Departmental Management

Mission Statement

The Department of Commerce promotes job creation and improved living standards for all Americans by creating an infrastructure that supports economic growth, technological competitiveness, and sustainable development.

D epartmental Management (DM) includes the Offices of the Secretary and Deputy Secretary, Office of the Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA), Office of the Chief Information Officer (CIO), and Office of General Counsel, as well as other Departmental offices. DM supports the management infrastructure needed to carry out the Department's mission. While certain of its activities involve the public, e.g., contract management and small business utilization, DM's principal interaction is with entities internal to the Department. Its activities benefit the public by contributing to the efficiency with which the operating units administer their programs and the Department's overall mission is carried out.

DM provides executive direction and coordination for program activities as well as centralized services to the bureaus. It also oversees promulgation and implementation of Departmental and government-wide policies and initiatives.

President's Management Agenda

The President's Management Agenda (PMA), issued in August 2001, establishes five government-wide initiatives to address many of the most serious, crosscutting management challenges facing federal agencies:

- Improving financial management.

- Competitive sourcing.

- Strategic management of human capital.

- Expanded electronic government (E-government).

- Budget and performance integration.

In the months since President Bush issued his directive, Commerce has aggressively pursued its implementation. The Deputy Secretary routinely meets with senior bureau managers to review progress and discuss alternative approaches, and the Department's Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA), and Chief Information Officer oversee day-to-day activities. To ensure accountability, individual performance plans have been modified to assign responsibility to Commerce's senior executives. Additionally, the performance measures for DM, as reflected in this document, were modified in FY 2001 to incorporate the five government-wide management initiatives.

Improving Financial Management

Accurate and timely financial information is integral to optimum performance and critical to providing full accountability to the American people. The Department must continue to receive unqualified audit opinions to support effective management.

The Department has received unqualified opinions on its consolidated financial statements since FY 1999. A key factor in continuing to maintain clean audit opinions and accelerate the timeliness of providing financial information is the deployment of the Commerce Administrative Management System (CAMS), a financial management system that will integrate financial data throughout the entire Department. CAMS will be fully implemented in October 2003. The Department is moving aggressively toward meeting this goal with the deployment of CAMS at ten Departmental entities, including the National Oceanic and Atmospheric Administration (NOAA), Commerce's largest bureau.

The Department has made significant progress in reducing the number of material weaknesses identified during the financial statement audits from eleven in FY 1996 to one in FY 2002. The remaining material weakness will be resolved with implementation of CAMS and the Department's aggressive efforts toward resolving IT security weaknesses.

Competitive Sourcing

Many of the tasks carried out by federal employees can readily be conducted by service providers in the commercial marketplace. Historically, the government has realized cost savings in the range of 20 to 50 percent when federal and private sector service providers compete to perform such functions. The objective of the competitive sourcing initiative is to increase the cost-effectiveness of the Department's programs by applying the principles of the Federal Activities Inventory Reform (FAIR) Act and Office of Management and Budget (OMB) Circular A-76, "Performance of Commercial Activities."

DM has made considerable progress in reinvigorating its competitive sourcing program, which is centrally overseen by the Office of the CFO/ASA, by:

- Establishing a cross-functional working group to update Department-wide guidance and ensure an integrated approach to implementing all government-wide initiatives.

- Employing the CFO Council to serve as a coordinative body, maintain momentum across Commerce, and aid communication between organizational units.

- Working closely with bureau staff to enhance the FAIR Act inventory, helping to consistently and appropriately classify activities across the Department.

- Adopting a practical and realistic management plan for achieving government-wide targets, which is recommended by OMB as a model for other agencies.

- Developing a new two-hour training module to educate managers about the fundamentals of competitive sourcing.

Recent highlights include the selection of a private sector firm to deliver workmen's compensation services, which will reduce program costs by 64 percent. The Bureau of the Census recently released a request for proposals to obtain "mixed tour" clerical support services. Currently, 225 full-time, part-time and intermittent employees fill these temporary assignments throughout the Census Bureau. The upcoming competition will help ensure that they are carried out as efficiently as possible. Additionally, NOAA's National Weather Service is conducting a competition for its Internet gateway function.

Strategic Management of Human Capital

The world of federal employment faces significant challenges. Overall projections show that more than half of the federal workforce will be eligible for retirement within the next few years. To meet this potential surge in prospective retirement levels, the Department must ensure that it retains the knowledge, skills, and management capabilities needed to achieve its mission-critical activities. The Department also faces difficulty in attracting and retaining highly qualified workers in specific fields, such as information technology and selected scientific disciplines. To counter this trend, it must effectively employ human resources flexibilities to adapt to labor market realities and allow DM to compete for the nation's best talent.

During FY 2002, Commerce completed a comprehensive five-year Workforce Restructuring Plan, which will assist DM in increasing the percentage of employees who provide front-line service delivery, reducing the proportion of its employees in supervisory positions, eliminating unnecessary organizational layers, and improving spans of management controls. The Plan, which is now being implemented, identifies three Commerce-wide human capital challenges: (1) high turnover in mission-critical occupations; (2) an impending retirement wave, especially among the Senior Executive Service (SES); and (3) the need to reshape workforce competencies to address the impact of e-government, competitive sourcing, and re-engineering initiatives.

Over the past year, Commerce has established a strong infrastructure for strategic human capital management, which includes leadership by the Deputy Secretary, CFO Council and Human Resources Officers Council. Critical positions were filled by hiring an Accountability Officer, a Training and Knowledge Management Officer, and a Program Manager for the SES Candidate Development Program. Commerce established new performance measures for its senior executives, revised and revitalized its training policies, acquired an online Learning Management System, enhanced the Commerce Opportunities Online automated hiring system to improve recruitment, developed an automated Commerce Performance and Award System, improved collaboration with the bureaus through the use of counterpart groups, revitalized the employee safety program, and enhanced diversity recruitment efforts.

Expanded E-government

Expanded e-government is the keystone to fostering citizen-centered government and providing the U.S. taxpayer with the same level of service that they expect from the private sector. In doing so, DM must ensure that its investment in information technology (IT) resources is wisely used to safeguard the security and integrity of its IT systems; dissolve bureaucratic divisions and increase productivity through the virtual consolidation of diverse functions such as payroll processing; implement applications to address common requirements such as e-grants, e-regulation, and e-signatures; provide citizen-centered service by creating easy-to-find single points of access to its programs; reduce reporting burdens on the public by sharing information between federal agencies and state, local, and tribal governments; increase the ease of electronic access for persons with disabilities; increase the transparency of DM's program operations; and reemphasize the importance of customer satisfaction so that the Department's service delivery compares favorably with state-of-the-art providers located elsewhere in government and the private sector.

Commerce is working collaboratively with other agencies on the cross-agency e-government initiatives, including Geospatial One-Stop, Disaster Management, and e-Grants. ITA sponsors the International Trade Process Streamlining initiative, whose export.gov portal offers a wide range of information to potential exporters and is being expanded to include forms and services. DM has expanded the number of Commerce services available through the Internet by converting an additional thirty-nine transactions from paper-based to Web-based formats, bringing the total number of transactions converted under the Government Paperwork Elimination Act to sixty-seven.

In support of e-government, DM continues to strengthen its information technology capital planning and investment control processes to ensure that proposed investments contribute to the Secretary's strategic vision and mission requirements, employ sound IT investment methodologies, comply with Departmental systems architectures, ensure security of the data and systems, and provide the highest return on the investment. Commerce's Information Technology Review Board, composed of senior departmental managers, reviews and makes recommendations for approval or disapproval of funding and recommends continuation or termination of projects. Commerce has developed a Federated IT Architecture, which includes an overarching component for the Department for all common business functions and IT services, and a component for each operating unit that addresses business-specific systems. This approach allows the operating units flexibility in their varied needs and requirements, while providing greater efficiency and reduced cost for those functions that are common to all operations. Commerce has made significant progress in improving the security of its IT systems and the data they house. Specific accomplishments include providing IT security awareness training to all computer users, developing security plans for all IT systems, updating the IT Security Program Policy, and establishing both a compliance review program and a computer incident response capability.

Budget and Performance Integration

Results offer the most persuasive accounting of the Department's use of taxpayer funds. Some of the challenges involved in making a full and accurate accounting include the structure of the federal budget, which inhibits identification of the full cost of individual programs. DM supports government-wide efforts to identify all costs and seeks to assess its performance with easily understood, accurate performance and cost data. Managers often do not have control over the resources they use or have the flexibility to use them efficiently, and DM supports government-wide efforts to align authority with accountability.

As part of this effort, the CFO/ASA issued guidance instructing bureaus on integrating performance information in the preparation of their FY 2004 budget requests. Budget development meetings between the Secretary and bureau managers during the summer also used a combined approach for addressing budget and performance issues. DM also worked closely with OMB to assess the effectiveness of approximately 50 percent of the Department's activities during preparation of the Department's FY 2004 budget proposal.

Through the Deputy Secretary's regular meetings with the senior managers of the bureaus, DM also re-examined the performance measures that it relies on to assess its progress in carrying out its mission. The Department continues striving to improve the accuracy, completeness, and reliability of the data by which it measures and reports its performance. DM is also working with our bureaus to refine the integration of budget and performance data in its budget and planning documents such as this performance and accountability report, its annual performance plans, and its annual budget justifications. In FY 2003, DM will continue these efforts, as it monitors program performance and develops its performance plans for FY 2004.

Priorities/Management Challenges

By implementing cross-cutting reforms, DM works to minimize the burden associated with administrative functions that are common to all program areas across the Department while maintaining appropriate controls and accountability. DM directs significant effort toward carrying out the government-wide initiatives established under the PMA as well as addressing those areas identified by the Inspector General as being of specific concern. Semiannually, the Inspector General identifies the top ten administrative functions and programmatic activities that merit special attention because they are important to the Department's mission or the nation's well-being, they are complex, they involve sizable expenditures, or they require significant management improvements. To some extent, the PMA and the Inspector General's Top Ten List of Management Challenges address related issues.

In the year since the President issued his management agenda, Commerce has made significant progress in implementing the five government-wide initiatives as reflected in the scorecard issued by the OMB. Quarterly, OMB assesses each agency's progress in achieving the goals of the PMA using a "stoplight" scoring system, and two ratings are assigned for each of the five initiatives. "Progress" ratings reflect the agency's adherence to milestones and schedule of deliverables. A green progress rating means that implementation is proceeding as planned, yellow means that there has been some slippage in planned activities and adjustments are needed, and red means that an initiative is in jeopardy. "Status" ratings reflect the extent to which the agency has met the standards for overall success. Green means that all standards have been met, yellow means mixed results, and red means that serious flaws exist.

As of the end of FY 2002, Commerce had achieved green "progress" ratings for all but one initiative, expanding e-government. DM received a yellow "progress" rating in that area. During FY 2003 and FY 2004, DM will devote focused effort to achieving the targets established in the PMA-related performance measures with the ultimate objective of improving the red and yellow ratings received in the "status" of these five areas.

Particular attention is being given to completing implementation of CAMS, which will provide the Department with an integrated financial management system. This achievement, planned for FY 2003, is crucial to eliminating financial management as a material weakness under the Federal Managers Financial Integrity Act (FMFIA).

Information security, representing the Department's one other material weakness under FMFIA, continues to be a priority. In FY 2002, Commerce and its bureaus conducted assessments of all automated systems and identified and undertook corrective actions to improve IT security (primarily focused on eliminating system and network vulnerabilities). DM anticipates completing shortly security plans for all systems. Targets for related performance measures for FY 2003 and FY 2004 are set at levels that require continued improvement in IT security throughout the Department.

In the aftermath of September 11, 2001, DM determined that the Department's emergency preparedness needed significant enhancement. During FY 2002, it concluded a cross-functional effort to develop and adopt a comprehensive continuity of operations plan (COOP) for the Department as a whole. In FY 2003 and FY 2004, DM will further strengthen COOP planning and emergency preparedness efforts by establishing a permanent oversight program that will test and evaluate bureau COOP plans. DM is also exploring ways of addressing the Commerce-specific requirements of its marine and air operations, special compartmented information activities and facilities, and joint activities undertaken with other agencies.

Acquisition reform, the goal of recent legislation such as the Federal Acquisition Streamlining Act and the Clinger-Cohen Act, is intended to improve the timeliness and quality of goods and services acquired to help Commerce and its bureaus carry out their missions. DM, through the Commerce Procurement Executive, has lead responsibility for carrying out acquisition reform. While DM is actively working with the bureaus to implement the innovative tools that are available to streamline and simplify the procurement process, it recognizes that this effort must be balanced by the need to maintain proper controls.

To address this challenge, DM has adopted a comprehensive approach for managing and minimizing the risks inherent in such an undertaking. DM has adopted a balanced scorecard approach to establishing goals and measuring performance for procurement offices throughout the Department, has developed a program for providing training and tools to front-line employees to equip them to meet new procedural requirements, and is conducting focused program reviews on the use of new procurement tools. DM is also developing special control levers for large dollar or particularly complicated acquisitions.

The Department is also involved in multiple large and complex construction projects. These include thirty-three renovation and construction projects for NOAA, a multi-million dollar program to upgrade NIST laboratories and construct a new advanced measurement laboratory, development of a new facility for the U.S. Patent and Trademark Office, and plans for two new buildings for the Census Bureau. Additionally, DM is in the planning stages for a complete renovation of the seventy-year old Herbert C. Hoover Building, which houses the headquarters offices for the Department of Commerce.

In addition to the day-to-day involvement of bureau expertise, these efforts are subject to oversight by the Department and, because of their importance, monitoring by the Office of the Inspector General. The Department is working collaboratively with its bureaus to address the risks inherent to these undertakings. Before any major real estate project is initiated, the Department reviews the proposal and provides advance approval. Once work begins, Departmental personnel monitor progress through site visits, project meetings, periodic status reports, and continued interaction with project, budget and General Services Administration staff.

The Secretary, as the Department's chief executive officer, Deputy Secretary, as the chief operating officer, and Departmental offices also exercise managerial oversight and provide policy direction for the conduct of program activities carried out by the bureaus. In addition to Department-wide management reform, Departmental priorities include programmatic concerns identified by the Inspector General. Routinely, senior managers and staff at the Department and bureau levels consult on establishing and evaluating progress in achieving long-term strategic goals and short-term performance goals. For example, the Deputy Secretary meets annually with senior bureau managers to discuss their performance, priorities and challenges. Also, the Department has initiated a collaborative process through which our strategic plan is periodically updated. Departmental staff and managers also work closely with the bureaus to identify and secure the resources needed to effectively carry out their missions.

FY 2004 Program Changes

(Dollars in Thousands)

Salaries and Expenses

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Executive direction	89	$14,335	+12	+$1,668
Transfer of White House liaison & external affairs offices from A&R to S&E			+12	+$1,668

This transfer will move the Office of White Liaison and the Office of External Affairs from the Advances and Reimbursements (A&R) account (funded by DOC bureaus) to the Salaries and Expenses (S&E) account. There will be a commensurate change in the A&R account. These offices are within the Office of the Secretary's Immediate Office. DOC bureaus receive no "direct" benefit from these offices and should not be charged for them. These charges are not part of the bureau's budget

requests and bureaus have been forced to absorb these costs. This increase will provide the funding for these two offices within S&E. The Office of White House Liaison reports directly to the Chief of Staff. It oversees the appointment process for executive positions throughout the Department, prepares special reports, and manages specific projects at the request of Secretarial Officers. The Office of External Affairs plans and coordinates the external scheduling for the Secretary of Commerce. This office is responsible for logistical support for the Secretary's domestic and international meetings, conferences, and special activities and initiatives.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Departmental Staff Services	134	$35,553	+4	+$5,635
Herbert C. Hoover building renovations & modernization project			+2	+$993

This program increase will establish a Renovations Project Management Office to oversee renovations within the 70-year old Herbert C. Hoover Building (HCHB). The proposed HCHB renovations will bring the facility into compliance with Federal codes, industry standards, public laws, and GSA policy, and will extend the useful life and utility of the structure for the next 30 years. GSA is responsible for the design and construction of the base building and systems. The remaining design responsibilities and construction costs are the responsibility of the DOC. DOC is responsible for some of the interior tenant improvement construction costs; contractor space planning, architect, engineer, communications and relation planning support services; and furniture requirements.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Transfer of GPRA from A&R to S&E			+2	+$485

This transfer will move the Government Performance and Results Act (GPRA) project from the Advances and Reimbursements (A&R) account (funded by DOC bureaus) to the Salaries and Expenses (S&E) account. There will be a commensurate change in the A&R account. The GPRA office is within the Office of Budget. DOC bureaus receive no "direct" benefit from this office and should not be charged for it. These charges are not part of the bureau's budget requests and bureaus have been forced to absorb these costs. This increase will provide the funding for this office within S&E. The GPRA office fulfills the three mandates set forth in the GPRA including the Department's Strategic Plan, Annual Performance Plan, and Annual Performance and Accountability Report. The office works closely with all bureaus to draft, provide quality control, and complete necessary documentation.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
E-Government initiatives			0	+$4,157

This increase will fund initiatives related to expanding Electronic Government. The President has made expanding E-Government integral to a five-part Management Agenda for making government more focused on citizens and results. These initiatives integrate agency operations and IT investments. Other E-Government initiatives, directly relating to NOAA activities are being funded in the NOAA accounts. Department-wide coordination and oversight is provided by the Department's CIO.

❶ *International Trade Process Streamlining Program*— $1,474 – Will provide a one-stop web portal for U.S. Government export promotion services and reduce the paperwork burden on businesses seeking international trade.

❷ *E-Training*— $590 - Will result in a premier e-training web portal for enhanced one-stop access to high quality training and development opportunities for government employees, and provide increased access to common need e-training courses (i.e., computer security, ethics, prevention of sexual harassment, and diversity).

❸ *E-Travel*— $546 - To establish a government-wide, web-based, end-to-end travel management service that reduces capital investment and total cost per transaction based on best travel management practices.

❹ *Integrated Acquisition*— $400 - Will allow agencies to begin sharing common data elements to enable more informed procurement, logistical, payment and performance assessment decisions.

❺ *E-Authentication*— $1,147 - Will provide a systematic means of "e-Authentication," that is, authenticating the identity of the remote party to an E-government transaction over the Internet and World Wide Web. Many Government services require that agencies know with some certainty with whom they are dealing with over the Internet, thus requiring authentication.

Working Capital Fund

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Departmental Staff Services	476	$95,560	+1	+$3,382
Occupational safety & health program			+1	+$544

This program increase in the Occupational Safety and Health Program supports the Secretary's commitment to provide a comprehensive occupational safety and health program to prevent accidents and injuries. It focuses on implementing a program that includes major initiatives in workplace surveys and assessments, behavior-based accident prevention, ergonomics and training, accident and injury reporting, and expanded health services.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Acquisition career management program				+$95

This program increase in the Office of Acquisition Management will help develop, coordinate, and maintain the policies and procedures that govern acquisition of all supplies and services required by the Department through the recruitment and training of acquisition personnel.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
WEB-based time & attendance system				+$159

This program increase supports report development, licenses and on-going maintenance for full implementation of a web-based Time and Attendance system (WebTA). This increase supports the Administration's initiatives for Strategic Management of Human Capital, Expanded Electronic Government, and Improved Financial Performance. This initiative improves efficiency, data access, and service delivery to clients, enhances data exchange, and assists in modernizing the human resources information system infrastructure.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Learning management system & online training				+$148

This program increase will provide in excess of 1,000 courses including business, professional development, human resources, performance management courseware, and information technology. It will reduce or eliminate redundancies in training and provide cost-effective economies for the delivery of e-training services. This program increase includes the purchase and testing of all software, set up fee, training, class scheduler, courseware, and customer support, and is available for employees with disabilities.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Commerce Standard Acquisition Reporting System (CSTARS)				+$700

This program increase will provide for a financial interface between the Commerce Administrative Management System (CAMS) Core Financial System and Commerce Standard Acquisition Reporting System (CSTARS). This initiative includes costs for license renewal and maintenance to support over 500 users and increased costs related to migration to a web-enabled application. The CSTARS Program supports e-Commerce activities promoted by Executive Order, the President's Management Council, the Department's Chief Information Officer, and the Chief Financial Officer. Plans are underway to interface CSTARS with the Department's CAMS/Core Financial System to help ensure "clean financial audits."

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
National Finance Center				+$1,558

This program increase will support the e-payroll effort to transform the current Federal payroll service delivery environment. The National Finance Center (NFC) is one of the major cross-servicing payroll providers. It is one of the most experienced and successful franchising service providers in the Federal government. NFC provides centralized, automated, integrated systems and support services for payroll, personnel, accounts receivable, administrative payments, property management, budget, and accounting activities. This initiative will cover costs to conduct an intensive payroll data integrity review and undergo massive data analyses.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Integrated Acquisition Environment				+$178

This program increase will fund Commerce's participation in the Integrated Acquisition Environment (IAE) which consolidates the Federal government's common acquisition functions within a shared services environment. The IAE will create a common, integrated business process and increased data sharing to enable better business decisions in procurement, logistics, payment and performance assessment. The IAE will create a secure business environment for acquisition that will facilitate and support the cost-effective acquisition of goods and services to meet the Department's mission needs. This increase will cover anticipated costs to support implementation of these initiatives within the Department during FY 2004.

Targets and Performance Summary

The Department's performance measures are intended to assist it in monitoring its progress in providing policy oversight and administrative support services, which represent the bulk of its activity under DM. Beginning with the FY 2003 APP, DM measures were refocused to better reflect its most significant activities and to more closely correspond to the government-wide management initiatives established in the President's Management Agenda.

Performance Goal 1: Ensure effective resource stewardship in support of the Department's programs

Measure	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Clean audit opinion obtained on Department consolidated financial statements	100%	100%	100%	Yes	Yes	Yes	Yes
Deploy Department-wide integrated financial management system	System deployed in 1 bureau.	System deployed in 4 bureaus.	System deployed in 8 bureaus.	Deploy system in 10 bureaus.	System deployed in 10 bureaus.	Deploy system in 13 bureaus; complete Department-wide deployment.	Discontinued
Implement competitive sourcing	Inventory submitted on 7/9/99.	Inventory submitted on 6/30/00.	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 2002/2003.	Convert or complete competitions on 10% of commercial FTE Positions.	Pending OMB guidance.
Funds obligated through performance-based contracting	N/A	N/A	25% of total procurement funds.	25% of total procurement funds.	31% of $795M	30% of Total procurement funds.	40% of total procurement funds.
Small purchases made using credit cards	288,268 transactions	88% of actions below $25,000	92% of actions below $25,000	90% of actions below $25,000	95% of actions below $25,000	90% of Actions below $25,000	90% of Actions below $25,000
Use of online procurement to publish synopses and solicitations for proposals to contract with the Department	N/A	N/A	98% of synopses published online.	100% of synopses and 100% of solicitations	100% of synopses and 100% of solicitations	Discontinued Discontinued	Discontinued Discontinued
Increase percentage of total obligations awarded as contracts to small businesses	Small businesses: 42%	Small businesses: 34%	Small businesses: 50%	Small businesses: 35%	Small businesses: 51%	Small businesses: 40%	Small businesses: 42%
	Minority-owned businesses:14%	Minority-owned businesses: 20%	Minority-owned businesses: 18%	Discontinued	Discontinued	Discontinued	Discontinued
	Women-owned businesses: 5%	Women-owned businesses: 6%	Women-owned businesses: 9%	Discontinued	Discontinued	Discontinued	Discontinued
Reduce energy consumption per square foot from 1985 baseline	33%	34%	34%	35%	35%	Discontinued	Discontinued

(continued)

Performance Goal 1: Ensure Effective Resource Stewardship in Support of the Department's Programs *(cont.)*

Measure	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Ensure a secure workplace for all Department of Commerce employees	Conducted 12 studies to ensure physical security of Department of Commerce facilities.	Conducted 10 studies to verify proper maintenance of safes for classified materials.	Conducted 32 studies of classified computer systems.	Establish Department-wide continuity of operations plan (COOP) and conduct 10 compliance reviews of security programs and classified systems.	DOC COOP established; 47 risk assessments completed.	Conduct 30 compliance reviews of security programs and classified systems, and complete testing and evaluation of bureau COOP plans.	Conduct 40 compliance reviews of security programs and classified systems, develop comprehensive COOP compliance and oversight program, and identify Department-specific concerns.
Ensure a safe workplace for all Department of Commerce employees	N/A	N/A	N/A	Safety infrastructure accountability systems, and 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 Web-based safety aware-ness training program.	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.

Performance Goal 2: Strategic Management of Human Capital

Measure	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Strategic Competencies—Ensure competency in leadership and in mission critical occupations	Vacancies monitored	Plan developed and tools identified.	Automated tools used by 3 pilot test offices.	Develop comprehensive Department-wide workforce restructuring plan that addresses competency gaps.	Completed final work-force restructuring plan in June 2002. Mission critical competencies identified.Candidate development program implementation plan developed which provides for the identification of gaps.	Develop succession plans and staffing or retention targets for mission critical occupations; announce SES candidate development program.	Enrollment of new SES candidate development program participants.

(continued)

Performance Goal 2: Strategic Management of Human Capital *(cont.)*

Measure	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Strategic Competencies—Ensure comprehensive training and development strategies	New	New	New	Analyze and update training and development policies to enhance competencies.	General and supervisory training policy implemented.	Institute annual assessment program.	Implement learning management on-line system in the Office of the Secretary.
Strategic Competencies—Ensure diverse candidate recruitment	Greatest diversity voids determined and workforce has 3% staff of Hispanic origin.	Finalized memoranda of understanding with 9 Hispanic serving institutions and marketed 121 resumes with Department managers.	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.	Assess efficacy of recruitment approaches.
Efficiency and effectiveness of hiring systems using the Commerce Opportunities Online (COOL) System	COOL Phase I created.	COOL Phase II created and fill time identified at 44 days.	COOL Phase III created and fill time of 38 days.	Create COOL Phase IV and reduce fill time to 32 days.	Incomplete data	Reduce fill time to 30 days and assess quality of candidates processed by the system.	Maintain fill time standard of 30 days and assess applicants' and bureaus' satisfaction with COOL.
Increase the alignment of performance management with mission accomplishment	Information entered with 95% accuracy.	Combined performance management and awards handbook completed.	Tracking system for aligning ratings with mission accomplishment or overall recognition designed.	Implement a new senior executive service 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 and annual performance plan measures.	Implement the ComPas system Department-wide.
Implement a telecommuting program	Managers made aware.	3 pilot programs established.	13.5% of total workforce[1] currently telecommuting	50% of eligible workforce is involved in program	18.9% of total workforce participate in regular or episodic teleworking.[1]	75% of eligible workforce is involved in program.	100% of eligible workforce is involved in the program.

[1] *The portion of the workforce eligible to participate in this program depends on the Departmental telework policy, which is under development and will be issued shortly. Because this baseline figure was not available for FY 2001 or FY 2002, we reported on the proportion of the total workforce that telecommuted.*

Performance Goal 3: Acquire and Manage the Technology Resources to Support Program Goals

Measure	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Transactions converted to electronic format	N/A	16 (13% of 123 total)	28 (23% of 123 total)	43 (35% of 123 total)	67 (54% of 123 total transactions)	90 (42% of 214[1] transactions)	116 (54% of 214 transactions)
IT planning and investment review program maturity (on a Scale of 0-5)[2]	N/A	1	2	50% at 3 or higher	41% at 3 or higher	55% at 3 or higher 20% at 4 or higher	65% at 3 or higher 30% at 4 or higher
IT architecture program maturity (on a Scale of 0-5)[2]	N/A	1	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	95% at 2 or higher 20% at 4 or higher
IT security program maturity (on a scale of 0-5)[2]	N/A	<1	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	85% at 3 or higher 33% at 4 or higher
Percentage of IT system security plans completed	N/A	21%	61%	100%	98%	100%	100%
Percentage of unsuccessful intrusion attempts	N/A	N/A	85% (1,380 of 1,620 intrusion attempts)	85% (2,150 of 2,530 projected intrusion attempts)	87% (1,441 of 1,665 intrusion attempts)	85% (2,678 of 3,160 projected intrusion attempts)	85% (5,620 of 6,611 projected intrusion attempts)

[1] The number of total transactions to be converted was changed from 123 to 214 transactions in accordance with revised OMB guidance.

[2] Maturity models are industry-accepted standards to assess progress toward achieving IT goals. See the description provided for Performance Goal 3.

Resource Requirements Summary

(Dollars In Millions. Funding Amounts Reflect Total Obligations.)
Information Technology (IT)
Full-Time Equivalent (FTE)

Performance Goal 1: Ensure Effective Resource Stewardship in Support of the Department's Programs

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Executive Direction	15.0	14.0	18.0	20.0	14.0	14.0	2.0	16.0
Departmental Staff Services	16.0	15.0	13.0	18.0	17.0	19.0	1.0	20.0
Advances and Reimbursements	1.0	2.0	5.0	5.0	6.0	6.0	0.0	6.0
Total Funding	32.0	31.0	36.0	43.0	37.0	39.0	3.0	42.0
IT Funding[1]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTE	161	149	129	139	171	171	16	187

Performance Goal 2: Strategic Management of Human Capital

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Executive Direction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Departmental Staff Services	2.0	2.0	3.0	4.0	4.0	4.0	0.0	4.0
Total Funding	2.0	2.0	3.0	4.0	4.0	4.0	0.0	4.0
IT Funding[1]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTE	22	17	24	23	25	25	0	25

Performance Goal 3: Acquire and Manage the Technology Resources to Support Program Goals

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Executive Direction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Departmental Staff Services	2.0	2.0	7.0	7.0	13.0	13.0	4.0	17.0
Total Funding	2.0	2.0	7.0	7.0	13.0	13.0	4.0	17.0
IT Funding[1]	2.0	2.0	7.0	7.0	13.0	13.0	4.0	17.0
FTE	24	19	18	21	27	27	0	27

Grand Total	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Executive Direction	15.0	14.0	18.0	20.0	14.0	14.0	2.0	16.0
Departmental Staff Services	20.0	19.0	23.0	29.0	34.0	36.0	5.0	41.0
Advances and Reimbursements	1.0	2.0	5.0	5.0	6.0	6.0	0.0	6.0
Total Funding	36.0	35.0	46.0	54.0	54.0	56.0	7.0	63.0
Direct	35.0	33.0	41.0	49.0	48.0	50.0	7.0	57.0
Reimbursable[2]	1.0	2.0	5.0	5.0	6.0	6.0	0.0	6.0
IT Funding[1]	2.0	2.0	7.0	7.0	13.0	13.0	4.0	17.0
FTE	207	185	171	183	223	223	16	239

[1] *IT funding included in total funding.*

[2] *Reimbursable funding reflects external sources only.*

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.

FY 2002 Performance Goals

Performance Goal 1: Ensure Effective Resource Stewardship in Support of the Commerce Department's Programs

Corresponding Strategic Goal

Management Integration Goal: Strengthen management at all levels.

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 it identify, adopt, and maintain the business practices needed to successfully operate any such organization; use its resources wisely; and effectively implement the laws that affect it. Because this performance goal inherently encompasses a wide range of administrative and operational tasks, the measures used to assess DM's progress are by necessity highly diverse. DM is continuing efforts begun in FY 2003 to ensure that these measures are meaningful and reflect particularly significant activities.

Measure 1a: Clean Audit Opinion Obtained on Department Consolidated Financial Statements						
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	100%	100%	100%	Yes	Yes	Yes
Actual	100%	100%	100%	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 its 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 U.S. taxpayer for the expenditure of federal funds. DM's success is measured by its ability to obtain the unqualified opinion of its auditors on its consolidated financial statements, which it has maintained since FY 1999.

FY 2003 & FY 2004 Targets

In FY 2003 and FY 2004, DM plans to maintain an unqualified opinion on the Department's consolidated financial statements.

Measure 1b: Implement Competitive Sourcing

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	Inventory of commercial FTE[1] positions due by 6/30/99	Complete inventory of commercial FTE[1] positions due by 6/30/00	Complete inventory of commercial FTE[1] positions due by 6/30/01	Convert or complete competitions on or convert 5% of commercial FTE[1] positions	Convert or complete competitions on or convert 10% of commercial FTE[1] positions	Pending OMB guidance
Actual	Inventory submitted on 7/9/99	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/FY 2003		
Met/Not Met	Not Met	Met	Met	Not Met		

[1] FTE = Full-time equivalents

Explanation of Measure

The Federal Activities Inventory Reform (FAIR) Act requires that the federal government avoid unfairly competing with private industry in providing the products and services the federal government needs. The Act requires that agencies provide the Office of Management and Budget (OMB) with a timely inventory of the activities they perform that could be carried out by commercial sources. To comply with this requirement, the Department has developed an annual reporting process that is timely and complete.

FY 2003 & FY 2004 Targets

In its FY 2002-2003 Combined Competitive Sourcing Management Plan, Commerce laid out its plan for meeting OMB's 5 percent goal for FY 2002 and 10 percent goal for FY 2003 for competing or converting commercial activities appearing in its FAIR Act inventory. Commerce plans to exceed the cumulative government-wide goal of 15 percent for the two-year period.

Guidance from OMB on the FY 2004 Competitive Sourcing Management Plan has been delayed as a result of discussions at various levels of how best to achieve the objectives of the FAIR Act. The General Accounting Office-led Commercial Activities Panel has made multiple recommendations for modifying the competitive sourcing process employed by the federal government. One such change, revision of OMB Circular A-76, is expected to be completed during calendar year 2003.

Measure 1c: Funds Obligated through Performance-based Contracting

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	10%	25%	30%	40%
Actual			25% of $1.624B	31% of $795M		
Met/Not Met			Met	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 establishes the standards against which contractor performance will be measured and the incentives it will use.

FY 2003 & FY 2004 Targets

The goals of 30 percent and 40 percent for FY 2003 and FY 2004, respectively, are government-wide targets established by the Procurement Executives Council. These targets are based on annual increments of 10 percent toward the ultimate government-wide goal of awarding 50 percent of total procurement dollars through performance-based contracts in FY 2005.

Measure 1d: Small Purchases Made Using Credit Cards						
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	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
Actual	288,268 transactions	88% of actions below $25,000	92% of actions below $25,000	95% actions below $25,000		
Met/Not 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.

FY 2003 & FY 2004 Targets

Recognizing the heightened congressional and public scrutiny placed on the government's use of credit cards for small purchases, the Department has implemented more guidelines, controls and conditions for their use. Notwithstanding these increased controls, DM is retaining the FY 2003 goal of 90 percent of transactions below $25,000 as its FY 2004 goal.

Measure 1e: Increase Percentage of Total Obligations Awarded as Contracts to Small Businesses							
		FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Small businesses	Target	35%	40%	40%	35%	40%	42%
	Actual	42%	34%	50%	51%[1]		
	Met/Not Met	Met	Not Met	Met	Met		

[1] Based on preliminary data. Finalized data maintained in GSA's Federal Procurement Data System will be available late in the second quarter, FY 2003.

Measure 1e: Increase Percentage of Total Obligations Awarded as Contracts to Small Businesses *(Cont.)*

		FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Women-owned businesses	Target	5%	5%	5%	Discontinued	Discontinued	
	Actual	5%	6%	9%			
	Met/Not Met	Met	Met	Met			
Minority-owned businesses	Target	15%	18%	18%	Discontinued	Discontinued	
	Actual	14%	20%	18%			
	Met/Not Met	Not Met	Met	Met			

Explanation of Measure

This measure monitors the Department of Commerce's ability to increase opportunities for small businesses, which include small disadvantaged, "8(a)," woman-owned, historically underutilized business zone (HUBZone), veteran-owned, and service-disabled veteran-owned businesses, to participate in Commerce acquisitions. Annually, the Small Business Administration (SBA) negotiates procurement goals with each federal agency in an effort to increase contract and subcontract awards to small businesses.

Historically, this included small businesses, small disadvantaged, 8(a), and women-owned businesses. In FY 2001, three new categories were added. These include HUBZone businesses, veteran-owned small businesses and service-disabled veteran-owned businesses, which is a subset of veteran-owned small businesses.

Through FY 2001, DM reported under the Government Performance and Results Act (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, Commerce simplified the method used to track its progress in this area, for purposes of GPRA, beginning with FY 2002. It now reports on the percentage of procurement funds awarded to the umbrella group described as small businesses.

FY 2003 & FY 2004 Targets

The FY 2003 small business target established in last year's APP remains unchanged at 40 percent. Based on its assessment of bureau achievements over the past six years, DM has established a small business goal of 42 percent for FY 2004.

Measure 1f: Ensure a Secure Workplace for All Department of Commerce Employees

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	Conduct 12 physical security reviews.	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 and conduct 10 compliance reviews of security programs and classified systems.	Conduct 30 compliance reviews of security programs and classified systems, and complete testing and evaluation of bureau COOP plans.	Conduct 40 compliance reviews of security programs and classified systems, develop comprehensive COOPcompliance and oversight program, and identify Department-specific security concerns.
Actual	12 physical security reviews conducted.	All security containers at 10 field facilities inspected.	32 inspections of classified computer systems conducted.	DOC COOP established; 47 risk assessments completed.		
Met/Not Met	Met	Met	Met	Met		

Explanation of Measure

The Department of Commerce ensures security for headquarters and field staff, visitors, facilities, resources, and information. This is achieved in a variety of ways. In FY 1999, DM completed twelve physical security reviews for regional census centers. This reduced security–related risks and incidents and helped increase employee satisfaction and productivity. In FY 2000, all safes and other security containers at ten Department of Commerce field facilities were inspected and found to be in compliance. In FY 2001, DM inspected thirty-two classified computer systems to ensure that they were secure. All thirty-two systems were accredited for processing classified data at the designated level.

DM's security program is now under review in order to determine how it may better measure the impact it has on the security of its employees and facilities. DM anticipates revising this measure in the FY 2005 Annual Performance Plan.

FY 2003 & FY 2004 Targets

The safety and security of our workforce, facilities, and information technology systems are of paramount importance. In FY 2003 and FY 2004, DM will continue conducting compliance reviews of security programs and classified systems. DM plans to conduct a minimum of thirty and forty compliance reviews in FY 2003 and FY 2004, respectively. The FY 2003 target has been increased since publication of the FY 2003 APP to reflect the increased emphasis DM is placing on security in its workplace.

DM will be further strengthening its continuity of operations (COOP) planning and emergency preparedness efforts. In FY 2004, a permanent oversight and evaluation program will be institutionalized, which will oversee testing and evaluation of bureau COOP plans that were developed and put in place in FY 2002. Also, in FY 2004, DM will identify and examine security concerns that are unique to Commerce. These include special considerations related to the Department's marine and air operations, special compartmented information activities and facilities, and joint activities undertaken with other agencies.

Measure 1g: Ensure a Safe Workplace for All Department of Commerce Employees

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	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; 2 industrial hygiene surveys at DOC facilities, and provide safety training for 100 DOC employees.
Actual				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.		
Met/Not 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.

FY 2003 & FY 2004 Targets

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 DM's efforts also focus on several important safety training programs. They include behavior-based safety, ergonomics, personal protective equipment, electrical safety, and first aid. Additionally, in FY 2003, the Department will institute an aggressive response procedure to follow up with corrective action for all reported accident cases.

Program Evaluation

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, DM works closely with OMB on implementing the five government-wide management initiatives established in the President's Management Agenda and is rated quarterly on its 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.

Discontinued Measures

Use of Online Procurement to Publish Synopses and Solicitations for Proposals to Contract with the Department						
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	50% of synopses	100% of synopses 100% of solicitations	Discontinued Discontinued	Discontinued Discontinued
Actual			98% of synopses	100% of synopses 100% of solicitations		
Met/Not Met			Met	Met		

Explanation of Measure

The President is committed to increasing the government's use of the Internet to acquire goods and services, and to promoting increased competition among firms interested in doing business with the government. In FY 2001, 98 percent of all synopses, or notices of intent to enter into a contract to fulfill a specific need, issued by Commerce were posted through www.FedBizOpss.gov, the single point-of-entry Web site for all government agencies. As of FY 2002, online procurement was the only option available for publicizing procurement opportunities. As a result, there will be no need to track this measure in FY 2003 and beyond.

Reduce Energy Consumption per Square Foot from 1985 Baseline						
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	24%	25%	26%	35%	Discontinued	Discontinued
Actual	33%	34%	34%	35%		
Met/Not Met	Met	Met	Met	Met		

Explanation of Measure

Federal agencies are required by law and executive order to reduce energy consumption by 30 percent by 2005 and 35 percent by 2010. The Energy Policy Act of 1992 established 1985 as the baseline against which all agencies measure their progress. For three consecutive years, Commerce has exceeded interim goals.

In FY 2002, DM achieved the long-term, government-wide goal of 35 percent. The Department also received a Presidential Award for Leadership in Energy Management in the category of "Institutionalization." This award recognizes the Department's efforts to institutionalize the goals of Executive Order 13123, *Greening the Government through Efficient Energy Management.* As a result of achieving the long-term goal, DM believes that energy consumption no longer requires monitoring under the Government Performance and Results Act and will discontinue reporting this measure beginning in FY 2003.

Deploy Department-wide Integrated Financial Management System						
	FY 1999	**FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**
Target[1]	1	4	8	10	13	Discontinued
Actual	1	4	8	10		
Met/Not Met	Met	Met	Met	Met		

[1] *Office of Computer Services Franchise Fund was previously considered to be, for this purpose, an independent bureau. It is now considered to be a part of the Office of the Secretary. Targets and performance levels have been modified to reflect this adjustment.*

Explanation of Measure

This measure tracks the Department's progress in implementing the requirements of the Chief Financial Officers Act, the joint financial management improvement program, and other standards for an integrated financial system. A modern, department-wide financial management system is urgently needed to enable DM to improve financial management overall. Full deployment of the Commerce Administrative Management System will ensure fiscal accountability and provide program managers with the timely, accurate financial data needed for sound decision-making.

The targets for FY 2002 and FY 2003 have been modified as a result of a change in the definition of the Office of the Secretary as a bureau. Previously, the Office of the Secretary and Office of Computer Services (OCS) Franchise Fund were reported as two separate bureaus. OCS is now considered to be part of the Office of the Secretary. This does not alter the final goal, i.e., establishment of a Department-wide integrated financial management system. Since the system will be fully deployed across the Department in FY 2003, this measure will be discontinued beginning in 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.

External Factors and Mitigation Strategies

- 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 its 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.

Performance Goal 2: Strategic Management of Human Capital

Corresponding Strategic Goal

Management Integration Goal: Strengthen management at all levels.

Rationale for Performance Goal

By 2007, 71 percent of the Department's existing Senior Executive Service corps and 39 percent of the senior staff in grades 13 through 15 will become eligible for retirement. Departures from the Department due to retirement only represent approximately 21 percent of overall turnover. In the prior fiscal year, transfers to other federal agencies represented approximately 23 percent of separations and resignations comprised another 49 percent. Commerce is further analyzing the resignation data to learn more about those losses. These conditions could produce an unprecedented drain on its institutional memory, on our capacity to provide mature leadership to the next generation of employees, and, thus, on its capacity to serve the public.

There is no issue more critical to the Department's continued effective functioning than that of current and projected turnover in mission-critical positions, and the domino effect it precipitates. Separation projections are high among economists, fish biologists, mathematicians, statisticians, meteorologists, and engineers.

Measure 2a: Strategic Competencies—Ensure Competency in Leadership and in Mission Critical Occupations						
	FY 1999	**FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**
Target	Monitor vacancies	Develop workforce analysis plan and research and automate tools.	Automated tools used by 3 pilot test offices.	Complete comprehensive Department-wide workforce restructuring plan that addresses competency gaps in all bureaus.	Develop succession plans and staffing or retention targets for mission critical occupations; announce SES candidate development program.	Enrollment of new SES candidate development program participants.
Actual	Vacancies monitored	Plan developed and tools identified.	Automated tools used by 3 pilot test offices.	Completed final work-force restructuring plan in June 2002. Mission critical competencies identified. Candidate development program implementation plan developed, which provides for the identification of gaps.		
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 "delayering 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 2003 & FY 2004 Targets

Compounding the seriousness of the impending SES departures is the fact that Commerce's 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, its SES leaders have typically gained their technical, managerial and leadership expertise within a single bureau. The future will require, however, that its leaders have 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 is also 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 path. The FY 2003 and FY 2004 targets to develop succession plans and conduct an SES candidate development program will ensure that DM meets these challenges.

Measure 2b: Strategic Competencies—Ensure Comprehensive Training and Development Strategies						
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	Analyze and update training and development policies to enhance competencies.	Institute annual assessment program.	Implement learning management on-line system in the Office of the Secretary.
Actual				General and supervisory training policies implemented.		
Met/Not 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 2003 & FY 2004 Targets

Both the FY 2003 and FY 2004 targets serve as means of ensuring that necessary strategic competency development is undertaken. 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 opportunities to access a learning management system and online training on demand and just-in-time. As the foundation for a comprehensive LMS that will retain its currency over time, DM will institute an annual assessment program in FY 03 instead of FY 04, as originally projected. The training and development tracking system that was initially planned for FY 03 will be accomplished in FY 04 as part of LMS. 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.

Measure 2c: Strategic Competencies—Ensure Diverse Candidate Recruitment

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	Determine greatest diversity voids.	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 Commerce managers.	Assess effectiveness of recruitment activities and determine hiring baseline.	Assess efficacy of recruitment approaches.
Actual	Greatest diversity voids determined, and workforce has 3% staff of Hispanic origin.	Finalized memoranda of understanding with 9 Hispanic serving institutions and marketed 121 resumes with Department of Commerce managers.	Resume database developed and implemented, 19 recruitment activities sponsored, and more than 352 resumes marketed.	Completed refining resume database, participated in 25 recruitment activities, implemented awareness campaign with Commerce managers.		
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 the 11 percent in the civilian labor force. Considering the impending retirements of many of the Department's workers and its goal to become an employer of first choice, that is, that individuals seeking jobs will seek out a position at the Department of Commerce, the Department needs to develop a steady supply of high-quality, diverse candidates to ensure appropriate recruitment pools.

Currently, the Department 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 2003 & FY 2004 Targets

The objective of the FY 2004 target is to determine whether DM's employment outreach efforts have advanced the goal of enhancing diversity in employment. In FY 2003, DM's focus in assessing the effectiveness of its recruitment activities will be directed to the initial stages of the process, i.e., the identification of its sources and applicants. This assessment will help to determine whether the process was an effective one and will establish the utility of the resulting resume database. That determination will serve as critical input to the subsequent assessment of the effectiveness of the Department's overall recruitment approaches and how they may be enhanced.

Measure 2d: Efficiency and Effectiveness of Hiring Systems Using the Commerce Opportunities Online (COOL) System						
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	Create Commerce Opportunities Online (COOL) Phase I.	Create COOL Phase II and identify average fill time.	Create COOL Phase III and reduce till time to 34 days.	Create COOL Phase IV and reduce fill time to 32 days.	Reduce fill time to 30 days and assess quality of candidates produced by the system.	Maintain fill time standard of 30 days and assess applicants' satisfaction with COOL.
Actual	COOL Phase I created.	COOL Phase II created and fill time identified at 44 days.	COOL Phase III created and fill time of 38 days.	Incomplete data		
Met/Not Met	Met	Met	Not Met	Not 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 thirty-two days.

FY 2003 & FY 2004 Targets

As DM has progressed in the development and implementation of COOL since FY 1999, it has learned more about its operation in the day-to-day working environment. In assessing the performance indicators relating to COOL and examining system statistics, DM determined that data regarding numerous extraneous factors were being captured and were distorting the fill time measure. DM has been working to purge the system of the effects of the data that were neither critical nor

particularly informative in helping it to achieve its goal of an efficient and effective hiring system. As a result of these analyses and what it has identified as key system indicators for its merit staffing activity, DM has modified its FY 2003 fill time target to a more realistic, but still challenging, level. DM will focus its efforts in FY 2004 on maintaining the fill time standard and assessing the perception of candidates who use COOL. While the fill time targets remain the same in FY 2003 and FY 2004, the measurement methodology is being refined to focus upon the specific points in the hiring process in which opportunities exist for Human Resources staff and managers to make improvements. For example, COOL enhancements are underway to further automate residual manual processes.

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

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	Enter performance ratings and awards into National Financial Center database with 95% accuracy.	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 measures.	For each bureau general schedule or equivalent performance system, ensure each system explicitly links employee performance plans with strategic goals and annual performance plan measures.	Implement the ComPas system Department-wide.
Actual	Information entered with 95% accuracy.	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 PMA, individual and organizational performance and results.		
Met/Not Met	Met	Met	Not Met	Not 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 the organization's strategic and operating plans and individual performance plans for employees. For example, the General Accounting Office's High-Risk Series, An Update, published in January 2001, stated that agencies should instill 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. To provide guidance to the Department regarding these linkages, the Office of Human Resources Management combined two related systems (performance management and incentive awards) into one Web-based document. With the receipt of the U.S. Office of Personnel Management's new SES performance rating regulations, DM designed a new SES performance management system. This measure will ensure that a definitive linkage is created, tested, documented, and tracked so that performance management is integral to mission accomplishment.

FY 2003 & FY 2004 Targets

Based on an assessment of its performance management system, the Department has implemented or will implement several Web-based systems to allow broad access to information across the Department. These systems 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. Included among these systems is the Commerce Performance and Awards System (ComPAS), which will be introduced in FY 2004 and will track all aspects of performance management from the creation of the elements and standards to the summary rating.

Measure 2f: Implement a Telecommuting Program

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	Make managers aware of telecommuting flexibilities.	Provide advice to managers in establishing pilot programs.	25% of eligible workforce[1] is involved in program.	50% of eligible workforce is involved in the program.	75% of eligible workforce is involved in the program.	100% of eligible workforce is involved in the program.
Actual	Made managers aware.	3 pilot programs established.	13.5% of total workforce[1] currently telecommuting.	18.9% of total workforce participate in regular or episodic teleworking[1].		
Met/Not Met	Met	Met	Not Met	Not Met		

[1] The portion of the workforce eligible to participate in this program depends on the Departmental telework policy, which is under development. Because this baseline figure was not available for FY 2001 or FY 2002, DM was not able to report on the percent of eligible employees involved in the telework program. Pending issuance of the policy, DM reported on the percent of the total workforce that telecommuted. Because it could not verify that the target was achieved, DM indicated that it was not met.

Explanation of Measure

Public Law 106-346 supports implementation of telecommuting programs throughout the federal government and requires agencies to establish telecommuting policies. The law also requires the Office of Personnel Management to provide for the application of the law to 25 percent of the eligible federal workforce within six months (by April 23, 2001) and to an additional 25 percent each year thereafter. The Department has supported implementation of this law by re-examining its telework policy, which is pending implementation. Once implemented, the telework policy will define the eligible workforce.

FY 2003 & FY 2004 Targets

These targets reflect implementation levels established in the Public Law to encourage telework and increase employee participation.

Program Evaluation

The Department of Commerce uses reviews and reports of the Office of Inspector General, the Office of Management and Budget (OMB), the Office of Personnel Management (OPM), the General Accounting Office, 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 FY2002, Commerce worked closely with the OPM and OMB to develop an infrastructure for improving human capital management, assessments, training and knowledge management, and accountability programs. Utilizing performance indicators, OMB rated Commerce progress in strategic human capital management as "green" and indicated that a change in status "red" to "yellow" could be expected once results were achieved.

Cross-cutting Issues

Intra-Department of Commerce

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.

External Factors and Mitigation Strategies

- A large portion of the workforce is approaching retirement age and will have to be replaced.

- The growing technological orientation of its work means DM is increasing its engagement in a highly competitive marketplace for individuals with skills in science, technology, and related fields.

- The increasing diversity in the U.S. workforce requires DM to recruit, train, and retain workers in new ways.

- DM has a need to attract new workers to the public sector, which has been portrayed as unattractive and lacking the flexibility sought by new professionals.

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

Performance Goal 3: Acquire and Manage the Technology Resources to Support Program Goals

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 DM develop and implement new approaches to electronic communication and that its existing systems are able to perform at the highest levels.

Measure 3a: Transactions Converted to Electronic Format						
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	N/A	16 (13% of 123 transactions)	25 (20% of 123 transactions)	43 (35% of 123 transactions)	90 (42% of 214[1] transactions)	116 (54% of 214 transactions)
Actual	N/A	16 (13% of 123 transactions)	28 (23% of 123 transactions)	67 (54% of 123 transactions)		
Met/Not Met		Met	Met	Met		

[1] The number of total transactions to be converted was changed from 123 to 214 transactions 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, by October 2003. 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 transaction types 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 DM's baseline through 2002. Starting in 2003, the new baseline is 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 twenty-four e-government initiatives.

FY 2003 & FY 2004 Targets

As the Department strives to achieve its e-government goals, DM is working to make processes, not just forms, electronic. Making processes electronic typically involves business process reengineering and is inherently more complex than making a form electronically fillable. The Department Chief Information Officer (CIO) plans to closely monitor the operating units' GPEA transaction completions in 2003 by instituting a monthly reporting process and holding a mid-year review of progress toward meeting the 2003 goal.

The FY 2003 and 2004 targets continue to increase the number and percentage of appropriate transactions that will be made available electronically. As noted on the chart, the target total number of transactions to be made available online has been revised from 123 to 214, per revised OMB guidance.

Measure 3b: IT Planning and Investment Review Program Maturity (Scale of 0-5)						
	FY 1999	**FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**
Target	N/A	N/A	2	50% at 3 or higher	55% at 3 or higher	65% at 3 or higher
					20% at 4 or higher	30% at 4 or higher
Actual	N/A	1	2	41% at 3 or higher		
Met/Not Met			Met	Not Met		

Explanation of Measure

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. These plans form the foundation for analysis of specific IT investments.

To assist operating unit CIOs in continually improving their IT processes and to achieve a level of comparability across operating units, the Office of the CIO has provided them with maturity models, which is an industry-wide accepted approach to objectively assessing 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 area 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. Definition of each level (0-5) of the models is 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.
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.

FY 2003 & FY 2004 Targets

The Commerce Chief Information Officer continues to work with the operating units to improve the management of IT. The targets established in the FY 2003 APP were to have 60 percent of the operating units at Level 3 and 30 percent at Level 4 by the end of this year. The FY 2003 targets have been adjusted downward slightly to reflect the FY 2002 results while still providing challenging goals. The FY 2003 and 2004 targets reflected in this document, like the 2002 target, are still challenging "stretch" goals set at levels to encourage and require continued improvement throughout the Department in IT planning and investment review and control. By establishing specific objectives with each operating unit and monitoring progress regularly throughout the year, DM anticipates achieving its FY 2003 and FY 2004 performance goals.

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. Definition of each level (0-5) of the models is as follows:

Measure 3c: IT Architecture Program Maturity (Scale of 0-5)					
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	N/A	N/A	2	75% at 2 or higher 50% at 3 or higher	90% at 2 or higher 66% at 3 or higher	95% at 2 or higher 20% at 4 or higher
Actual	N/A	1	1.5	82% at 2 or higher 59% at 3 or higher		
Met/Not Met	N/A	N/A	Not 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 for similar business practices across operating unit lines and thereby eliminating duplication, improving information-sharing abilities, enhancing the Department's ability to respond to changing business needs, and reducing costs because of economies of scale.

An IT Architecture Affinity Group, composed of members from across the Department, has established IT architecture guidelines, evaluation criteria, and a maturity scale. A high-level enterprise architecture plan serves as the overarching driver for Commerce's architecture efforts. Each Commerce operating unit is developing its own IT architecture, in line with the Departmental plan, and is following the guidelines and criteria prepared by the IT Architecture Affinity Group. Together, these plans form Commerce's federated IT enterprise architecture. Concurrently linkages are being established between the Commerce enterprise architecture and the government-wide architecture.

The maturity models:

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.
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.

FY 2003 & FY 2004 Targets

The target established in the FY 2003 APP was to have 80 percent operating at Level 2 or higher and 40 percent operating at Level 3 or higher by the end of the year. The upward adjustment to the FY 2003 target and the newly established FY 2004 target reflected here are set at levels to encourage and require continued improvement throughout the Department in the area of IT Architecture. The FY 2004 target is especially ambitious, as it requires 20 percent of the operating units to achieve a managed and measured set of architecture processes, ready to move into a mode of continuous improvement and optimization.

Measure 3d: IT Security Program Maturity (Scale of 0-5)						
	FY 1999	FY 2000	FY 2001	FY 2002	FY2003	FY2004
Target	N/A	N/A	50% at 1 or higher	80% at 2 or higher	90% at 2 or higher 70% at 3 or higher	85% at 3 or higher 33% at 4 or higher
Actual	N/A	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		
Met/Not Met			Met	Not 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 certification and accreditation IT systems to ensure the confidentiality, availability, and integrity of the Department's IT resources.

The maturity models:

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.
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 architecture process.	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.

FY 2003 & FY 2004 Targets

The targets established in the FY 2003 APP were to have 95 percent of the operating units at Level 2 and 50 percent at Level 3 by the end of this year. These have been adjusted to have 85 percent of the operating units at Level 2 by the end of the year. The slight downward change reflects the FY 2002 results while still providing challenging goals.

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 will provide those operating units currently at a Level 2 or below a roadmap to achieving Level 3 maturity by the end of FY 2003. The FY 2003 and 2004 targets are set at levels to encourage and require continued improvement throughout the Department in the area of IT Security.

Measure 3e: Percentage of IT System Security Plans Completed						
	FY 1999	FY 2000	FY 2001	FY 2002	FY2003	FY2004
Target	N/A	N/A	N/A	100%	100%	100%
Actual	N/A	21%	61%	98%		
Met/Not Met				Not 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 information technology systems. As such, they are key to management's understanding and acceptance of the risks to the information and the information technology systems, and the measures taken to mitigate these risks.

FY 2003 & FY 2004 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 percent level. Additional related measures are being formulated for the next reporting period.

Measure 3f: Percentage of Unsuccessful Intrusion Attempts						
	FY 1999	FY 2000	FY 2001	FY 2002	FY2003	FY2004
Target	New	New	New	85% (2,150 of 2,530 projected intrusion attempts)	85% (2,678 of 3,160 projected intrusion attempts)	85% (5,620 of 6,611 projected intrusion attempts)
Actual			86% (1,380 of 1,620 intrusion attempts)	87% (1,441 of 1,655 intrusion attempts)		
Met/Not Met				Met		

Explanation of Measure

Intrusion detection software run 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 Commerce at serious risk, affecting the confidentiality, availability, and integrity of information technology systems. While all intrusion attempts cannot be thwarted, successful compromises must be minimized; that is, the number of unsuccessful attempts must be increased as the overall number of attempted intrusions increases.

FY 2003 & FY 2004 Targets

The FY 2002 target was met even though the increase in intrusion attempts was not as great as projected. 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.

Program Evaluation

The Department of Commerce uses reviews and reports generated by the Office of Inspector General, Office of Management and Budget, General Accounting Office, 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.

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.

External Factors and Mitigation Strategies

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

DM Data Validation and Verification

To a great extent, DM measures depend on input provided by many sources – typically, Commerce's thirteen bureaus – and a combination of techniques are used to validate and verify the data received.

For example, financial performance at all levels is subject to review by DM's 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 Chief Information Officer 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 its hiring systems, it is continuing to refine its reporting structure. The DM Data Validation and Verification table can be found starting on the following page.

DM Data Validation and Verification

Performance Measure	Data Source	Frequency	Data Storage	Verification	Data Limitations	Actions to be Taken
Measure 1a: Clean audit opinion obtained 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.
Measure 1b: Implement competitive sourcing	Inventory transmittal letters and competitive sourcing management plan.	Annual	Office chronology files.	Executive Secretariat	None	Measure trends over time.
Measure 1c: Funds obligated through performance-based contracting	Commerce procurement data system.	Annual	Commerce procurement data system.	Supervisory audit	N/A	None
Measure 1d: Small purchases made using credit cards	Commerce bankcard center.	Annual	Commerce bankcard center.	PEC process	None	Continue to gather and review data.
Measure 1e: Increase percentage of total obligations awarded as contracts to small businesses	Small Business Administration (SBA) and the Department of Commerce's Office of Small and Disadvantaged Business Utilization (OSDBU).	Annual	SBA and OSDBU.	SBA and OSDBU.	None	Continue outreach efforts.
Measure 1f: Ensure a secure workplace for all Commerce employees	Site visits	Annual	Computer systems	Compliance reviews	Technology decentralizes data.	Continued monitoring and evaluation.
Measure 1g: Ensure a safe workplace for all Commerce employees	Office of Human Resources Management.	Annual	Office of Human Resources Management.	Reporting to senior managers.	N/A	Continued monitoring and evaluation.
Measure 2a: 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.	Office of Human Resources Management (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.
Measure 2b: Strategic Competencies – Ensure comprehensive training and development strategies	Department plan for strategic employee training and development.	Annual and bureaus.	OHRM	Review of manual records and availability of updated policies that support mission-critical employee competency development.	Manual review required.	Ensure that new policies are in place and that tracking system is created and implemented.
Measure 2c: Strategic Competencies – Ensure diverse candidate recruitment	Inventory transmittal letters.	Annual	Office chronology files.	Executive Secretariat	None	Measure trends over time.

DM Data Validation and Verification (Cont.)

Performance Measure	Data Source	Frequency	Data Storage	Verification	Data Limitations	Actions to be Taken
Measure 2d: Efficiency and effectiveness of hiring systems using the Commerce Opportunities Online (COOL) System	Staffing timeliness measure system.	Semi-annual	Staffing timeliness measure system.	Staffing timeliness studies.	Some manual sorting required	Refine system, provide training, and oversee issuance of certificates to managers.
Measure 2e: 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 manu record-keeping.	Implement new performance management policy and complete analyses.
Measure 2f: Implement a telecommuting program	Management data on number of employees participating.	Quarterly	OHRM database, created via reports from the bureaus.	Review of bureau records.	Manual information gathering.	Develop Department- wide tele-commuting plan, track number of participants, and determine if the program is supporting mission accomplishment.
Measure 3a: Transactions converted to electronic format	Bureau information technology (IT) offices.	Annual	Bureau files and departmental management Chief Information Officer (CIO) files.	Departmental	None	Review transactions to assess need for transition to electronic process and provide for electronic signature.
Measure 3b: IT planning and investment review program maturity (scale of 0-5)	Bureau IT offices	Annual	Bureau IT offices	Departmental and outside review.	None	Review systems to assess need for corrective action.
Measure 3c: IT architecture program maturity (scale of 0-5)						
Measure 3d: IT security program maturity (scale of 0-5)						
Measure 3e: Percentage of IT system security plans completed	Bureau IT offices	Annual	Bureau files and departmental management CIO files.	Departmental and outside review.	None	Review plans for completeness and conformance to NIST SP 800-18.
Measure 3f: Percentage of unsuccessful intrusion attempts	NOAA	Annual	NOAA files	Departmental and outside review.	None	Review statistics for completeness and accuracy.