

# ASSISTANT SECRETARY FOR MANAGEMENT AND BUDGET

## FY 2001 PERFORMANCE OBJECTIVES

### Budget Services

Performance Goals	FY Targets	Actual Performance	Reference*
Goal 1. For significant HHS budget and management processes and issues, provide timely, reliable and innovative analysis that is useful and adds value to the policy and resource decisions of the ASMB and the Secretary.	FY 01: To be set 11/00 FY 00: To be set 3/00 FY 99: Set 11/98	FY 01: FY 00: FY 99: Performance Objective Met	
Goal 2. Provide timely and useful assistance and guidance to monitor effective implementation of authorizing and other legislation and regulations for Federal budget and management functions; identify and coordinate the resolution of serious issues.	FY 01: To be set 11/00 FY 00: To be set 03/00 FY 99: Set 11/98	FY 01: FY 00: FY 99: Performance Objective Met	
Goal 3. Develop and implement strategies for the timely and effective presentation and defense of the HHS budget, and prepare timely, reliable and relevant reports to OMB, Congress and others.	FY 01: To be set 11/00 FY 00: To be set 03/00 FY 99: Set 11/98	FY 01: FY 00: FY 99: Performance Objective Met	
Goal 4. The OS EEO Office will provide useful, timely, and reliable EEO services to the ASMB and the STAFFDIVs, ensuring equality of opportunity through compliance with EEO regulations and proactive outreach programs.  Measure 1. Increase EEO outreach to customers, through:  — training/briefings	FY 01: 62 FY 00: 53 FY 99: 43	FY 01: FY 00: FY 99: 47 FY 98: 38 (baseline)	

Performance Goals	FY Targets	Actual Performance	Reference*
— printed/electronic information	FY 01: 44 FY 00: 39 FY 99: 25	FY 01: FY 00: FY 99: 34 FY 98: 19 (baseline)	
Measure 2. Reduce the ratio of formal EEO complaints to total EEO complaints.	FY 01: 48% FY 00: 52% FY 99: 56%	FY 01: FY 00: FY 99: 59% FY 98: 60% (baseline)	

### Preliminary Performance Summary

*Establishing Performance Targets:* A November 1999 focus group meeting with HHS OPDIVs, subsequent conversations with OMB and Congressional staff, and Office of Budget leadership meetings established specific performance strategies for goals 1 through 3 for the Office of Budget for FY 1999. Those strategies consisted of the following initiatives: 1) Communication Initiative, 2) OPDIV Training Initiative, 3) Budget Review Process Initiative, and 4) Government-wide Leadership Initiative. The Office of Budget will continue to develop performance targets for each fiscal year with the method employed for FY 1999. The Office of Budget is employing the same methods for the establishment of performance objectives and initiatives for FY 2000 and FY 2001. However, the Office will delay one of the principal mechanisms, the OPDIV Focus Group Meeting, until a time that is more convenient for budget formulation offices throughout the Department, in March of 2000. The delay in this goal development meeting will not prohibit the Office from producing budget program improvements for FY 2000. The Office of Budget has already initiated work to improve budget submissions in response to OMB and Congressional input. For example, the Office of Budget will direct efforts to identify and include HHS-level performance goals in its budget submissions to OMB and the Congress. For goal 4, the summary table that precedes this narrative identifies the quantitative goals and measures that the OS EEO Office has defined for assessing performance and program improvement.

*Performance Progress:* The Office of Budget reports that it has achieved its three qualitative performance goals for FY 1999, and will use the information from that process to contribute to budget office program improvements in FY 2000 and 2001. The following activity descriptions summarize the basis for the Office of Budget's overall performance assessment.

- *OPDIV Focus Group Results:* In response to the principal recommendations of OPDIV Focus Group, the Office of Budget conducted a series of training sessions under an *OPDIV Training Initiative* in the Spring of 1999 for all HHS components. During the training process, the Office of Budget obtained, analyzed and retained customer satisfaction information regarding the quality and usefulness of the training. All four training sessions received scores ranging from 4.0 to 4.4 on a scale of 0 to 5 for all performance categories. Responses also included suggestions for training improvement, and general suggestions for Office of Budget improvements that were incorporated into other initiatives.
- *Other Communication Improvement:* In addition to the communications improvements generated by the OPDIV Focus Group meeting and the *OPDIV Training Initiative*, the Office of Budget established corporate e-mail boxes to ensure that comprehensive communication coverage is

maintained. To enhance external communication and participation in Government-wide discussions of budget processes and issues, the Office of Budget has taken on leadership of the Budget Officers Advisory Committee for the next fiscal year. Finally, the Office of Budget conducted a *Budget Briefing Improvement Project* to ensure that this process better responds to the needs of the Secretary and other OS leaders, and that improved coordination of briefing materials from several OS Staff Divisions is realized.

- *Process and Document Improvements:* In further response to OPDIV interests the Office of Budget streamlined its budget instructions to OPDIV and OS components. For improved GPRA implementation, the Office of Budget brought HHS components together and as a team this Department-wide group developed a standardized GPRA performance report and performance plan format. To further enhance GPRA compliance, the Office of Budget guidance highlighted detailed GAO and OMB expectations and requirements that OPDIVs could specifically address in the specific sections of the standard format. The Office of Budget delivered all budget instructions to HHS components earlier than it had in previous years; final draft GPRA instructions that fully specified the new GPRA formats were transmitted before April 1, 1999. OMB subsequently credited the significant improvements in initial submissions of the FY 2001 performance reports and plans to the Office of Budget’s standardized format and GPRA guidance.
  
- *Other Improvements:* In response to OMB and GAO concerns, the Office of Budget developed the *HHS Annual Performance Plan Summary* to accompany the OPDIV budget and performance plan chapters of the Congressional Justification of the HHS Budget. This new summary provided detailed information on program activities, initiatives and performance measures that supported HHS efforts to achieve the strategic goals and objectives in the HHS Strategic Plan. Whereas the linkage of performance goals and measures had been characterized as a weakness of the original GPRA performance plans of HHS for FY 1999, the *Summary* resulted in GAO concluding that this linkage became a strength in the HHS performance plan for 2000.
  
- *OS Equal Employment Opportunity Office:* For goal 4, the OS EEO Office exceeded its FY 1999 targets for Measure 1, with higher than expected numbers of trainings/briefings and printed/electronic information. The Office has raised its FY 2000 and FY 2001 targets for printed and electronic information based on this performance. For Measure 2, the ratio of formal EEO complaints to total EEO complaints, the Office saw a reduction from 60% to 59%, but did not achieve the level of 56% that had been forecast. The Office will increase efforts to foster the use of Alternative Dispute Resolution and analyze and revise strategies to achieve the established goals. The Office proposes to retain the FY 2000 and 2001 goals of 52% and 48% respectively.

Financial Services

Performance Goals	FY Targets	Actual Performance	Reference*
Goal 1. All OPDIVs and HHS submit audited financial statements in accordance with Departmental guidance.  Measure: Number of Audited Financial Statements submitted by	FY 01: 9 of 9 + HHS FY 00: 9 of 9 + HHS	FY 01: FY 00:	

Performance Goals	FY Targets	Actual Performance	Reference*
due date. (March 1)	FY 99: 8 of 8 + HHS	FY 99: 8 of 8 +HHS were timely. FY 97: Baseline 0 were timely.	
<p>Goal 2. OPDIV and HHS audit opinions are unqualified (clean).</p> <p>Measure: Number of Audited Financial Statements with no qualifications.</p>	<p>FY 01: 9 of 9 audited OPDIVs + HHS</p> <p>FY 00: 8 of 9 audited OPDIVs + HHS</p> <p>FY 99: 7 of 8 audited OPDIVs + HHS</p>	<p>FY 01:</p> <p>FY 00:</p> <p>FY 99: 2 of 8 audited OPDIV financial statements were unqualified.</p> <p>FY 97: Baseline 0 were unqualified.</p>	
<p>Goal 3. HHS submits a timely Accountability Report</p> <p>Measure: Submit Report to OMB by March 1.</p>	<p>FY 01: March 1, 2001</p> <p>FY 00: March 1, 2000</p> <p>FY 99: March 1, 1999</p>	<p>FY 01:</p> <p>FY 00:</p> <p>FY 99: March 1, 1999</p> <p>FY 98 Baseline April 29, 1998 for FY 97 report</p>	
<p>Goal 4. Maximize the use of electronic payments.</p> <p>Measure: Percentage of payments transferred electronically (Electronic Funds Transfer).</p>	<p>FY 01: Conversion target to be determined based on Treasury Guidelines not yet issued.</p> <p>FY 99: Grant payments = 100%; Salary payments = 100%; Vendor payments = 69%; Travel payments = 69%. Based on FY 97 data</p> <p>FY 00: Grant</p>	<p>FY 01:</p> <p>FY 00:</p> <p>FY 99: Grant payments = 100%; Salary payments = 99%; Vendor payments = 85%; Travel payments = 93%.</p> <p>FY 98: Baseline Grant payments = 100%; Salary payments = 98%; Vendor payments =</p>	

Performance Goals	FY Targets	Actual Performance	Reference*
	payments = 100%; Salary payments = 100%; Vendor payments = 75%; Travel payments = 75%.  FY 01: Grant payments = 100%; Salary payments = 100%; Vendor payments = 80%; Travel payments = 100%.	42%;Travel payments = 43%.	
Goal 5. Timely vendor payments.  Measure: Percentage of vendor payments made on time.	FY 01: 95% FY 00: 95% FY 99: 95%	FY 01: FY 00: FY 99: 96.4% FY 98: Baseline 91% for FY 98	
Goal 6. Collect debt owed to HHS.  Measure: Percentage of total collections over prior year.	FY 01: 10% above total collections for FY 00 FY 00: 10% above total collections for FY 99 FY 99:\$14.6 billion (10% above total collections for FY 98)	FY 01: FY 00: FY 99: \$14.27 billion (7% increase over FY 98, compared with a target of 10% increase. However, the amount collected is almost \$1 billion above FY 98. FY 98: Baseline \$13.3 billion in FY 98	

The Office of Finance serves the CFO by providing leadership and guidance on HHS financial management to maintain the public's confidence that all resources are managed effectively. OF achieves this outcome by ensuring the timely and accurate disbursements and collections and recording of funds and by informing its customers, i.e. decision makers and the taxpayers with useful financial information.

The Office of Finance is committed to achieving the two HHS financial management strategic goals:

1. Decision-makers have timely, accurate and useful program and financial information.
2. All HHS resources are used appropriately and effectively

The general approach will be to accomplish these goals in partnership with the OPDIVs, with the government-wide CFO Council through its various committees and work groups and with the central agencies including OMB, Treasury, etc. The Office of Finance will utilize these key results to achieve its long-range performance goals which include development of an integrated process which captures financial, budget and program performance information and which makes financial information more useful to program managers.

### Preliminary Performance Summary

#### Goal 1. Timely Audit Opinion.

*Establishing Performance Targets:* Of the 13 OPDIVs in HHS, nine have or are included in audited financial statements. They are: HCFA, ACF, NIH, HRSA, CDC, ATSDR, FDA, IHS, and SAMHSA. However, since ATSDR is included in CDC's statements, CDC/ATSDR are counted as one OPDIV. PSC will have a full audit of its FY 1999 statements in FY 2000 and the remaining OPDIVs are in various stages of preparing for their audits.

Targets and actual performance are based on the number of OPDIVs (again, CDC and ATSDR are combined) with audited financial statements in the year following the period covered by financial statements. For example, the FY 2000 target is for the timely submission of FY 1999 audited financial statements.

Discussion of FY 2000 and FY 2001 targets: For the FY 2000 audit of FY 1999 financial statements, it is projected that all audit milestone dates will be met timely because of improvements in timetable planning, a decrease in the number of issues that must be addressed and PSC will be prepared for a full scale audit process. The OMB and OIG have agreed that the March 1<sup>st</sup> milestone will apply to HCFA, NIH, ACF, as well as HHS since these OPDIV audited statements are material to the HHS statement. The other OPDIV statements will also have established milestone dates. In addition, some OPDIVs will be performing a preliminary assessment of their financial position to alert them to potential audit issues before the start of the formal audit process. We are projecting the same level of performance for FY 2001 also.

Data Source for Performance: Dates of Inspector Generals Report for HHS-wide Audit and Independent Auditor's Report for OPDIVs Audits

*Performance Progress:* 8 of 8 audited OPDIV and HHS audited financial statements (for FY 1999) were timely. The OPDIV audited financial statements included: HCFA, NIH, ACF, CDC /ATSDR, SAMHSA, IHS, HRSA and FDA.

HHS significantly improved the timeliness of the process and reporting of the financial statement audits for FY 1999 by meeting the target of March 1. The original target was revised from 9 to 8 audited OPDIV statements in FY 1999 since no formal audit opinion was issued as a result of the first time audit review of PSC. OS, AHCPR, and AoA are not audited yet so they were not included.

The audit of FY 1999 statements will not be due until March 1, 2000 so the results of that audit process will not be reported in the 2001 Congressional Budget submission. We will therefore report on the FY 1999 audit process of the FY 1998 financial statements as the most recent data.

### Goal 2. Clean Audit Opinion.

*Establishing Performance Targets:* The independent auditor's opinion determines whether the statements fairly present the financial condition of an entity while complying with generally accepted accounting standards. If they do, an "unqualified" opinion is given. If not, either a qualified opinion or disclaimer is given.

The same basis for quantifying Performance Goal 1 above, applies to Goal 2.

*Discussion of FY 2000 and FY 2001 Targets:* For FY 2000, a significant improvement toward this goal is projected since the focused priority of HHS is to address the two qualifications on financial reporting and the Medicare accounts receivable issue. For FY 2001, the primary focus will be to maintain a clean opinion for HHS.

Data Source: Financial Statement Auditor's Opinion and Date of the Opinion.

*Performance Progress:* FY 1998 Actual Performance : 0 of 8 audited OPDIV financial statements were unqualified (clean). FY 1999 Actual Performance : 2 (FDA and CDC/ATSDR) of 8 audited OPDIV financial statements were unqualified.

Analysis of FY 1999 Performance to date: HHS improved the number of clean opinions from 0 in FY 1997 to 2 for the FY 1998 financial statements. This improvement actually reflects only part of the significant progress made toward the clean opinion goal. In the HHS audit opinion for instance, the 5 qualifications of the prior year were reduced to only 2. Also, 5 additional OPDIVs would have received clean opinions except for the new financial statement requirements and not due to any carryover issues uncovered during the previous year's audit. OS, AHCPR, and AoA are not audited yet because they are not material to the HHS audit opinion.

The audit of FY 1999 statements will not be due until March 1, 2000, so the results of that audit process will not be reported in the 2001 Congressional Budget submission. We will therefore report on the FY 1999 audit process of the FY 1998 financial statements as the most recent data.

### Goal 3. Accountability Report

*Establishing Performance Targets:* Under the current Government Management Reform Act pilot program, Accountability Reports are due to be submitted to OMB by March 1. The report streamlines various individual reports that are required under other legislation and presents the finance, program, and budget information in a way that is more useful to the public and to decisionmakers. OPDIVs are also being encouraged to prepare their own report.

*Discussion of FY 2000 and FY 2001 Targets.* These targets reflect a sustained level of effort by submitting the reports on time on March 1.

Data Source: Transmittal memo and report from HHS to OMB.

*Performance Progress:* HHS did not meet this target in FY 1998 for the FY 1997 data, but did meet the target in FY 1999. The legislation that permits the streamlining of other reports has been extended to cover this reporting cycle. HHS will continue to submit the report on time as long as the audited financial statements are completed on time.

#### Goal 4. Electronic Funds Transfer (EFT)

*Establishing Performance Targets:* Treasury guidelines issued in January 1999 established conversion targets for EFT payments for all Federal agencies: 69% for FY 1999 and 75% for FY 2000. The original EFT mandated target of 100% was adjusted to reflect these conversion targets. The percentage achieved is based on the universe of payments eligible for EFT.

*Discussion of FY 2000 and FY 2001 Targets:* The HHS target for FY 2000 will continue to be 100% for grant and salary payments and 75% for travel and vendor payments. Treasury has not determined the FY 2001 target yet; that target will be included in our plan when it is identified.

*Data Source:* Quarterly EFT Reports and Treasury Guidelines of January 1999

*Performance Progress:* Based on FY 1999 EFT reports, HHS currently far exceeds the Treasury conversion target and is continuing to work towards a 100% long-term target for all eligible payments

#### Goal 5. Timely Vendor Payments

*Establishing Performance Targets:* Timely payment of bills that HHS owes will avoid late fees and interest penalties mandated under the Prompt Pay Act. They also indicate sound business practices.

*Discussion of FY 2000 and FY 2001 Targets:* HHS will work to meet and maintain a 95% on-time target.

*Data Source:* Quarterly OPDIV Prompt Pay reports

*Performance Progress:* The Department paid 1.3 million vendor invoices valued at \$5.4 billion in FY 1999. The Department paid 96.4% of vendor invoices on time during FY 1999. This compares to a rate of only 91% for FY 98. The FY 1999 rate was the highest ever achieved by the Department and exceeded the target.

#### Goal 6. Collection of Debts

*Establishing Performance Targets:* The 10% target is the increase in dollars collected over the prior fiscal year for debts owed to the HHS.

*Performance Progress:* The \$9.8 billion represents 67% of the FY 1999 target of \$14.6 Billion.

For FY 1999, \$14.27 billion was collected for debts owed to HHS. This represents a 7% increase over FY 1998 compared with our target of a 10% increase. The amount collected is almost \$1 billion above FY 1998, however.

*Discussion of FY 2000 and FY 2001 targets:* The dollar amount of these targets will continue to be 10% above the dollars collected for the prior year.

*Data Source:* Treasury Report on Receivables (formerly Schedule 9s).

#### Grants and Acquisition Management Services

##### Goal 1: Increase the Effectiveness of HHS Grants, Procurement, and Logistics Policies



*Performance Goal:* The Office of Grants and Acquisition Management (OGAM) is responsible for issuing Department-wide grants, procurement, and logistics policies. Policies are issued to improve stewardship of government assets such as grant and procurement funds and personal property, while reducing administrative burdens on HHS offices, grantees and contractors and while protecting the government's assets and maximizing efficiency and effectiveness. This goal measures the effectiveness of the policies in meeting these objectives.

*Performance Measurement:* To measure the effectiveness of the policies, in FY98, OGAM developed a survey instrument to obtain opinions from the HHS Operating Divisions (OPDIVs) on the effectiveness of OGAM's policy functions. (The OPDIVs will be surveying grantees and contractors.) An initial survey was conducted in FY98 to establish a baseline (3.4 on scale of 0 to 5). The survey will be conducted every other year resuming in FY 2001.

*Results:*

YEAR	TARGET	PERFORMANCE
FY 1998		3.4 (Baseline)
FY 2000	3.9	

*Goal 2: Increase the Effectiveness of HHS Grants, Procurement, and Logistics Training*

*Performance Goal:* OGAM is responsible for providing Department-wide grants, procurement, and logistics training. A trained workforce is essential to assure that HHS and government-wide policies are implemented efficiently and effectively and to assure high productivity among the professional grant, procurement and logistics personnel in carrying out their stewardship. This goal measures the effectiveness of the training in meeting these objectives.

*Performance Measurement:* To measure the effectiveness of its training programs in FY98, OGAM developed a survey instrument to obtain opinions from the OPDIVs on the effectiveness of OGAM's policy functions. An initial survey was conducted in FY98 to establish a baseline (3.4 on scale of 0 to 5). The survey will be conducted every other year resuming in FY 2001.

*Results:*

YEAR	TARGET	PERFORMANCE
FY 1998		3.4 (Baseline)
FY 2000	3.9	

*Goal 3: Improve the Average Time for Resolving Audits*

*Performance Goal:* The Single Audit Act requires that Federal awarding agencies resolve audit findings within 6 months after the receipt of an audit report. This performance goal is to reduce the time required to resolve audits. Although there are many subjective factors that are more important in determining the effectiveness of this function, for the immediate future this efficiency measure was selected because it was measurable, doable and in need of improvement. The ultimate goal of this function is to ensure that Federal

funds are spent for the purposes intended.

The Office of Audit Resolution and Cost Policy handles audit findings of a cross-cutting nature. The cross-cutting findings that are resolved at this level of the Department generally are not related directly to program effectiveness, but rather to establishing accurate measures of the costs of program operations and to complying with their financial responsibilities consistent with generally accepted accounting principles. The thrust of recent changes in the Act is to streamline and clarify the requirements of grantees and auditors. This Office is most effective when professional, technical support is provided to improve the long-term systemic problems of various grantee communities in the course of resolving audit findings. Generally, timely resolution of these issues is in the interest of the grantee and the taxpayers. Nevertheless, in the long run, this efficiency measure is limited. At the limits improving the quality of resolution, particularly in more complex situations, is a function of more time. Moreover, the Office has limited control over the quantity, quality and complexity of audit findings. These changes and changes in the staff mix could dramatically impact changes in this measure.

*Performance Measurement:* The projected improvement in this performance measure is 3% from the base year.

*Results:* In FY 1999, the actual improvement in the time to resolve audits was 25%. This dramatic improvement in this performance measure is attributed to several factors.

The most significant and relevant factor is that the business processes of the Office have been redesigned to triage audit findings so that the most time is available for the most complex issues. Individual performance plans were in turn re-designed to stress the importance of improving the processing of audit findings. An audit resolution tracking system was refined to incorporate individual and group statistics on timeliness, and regular reports are being issued. Other factors also are related to the improvements in this performance measure. The Office recently assumed the responsibility of the Department's Compliance Supplement Officer. This requires the coordination of all programmatic supplements to OMB Circular A-133. The Office also develops and coordinates the implementation of a new Department-wide system for ensuring the receipt of all audits required by the Single Audit Act. Finally, in coordination with the Inspector General, the Office took on new responsibilities for reporting outstanding monetary audit findings and the status of collections to Congressional appropriations committees. These additional activities provided conditions that also require the acceleration of audit resolution activities within the Office.

Additional improvements continue to be expected in the next three years; however, they are not expected to be as dramatic as in this first year.

*Goal 4: Meet the Small and Disadvantaged Procurement Preference Goals Negotiated with the Small Business Administration*

*Performance Goal:* Public Law 95-507, Section 221, and Public Law 100-656, Sections 502 and 503, require the head of each Federal agency, after consultation with the US Small Business Administration (SBA), to establish, annually, realistic goals for the award of contracts to small business concerns and to small business concerns owned and controlled by socially and economically disadvantaged individuals.

*Performance Measurement:* A government-wide goal of 23 percent of all prime contract awards for small business concerns is established, in addition to a government-wide goal of 5 percent of the total value of all prime contract and subcontract awards for small business concerns owned and controlled by socially and economically disadvantaged individuals, and women-owned businesses. All goals are expressed in terms of

numbers, dollars, and percentages. However, if there is any variance, up or down, from the projected base amount, upon which goals are established, the percentage goal is the controlling factor and will be used to measure actual attainment.

The goals for the different categories of contract awards to be made are for small business awards, set-asides, 8(a), small disadvantaged business (SDB), and women-owned small businesses (WOSB). The goals are expressed in numbers, dollars, and as a percentage of the total awards.

*Results:* The Office of Small and Disadvantaged Business Utilization (OSDBU) procurement preference goals and results for contracts awarded to small business concerns, small disadvantaged business concerns, and women-owned business concerns are provided as follows:

CATEGORY	FY 1999 GOALS		FY 1999 ACTUALS	
	(\$)	(%)	(\$)	(%)
<i>TOTAL</i>	\$4,600,000,000		\$4,044,000,000	
<i>SB AWARDS</i>	\$1,484,821,000	32.2	\$1,267,037,000	31.3
<i>SB SET-ASIDE</i>	\$ 651,000,000	14.2	\$ 439,411,000	11.0
<i>8(a) AWARDS</i>	\$ 223,000,000	4.8	\$ 210,665,000	5.2
<i>SDB AWARDS</i>	\$ 479,000,000	10.4	\$ 344,928,000	9.0
<i>WOB AWARD</i>	\$ 210,000,000	4.6	\$ 167,759,000	4.1

The achievement for FY 1999 indicate that goals were not met for the small business, set-aside, SDB, and WOB categories. Goals were exceeded for the 8(a) category. The FY 1999 data are preliminary. Final results for FY 1999 are expected to vary slightly because of the continuing updates in the Departmental Contract Information System (DCIS).

Although the percentage goal achievement was not accomplished in several categories, the deficiencies can be directly attributed to the practice of contract bundling. Contracting bundling is the practice of combining several small contracts into a single large "bundled" contract that is less expensive to administer. Frequently, these "bundled" contracts are too large to be performed by small businesses, though the smaller constituent contracts were often performed by small businesses. This practice by government agencies in general was initiated under the new streamlining regulations that has diminished opportunities for the small business arena.

Measures are being implemented to minimize the adverse impact on the reduced opportunities for prime contract for small business. Specifically, recent legislation and subsequent regulations have been issued to address contract bundling. If a procuring activity intends to bundle contracts that are being performed by small businesses, it would have to submit its acquisition strategy, along with a description of the market research it conducted and an explanation of why the bundled contract is necessary, to the SBA's Procurement Center Representative (PCR) at least 30 days before the solicitation is issued. At the same time, the procuring activity would have to notify each small business performing one of the contracts it intends to bundle, and provide them with the name, phone number and address of the PCR.

Additionally, when a bundled requirement offers a significant opportunity for subcontracting, the procuring

agency would be required to include the following as significant factors in evaluating offers: "(a) a factor that is based on the rate of participation provided under the subcontracting plan for small business in the performance of the contract; and (b) for the evaluation of past performance of an offeror, a factor that is based on the extent to which the offeror attained applicable goals for small business participation in the performance of contracts.

Goal 5: Improve Contract Operations

*Performance Goal:* Improve contract operations throughout the Department.

*Performance Measurement and Management Approach:* Progress in achieving this goal will be measured by using a composite contract operations rating based on survey results from HHS's Acquisition Balanced Scorecard. OGAM has developed a results-driven Acquisition Balanced Scorecard to measure and improve acquisition performance throughout the Department. HHS's Acquisition Balanced Scorecard represents a new, cost-effective approach to performance management and oversight. The Scorecard strives to achieve balance among various perspectives and goals, such as efficient business processes, innovative leadership, empowered employees, satisfied customers, and dedicated vendors. HHS's OPDIVs compile performance data using pre-tested customer, contractor, employee, and manager surveys. Performance data is entered, tracked and analyzed using Microsoft Excel-based computer templates. Performance gaps are identified, and cross-functional teams are used to target opportunities for organizational improvement.

Performance Progress:

*Accomplishments:* Examples of improvement results include realigning procurement offices to serve customers better; streamlining the contract payment process to reduce time for payment; and expanding post-award orientation meetings to increase vendor productivity. Examples of promising process changes include establishing customer service plans; initiating quarterly customer meetings; and linking automated procurement systems electronically to financial and other databases.

*System Enhancements:* OGAM is continually enhancing the Acquisition Balanced Scorecard. For example, in FY 1999, to reduce OPDIV burden and costs, OGAM developed a web-based system for conducting Scorecard surveys. Also, according to survey literature, when Federal agencies use ordinal data under a 5-point Likert scale — such as Strongly Agree, Agree, Neither Agree nor Disagree, Disagree and Strongly Disagree — calculating average scores rather than the percentage of agreement or disagreement [frequency distributions] may result in misleading conclusions. Thus, in FY 1999, OGAM upgraded the Scorecard template graphics to incorporate frequency distributions for performance gap analysis, thereby permitting accurate identification and analysis of GPRA-related acquisition performance trends, as well as improved decision-making.

*FY 2000 Performance Strategy:* As a result of OGAM's major FY 1999 systems enhancement regarding frequency distributions, its earlier baseline data on average scores has been rendered unsound. Accordingly, in FY2000, OGAM plans to: (a) conduct web-based surveys to compile current, accurate and meaningful performance data; (b) establish a new, fair, and GPRA-compliant composite baseline based on a roll-up of that data; and (c) develop realistic acquisition performance targets to spur organizational improvements. Moreover, OGAM plans to put a methodology in place to promote the sharing of performance results and improvements throughout the Department - - while avoiding any misleading or simplistic performance comparisons among HHS's contracting offices.

Goal 6: Ensure that HHS Grant Administrative Policies Are Current

*Performance Goal:* Ensure that HHS grant administrative policies are current.

*Performance Measurement:* OGAM is responsible for developing, issuing and implementing grants administrative policies used by the various HHS awarding agencies in the award and administration of the three hundred-plus grant programs HHS administers. These grant programs, ranging from social services for individuals/communities to biomedical research, are a major focus of the Department and are key to the Department's mission in serving the public. For these programs to be operated in a manner which promotes successful outcomes, while ensuring accountability of the grant funds, effective guidance must be available. Grants policies, issued by the Department, provide such guidance to grants management staff and other HHS staff involved in the award and administration of grants.

For many years, the principal source of Departmental guidance for these grants policies was the Departmental Grants Administration Manual (GAM). A new system for developing and issuing HHS grants administrative policies, Grants Policy Directives (GPDs), has been developed and is replacing the individual chapters in the HHS GAM on a phased basis. As individual GPDs are developed and issued, corresponding chapters in the GAM are superseded. Ultimately, all GAM chapters will be replaced with updated policy guidance contained in the individual directives. Further, the GPD requirement that all directives in the GPD System be re-evaluated and reissued every four years from date of issue/reissue, will help keep grants policies current and reflective of Departmental needs as well as external requirements. The performance measure is a combined measure based on the percentage of HHS GAM chapters being replaced by GPDs over time and the percentage of individual GPDs requiring reevaluation for reissuance.

*Results:* The performance target for 1999 data (85% of the internal Departmental grants administrative policies that OGAM is responsible for were updated) was met. During 1999, OGAM continued replacing HHS GAM Chapters with issued directives (72% of total number GAM Chapters were replaced by end of FY1999). OGAM also reevaluated all (100%) of the GPDs requiring quadrennial review during the fiscal year.

OGAM has established a target of 93% of grants policies being updated by the conclusion of FY 2000. OGAM believes this to be a reasonable target which takes into consideration the development time required in soliciting input from Departmental staff who use grants policies, and analyzing their responses prior to developing and issuing new policy directives.

OGAM has established a target of 100% of grants policies being updated by the conclusion of FY 2001. To meet that goal, in addition to ensuring the GPDs are reevaluated as required, OGAM will replace the remaining HHS GAM chapters with issued policy directives and the HHS GAM will be rescinded in its entirety.

YEAR	TARGET	PERFORMANCE
FY 1998		75% (Baseline)
FY 1999	85%	85%
FY 2000	93%	
FY 2001	100%	

Goal 7: Increase Access to HHS Grants Administrative Policies

*Performance Goal:* Increase access to HHS grants administrative policies through use of the Internet.

*Performance Measurement:* Increasing access to Departmental grants administrative policies helps ensure that all HHS staff responsible for grant programs have readily available to them the policy guidance necessary to administer grant programs. Using web-based services accessible to all Departmental staff involved in grants administration is an effective way of ensuring ready access to such guidance. Key to achieving this goal is the electronic posting of the Departmental grants administrative policies contained in the HHS GAM and the HHS GPDs.

Although individual GAM Chapters are being replaced over time by issued GPDs, during this interim period it is important to have both sets of guidance widely available. Once each GAM chapter has been superseded by an issued GPD, the GAM will be rescinded in its entirety. GPDs will be updated on a periodic basis (each directive is required to be reevaluated and reissued every 4 years) and these updated issuances will be posted electronically to web-based services. To measure accomplishment of the goal, OGM will calculate the percentage of HHS GAM Chapters and Grants Policy Directives posted electronically under GrantsNet, the Department’s online grants information service.

*Results:* FY 1999: The performance target set for 1999 (80% of the GAM and GPDs being available on web-based services) was met and exceeded. During 1999, 100% of the existing HHS GAM Chapters and the GPDs issued to date were posted electronically.

FY 2000: Ensure timely, web-based access to all (100%) Grants Policy Directives issued and or reissued during the fiscal year.

FY 2001: Ensure timely, web-based access to all (100%) Grants Policy Directives issued and or reissued during the fiscal year. If, during FY 2001, all HHS GAM Chapters are replaced by issued GPDs and the GAM is rescinded in its entirety, the HHS GAM should also be removed from web-based sources under OGAM purview.

YEAR	TARGET	PERFORMANCE
FY 1998		70% (Baseline)
FY 1999	80%	100%
FY 2000	100%	
FY 2001	100%	

Goal 8: Increase Location Accuracy of Capitalized Personal Property Records

*Performance Goal:* The goal is to assure that adequate stewardship is exercised over the Department’s investment in equipment. Equipment is essential to carry out the Department’s scientific, regulatory, and administrative missions. The lack of adequate property stewardship can result in unnecessary expenditures of funds. Funds have to be used to replace lost items or to purchase duplicate items for equipment already in the inventory. Productivity is lost when mission essential equipment is not available. Good stewardship over equipment assets also will increase the accuracy of Department’s presentation of personal property

assets in the annual financial statements required by the Chief Financial Officer Act and provide a better understanding of the resources required to carry out the Department's missions.

*Performance Measurement:* Progress toward this goal will be measured by determining a location accuracy percentage based on comparing the results of the annual physical inventory of capitalized equipment to the capitalized equipment inventory records. To calculate the percentage, the number of "not found items" and the number of "found but not recorded items" are subtracted from the number of capitalized items in the property records to determine the numerator, which is then divided by the number of capitalized items in the property records.

*Results:* Initially, an overall Departmental accuracy rate goal of 90% was established for FY98. The OPDIVs' reports for FY98 indicated that the goal was virtually accomplished. As a result the goal was raised to 92% for FY 2000 and 94% for FY 2001. For FY 1999, the OPDIVs indicated that 97% accuracy rate was achieved. As a result, the accuracy rate target was raised again, to 97% for FY 2001.

YEAR	TARGET	REVISED TARGET	ACTUAL PERFORMANCE
FY 1998			90% (Baseline)
FY 1999	90%	92%	97%
FY 2000	90%	94%	
FY 2001	90%	96%	

Human Resources

Performance Goals	FY Targets	Actual Performance	Reference*
<p>Goal 1. Provide Strategic Leadership for Human Resources Management (FY 00 combined Goals 1 and 3; and moved Labor-Management Partnership from #1 to # 2)</p> <p>1. Lead efforts to focus HHS HR on performance improvement.</p> <p>2. Complete development of workforce planning capacity and integration with budget and Results Act cycles.</p>	<p>FY 01:</p> <p>1. Same as FY-00</p> <p>2. 60% of OPDIV HR offices demonstrate skill in supporting program objectives with workforce analysis.</p> <p>FY 00:</p> <p>1. Reduced HR service delivery costs. [Baseline to be set in 1999 per analysis of benchmarking data.] — Improved service delivery levels [Baseline to be set in 1999 per analysis of benchmarking data.] — All OPDIV HR office have results-oriented performance plans strategically aligned with OPDIV missions and integrated assessment programs. [Baseline in 1998 = 0]</p> <p>2. All OPDIVs have: HR staff proficient in workforce planning to support OPDIV processes — OPDIVs have functioning workforce planning systems — OPDIV budget submissions and performance plans reflect sound planning and use of human resources. [Baseline</p>	<p>FY 01:</p> <p>FY 00:</p>	





Performance Goals	FY Targets	Actual Performance	Reference*
	<p>reduced under-representation. [Baseline to be set in FY 99 per analysis of demographics.]</p> <p>FY 99: 1. Partnership Council and OPDIV annual reports, supplemented by the results of the annual survey of employees, show significant improvement. [Baseline is 1997 HHS HRMI index, and the Council's original findings leading to the initiative.] 2. 80% of OPDIVs and 50% of Bargaining Units have functioning partnership councils. [Baselines are 17% and 10%] 3.(A) All OPDIVs have acceptable diversity management plans per staff review. [New initiative; baseline = 0] 3.(B) Case processing workflow analyses completed in all OPDIVs; average case processing time reduced by 20% by end of 2001. [Baseline = 580 days.] 3.(C) Instances of complaint resolution attempts by ADR increases to 150</p>	<p>FY 99: 1. In 1998, the Department overall had a HRMI index score just above 96. In 1999, the HHS score moved up two points to just above 98.</p> <p>2. 64% of OPDIVS and 40% of Bargaining Units have functioning councils.</p> <p>3.(A) 4 of 12 have acceptable plans.</p> <p>3.(B) Tracking system implemented. 10% decrease in number of new complaints filed; 7% decrease in number of open cases; and 10%</p>	<p>Comments 2.1</p> <p>Comment 2.3(A)</p> <p>Comment 2.3.(B)</p> <p>Comment 2.3.(C)</p>

Performance Goals	FY Targets	Actual Performance	Reference*
	[Baselines = 120]	decrease in number of counseling requests. 3.(C) 26 reported instances of ADR usage in connection with EEO complaints.	
<p>Goal 3. Provide HR Strategic Leadership</p> <p>1. Improve workforce planning</p> <p>2. Provide corporate HR services and expertise</p>	<p>FY 01:</p> <p>FY 00:</p> <p>FY 99: 1. All OPDIVs have HR staff proficient in workforce planning; all OPDIVs have functioning workforce planning system. [New initiative; baseline = 0] 2. The HR/EEO Council participates in OHR agenda building and provides feedback on results.</p>	<p>FY 01:</p> <p>FY 00:</p> <p>FY 99: 1. Budget submissions for 2001 showed some continued weakness.</p> <p>2. Regularly scheduled meetings every quarter provided an important feedback mechanism, and guidance as to which areas the OPDIVs wanted us to expend resources in.</p>	<p>Comments 3.A</p>

Goal 1. Provide Strategic leadership for human resources (HR) management:

2. Complete development of workforce planning capacity and integration with budget and Results Act:

Complete one major program cost benefit analysis.

1.2 We had planned on a study of the Employee Assistance Program function but human resources were diverted to a higher priority Diversity Initiative.

Goal 2. Improve the Quality of Worklife for HHS Employees:

1. Lead the Secretary's Quality of Worklife (QWL) Initiative, through a multifaceted program involving OPDIVs and the HHS Union-Management Partnership Council.

2.1 This was a statistically significant improvement. OPDIV and Partnership Annual Reports on the Quality of Work Life Initiative describe significant improvements in all facets of the Initiative (e.g., communication, family-friendly work-practices, workplace learning). Reports are substantiated by employee survey results which report a statistically significant improvement from 1997 to 1998, and from 1998 to 1999 in employee perceptions of the quality of work life and organizational effectiveness. Ten of the OPDIVs also posted increases in their scores, six of them significantly. OPDIV scores ranged from a low of 91 to a high of 103, a new record. The highest score also represented the greatest improvement (12 points) we have ever recorded, which moved that OPDIV from next to lowest in 1998 to highest in 1999. The response rate for the survey also increased to 43%, 3% greater than 1998.

3. Improve workplace relationships through improved EEO programs, diversity management, and dispute resolution techniques.

3(A) All OPDIVs have acceptable diversity management plans per staff review.

2.3(A) 5 of the OPDIVs are currently working on plans and the remainder do not have separate plans but have engaged in specific diversity activities.

3(B). Case flow analyses completed in all OPDIVS; average case processing time reduced by 20% by end of 2001. Baseline = 580 days.

2.3(B) Implemented LotusNotes/Domino application web-based EEO Complaints Tracking System (EEOCTS) to track and monitor complaints Departmentwide and to assist in achieving reductions in processing times.

3.(C). Instances of complaint resolution attempts by ADR increase to 150 (Baseline = 120).

2.3(C) We must revisit the figure that was given as our Baseline data. As a result of a regulatory change which mandates availability of ADR both at formal and informal stages, instances of resolution by ADR will dramatically increase in 2000.

Goal 3. Provide HR strategic leadership:

1. Improve workforce planning

3.1. Published Building Successful Organizations: Workforce Planning in HHS, (08/99) to overcome a lack of funds to train staff. Additional steps are planned to achieve 100% by 2002 budget.

Information Resources Management Services

Performance Objectives	FY Targets	Actual Performance
Goal1. Ensure that all HHS information systems function properly in Year 2000 by monitoring OPDIV progress on systems repair and replacement, testing, and contingency planning		

Performance Objectives	FY Targets	Actual Performance
<p>100% of HHS systems function properly in the Year 2000</p> <p>Business continuity and contingency plans are available for 100% of business processes and mission critical systems.</p> <p>Contingency plans are implemented in a fashion that sustains at least a minimum acceptable level of mission performance in every case of Year 2000-related information system failures or degradations.</p>	<p>FY 01: NA FY 00: 100% FY 99: 99%</p> <p>FY 01: NA FY 00: 100% FY 99: 100%</p> <p>FY 01: NA FY 00: 100% FY 99: NA</p>	<p>FY 01: FY 00: FY 99: 100%</p> <p>FY 01: FY 00: FY 99: 100%</p> <p>FY 01: NA FY 00: FY 99: NA</p>
<p>Goal 2. Implement the Departmental Information Technology Review Board process to assure the soundness of IT capital investments and to initiate appropriate corrective actions on major efforts as needed.</p> <p>100% of IT investments approved by the ITIRB meet review criteria (i.e., OMB Memorandum M-97-02).</p> <p>100% of IT investments considered but not approved by the ITIRB are subject to appropriate corrective actions and funding restrictions or terminations.</p> <p>Establish OPDIV-LEVEL Information Technology Architectures (ITA) within a Departmental ITA for use in evaluating IT investments.</p> <p>100% of IT investments approved by the ITIRB meet review criteria (i.e., OMB Memorandum M-97-02).</p>	<p>FY 01: 100% FY 00: 100% FY 99: 100%</p> <p>FY 01: 100% FY 00: 100% FY 99: 100%</p> <p>FY 01: 100% FY 00: 100% FY 99: 100%</p>	<p>FY 01: FY 00: FY 99: 100%</p> <p>FY 01: FY 00: FY 99: 100%</p> <p>FY 01: FY 00: FY 99: 100%</p>
<p>Goal 3. Eliminate illegal/bootleg collections of information –</p> <p>95% of Departmental information collections have current OMB approval in FY 2000. Baseline will be determined using FY 1997 data.</p> <p>Reduce, minimize, and control burdens placed on the public by Departmental information</p>	<p>FY 01: 99% FY 00: 98% FY 99: 97% FY 98: 90 %</p>	<p>FY 01: FY 00: FY 99: 99% FY 98: 90%</p>

<p>collections –</p> <p>Achieve a 35% reduction in burden hours imposed on the public by HHS information collection inventory in FY 2000 (<u>compared with the FY 95 baseline</u>, to be phased in by 10% for FY 96, 10% for FY 97, 5% for FY 98, 5% for FY 99, and 5% for FY 00).</p>	<p>FY 01: -</p> <p>FY 00: -5%</p> <p>FY 99: -5%</p> <p>FY 98: -5%</p> <p>FY 97: -10%</p> <p>FY 96: -10%</p>	<p>FY 01: -</p> <p>FY 00:</p> <p>FY 99: +7.7%</p> <p>FY 98: -8.7%</p> <p>FY 97: -10.0%</p> <p>FY 96: -9.9%</p>
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Goal 1: All HHS Information Systems function properly in the new millennium

Measure 1: 100% of HHS systems function properly in the Year 2000.

*Establishing Performance Targets:* The Department established the goal of 100% because anything less would be unacceptable. In FY 1999, the target was based on testing each of the Department’s systems with the tests for mission critical systems subjected to Independent Validation and Verification. The goal encompasses not only the critical date of January 1, 2000, but several other dates during the 1999 and 2000 calendar years, notably February 29, 2000.

*Performance Report:* The Department received reports during FY 1999 concerning the status of systems in the Department. By December, 1999 each Operating Division had reported that its systems were Year 2000 compliant.

Measure 2: Business continuity and contingency plans are available for 100% of business processes and mission critical systems.

*Establishing Performance Targets:* The Department established a goal of assuring that individual business continuity and contingency plans (BCCPs) are in place in order to ensure the continued operation of programs that rely upon mission critical systems. Many of the programs that are reliant upon mission critical systems have BCCPs for their business processes rather than for specific systems. Therefore, a goal that included BCCPs for business processes and/or mission critical systems was established.

*Performance Report:* The Operating Divisions reported in December, 1999 that all mission critical systems were supported, directly or indirectly, by BCCPs.

Measure 3: Contingency plans are implemented in a fashion that sustains at least a minimum acceptable level of mission performance in every case of Year 2000-related information system failures or degradations.

*Establishing Performance Targets:* The Department determined that anything less than complete program continuity from the year 1999 to the end of the year 2000 would be unacceptable. Therefore, the target for the successful implementation of contingency plan was established at 100%.

*Performance Report:* There were no systems failures related to the Year 2000 during FY 1999 and therefore there was no need to implement contingency plans.

Goal 2: Major systems development/major modification efforts demonstrate a high probability of

success.

Measure 1: Implement the Departmental Information Technology Review Board process to assure soundness of IT capital investments and to initiate appropriate corrective actions on major efforts as needed.

*Establishing Performance Targets:* In 1998, ASMB determined that HHS needed a Department-wide information technology review board to assure soundness of IT capital investments and to initiate appropriate corrective actions on major efforts as needed. In 1998 the performance goal was set a two board meetings per year. In 1999, the performance goal was increase to four per year.

*Performance Report:* The 1998 goal of two meetings was met with reviews of NIH and PSC systems. The increase of four meetings per year, set late in 1999, has not reached a full cycle but thus far, three meetings were held in 1999 and more are slated in 2000. The board has expanded its purview into programmatic systems and IT architecture.

Measure 2: Establish OPDIV-level Information Technology Architectures (ITA) within a Departmental ITA for use in evaluating IT investments.

*Establishing Performance Targets:* In 1998, ASMB determined that HHS and the OPDIVs needed information technology architectures (ITA). In 1999, an ASMB/FDA-led task force began work on developing ITAs for the Department and each of the OPDIVs. The first two phases of this work has been completed and are used to gauge the investments brought before the Board.

*Performance Report:* All of the investments either met the requirements of the ITA or were brought into alignment through Board action.

Goal 3: Departmental collections of information meet the requirements of the Paperwork Reduction Act of 1995. All HHS Information Systems function properly in the new millennium.

Measure 1: Eliminate illegal/bootleg collections of information.

*Establishing Performance Targets:* The Paperwork Reduction Act requires that collections of information from the public receive prior approval from OMB. Accordingly in FY 1997, the Department set a goal of having at least 99% of information collections in compliance by FY 2000. The Department considered a goal of 100% to be unrealistic by that point in time given factors beyond its control.

*Performance Report:* As of the end of FY 1999, 99% of Departmental collections had current OMB approval number.

Measure 2: Reduce, minimize and control burdens placed on the public by Departmental information collections.

*Establishing Performance Targets:* The Paperwork Reduction Act requires that agencies attempt to reduce burden on the public by 10% in both FY 1996 and FY 1997. In addition, the Act requires that agencies further reduce burden by an additional 5% in FY 1998, FY 1999 and FY 2000. Accordingly, the Department established a goal of reducing burden on the public by a cumulative figure of 35% by FY 2000.

*Performance Report:* As of FY 1998, the Department had achieved an 8.79% burden reduction. However, this was turned around in FY 1999, where the Department showed a 7.7% increase in burden. This increase was necessary because of new legislative requirements in HCFA and FDA.

Facilities Services

Performance Goals	FY Targets	Actual Performance	Reference*
<p>Goal 1. Protect HHS assets by identifying and properly accounting for the Department's real property holdings.</p> <p>Measure 1: Hold OPDIV Foundation Information for Real Property Management (FIRM) database users group meetings to identify and resolve problems.</p> <p>Increase the number of OPDIVs with on-line input to the FIRM database.</p> <p>Measure 2: Percentage of acquisitions and disposals executed in accordance with regulations.</p>	<p>FY 01: 2</p> <p>FY 00: 10 FY 99: 8</p> <p>FY 01: 100%</p> <p>FY 00: 100% FY 99: 90%</p>	<p>FY 99: 8</p> <p>FY 99: 100%</p>	
<p>Goal 2. Reduce energy consumption at HHS facilities as mandated by the Energy Policy Act of 1992 (EPAAct), E.O. 12902, and E.O. 13123.</p> <p>Measure: Number of buildings audited for energy usage as a percentage of the total number of buildings in the HHS inventory.</p>	<p>FY 01: 60%</p> <p>FY 00: 50%</p> <p>FY 99: 40%</p>	<p>FY 99: 48%</p>	



Performance Goals	FY Targets	Actual Performance	Reference*
<p>Goal 3. Provide a safe and healthy work environment for HHS employees and visitors.</p> <p>Measure 1: Percentage of HHS organizations evaluated which exceeded the Federal government average workers compensation lost-time claims rate the previous year.</p> <p>Percentage of identified safety and health deficiencies addressed in OPDIV corrective action plans.</p> <p>Measure 2: Number of security audits conducted of HHS-owned, leased and delegated buildings to monitor compliance with DoJ level-special minimum requirements.</p> <p>Measure 3: Number of security awareness notices distributed to HHH Building occupants.</p> <p>Increase the number of HHH Building access points under computer control.</p>	<p>FY 01: 50%</p> <p>FY 00: 50%</p> <p>FY 99: 95%</p> <p>FY 01: 3</p> <p>FY 00: 2</p> <p>FY 99: 2</p> <p>FY 01: 8</p> <p>FY 00: 6</p> <p>FY 99: 160</p>	<p>FY 99: 100%</p> <p>FY 99: 3</p> <p>FY 99: 211</p>	
<p>Goal 4.</p> <p>Ensure requests for building services in the Humphrey Building are acknowledged on the day received and corrective action taken within 72 hours.</p> <p>Measure: Number of complaints addressed within 72 hours as a percentage of the total number of requests received.</p>	<p>FY 01: 100%</p> <p>FY 00: 100%</p> <p>FY 99: 95%</p>	<p>FY 99: 100%</p>	

The Office of Facilities Services (OFS) provides Department-wide policy development and oversight for real property management, space management, occupational safety and health, energy conservation, and environmental and historic preservation programs; it also provides facilities management services to all HHS components in the Washington, DC, Southwest complex. OFS's strategic goals are to ensure that HHS real property assets are protected and utilized effectively; and that HHS employees and visitors have

access to a healthy and safe work environment. To achieve these goals, OFS utilizes a myriad of techniques such as monitoring the acquisition and disposal of property, conducting energy and safety and health evaluations, monitoring the incidences of theft and violence, and resolving facility-related complaints and problems in a timely manner.

### Performance Report Summary

#### Goal 1. Protect HHS assets by identifying and properly accounting for the Department's real property holdings.

**Measure 1:** Increase the number of OPDIVs with on-line input to the Foundation Information For Real Property Management (FIRM) database. Target: 8.

*Establishing Performance Targets:* In 1997, ASMB determined that HHS needed a Department-wide automated system to manage and account for its real property assets in a uniform manner to meet the requirements of the Chief Financial Officers Act. The GSA FIRM system was acquired and implementation began in FY 1998. The performance measure for FY 1999 and FY 2000 is to increase the number of OPDIVs with on-line input to the FIRM database. The FY 1999 target was 8; the FY 2000 target is 10. Once the FY 2000 target is met, all major OPDIVs with real property holdings will have on-line access. Therefore, this performance measure is being revised in FY 2001 to reflect the technical support that OFS will provide to OPDIVs utilizing the FIRM system. The target of two FIRM users group meetings was established in consultation with OPDIV representatives on the work group.

*Performance Report:* The FY 1999 target of 8 was met with the installation of FIRM and training of staff at the Administration on Aging, Centers for Disease Control and Prevention, Food and Drug Administration, Health Care Financing Administration, Indian Health Service, National Institutes of Health, Office of the Secretary, and Program Support Center. The FY 2000 target of 10 OPDIVs with on-line access to the FIRM system will be met with the introduction of the Administration for Children and Families and the Health Resources and Services Administration.

**Measure 2:** Percentage of acquisitions and disposals executed in accordance with regulations. Target: 90 percent.

*Establishing Performance Targets:* The target for acquisitions and disposals are based on Federal Real Property Regulations and HHS policy.

*Performance Report:* 100 percent of the 18 real property acquisitions and disposals reviewed during FY 1999 were properly executed.

#### Goal 2: Reduce energy consumption at HHS facilities as mandated by the Energy Policy Act of 1992 (EPAct), E.O. 12902, and E.O. 13123.

**Measure:** Number of buildings audited for energy usage as a percentage of the total number of buildings in the HHS inventory. Target: 40 percent.

*Establishing Performance Targets:* In accordance with the Energy Policy Act of 1992 (EPAct) and E.O. 12902, OFS developed a Department-wide energy program based on an energy compliance review of all HHS OPDIVs. This compliance review concentrated on the energy auditing requirements of EPAct and E.O. 12902. The findings of the review highlighted specific areas of need in the OPDIVs. The

performance targets are based on the OPDIVs' Ten Year Energy Audit Plans.

*Performance Report:* E.O. 12902 directed Federal agencies to develop and implement a ten year plan to conduct comprehensive facility energy audits, ensuring that ten percent of the agency's facilities are audited each year (beginning in FY 1996). By the end of FY 1999, HHS had completed energy audits on 48 percent of our facilities (8 percent above our target). The purpose of an audit is to provide detailed information to identify and prioritize energy conservation projects. The audits conducted on HHS facilities have served as the impetus for lighting retrofits, chiller upgrades, water conservation projects, as well as entering into energy savings performance contracts.

*Goal 3: Provide a safe and healthy work environment for HHS employees and visitors.*

*Measure 1:* Percentage of identified safety and health deficiencies addressed in OPDIV corrective action plans. Target: 95 percent.

*Establishing Performance Targets:* In FY 1999, the target was based on OPDIVs addressing 95 percent of the deficiencies identified in their corrective action plans. This performance measure and target were revised in FY 2000 and FY 2001. The new target is to evaluate 50 percent of the number of the HHS organizations which exceeded the Federal government average workers compensation lost-time claims rate the previous year. This performance measure was changed to provide more focus on those HHS facilities which consistently exceed the Federal government average for lost-time compensation claims. This change is in keeping with the President's Federal Worker 2000 Initiative which also targets organizations which exceed the Federal government average for compensation claims.

In so doing, limited resources are better utilized in those areas which have the greatest problems and the most room for improvement. The change in this performance measure will help to ensure that the Department achieves the goals of the President's Federal Worker 2000 Initiative to provide Federal employees with a safer, healthier work environment, control compensation costs, and improve productivity.

*Performance Report:* The FY 1999 performance measure of 95 percent of safety and health deficiencies addressed in OPDIV corrective action plans was achieved. The organization evaluated during FY 1999 was the Centers for Disease Control and Prevention. Its corrective action plan exceeded the goal by addressing 100 percent of the identified deficiencies.

*Measure 2:* Number of security audits conducted of HHS-owned, leased and delegated buildings to monitor compliance with the Department of Justice (DoJ) minimum level requirements. Target: 2.

*Establishing Performance Targets:* The target is based on the number of facilities, potential vulnerability and available resources.

*Performance Report:* The Department places a high priority on the safety and security of its employees. In that regard, annual on-site audits of OPDIV physical security procedures are conducted on a random basis to ensure that applicable DoJ minimum level security procedures are currently implemented in HHS owned and managed facilities. During FY 1999, the performance measure for this goal was met through the conduct of comprehensive on-site security audits in the Department's Headquarters, the Hubert H. Humphrey Building (managed by the Office of the Secretary) and the Headquarters Building for the Public Health Service, the Parklawn Building (managed by the Program Support Center). In addition, as part of Y2K Day 1 activities, a general analysis of current security procedures for the CDC Headquarters installation, including laboratory facilities, in Atlanta, Georgia was also completed. Each of these sites met

or exceeded minimum security standards established by the DoJ in its Vulnerability Assessment of Federal Facilities.

Measure 3: Increase the number of HHH Building access points under computer control. Target: 160.

*Establishing Performance Targets:* The FY 1999 performance measure and target were based on increasing the number of Humphrey Building access points controlled by the Computer Controlled Access System to 160. Since that target was met, the performance measure and targets were revised in FY 2000 and FY 2001. The new targets are based on historical knowledge and assessment of the number of times throughout the year when employees would benefit from security awareness notices. Topics include the prevention of office theft, fire prevention, building fire alarm procedures, common office safety hazards, and changes in security procedures.

*Performance Report:* OFS has expanded the Computer Controlled Access System to 211 access points; 51 more than the 160 targeted for FY 1999. The goal was exceeded because all the core conference and meeting rooms were put under CCA control thereby increasing the number of CCA system access points. These areas were not in the target originally planned for FY 1999.

Goal 4: Ensure requests for building services in the Humphrey Building are acknowledged on the day received and corrective action taken within 72 hours.

Measure: Number of complaints addressed within 72 hours as a percentage of the total number of requests received. Target: 95 percent.

*Establishing Performance Targets:* The performance target is based on General Services Administration guidelines that building services complaints be addressed within 72 hours of receipt.

*Performance Report:* The FY 1999 performance target was achieved. OFS current practices and procedures adhere to the GSA guidelines that building services complaints be responded to within 72 hours of receipt. To verify our performance in this area, we did a random review of work orders processed during FY 1999. We are transiting to a new Y2K compliant service call management system which is not yet fully implemented. Therefore, we could not use data from this system for this year's report. Once fully implemented, this new system will be used to track all service calls and the data from this system will be used to report performance under this measure in future years.