Here is your copy of the March Implementation Update on the PMA Newsletter. We should see the next quarter's PMA Scorecard at the end of this month, along with new FY 07 PART guidance. The push for performance continues; let's keep up the good work!

-Carl DeMaio



If you find this newsletter useful and informative, please forward it to your friends and colleagues!

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Government-wide News

OMB Issues New Charge Card Guidance

The Office Management and Budget has issued draft guidance intended to centralize government charge card policies, establish minimum standards and implement best practices. In addition to stating and clarifying existing guidance, such as procedures for eliminating payment delinquencies, charge card misuse and fraud, the draft guidance now requires agencies to do a credit check on an employee before issuing a charge card. Current cardholders would not be required to have their credit checked. To read more, go to: http://www.govexec.com/dailyfed/0305/030405p1.htm

GSA Reorganization Moves Forward

General Services Administration (GSA) Administrator Stephen A. Perry publicly supports a consolidation of the agency, a move that holds significant and still uncertain implications for federal agencies and the hundreds of companies that do business with them. The agency intends to combine two of its major procurement divisions, and that doing so would require a change to federal laws. Senior GSA managers are evaluating the agency's strengths

and weaknesses in managing billions of dollars in procurements for agencies. To read more, go to: http://www.govexec.com/dailyfed/0305/031605h1.htm

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Budget and Performance Integration

Restructuring Budgets to Better Align Resources with Performance

The Government Accountability Office (GAO) has released a report on performance budgeting in the federal government. The report found that Office of Management and Budget (OMB) and agency officials credited budget restructuring with supporting more results-oriented management by increasing attention to strategic planning, performance, and results, providing more complete information on the budget resources associated with performance, and in some cases, enhancing agencies' flexibility and incentives to make tradeoffs necessary to increase efficiency and effectiveness. However, budget changes did not meet the needs of some executive branch managers and congressional appropriations subcommittees. To access the report, go to: http://www.gao.gov/cgi-bin/getrpt?GAO-05-117SP
To read more about this report, go to: http://www.govexec.com/dailyfed/0305/032105a1.htm

States' Performance Budgeting Experiences Can Help Federal Government

GAO released a report on selected state performance budgeting to assist the federal government in its efforts. GAO described for five selected states - Arizona, Maryland, Texas, Virginia, and Washington - legislators' use of performance information in budget deliberations, how performance information helped to inform choices during fiscal stress, challenges these states face in implementing and sustaining their efforts, and the potential for state experiences to inform initiatives to improve the use of performance information at the federal level. Among other factors, these states were selected because they have established histories of performance budgeting efforts and represent a variety of approaches to implementing those efforts. To access this report, go to: http://www.gao.gov/cgi-bin/getrpt?GAO-05-215

Government Reform Committee Backs Federal Program Reviews

The House Government Reform Committee approved a bill - H.R. 185, sponsored by Rep. Todd Platts, R-Pa. - calling for regular reviews of federal programs by the Office of Management and Budget. The legislation requires OMB to examine programs at least once every five years and submit reports to Congress with the President's budget request. OMB would get input from the agencies in establishing its evaluation criteria. The measure would provide evidence based performance information that would improve the way that programs are managed. To read more, go to: http://www.govexec.com/dailyfed/0305/031005markup1.htm

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Improved Financial Management

Managerial Cost Accounting for Government
(April 18-19, Arlington, VA)

As agencies are tasked with linking resources to results, it becomes increasingly important that the full cost of government services be calculated. Increased use of performance measures, cost data, and management

frameworks, allow agencies to make managerial decisions based on the cost and impact of services provided. Through analysis and updates on managerial accounting standards and performance mandates, managers will acquire the skills necessary to make important decisions on cost of operations and program stewardship. This training will focus on providing managers the strategies they need to develop performance goals and measures and associate cost and resource allocation to meet those goals. For more information, go to: http://www.performanceweb.org/Training/COURSES/managerial_cost_accounting.htm

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Strategic Management of Human Capital

The Pay for Performance Push

A Office of Personnel Management (OPM) report on workforce statistics, also known as The Fact Book, shows that the government has been steadily increasing the amount of money it spends on performance bonuses. In fiscal 1999, the government spent a little more than $435 million on individual performance bonuses for non-Senior Executive Service employees. In fiscal 2002, that number had increased to more than $922 million. In fiscal 2003, combined individual bonuses hit $1 billion for the first time. To read more, go to: http://www.govexec.com/dailyfed/0305/031705pb.htm

OMB Controller to Head OPM

President Bush has nominated Linda Springer, Office of Management and Budget Controller, to head OPM. In March 2003, Ms. Springer was unanimously confirmed by the United States Senate as Controller and head of the Office of Federal Financial Management where she served through January 2005. As controller of the U.S. Government, she set and oversaw implementation of financial management policy and disciplines for the Executive Branch of the Federal Government and is responsible for implementing the financial management improvement priorities of the President of the United States. To read the press release, go to: http://www.opm.gov/news/bios/director.asp

Board to Validate Petitions for Governmentwide Human Resource Support

An 11-member board will independently validate and verify five agencies' petitions to provide human resources support governmentwide. The board will take a second look at the work the Office of Management and Budget conducted when it selected the Interior Department's National Business Center, the Agriculture Department's National Finance Center, the Treasury Department, the Department of Health and Human Services, and the Defense Department as potential core HR service providers for the entire federal government. Agencies with mature HR systems will be the first to migrate to a common solution. Service center providers and private-sector companies will have to compete against each other for federal business. To read more, go to: http://www.fcw.com/article88260-03-14-05-Web

Employee Performance Evaluations and Management
(April 11-12, Arlington, VA)

Employee success is often a reflection of leadership skills, and is a vital indication of workforce stability. A supervisor's role is to set expectations, gather data, and provide continuous feedback to employees to assist them in utilizing their skills, expertise and ideas to produce results. An effective employee performance management system is linked to agency mission and goals, has clear performance measures and truly recognizes and rewards outstanding performance. This training will help leaders acquire the techniques to recognize employee potential and

transform those employees into the leaders of the future. For more information or to register, go to: http://www.performanceweb.org/training/courses/employee_performance_evaluations.htm

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Competitive Sourcing

Agencies Must Justify Protecting Jobs from Competition

The Office of Management and Budget will issue new rules that require agencies to give detailed reasons if they opt not to open commercial jobs - jobs held by federal employees that could be done by contractors - to competition. Such explanations were not required in the past. A draft copy of those rules provides examples of acceptable reasons to shield certain commercial jobs from contractor competition. Among the acceptable exemptions are commercial jobs that are set aside for the handicapped and interns as part of government recruitment efforts. To read more, go to: http://federaltimes.com/index2.php?S=685940

OMB Pushes Management of Contract Performance

The Office of Management and Budget is expected to publish a proposed rule in the Federal Register that will specify when agencies are required to use earned value management, a method of checking performance against expectations and cost. The method has been given increased attention lately, largely because OMB has been focusing on performance measures in contracts. The proposed rule, which will include a 60-day comment period, will standardize the earned value management process. Agencies are currently required to use earned value management in large contracts for developmental projects, and OMB rates how well they use the tool in the President's Management Agenda score card. To read more, go to: http://www.govexec.com/dailyfed/0305/031405k1.htm

Agencies Utilize Strategic Sourcing to Acquire Goods and Services

GSA is the government's main buyer; agencies buy an annual $32 billion worth of supplies and services through its schedules, which offer governmentwide contracts on more than 6.8 million items. But under a new acquisition method known as strategic sourcing, where agencies analyze their buying needs and centralize contracts, some agencies are rejecting the schedules in favor of direct negotiation with suppliers. To read more, go to: http://www.govexec.com/dailyfed/0305/030405k1.htm

A Government Transformed by Competitive Sourcing

In this article, Stan Soloway, president of the Professional Services Council - a group representing professional services companies - talks about his vision of a government transformed by competitive sourcing. Soloway says that the government is increasingly an acquisition organization and federal agencies are no longer delivering services as much as they are managing those who do. For better competitions, federal agencies should use a best-value approach, awarding contracts based not only on low price but also quality of support. To read this article, go to: http://www.fcw.com/article88349-03-21-05-Print

Improving Pricing of GSA Multiple Award Schedules Contracts

The Government Accountability Office (GAO) has issued a report on opportunities to improve pricing of General Services Administration (GSA) multiple award schedules (MAS) contracts. GAO found that GSA's review of

selected fiscal year 2004 MAS contract files found that nearly 60 percent lacked the documentation needed to establish clearly that the prices were effectively negotiated. Specifically, the contract documentation did not establish that negotiated prices were based on accurate, complete, and current vendor information; adequate price analyses; and reasonable price negotiations. To access this report, go to: http://www.gao.gov/cgi-bin/getrpt?GAO-05-229

Expanded E-Government

OMB Expresses Optimism with E-Gov Progress

Office of Management and Budget (OMB) released a 2004 implementation progress report on the E-Government Act of 2002. The report found that the Federal government continued delivering results by adopting and expanding electronic government principles and practices to better manage information technology. In addition, agencies are providing timely and accurate information and services to citizens and government decision makers. The report outlines 12 accomplishments, including, expanding the FirstGov portal, raising the security of IT systems and agencies' increasing use of enterprise architectures to improve IT investments. To access this report, go to: http://www.whitehouse.gov/omb/inforeg/2004_egov_report.pdf

Agencies Resist Change to OMB Exhibit 300s

OMB officials are considering both large and small changes to the Exhibit 300, a form agency officials use to make business cases for major information technology investments. Many agency officials have begun working on their latest business cases, which they must submit to OMB by September for inclusion in the fiscal 2007 budget. OMB officials encountered resistance from agency officials last year when they tried to introduce significant changes to the Exhibit 300, including one that would have simplified the business cases and another that would have required them to collect additional information on enterprise architectures. As a result, only minor alterations will appear in the revised Exhibit 300 guidance this year. To read more, go to: http://www.fcw.com/article88270-03-14-05-Print

Latest ACSI Report Shows Stagnation in Citizen Satisfaction

User satisfaction with federal e-government websites leveled off after nine months of steady improvement, according to the latest quarterly findings of the American Customer Satisfaction Index (ACSI). The new data shows a slight decline to an aggregate government website score of 71.9 from the December index score of 72.1 on the ACSI's 100-point scale. Indications are that agencies need to focus on specific citizen priorities in order to kickstart satisfaction increases, according to the e-Government Satisfaction Index report. Of the government websites measured last quarter, 35 percent showed a decline in customer satisfaction, 33 percent remained flat and 31 percent increased, evidence of the uphill struggle agencies face to constantly improve perceptions of their service to the public. To access the report, go to: http://www.theacsi.org/government.htm

Certification and Accreditation of Government Information Systems
(April 11-12, Arlington, VA)

OMB is demanding that agencies secure 90% of their systems by September 2005 under the new Federal mandates for IT security. This conference will explore a step-by-step walkthrough to certify and accredit an agency's information systems. Attendees will learn to establish transparent and verifiable C&A documentation for audits, develop accreditation boundaries and group information systems to reduce costs, and streamline the process through automation to save time and improve documentation. For more information or to register, go to:

http://www.performanceweb.org/CENTERS/Information_Tech/Events/T190/T190.htm

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Agency Spotlight: National Aeronautics and Space Administration

The National Aeronautics and Space Administration's (NASA) mission is to: understand and protect our home planet, explore the universe and search for life, and inspire the next generation of explorers "as only NASA can." NASA's important and complicated mission makes managing for results difficult. Before the President's Management Agenda (PMA), NASA faced significant problems in each area that PMA aims to improve. For example, with regard to budget and performance integration, NASA had no way to align budgets with performance goals and results; and in human capital, years of downsizing had produced skills imbalances in many areas with NASA facing the prospect of further losses of experience and corporate knowledge, especially in the scientific and technical workforce.

NASA's management was determined to overcome these management challenges and gave PMA high visibility within the Agency. The Administrator designated the highest-ranking persons in each relevant functional area as the "champion" accountable for the associated PMA initiative. Each champion's photo appeared at the top of a master list of actions that he or she would need to accomplish to address the PMA challenge, along with the Office of Management and Budget (OMB) stoplight chart rating, and the list was posted on the web; accountability was thus not only corporate, but personal. The champions and their staff worked with OMB to devise detailed written agreements for what NASA would need to accomplish in each area to earn a "green" rating. Senior management reviewed PMA progress weekly to maintain focus and momentum. These actions have helped NASA make major strides in the PMA areas, earning greens on three current status initiatives on the latest scorecard.

Budget-Performance Integration

NASA has earned a solid green on budget-performance integration by restructuring the documentation of budget and performance. NASA integrated performance with budget and documented the linkage via a new Integrated Budget and Performance Document. The previous budget structure, focused at the program level, was extremely complicated and afforded no way to link budget with goals. T he new budget structure groups programs together logically into "Themes." Examples of Themes are Mars Exploration and Earth System Science. As Themes are responsible for achieving specific performance goals and are also associated with a specific budget amount, Themes link dollars with results, thereby accomplishing the central challenge of Budget and Performance Integration. NASA can manage these Themes as "investment portfolios:" knowing how much a given result is budgeted to cost allows NASA to make informed tradeoffs of budget and results both within and among Themes. In addition to linking budget and performance conceptually at the Theme level, the IBPD literally integrates the budget request with the Annual Performance Plan mentioned above. These are no longer two separate documents as in the past; rather, each Theme's performance commitments appear along with its budget request.

Improved Financial Management

NASA's one dark spot on the PMA Scorecard is financial management, with a red in both progress and current status. In order to improve in this initiative, NASA has implemented the Integrated Financial Management Program (IFMP). IFMP uses commercial web-enabled systems and software in a conscious effort to avoid the stovepiped approach of the past in favor of a consistent Agency-wide solution. IFMP standardizes financial data and processes across Headquarters and the 10 Centers. It replaces 140 disparate legacy financial systems with a unified system allowing programs spanning multiple centers to quickly access all their financial information and making financial data more timely, useful, reliable, and accessible. IFMP has sped up financial operations and made financial analysis more insightful. For example, the Core Financial System, a real-time transaction system, provides virtually

instantaneous data on funds availability, actual costs incurred, cost allocation, purchasing, accounts payable and receivable, and other financial matters. It has enabled NASA to streamline processes, accelerate several key business processes, close accounts at month's end, and process payments.

Strategic Management of Human Capital

NASA has maintained a green in human capital by producing a Strategic Human Capital Plan (SHCP) and an accompanying Strategic Human Capital Implementation Plan (SCHIP). Together they describe an integrated, systematic approach to ensuring that NASA has a high-performing workforce both now and in the future. The SHCP identifies goals, strategies, and improvement initiatives, using a flexible, long-term approach that can accommodate changes in program direction. The SCHIP provides action plans for how to achieve human capital goals and is updated as needed. One of the SHCP's improvement initiatives is the Agencywide Competency Management System (CMS). This is one of the Agency's most crucial new workforce planning and analysis tools, providing the first-ever Agency-wide inventory of the workforce competencies NASA needs to accomplish its mission, and using a consistent terminology Agencywide. The CMS helps NASA better identify, manage, and report Agency competency strengths and needs. NASA has also enhanced its recruitment techniques and has implemented several personnel flexibilities to help maintain a world-class workforce.

Competitive Sourcing

NASA retains a yellow in status and a green in progress for competitive sourcing, the most challenging initiative on the scorecard. NASA began by consolidating all Competitive Sourcing activities (the FAIR Act inventory, competitive sourcing plan development, etc.) under the Associate Administrator for Procurement, and created a dedicated Agency Competitive Sourcing Team (ACST) to provide leadership on competitive sourcing issues. NASA established a Competitive Sourcing Review Board comprised of senior NASA managers and named Agency-wide points of contact to facilitate communication. The Agency established standard criteria for inventory preparation and provided process training for senior management to ensure that all understood the FAIR Act Inventory process and why the inventory was necessary. This enabled the process to succeed and to generate an inventory that is both more accurate and more consistent with OMB guidance. Competitive sourcing is a key tool in NASA's effort to rebalance workforce skill mix. By encouraging the combination of related activities, it improves efficiency and information exchange and eliminates needless redundancies. And coordinated with human capital initiatives, competitive sourcing is creating efficiencies that will allow NASA to allocate resources better, matching skills to mission needs.

Expanded E-Government

NASA's third green for status is in E-Government. A key component of NASA's first set of integrated plans for IT management - the updated Enterprise Architecture - delineates NASA's current IT and planned future improvements, including better electronic information delivery to non-NASA users. This comprehensive picture illuminates opportunities such as consolidating technologies to eliminate redundancies, and demonstrates how NASA may in the future expand its participation in Federal E-Government initiatives. NASA has improved how it manages IT investments, from selection to implementation. The Agency has set and begun to attain new goals to improve how it protects IT resources from inappropriate access, disclosure, and compromise. NASA also participates in at least one initiative in each of the five Federal E-Government portfolios and are implementing Federal E-Government solutions as they become available. For example, NASA is migrating payroll and personnel operations to the Department of the Interior's E-Payroll system in August 2004, will be using the Federal Go-Learn E-Training system by the end of June 2005, and will adopt a new Agency travel service provider under the E-Travel initiative in late 2006.

For additional information on PMA implementation at NASA, go to:
http://www.whitehouse.gov/results/agenda/report8-04/NASA.pdf

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The Implementation Update on the PMA is provided as an informational newsletter to all federal employees about the latest news from the federal government and independent news media about the President's Management Agenda, the Administration's plan to improve performance of government.

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