

**Most Efficient Organization Summary
(MEO) Summary**

For

**NIH Extramural Activities Support Services
RFP No. 263-03-P(GK)-0059**

Submitted By:

**NIH Extramural Activities Support Service
Most Efficient Organization (MEO)**

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1 Executive Summary

The National Institutes of Health (NIH) Most Efficient Organization (MEO) was developed as the government's organizational entity for performing the scope of work required for the extramural activities support service requirements as identified in the Performance Work Statement (PWS). The government's MEO bid resulted in the establishment of the Office of Grants Support Services (OGSS) within the Office of Extramural Research (OER) in the NIH Office of the Director (OD). The OGSS includes the support for the functions of grants management, peer review, and scientific program management (hereafter Grants, Review, and Program, respectively). Development of the MEO was accomplished through review of the PWS requirements, analysis of workload data, and participation and evaluation of the requirements by staff currently performing each function. Primary emphasis was placed on identifying areas for improving efficiency, gaining effectiveness, using economies of scale associated with consolidating similar activities in a common area, introducing standardized best practices, and re-engineering business processes so as to increase workforce productivity.

1.1 Objective

The objective of the MEO development effort was to identify process improvements and cost reductions associated with performance of activities required by the PWS. Development of the MEO was based on the PWS, interviews with management and technical staff, workload analysis, and process observations of current operating procedures. The specific process improvement targets will be implemented to meet or exceed all requirements contained within the PWS.

1.2 Approach

The MEO was developed using inputs from several different initiatives including data calls within NIH extramural community, discussions with selected customers, interviews with NIH extramural community Subject Matter Experts (SME), and NIH extramural community managers' recommendations. After initial data were gathered and a draft document was produced, the MEO Team refined the final document. In all cases, staffing economies were realized by co-locating personnel. Improved technologies will also be implemented to integrate the cost reductions resulting from these strategic opportunities.

2 Introduction

2.1 Purpose

The purpose of this document is to describe the government's MEO that will conduct the functions specified in the PWS. This document describes assumptions made, approaches, and analyses conducted to develop the MEO. The independent review process certified that the government had a reasonable basis for defining their MEO and that it was properly priced.

2.2 Functions Under Review

The NIH is the principal funding agency for biomedical and behavioral health research in the United States. Over the past five years the NIH budget has increased dramatically, and high quality support services are fundamental to its continued operations. The FY 2001 Fair Act Inventory submitted to the Office of Management and Budget (OMB) identified for study the extramural activities support services at NIH. These services include support of Grants Management, Review, and Program. These services are provided within 25 organizations at NIH and each organization has identified staff performing support functions in these arenas.

2.3 Methodology/Approach

The MEO Team began its challenge by carefully reviewing the draft performance work statement. Following review, the MEO Team evaluated the individual tasks required by the PWS. The MEO Team came up with a strategy of coalescing similar activities between functional areas (Grants Management, Review, and Program) and later completed time per task analyses to gain a better understanding of the time required to perform various functions. Simultaneously, the MEO Team surveyed Grants offices at NIH to enhance its knowledge of times per tasks and to identify best practices. Information from this survey was combined with business process re-engineering affording electronic and workplace efficiencies to develop a responsive and effective extramural support service MEO that will meet the extramural staff needs of NIH now and into the future.

3 Recommendations

Establishment of an MEO within the NIH represents a major departure from the current organization. Under the current structure, each IC carries out essentially the same activities, including extramural activities support services, in ways that best serve their individual missions. However, this leads to 'stove-piping' and duplication of staff and functions. The MEO, a centrally located and independent entity, represents a distinct departure from what is part of the NIH fabric in that it will provide extramural activities support services to all ICs but not be aligned with any one. The MEO will be part of the Office of the Director, NIH, and the Director of the MEO will report directly to the Deputy Director for Extramural Activities. This undoubtedly will introduce a major 'cultural' change at NIH in the working arrangements between professional and support staff with an attendant set of problems above and beyond those typically associated with change. For example, in many instances support staff formerly assigned to an individual or group of professional staff members will now be serving a larger group and, perhaps providing a different set of services. Recognizing this and understanding that the MEO is a performance-based and customer-oriented organization, the MEO team is committed to doing whatever is necessary to facilitate the transition to the new system. As such, the team has proposed several steps to facilitate the transition. These include: (a) selecting MEO staff from among current government employees and allowing them to remain at their current duty stations; (b) extensive and ongoing training for both MEO staff and professional staff on its mission, goals and procedures; (c) establishment of collegial relationships between MEO staff, (including Hub Managers, Employee Supervisors, Task Leaders), and IC professional staff; (d) intensive monitoring and trouble shooting of change-related problems as they arise; and (e) a commitment by the MEO to facilitate as easy and seamless a transition as possible.

3.1 Methodology and assumptions used to develop the MEO

Analysis of the PWS by SME's produced four findings that underlie the current proposal:

- Some ICs have unique or uniquely disproportionate activities (e.g., CSR is only responsible for review functions);
- Some activities, currently performed by each IC, can be performed at a single site for all ICs (e.g. arranging large meetings);
- Some activities require support staff to have a direct, sustained on-site presence in order to deliver the required services effectively (e.g., receive and escort visitors); and
- Some activities are common to all functional areas and need not be provided in the immediate proximity of the supported individual (e.g., telephone coverage).

3.2 Organizational effectiveness, efficiency and accountability

The MEO strategy is to improve organizational effectiveness, efficiency and accountability through a consolidation of similar activities across Grants, Review, and Program to attain economies of scale, efficiencies from co-location of related activities,

centralization and elimination of duplicated effort through the increased use of available technology, along with business practice re-engineering. Using intimate knowledge of NIH extramural business practices, the MEO is best suited to identify PWS-designated activities that can most efficiently be centralized (i.e., performed remote from the work's point of origin), and those that must be delivered at the point of origin (i.e., individual ICs). For the purpose of effective management, the MEO will be organized in three components hereafter called "Hubs." Each IC will be assigned to a specific Hub. Specific activities performed at each Hub location will depend on the specific cluster of ICs assigned to that Hub as well as the requirement to balance workload fluctuations across Hubs. The MEO staff will monitor task assignments through workload and status of work in order to improve efficient distribution of workload, accountability, overall performance reporting, and timely and accurate completion of work requests.

The MEO will provide all services specified and required in the PWS at standards of quality and timeliness that meet or exceed the specified requirements. The MEO will be a NIH customer service-focused organization that accepts, performs, and completes support services professionally and efficiently, with an emphasis on customer satisfaction as defined both by the NIH originator of the work assignment as well as by the end user, the applicant or grantee. The combination of centralized and local (point-of-origin) support services will be able to support a variety of activities necessary for IC operations. Consolidating similar functions among Grants Management, Review, and Program as well as across ICs will attain efficiencies of scale that will return substantial savings to the government. A matrix organizational structure has been developed that allows for workload overflow within one Hub to be redirected to another and thereby achieves further efficiency by buffering workload variations. Fundamentally, the workforce will be able to respond to the workload in a timely and efficient manner unlike classical functional service structures in which the workforce often waits for specific workload to arrive. MEO staff and supervisors will, on an ongoing basis, document acceptance, performance, and completion of services and tasks.

The MEO is designed to be a dynamic entity in which workload will be constantly monitored and assigned to staff as appropriate. A system of matrix management has been developed that dramatically reduces traditional management layers and lowers supervisory ratios. Substantial efficiencies can be attained by dynamic allocation of work and economies of scale. By developing cross-functional staff, the MEO will be able to reassign work to maximize the use of MEO staff.

Figure 1 below, MEO Work Flow, illustrates the workflow as envisioned by the MEO. Work requests originate from professional staff within a given IC. Depending on the type of work, it is provided either physically or electronically to an MEO staff member co-located within the IC area, designated as "local service" in the figure. Using a pre-determined algorithm, that individual decides whether or not the work is to be completed at the local level or at a more central level. These decisions are primarily determined by the size of the work request (e.g., number of pages to be typed or copied) and any time requirements for completion (e.g., hours vs. days). In general, small and/or urgent turn-around requests are completed locally, while large or complex ones are done centrally.

If the work is completed at a more central point, it is sent by the local service provider or Task Leader to that point for completion. Once the work is completed, either locally or centrally, it is returned to the originator. Not included in this illustration are requests that by-pass the local service provider and are directed initially to a central point (i.e., a task unit that has been identified as the locus for performance of a specific task, e.g., meeting arrangements). Requests involving such tasks flow electronically directly from the IC professional staff to a central site and include such activities as travel, training, and large meetings. A major strength of this approach to workflow is the flexibility that it provides. If, for example, a local site is oversubscribed at a given time, work requests can be sent by MEO staff to another site anywhere within the MEO in order to insure timely completion. This switch-over will be invisible to the originator of the work request and seamless within the MEO.

A major new web-based system, Web Query Tool (Web QT), currently scheduled to be launched in October 2003, will provide a resource that will greatly reduce the time needed to perform grant inquiries and reporting. Web QT will provide a single point of entry that will allow a full-fledged audit trail revealing all actions taken on a specific grant from time of review to closeout. Additionally, anticipated future enhancements to IMPAC II will provide further efficiencies as modules are streamlined to meet the demands of the NIH extramural staff. The National Institutes of Health Business and Research Support System (NBRSS) Travel system to be launched NIH-wide in October 2003 will eliminate at least 50 to 60 percent of the paperwork needed to process requests for travel as this will be accomplished electronically.

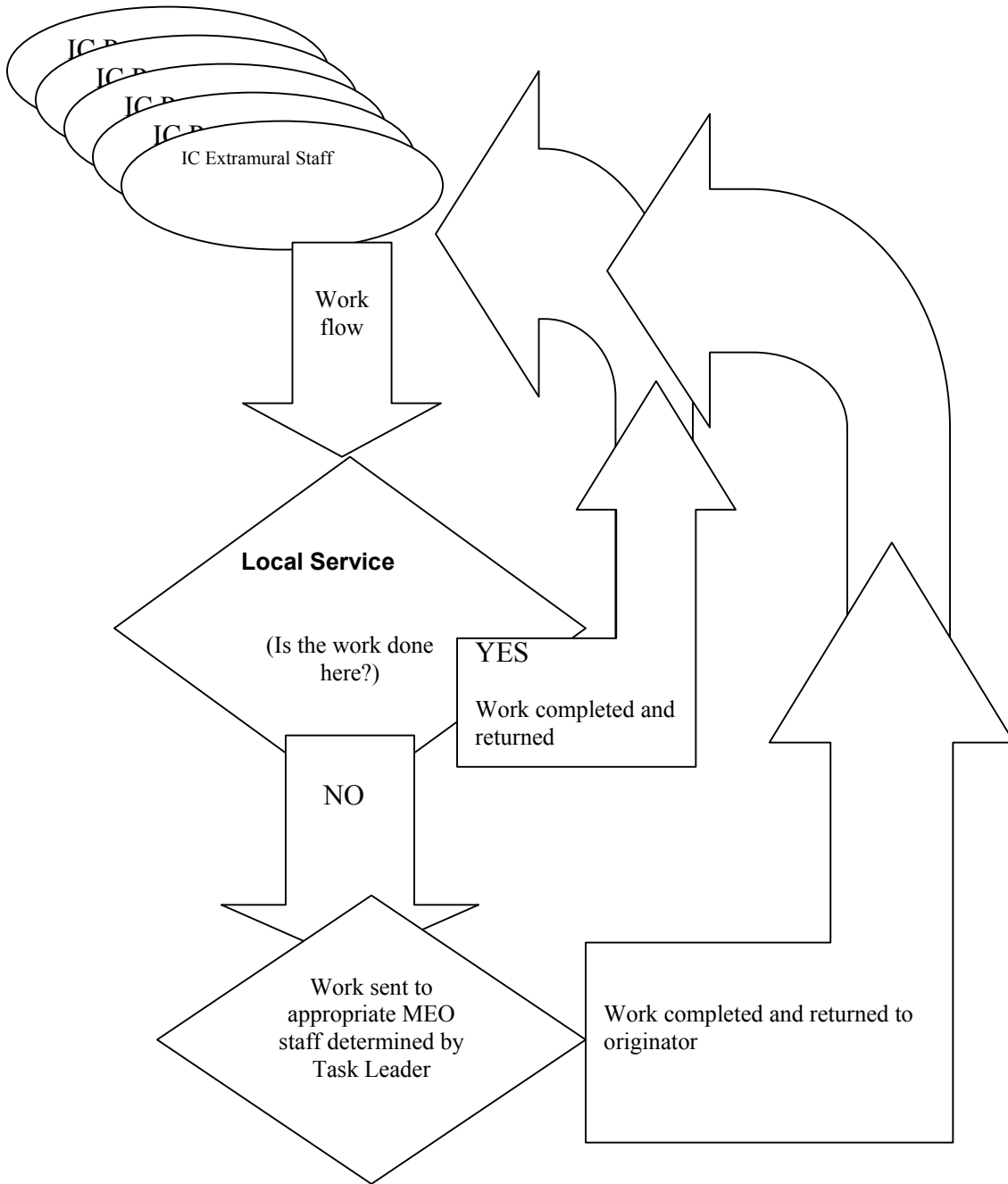


Figure 1, MEO Work Flow

3.3 Levels of responsibility in the MEO

Matrix management explicitly separates managing work and managing people. Task Leaders will be experienced staff with first hand knowledge of the activities supported by the Task Unit. They will therefore be the individuals best suited to assess whether more work can be accepted or must be referred to another Unit. They will also be active participants in the tasks being performed by the MEO. MEO Employee Supervisors will provide an independent assessment of performance.

3.4 Technology

The MEO will be critically dependent on the continued development of electronic research administration wherein an employee will be able to perform activities supporting another IC from a separate location and in a transparent manner. This feature is further dependent upon the introduction of standard operating practices among the ICs.

Table 1

Staff Levels
Current NIH vs. Proposed Office of Grant Support Services

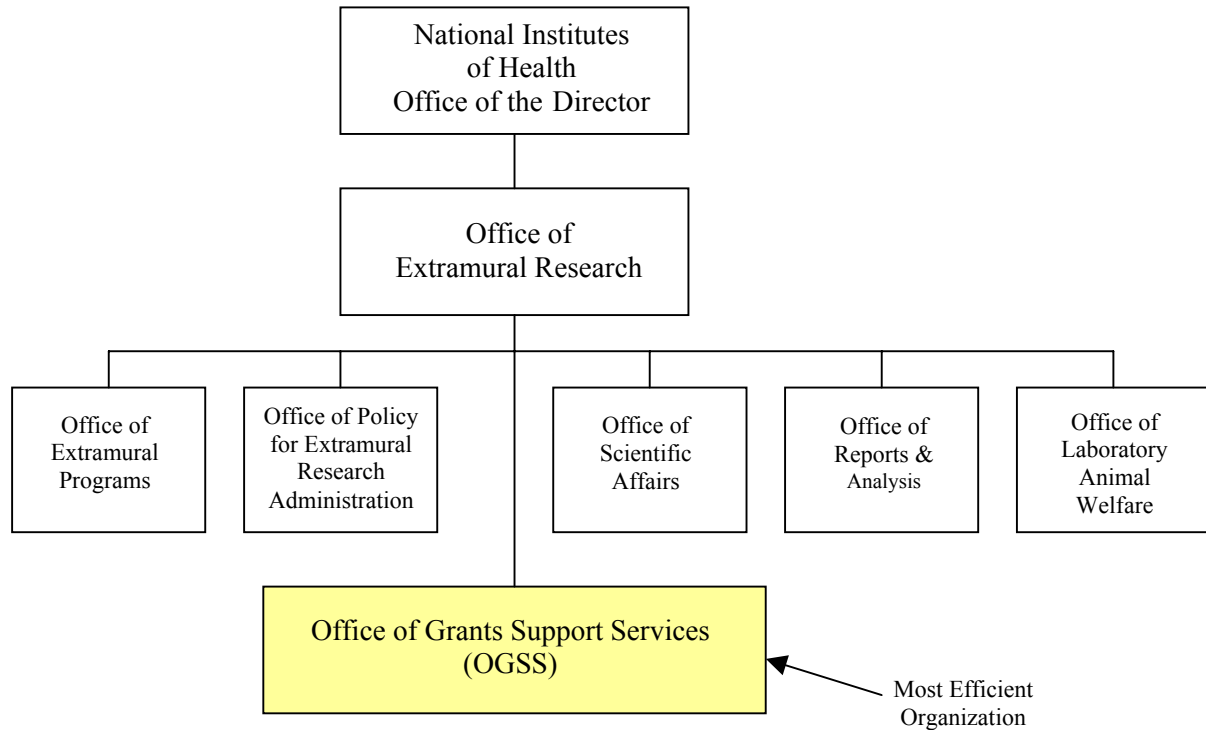
	Base Year	Option Year 1	Option Year 2	Option Year 3	Option Year 4	Performance Period Total (Man-Years)
Current NIH Extramural Support Staff (Government FTEs and Contractors)	909	909	909	909	909	4,545
Total OGSS Staff (MEO) (Government FTEs)	677	651	633	620	613	3,194
Reduction from Current Year	-232	-258	-276	-289	-296	-1,351
Reduction from Previous Year (FTEs)	--	-26	-18	-13	-7	--
Reduction from Previous Year (percent)	--	-4%	-3%	-2%	-1%	Overall Reduction 30%

1. The current NIH Extramural Support Staff included 750.61 government FTE's (717.36 filled and 33.25 Vacanct) and 158 contractors.

2. The reduction in the Base Year from current NIH Extramural Support Staff FTE of 909 to 677 FTE Total OGSS Staff is a result of MEO development. The 232 FTE reduction will be handled within current NIH Transition Plan.

4 Most Efficient Organization (MEO)

4.1 Organization Chart



The MEO will exist as a newly created Office of Grants Support Services (OGSS), within the Office of Extramural Research. The Director of OGSS reports directly to the Deputy Director of Extramural Research, Office of the Director (OD), NIH. This placement will align the MEO with the extramural policies, procedures and priorities of the NIH and the Institutes and Centers (ICs) and insure that the support services provided by the MEO are congruent with and facilitate the mission and goals of the NIH and the ICs.

4.2 Staffing Tables

MEO Workforce Staffing Base Period

Level or Grade		Position						
Position	Level	Description	Hub A	Hub B	Hub C	OGSS	Total	Remarks
Director, OGSS	GS-14	301				1	1	MEO Director
Supervisory Extramural Support Program Specialists	GS-13	301	1	1	1		3	Hub Manager
Supervisory Extramural Support Program Specialists	GS-12	301	3	3	3		9	Employee Supervisor
Extramural Support Program Specialist	GS-12	301				1	1	Workload and QC Specialist
Extramural Support Program Specialist	GS-11	301				2	2	Workload and QC Specialist
Extramural Support Program Specialist	GS-09	301	1	1	1		3	Workload and QC Specialist
Lead Extramural Assistants	GS-8	303	18	17	17		52	Task Leader
Extramural Support Assistants	GS-7	303	32	32	33		97	
Extramural Support Assistants	GS-6	303	65	62	64		191	
Grants Clerks	GS-5	303	68	65	67		200	
Grants Clerks	GS-4	303	17	16	17		50	
Office Automation Clerks	GS-4	326	5	5	5		15	
Office Automation Clerks	GS-3	326	5	4	5		14	
Office Automation Clerks	GS-2	326	3	3	3		9	
Office Machine Operators	GS-4	350	3	3	4		10	
File Clerk	GS-3	305	7	6	7		20	
TOTAL----->>>			228	218	227	4	677	

MEO Workforce Staffing, 1st Option Year

Level or Grade		Position Description	Hub A	Hub B	Hub C	OGSS	Total	Remarks
Position	Level							
Director, OGSS	GS-14	301				1	1	MEO Director
Supervisory Extramural Support Program Specialists	GS-13	301	1	1	1		3	Hub Manager
Supervisory Extramural Support Program Specialists	GS-12	301	3	3	3		9	Employee Supervisor
Extramural Support Program Specialist	GS-12	301				1	1	Workload and QC Specialist
Extramural Support Program Specialist	GS-11	301				2	2	Workload and QC Specialist
Extramural Support Program Specialist	GS-09	301	1	1	1		3	Workload and QC Specialist
Lead Extramural Assistants	GS-8	303	17	17	16		50	Task Leader
Extramural Support Assistants	GS-7	303	31	31	32		94	
Extramural Support Assistants	GS-6	303	62	59	61		182	
Grants Clerks	GS-5	303	65	62	64		191	
Grants Clerks	GS-4	303	16	15	16		47	
Office Automation Clerks	GS-4	326	5	5	5		15	
Office Automation Clerks	GS-3	326	5	4	5		14	
Office Automation Clerks	GS-2	326	3	3	3		9	
Office Machine Operators	GS-4	350	3	3	4		10	
File Clerk	GS-3	305	7	6	7		20	
TOTAL----->>>>			219	210	218	4	651	

MEO Workforce Staffing, 2nd Option Year

Level or Grade		Position						
Position	Level	Description	Hub A	Hub B	Hub C	OGSS	Total	Remarks
Director, OGSS	GS-14	301				1	1	MEO Director
Supervisory Extramural Support Program Specialists	GS-13	301	1	1	1		3	Hub Manager
Supervisory Extramural Support Program Specialists	GS-12	301	3	3	3		9	Employee Supervisor
Extramural Support Program Specialist	GS-12	301				1	1	Workload and QC Specialist
Extramural Support Program Specialist	GS-11	301				2	2	Workload and QC Specialist
Extramural Support Program Specialist	GS-09	301	1	1	1		3	Workload and QC Specialist
Lead Extramural Assistants	GS-8	303	17	16	16		49	Task Leader
Extramural Support Assistants	GS-7	303	30	30	31		91	
Extramural Support Assistants	GS-6	303	60	58	59		177	
Grants Clerks	GS-5	303	63	59	62		184	
Grants Clerks	GS-4	303	16	15	16		47	
Office Automation Clerks	GS-4	326	5	5	5		15	
Office Automation Clerks	GS-3	326	5	4	5		14	
Office Automation Clerks	GS-2	326	3	3	3		9	
Office Machine Operators	GS-4	350	3	3	4		10	
File Clerk	GS-3	305	6	6	6		18	
TOTAL----->>>>			213	204	212	4	633	

MEO Workforce Staffing, 3rd Option Year

Level or Grade		Position Description				OGSS	Total	Remarks
Position	Level		Hub A	Hub B	Hub C			
Director, OGSS	GS-14	301				1	1	MEO Director
Supervisory Extramural Support Program Specialists	GS-13	301	1	1	1		3	Hub Manager
Supervisory Extramural Support Program Specialists	GS-12	301	3	3	3		9	Employee Supervisor
Extramural Support Program Specialist	GS-12	301				1	1	Workload and QC Specialist
Extramural Support Program Specialist	GS-11	301				2	2	Workload and QC Specialist
Extramural Support Program Specialist	GS-09	301	1	1	1		3	Workload and QC Specialist
Lead Extramural Assistants	GS-8	303	16	16	16		48	Task Leader
Extramural Support Assistants	GS-7	303	29	29	30		88	
Extramural Support Assistants	GS-6	303	59	57	58		174	
Grants Clerks	GS-5	303	62	59	61		182	
Grants Clerks	GS-4	303	16	15	15		46	
Office Automation Clerks	GS-4	326	4	4	5		13	
Office Automation Clerks	GS-3	326	5	4	5		14	
Office Automation Clerks	GS-2	326	3	3	3		9	
Office Machine Operators	GS-4	350	3	3	4		10	
File Clerk	GS-3	305	6	5	6		17	
TOTAL----->>>>			208	200	208	4	620	

MEO Workforce Staffing, 4th Option Year

Level or Grade		Position Description				OGSS	Total	Remarks
Position	Level		Hub A	Hub B	Hub C			
Director, OGSS	GS-14	301				1	1	MEO Director
Supervisory Extramural Support Program Specialists	GS-13	301	1	1	1		3	Hub Manager
Supervisory Extramural Support Program Specialists	GS-12	301	3	3	3		9	Employee Supervisor
Extramural Support Program Specialist	GS-12	301				1	1	Workload and QC Specialist
Extramural Support Program Specialist	GS-11	301				2	2	Workload and QC Specialist
Extramural Support Program Specialist	GS-09	301	1	1	1		3	Workload and QC Specialist
Lead Extramural Assistants	GS-8	303	16	16	15		47	Task Leader
Extramural Support Assistants	GS-7	303	29	29	30		88	
Extramural Support Assistants	GS-6	303	59	56	58		173	
Grants Clerks	GS-5	303	61	59	61		181	
Grants Clerks	GS-4	303	15	14	15		44	
Office Automation Clerks	GS-4	326	4	4	4		12	
Office Automation Clerks	GS-3	326	5	4	4		13	
Office Automation Clerks	GS-2	326	3	3	3		9	
Office Machine Operators	GS-4	350	3	3	4		10	
File Clerk	GS-3	305	6	5	6		17	
TOTAL----->>>>			206	198	205	4	613	