

Department of Commerce  
Departmental Management  
SUMMARY OF TARGETS AND RESOURCE REQUIREMENTS

<b>Departmental Management: Total Funding</b>								
	<b>FY 2000 Actual</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Estimate</b>	<b>FY 2005 Base</b>	<b>Increase/Decrease</b>	<b>FY 2005 Request</b>
Executive Direction	13.6	17.6	19.9	19.0	17.7	14.1	0.0	14.1
Departmental Staff Services	19.4	23.1	29.3	31.5	33.3	35.0	6.9	41.9
Advances & Reimbursements	2.0	5.0	5.0	2.2	6.0	6.0	0.0	6.0
<b>Total Funding</b>	<b>35.0</b>	<b>45.7</b>	<b>54.2</b>	<b>52.7</b>	<b>57.0</b>	<b>55.1</b>	<b>6.9</b>	<b>62.0</b>
Direct	33.0	40.7	49.2	50.5	46.8	49.1	6.9	56.0
Reimbursable <sup>1</sup>	2.0	5.0	5.0	2.2	6.0	6.0	0.0	6.0
IT Funding <sup>2</sup>	2.0	7.0	7.0	7.9	8.1	8.5	1.9	10.4
FTE	185	171	183	186	223	223	1	224

<sup>1</sup> Reimbursable funding reflects external sources only.

<sup>2</sup> IT funding included in total funding

Note: Beginning in FY 2002, the summary reflects a consistent distribution of overhead costs among performance goals. Funds for the Working Capital Fund and the Franchise Fund are appropriated to bureaus, and they do not appear in these DM totals.

<b>Performance Goal 1: Ensure effective resource stewardship in support of the Department's programs</b>								
	<b>FY 2000 Actual</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Estimate</b>	<b>FY 2005 Base</b>	<b>Increase/Decrease</b>	<b>FY 2005 Request</b>
Executive Direction	13.6	17.6	19.9	19.0	17.7	14.1	0.0	14.1
Departmental Staff Services	15.4	13.1	18.3	19.5	20.9	22.0	5.0	27.0
Advances & Reimbursements	2.0	5.0	5.0	2.2	6.0	6.0	0.0	6.0
<b>Total Funding</b>	<b>31.0</b>	<b>35.7</b>	<b>43.2</b>	<b>40.7</b>	<b>44.6</b>	<b>42.1</b>	<b>5.0</b>	<b>47.1</b>
IT Funding <sup>1</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTE	149	129	139	144	171	171	1	172

<sup>1</sup> IT funding included in total funding.

Note: Beginning in FY 2002, the summary reflects a consistent distribution of overhead costs among performance goals. Funds for the Working Capital Fund and the Franchise Fund are appropriated to the bureaus, and they do not appear in the DM totals.

<b>Performance Goal 1: Ensure effective resource stewardship in support of the Department's programs</b>										
<b>Measure</b>	<b>FY 2000 Target</b>	<b>FY 2000 Actual</b>	<b>FY 2001 Target</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Target</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Target</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Target</b>	<b>FY 2005 Target</b>
a. Clean audit opinion on Department consolidated financial statements	100%	100%	100%	100%	Yes	Yes	Yes	Yes	Yes	Yes
b. Consolidate Commerce-wide integrated financial management system platforms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Reduce platforms from 5 to 3	Complete business case for feasibility of further reductions
c. Implement competitive sourcing	Complete commercial inventory by 6/30/00	Inventory submitted on 6/30/00	Complete commercial inventory by 6/30/01	Inventory submitted on 6/29/01	Convert or complete competitions on 5% of commercial FTE positions	1% completed and management plan in place to accomplish cumulative goal for FY 2002/ FY 2003	Convert or complete competitions on 10% of commercial FTE positions	Combined target for FY 2002/2003 was 1203 FTEs. Com-peted 534 FTEs or 6.6% of new target of 800 FTEs	Multi-year plan under develop-ment	TBD
d. Funds obligated through performance-based contracting	N/A	N/A	10% of eligible service contracting dollars	25% of eligible service contracting dollars	25% of eligible service contracting dollars	31% of \$795M	30% of eligible service contracting dollars	24% of \$605M	40% of eligible service contracting dollars	50% of eligible service contracting dollars
d. Small purchases made using credit cards	75% of actions below \$25,000	88% of actions below \$25,000	75% of actions below \$25,000	92% of actions below \$25,000	90% of actions below \$25,000	95% actions below \$25,000	90% of actions below \$25,000	97% of actions below \$25,000	90% of actions below \$25,000	90% of actions below \$25,000
f. Increase percentage of total obligations awarded as contracts to small businesses	Small business 40%	Small business 34%	Small business 40%	Small business 50%	Small business 35%	Small business 52% <sup>1</sup>	Small business 40%	Small business 45% as of October 2003; final results not available from Federal Procurement Data System until second quarter FY 2004.	Small business 42%	Small business 42%
g. Ensure a secure workplace for all Commerce employees	Conduct 10 studies to verify proper maintenance of safes for classified materials	Conducted 10 studies to verify proper maintenance of safes for classified materials	Conduct 10 studies of classified computer systems	Conducted 32 studies of classified computer systems	Establish department-wide continuity of operations plan & conduct 10 compliance reviews of security	DOC COOP established; 47 risk assessments completed	Conduct 30 compliance reviews of security programs & classified systems, & complete	Reviewed COOPs for 16 Commerce components including the Office of the Secretary, the Office of the	Conduct 40 compliance reviews of security programs and classified systems, develop	Conduct 40 risk assessment surveys and compliance reviews of security programs, oversee testing

<b>Performance Goal 1: Ensure effective resource stewardship in support of the Department's programs</b>										
<b>Measure</b>	<b>FY 2000 Target</b>	<b>FY 2000 Actual</b>	<b>FY 2001 Target</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Target</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Target</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Target</b>	<b>FY 2005 Target</b>
					programs & classified systems		testing and evaluation of Bureau COOPs	Inspector General, and U.S. Patent and Trademark Office. Conducted compliance reviews of over 450 security containers and 550 sensitive documents. Conducted 40 risk assessment surveys.	comprehensive COOP compliance and oversight program, and identify Commerce-specific security concerns	and evaluation of the Departmental and Bureau-level COOPs, and identify Commerce-specific security concerns

<b>Performance Goal 1: Ensure effective resource stewardship in support of the Department's programs</b>										
<b>Measure</b>	<b>FY 2000 Target</b>	<b>FY 2000 Actual</b>	<b>FY 2001 Target</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Target</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Target</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Target</b>	<b>FY 2005 Target</b>
h. Ensure a safe workplace for all Commerce employees	N/A	N/A	N/A	N/A	Safety infrastructure accountability systems, & supervisory training programs are in place	Safety action plan developed, reinvigorated the Commerce Safety Council to communicate safety issues, appointed a new designated agency safety and health official to spearhead safety efforts, established performance element for Senior Executives, and developed a web-based safety awareness training program	Employee education & awareness programs are in place	Employee education and awareness training activities were implement-ed, including safety awareness training at the SES and supervisory levels and evacu-chair training. Implement-ed safety Web site, published safety reports, and distributed safety brochures.	Implement a facility safety assessment program Conduct 10 facility safety assessments and 2 industrial hygiene surveys at DOC facilities, & provide safety training for 100 DOC employees	Implement a facility safety and assessment program. Conduct 10 facility safety assessments and 2 industrial hygiene surveys at DOC facilities and provide safety training for 100 DOC employees.

<sup>1</sup> Preliminary data available at the time the FY 2002 Performance and Accountability Report was issued indicated that Commerce had awarded 51% of its FY 2002 procurement funds to small businesses. The finalized data maintained in GSA's Federal Procurement Data System indicates that Commerce did slightly better than anticipated – 51.56% or, when rounded for this purpose, 52%.

Corresponding Strategic Goal

Management Integration Goal: Achieve Organizational and Management Excellence

Rationale for Performance Goal

The Department of Commerce must have the capacity to do business as successfully as possible with the public and its partner agencies, both as a \$5 billion, worldwide enterprise and as an integrated set of individual programs. This requires that we identify, adopt, and maintain the business practices needed to successfully operate any such organization; use our resources wisely; and effectively implement the laws that affect us. Because this performance goal inherently encompasses a wide range of administrative and operational tasks, the measures used to assess our progress are by necessity highly diverse.

Program Increases that Apply to this Performance Goal

	<b>Personnel</b>	<b>Amount (in thousands)</b>
<i>Salaries and Expenses Account</i>		
Counter-Espionage Management Application (p. DM-)	0	\$ 500
Continuity of Government Operations Space and Emergency Coordinator to Increase Emergency Preparedness (p. DM-)	1	500
Blast Mitigation in the Herbert C. Hoover Building (p. DM-)	0	4000
<i>Working Capital Fund</i>		
Restoration of Base for Office of Assistant General Counsel (p. DM- )	0	459
Maintenance of the Consolidated Reporting System (p. DM-)	1	260
Hyperion Financial Management (p. DM-)	0	443
Environmental Management Program (p. DM-)	0	115
A-76/FAIR Act Program (p. DM-)	2	418
<b>Total</b>	<b>4</b>	<b>6,695</b>

**Measure 1a: Clean Audit Opinion Obtained on Commerce Consolidated Financial Statements**

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	100%	100%	Yes	Yes	Yes	Yes
Actual	100%	100%	Yes	Yes		
Met/Not Met	Met	Met	Met	Met		

**Explanation of Measure**

The Department continues to prioritize the improvement of financial management by strengthening the integrity of financial operations and ensuring the accuracy of our financial records. Key laws such as the Chief Financial Officers Act, Government Management Reform Act, Federal Financial Management Improvement Act, and Government Performance and Results Act (GPRA) establish the standards for federal agency financial operations. Timely and reliable financial information is necessary to provide stakeholders and decision-makers with confidence in the way Commerce manages its resources, and it is key to ensuring full accountability to the American taxpayer for the expenditure of federal funds.

The method used to measure DM's success in this effort has been modified slightly but its objective remains the same. Prior to FY 2002, DM measured its progress in this area as a percentage of funding covered by a clean audit. DM is now assessing its ability to manage its financial resources based on whether the Department as a whole receives a clean audit opinion on its consolidated financial statements. This all-or-none approach emphasizes the importance of achieving overall success.

**FY 2004 Target**

In FY 2004, DM plans to maintain an unqualified opinion on the Department's consolidated financial statements.

**FY 2005 Target**

In FY 2005, DM plans to maintain an unqualified opinion on the Department's consolidated financial statements.

**Measure 1b:**

**Consolidate Commerce-wide Integrated Financial Management System Computer Platforms**

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	N/A	N/A	N/A	N/A	Reduce platforms from 5 to 3	Complete business case for feasibility of further reductions
Actual	N/A	N/A	N/A	N/A		
Met/Not Met	N/A	N/A	N/A	N/A		

**Explanation of Measure**

The Commerce Administrative Management System (CAMS) was fully implemented in October 2003 as the financial system of record for 13 bureaus. CAMS is running on five different computer platforms.

**FY 2004 Target**

With the goals of reducing operational redundancy, and increasing overall efficiency, Commerce will reduce the number of computer platforms running CAMS from 5 to 3 in FY 2004.

**FY 2005 Target**

In FY 2005, a business case study to determine the operational feasibility and to identify the potential for further gains in efficiency by a further reduction to CAMS computer platforms will be completed.

**Measure 1c: Implement Competitive Sourcing**

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	Complete inventory of commercial FTE positions due by 6/30/00	Complete inventory of commercial FTE positions due by 6/30/01	Convert or complete competitions on 5% of commercial FTE positions	Convert or complete competitions on 10% of commercial FTE positions	Multi-year plan under development	TBD
Actual	Inventory submitted on 6/30/00	Inventory submitted on 6/29/01	1% completed and management plan in place to accomplish cumulative goal for FY 2002/2003	Combined target for FY 2002/2003 was 1203 FTEs. Completed 534 FTEs, or 6.6% of new target of 800 FTEs.		
Met/Not Met	Met	Met	Met	Not Met		

\* FTE - Full-time equivalent

**Explanation of Measure**

The FAIR Act requires all federal agencies to provide the OMB with a timely inventory of the activities performed by government employees that could be carried out by commercial sources. The Department has developed an annual reporting process that meets this requirement. In FY 2001 and FY2002, goals were established by OMB for conducting competitions of these commercial activities between government's most efficient organizations and private sector providers in order to best use the taxpayers' dollars. In June 2003, OMB worked with Commerce to establish new and more realistic goals based on support of the missions of the Department. In the OMB-led "Where We Would Be Proud to Be" projects of June 2003, Commerce adopted a goal of completing or initiating competitions for 10 percent of the commercial activities on the FY 2000 FAIR Act Inventory. This goal is somewhat lower than the previous (15 percent) goal; the adjustment was made in response to the experience of the bureaus in pursuing the competitive sourcing goals established in FY 2002-2003.

**FY 2004-2005 Targets**

The DOC draft multi-year plan is under review as a result of the revisions to Circular A-76.

**Measure 1d: Funds Obligated through Performance-based Contracting**

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	N/A	10% of eligible service contracting dollars	25% of eligible service contracting dollars	30% of eligible service contracting dollars	40% of eligible service contracting dollars	50% of eligible service contracting dollars
Actual	N/A	25% of eligible service contracting dollars	31% of \$795M	24% of \$605M		
Met/Not Met	N/A	Met	Met	Not met		

#### Explanation of Measure

Performance-based contracting is a method of procurement in which the Federal Government defines the results it is seeking, rather than the process by which those results are to be attained. The government also defines the standards against which contractor performance will be measured and incentives that may be used. The Procurement Executives Council had established an ultimate government-wide goal for federal agencies to award 50 percent of eligible service contracts as performance-based contracts (in 10 percent increments) by FY 2005. The interim government-wide goals were 20, 30, 40, and 50 percent for FY 2002, FY 2003, FY 2004, and FY 2005, respectively.

In April 2002, OMB's Office of Federal Procurement Policy (OFPP) convened an Interagency Task Force on Performance Based Service Acquisitions (PBSA) to study PBSA by agencies. The study was completed in July 2003. As a result of its findings, the task force is recommending to OFPP that agencies be allowed to set their own interim goals, while still being required to reach 50 percent of eligible service contracting dollars by FY 2005

#### FY 2004-2005 Targets

Pending a detailed review of the task force report, the Department will retain its 10 percent incremental target.

#### Measure 1e: Small Purchases Made Using Credit Cards

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	75% of actions below \$25,000	75% of actions below \$25,000	90% of actions below \$25,000	90% of actions below \$25,000	90% of actions below \$25,000	90% of actions below \$25,000
Actual	88% of actions below \$25,000	92% of actions below \$25,000	95% actions below \$25,000	97% of actions below \$25,000		
Met/Not Met	Met	Met	Met	Met		

#### Explanation of Measure



In FY 2000, the Procurement Executives Council adopted a new government-wide acquisition performance measurement program, which included establishing a target for using government-issued credit cards for transactions below the small purchase threshold. The government-wide target is 75 percent of all transactions under \$25,000. This measure was pilot tested in FY 2000. The first year of full implementation was FY 2001.

During the last two years, beginning in FY 2002, the government's use of purchase cards for small purchases has been subjected to significant scrutiny from Congress and OMB. Recognizing the heightened congressional and public concerns, the Department has implemented more guidelines, controls and conditions for their use.

**FY 2004-2005 Targets**

Notwithstanding these increased controls, we retained the FY 2003, 2004, and 2005 goals of 90 percent of transactions below \$25,000.

**Measure 1f: Percentage of Total Obligations Awarded as Contracts to Small Businesses**

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	40%	40%	35%	40%	42%	42%
Actual	34%	50%	51%	45% as of October 2003; final results not available from the Federal Procurement Data System until second quarter FY		
<b>Met / Not Met</b>	Not Met	Met	Met	Met		

**Explanation of Measure**

This measure monitors the Department's ability to increase opportunities for small businesses to participate in Commerce acquisitions. Historically, this has included small, small disadvantaged, 8(a), and women-owned businesses. In FY 2001, three new categories were added. These are HUBZone, veteran-owned, and service-disabled veteran-owned small businesses (a subset of veteran owned small businesses). Every two years, the Small Business Administration (SBA) negotiates procurement goals with each federal agency in an effort to increase contract and subcontract awards to small businesses.

Through FY 2001, DM reported under GPRA on the percent of awards made in three categories: (1) small businesses, (2) women-owned businesses, and (3) minority-owned businesses, which included small disadvantaged and 8(a) businesses. To avoid making this measure overly cumbersome by adding additional categories, beginning with FY 2002, Commerce simplified the method used to track its GPRA progress. It now reports on the percentage of procurement funds awarded to the umbrella group described as small businesses.

**FY 2004-2005 Targets**

We have increased our targets from 40% to 42% for FY 2004 and FY 2005.

**Measure 1g: Ensure a Secure Workplace for All Commerce Employees**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	Inspect all safes and other security containers at 10 field facilities	Conduct inspections of 10 classified computer systems	Establish Department-wide Continuity of Operations Plan (COOP); conduct 10 compliance reviews of security programs and classified systems	Conduct 30 compliance reviews of security programs and classified systems	Conduct 40 compliance reviews of security programs and classified systems, develop comprehensive COOP compliance and oversight program, and identify Commerce-specific security concerns	Conduct 40 risk assessment surveys and compliance reviews of security programs, oversee testing and evaluation of the Departmental and Bureau-level COOPs, and identify Commerce-specific security concerns
Actual	All security containers at 10 field facilities inspected	Conducted 32 inspections of classified computer systems	Commerce COOP established; 47 risk assessments completed	Reviewed COOP plans reviewed for 16 Commerce components, including the Office of the Secretary (OS), Inspector General (OIG), and U.S. Patent and Trademark Office (USPTO). Also, conducted compliance reviews of more than 450 security containers and 550 sensitive documents. Conducted 40 risk assessment surveys.		
Met/Not Met	Met	Met	<b>Met</b>	Met		

**Explanation of Measure**

The Department of Commerce (DOC) ensures security for headquarters and field staff, visitors, facilities, resources, and information. The Department’s aim is not only reducing risks, but also simultaneously increasing overall performance effectiveness and customer satisfaction.

To provide the best overall services possible, the Department recently initiated a comprehensive internal review of its security element. Based upon this review, the Department has been aggressively enhancing nationwide programmatic security services. One such enhancement has been the implementation of a revised organizational structure for the security element. The new organizational structure fosters closer relationships with and information sharing between headquarters and field personnel. It also allows for more efficient and effective policy and program services, which ultimately aid in the Department’s overall ability to identify and respond to threats to nationwide Departmental personnel, assets and operations. Another such enhancement was the creation of five major security-related programs, which together serve to mitigate the threat to DOC employees and assets by reducing the terrorism and espionage threats and increasing emergency management effectiveness.

Additionally, the Department has identified and continues to work on several strategies to improve our performance. Some of these strategies include:

- Identifying and implementing countermeasures aimed at reducing the vulnerability to high-threat facilities;
- Conducting awareness and prevention briefings to increase customer knowledge of general threats; and
- Enhancing liaison relationships with other Federal, State and local government entities involved in emergency management capacities.

Over time, these and other Departmental efforts will be measured through a GPRA-compliant, outcome-based performance measure focused on documenting the nationwide reduction of the threat to DOC employees and assets. By the end of fiscal year 2003, the Department is committed to establishing a performance baseline. It is from this baseline which future programmatic efforts will be measured as to their ultimate effectiveness in reducing the overall threat risk to the Department.

**FY 2004-2005 Targets**

Originally, it was anticipated that this measure would be revised to show a new baseline and out-year targets beginning with the FY 2005 Annual Performance Plan. However, this information will now be presented in the FY 2006 Annual Performance Plan to allow additional time for the collection and validation of data used in the development of the performance baseline. In the interim, the Department will continue to collect data and report on previously identified measures. The Department will maintain its compliance reviews of security programs and perform security risk assessment surveys, completing a minimum of 40 such assessments during the reporting period. Additionally, we will continue to strengthen our continuity of operations (COOP) planning and emergency preparedness efforts; specifically reporting on progress made in overseeing the testing and evaluation of the Departmental and Bureau-level COOP plans.

During these times of change, the Department will continue to remain attentive to key issues that will help us effectively fulfill our mission and focus our key management personnel on the service offerings necessary to make the Department of Commerce a safer work environment for all.

**Measure 1h: Ensure a Safe Workplace for All Commerce Employees**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	N/A	N/A	Safety infrastructure, accountability systems, and supervisory training programs are in place	Employee education and awareness programs are in place	Implement a facility safety assessment program. Conduct 10 facility safety assessments and 2 industrial hygiene surveys at DOC facilities, and provide safety training for 100 DOC employees.	Implement a facility safety assessment program. Conduct 10 facility safety assessments and 2 industrial hygiene surveys at DOC facilities, and provide safety training for 100 DOC employees.
Actual	N/A	N/A	Developed safety action plan,, reinvigorated the Commerce Safety Council to communicate safety issues, appointed a new designated agency safety and health official to spearhead safety efforts, established performance element for Senior Executives, and developed Web-based safety awareness training program.	Employee education and awareness training activities were implemented, including safety awareness training at the Senior Executive Service (SES) and supervisory levels and evacuchair training. Implemented safety Web site, published safety reports, and distributed safety brochures.		
Met/Not Met	N/A	N/A	Met	Met		

**Explanation of Measure**

The Department is using this measure to highlight its effort to reinvigorate its safety program to ensure that employees have a safe environment in which to carry out their responsibilities.

The FY 2004 initiative will establish a formal facility safety inspection and assessment oversight program for the Department of Commerce. Federal regulations require that agencies conduct annual inspections of all areas and operations at each workplace, including offices. The Department’s Occupational Safety and Health Program is taking a leadership role in ensuring that the inspections are conducted and documented. A safety assessment system will be used to standardize the inspection and documentation process. Tools include standardized checklists for managers and safety personnel, and a relational database to track findings and manage corrective actions. The program ensures effective identification of workplace hazards, development of corrective actions, and improvement of workplace safety. Safety awareness and training are key to reducing workplace accidents and injuries, so our efforts also focus on several important safety training programs. They include behavior-based safety, ergonomics, personal protective equipment, electrical safety, and first aid. This revised program has begun to show significant results. According to Department of Labor statistics, the injury rate for Commerce decreased 17 percent from FY 1997 to FY 2002.

**FY 2004 Target**

In FY 2004, the Department will begin implementation of a facility safety assessment program by conducting 10 facility safety assessments and 2 industrial hygiene surveys, and by providing safety training for 100 employees.

### **FY 2005 Target**

The Department will continue implementation of the facility safety assessment program with goals comparable to those set for FY 2004.

#### Cross-Cutting Activities

- **Intra-Department of Commerce**  
Under the Departmental Management function, the Office of the Secretary regularly works with all bureaus across the full range of policy development and program management topics.
  
- **Other Government Agencies**  
Under the Departmental Management function, the Office of the Secretary regularly works with virtually all other federal agencies across the full range of policy development and program management topics.
  
- **Government/Private Sector**  
Under the Departmental Management function, the Office of the Secretary regularly works with all segments of the private sector across the full range of policy development and program management topics.

#### Program Evaluations Related to this Goal

The Department of Commerce uses reviews and reports generated by the Office of Inspector General, Office of Management and Budget (OMB), General Accounting Office, other Congressional organizations, government-wide task forces, and other objective sources to evaluate performance goal 1 activities. For example, we work closely with OMB on implementing the five government-wide management initiatives established in the President's Management Agenda and are rated quarterly on our success in implementing them. In addition, many of the laws pertaining to these activities have separate reporting requirements, which highlight both strengths and weaknesses of Commerce's administrative functions. The Department uses the results of these efforts as needed to assess achievement of performance targets.

#### External Factors and Mitigating Circumstances

- Customers of the Department are diverse and often have a broad array of needs and expectations that cannot be adequately addressed by a universal approach.
  
- Commerce programs face continually increasing demands for greater productivity and increased services against a backdrop of limited federal funds. Program operations are adjusted as needed to meet these evolving needs.
  
- Commerce programs must be managed from within aging physical facilities (including our headquarters building and other facilities across the nation), which require modernization in order to meet technical and scientific needs and to ensure the safety of staff, information, and customers. The Department is working with the General Services Administration to upgrade and modernize facilities that are most in need of renovation.

Discontinued Measures

**Deploy Commerce-wide integrated financial management system.** Reporting on this measure has been discontinued because deployment of the system (Commerce Administrative Management System) was completed in October 2003.

**Use of online procurement to publish synopses and solicitations for proposals to contract with the Department.** As of FY 2002, online procurement was the only option available for publicizing procurement opportunities. As a result, there is no further need to track this measure.

**Reduce energy consumption per square foot for 1985 baseline.** The Department achieved the long-term, government-wide goal for this measure in FY 2002 and has been recognized by the President for leadership in energy management. Because the reduction of energy consumption has been fully institutionalized and the Department has been able to consistently meet this goal, this measure has been discontinued.

<b>Performance Goal 2: Strategic Management of Human Capital</b>								
	<b>FY 2000 Actual</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Estimate</b>	<b>FY 2005 Base</b>	<b>Increase/ Decrease</b>	<b>FY 2005 Request</b>
<b>Executive Direction</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Departmental Staff Services</b>	2.0	3.0	4.0	4.1	4.3	4.5	0.0	4.5
<b>Total Funding</b>	2.0	3.0	4.0	4.1	4.3	4.5	0.0	4.5
<b>IT Funding<sup>1</sup></b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>FTE</b>	17	24	23	23	25	25	0	25

<sup>1</sup> IT funding included in total funding.

Note: Beginning in FY 2002, the summary reflects a consistent distribution of overhead costs among performance goals. Funds for the Working Capital Fund and the Franchise Fund are appropriated to the bureaus, and they do not appear in the DM totals.

<b>Performance Goal 2: Strategic Management of Human Capital</b>										
<b>Measure</b>	<b>FY 2000 Target</b>	<b>FY 2000 Actual</b>	<b>FY 2001 Target</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Target</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Target</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Target</b>	<b>FY 2005 Target</b>
a. Strategic competencies--ensure competency in leadership and in mission critical occupations	Develop workforce analysis plan, research automated tools	Plan developed & tools identified	Automated tools used by 3 pilot test offices	Automated tools used by 3 pilot test offices	Develop comprehensive Departmentwide workforce restructuring plan that addresses competency gaps	Completed final workforce restructuring plan in June 2002. Mission critical competencies identified. Candidate Development Program (CDP) implementation plan developed, which provides for the identification of gaps	Develop succession plans & staffing or retention targets for mission critical occupations; announce SES CDP.	Implemented succession planning strategies, identified staffing and retention targets for twenty mission-critical occupations, announced SES CDP and received 204 applications.	Enrollment of new SES CDP participants	New CDP participants begin developmental assignments outside their positions of record

<b>Performance Goal 2: Strategic Management of Human Capital</b>										
<b>Measure</b>	<b>FY 2000 Target</b>	<b>FY 2000 Actual</b>	<b>FY 2001 Target</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Target</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Target</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Target</b>	<b>FY 2005 Target</b>
b. Strategic competencies--ensure comprehensive training and development strategies	N/A	N/A	N/A	N/A	Analyze & update training & development policies to enhance competencies	General and supervisory training policies implemented	Institute annual training needs assessment program	The Department completed needs assessments for targeted employee groups. Successfully implemented over 1,200 e-learning courses in the Learning Management System (LMS).	Implement learning management on-line system in the Office of the Secretary	Implement distance learning and knowledge management program for the Department
c. Strategic competencies--ensure diverse candidate recruitment	Finalize MOUs with 5 Hispanic Serving Institutions, market student resumes	Finalized memoranda of understanding with 9 Hispanic Serving Institutions & marketed 121 resumes with Department managers	<b>Develop and Implement resume database, sponsor 9 recruitment activities, &amp; market 140 resumes</b>	Resume database developed & implemented, sponsored 19 recruitment activities and marketed more than 352 resumes with Department managers	Refine resume database, sponsor 20 recruitment activities, market 350 resumes, and implement a marketing or awareness campaign for Department managers	Completed refining resume database, participated in 25 recruitment activities, implemented awareness campaign with Department managers	Assess effectiveness of recruitment activities and determine hiring baseline	Completed a survey of effectiveness and utilization of recruitment activities. Determined Department's hiring baseline, including analysis by race and national origin and occupation.	Assess efficacy of recruitment approaches	Develop and implement new ways to significantly increase Hispanic representation on a par with other agencies
d. Efficiency and effectiveness of hiring systems using the Commerce Opportunities Online (COOL) System	Create COOL Phase II, identify average fill time	COOL Phase II created & fill time identified at 44 Days	Create COOL Phase III & reduce fill time to 34 days	COOL Phase III created & fill time of 38 days	Create COOL Phase IV & reduce fill time to 32 days	Incomplete data	Reduce fill time to 29 days and assess quality of candidates processed by the system	Reduce fill time to 21 days. Completed an online assessment of the 304 managers who used COOL.	Maintain fill time standard of 30 days and assess applicants' and bureaus' satisfaction with COOL	Implement system improvements based on satisfaction data



<b>Performance Goal 2: Strategic Management of Human Capital</b>										
<b>Measure</b>	<b>FY 2000 Target</b>	<b>FY 2000 Actual</b>	<b>FY 2001 Target</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Target</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Target</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Target</b>	<b>FY 2005 Target</b>
e. Increase the alignment of performance management with mission accomplishment	Develop Web-based combined performance management and awards handbook	Combined performance management and awards handbook completed	Design tracking system for aligning ratings with mission accomplishment and overall recognition	Tracking system for aligning ratings with mission accomplishment and overall recognition designed	Implement a New SES performance management system that explicitly links Senior Executive Service performance plans with strategic goals and annual performance plan measures	All SES were placed on new performance management system in June. The system links management of PMA, individual and organizational performance and results	For each bureau General Schedule or equivalent performance system, ensure each system explicitly links employee performance plans with strategic goals & annual performance plan measures	Commerce GS and equivalent performance management systems are linked through the use of performance metrics tied to the APP.	Cascade new performance elements to 60% of the supervisory ranks.	Implement the ComPAS System Department-wide.

Corresponding Strategic Goal

Management Integration Goal: Achieve Organizational and Management Excellence

Rationale for Performance Goal

By 2007, some 71 percent of the Department's Senior Executive Service and equivalents, and 39 percent of the senior staff (in grades 13 through 15) will become eligible for retirement. Separation projections are high among economists, fish biologists, mathematical statisticians, statisticians, patent examiners, and electrical engineers. Should these projections materialize, there would be a critical drain on our institutional memory, on our capacity to provide mature leadership to the next generation of employees, and, thus, on our ability to serve the public. Strategic management of the Department's human resources will enable us to address these anticipated challenges.

**Program Increases that Apply to this Performance Goal**

	<b>Personnel</b>	<b>Amount (in thousands)</b>
Working Capital Fund		
Strategic Human Recruitment Program (p. DM-)	0	\$100
Office of the Secretary Training Center (p. DM-)	0	345
Department of Commerce Learning Management System (p. DM-)	0	260
Outsourcing Equal Employment Opportunity Alternative Dispute Resolution (p. DM-)	0	250
<b>Total</b>	0	<b>955</b>

**Measure 2a: Strategic Competencies—Ensure Competency in Leadership and in Mission-Critical Occupations**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	Develop workforce analysis plan and research and automate tools	Automated tools used by three pilot test offices	Complete comprehensive Department-wide workforce restructuring plan that addresses competency gaps	Develop succession plans and staffing or retention targets for mission critical occupations; announce SES CDP	Enrollment of new SES CDP participants	New CDP participants begin developmental assignments outside their positions of record.
Actual	Plan developed and tools identified	Automated tools used by three pilot test offices	Completed final workforce restructuring plan in June 2002. Mission critical competencies identified. Candidate Development Program (CDP) implementation plan developed which provides for the identification of gaps	Implemented succession planning strategies, identified staffing and retention targets for twenty mission-critical occupations, announced CDP and received 204 applications.		
Met/Not Met	Met	Met	Met	Met		

**Explanation of Measure**

Previous downsizing efforts, hiring freezes, and curtailed investment in human capital have resulted in a workforce that is not “appropriately constituted to meet the current and emerging needs of government and the nation’s citizens,” according to a government-wide General Accounting Office report published in January 2001, entitled High-Risk Series: An Update. President Bush identified the issue of “delaying management levels to streamline organizations” as one of his five key government-wide management reforms. Ensuring that employees are available, at the proper time and with the correct competencies, is essential to achieving mission objectives. This measure ensures that the Department of Commerce conducts a strategic review of workforce needs, identifies appropriate competencies, and implements plans to provide a sufficient number of employees with these competencies.

**FY 2004-2005 Targets**

Compounding the seriousness of the impending SES departures is the fact that our new SES members will need the competencies that will enable them to succeed in the increasingly interrelated analytical, economic, and scientific missions of the individual bureaus. Historically, our SES leaders have gained their technical, managerial, and leadership expertise within a single bureau. However, our future leaders will need a broader understanding of the Department’s programs and missions. Greater proficiency in networking, planning, and collaborating with counterpart bureaus, external organizations, and the public also will be needed. Likewise, those SES members who do not depart the workforce will require the opportunity to gain competencies broader than those they may have acquired in their historic career paths. The FY 2004 and FY 2005 targets to conduct an SES Candidate Development Program will ensure that DM meets these challenges.

**Measure 2b: Strategic Competencies—Ensure Comprehensive Training and Development Strategies**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	New	New	Analyze and update training and development policies to enhance competencies.	Institute annual training needs assessment program.	Implement on-line learning management system in the Office of the Secretary	Implement distance learning and knowledge management program for the Department
Actual	New	New	General and supervisory training policies implemented	The Department completed needs assessments for targeted employee groups. Successfully implemented over 1,200 e-learning courses in the Learning Management System (LMS).		
Met/Not Met	N/A	N/A	Met	Met		

**Explanation of Measure**

This measure reflects the urgency of the need for skilled, knowledgeable, and high-performing employees to meet the current and emerging requirements of the Federal government and the American people. The Department of Commerce will support continual learning and improvement in an organizational culture that promotes knowledge sharing and fosters a climate of openness.

**FY 2004-2005 Targets**

Among our plans in FY 2004 is the implementation of a Learning Management System (LMS) and Online Training product that will reduce or eliminate redundancies in training and provide cost-effective economies of scale for the delivery of e-training services. It will promote continuous learning and improvement by enhancing the skill development of employees while providing access to a learning management system and online training that are on demand and just in time. The training and development tracking system will be accomplished in FY 2004 as part of LMS. The LMS will reduce paperwork and automate registration, tracking and scheduling, as well as automatically track the cost of training. When it is fully implemented throughout the Department LMS technology will implement a distance learning capability that will reach a widely dispersed workforce. Through monitoring and validation of efforts, the Department expects to make great strides in closing gaps in general, technical and leadership competencies. For FY 2005 the Department will continue expansion of the LMS.

**Measure 2c: Strategic Competencies—Ensure Diverse Candidate Recruitment**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	Finalize memoranda of understanding with 5 Hispanic-serving institutions, and market student resumes	Develop and implement resume database, sponsor 9 recruitment activities, and market 140 resumes	Refine resume database, sponsor 20 recruitment activities, market 350 resumes, and implement a marketing and awareness campaign for Department managers	Assess effectiveness of recruitment activities and determine hiring baseline	Assess efficacy of recruitment approaches	Develop and implement new ways to significantly increase Hispanic representation on a par with other agencies
Actual	Finalized memoranda of understanding with 9 Hispanic-serving institutions and marketed 121 resumes with Department managers	Resume database developed and implemented, 19 recruitment activities sponsored, and more than 352 resumes marketed	Completed refining resume data base, participated in 25 recruitment activities, implemented awareness campaign with Department managers	Completed a survey of effectiveness and utilization of recruitment activities. Determined Department’s hiring baseline, including analysis by race/national origin and occupation.		
Met/Not Met	Met	Met	Met	Met		

**Explanation of Measure**

Only 3 percent of the Commerce workforce is of Hispanic origin, which is low compared with their representation ( 11 percent) in the civilian labor force. Considering the impending retirements of many of the Department’s workers and our goal to become an employer of first choice, DM needs to develop a steady supply of high-quality, minority candidates to ensure appropriate recruitment pools. DM has entered into formal memoranda of understanding with nine colleges and universities--Hispanic Serving Institutions--that call for information sharing about education, training, employment, and research opportunities at the Department of Commerce and university activities that meet the requirements of Department of Commerce-mission-related careers.

**FY 2004 Target**

The objective of the FY 2004 target is to determine whether our employment outreach efforts have advanced the goal of enhancing diversity in employment.

**FY 2005 Target**

In FY 2005, we will look for ways to improve Hispanic representation based on what we learned from our assessment of recruitment during FY 2004 and from our observations of recruitment strategies employed successfully by other agencies.

**Measure 2d: Efficiency and Effectiveness of Hiring Systems Using the Commerce Opportunities Online (COOL) System**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	Create COOL Phase II and identify average fill time	Create COOL Phase III and reduce fill time to 34 days	Create COOL Phase IV and reduce fill time to 32 days	Reduce fill time to 29 days and assess quality of candidates produced by the system	Maintain fill time standard of 30 days and assess applicants’ and bureaus’ satisfaction with COOL.	Implement system improvements based on satisfaction data
Actual	COOL Phase II created and fill time identified at 44 days	COOL Phase III created and fill time of 38 days	Incomplete data	Reduced fill time to 21 days. Completed an online assessment of the 304 managers who used COOL.		
Met/Not Met	Met	Not Met	Not Met	Met		

**Explanation of Measure**

To ensure that employees with the proper competencies are in place as quickly as possible, the Department has developed and implemented an automated hiring solution to improve the timeliness of hiring. In the past, Commerce managers expressed displeasure with the lengthy hiring process, as well as the number and quality of candidates referred for consideration. In 1999, the Department designed and pilot-tested a web-based recruitment and referral system, COOL Phase I. In April 2000, Commerce replaced the Phase I pilot with an enhanced version (COOL Phase II) and deployed it within a number of Department of Commerce bureaus. In October 2000, the Department deployed COOL Phase III, which is useful for filling vacancies with nonstatus, external candidates. In FY 2002, Commerce deployed COOL Phase IV, with the objective of reducing the vacancy fill time to 32 days.

**FY 2004 Target**

We will focus our efforts in FY 2004 on maintaining the fill time standard and assessing the perception of candidates who use COOL.

**FY 2005 Target**

While the fill time targets are the same in FY 2004 and FY 2005, the measurement methodology is being refined to focus on the specific points in the hiring process at which opportunities exist for human resources staff and managers to make improvements. For example, COOL enhancements are underway to further automate residual manual processes and make other improvements for FY 2005.

**Measure 2e: Increase the Alignment of Performance Management with Mission Accomplishment**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	Develop Web-based combined performance management and awards handbook	Design tracking system for aligning ratings with mission accomplishment and overall recognition	Implement a new SES performance management system that explicitly links SES performance with strategic goals and annual performance plan (APP) measures	For each bureau general schedule or equivalent performance system, ensure each system explicitly links employee performance plans with strategic goals and APP measures	Cascade new performance elements to 60% of supervisors.	Implement the ComPAS system Departmentwide
Actual	Combined performance management and awards handbook completed	Tracking system for aligning ratings with mission accomplishment and overall recognition designed	All SES were placed on new performance management system in June. The system links management of the President's Management Agenda (PMA), individual, and organizational performance and results.	Commerce GS and equivalent performance management systems are linked through the use of performance metrics tied to the APP.		
Met/Not Met	Met	Met	Met	Met		

**Explanation of Measure**

A key aspect of ensuring that human capital is strategically aligned to organizational accomplishment is to ensure that alignment exists between an organization's strategic and operating plans and individual performance plans for employees. GAO's "High-Risk Series, An Update," published in January 2001, stated that agencies should foster an organizational climate that promotes high performance and accountability, and that the alignment of individual performance standards with organizational performance measures is a critical aspect of sound human capital management. President Bush has reaffirmed this concept, stating his commitment to improving the linkages between individual performance and organizational mission accomplishment. In FY 2002, Commerce implemented new SES performance management regulations. An SES performance management system was designed to comply with these regulations. The system ensured that a definitive linkage was created, tested, documented, and tracked so that performance management becomes integral to mission accomplishment.

**FY 2004 Target**

In FY 2004 the Department will cascade this system, which links management of human capital, performance results, and organizational objectives, to the individual performance of 60 percent of the supervisors.

Based on an assessment of our performance management system, the Department will implement a web-based system to allow broad access to information across the Department. This system will enhance the performance management experience for both the manager and the employee, providing up-to-date information on both performance and awards and ensuring a consistent distribution of information. The Commerce Performance and Awards System (ComPAS), currently in phase 1, is being piloted with approximately 125 employees in the Office of Human Resources Management and two other organizations. In FY 2004, ComPAS development will continue with the addition of enhancements in the performance module and development of the awards module. The system will be implemented incrementally to bureaus during the year. Commerce will track all aspects of performance management from the creation of the elements and standards to the summary rating, and the distribution of ratings and awards.

#### **FY 2005 Target**

This system should be implemented Department-wide by the end of FY 2005.

#### Cross-Cutting Activities

- **Intra-Departmental**  
Under the Departmental Management function, OHRM provides the full range of human resource policy and program development leadership to all Commerce bureaus.
- **Other Government Agencies**  
OHRM represents the Department of Commerce on the full range of human resource issues to other agencies.
- **Government/Private Sector**  
OHRM represents the Department of Commerce on the full range of human resource issues to the private sector and state and local governmental entities, covering human resource policy and program development oversight.

#### Program Evaluations Related to this Goal

The Department of Commerce uses reviews and reports of OIG, OMB, OPM, GAO, other Congressional organizations, government-wide task force studies that produce (or rely on) objective review criteria, and other sources in conducting evaluations of the activities listed under performance goal 2. In addition, many of the laws cited in this section have specific reporting requirements. During FY2003, Commerce worked closely with OPM and OMB on improving human capital management, assessments, training and knowledge management, and accountability programs. As of the end of FY 2003, Commerce had maintained a “green” progress rating in human capital, signifying that DM continues to make significant forward progress in changing its human resources management practices and positioning itself to achieve meaningful results that will allow DM to improve its status rating.

#### External Factors and Mitigating Circumstances

- The large portion of the workforce approaching retirement age, as well as high separation rates in mission-critical occupations will require an aggressive strategy for workforce replenishment.
- The growing technological orientation of our work means we are increasing our engagement in a highly competitive marketplace for individuals with skills in science, technology, and related fields.
- The increasing diversity in the American workforce requires us to recruit, train, and retain workers in new ways.



- Given the poor perception of employment with the Federal government, we need to implement stronger, innovative recruitment and retention strategies to attract and retain workers in public service.

Many of the activities described in this section are intended to assist us in dealing with these factors by (1) establishing a pipeline to encourage students in Commerce-related fields to seek employment in the Department, (2) identifying options for developing and retaining managers with leadership skills, and (3) training our existing workforce.

Discontinued Measures

**Implement a telecommuting program.** This measure does not show the efficiency and effectiveness of the Department’s performance, nor is it an indicator of mission accomplishment. Although it measures aspects of a particular program, the measure does not demonstrate the extent to which that program helps the Department to meet its overall goals. Therefore the measure has been discontinued.

<b>Performance Goal 3: Acquire and manage the technology resources to support program goals</b>								
	<b>FY 2000 Actual</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Estimate</b>	<b>FY 2005 Base</b>	<b>Increase/ Decrease</b>	<b>FY 2005 Request</b>
Executive Direction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Departmental Staff Services	2.0	7.0	7.0	7.9	8.1	8.5	1.9	10.4
Total Funding	2.0	7.0	7.0	7.9	8.1	8.5	1.9	10.4
IT Funding <sup>1</sup>	2.0	7.0	7.0	7.9	8.1	8.5	1.9	10.4
FTE	19	18	21	19	27	27	0	27

<b>Performance Goal 3: Acquire and manage the technology resources to support program goals</b>										
<b>Measure</b>	<b>FY 2000 Target</b>	<b>FY 2000 Actual</b>	<b>FY 2001 Target</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Target</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Target</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Target</b>	<b>FY 2005 Target</b>
a. Transactions converted to electronic format	15 (12% of 123 total)	16 (13% of 123 total)	25 (20% of 123 total)	28 (23% of 123 total)	43 (35% of 123 total)	67 (54% of 123 total)	90 (42% of 214 <sup>1</sup> total)	107 (50% of 214 total)	149 (70% of 214 total)	169 (79% of 214 total)
b. IT planning and investment review program maturity (on a scale of 0-5) <sup>2</sup>	N/A	1	2	2	50% at 3 or above	41% at 3 or higher	55% at 3 or higher; 20% at 4 or higher	73% at 3 or higher; 5% at 4 or higher	60% at 3 or higher; 10% at 4 or higher	65% at 3 or higher; 15% at 4 or higher
c. IT architecture program maturity	N/A	1	2	1.5	75% at 2 or higher 50% at 3 or higher	82% at 2 or higher 59% at 3 or higher	90% at 2 or higher 66% at 3 or higher	91% at 2 or higher; 77% at 3 or higher	60% at 3 or higher 10% at 4 or higher	65% at 3 or higher 15% at 4 or higher
d. IT security program maturity (on a scale of 0-5) <sup>2</sup>	N/A	>1	50% at 1 or higher	100% at 1 or higher; 60% at 2 or higher	80% at 2 or higher	70% at 2 or higher; 48% at 3 or higher; 26% at 4 or higher	90% at 2 or higher; 70% at 3 or higher	100% at 2 or higher; 79% at 3 or higher; 7% at 4 or higher	85% at 3 or higher; 33% at 4 or higher	88% at 3 or higher; 40% at 4 or higher
e. Percentage of IT system security	N/A	21%	N/A	61%	100%	98%	100%	100%	100%	100%

<b>Performance Goal 3: Acquire and manage the technology resources to support program goals</b>										
<b>Measure</b>	<b>FY 2000 Target</b>	<b>FY 2000 Actual</b>	<b>FY 2001 Target</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Target</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Target</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Target</b>	<b>FY 2005 Target</b>
plans completed										
f. Percentage of IT systems certified and accredited	N/A	N/A	N/A	N/A	N/A	N/A	new	N/A	85%	90%
g. Percentage of unsuccessful intrusion attempts	N/A	N/A	N/A	86% (1,380 of 1,620 intrusion attempts)	85% (2,150 of 2,530 projected intrusion attempts)	87% (1,441 of 1,655 intrusion attempts)	85% (2,678 of 3,160 projected intrusion attempts)	85% (560 of 661 intrusion attempts)	85%	85%

<sup>1</sup> The number of total transactions to be converted was changed from 123 to 214 transactions in accordance with revised OMB guidance.

<sup>2</sup> These measures utilize industry-accepted maturity models described in the explanation of measure 3.6. below.

Corresponding Strategic Goal

Management Integration Goal: Strengthen Management at All Levels

Rationale for Performance Goal

As American society becomes increasingly oriented toward using electronic means of communication and information dissemination, Federal agencies must ensure that they continue to be as responsive as possible to the needs of the public, private sector, other levels of government, and other Federal agencies. This requires that we develop and implement new approaches to electronic communication and that our existing systems are able to perform at the highest levels.

Program Increases that Apply to this Performance Goal

	<b>Personnel</b>	<b>Amount (in thousands)</b>
<i>Salaries and Expenses Account</i>		
E-Government Projects (p. DM- )	0	\$ 1,912
<i>Working Capital Fund</i>		
Office of the Secretary's Information Technology Support (p. DM-)	0	965
<i>Total</i>	0	2,877

**Measure 3a: Transactions Converted to Electronic Format**

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	15 (12% of 123 transactions)	25 (20% of 123 transactions)	43 (35% of 123 transactions)	90 (42% of 214 <sup>1</sup> transactions)	149 (70% of 214 transactions)	169 (79% of 214 transactions)
Actual	16 (13% of 123 transactions)	28 (23% of 123 transactions)	67 (54% of 123 transactions)	107 (50% of 214 transactions)		
Met/Not Met	Met	Met	Met	Met		

<sup>1</sup> The number of total transactions was changed from 123 to 214 in accordance with revised OMB guidance.

**Explanation of Measure**

The Government Paperwork Elimination Act (GPEA) determined the framework upon which e-Government must be built. Under the GPEA, agencies must provide for the optional use and acceptance of electronic documents and signatures and electronic record keeping, when practicable. At present, the Department of Commerce provides information to customers, stakeholders, and partners using paper-based as well as electronic mechanisms. The first GPEA plan was submitted to the Office of Management and Budget in October 2000. At that time, the Department identified 235 transactions that were carried out between Department of Commerce offices and operating units, and the public. Of those, 123 were appropriate for conversion to an electronic option; this number served as our baseline through 2002. As of 2003, the new baseline became 214 transactions due to revised instructions from OMB to include a broader set of electronic transactions and to focus and include transactions related to the Administration’s 24 e-government initiatives. Though the formal GPEA deadline was October 2003, some transactions will be made electronic after 2003 as a particular transaction comes due, e.g, a survey that is processed only once every five years.

As the Department strives to achieve its e-government goals, it is working to make processes, not just forms, electronic. Making processes electronic typically involves business process reengineering and is inherently more complex than simply making it possible to fill out a form electronically. **The Department CIO** is closely monitoring the operating units’ GPEA transaction completions in 2003 and beyond through a monthly reporting process and a mid-year review of progress.

**FY 2004-2005 Targets**

Since DM continues to make good progress with the GPEA efforts, it has increased the goals for FY 2004 and FY 2005.

**Measure 3b: IT Planning and Investment Review Program Maturity**

(Scale of 0-5)

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	N/A	2	50% at 3 or higher	55% at 3 or higher 20% at 4 or higher	60% at 3 or higher; 10% at 4 or higher	65% at 3 or higher; 15% at 4 or higher
Actual	1	2	41% at 3 or higher	73% at 3 or higher 5% at 4 or higher		
Met/Not Met		Met	Not Met	Not Met		

**Explanation of Measure**

IT Maturity Models

The Commerce IT planning process requires that each operating unit develop strategic and operational IT plans. The purpose of the strategic IT plan is to focus attention on the high-level, strategic application of IT to Departmental missions. Operating units then develop operational IT plans to show the detailed actions and resources necessary to achieve strategic plan goals. Business cases, along with these plans, form the foundation for analysis of specific IT investments.

To assist operating unit CIOs to continually improve their IT processes and to achieve a level of comparability across operating units, the Office of the CIO has provided maturity models, an approach accepted industry-wide to objectively assess the progress of IT and related initiatives in achieving program goals. The Software Engineering Institute at Carnegie Mellon University developed the concept of maturity models. A maturity model places proven practices into a structure that helps an organization assess its organizational maturity and process capability, establish priorities for improvement, and guide the implementation of these improvements. The Software Engineering Institute’s software maturity model has become the de facto standard in the IT industry for assessing and improving software processes. An organization’s processes are deemed to be at a specific level when all established criteria for that level have been met. There are no partial or incremental steps between the levels.

Commerce uses maturity models to measure progress in three areas critical to managing IT resources: IT planning and investment review, IT architecture, and IT security. Definitions of each level (0-5) of the models are as follows:

Level	IT Planning and Investment Review	IT Architecture	IT Security
0	No IT Planning Program	No IT Architecture	No IT Security Program
1	Initial: Informal IT Planning Program	Initial: Informal IT Architecture Process Underway	Documented Policy
2	IT Planning Program in Development	IT Architecture Process in Development	Documented Procedures

Level	IT Planning and Investment Review	IT Architecture	IT Security
3	Defined IT Planning Program	Defined IT Architecture Including Detailed Written Procedures and Technical Reference Model	Implemented Procedures and Controls
4	Managed IT Planning Program	Managed and Measured IT Architecture Process	Tested and Reviewed Procedures and Controls
5	Optimizing: Continual Improvement of the IT Planning Program	Optimizing: Continual Improvement of the IT Architecture Process	Fully Integrated Procedures and Controls

The Commerce CIO continues to work with the operating units to improve the management of IT.

**FY 2004-2005 Targets**

The targets established in the FY 2004 APP for IT planning and investment review were to have 65% of the operating units at level 3 and 30% at level 4.

The FY 2004 targets have been adjusted downward slightly to reflect levels consistent with the projected FY 2003 results while still providing challenging goals. Reaching level 4 has been a particularly difficult achievement. The FY 2004 and 2005 targets are still challenging “stretch” goals set at levels to encourage continued improvement throughout the Department in IT planning and investment review and control.

**Measure 3c: Information Technology (IT) Architecture Program Maturity (Scale of 0-5)**

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	N/A	2	75% at 2 or higher 50% at 3 or higher	90% at 2 or higher 66% at 3 or higher	60% at 3 or higher 10% at 4 or higher	65% at 3 or higher 15% at 4 or higher
Actual	1	1.5	82% at 2 or higher 59% at 3 or higher	91% at 2 or higher 77% at 3 or higher		
Met/Not Met	N/A	Not Met	Met	Met		

**Explanation of Measure**

The IT architecture serves as the blueprint that guides how IT resources work together as a cohesive whole to support the Department’s mission. This mechanism helps the Department in making efficient use of its IT funding by recognizing the potential usefulness of IT systems to similar business practices across operating units and thereby eliminating duplication, improving information-sharing abilities, enhancing our ability to respond to changing business needs, and reducing costs because of economies of scale.

An IT Architecture Advisory Group, composed of members from across the Department, has established IT architecture guidelines, evaluation criteria, and a maturity scale. A high-level enterprise architecture serves as the overarching driver for Commerce's architecture efforts. Each Commerce operating unit has developed its own IT architecture, in line with the Departmental architecture, and is following the guidelines and criteria prepared by the IT Architecture Advisory Group. Together, these plans form Commerce's Federated Enterprise IT Architecture, which includes linkages to OMB's Federal Enterprise Architecture. The maturity model for IT architecture described under 3.b. is used to measure success in this area.

**FY 2004 Target**

The target established in the FY 2004 APP for IT architecture maturity was to have 95% of operating units at level 2 or higher and 20% operating at 4 or higher. The FY 2004 targets have been adjusted to focus attention on achieving a solid level 3 across the Department (60% or higher) with selected operating units achieving level 4 (10% or higher). These targets are set at levels to encourage continued improvement throughout the Department in the area of IT Architecture.

**FY 2005 Target**

The FY 2005 target is ambitious but realistic, requiring 65 percent of the operating units at level 3 and 15 percent at level 4, to achieve a managed and measured set of architecture processes, ready to move into a mode of continuous improvement and optimization.

**Measure 3d: Information Technology (IT) Security Program Maturity (Scale of 0-5)**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	N/A	50% at 1 or higher	80% at 2 or higher	95% at 2 or higher 70% at 3 or higher	85% at 3 or higher 33% at 4 or higher	88% at 3 or higher 40% at 4 or higher
Actual	More than 1	100% at 1 or higher 60% at 2 or higher	70% at 2 or higher 48% at 3 or higher 26% at 4 or higher	100% at 2 or higher 79% at 3 or higher 7% at 4 or higher		
Met/Not Met		Met	Not Met	Met		

**Explanation of Measure**

The IT security program implements policies, standards, and procedures to ensure an adequate level of protection for IT systems, whether maintained in-house or commercially. Commerce's IT security program includes the preparation of risk assessments, security plans, contingency plans, and the certification and accreditation of IT systems to ensure the confidentiality, availability, and integrity of the Department's IT resources. The maturity model for IT security described under measure 3.b. is used to measure success in this area.

In FY 2002, the IT Security Program Manager required that operating units utilize the results of the system self-assessments to develop corrective action plans to address all critical elements that had not achieved a level 3 maturity. These corrective action plans provide those operating units currently at a level 2 or below a roadmap to achieving level 3 maturity.

**FY 2004-2005 Targets**

The targets established for FY 2004 and beyond show the emphasis on getting 100% of the operating units to level 3, with implemented procedures and controls. In a parallel to that, some of the operating units will move to a level 4, with the expectation that 60% of them will reach level 4 by FY 2009. The targets are set at levels to encourage continued improvement throughout the Department in the area of IT security.

**Measure 3e: Percentage of Information Technology (IT) System Security Plans Completed**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	N/A	N/A	100%	100%	100%	100%
Actual	21%	61%	98%	100%		
Met/Not Met			Not Met	Met		

**Explanation of Measure**

IT security plans are the foundation for the security measures that are required to ensure the confidentiality, availability, and integrity of IT systems. As such, they are key to management’s understanding of the risks to the information and the IT systems and the measures taken to mitigate these risks.

**FY 2004-2005 Targets**

Since IT system security plans should be updated every three years or when significant changes are made to the systems, the objective is to remain at the 100% level for the long term. This measure will be discontinued once the 100% level has been achieved, since its objectives will be reflected in measure 3.f., below.

**Measure 3f: Percentage of IT Systems Certified and Accredited**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	N/A	N/A	N/A	new	85%	90%
Actual	N/A	N/A	N/A	N/A		
Met/Not Met	N/A	N/A	N/A	N/A		

**Explanation of Measure**

This new measure has been added to complement the IT System Security Plans measure. Certification represents the complete testing of all management, operational, and technical controls that protect a system. These controls are documented in the security plan and by approving the plan, the system owner warrants that the controls provide adequate protection for the system. Certification verifies the adequacy of these controls and also validates that the controls are implemented and functioning effectively. Accreditation is the senior program official's acknowledgment of the risk of operating the system and provides official approval to run the system in the operational environment. Recertification and reaccreditation follow updates of risk assessments and security plans every 3 years or upon major system modification.

**FY 2004-2005 Targets**

Goals for 2004 and 2005 ( 85 percent and 90 percent, respectively)are set fairly high because of the importance of ensuring adequate protection for the Department's IT systems.

**Measure 3g: Percentage of Unsuccessful Intrusion Attempts**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	N/A	New	85% (2,150 of 2,530 intrusion attempts)	85% (2,678 of 3,160 projected intrusion attempts)	85%	85%
Actual	N/A	86% (1,380 of 1,620 intrusion attempts)	87% (1,441 of 1,655 intrusion attempts)	85% (560 of 661 intrusion attempts)		
Met/Not Met			Met	Met		



### **Explanation of Measure**

Intrusion detection software operated to protect one of NOAA's many campuses and facilities shows that continual probes from outside systems are looking for vulnerabilities that can be exploited to gain access to NOAA systems. Statistics NOAA has kept over the last few years show that the threat is increasing every year. Successful compromises put the Department at serious risk, affecting the confidentiality, availability, and integrity of information technology systems. While all intrusion attempts cannot be thwarted, those that are successful must be minimized; that is, the number of unsuccessful attempts must be increased as the overall number of attempted intrusions increases. Success on this measure is a direct result of NOAA's intrusion detection equipment, security management commitment to training, education and awareness and the certification and accreditation process being conducted throughout NOAA.

### **FY 2004-2005 Targets**

Targets have been revised to reflect an ongoing achievement of thwarting 85% of the intrusion attempts, but the estimated number of such attempts is not shown, since this is difficult to forecast with accuracy. Efforts will continue to develop modifications to this measure to reflect protection of the systems throughout the Department.

### Cross-Cutting Activities

- **Intra-Department of Commerce**  
Under the Departmental Management function, the Office of the Secretary regularly works with all bureaus across the full range of IT policy development and program management topics.
  
- **Other Government Agencies**  
Under the Departmental Management function, the Office of the Secretary regularly works with virtually all interagency organizations and numerous Federal agencies across the full range of IT policy development and program management topics.
  
- **Government/Private Sector**  
Under the Departmental Management function, the Office of the Secretary regularly works with all segments of the private sector across the full range of IT policy development and program management topics.

### Program Evaluations Related to this Goal

The Department uses reviews and reports generated by OIG, OMB, GAO, other Congressional organizations, government-wide task force studies, and other objective sources to evaluate performance goal 3 activities. In addition, many of the laws pertaining to IT management have separate reporting requirements, which highlight both strengths and weaknesses

of Commerce's IT programs. The Department uses the results of these efforts as needed to assess achievement of performance targets. Although the operating units assess and report their progress on each of the measures, the Department's Office of the CIO is requiring that operating units develop corrective action plans to achieve performance targets, to provide regular reports on their progress, and to undergo independent reviews to verify accuracy of reporting. With CIOs established and in place at all the operating units, the structure will be in place to strengthen the management of IT at all levels.

#### External Factors and Mitigating Circumstances

The rapidly changing IT environment, including changes in hardware, software, applications, Internet use, and the user community, all impact our IT function. The activities that are described above will assist the Department in responding to these challenges by deliberately planning how we will invest IT funds, ensuring that we have a cohesive and well constructed IT architecture, and safeguarding the integrity and availability of our IT systems.

#### **Unit Cost Measures**

On preliminary examination, DM program activities do not appear to readily lend themselves to unit cost measures. They will, however, be reviewed for this purpose during the coming year and adjustments will be made wherever possible.

#### **Performance Assessment Rating Tool (PART)**

No DM programs have been evaluated in the PART process.

## DM Data Validation and Verification

To a great extent, DM measures depend on input provided by many sources – typically, Commerce’s bureaus – and a number of techniques are used to validate and verify the data received. For example, financial performance at all levels is subject to review by Department auditors. Data input by the bureaus relating to acquisition activities, e.g., performance-based contracts and small business awards, are screened at the Department level during the reporting cycle.

Several of the measures relating to information technology management under Performance Goal 3 involve the use of maturity models to evaluate the adequacy of the programs in place to manage IT planning, architecture, and security. These models represent an industry-wide accepted approach for objectively assessing the IT functions. The Office of the CIO works closely with bureaus to ensure that the criteria for each level are met as bureaus progress through the five-step models.

As DM moves forward to other, less concrete objectives, e.g., developing competencies in leadership and mission critical occupations and improving the effectiveness and efficiency of our hiring systems, it is continuing to refine the reporting structure.

Performance Measure	Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
1.a. Clean audit opinion on department consolidated financial statements	Consolidated financial statements and Office of Inspector General (OIG) audits	Annual	Bureau or Departmental financial systems	OIG audits	None	Continue to maintain clean audits
1.b. Consolidate commerce-wide integrated financial management system platforms	Bureau Reports	Ongoing monitoring and quarterly reporting	N/A	OIG audits	N/A	Continue aggressive implementation schedule
1.c. Implement competitive sourcing	Federal Activities Inventory Reform (FAIR) Act Inventory and Competitive Sourcing Management Plan	Annual	DM chronology files	Executive Secretariat	None	Request updates quarterly
1.d. Funds obligated through performance-based contracting	Commerce procurement data system	Annual	Commerce procurement data system	Supervisory audit	N/A	None
1.e. Small purchases made using credit cards	Commerce bankcard center	Annual	Commerce bankcard center	Procurement Executive Council process	None	Continue to gather and review data

1.f. Increase percentage of total obligations awarded as contracts to small businesses	Small Business Administration (SBA), the Department of Commerce's Office of Small and Disadvantaged Business Utilization (OSDBU), General Services Administration	Annual	OSDBU and GSA's Federal Procurement Data System (FPDS)	OSDBU and GSA's FPDS	None	Continue outreach efforts
1.g. Ensure a secure workplace for all commerce employees	Site visits	Annual	Computer systems	Compliance reviews	Technology decentralizes data	Continue to monitor and evaluate
1.h. Ensure a safe workplace for all commerce employees	Office of Human Resources Management (OHRM)	Annual	OHRM	Reporting to senior managers	N/A	Continue to monitor and evaluate
2.a. Strategic competencies--ensure competency in leadership and in mission critical occupations	National Finance Center/Department of Commerce's Human Resources Data System (HRDS), bureaus' workforce restructuring plans, recruitment and retention plans that focus on mission critical competencies, and leadership succession plans (recruitment, retention, and development)	Semi-annual in some cases, annual in others	OHRM payroll and personnel system and succession plans	Availability of plans, data accuracy as documented by the National Finance Center, leadership recruitment and retention rates, turnover data, availability and quality of succession plans, and review of bureau progress on succession plans	HRDS does not provide historical data	Measure trends over time and ensure that plans are in place and implemented
2.b. Strategic competencies--ensure comprehensive training and development strategies	Department plan for strategic employee training and development	Annual	OHRM and bureaus	Review of manual records and availability of updated policies that support mission-critical employee competency development	Manual review required	Refine system and continue to monitor.
2.c. Strategic competencies--ensure diverse candidate recruitment	Inventory transmittal letters	Annual	Office chronology files	Executive Secretariat	None	Measure trends over time
2.d. Efficiency and effectiveness of hiring systems using the Commerce Opportunities Online (COOL) System	Staffing timeliness measurement system	Semi-annual	Staffing timeliness measurement system	Staffing timeliness studies	Some manual sorting required	Refine system, provide training, and oversee issuance of certificates to managers
2.e. Increase the alignment of performance management with mission accomplishment	HRDS, Department of Commerce strategic plan, bureau operating plans, and performance management plans for employees	Annual	HRDS database, performance management system	Performance management completion rate and performance against goals and targets	Some manual record-keeping	Implement new performance management policy and complete analyses
3.a. Transactions converted to electronic format	Bureau Information technology (IT) offices	Annual	Bureau files and DM Chief Information Officer (CIO) consolidated database	Departmental and outside reviews	None	Review transactions to assess need for transition to electronic process and provide for electronic signature

<b>3.b. IT planning and investment review program maturity (scale of 0 - 5)</b>	<b>Bureau IT offices</b>	<b>Annual</b>	<b>Bureau IT offices</b>	<b>Departmental and outside reviews</b>	<b>None</b>	<b>Review bureau processes to assess need for corrective action</b>
<b>3.c. IT architecture program maturity (Scale of 0 - 5)</b>	<b>Bureau IT offices</b>	<b>Annual</b>	<b>Bureau IT offices</b>	<b>Departmental and outside reviews</b>	<b>None</b>	<b>Review bureau processes to assess need for corrective action</b>
<b>3.d. IT security program maturity (scale of 0 - 5)</b>	<b>Bureau IT offices</b>	<b>Annual</b>	<b>Bureau IT offices</b>	<b>Departmental and outside reviews</b>	<b>None</b>	<b>Review bureau processes to assess need for corrective action</b>
<b>3.e. Percentage of IT system security plans completed</b>	<b>Bureau IT offices</b>	<b>Annual</b>	<b>Bureau files and DM CIO files</b>	<b>Departmental and outside reviews</b>	<b>None</b>	<b>Review plans for completeness and conformance to NIST SP 800-18</b>
<b>3.f. Percentage of IT systems certified and accredited</b>	<b>Bureau IT offices</b>	<b>Annual</b>	<b>Bureau files and DM CIO files</b>	<b>Departmental and outside reviews</b>	<b>None</b>	<b>Review plans for completeness and conformance to NIST SP 800-18</b>
<b>3.g. Percentage of unsuccessful intrusion attempts</b>	<b>NOAA</b>	<b>Annual</b>	<b>NOAA files</b>	<b>Departmental and outside reviews</b>	<b>None</b>	<b>Review statistics for completeness and accuracy</b>