so far from agencies, even though the concept was first authorized for IT projects by the 1996 Clinger-Cohen Act. Part of the problem has been that projects had to be approved by the Office of Management and Budget and agencies lacked guidelines. The 2002 E-government Act eliminated the need for OMB approval and made GSA responsible for promoting the use of share-in-savings for IT projects and helping agencies identify suitable projects. The key to success is to find projects that will improve a function or a process with clearly identifiable costs to measure what the contractor is saving the agency once the project is completed. But computing the baseline cost of a particular function can be difficult because of the many variables involved. To help agencies determine the cost, GSA developed an automated tool, called the Business Case Decision Tool that does the calculations and rates the proposed project’s suitability for share-in-savings. For more information about this tool go to:
http://www.sis-gov.com/

Agencies' Efforts to Protect Personal Information Vary Widely

Last month, agencies submitted privacy assessments along with their fiscal 2005 budget requests, and also included privacy reviews in e-government reports due to OMB. However, compliance with privacy guidelines in the E-Government Act varies widely. Some federal agencies remain unprepared to implement privacy provisions required by this law. Agencies have to ensure that they adequately protect personal information submitted over the Internet or stored on computers. Under the law, agencies must

review their privacy measures and share the results in reports to the Office of Management and Budget and Congress. Furthermore, the E-Government Act requires agencies to make the privacy reports available to the public. By reporting on the steps they take to protect privacy, agencies may be able to assuage citizens' concerns about divulging personal information over the Internet. Even if agencies are not actually enhancing their privacy protections, people may feel more comfortable knowing that there are processes in place to examine what information is being collected and for what purposes. To view this article go to:
http://www.govexec.com/dailyfed/1203/121703a1.htm

NSF is Awarded for E-Government Progress

Last December, President Bush awarded the National Science Foundation (NSF) the President's Quality Award for the agency's progress toward meeting the e-government goals of the President's Management Agenda. The President's Quality Award recognizes managerial excellence for agencies that have embraced the administration's management agenda and shown significant results. NSF is the only agency to receive a green on the PMA scorecard for its e-government work. It has met all five of the criteria to earn the green score: an enterprise architecture to focus IT investments; all business cases accepted by the Office of Management and Budget; cost, schedule and performance overruns of less than 10 percent; systems that are at least 90 percent secure and verified by the agency's inspector general; and a participant in three of the four e-government project portfolios. To view this article go to:
http://www.gcn.com/vol1_no1/daily-updates/24493-1.html

SBA and DOD To Combine Databases

The Small Business Administration and Defense Department are merging databases into one Web portal for small business information. Beginning this month, SBA's Pro-Net database and DOD's Central Contractor Registration (CCR) database will be integrated into a single point for searching and compiling small business sources. Pro-Net is SBA's online database of procurement opportunities for small businesses. CCR registration is required for all federal contracts. Agencies and contracting officers who use Pro-Net will now access to the information through CCR. The search options will be found at CCR Dynamic Small Business Search site, and small businesses will not have to register at both databases. The effort is part of the Integrated Acquisition Environment, one of the 24 e-government initiatives. The aim is to simplify the process to help small businesses conduct business with the federal government, helping to advance the president's goal of a single, user-friendly integrated acquisition environment. For more information about this new portal go to:
http://pro-net.sba.gov/

Justifying Your IT Budget

The IT budget justification process can often be an obstacle to agencies trying to receive proper funding for their IT projects. The OMB Exhibit 300 process is often misunderstood as a long and impossible task that can never be successful. Performance Institute Senior Fellow John Keane is a veteran of the Exhibit 300 process and has developed numerous successful business cases. IN a presentation, he laid out a step-by-step discussion of the process with new tools and perspectives which make it possible. By addressing issues and concerns, the process becomes clear and manageable. Prior successes also provide tips for improving performance that promise to make your Exhibit 300 process will be a success. To view this presentation go to:
http://www.performanceweb.org/technology/presentations/03-12_keane.ppt

Building Better IT Business Cases - Three Options for Developing Exhibit 300 IT Budget Justifications (January 20-21, Arlington, VA)

The Exhibit 300 process has recently been changed by the Office of Management and Budget. Agencies are now being asked to explain more precisely how their IT spending will support the achievement of agency missions. In order to comply with OMB mandates and achieve full funding for your IT projects, it is vital for agencies to stay on top of the latest changes and aware of best practices for building better IT business cases. To this end, the Performance Institute is pleased to sponsor the only comprehensive training program on Building Better IT Business Cases to help you meet the challenges of OMB's requirements for the Exhibit 300 process. This two-day, comprehensive event is open to all agencies and feature OMB updates and showcase best practices in order to help your agency successfully complete Exhibit 300s that will enable you to score high on OMB reviews as well as develop better performance measures for IT program managers. For more information go to: http://www.performanceweb.org/technology/T156/T156.htm

---

Agency Spotlight: Department of Interior

The Department of Interior (DOI) is the nation's chief protector of unique natural and cultural resources and offers millions of visitors exceptional recreation opportunities. It is responsible for making critical resources available to support every facet of the economy while protecting the environment. In September, 2003, the Department of Interior presented its first unified strategic plan. The plan integrates and aligns bureau responsibilities under four major mission goals, and places an emphasis on results and performance measurement. The four guiding principles include: citizen value, accountability, integration, and modernization. Citizen value is its central management goal by linking activities directly to the department's mission. By striving for accountability, the department aims to accurately and consistently measure and communicate what they do so the public can evaluate its performance. Through integration, DOI can look at the big picture and look for ways to work better together to provide better service to the public. Modernization enables the department to work smarter by taking advantage of technological progress and advances in management practices that increase efficiency and effectiveness.

Budget and Performance Integration

With regards to this initiative, DOI has been implementing Activity-Based Costing/Management (ABC/M). ABC/M aligns future spending with the department's strategic plan and ties ongoing spending to performance. ABC/M turns raw financial data into the information that can be used to allocate resources and evaluate performance most effectively. Instead of tracking the cost of inputs–like salaries, tires, or office supplies–ABC/M measures the cost of outputs–like the costs of operating a wildlife refuge or a national park. As a result, ABC/M helps in identifying program costs, recognizing achievement and innovation, and providing best value while fulfilling DOI's mission goals. In addition, the Department is also leading an interdepartmental effort through the National Invasive Species Council, conducting an annual interagency Invasive Species Performance Budget. This first-ever government-wide performance budget has shared goals, strategies, and performance measures for addressing this serious economic and environmental problem.

Improved Financial Management

The Department's ability to produce accurate and timely financial information has been questionable for many years. DOI has received an unqualified or "clean" opinion on their consolidated financial statements for the past 5 years. However, producing those financial statements is very labor-intensive. The department expects significant improvement over the next 5 years, as it adopts an integrated financial management system that will transform how and how fast they get the necessary data. By replacing outdated technologies, linking critical transaction and budget-formulation systems with a core financial system, and implementing activity-based cost management throughout the department, they can improve the management of the Department at all levels, expanding their ability to monitor and dissect performance.

Strategic Management of Human Capital

The Department's Strategic Human Capital Management Plan, followed by its accompanying Implementation Plan was presented to OMB in 2002. The strategic plan offers a roadmap for human capital management decisions across the entire Department. The implementation plan details the steps necessary to make sure the department has the right people in the right places at the right time. With some 20 percent of Department employees eligible to retire by 2008, DOI will face a significant loss of knowledge and expertise. Therefore the next five years will see tremendous change in their workforce. Continued success will require thoughtful succession planning and strategic use of partnerships, contractors, and volunteers. All bureaus are completing five-year workforce plans for their organizations. The plans identify the resources, workforce competencies, and human capital programs needed to accomplish their missions and goals over the next five years. These plans, in turn, will be integrated into the Department's larger workforce planning implementation. In addition, we have changed the Senior Executive Service (SES) Performance Management System to reinforce the links between the Department's Strategic Plan, Secretary's Four C's vision and the PMA goals. This should ensure that every senior executive's daily activities support and are aligned to produce improved service delivery.

Competitive Sourcing

DOI sees this initiative as a way to find the best that the government or the private sector has to offer to achieve its mission more effectively and efficiently for the public. Competitive reviews stimulate a culture of management vigilance and of always looking for ways to be more effective and efficient. The Department's ongoing Competitive Sourcing Initiative is facilitated by a Center for Competitive Sourcing Excellence. The center includes or has access to experts in such disciplines as human resource planning, budgeting, and acquisition and program management. These professionals are available to help bureaus perform the necessary cost analysis and comparison studies to identify the best ways to accomplish our goals. Bureaus retain any savings realized from competitive reviews to reinvest in mission delivery. The savings are significant, some $2 million annually to date, with the potential for many millions more. As of the end of FY 2003, no permanent Interior employee had lost a job as a result of more than 60 competitive reviews conducted.

Expanded E-Government

DOI's E-Government goal is to use E-Government technology and applications to enable the department to do their jobs better. Interior is an active participant in the Administration's E-Government initiatives. It has a long record of E-Government accomplishment, building strong connections with its partners and the public through such innovative initiatives as Geospatial One-Stop, Recreation One-Stop, and Volunteer.Gov/Gov. Geospatial One-Stop encourages data sharing and best practices in the use of geospatial tools making it easier, faster, and less expensive for all levels of government and the public to

access geospatial information. Recreation One-Stop is improving access to recreational-related information generated by the federal government and serves as the platform for an integrated, government-wide recreation reservation system. E-Payroll is a government-wide project that will migrate the payroll activities currently provided by 22 separate entities into two partnerships. Volunteer.Gov/Gov makes volunteer opportunities more accessible to a broader range of the public through a web-based, searchable database that enables individuals to search for volunteer opportunities by location, agency, or personal interest and submit applications on-line.

For more information go to:
http://www.doi.gov/ppp/strat_plan_fy2003_2008.pdf

President: Carl DeMaio
Newsletter Editor: Sergio Bonadona

The Implementation Update on the PMA is provided as an informational newsletter to all federal employees. Should you not wish to continue to receive the newsletter, please respond to this email address with "unsubscribe" and your email will be taken off of the distribution list.

The Performance Institute is a private think tank that serves as the nation's leading authority and repository on performance-based management practices for government organizations. Its mission is to identify, study and disseminate the leading management innovations pioneered by "best-in-class" government programs at federal, state and local levels. Through its national conferences on pressing issues, interactive executive training programs, and best practice research projects, the Institute provides cutting-edge expertise in the design, implementation and evaluation of strategies to solve operational challenges and enhance government performance.