

OTHER INDEPENDENT AGENCIES

PART ASSESSMENTS¹

¹This document contains details of the most recent program assessments as of the date the 2005 Budget was published (February 2004). Programs originally assessed for the 2004 Budget were reassessed only where evidence showed an agency's rating was likely to change. Programs not reassessed are presented in this document in the form of reprints of the original worksheets and are footnoted "FY 2004 Budget".

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Program Assessment Rating Tool (PART)

Program: World War II Memorial
Agency: American Battle Monuments Commission
Bureau:
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Effective
80%	102%	86%	89%	

- 1.1 Is the program purpose clear?** Answer: YES Question Weight: 20%
 Explanation: To establish and construct a national World War II Memorial in Washington, DC: and to solicit donations in furtherance of that purpose.
 Evidence: PL 103-32 et. seq.
- 1.2 Does the program address a specific and existing problem, interest or need?** Answer: YES Question Weight: 20%
 Explanation: In 1993, Congress recognized that there were national memorials to commemorate and address the significance of the Revolutionary War, the Civil War, and the Korean and Vitnam Wars, but nothing to commemorate the greatest conflict in modern human history, World War II.
 Evidence: PL 103-32 et. seq.
- 1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: NO Question Weight: 20%
 Explanation: Other national efforts to commemorate the sacrifices of the World War II generation, especially those who served in uniform have been on-going since the end of World War II. Some have national prominence (D-Day Museum, New Orleans, LA; National D-Day Memorial, Bedford, VA) - majority are state, county and municipal initiatives.
 Evidence:
- 1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight: 20%
 Explanation: ABMC has a singular mission - the maintenance and care of overseas military cemeteries and memorials, and, the establishment of memorials when directed by Congress. ABMC affected an agreement with the GSA to provide contracting support and overall project management support to leverage its ability to manage and oversee overall project goals, while taking advantage of GSA's best practices in design and construction.
 Evidence: ABMC-GSA Memorandum of Agreement.
- 1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 20%
 Explanation: Overall budgets and schedules were set in 1998, and subsequently adjusted on a semi-annual basis through 2QFY01; prior to contract award, construction budget and schedule were established and have remained unadjusted.
 Evidence: Budgets for FY 1999 - 2002. White Paper, October 1998.
- 2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 12%
 Explanation: Construction budget and schedule, to include contingent liabilities and excusable delays are the primary measures of performance, along with quality of construction (defined as conformance to requirements).
 Evidence: Monthly Executive Progress Reports; semi-annual reports to full Commission.

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- 2.2 Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 12%
 Explanation: Cost and schedules were projected immediately after design approval (1Q00), analyzed and established prior to contract award (3Q01).
 Evidence: Independent estimates for cost and schedule by CQM and A/E.
- 2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 12%
 Explanation: Since this is a singular project (versus an on-going program), "annual" measures are more appropriately correlated to monthly/quarterly goals.
 Evidence: Executive Progress reports reflecting schedule and budget information are published monthly.
- 2.4 Does the program have baselines and ambitious targets for its annual measures?** Answer: Question Weight: 0%
 Explanation:
 Evidence:
- 2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight: 12%
 Explanation: Subsequent to the enactment of PL 107-11 and award of the construction contract, all partners (ABMC, NPS, GSA, GC, CQM, A/E) agreed to long/short-term goals, and the means and methods to regularly assess both commitment and progress.
 Evidence: Stategic Planning Reports, August 2001 to present.
- 2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight: 12%
 Explanation: This project is subject to GSA's construction excellence program (on-going evaluation and assessment) which is based on peer-review (independent private-sector, best industry practices) and Federal review.
 Evidence: GSA Construction Excellence evaluations, 35% and 65% completion .
- 2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight: 12%
 Explanation: Internal budgets are categorized by major component, e.g., design, project and construction management, construction, artwork, as well as indirect allocations.
 Evidence:

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- 2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 12%
- Explanation: Strategic planning session and assessment of expectations are conducted quarterly.
- Evidence: Startegic Planning Reports, August 2001 to present.
- 2.CA1 Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: YES Question Weight: 12%
- Explanation: Because of the overall objective of the establishment of a memorial of national significance on the Mall, on-going value engineering and trade-off analysis was deemed inappropriate.
- Evidence: Alternatives were considered early in the design process and these alternatives were not selected.
- 3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 14%
- Explanation:
- Evidence: Executive Progress reports reflecting schedule and budget information. Strategic Planning Reports and assessments (quarterly).
- 3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight: 14%
- Explanation: Lines of authority and responsibility for Federal partner managers are well-defined; construction contract (60% of total controllable funds) is fixed-price with award fee for measurable performance.
- Evidence: Award-fee program results and associated assessments; Commission reports, Executive Progress Reports.
- 3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 14%
- Explanation: All obligations comply with FAR requirements. Expenditures are evaluated against budgeted line-item categoriues.
- Evidence: Executive Progress Reports, Change Estimates/Change Order Logs.

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Section Scores				Overall Rating
1	2	3	4	Effective
80%	102%	86%	89%	

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight: 14%

Explanation: Construction budget and schedule, to include contingent liabilities and excusable delays are the primary measures of performance, along with quality of construction (defined as conformance to requirements). The GC's incentive award fee plan is structured to reward the achievement of cost, schedule and quality efficiencies and effectiveness.

Evidence: Award-fee program results and associated assessments, project management system Engineering Logs.

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: NA Question Weight: 0%

Explanation:

Evidence:

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 14%

Explanation: In addition to tracking expenditures against established budgets for all program categories, a spending plan for all contractors/partners was established in September 2001. The plan is evaluated and adjusted on a quarterly basis. Planned, actual, and earned value of construction work is tracked on a quarterly basis. All GAO audits have produced unqualified opinions.

Evidence: GAO audit reports; Planned, Actual, and Earned Value performance analysis.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: NO Question Weight: 14%

Explanation: There are no management deficiencies.

Evidence:

3.CA1 Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals? Answer: YES Question Weight: 14%

Explanation: In collaboration with the General Services Administration, ABMC directed a fixed-price construction contract with a performance-based award fee (equivalent to 5% of the expected contract price). The award fee tracks quality, schedule and budget goals, and an evaluation and concomitant award is made every four months; the evaluation board is composed of representatives of the major stakeholders, with monitoring information provided by the construction quality manager. To date the GC has achieved 92% of the available fee, and is expected to earn 100% upon completion.

Evidence: Award fee assessment reports and results.

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4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: YES Question Weight: 16%

Explanation: The project is on schedule and budget, has a safety record well below the national average

Evidence: Executive Progress Reports, Strategic Planning assessments, Change Estimates/Change Order Logs, CPM updates, Safety Data Management System Report.

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight: 16%

Explanation:

Evidence:

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: YES Question Weight: 16%

Explanation: Strategic goal assessments indicate continuous improvement/focus on program goals. Change orders/additional services reflect achievement of cost/schedule objectives.

Evidence: Executive Progress Reports, Strategic Planning assessments, Change Estimates/Change Order Logs.

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: YES Question Weight: 16%

Explanation: Other memorials with national purpose (National D-Day, Women in Military Service, FDR) have experienced significant time-extensions for completion, and/or deficit situations.

Evidence:

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: YES Question Weight: 16%

Explanation: This project is subject to GSA's construction excellence program (on-going evaluation and assessment) which is based on peer-review (independent private-sector, best industry practices) as well as annual GAO audits.

Evidence: GSA Construction Excellence evaluations, 35% and 65% completion .

4.CA1 Were program goals achieved within budgeted costs and established schedules? Answer: YES Question Weight: 16%

Explanation: The project is at approximately 70% completion, and has experienced no significant deviation regarding schedule or planned, actual, or estimated value of work.

Evidence: Executive Progress Reports, Strategic Planning assessments, CPM updates, Change Estimates/Change Order Logs.

PART Performance Measurements

Program: World War II Memorial
Agency: American Battle Monuments Commission
Bureau:

Measure: Construction Schedule:percentage of construction completed on time

Additional Information: Monthly updating of CPM Project Schedule, comparison to baseline, and evaluation of accuracy substantiate that the project is on schedule. Also see Spending Plan below.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual (Efficiency Measure)
2001	0.03	0.02	
2002	0.54	0.541	
2003	0.78	0.74	
2004	1		

Measure: Construction Spending Plan:percentage of construction spending obligated on time

Additional Information: Planned Value (BCWS), Actual Value (ACWP) and Earned Value (BCWP) are evaluated, graphed and reported on a quarterly basis. No significant unexplainable deviations have been encountered.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual (Efficiency Measure)
2001	0.03	0.02	
2002	0.54	0.45	
2003	0.78	0.75	
2004	1		

Measure: Safety Performance

Additional Information: The OSHA Recordable Index national average is 6.8, the project index is well below this at 1.8. The Lost Time Incident Rate national average is 2.5, the project rate is well below this at 0.6.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: (Efficiency Measure)
2001	2.5 LTIR	0 LTIR	
2002	2.5	1.2	
2003	2.5	0.6	

PART Performance Measurements

Program: World War II Memorial
Agency: American Battle Monuments Commission
Bureau:

Measure: Safety Performance

Additional Information: The OSHA Recordable Index national average is 6.8, the project index is well below this at 1.8. The Lost Time Incident Rate national average is 2.5, the project rate is well below this at 0.6.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term:	(Efficiency Measure)
2004	2.5			

Measure: Submittal Review and Approval

Additional Information: The contractual submittal review and approval turnaround time is 14 days. The project average is 12 days.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term:	(Efficiency Measure)
2001	14 days	9 days		
2002	14	11		
2003	14	13		
2004	14			

Measure: RFI Turnaround Time

Additional Information: The contractual RFI turnaround time is 5 days. The project has averaged 5 days.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term:	(Efficiency Measure)
2001	5 days	3 days		
2002	5	5		
2003	5	5		
2004	5			

PART Performance Measurements

Program: World War II Memorial
Agency: American Battle Monuments Commission
Bureau:

Measure: Change Order Best Value

Additional Information: The Government Team works to assure that Change Orders are fair, equitable, economical and add value to the project. Negotiated Change Order values average 80% of the Contractor's proposed value.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term:	(Efficiency Measure)
2001	90%of prop.	n/a		
2002	0.9	0.9		
2003	0.9	0.8		
2004	0.9			

Measure: Quality Assurance

Additional Information: On the average, there have been less than 10 open non-compliance issues at any one time on the project. Starting when the job was 40% complete, the project has been planning commissioning and completion. Such planning is typically started at 85% completion.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term:	(Efficiency Measure)
2001	10 open	2 open		
2002	10	5		
2003	10	7		
2004	0			

Program Assessment Rating Tool (PART)

Program: Asset Management of AFRH Real Property
Agency: Armed Forces Retirement Home
Bureau:
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Moderately
80%	88%	71%	87%	Effective

- 1.1 Is the program purpose clear?** Answer: YES Question Weight: 20%
- Explanation: The purpose of AFRH's real property asset management program is to increase revenue, decrease costs, and provide quality, affordable, and facilities for our residents.
- Evidence: Title 10 United States Code Section 411 authorizes the Secretary of Defense to dispose of any property of the Retirement Home, by sale, lease, or otherwise, that the Secretary determines is excess to the needs of the Retirement Home; proceeds from such a disposal of property shall be deposited in the AFRHTrust Fund.
-
- 1.2 Does the program address a specific and existing problem, interest or need?** Answer: YES Question Weight: 20%
- Explanation: Asset management of real property is fundamental to AFRH's ability to remain solvent and change our operating model from "Survive" to "Thrive" in the 21st Century. The AFRH is at risk of becoming insolvent because annual operating costs and Capital programs exceed the Agency's annual revenue.
- Evidence: The Inspector General inspection of 1999 identified significant cost savings which could be achieved by better management of facilities and personnel relocation.
-
- 1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight: 20%
- Explanation: The Program's focus is on management of AFRH property assets.
- Evidence: Title 10 United States Code Section 411 establishes the Armed Forces Retirement Home as an independent establishment in the executive branch.
-
- 1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight: 20%
- Explanation: The purpose of AFRH's real property asset management program is to increase revenue, decrease costs, and provide quality, affordable, and facilities for our residents. The Program is organized to vacate identified facilities; target them for lease; renovate facility with leasee funding; and establish revenue stream after payback period.
- Evidence: The Inspector General inspection of 1999 and the Most Efficient Organization study were used to insure program effectiveness and efficiency.
-
- 1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: NO Question Weight: 20%
- Explanation: The Program identifies what real property is essential to the core mission of the AFRH. Resources are being allocated consistant with risk management and core mission requirements; however, many actions are in the planning stage and remain to be proven.
- Evidence: The Inspector General inspection of 1999, the Most Efficient Organization study, internal reviews and a Manning Analysis were used to determine determine core mission requirements and minimize risk to the AFRH mission.

Program Assessment Rating Tool (PART)

Program: Asset Management of AFRH Real Property
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Bureau:
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Moderately
80%	88%	71%	87%	Effective

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight: 13%

Explanation: This Program is associated with one Strategic Goal and the long-term performance measures are clearly defined by reducing square footage requirements to maximize resource utilization and a strategy to lease or sell all excess real property to minimize operational and capital costs while generating revenue.

Evidence: Two building structures in Gulfport have been identified for sale; by FY 2005, 88 percent of the real property at the Washington Campus will be used to reduce costs and generate revenue.

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight: 13%

Explanation: Program timelines are aggressive and based on FY 2005 Budget Submission.

Evidence: By FY 2004, 88 percent of the real property at the Washington Campus will be used to reduce costs and generate revenue; FY 2005 Budget Submission will reduce annual operating costs by 20 percent.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 13%

Explanation: The program has two annual performance measures (real property facilities and square footage). All excess real property will be vacated; cost savings will be reflected in FY 2005 Budget Submission; sale and lease of excess property will begin in FY 2003.

Evidence: The program has a clear measurable outcome: vacate 13 buildings at the Washington Campus by FY 2004; sell two buildings at Gulfport in FY 2003; lease an additional 19 percent of the excess real property by FY 2005; program cost savings in FY 2005 Budget Submission; and program revenue consistent with future lease agreements.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 13%

Explanation: The Washington campus has 76 real property facilities; all excess real property (13 buildings or portions of facilities/buildings) will be vacated. Gulfport campus has two excess buildings. Cost savings will be reflected in FY 2005 Budget Submission; sale and lease of excess property will begin in FY 2003.

Evidence: The program is associated with the AFRH Strategic Plan and one Strategic Goal: "AFRH facilities are leveraged to maximize resource utilization."

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: NA Question Weight: 0%

Explanation:

Evidence:

Program Assessment Rating Tool (PART)

Program: Asset Management of AFRH Real Property
Agency: Armed Forces Retirement Home
Bureau:
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Moderately Effective
80%	88%	71%	87%	

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: NO Question Weight: 12%

Explanation: There are no regularly scheduled, independent performance reviews of AFRH's asset management of Federally-owned real property program.

Evidence: The Program was started in November 2002. No independent evaluations have been conducted of the Program within its first 9 months of operation.

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: YES Question Weight: 12%

Explanation: The budget-planning process is aligned with the program goals. Annual costs; cost savings; and expected revenues are included in Budget Submissions.

Evidence: AFRH's FY 2004 Budget Submission and Strategic Plan.

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight: 12%

Explanation: AFRH will program annual funding to conduct independent evaluations to determine program improvements and evaluate effectiveness of this Program.

Evidence: Quarterly, the AFRH leadership reviews its strategic plan and strategic goals to identify weaknesses in planning and performance.

2.CA1 Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity? Answer: YES Question Weight: 12%

Explanation: In FY 2002 the Department of Defense conducted a Most Efficient Organization Study and an Inspector General Inspection. In FY 2003 the Agency conducted internal analysis to finalize and determine specific objectives of this Program.

Evidence: the Program was started in November 2002. Numerous in house and an external study (Manning Analysis) have been and are being conducted to measure workload and minimize risk.

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight: 15%

Explanation: AFRH's senior management meets quarterly to review performance data. The Agency is moving to a new accounting system in April 2004 that will provide realtime financial data to enhance decision making. Performance data is also used by AFRH's leadership to insure real property asset management program continues to increase revenue, decrease costs, and provide both quality and affordable facilities for our residents.

Evidence: Reviewed at most recent Quarterly Strategic Planning meeting on 6-8 May 2003. Still work in progress, but timelines and performance information are reviewed and adjusted if necessary.

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Program: Asset Management of AFRH Real Property
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Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Moderately Effective
80%	88%	71%	87%	

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: NO Question Weight: 15%

Explanation: AFRH has not demonstrated how managers are held accountable for cost or program overruns. AFRH has not identified how it establishes performance standards for managers incorporating program performance into personnel performance evaluation criteria.

Evidence: Still work in progress.; as a result of process reengineering and organizational restructuring Position Discriptions and Performance Plans are being rewritten. Each Performance Plan will address accountability for program results.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: NO Question Weight: 14%

Explanation: Unobligated balances for capital projects are large and have not been obligated in the past for multiple reasons (e.g. Trust Fund balance, clear defined projects; manaaement decisions, etc.) All capital projects are being reevaluated, prioritized, and deleted if not consistent with the Agency's new operating model.

Evidence: AFRH's FY 2004 Budget Submission will reshape capital requirements and identify approved unprogrammed capital funding to support support capital projects.

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight: 14%

Explanation: Through this Program, AFRH will reduce workload for Campus Operations by 25 percent. Leasees will be responsible for renovation and maintenance of facilities. Cost savings will be be reflected in FY04 Budget Submission.

Evidence: AFRH's FY 2004 Budget Submission will reshape capital requirements to reflect asset management decision of AFRH real property.

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 14%

Explanation: The Program works closely with other Federal programs.

Evidence: AFRH worked closely with the National Trust of Historical Preservation for the renovation of historical facilities on the Washington Campus. Renovation of the Lincoln Cottage begins this year.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 14%

Explanation: AFRH received a "Qualified Opinion" for FY 2001 and negative comments on the Inspector General Inspection conducted between June and July of 2002; however, the Agency has taken positive steps to correct weaknesses in this area. Starting in April 2004, the accounting function will be outsourced to the Bureau of Public Debit. The new accounting system will integrate multiple functions (payroll, procurment, credit card use, and travel). Financial Statements and Audits will be conducted per the CFO Act.

Evidence: Post Inspector General comments in FY 2003 refereced positive changes in this area.

Program Assessment Rating Tool (PART)

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Section Scores				Overall Rating
1	2	3	4	Moderately Effective
80%	88%	71%	87%	

- 3.7 Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 14%
- Explanation: AFRH has many management improvements underway. Management has identified this Program as a Strategic goal and critical to the Success of the Agency; management is allocating additional time and resources to insure accountability is enforced and Capital programs fall within the vision of the new operating model.
- Evidence: Management improvements underway include: reveiw and validation of all Position Discriptions; update of each Personnel Performance Plan; review and update of all capital programs; and a healthcare study to address capital requirements.
- 3.CA1 Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?** Answer: NA Question Weight: 0%
- Explanation:
- Evidence:
- 4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: YES Question Weight: 20%
- Explanation: The Program was started in November 2002. Significant milestones have been accomplished to date.
- Evidence: FY 2004 Budget Submission
- 4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: YES Question Weight: 20%
- Explanation: The Program was started in November 2002. Significant milestones have been accomplished to date.
- Evidence: FY 2004 Budget Submission
- 4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: SMALL EXTENT Question Weight: 20%
- Explanation: The Program was started in November 2002. Significant milestones have been accomplished to date; however, the operating model is new and remains to be proven.
- Evidence: FY 2004 Budget Submission
- 4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: YES Question Weight: 20%
- Explanation: Although the Program is in the early stages, significant cost savings have been identified to date and captured in the FY 2004 Budget Submission.
- Evidence: FY 2004 Budget Submission

Program Assessment Rating Tool (PART)

Program: Asset Management of AFRH Real Property
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Bureau:
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Moderately
80%	88%	71%	87%	Effective

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: NA Question Weight: 0%

Explanation: The Program was started in November 2002. No independent evaluations have been conducted of the Program within its first 9 months of operation.

Evidence:

4.CA1 Were program goals achieved within budgeted costs and established schedules? Answer: YES Question Weight: 20%

Explanation: Although the Program was started in November 2002, significant milestones have been accomplished to date and cost savings identified in the FY 2004 Budget Submission.

Evidence: FY 2004 Budget Submission

PART Performance Measurements

Program: Asset Management of AFRH Real Property
Agency: Armed Forces Retirement Home
Bureau:

Measure: Percent of targeted Long-term leased square footage (520,822 sqft). Leasing of excess facilities increases revenues to the Homes, and reduces annual operational costs.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term (Efficiency Measure)
2004	34%	34%	
2005	78%		
2006	94%		
2007	100%		

Measure: Percent of targeted short-term leased square footage (29,069 sqft)

Additional Information: Established short-term lease to support long-term goals

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term (Efficiency Measure)
2003	100%	100%	

Measure: Sale or lease of real property (113 acres). Selling or leasing excess land generates additional revenue for the Homes and reduces infrastructure costs.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term (Efficiency Measure)
2004	42%	42%	
2005	100%		

Measure: Reduce operational square footage (317,277 sqft). Eliminating unneeded operational space reduces operation and maintenance costs, and increases the inventory of revenue-producing lease space.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term (Efficiency Measure)
2003	9%	9%	

PART Performance Measurements

Program: Asset Management of AFRH Real Property

Agency: Armed Forces Retirement Home

Bureau:

Measure: Reduce operational square footage (317,277 sqft). Eliminating unneeded operational space reduces operation and maintenance costs, and increases the inventory of revenue-producing lease space.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term (Efficiency Measure)
2004	39%	39%	
2005	100%		

OMB Program Assessment Rating Tool (PART)

Regulatory Based Programs

Name of Program: Consumer Product Safety Commission

Section I: Program Purpose & Design (Yes, No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Is the program purpose clear?</i>	Yes	The Consumer Product Safety Act (PL 92-573) clearly states the program purpose: to (1) protect against the unreasonable risk of injury associated with consumer products; (2) assist consumers in evaluating the safety of products; (3) develop uniform safety standards and minimize conflicting State and local regulations; and (4) promote research into the causes of and prevention of injury.	The authorizing legislation is CPSA, FHSA, PPPA, FFA, and the Refrigerator Safety Act.	20%	0.2
2	<i>Does the program address a specific interest, problem or need?</i>	Yes	There continue to be substantial consumer product-related deaths and injuries from over 15,000 consumer products under sole CPSC jurisdiction. CPSC concentrates in these hazard areas covering all types of consumer injuries: fire and electrocutions, children's, chemical, and household/recreational. Hazard reduction efforts are chosen based on these CPSC criteria (from CFR 16 1009.8 and senior managers input): (1) Measurement of performance; (2) Frequency and severity of injuries; (3) Causality of injuries; (4) Chronic illness and future injuries; (5) Cost and benefit of CPSC action; (6) Unforeseen nature of the risk; (7) Vulnerability of the population at risk; (8) Probability of exposure to hazard; and (9) Time to achieve goal.	Each year, there are on average over 23,000 deaths and over 31 million injuries related to consumer products under CPSC's jurisdiction (2003 Budget Request). They account for roughly 15 percent of all deaths resulting from injury and half of medically attended nonfatal injuries. According to CPSC estimates in the Revised Injury Cost Model (December 2000), the cost of these deaths and injuries, and related property damage amounts to over \$500 billion annually. To estimate medically attended injuries, CPSC employs the Injury Cost Model (ICM), which uses empirically derived relationships between emergency department injuries reported through the National Electronic Injury Surveillance System (NEISS) and those treated in other settings (e.g. doctor's offices). The injury cost estimates are made up of four components including medical costs, work losses, pain and suffering, and legal costs.	20%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
3	<i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	Yes	The legislation creating CPSC has provided the Commission with a wide variety of tools to reduce consumer product hazards. For example, CPSC can work to establish voluntary and/or mandatory product safety performance standards (but it must defer to a voluntary standard if the standard is found to be effective; the ratio of voluntary to mandatory standard is 5 to 1); CPSC has the authority to recall defective products or order corrective actions (Of the annual 300 recalls and 700 corrective actions, most are conducted voluntarily). Firms also must report to CPSC potential product hazards or violations of product standards. CPSC also conducts consumer information campaigns to inform consumers of standards and recalls as well as other safety information, such as the annual fireworks safety program. Finally, CPSC works with States and local governments to secure greater compliance with CPSC recalls and dissemination of safety information.	Since its inception in 1973, CPSC has played a significant role in the 33% decline in deaths and 23% decline in injuries related to consumer products. Recent evaluations of the results of CPSC's activities on three products (cribs, baby walkers, child-resistant cigarette lighters) report an estimated total annual savings between \$1.7 and \$1.9 billion dollars. CPSC estimates that past work on reducing hazards in fire and electrocutions, child head injuries, child poisonings, CO poisonings, and fireworks save the nation over \$13 billion annually (2001 Annual Performance Report).	20%	0.2
4	<i>Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?</i>	Yes	CPSC is the only Federal agency that has the authority to identify and regulate a wide range of consumer product hazards. To accomplish this task, CPSC has developed data collection systems and product hazard expertise. While individual states may set their own safety standards, once CPSC issues a mandatory rule or defers to a voluntary standard, the CPSC action preempts states rules (Section 26, CPSA). As such, CPSC provides a nationwide level playing field for consumers and businesses (both domestic and foreign). CPSC works with the states to avoid duplication of effort during the development of regulations. CPSC partners with states and local jurisdictions to expand enforcement powers and the effectiveness of product recalls. CPSC works cooperatively with and through national standards groups and regional building code groups to improve safety standards.	CPSC makes recommendations for safety standards to private standards groups and regional building code groups for voluntary safety standards. However, no other federal, state, local or private group has the authority to set mandatory safety standards, obtain recalls of hazardous products, and assess penalties for products under CPSC's jurisdiction. As mentioned, CPSC works with both state and local groups to implement recalls and safety standards. An example of this is the contracting between CPSC and states to conduct establishment inspections. CPSC also partners with all 50 states to conduct the annual Recall Roundup campaign. Another example is in the development of a possible upholstered furniture flammability safety standard. CPSC has been working with the State of California to share research information and reduce duplication of effort. Duplication of effort is reduced by sharing information on research findings so that neither CPSC nor the State of California have to duplicate research efforts, as well as California issuing a regulation that may be preempted if CPSC issues a rule.	20%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	<i>Is the program optimally designed to address the interest, problem or need?</i>	Yes	No other efficient or effective approach to resolving product hazards is known at this time. The tools provided in the CPSA and the emphasis placed on voluntary standards represent an optimal design to reduce consumer product hazards.	No evidence is available that would suggest that other mechanisms, such as grants, loans, litigation, & tax policy are more feasible or economical. CPSC's use of voluntary and mandatory standards, recalls, and consumer information provides an approach that is both efficient and effective in balancing the needs of consumers and industry.	20%	0.2

Total Section Score					100%	100%
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Section II: Strategic Planning (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?</i>	No	Aside from service quality and customer service goals that provide services to industry and consumers, CPSC has five consumer product-related hazard-reduction long-term goals. While these goals have been established with clear time frames and directly and meaningfully support the agency's mission, the goals can not currently be considered ambitious and therefore, do not adequately challenge program managers to continuously improve program performance. When CPSC developed its first strategic plan, it set strategic targets that its agency experts believed were achievable but ambitious based on available data and resources. CPSC selected hazard reduction goals that it believed could be achieved within a ten-year time period. While some goals were achieved by 2000, data problems prohibited CPSC from adjusting targets until the scheduled Strategic Plan update due to OMB in March 2003.	CPSC's long-term performance goals are to: (1) Reduce the non-arson fire-related death rate by 10% by 2005. (2) Reduce the electrocution death rate by 20% by 2004. (3) Reduce the non auto carbon monoxide poisoning death rate by 20% by 2004. (4) Prevent any increase in the death rate to children under 5 years from unintentional poisoning by drugs and other hazardous household substances through 2006. (5) Reduce the product-related head injury rate to children by 10% by 2006. (1) Non-arson fire related deaths are below the target of 10.3 per million set for 2005. (2) The death rate for electrocutions is below the target of 7.1 per 10 million set for 2004, indicating that the goal could be more ambitious. (3) Carbon monoxide poisoning deaths have declined only slightly since 1995, yet they are below the target of 6.9 per 10 million set for 2004. (4) The death rate of children under age 5 related to unintentional poisonings has been nearly level since 1994, yet below the target of 2.4 set for 2006. (5) Head injury rates for children under age 15 related to a selected set of 71 products have increased since 1996 and in fact are now significantly higher than the rate of injury in 1990 (an almost 5 percent increase).	9%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	<i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	Yes	CPSC's annual performance goals are discrete, quantifiable, and measurable, and directly support the agency's mission. CPSC developed intermediate outcome goals based on the key activities used to reduce injuries and deaths, such as the number of voluntary standards recommendations and the recall of hazardous products.	CPSC tracks deaths and injuries related to their strategic goals and provides this trend information in its plans and reports. This information is tracked annually.	13%	0.1
3	<i>Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?</i>	Yes	In addition to partnering with other federal agencies, CPSC spends approximately \$3 million annually on non-federal contracts. Most contracts are for specific purposes such as purchasing administrative services or specific support to compliance investigations to assess the financial ability of a manufacturer to conduct a recall. CPSC contracts for the administration of their hotline, spending roughly \$500,000. For that performance, there is a strategic goal and annual performance goals.	For CPSC's hotline, there is a target of 90% satisfaction of hotline callers. Annual goals in support of the hotline strategic goal include responding to after-hours voicemail by the next business day 85% of the time and processing product incident reports taken over the hotline within 8 working hours 85% of the time.	13%	0.1
4	<i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	Yes	CPSC shares a common goal with the US Fire Administration and the Centers for Disease Control and Prevention, for example, that focus on reducing fire-related deaths. They also work with other Federal agencies on an as needed basis. An example of this is partnership between CPSC and HUD and the US Army on smoke detectors because both HUD and the US Army have large housing inventories.	CPSC has developed Memoranda of Understanding (MOU) with various agencies as appropriate. For example, CPSC has a long standing MOU with the U.S. Fire Administration to address hazards of particular interest to both agencies. They also have a 2002 MOU with the U.S. Fire Administration and the Centers for Disease Control and Prevention that establishes a management process to develop joint fire prevention activities and allocate resources.	13%	0.1
5	<i>Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?</i>	Yes	CPSC does not contract out for evaluations to be performed by an independent, non-biased party. CPSC conducts regularly scheduled evaluations from their Office of Planning and Evaluation, which has the responsibility of conducting evaluation studies to determine how well the Commission fulfills its mission. In addition, evaluations are conducted by various staff offices and the Inspector General, an independent office that reports directly to the Chairman.	CPSC usually does not contract out for evaluations. Rather, the agency relies on several in-house offices (Planning and Evaluation, Inspector General, Data Systems) to provide "arms-length" analysis and support as well as to oversee the integrity of the data. In addition, evaluations of reductions in injuries and deaths are based on objective data that has been subject to rigorous quality control checks and is carefully reviewed through a formal clearance system. CPSC recently completed an impact evaluation of the cigarette lighter and baby walker standards. They also currently have, in draft, a comprehensive evaluation of their electrocution program. CPSC points out that all three evaluations demonstrated positive benefits of CPSC's activities.	13%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
6	<i>Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?</i>	Yes	The CPSC strategic goals are long term goals and, except for those areas where evaluations were conducted, there is no conclusive evidence available that suggests there is a positive correlation between the impact of annual funding and performance. CPSC's budget structure reflects their strategic goals. The program costs shown in the budget represent 100% of the resources needed to achieve that goal, including overhead costs. The agency believes they would be able to show further reductions in deaths and injuries, however, with an increase in resources to attack product safety hazards. The Commission staff have prepared candidate projects that were not included in the CPSC budget request due to budget limitations.	CPSC integrated its Budget and Performance Plan in its current format in the FY2000 budget cycle. CPSC changed its budget programs from functional activities (e.g., compliance/consumer information) to program outcomes (e.g., reducing fire-related deaths) to provide a results-orientated presentation of resources. In most cases, the agency was able to predict levels of outcomes given levels of resources. In the agency's 2004 plan, for example, CPSC is requesting additional funds to increase the number of on-site investigations and estimates the number of additional investigations as well. For infrastructure increases, such as information technology, however, it is not able to predict the specific impact on program outcomes.	13%	0.1
7	<i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	Yes	CPSC's planning process is managed by its Office of Planning and Evaluation, with reviews by the Commissioners, other senior management, and the Inspector General. CPSC has taken meaningful steps to address data problems that prevented the agency from adjusting its strategic goals when the goals were at or near their targets. This will result in a change in targets as of March 2003.	CPSC waited to change its strategic target for reducing fire-related deaths because GAO criticized the agency's procedure for collecting information about these deaths. The agency addressed this problem by developing the methodology and procedures for collecting a census of fire deaths, completed in 2001. In 2002, CPSC tested the new procedure by conducting a pilot study and recently received the first round of new data to be analyzed for data quality and completeness. CPSC also waited to change its targets for CO poisonings and electrocution deaths because, in 1999, there were major changes in the way that deaths were being classified throughout the U.S. by the World Health Organization. These changes could affect death reduction trends. For example, for CO deaths, the new system does not distinguish between CO deaths from car exhaust, which is not in the agency's jurisdiction, and other CO deaths. CPSC compared the old and new data and developed new methodologies to analyze the new data. The agency's initial analysis shows discontinuities due to the change in the classification system and changes in methodology because of that system.	13%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
8 (Reg 1.) <i>Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?</i>	Yes	CPSC's legislation requires the agency to rely on voluntary standards before issuing a mandatory standard, thus it is unlikely there are any superfluous regulations. Regulations promulgated by CPSC only cover gaps in product safety not covered by voluntary standards or instances of non-conformance to a voluntary standard.	CPSC's legislation both authorizes the agency to issue rules as appropriate, as well as to directing them to issue certain rules (e.g., bicycle helmets). The legislation also requires the agency to include findings that address how the regulation accomplishes program goals.	13%	0.1

Total Section Score				100%	91%
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Section III: Program Management (Yes,No, N/A)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?</i>	Yes	For each performance goal, CPSC collects credible performance data in a systematic way subject to quality controls. CPSC uses this information in management processes such as their mid-year review and the development of their annual operating plan to make resource allocations or take appropriate management action. Baseline data are used to develop performance goals in their strategic and annual plans. Feedback from program partners, such as voluntary standards groups, are routinely incorporated into performance plans.	CPSC uses performance data when developing its operating plan as well as when holding midyear review of their operating plan. While CPSC's strategic performance goal for head injuries indicated a different trend than originally hoped for, their management initiated a study to determine what the agency can do to reverse that trend. Finally, the IG audit of electrocution data found that the data used to measure annual goals was credible with few exceptions.	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	<i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	Yes	CPSC identified managers that are responsible for achieving key program results and has established performance standards for those managers. Performance feedback is provided to managers through the Executive Director's weekly meetings. During the midyear review process, the Office of Planning and Evaluation assesses up-to-date program performance. CPSC works with its partners in a collaborative, voluntary way, and while they provide CPSC with feedback, the agency has no authority to force them to report information.	CPSC added a key characteristic for SES managers to hold them accountable for progress towards annual performance goals that states: "Meets the relevant goals outlined in the annual Performance Plan. Assures progress toward accomplishing the organization's program goals described in the Strategic Plan and annual Performance Plan. Evaluates methods and procedures and makes modifications where necessary." A tracking system is used by the agency to monitor progress. When a manager does not meet a goal, the Office of Planning and Evaluation analyzes the data and works with the manager to determine why the goal was missed, what will be done to correct the process, or determine if the goal needs to be adjusted for future plans.	11%	0.1
3	<i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	Yes	All funds are obligated in a timely manner. CPSC's funds control system reviews obligations to be consistent with the program plan. Unobligated funds remaining at the end of the year are consistently \$50K or less. CPSC also has a schedule for contract obligations that align with the overall program plan.	CPSC prepares monthly reports and conducts a mid-year review that compares actual spending to program operating plans. These operating plans are based on Congressional Justifications and Appropriations.	11%	0.1
4	<i>Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?</i>	Yes	All of CPSC's project work in support of their strategic goals is planned and executed using measurable accomplishments such as milestones and resources. Their program progress is monitored by senior staff and by agency reviews. They also have efficiency measures for certain services to consumers and industry. For example, CPSC sets efficiency targets for Fast Track recalls, and for Clearinghouse and Hotline work. They have sought improvements in their program management through IT investments. CPSC has improved operations by improving database applications, implementing a teleworking program for agency field staff and improved information collection and dissemination capabilities through the CPSC public website.	CPSC regularly tracks efficiency performance measures for services to consumers and industry. Examples of these measures include "responding to after-hours voicemail messages the next business day"(hotline) and "providing responses to requests for information in writing within 5 business days" (Clearinghouse). CPSC also measures consumer and industry satisfaction with these services. These outcomes are documented in its performance plans and reports. In support of its programs, CPSC contracts for services on a competitive basis, including: Compliance litigation support (\$200,000); Database programming services (\$500,000); Data analysis services (\$300,000); Consumer information services (\$700,000); and various administrative service contracts (\$1 million).	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	<i>Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?</i>	Yes	CPSC has a systematic way of determining/estimating the full cost of achieving specific performance levels. When CPSC cites costs by program all direct and indirect costs known to the agency are included.	This level of information is available in CPSC's annual budget submissions.	11%	0.1
6	<i>Does the program use strong financial management practices?</i>	Yes	CPSC's financial management is free of any material internal control weaknesses. They have procedures in place to ensure that payments are made properly for the intended purpose to minimize erroneous payments.	An audit on the Commission's compliance with the Prompt Payment Act was issued in 1995 by the agency's Inspector General's Office. No material weaknesses were reported in the audit. Current procedures require that payments be approved by an authorized official, audited by Finance staff and reviewed by the Certifying Officer. This process has been successful in preventing and detecting erroneous payments. Payment and obligation data are also reconciled monthly by each CPSC office. Results are reported to the Division of Financial Services for review, analysis and appropriate action as necessary.	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
7	<i>Has the program taken meaningful steps to address its management deficiencies?</i>	No	CPSC systematically reviews its program management by employing a series of review activities throughout the annual operating cycle.	At the Commissioner level, program plans are reviewed and approved at the start of the year. At midyear and end-of-year, the staff must report to the Commission on program progress. At mid-year, program adjustments are made as appropriate. Weekly, the Executive Director meets with program service managers to identify any problems that have developed prior to the midyear and end-of-year reviews by the full Commission. The program managers use several tracking systems and databases to determine staff progress on meeting project and activity benchmarks approved at the start of the operating plan. Also, the Inspector General and Office of Planning and Evaluation conduct audits and evaluations of selected areas throughout the operating plan cycle. Finally, under the Federal Manager's Financial Integrity Act (FMFIA), each CPSC office conducts an annual internal review and certifies compliance in a letter to the Executive Director and the Chairman.	5%	0.0
8 (Reg 1.)	<i>Did the program seek and take into account the views of affected parties including state, local and tribal governments and small businesses, in drafting significant regulations?</i>	Yes	To-date, CPSC has not promulgated any rules that meet the significant threshold in Executive Order 12866. In drafting mandatory regulations, however, CPSC does seek the views of affected parties through solicitation of comments in Federal Register notices and by other means. CPSC staff analyzes these comments, and where appropriate, will make recommendations for revision to the proposed regulation.	CPSC pointed out numerous examples where the views of affected parties were taken into account. CPSC highlighted two examples in particular. In November 1998, CPSC issued a rule to require child-resistant ("CR") packaging for minoxidil preparations. Comments received by the Commission in response to the proposed rule indicated that the proposed effective date of one year was too short, and that more time was necessary to incorporate a new spray applicator that would be child-resistant. After reviewing the process for commercialization of a CR finger sprayer, the Commission agreed that more than one year was needed. The Commission, therefore, allowed companies to request a stay of enforcement to provide additional time to produce CR finger sprayers and extender sprayers. With regard to the potentially significant rulemaking currently in progress on upholstered furniture, CPSC contacted and successfully solicited comments from affected parties on specific technical issues, and conducted a public hearing on one such issue. Further, CPSC staff held numerous pub	5%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
<p>9 (Reg 2.) <i>Did the program prepare, where appropriate, a Regulatory Impact Analysis that comports with OMB's economic analysis guidelines and have these RIA analyses and supporting science and economic data been subjected to external peer review by qualified specialists?</i></p>	No	<p>CPSC does prepare a regulatory analysis for all CPSA, FFA, and FHSA rules, as required by these acts. CPSC does not, however, conduct a regulatory analysis for all of its PPPA and Congressionally mandated rules. For Congressionally mandated rules, such as the bicycle helmet rule, Congress directs CPSC not to follow the cost/benefit provisions of the CPSA. For rules under the Poison Prevention Packaging Act (PPPA), the legislation does not require cost/benefit analysis, however, it is not prohibited. Under the PPPA, there are several findings that the Commission does consider though, as required. The findings have elements related to the economics of issuing a PPPA rule. In addition to hazard information, for example, the Commission must consider the findings with respect to the following four specific questions. 1) Is the rule technically feasible, practicable, and appropriate? 2) Is the rule reasonable? 3) What are the manufacturing practices of affected industry?</p> <p>4) What is the nature and use of the household substance? As with all rules, the Commission would also have to consider the impact of the rule on small businesses pursuant to the Regulatory Flexibility Act.</p>	<p>representatives of small businesses, a wide range of other industry groups, fire safety organizations, state and foreign government agencies and consumer representatives. The CPSC staff has worked continuously with industry throughout the rulemaking to incorporate their views and technical expertise into the process.</p> <p>CPSC is not prohibited by statute from doing cost/benefit analysis for PPPA rules. CPSC states that it is conceivable though, that if the agency denied a petition on the basis that the costs of a given PPPA rule exceeded its benefits, a reviewing court could overturn the petition denial on the grounds that they should not have used an extra-statutory basis for the denial. One example of a final rule, "Household Products Containing Hydrocarbons, Final Rule," Federal Register, October 25, 2001 showed no such analysis. The agency did, however, certify that the rule would not have a significant economic impact on a substantial number of small entities. In addition to the PPPA, the agency has issued a dozen Congressionally mandated rules since its inception. With regard to Congressionally mandated rules, where CPSC is directed to promulgate those rules, such</p> <p>as "Garage Door Openers" and "Bicycle Helmets", the agency is directed not to apply sections 7 and 9 of the CPSA that require cost/benefit analysis.</p>	5%	0.0

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
10 (Reg 3.) <i>Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?</i>	Yes	<p>In accordance with the annual budget, operating plan, and performance plan cycles, CPSC reviews selected mandatory and voluntary standards to assure that they are necessary and conducts annual field programs to monitor industry compliance with various regulations. In the course of those activities, if it finds evidence that supports the need to revise a specific regulation, it initiates action. In addition, the technical staff of the Commission works closely with committees that establish voluntary safety standards for the types of products subject to mandatory regulations to address potential hazards that those regulations do not cover. As part of the rulemaking process, the Office of General Counsel writes all the rules for the agency based on staff input and reviews those rules for consistency. CPSC's enforcement program proactively tests and seeks out problems with rules found in the marketplace. Based on evidence gathered from this work, rules are revised accordingly. As part of the annual budget, operating plan, and performance plan cycles, CPSC reviews selected mandatory and voluntary standards</p>	<p>Although rulemaking takes up less than 5% of the agency's annual budget eighteen of its regulations have been reviewed since 1996, including cribs, baby walkers, clothing textiles, cigarette lighters, and garage door openers. A detailed review of the Commission's regulation on flammability of clothing textiles, for example, showed that the procedures and test equipment specified in the standard have become outdated. This resulted in confusion by industry and other affected parties in how to apply the standard's requirements. As a result of this review, the staff sent a briefing package to the Commission that recommended the publication of an advance notice of proposed rulemaking to update the standard to reflect current technologies and consumer practices. In early September 2002, the Commission voted to issue an ANPR. The annual operating plan in CPSC's Compliance area selected approximately 5 voluntary standards to review to see if industry is complying with the voluntary standard. If deficiencies are found, the standard will be</p>	5%	0.1
		<p>to assure that they are necessary. CPSC also reviewed all its rules in compliance with the Regulatory Flexibility Act and continues to comply with that Act. Specific regulations that require manufacturers to keep records are reviewed every three years when the Commission seeks OMB approval under the Paperwork Reduction Act to continue them.</p>	<p>referred to CPSC staff to make recommendations for revision.</p>		

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
11 (Reg 4.) <i>In developing new regulations, are incremental societal costs and benefits compared?</i>	No	While regulatory analyses are conducted for all rules promulgated under the CPSA, FHSA, and FFA, CPSC does not conduct an analysis of incremental societal costs and benefits for PPPA and Congressionally mandated rules. However, under PPPA, cost/benefit is not required, although there are several findings that the Commission must consider that have elements related to the economics of issuing a rule (See Section III, question 9).	CPSC has provided examples of rules where cost-benefit analysis was conducted, specifically with regard to a rule on cigarette lighters, such as those requiring disposable cigarette lighters and multi-purpose lighters to be child resistant. Alternatives included whether to include different types of lighters such as novelty lighters and 'luxury' lighters. The decision on what types of lighters were to be included in the rule was based on a comparison of the expected cost and benefits. The analysis of incremental societal costs and benefits and alternatives are contained in the staff briefing packages to the Commission and are publicly available. Analyses such as these are not conducted however, for rules under the Poison Prevention Packaging Act (PPPA) or Congressionally mandated rules, as indicated in the response to question 9 above.	5%	0.0
12 (Reg 5.) <i>Did the regulatory changes to the program maximize net benefits?</i>	No	The statutory standard of benefits bearing a reasonable relation to costs is much less stringent than either maximizing net benefits or the Executive Order 12866 standard of benefits justifying costs. CPSC's authorizing legislation requires that the Commission make a finding that the benefits of regulatory programs bear a reasonable relation to costs. In addition, section 9(f)(3)(f) of the CPSA requires the Commission to find, as to every consumer product safety rule, that the rule imposes the least burdensome requirement that prevents or adequately reduces the risk of injury.	CPSC conducted several evaluations and reviews of regulations. For example, in 2000, CPSC staff conducted an evaluation of the child resistant cigarette lighter rule that became effective in 1994. The report concluded that the rule was effective in reducing fire losses caused by young children playing with lighters and that in 1998 alone, 100 deaths were prevented because of the lighter safety standard.	5%	0.0
13 (Reg 6.) <i>Does the program impose the least burden, to the extent practicable, on regulated entities, taking into account the costs of cumulative final regulations?</i>	Yes	When the CPSC proposes regulations, alternative methods of complying are considered. Also, record keeping, reporting, and testing cost burdens to regulated industries are proposed for comment, and the cumulative burden is estimated. Interested parties submit comments with regard to these requirements and the final rule, to the extent possible, minimizes these burdens.	An example of this is the Commission issuance of a mandatory standard for bicycle helmets in 1998. This standard requires that bicycle helmets sold in the U.S. meet certain performance criteria, including provisions for impact cushioning and retention system strength. The rule requires that manufacturers maintain test records that demonstrate that their products comply with the standard. To lessen the burden on industry, these test records may be maintained in either paper or electronic form, and the manufacturer has the flexibility to provide the records to the Commission in either electronic or paper form.	5%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Total Section Score				100%	80%

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i>	No	Historically, CPSC has shown positive trends in its long term goals. Its head injuries goal for children under age 15 was a notable exception, however, where the number has actually risen. The goals were established in 1997. Currently, the goals do not meet the standard for ambitious. CPSC is now revising its strategic plan and setting new targets in time for sending a draft to OMB on March 1, 2003 as required. Expert staff have formed hazard teams and are reviewing the data, hazard patterns and potential projects to identify new and/or revise old strategic goals, and set attainable targets. The Commissioners will review staff recommendations and will make the final decision on the CPSC's strategic goals and targets.	Trends are documented in CPSC's Strategic Plan, performance plans and performance reports.	10%	0.0

<p>Long-Term Goal I: Reduce the rate of death from fire-related causes. Target: 20% death rate reduction from 1995 to 2005. Actual Progress achieved toward goal: Fire related deaths are below the target of 10.3 per million set for 2005.</p>
<p>Long-Term Goal II: Reduce the rate of death from electrocutions. Target: 20% death rate reduction from 1994 to 2004. Actual Progress achieved toward goal: The death rate for electrocutions is lower than in previous years, however, the goal of 7.1 per 10 million by 2004 was reached in 1997.</p>
<p>Long-Term Goal III: Reduce the rate of head injury to children under 15 years old. Target: 10% reduction in the rate from 1996 to 2006. Actual Progress achieved toward goal: Head injury rates for children under age 15 related to a selected set of 71 products have increased since 1996 and are now higher than the rate of injury in 1990 (an almost 5 percent increase.) CPSC has been successful in reducing head injuries to children for some products (e.g., baby walkers), however, they</p>
<p>Long-Term Goal IV: The rate of death from unintentional poisonings to children under 5 years old from drugs and other hazardous substances will not increase beyond 2.5 Target: No increase above the rate of 2.5 deaths per million children (per year) from 1994 to 2006. Actual Progress achieved toward goal: The death rate of children under age 5 related to unintentional poisonings has been nearly level since 1994, yet they are below the target of 2.4 set for 2006.</p>
<p>Long-Term Goal V: Reduce the rate of death from carbon monoxide poisoning. Target: 20% death rate reduction from 1994 to 2004. Actual Progress achieved toward goal: Non-fire carbon monoxide deaths have declined only slightly since 1995, yet they are below the target of 6.9 per million set for 2004.</p>
<p>Long-Term Goals: Service: Maintain success with the timeliness, usefulness of CPSC services for industry and consumer satisfaction with CPSC services. Target: Targets ranged from 80% to 90% for timeliness and satisfaction. Actual Progress achieved toward goal: CPSC met or exceeded all of its strategic goals for services.</p>

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	<i>Does the program (including program partners) achieve its annual performance goals?</i>	Large Extent	CPSC's long-term performance goals are to: (1) Reduce the non-arson fire-related death rate by 10% by 2005. (2) Reduce the electrocution death rate by 20% by 2004. (3) Reduce the non auto carbon monoxide poisoning death rate by 20% by 2004. (4) Prevent any increase in the death rate to children under 5 years from unintentional poisoning by drugs and other hazardous household substances through 2006. (5) Reduce the product-related head injury rate to children by 10% by 2006.	CPSC sets multiple annual performance goals for each strategic goal for the key activities they use to reduce hazards (e.g., voluntary standards recommendations, recalls, consumer information) and for CPSC services. Since 1999, CPSC met or exceeded most of its annual goals. Note that CPSC does not have annualized hazard reduction goals because the impact of most of its activities may take years to be seen.	23%	0.2
<p>Key Goal I: Pursue for recall or other corrective action products that present a substantial risk of fire-related death and injury or violate mandatory safety standards.</p> <p>Performance Target: 505 corrective actions Actual Performance: 601 corrective actions</p> <p>Key Goal II: Respond to requests for fire-related publications</p> <p>Performance Target: 160,000 fire-related publications Actual Performance: 259,500 publications</p> <p>Key Goal III: Initiate a recall within 20 days under the Fast Track Product Recall program.</p> <p>Performance Target: 90% of the recalls. Actual Performance: 95% of the recalls.</p>						
3	<i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i>	Yes	CPSC has increased the output of a number of agency activities while maintaining a level number of FTEs. These improvements include: (1) conducting an increased number of in-depth investigations while decreasing the time to complete them; (2) responding to an increased number of reported incidents and consumer complaints; (3) responding to an increased number of reports of potentially hazardous products by an increase in the number of recalls and (4) responding to an increased number of emails from consumers and industry.	CPSC's actual FTEs used increased by one in 2001 compared to 2000. CPSC's increased productivity is detailed as follows: (1) an increase of 9% in the number of completed in-depth investigations, from 3,465 in 2000 to 3,771 in 2001. At the same time, the percent of these investigations completed in 45 days or less increased from 84% in 2000 to 95% in 2001; (2) an increase of 40% in the number of reported incidents and consumer complaints reviewed for emerging hazards and responded to by CPSC staff, from over 8,500 in 2000 to almost 12,000 in 2001; and (3) an increase of 30% in the number of emails, from 9,400 in 2000 to 12,200 in 2001; (4) a 15% increase in the number of recalls from 246 in 2000 to 283 in 2001. Of these recalls, 72% were conducted under our Fast Track Program in 2001 compared to 61% in 2000. (CPSC adopted an alternative procedure for reports, called the Fast Track Product Recall Program, filed pursuant to Section 15(b) of the Consumer Product Safety Act (CPSA), 15 U.S.C. § 2064(b), for firms that initiate acceptable corrective action within 20 working days of their report.	23%	0.2
Footnote: Performance targets should reference the performance baseline and years, e.g. achieve a 5% increase over base of X in 2000.						

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	<i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i>	N/A	While there are other regulatory agencies, such as OSHA, they do not have the same legislation or product jurisdiction as CPSC. There are also other agencies whose mission is consumer safety, such as CDC and the U.S. Fire Administration, but these agencies do not have the same authority as CPSC (e.g., they cannot investigate, regulate or work with voluntary-standards setting groups.)	CPSC developed a cross-cutting analysis in their Annual Performance Plans for those strategic goals that are similar to other federal agencies. CPSC's activities do not overlap with other agencies' activities. In the case of CDC and USFA, there are cooperative agreements in place. Through these agreements, CPSC has input into CDC and USFA programs	0%	
5	<i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	Yes	CPSC has completed a number of evaluations that are product-specific, surveys of consumers and industry, and tracking of the timeliness of services that are all linked to agency actions.	Examples of evaluations that are product-specific include baby walkers and cigarette lighters. The various evaluations completed by CPSC are publicly available and most are on CPSC's website.	23%	0.2
6 (Reg 1.)	<i>Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?</i>	Large Extent	For regulations initiated by CPSC, where cost-benefit comparisons are conducted, the benefits to health and safety outweighed the incremental costs. The incremental societal costs of compliance over baseline costs increased less than the benefits of reduced deaths and injuries as a result of program changes.	Regulatory analyses for CPSC regulations predicted that benefits exceeded costs and that the regulation chosen increased net benefits compared to the alternative actions. Furthermore, follow up evaluations of several rules such as the requirements for child resistant closures, power mower blade stop, and child resistant disposable cigarette lighters supported the findings of the regulatory analyses.	23%	0.2
Total Section Score					100%	75%

OMB Program Assessment Rating Tool (PART)

Competitive Grant Programs

Name of Program: AmeriCorps

Section I: Program Purpose & Design (Yes, No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Is the program purpose clear?</i>	Yes	The purpose of AmeriCorps is to meet community needs in education, public safety, the environment, homeland security and other human needs through direct and demonstrable service.	National and Community Service Trust Act of 1993 (P.L. 103-82)	20%	0.2
2	<i>Does the program address a specific interest, problem or need?</i>	Yes	AmeriCorps is designed to address unmet community needs in priority areas including education, public safety, the environment, homeland security and other human needs. Specific projects include tutoring children, serving in community policing projects and building or rehabilitating housing for the homeless. AmeriCorps also promotes responsible citizenship through civic engagement community service.	AmeriCorps State/National Direct Five-Year Evaluation Report (Sept. 1999); www.AmeriCorps.org .	20%	0.2
3	<i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	No	AmeriCorps accomplishments are difficult to measure, but its reported impact is small. According to a recent study, 83.9 million Americans volunteer. While that number may be slightly inflated and not representative of the number of people who volunteer intensively (as opposed to occasionally), still the nationwide impact of AmeriCorps is relatively small. AmeriCorps leverages its resources through its recruitment of additional volunteers; however, reliability of recruitment data is limited (estimates range from 7 to 12 recruits per member). CNCS is developing a methodology to better quantify its recruitment results. AmeriCorps results are reported in terms of the amount of services participants perform, rather than community or participant impacts.	"National Service Programs: Two AmeriCorps Programs' Funding and Benefits," GAO Report HEHS-00-33 (Feb. 2000). "Giving and Volunteering in the United States 2001", report by the Independent Sector.	20%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	<i>Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?</i>	Yes	Unlike most volunteers, AmeriCorps members provide intensive, services to the community. A full-time AmeriCorps member commits to serving 1,700 hours/year (142 hours/mo). According to a report by the Independent Sector, overall, volunteers to formal organizations average about 24 hours/month. AmeriCorps State and National is not the only Federal program that incorporates this type of intensive service - the Corporation's NCCC and VISTA programs have similar service components, similar participants and similar goals. However, though these programs have separate authorities and separate appropriations, CNCS avoids duplication and redundancy between them by running the three programs as if they were one, to the greatest extent possible. There is a single recruitment and on-line application process for all three; projects are selected for funding using the same board-approved funding criteria; outreach and public relations activities promote AmeriCorps broadly rather than as three separate programs; and a unified state planning process coordinates service activities at the state level.	"Giving and Volunteering in the United States 2001", report by the Independent Sector.	20%	0.2
5	<i>Is the program optimally designed to address the interest, problem or need?</i>	No	Congress currently is considering legislation to reauthorize AmeriCorps. The Administration's proposal and House bill include significant changes designed to strengthen effectiveness, including: (1) authorizing grants for homeland security; and (2) improving accountability through the establishment of direct, statutory authority to set national, outcome-oriented performance standards and take actions for non-performance (current authority limits performance related reductions and terminations to occur as part of the grant renewal cycle -- the statutory authority would allow mid-grant cycle corrections for compliance and performance).	H.R. 4854 - Citizen Service Act of 2002. "Principles and Reforms for A Citizen Service Act: Strengthening AmeriCorps," April 2002 legislative proposal by the Bush Administration. See www.nationalservice.org/about_leg.his-E17tory.html .	20%	0.0
Total Section Score					100%	60%

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section II: Strategic Planning (Yes,No, N/A)						
1	<i>Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?</i>	No	AmeriCorps has 6 goals: (1) Mobilizing Volunteers; (2) Meeting Community Needs; (3) Strengthening Communities; (4) Expanding Opportunities; (5) Encouraging Responsibility; (6) Supporting Service Infrastructure. These goals are neither specific nor measurable; all but one do not include numerical targets or timeframes; and no baseline exists against which progress can be measured.	CNCS FY 2001 Performance and Accountability Report.	14%	0.0
2	<i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	No	The services provided by AmeriCorps are enormously varied and often provided in small portions -- the effects on end beneficiaries are hard to detect. Presently, AmeriCorps' annual performance indicators measure outputs or intermediate outcomes such as: percent of members who earn an education award and percent of members using the education award funds for which they qualify. The Corporation's annual goals do not contribute to the long-term goals. CNCS has undertaken periodic evaluations to assess program outcomes in specific areas, but does not gather outcome data annually at this time. CNCS has recently completed a review of its performance measurement system, conducted by The Urban Institute, and will be incorporating recommendations to improve outcome measurements over the next fiscal year.	"National Service Programs: Two AmeriCorps Programs' Funding and Benefits," GAO Report HEHS-00-33 (Feb. 2000). "Outcome Indicators and Outcome Management", a report by the Urban Institute.	14%	0.0
3	<i>Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?</i>	Yes	CNCS has a Web-Based Reporting System (WBRS) that captures grantee and sub-grantee program objectives which, while based on locally determined needs, must also derive from the strategic goals of AmeriCorps. All grantees and sub-grantees are required to report on-line: 1) member enrollment and exit data; 2) financial status reports; 3) project accomplishments; and 4) project progress reports.	CNCS FY 2003 Congressional Justification and Web Based Reporting System at http://wbrs.net .	14%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	<i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	Yes	Coordination is fostered at the State and local level through a Unified State Plan process that requires States to develop a national service plan through an open, public process that encourages participation from national service programs within the State, diverse community based agencies serving underrepresented populations, the State Educational Agencies, community and faith based organizations, and non-profits. AmeriCorps is a prominent partner in USA Freedom Corps and was the lead agency responsible for creating a website that includes a comprehensive online system for finding volunteer opportunities. CNCS has a MOU with Federal Emergency Management Agency that specifies the support that AmeriCorps programs will provide to emergency management efforts. Also, AmeriCorps State and National is well coordinated with the other national service programs housed in the Corporation -- NCCC and VISTA. For example, there is a single application and recruitment process for these programs.	CNCS/FEMA MOU. Sect. 178(e)(1) of the National Community Service Trust Act of 1990 (Statutory requirement for unified State planning). www.usafreedomcorps.gov.	14%	0.1
5	<i>Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?</i>	Yes	Since inception in 1994, CNCS has conducted a number of program evaluations including: surveys of members; a study of the effects of living allowances and educational awards on members; and a study of tutoring outcomes. Several studies are currently underway including a long-term study of member outcomes. The study will use national comparison groups to identify service impacts on: civic values and involvement; educational aspirations and achievements employment skills, aspirations and achievements; and life skills, social attitudes and behaviors. As part of PART discussions, CNCS has agreed to strengthen this study (which is currently solely based on participant responses to surveys) by verifying survey responses against relevant administrative and other records conditioned on CNCS maintaining its commitment to the original terms and conditions of confidentiality promised to respondents of this study.	Bibliography of Research on AmeriCorps, James Perry, School of Public and Environmental Affairs, Indiana University. Ongoing Studies: AmeriCorps Education Award Utilization; AmeriCorps Attrition Overview; Volunteer Generation Study; Citizenship Training Materials Implementation and Outcome Study; and Long-Term Study of Member Outcomes.	14%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
6	<i>Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?</i>	Yes	AmeriCorps' performance goals are stated in terms of inputs and outputs; they are tied to budget levels; and the impact of funding is known. However, goals should be changed to outcome measures that are aligned with the budget so that the impact of budget decisions on OUTCOMES are apparent. The Urban Institute report cited above will help CNCS move in that direction.	FY 2003 Budget Estimate and Performance Plan.	14%	0.1
7	<i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	Yes	AmeriCorps CNCS contracted with Urban Institute to develop a set of recommendations for tracking outcomes (as opposed to inputs and outputs) that the Corporation can use for program management purposes. That report is completed and CNCS expects to implement the recommendations in FY03.	"Outcome Indicators and Outcome Management", Urban Institute, July 15, 2002.	14%	0.1
Total Section Score					100%	71%

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section III: Program Management (Yes,No, N/A)						
1	<i>Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?</i>	No	Grantees complete either an annual or biannual Accomplishment Survey and are required to perform internal evaluations to assess performance and improve quality. Also, grantee progress reports are submitted annually and financial status reports are submitted twice a year. CNCS has a Web-Based Reporting System (WBRS) that captures grantee and sub-grantee program information. All grantees and sub-grantees are required to report on-line: 1) member enrollment and exit data; 2) financial status reports; 3) project accomplishments; and 4) project progress reports. However, while CNCS collects extensive information from grantees, it has not been using this information to manage the program to ensure obligations do not exceed available resources. In 2002, CNCS authorized member levels that exceeded available appropriations in the National Service Trust. However, this error was detected by CNCS prior to actual enrollments exceeding available appropriations and the CEO intervened immediately to prevent over-enrollment.	FY 2003 Budget Estimate and Performance Plan. Web Based Reporting System.	9%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	<i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	No	CNCS has identified a significant weakness in how it projects the number of AmeriCorps positions that can be supported by appropriations and its processes for reconciling positions with available dollars. In 2002, CNCS authorized member levels that exceeded available appropriations in the National Service Trust. However, this error was detected by CNCS prior to actual enrollments exceeding available appropriations and the CEO intervened immediately to prevent over-enrollment. Until now, grantees and subgrantees were held accountable for performance through a grantmaking process that considered progress toward reaching approved enrollment and attrition objectives, focusing on addressing UNDER-enrollments or high attrition. Attention was not paid to enrollments exceeding national maximums. CNCS has developed a corrective action plan to resolve these weaknesses and made appropriate organizational changes.	H.R. 4854 - Citizen Service Act of 2002. Also, the 2002 AmeriCorps Application Guidelines and the 2002 AmeriCorps grant provisions are available online at <www.americorps.org>. CNCS is soon to issue the 2003 AmeriCorps Application Guidelines that will include information about its initiative to strengthen accountability and performance of organizations that receive funds under the national service laws.	9%	0.0
3	<i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	Yes	Funds are obligated in a timely manner. AmeriCorps funds are provided as grants to States, non-profits and other organizations. The Corporation obligates its funds to eligible new and continuing grantees according to a timeline established as part of the grant application and review process. Each year this timeline establishes deadlines by which the Office of Grants Management must obligate funds. An electronic database tracks the deadlines. Over the past 2 years, about 93% of grants were obligated within established timeframes. Corporation staff tracks outstanding commitments to ensure obligations are made in a timely manner. CNCS staff review commitment reports every 2 weeks and follow-up on overdue obligations.	FY 2002 and FY 2001 NCSA Apportionments.	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	<i>Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?</i>	Yes	CNCS uses competitive sourcing to obtain training and technical assistance contractors to provide assistance and support to CNCS grantees. In addition, CNCS has contracted out much of its EDP system operations including its Office of Information Technology Help Desk, payroll processing, National Service Trust phone bank support, Internet support, and operations and maintenance of <i>Momentum</i> (the accounting system). CNCS is assessing whether additional contracting can improve cost efficiency of several additional administrative areas currently carried out by CNCS staff such as IT development and facilities and mail management.		9%	0.1
5	<i>Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?</i>	No	CNCS has identified a significant weakness in its projection of financeable member positions. In 2002, CNCS authorized member levels that exceeded available appropriations in the National Service Trust. However, this error was detected by CNCS prior to actual enrollments exceeding available appropriations and the CEO intervened immediately to prevent over-enrollment. In addition, CNCS did not adequately consider or record obligations for education awards, focusing exclusively on appropriations available for grants and program costs. CNCS has developed a corrective action plan to resolve these weaknesses. Despite the above weaknesses, since FY 2000, CNCS has had cost accounting systems that report expenses using a cost accounting/cost allocation model that allocates expenses by program in accordance with Federal accounting standards (SFFAS Number 4, see evidence/data). Cost assignments are performed by tracing costs when feasible and economically practicable, assigning costs on a cause-and-effect basis, or allocating costs on a reasonable basis. In the future, CNCS will be able to provide comparative information on the costs of its programs and link costs to outcomes.	Statement of Federal Financial Accounting Standards (SFFAS) Number 4, Managerial Cost Accounting Concepts and Standards. FY 2003 Budget Estimate and Performance Plan. PWC report entitled, "CNCS Assessment of Cost Allocation Methodology, Final Report, October 9, 2001."	9%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
6	<i>Does the program use strong financial management practices?</i>	No	CNCS received an unqualified audit for the second consecutive year and, in 2001, no material weaknesses were identified. In 2002, CNCS authorized member levels that exceeded available appropriations in the National Service Trust. However, this error was detected by CNCS prior to actual enrollments exceeding available appropriations and the CEO intervened immediately to prevent over-enrollment. In addition, CNCS has not reported federal obligations in the National Service Trust consistent with all federal requirements; and has not promulgated fund control regulations required under 31 USC 1514(a). CNCS has developed a corrective action plan to resolve these weaknesses that includes process and financial changes as well as implementation of an automated grants system that will provide accurate and timely data on enrollments and federal obligations.	OIG Audit Report Number 02-01 (March 15, 2002). CNCS financial statements are published in Annual Performance and Accountability Reports. The FY 2001 report published March 2002 is available at www.nationalservice.org/about then select "Strategic and Annual Plans & Reports."	9%	0.0
7	<i>Has the program taken meaningful steps to address its management deficiencies?</i>	No	CNCS has identified weaknesses in its process for reconciling approved positions with Trust funding. CNCS has developed a process to address the current situation and developed a corrective action plan to resolve these weaknesses. The plan includes process and financial management changes as well as implementation of an automated grants system that will provide accurate and timely information for management review and analysis related to member positions approved. While positive steps, it is too soon to determine whether these actions will effectively eliminate management deficiencies.	Annual Performance and Accountability Report (particularly on pp. 87-100). The FY 2001 report published March 2002 is available at www.nationalservice.org/about then select "Strategic and Annual Plans & Reports."	9%	0.0
8 (Co 1.)	<i>Are grant applications independently reviewed based on clear criteria (rather than earmarked) and are awards made based on results of the peer review process?</i>	Yes	CNCS uses a peer review process to review all new applications to AmeriCorps. A Board-approved set of selection and evaluation criteria is used by the peer reviewers in each program competition to determine the quality of applicants. Earmarks represent approximately 1.5% of the budget.	"Report on the Review of the Corporation for National and Community Service National Direct Grant Application Review Process." OIG Audit Report 01-31. June 28, 2001.	9%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
9 (Co 2. <i>Does the grant competition encourage the participation of new/first-time grantees through a fair and open application process?</i>)	Yes	CNCS has increasing encouraged community and faith-based organizations (FBOs) to apply for funding or have access to AmeriCorps resources through intermediaries (grantees that provide financial and technical support to community or FBOs that do not have the capacity to perform these functions but can benefit from the assistance of AmeriCorps members). As much of the outreach to new grantees occurs through state commissions, CNCS has undertaken efforts to assist them, and other grantees, in supporting community and FBOs including: the creation of a new Faith and Communities Engaged in Service (FACES) initiative; the development of 12 champion states to create model strategies and tools; the provision of TA to these organizations.	Information on the FACES initiative appears in CNCS 2003 AmeriCorps Application Guidance, which is on the website at www.americorps.org/resources/ then select "AmeriCorps Guidelines and Grant Applications."	9%	0.1
10 (Co 3. <i>Does the program have oversight practices that provide sufficient knowledge of grantee activities?</i>)	No	As mentioned above, CNCS has identified significant weaknesses in the process that projects the rate at which grantees enroll AmeriCorps members. These weaknesses are under correction. Specifically, CNCS will develop procedures for earlier reporting of actual enrollments and will clarify for grantees the steps that constitute an enrollment. CNCS has a web-based reporting system that includes financial status reports, annual reporting of progress toward programmatic objectives, and member enrollment, attrition and completion data. CNCS performs administrative standards reviews on state commission grantees in a 3-year cycle that include on-site inspection by CNCS staff and outside experts. The OIG is conducting full scope audits of state commissions. Recent audit reports identify questioned costs and CNCS is engaged in audit resolution per OMB A-50.	OIG Audit Report Number 02-01 (March 15, 2002); OIG Audit Report 01-41 Summary of 37 State Commission, Pre-Audit Survey Reports.	9%	0.0
11 (Co 4. <i>Does the program collect performance data on an annual basis and make it available to the public in a transparent and meaningful manner?</i>)	No	CNCS collects performance data on-line, but it is not transparent. Some data is aggregated at the national program level, some at the grantee level, while yet other performance is disaggregated at the state level in the State Profile reports.		9%	0.0
Total Section Score				100%	36%

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
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Section IV: Program Results (Yes, Large Extent, Small Extent, No)

1	<i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i>	No	CNCS plans to update its goals based on the Administration's Reauthorization Principles. Revised goals will reflect quantifiable standards for long-term outcome measures for AmeriCorps. There are independent evaluations that indicate positive findings for AmeriCorps in terms of recruiting volunteers, meeting community needs and encouraging responsibility, however, since there are no numerical targets or baselines for these goals it is difficult to assess progress.	20%	0.0
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Long-Term Goal I:	Mobilizing Volunteers: AmeriCorps members help recruit and mobilize volunteers.
Target:	No numerical target.
Actual Progress achieved toward goal:	Unable to quantify since there is no baseline or target. For additional information, see Sect. I, Question 3 on current CNCS data on member recruitment efforts.
Long-Term Goal II:	Meeting Community Needs: AmeriCorps helps foster volunteer activity to meet critical needs in the areas of education, public safety, the environment, homeland security and other human needs through direct service.
Target:	No numerical target.
Actual Progress achieved toward goal:	Unable to quantify since there is no baseline or target. CNCS working to establish a baseline.
Long-Term Goal III:	Strengthening Communities: AmeriCorps unites a diverse group of individuals and institutions in a common effort to improve communities through service, especially through community organizations, both secular and faith-based.
Target:	No numerical target.
Actual Progress achieved toward goal:	Unable to quantify since there is no baseline or target.
Long-Term Goal IV:	Expanding Opportunity: AmeriCorps helps those who help America. Individuals who serve become better citizens. National service also uses the GI Bill model. In exchange for service, AmeriCorps members earn a scholarship that helps pay for college, training, or student loans.
Target:	No numerical target.
Actual Progress achieved toward goal:	Unable to quantify since there is no baseline or target. CNCS collects data on earning and usage of education awards which will be used to set targets and baselines.
Long-Term Goal V:	Encouraging Responsibility: National service demands responsibility. AmeriCorps members, through service and civic education, learn to take responsibility for helping to solve community problems, while becoming better citizens.
Target:	No numerical target.
Actual Progress achieved toward goal:	Unable to quantify since there is no baseline or target. CNCS working to establish a baseline through a longitudinal study.

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Long-Term Goal VI: Target:	Support Service Infrastructure: Grantees and programs operate efficiently and effectively using appropriate management systems. Target of \$15,000 average budgeted cost per FTE member by 1999; Annual targets set for state commissions in compliance with state administrative standards.				
Actual Progress achieved toward goal:	CNCS met its cost per FTE member target and has continued to improve upon it. In 2001, the average budgeted cost per FTE was \$12,800. CNCS also tracks progress of state commissions in meeting administrative standards (18 states meet all standards; 31 are in progress toward meeting the standards; and 1 review will be conducted in fiscal 2003).				

2	<i>Does the program (including program partners) achieve its annual performance goals?</i>	No	The Corporation does not have a limited number of annual performance goals that demonstrate progress toward achieving its long-term goals. The annual and long-term goals are not related. CNCS received a "no" to Sect. II, Q. 2. Accordingly, guidance requires that they receive a "no" to this question. Of the annual goals that CNCS does have, AmeriCorps met two of the four annual performance goals set forth in the FY 2001 performance plan and missed meeting the other two by a small margin.	CNCS FY 2001 Performance and Accountability Report.	20%	0.0
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Key Goal I:	Number of Members Enrolled Annually
Performance Target:	43,000
Actual Performance:	44,683
Key Goal II:	Average percent of expected service time completed by AmeriCorps*State and National members
Performance Target:	85%
Actual Performance:	88.50%
Key Goal III:	Percent of members who complete a term of service and become eligible to receive an education award.
Performance Target:	75%
Actual Performance:	74.40%
Key Goal IV:	Number of State Commissions in compliance with the national State Commission administrative standards.
Performance Target:	14
Actual Performance:	13

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
3	<i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i>	YES	The average budgeted cost per FTE AmeriCorps member (including all types of AmeriCorps members) has been steadily reduced over the last several years. CNCS agreed to achieve an average budgeted cost of \$15,000 per full-time equivalent member by 1999 and it did so. For 2001, average budgeted cost per full-time equivalent member is \$12,800. CNCS accomplished this by: (1) launching the "education award only" program in which the Corporation agrees to provide only up to \$400 per full time member plus the education award while the grantee/subgrantee finances related costs; and (2) instituting caps on the average budgeted cost per member across all programs in a state and for national direct grantees (\$12,400 per member in 2002).	GAO Report, National Service Programs: Two AmeriCorps Programs' Funding and Benefits, February, 2000, p. 26.	20%	0.2
4	<i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i>	No	It is difficult to measure the performance of AmeriCorps against similar programs because, as indicated above, the information that is regularly collected for the program (percentage of service time completed, percentage of ed. awards earned) is not indicative of program outcomes. On the information that is collected, AmeriCorps State and National's performance is roughly comparable to the performance of NCCC and VISTA.	Benefits, February 2000	20%	0.0
5	<i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	No	There are a limited number of rigorous studies to address this question. Results of the independent evaluations that do exist show some positive results for AmeriCorps -- but the methodology of these studies is not sufficiently rigorous to support a positive response to this question. For example, one study indicated that students participating in AmeriCorps tutoring programs improved their reading performance, however, this study focused on those AmeriCorps programs previously identified as stronger performers.	Abt Associates; 2001b; "AmeriCorps Tutoring and Student Reading Achievement, Final Report"; Cambridge, MA. Aguirre International; 1999; "Making a Difference: Impact of AmeriCorps*State/National Direct on Members and Communities 1994-1995 and 1995-1996"; San Mateo, CA. Dingwall, Mary and Flaherty, Tracy; 1997; "Findings from the 1996 Survey of AmeriCorps Members; Rockville, MD: Westat.	20%	0.0
Total Section Score					100%	20%

Program Assessment Rating Tool (PART)

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:
Type(s): Regulatory Based Block/Formula Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	11%	27%	7%	

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: NO Question Weight: 11%

Explanation: While the partners support the overall intent of the program, since the long-term goals and efficiency measures are still undefined, this response must be no. However, it should be possible to have the program partners commit to and report on the E-rate goals as established by the FCC. Already, schools and libraries applying for support develop a technology plan that documents the library service strategy or the school improvement purpose for the requested services. Approved technology plans must establish the connections between the access and the professional development strategies, curriculum initiatives, and objectives that will lead to improved education and library services.

Evidence: Descriptions of the technology plan requirements can be found at: <http://www.sl.universalservice.org/overview/techplan.asp>. A fact sheet regarding documentation requirements and audits is located at: <http://www.sl.universalservice.org/reference/AuditFactSheet.asp>.

Program Assessment Rating Tool (PART)

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:
Type(s): Regulatory Based Block/Formula Grant

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	11%	27%	7%	Demonstrated

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: NO Question Weight: 11%

Explanation: The FCC is encouraged to develop outcome-oriented, long-term performance goals, as well as annual measures and efficiency measures to replace those that it discontinued in FY02.

Evidence: Federal Communications Commission, Strategic Plan, 2003-2008; and the 2004 Performance Plan.<http://www.fcc.gov/omd/strategicplan/>

2.CA1 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: NA Question Weight: 0%

Explanation: The statutory language establishing the E-rate program (common name for the Schools and Libraries portion of the Universal Service Fund) does not give either the FCC or USAC express authority to determine which E-rate investment provides the best value to the government. Instead, 47 U.S.C. §254 says All telecommunications carriers serving a geographic area shall, upon a bona fide request provide such services to elementary schools, secondary schools, and libraries for educational purposes at rates less than the amounts charged for similar services to other parties.

Evidence: 47 U.S.C. §254 (b) (6) and (h) (1) (B). (http://www.access.gpo.gov/uscode/title47/chapter5_subchapterii_partii_.html)

2.RG1 **Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?** Answer: YES Question Weight: 11%

Explanation: The E-rate program was established in statute and is implemented by regulation. Changes to eligible services, application processes, funding levels, etc. are achieved through either administrative or regulatory changes. In making regulatory changes, the rulemakings address why the changes are necessary to meet the statutory goal of providing discounted access to schools and libraries.

Evidence: FCC rulemakings regarding the Schools and Libraries program: www.fcc.gov/wcb/universal_service/schoolsandlibs.html

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: NO Question Weight: 8%

Explanation: The Universal Service Administrative Company (USAC), the not-for-profit organization appointed by the FCC in 1997 to administer the disbursement of all Universal Service Funds (including the E-rate program), does not directly collect performance data from funding recipients. Independent confirmation that schools are increasingly connected to the Internet comes from NCES Fast Response Survey System. USAC audits selected samples of those who receive funds to ensure that the funding was spent in compliance with all requirements.

Evidence: www.nces.ed.gov

Program Assessment Rating Tool (PART)

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:
Type(s): Regulatory Based Block/Formula Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	11%	27%	7%	

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: NO Question Weight: 8%

Explanation: The FCC previously tracked performance connecting public school instructional classrooms to the Internet. The FCC proposes to adopt its own E-rate performance plan, reintroducing the "connectivity" measure and setting forth the sorts of customer satisfaction, quality, and timeliness measures and targets that USAC has adopted, in a more transparent manner. The FCC also proposes to establish appropriate efficiency measures.

Evidence: Federal Communications Commission, FY 2002 Annual Program Performance Report, page 18. Available at: <http://www.fcc.gov/Reports/ar2002.pdf>. For purposes of this question, we have not construed program performance plan to include the performance plan utilized by USAC. USAC's performance plan is memorialized in its contractual agreement with NECA, the vendor utilized by USAC for the E-rate program. USAC/NECA Performance Agreement, Schools and Libraries Universal Support Mechanism (7/1/02 - 6/30/03). That agreement contains, among other things, "timing targets, and other efficiency and productivity indicators germane to the program." The agreement specifies financial incentives and credits shall be applied to performance on specified measures relating to customer satisfaction, quality and timeliness, which demonstrate "procedures to measure and achieve efficiencies and cost effectiveness in program execution." USAC submits a report on actual performance to the FCC on a quarterly basis. USAC/NECA Performance Agreement, Schools & Libraries Universal Service Support Mechanism (7/1/02 6/30/03).

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: NA Question Weight: 0%

Explanation: The E-rate program is the only federal program that provides discount-rate access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms and libraries.

Evidence: Federal and State Universal Service Programs and Challenges to Funding (GAO-02-187), February 2002. (www.gao.gov/new.items/d02187.pdf)

3.6 Does the program use strong financial management practices? Answer: NO Question Weight: 10%

Explanation: The FCC's most recent (FY02) Annual Financial Report found a material weakness related to USF programs, including the E-rate program. The explanation states that the FCC did not apply adequate review procedures to ensure that financial information provided by the USF(is) accurate, reasonable, and properly supported prior to inclusion in the FCC's consolidated financial statements. This comment relates to the FCC's review of financial information provided by USAC and is not related to USAC's management of the records. USAC currently uses generally acceptable accounting principals governing not-for-profit funds. However, USAC has taken actions requested by the FCC to alter its reporting and/or management of the Fund. USAC has asked the Commission to officially determine whether the fund should adopt federal accounting practices and that decision is likely before the close of Fiscal Year 2003. The OIG has indicated that improvements are necessary in both the audits of beneficiaries and the agency's monitoring of USF activities. To that end the FCC has appointed a coordinator to improve agency-USAC communications, the FCC has dedicated \$500,000 in agency funds to assist the OIG in current investigations, and included \$3,000,000 in the 2004 Budget request to Congress. Still much remains to be done to fully integrate the program accounting and reporting activities into those of the agency.

Evidence: Fiscal Year 2002 Annual Financial Report, FCC (<http://www.fcc.gov/omd/strategicplan/>). The FCC Inspector General's most recent report to Congress can be found at: http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-224183A1.pdf The 2004 request for OIG funding is on page 4 and budgetary estimates for the Universal Service Fund are on page 100 of the Federal Communications Commission, FY 2004 Budget Estimates to Congress. This document can be found at: http://ftp.fcc.gov/Reports/fcc2004budget_complete.pdf.

Program Assessment Rating Tool (PART)

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:
Type(s): Regulatory Based Block/Formula Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	11%	27%	7%	

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: NO Question Weight: 20%

Explanation: The annual financial statements of the Universal Service Administrative Company (USAC) show that the E-rate program and other elements of the Universal Service Fund are run efficiently and effectively but additional data are needed to meet this question's requirement for a yes response. We anticipate that by adopting its own performance plan, the FCC can better evaluate this question in subsequent years.

Evidence: In calendar year 2000, the Schools and Libraries Division of the Universal Service Administrative Company, a not-for-profit organization established in 1997 under FCC regulations, incurred program operating costs of 1.9% of the E-rate fund's annual assets. Operating cost data come from the USAC 2001 Annual Report. Found at: <http://www.universalservice.org/reports/2001Data> on number of applications received are found in USAC's Analysis of Participation in E-Rate Program by Entity Type.

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: NA Question Weight: 0%

Explanation: The E-rate program is the only federal program that provides discount-rate access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms and libraries.

Evidence: Federal and State Universal Service Programs and Challenges to Funding (GAO-02-187), February 2002

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: SMALL EXTENT Question Weight: 20%

Explanation: A 2000 Department of Education study was the first planned, independent evaluation of the E-rate program in what was intended to be a series of such evaluations. It found that the program has clearly made its most substantial inroads into the nation's public schools, with about three-fourths of all public districts and schools applying for E-Rate in each of the first two years of the program. No subsequent evaluations have been released, though the FCC is committed to designating funds for a future study to be conducted by an outside contractor. There have been numerous other evaluations of the E-rate program, but we do not interpret the question to extend to such reviews, as they were arguably not regularly scheduled evaluations examining how well the program is accomplishing its mission and meeting its long term goals. Therefore, while the initial evaluation indicated that the program is effective and achieving results, additional evaluations are necessary to confidently determine that subsequent years of the program have likewise been effective and achieved results. Also, there have been few or no evaluations about the educational or community-based benefits of the E-rate.

Evidence: Evaluations and reviews of the E-rate program by the Department of Education include: E-Rate and the Digital Divide: A Preliminary Analysis From the Integrated Studies of Educational Technology; Michael J. Puma, Duncan D. Chaplin, and Andreas D. Pape; September 31, 2000; (DOEd Doc #00-17). Independent Congressional Research Service reviews of the E-rate program include: Telecommunications Discounts for Schools and Libraries, CRS, Angele Gilroy, May 29, 2002; and Information Technology and Elementary and Secondary Education, CRS, Patricia Osorio-ODea, June 9, 2000. Department of Education DOEd Doc #00-17 http://www.ed.gov/offices/OUS/PES/erate_fr.pdf Congressional Research Service IB98040 <http://carper.senate.gov/acrobat%20files/ib98040.pdf> Earlier version <http://www.ncseonline.org/NLE/CRSreports/Science/st-52.cfm> 96-178 EPW <http://usinfo.state.gov/usa/infousa/tech/reports/96-178.pdf> Earlier version <http://budget.senate.gov/democratic/crsbackground/itedu.pdf>

Program Assessment Rating Tool (PART)

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:
Type(s): Regulatory Based Block/Formula Grant

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	11%	27%	7%	Demonstrated

- 4.CA1 Were program goals achieved within budgeted costs and established schedules?** Answer: NA Question Weight: 0%
- Explanation:** Program goals have been achieved within budget and on schedule.
- Evidence:** The E-rate program (common name for the Schools and Libraries portion of the Universal Service Fund) is operated by the Universal Service Administrative Company (USAC), a not-for-profit organization established by FCC regulations in 1997. Financial support for the program goal of enhance(ing) discount-rate access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms and libraries has occurred in a timely manner since operations began in 1998. Since then (through November 2002), the E-rate program has funded 136,697 individual requests from over 73,000 schools, school districts, and libraries in 56 states, territories, and the District of Columbia. The operating expenses of USAC are audited by independent, private-sector firms and reported in an annual financial report. USAC's 2001 Annual Report presents several changes in accounting policy designed, in part, to bring greater transparency and accountability to the financial operations of USAC. These changes include recognition of all the operating costs and the related contract revenues associated with administering the Support Mechanisms. This accounting change ensures that USAC's financial statement more accurately reflects all operating costs and revenues related to USAC's operations. (<http://www.universalservice.org/Reports/>).
- 4.RG1 Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?** Answer: NO Question Weight: 20%
- Explanation:** The program was designed to reach as many schools and libraries as possible in a short amount of time. However, it is not clear that the current structure maximizes net benefits in terms of targeting the most disadvantaged areas to close the gap among schools and libraries, and ensuring the most cost-effective method for collecting and distributing funds as well as cost-effective type and use of access to advanced telecommunications services.
- Evidence:** FCC rulemakings regarding the Schools and Libraries program: www.fcc.gov/wcb/universal_service/schoolsandlibs.html USAC website: <http://www.sl.universalservice.org>.

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund

Agency: Federal Communications Commission

Bureau:

Measure: Further increase the percentage of schools and libraries connected to the Internet by the end of FY01.

**Additional
Information:**

Year
2001

Target

Actual

Measure Term: Annual

Measure: 93% of public school instructional classrooms connected to the Internet

**Additional
Information:**

Year
2001

Target

Actual

Measure Term: Annual

Program Assessment Rating Tool (PART)

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
90%	50%	76%	55%	

- 1.1 Is the program purpose clear?** Answer: YES Question Weight: 30%
 Explanation: The purpose of the Federal Election Commission (FEC) is to enhance voluntary compliance with the Federal Election Campaign Act (FECA) and promote timely disclosure of campaign finance information from federal elections. The program examines campaign finance documents and imposes monetary penalties for violations of federal laws and regulations in an effort to increase voluntary compliance.
 Evidence: FEC Strategic Plan; Federal Election Campaign Act (FECA) of 1971 and 1974, as amended; regulations implementing FECA.
- 1.2 Does the program address a specific and existing problem, interest or need?** Answer: YES Question Weight: 30%
 Explanation: Disclosure and compliance is a legal requirement under FECA and is intended to ensure integrity of the federal election campaign finance process.
 Evidence: 2 U.S.C. 434
- 1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight: 30%
 Explanation: The FEC is the sole authority for ensuring compliance with federal campaign finance laws and regulations.
 Evidence: 2 U.S.C. 437g
- 1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: NO Question Weight: 10%
 Explanation: Enforcement can be limited due to an even split in party affiliation among commissioners. FECA mandates that no more than 3 commissioners can come from the same party. Enforcement can be relaxed b/c of possible 3-3 votes at the commissioner level.
 Evidence: 2 U.S.C. 437c
- 1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: NA Question Weight: 0%
 Explanation:
 Evidence:
- 2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: NO Question Weight: 15%
 Explanation: Although the FEC has two succinct strategic goals (ensure compliance with FECA and expedite disclosure of campaign finance information), it does not yet have long-term performance measures that cover a distinct period of time (see question 2.8 for planned corrective actions).
 Evidence:

Program Assessment Rating Tool (PART)

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
90%	50%	76%	55%	

- 2.2 Does the program have ambitious targets and timeframes for its long-term measures?** Answer: NO Question Weight: 15%
 Explanation: Since the program lacks long-term performance measures, it does not have associated targets.
 Evidence:
- 2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 15%
 Explanation: Although the FEC lacks long-term performance goals, it has a limited set of annual performance goals that demonstrate progress towards achieving the commission's strategic goals. Specifically, measures of substantive case closings and civil penalties assessed attribute to the desired outcome of promoting voluntary compliance with FECA.
 Evidence: FY 2004 Budget Submission
- 2.4 Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 15%
 Explanation: The FEC sets targets for its annual measures; most targets are refined on an annual basis to demonstrate improvement (see measures tab).
 Evidence: FY 2004 Budget Submission
- 2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: NA Question Weight: 0%
 Explanation:
 Evidence:
- 2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: NO Question Weight: 10%
 Explanation: Although the FEC has an internal Inspector General, there is no history of regular, independent evaluations of the enforcement program.
 Evidence:
- 2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: NO Question Weight: 10%
 Explanation: There is no direct link between budgetary resources and attaining annual or long-term goals. The commission, however, is working to align its budget with its performance goals (see question 2.8).
 Evidence:

Program Assessment Rating Tool (PART)

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Results Not
90%	50%	76%	55%	Demonstrated

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight: 20%

Explanation: The FEC is developing long-term goals that will tie directly to its annual goals. This process also will entail linking budget resources with performance targets.

Evidence:

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight: 10%

Explanation: The Enforcement Priority System (EPS) targets resources to the most significant cases and provides real-time information on case status and statistics. The Case Management System (CMS) allows the FEC to better manage case load and assists in targeting cases by issue to build case law (see question 3.4 for further discussion).

Evidence:

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: NO Question Weight: 10%

Explanation: The commission monitors and reports program costs across the organization, but performance evaluations of managers are not linked to program performance goals.

Evidence:

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 9%

Explanation: All funds are obligated in support of FEC mission and program objectives. There is no history of Anti-Deficiency Act violations.

Evidence: Statements of budget execution

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight: 10%

Explanation: CMS tracks number of cases active, dismissed, closed with substantive action, length of time in which a case is open, and case-closing costs. The implementation of EPS, a system that uses a triage process to assign casework, has also resulted in efficiencies.

Evidence:

Program Assessment Rating Tool (PART)

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
90%	50%	76%	55%	

- 3.5 Does the program collaborate and coordinate effectively with related programs?** Answer: NA Question Weight: 0%
 Explanation:
 Evidence:
- 3.6 Does the program use strong financial management practices?** Answer: NO Question Weight: 5%
 Explanation: OMB exempted the commission from its FY 2003 financial audit requirement. However, the FEC will have audited financial statements for FY 2004.
 Evidence:
- 3.7 Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 20%
 Explanation: The FEC is instituting a new budget system that will better track program costs across organizational lines and will audit its financial statements in FY 2004.
 Evidence:
- 3.RG1 Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?** Answer: YES Question Weight: 9%
 Explanation: Most recently, the FEC held public hearings and meetings on Bipartisan Campaign Reform Act (BCRA) regulations. The public was further engaged when interim rules were published for comment.
 Evidence: Public hearings and meetings; FEC website includes interim and final regulations
- 3.RG2 Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates R** Answer: NO Question Weight: 9%
 Explanation: As an independent agency, the FEC is not required to prepare regulatory impact analyses required by Executive Order 12866. However, commission rulemaking must adhere to the Regulatory Flexibility Act. Although the FEC certifies its regulations "do not have a significant economic impact on a substantial number of small entities," the program lacks thorough evidence that economic analyses are conducted.
 Evidence: FEC website and Federal Register publications
- 3.RG3 Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?** Answer: YES Question Weight: 9%
 Explanation: The FEC's Office of General Counsel regularly reviews current regulations for necessary revisions and changes.
 Evidence: FEC website provides an extensive list of new and revised regulations; 11 CFR (Code of Federal Regulations)

Program Assessment Rating Tool (PART)

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Results Not
90%	50%	76%	55%	Demonstrated

- 3.RG4 Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity?** Answer: YES Question Weight: 9%
- Explanation: The FEC allows alternative methods for complying with reporting requirements, including electronic and paper means. Therefore, the regulated community can chose the most cost effective method for filing reports.
- Evidence: House campaign filings are traditionally submitted via electronic means and Senate reports tend to be filed in paper form.
- 4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight: 30%
- Explanation: Since the program lacks long-term performance measures and targets it can not demonstrate that it has achieved results (see questions 2.1 and 2.2).
- Evidence:
- 4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: YES Question Weight: 30%
- Explanation: The FEC annually meets its goals for substantive case closings and civil penalties assessed, which promote the desired outcome of enhancing voluntary compliance (see measures tab).
- Evidence: FEC 2004 Budget Submission
- 4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: YES Question Weight: 25%
- Explanation: The Case Management System tracks number of cases active, dismissed, closed with substantive action, length of time in which a case is open, and case-closing costs. In addition, the Enforcement Priority System uses a triage process to assign casework. Both IT systems have helped the commission achieve efficiencies (as seen with increases in closed cases) although the savings are unquantifiable (see question 3.4).
- Evidence: FY 2004 Budget Submission and related performance measures; CMS and EPS (internal databases)
- 4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: NA Question Weight: 0%
- Explanation:
- Evidence:
- 4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: NO Question Weight: 5%
- Explanation: The enforcement program at the FEC has not been subject to independent reviews (see question 2.6).
- Evidence:

Program Assessment Rating Tool (PART)

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Results Not
90%	50%	76%	55%	Demonstrated

4.RG1 **Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?**

Answer: NO

Question Weight: 10%

Explanation: FEC rulemaking must adhere to the Regulatory Flexibility Act and the commission certifies its regulations "do not have a significant economic impact on a substantial number of small entities." However, the program lacks evidence that economic analyses are conducted (see question 3.RG2).

Evidence:

PART Performance Measurements

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:

Measure: Percent of closed cases with substantive action

Additional Information: This measure tracks performance in closing cases with substantive action versus outright dismissals.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
1999	>50%	51%	
2001	>50%	62%	
2002	>50%	65%	
2003	55%	79%	
2004	55%		

Measure: Increase total civil penalties assessed

Additional Information: Egregious violations of FECA are subject to monetary penalties, which the FEC often imposes. The desired outcome is that increases in civil penalties will enhance voluntary compliance among the election community.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2000		\$1.092 million	
2001		\$1.436 million	
2002		\$1.462 million	
2003	\$1.975 million	\$2.774 million	
2004	\$2.000 million		

Measure: Decrease elapsed time (in days) it takes to close cases with substantive action. FY 1995-2000 vs FY 2001-2003: 20% improvement on average; 32% for median days to close substantive case.

Additional Information: Measures efficiency by tracking time in with which it takes to close cases. The expected outcome is to enhance voluntary compliance by timely enforcement of the FECA. FEC measures elapsed days from a the case is initiated to closure (whether dismissed or closed with substantive action). The commission also captures average and median days elapsed. Measure is in percent improvement in shortening elapsed days, or days to close cases.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004	10%		

PART Performance Measurements

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:

Measure: Decrease elapsed time (in days) it takes to close cases with substantive action. FY 1995-2000 vs FY 2001-2003: 20% improvement on average; 32% for median days to close substantive case.

Additional Information: Measures efficiency by tracking time in with which it takes to close cases. The expected outcome is to enhance voluntary compliance by timely enforcement of the FECA. FEC measures elapsed days from a the case is initiated to closure (whether dismissed or closed with substantive action). The commission also captures average and median days elapsed. Measure is in percent improvement in shortening elapsed days, or days to close cases.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2005	5%		
2006	5%		

Measure: Percent of enforcement cases in active status (47% average for FYs 95-01)

Additional Information: This measure tracks the percent of the caseload that is activated and actively pursued. The outcome of the use of the EPS, and the ADR and Admin Fines programs, is that OGC Enforcement resources are used to actively pursue significant cases that establish clear consequences for violations of the FECA.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	50%	52%	
2002	50%	67%	
2003	50%	65%	
2004	50%		
2005	55%		

Measure: Increase total caseload and total cases closed

Additional Information: This measure is an indicator of total FEC enforcement presence, and reflects the impact of the ADR and Admin fines programs. The expected outcome is that an enhanced enforcement presence leads to better voluntary compliance, particularly with regard to timely filing (Admin. fines.)

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2000	150-200	195	
2001	150-200	518	
2002	150-201	229	
2003	150-202	377 (est.)	

PART Performance Measurements

Program: Compliance -- Enforcement

Agency: Federal Election Commission

Bureau:

Measure: Increase total caseload and total cases closed

Additional Information: This measure is an indicator of total FEC enforcement presence, and reflects the impact of the ADR and Admin fines programs. The expected outcome is that an enhanced enforcement presence leads to better voluntary compliance, particularly with regard to timely filing (Admin. fines.)

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004	250		

OMB Program Assessment Rating Tool (PART)

Capital Assets & Service Acquisition Programs

Name of Program: Asset Management of Federally-Owned Real Property

Section I: Program Purpose & Design (Yes,No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Is the program purpose clear?</i>	Yes	The purpose of GSA's real property asset management program is to house Federal tenant agencies in quality, serviceable space that meets mission needs at competitive costs. This includes ensuring that real property assets are productively employed and expenditures are reasonable and prudent. (It should be noted that this assessment does not include GSA's new construction program.)	Asset management of real property is fundamental to GSA's mission statement: "help Federal agencies better serve the public by offering, at best value, superior workplaces..." (GSA's Strategic Plan)	20%	0.2
2	<i>Does the program address a specific interest, problem or need?</i>	Yes	There is a continuing need to provide Federally-owned space for government agencies when there is a long-term requirement (20 years or greater) for space in a specific geographic location and/or when specialized space is required that is not readily available in the leasing market (e.g., border stations and courthouses).	Most 30-year present value cost comparisons show that ownership of real property is more cost effective than leasing, when there is a long-term need for the space.	20%	0.2
3	<i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	No	GSA has or is at risk of losing tenants from several of its buildings because of deteriorating conditions. GSA is beginning to restructure its owned portfolio to result in a sustainable owned inventory, one for which income generated will cover operating and capital needs, as well as provide quality space to Federal tenants. GSA expects to identify strategies for under-performing buildings by December 2002. The Administration's proposed Property Reform Act would provide asset management tools that would help GSA in this endeavor.	GSA manages over 1,700 Federally-owned buildings that have about \$5.7 billion in repair and alteration needs. GAO Report: Billions are Needed for Repairs and Alterations (March 2000). GAO's August 8, 2002 Letter on the Financial Condition of Federal Buildings Owned by GSA that was issued to Representative Sessions. GSA's <u>Strategy for Restructuring and Reinvesting in the Owned-Inventory</u> . Property Reform Legislation.	20%	0.0
4	<i>Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?</i>	No	GSA's real property asset management program is duplicative of other Federal programs. Today there are multiple Federal agencies who maintain government-owned real property (e.g., DoD, VA, NASA, Energy).	Of the non-defense Federal agencies, GSA maintains 40% of Federally-owned office space (28% including Defense agencies).	20%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	<i>Is the program optimally designed to address the interest, problem or need?</i>	Yes	There is no conclusive evidence that there is another effective/efficient mechanism to provide space for Federal agencies. The Federal Buildings Fund (FBF) -- the funding mechanism for GSA's real property program -- was established to promote more efficient and economic use of space by requiring government agencies to budget directly for the space and services needed to accomplish their missions.	The Public Buildings Amendments of 1972 authorized GSA to finance its real property management activities through user charges, set at commercially comparable rates, collected from agencies occupying GSA-controlled space.	20%	0.2

Total Section Score					100%	60%
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Section II: Strategic Planning (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?</i>	No	GSA's strategic goals, while clear, are not measurable and do not have specified timeframes to allow for future assessment. GSA's new portfolio strategy is to restructure the owned inventory so it consists primarily of strong, income-producing properties generating sufficient funds to meet their own capital reinvestment needs. GSA should develop long-term goals that will assess the implementation of this strategy, such as: "by 200X, XX percent of the owned inventory will consist of properties with an ROI of 6% or higher."	GSA's primary asset management goals are: "Achieve Responsible Asset Management," "Operate Efficiently and Effectively," and "Provide Best Value to Customer Agencies and Taxpayers." (GSA's Strategic Plan)	11%	0.0
2	<i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	Yes	GSA uses several key annual performance goals, linked to GSA's strategic goals, to measure the success of its management of Federally-owned property. These include reducing the amount of non-revenue producing space and customer satisfaction ratings. GSA also uses ROI internally to measure the financial condition of each property and is developing a facility condition index to assess the physical condition of its owned properties.	GSA's primary performance goals are: "Reduce non-revenue producing space in government-owned inventory," "Maintain cost escalation rate for repair and alteration projects," "Improve percentage of repair and alteration projects completed on schedule," and "Achieve customer satisfaction level in FY 2003." (GSA's FY 2003 Annual Performance Plan)	11%	0.1
3	<i>Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?</i>	Yes	GSA uses performance-based contracts for cleaning, maintenance, and major repairs. These requirements are directly linked to GSA's annual performance goals for individual buildings/projects.	GSA's commercial facilities management contract specifies what level of cleaning is required (e.g., glass to be free of dust), and requires evaluations of customer satisfaction of services performed which links to the annual performance goals.	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	<i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	Yes	GSA participates in the Government Real Property Information Sharing (GRPIS) Program, designed to encourage and facilitate sharing of real property information among Federal agencies. In addition, GSA is exploring exchanges of specific assets with USPS which will allow USPS to concentrate its resources on predominately postal operations and GSA to concentrate its efforts on providing quality space for its largest customers.	GRPIS Reports. GSA is working to acquire USPS facilities where GSA tenants have become the predominant building occupants. In exchange the USPS will receive GSA-owned facilities where USPS is the predominant tenant. Most recently, USPS transferred the Statesville, N.C. Post Office/Courthouse to GSA.	11%	0.1
5	<i>Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?</i>	No	There are no regularly scheduled, independent performance reviews of GSA's asset management of Federally-owned real property program.		11%	0.0
6	<i>Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?</i>	No	The budget for managing Federally-owned real property is neither clearly aligned with the program goals nor are requests clearly derived by estimating what is needed to accomplish the annual performance measures and long-term goals.	GSA's FY 2003 Annual Performance Plan and Congressional Justification.	11%	0.0
7	<i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	Yes	GSA is in the process of developing new, long-term goals to assess the implementation of its restructuring strategy. The first step is to apply standards and measures, develop asset-specific strategies, and implement strategies for the nonperforming assets within 3 - 5 years. For many of the worst performing assets, the solution will be one of several disposal alternatives: donation, sale, or exchange. The second step involves planning for better performing properties like the Great Society Buildings where reinvestment is unjustifiable due to their high reinvestment requirements.	As a result of GSA's <u>Strategy for Restructuring and Reinvesting in the Owned-Inventory</u> , 92 properties have been put in the pipeline for disposal.	11%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
8 (Cap 1.) <i>Are acquisition program plans adjusted in response to performance data and changing conditions?</i>	Yes	GSA documents its performance data in an Asset Business Plan for every owned asset. These plans contain strategies that are updated quarterly by the Regions to reflect changing performance data to ensure the portfolio restructuring is carried out. Annually, Central Office runs diagnostics to determine the performance of the asset and reviews the Asset Business Plans to ensure the strategies align with the results of the diagnostic tests (including building condition, financial return, vacancy rates, customer satisfaction, operating expenses compared to market, and market rental rates).	Asset Business Plans updated quarterly. Diagnostic Tests from GSA's <u>Strategy for Restructuring and Reinvestment in the Owned-Inventory</u> . Benchmark data.	11%	0.1
9 (Cap 2.) <i>Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule and performance goals?</i>	Yes	Alternatives -- renovation, acquisition, leasing -- are compared as part of GSA's cost-benefit analyses for individual capital projects. In addition, starting in FY2002, GSA analyzed its existing portfolio by determining an estimated fair market value, assessing the physical condition, calculating the functional replacement value, and evaluating the return on fair market value.	GSA's <u>Strategy for Restructuring and Reinvesting in the Owned-Inventory</u> . Each asset has a business plan and a strategy with a defined holding period, performance goals, and a plan to achieve those goals. Financial performing properties will have priority for FBF reinvestment dollars.	11%	0.1
Total Section Score				100%	67%

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section III: Program Management (Yes,No, N/A)						
1	<i>Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?</i>	Yes	GSA's senior management meets quarterly to review performance data. Performance data is also used by program managers overseeing GSA's government-owned real property inventory in several ways, such as using customer satisfaction data to set funding priorities for repair and alteration projects and comparing cleaning costs against industry standards.	Private sector benchmark data is provided to GSA by the Society for Industrial and Office Realtors, the Building Owners Managers Association, and Gallup.	9%	0.1
2	<i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	Yes	PBS' "Linking Budget to Performance" program rewards regions for meeting or exceeding performance targets. Property managers are held accountable for the following performance areas: satisfaction ratings of customers and ordering officials, funds from operation for individual buildings, and completion of repair and alteration projects on time and within budget.	GSA's FY 2002 Linking Budget to Performance Guidance and FY 2000 Linking Budget to Performance Results	9%	0.1
3	<i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	Yes	The carryover for S&E programs have been minimal. The capital program (major repairs and alterations) follows a slower spending pattern, which is typical for this type of an account.	SF-132s and SF-133s. In FY 2001, GSA obligated 98% of its building operations funds, 98% of its minor repair and alteration funds, and 35% of its major repair and alteration funds.	9%	0.1
4	<i>Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?</i>	Yes	PBS has achieved cost savings through comparisons, competitive sourcing and direct conversions over the past two decades. For the most part GSA has outsourced a substantial number of the functions related to cleaning and maintenance of its buildings. Today, 92% of building cleaning services and 77% of building maintenance services are provided by contractors. Partly as a result, PBS' building operations costs are 16% below comparable costs in the private sector.	FAIR Act Inventory, FY 2003 Congressional Justification, and FY 2003 Performance Plan.	9%	0.1
5	<i>Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?</i>	No	Direct and indirect costs are allocated to the program, including agency administrative and other overhead costs. However, GSA does not have a system that can link the full program cost to achieving performance goals.	FY 2003 Congressional Justification and GSA's FY 2001 Consolidated Annual Financial Statements.	9%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
6	<i>Does the program use strong financial management practices?</i>	Yes	Clean audit opinions have been given to GSA for the past 14 years and no material weaknesses have been identified.	GSA's FY 2001 Annual Accountability Report.	9%	0.1
7	<i>Has the program taken meaningful steps to address its management deficiencies?</i>	No	A reportable condition was identified in the FYs 1998, 1999, 2000, and 2001 audits concerning the integrity of the Rent data. Further, customer agencies and OMB continue to express concern over GSA's ability to project Rent charges so that agencies can properly budget for these charges. Little progress has been demonstrated in addressing these concerns.	FY 2003 and 2004 Rent Estimate. FY 2001 Annual Accountability Report. GSA's auditors identified situations where billing terms were not supported by occupancy agreements, where occupancy agreements were not available, and where GSA was billing a customer that did not occupy the space.	9%	0.0
8 (Cap 1.)	<i>Does the program define the required quality, capability, and performance objectives of deliverables?</i>	Yes	GSA uses performance-based contracting for the cleaning, maintenance, and repair of its facilities.	GSA's commercial facilities management contract requires the cleaning of glass and adjacent surfaces to be "clean and free of dirt, dust, streaks, watermarks, spots, and grime and shall not be cloudy."	9%	0.1
9 (Cap 2.)	<i>Has the program established appropriate, credible, cost and schedule goals?</i>	Yes	GSA has credible goals to ensure cost and schedule is comparable to other similar construction programs. GSA tests project budgets against other similar projects and data sources and has demonstrated that construction durations are within industry norms for other similar project types. GSA has developed a construction cost benchmarking system for repair and alteration projects to ensure that costs for specific work items are within reasonable ranges. Each project's detailed cost breakdown will be reviewed by the Office of the Chief Architect to verify reasonable conformity with the instituted cost benchmark.	GSA has contracted with private sector professionals to develop the benchmarking system for the defined work items that typically comprise GSA repair and alteration projects based on market based cost analysis. Examples of the cost items being benchmarked for repair and alteration projects include building enclosure repair and/or replacement, mechanical system upgrades, electrical system upgrades, premiums for after hours work, among other cost categories.	9%	0.1
10 (Cap 3.)	<i>Has the program conducted a recent, credible, cost-benefit analysis that shows a net benefit?</i>	Yes	GSA submits to OMB a 30-year cost-benefit analysis for each of its major repair and alteration projects that exceed \$2m. This cost-benefit analysis compares the cost of renovating an asset to constructing/purchasing a new asset and to leasing similar-type space. Working with OMB, GSA developed this cost-benefit model over 15 years ago.	GSA's FY 2003 Capital Investment and Leasing Program Prospectuses.	9%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
11 (Cap 4.) <i>Does the program have a comprehensive strategy for risk management that appropriately shares risk between the government and contractor?</i>	No	GSA appears to have significant payments to the Judgment Fund for contractor claims. GSA is encouraged to analyze its contracts and develop mitigation plans to minimize the potential for future claims.	FY 2002 payment requirement of \$4.1m and FY 2001 payment requirement of \$13.1m to the Judgment Fund for repair and alteration project claims.	9%	0.0
Total Section Score				100%	73%

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i>	No	The lack of specific outcome measures for GSA's primary asset management goals makes it difficult to assess whether adequate progress has been made in achieving these goals.	GSA's Strategic Plan and FY 2003 Annual Performance Plan.	25%	0.0

Long-Term Goal I:	Achieve Responsible Asset Management
Target:	NA
Actual Progress achieved toward goal:	NA
Long-Term Goal II:	Operate Efficiently and Effectively
Target:	NA
Actual Progress achieved toward goal:	NA
Long-Term Goal III:	Provide Best Value to Customer Agencies and Taxpayers
Target:	NA
Actual Progress achieved toward goal:	NA

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score																								
2	<i>Does the program (including program partners) achieve its annual performance goals?</i>	Large Extent	GSA met all of its annual performance goals as set out in its FY 2001 performance plan for asset management of Federally-owned property. However, full credit was not provided since GSA's targets do not appear to be stretch goals.	GSA's FY 2001 Annual Performance Report and FY 2001 Annual Performance Plan.	25%	0.2																								
<table border="1"> <tr> <td>Key Goal I:</td> <td>Achieve an overall customer satisfaction rating of 85%</td> </tr> <tr> <td>Performance Target:</td> <td>FY 2001 Target: 82% (Baseline : FY 1998: 80%)</td> </tr> <tr> <td>Actual Performance:</td> <td>FY 1999 Actual: 85%; FY 2000 Actual: 81%; FY 2001 Actual: 86%</td> </tr> <tr> <td>Key Goal II:</td> <td>Reduce the amount of non-revenue producing space in the government-owned inventory to 10% in FY 2005.</td> </tr> <tr> <td>Performance Target:</td> <td>FY 2001 Target: 12.0% (Baseline : FY 1998: 16%)</td> </tr> <tr> <td>Actual Performance:</td> <td>FY 1999 Actual: 13.5%; FY 2000: Actual 12.2%; FY 2001 Actual: 11.8%</td> </tr> <tr> <td>Key Goal III:</td> <td>Maintain the cost escalation rate for repair and alteration projects at 1%.</td> </tr> <tr> <td>Performance Target:</td> <td>FY 2001 Target: 1% (Baseline: FY 1998: 2%)</td> </tr> <tr> <td>Actual Performance:</td> <td>FY 1999: In Progress 1%; FY 2000: In Progress 0%; FY 2001 In Progress: 0%</td> </tr> <tr> <td>Key Goal III:</td> <td>Improve the percentage of repair and alteration projects completed on schedule.</td> </tr> <tr> <td>Performance Target:</td> <td>New goal, no target available</td> </tr> <tr> <td>Actual Performance:</td> <td>FY 1999: In Progress 94%; FY 2000: In Progress 87%; FY 2001 In Progress: 82%</td> </tr> </table>							Key Goal I:	Achieve an overall customer satisfaction rating of 85%	Performance Target:	FY 2001 Target: 82% (Baseline : FY 1998: 80%)	Actual Performance:	FY 1999 Actual: 85%; FY 2000 Actual: 81%; FY 2001 Actual: 86%	Key Goal II:	Reduce the amount of non-revenue producing space in the government-owned inventory to 10% in FY 2005.	Performance Target:	FY 2001 Target: 12.0% (Baseline : FY 1998: 16%)	Actual Performance:	FY 1999 Actual: 13.5%; FY 2000: Actual 12.2%; FY 2001 Actual: 11.8%	Key Goal III:	Maintain the cost escalation rate for repair and alteration projects at 1%.	Performance Target:	FY 2001 Target: 1% (Baseline: FY 1998: 2%)	Actual Performance:	FY 1999: In Progress 1%; FY 2000: In Progress 0%; FY 2001 In Progress: 0%	Key Goal III:	Improve the percentage of repair and alteration projects completed on schedule.	Performance Target:	New goal, no target available	Actual Performance:	FY 1999: In Progress 94%; FY 2000: In Progress 87%; FY 2001 In Progress: 82%
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3	<i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i>	Large Extent	PBS has demonstrated a track record in improving efficiencies and cost effectiveness by achieving most program goals each year. For example, GSA reduced non-revenue producing space to below 12% (currently at 11.8%, down from 12.2% in FY 2000). Further, GSA has pursued cost savings via comparisons, competitive sourcing and direct conversions over the past two decades.	FY01 Performance Report. PBS Employment Statistics. PBS FAIR ACT Submissions/A-76 Inventory.	25%	0.2																								
4	<i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i>	NA	Information is not available. We are unaware of any studies comparing real property asset management programs of various Federal agencies.	-----	0%																									
5	<i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	NA	There is no independent evaluations of GSA's real property asset management program.	-----	0%																									
6 (Cap 1.)	<i>Were program goals achieved within budgeted costs and established schedules?</i>	Large Extent	GSA achieved its goals within budgeted costs and established schedules. For instance, 80 percent of GSA's repair and alteration projects were completed on-time and no cost escalations occurred in FY 2001.	GSA's FY 2001 Annual Performance Report and FY 2001 Annual Performance Plan.	25%	0.2																								
Total Section Score					100%	50%																								

Program Assessment Rating Tool (PART)

Program: GSA's Regional IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not
60%	50%	75%	44%	Demonstrated

- 1.1 Is the program purpose clear?** Answer: YES Question Weight: 20%
Explanation: The purpose of GSA's Regional Information Technology Solutions (ITS) program is to provide expert technical, acquisition, and IT products and services to Federal clients. The Regional ITS program provides IT products/services within particular geographic regions whereas the National ITS program provides large-scale, agency-wide, or specialized products/services.
Evidence: ITS Mission Statement and ITS Concept of Operations (April 2001); and OMB Designation Letter to GSA (April 2003); and OMB Designation Letter to GSA (August 1996).
- 1.2 Does the program address a specific and existing problem, interest or need?** Answer: YES Question Weight: 20%
Explanation: Regional ITS combines its in-house technical expertise with commercially available technology to provide its customer agencies with timely and cost-effective IT products and services. Many agencies do not have onboard contracting experts and the Regional ITS program eliminates the need for agencies to award and administer their own IT contracts.
Evidence: GSA FY 2002 Annual Performance and Accountability Report; Accenture: "GSA Delivery of Best Value Information Technology Services to Federal Agencies" (April 2002); ITS Concept of Operations (1999, rev. April 2001); and Doherty & Associates and JD Power & Associates, "FTS Blueprint Project: 2002 Customer Satisfaction Survey: Final Report" (September 2002).
- 1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: NO Question Weight: 20%
Explanation: Several agencies are designated to operate governmentwide acquisition contracts (GWACs) for information technology. These IT contracts help encourage competition to ensure the Government gets the best price. Furthermore, there are overlapping IT contracts in GSA's Federal Technology Service (FTS) and Federal Supply Service (FSS).
Evidence: OMB GWAC Designation Letter (April 2003); and Accenture: "GSA Delivery of Best Value Information Technology Services to Federal Agencies: Analysis of FSS and FTS Structure and Services" (April 2002).
- 1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: NO Question Weight: 20%
Explanation: In response to a recent Accenture study, GSA combined and realigned within FTS and FSS market research, marketing, customer account planning, sales, service delivery, and contract development and maintenance. However, GSA has not yet rationalized the number/type of IT contracts offered by both FTS and FSS, which results in inefficient allocation of resources and unclear marketing messages. GSA established a Contract Review Board to address this issue.
Evidence: Accenture: "GSA Delivery of Best Value Information Technology Services to Federal Agencies: Analysis of FSS and FTS Structure and Services" (April 2002); "GSA Federal Supply Service/Federal Technology Service Performance Improvement Initiative" (December 2002); Professional Services-Phase 1 Implementation Letters (May 2003); GSA Order: "Changes in GSA Organization," (December 2002).

Program Assessment Rating Tool (PART)

Program: GSA's Regional IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
60%	50%	75%	44%	

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: YES Question Weight: 20%

Explanation: ITS Regional offices are located in close geographic proximity to clients and many clients house ITS personnel on-site. Many Regional ITS associates possess Top Secret and higher security clearances, which allows the program to begin work immediately on classified projects. ITS is fully cost-reimbursable and is not subsidized by any other program.

Evidence: GAO Audit Report, "Contract Management: Interagency Contract Program Fees Need More Oversight" (July 2002); Booz Allen & Hamilton, "FTS: Benchmarking IT Solutions" (December 1999); OMB Designation Letter (April 2003).

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: NO Question Weight: 12%

Explanation: ITS performance measures are tied to GSA's Strategic Plan. However, these measures are not outcome-oriented. ITS has begun work to develop program-specific, long-term outcome goals that will meaningfully reflect what ITS will achieve for its customers. For example, by 2008, the Regional IT program will provides its services to federal agencies at XX% price lower than benchmarks (e.g. in the private or public sectors). [Measure should focus on best value to customer.]

Evidence: GSA Strategic Plan (April 2002); FY 2003 and 2004 Performance Plans.

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight: 12%

Explanation: ITS in the process of developing long-term outcome goals and measures with ambitious targets and timeframes.

Evidence: GSA Strategic Plan (April 2002); FY 2003 and 2004 Performance Plans; FTS "Getting to Green:" Integrating Performance with Budget (March 2003).

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 12%

Explanation: ITS developed performance measures and targets linked to the agency's strategic goals at the business unit level--Regional and National--in FY 2004. The annual performance measures do not sufficiently measure the savings (cost or time) agencies realize by using the ITS program. ITS should develop measures that benchmark to non-GSA sources (e.g. private sector, state/ local governments, other federal agencies).

Evidence: GSA Strategic Plan (April 2002); FY 2003 and 2004 Performance Plans.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight: 12%

Explanation: Baseline data were established in FY 2003, but annual targets for each measure will not be established until FY 2004. The FY 2005 performance and budget planning processes will allow for a more systematic approach to goal-setting.

Evidence: FY 2002, FY 2003, and FY 2004 Performance Plans; GSA FY 2002 Annual Performance and Accountability Report; and GSA Semi-Annual Report on GWAC Activity (November 2002).

Program Assessment Rating Tool (PART)

Program: GSA's Regional IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
60%	50%	75%	44%	

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: N/A Question Weight: 0%

Explanation: Intimately involving contractors in the strategic planning process would create a perception of a conflict of interest.

Evidence: FAR Part 9.5: Organizational and Consultant Conflicts of Interest

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight: 12%

Explanation: Over the last several years, there have been several comprehensive, independent studies that have evaluated the effectiveness of the ITS program and compared it to other similar government programs. Also, there is a schedule for future evaluations of the program.

Evidence: Booz Allen & Hamilton, "FTS: Benchmarking IT Solutions" (December 1999); Gartner Consulting: "Information Technology Solutions Application Analysis (January 2001); Gartner Consulting: "IT Solutions Application System Analysis Phase 2: Target State Definition and Business Case" (March 2001); Accenture: "GSA Delivery of Best Value Information Technology Services to Federal Agencies: Analysis of FSS and FTS Structure and Services" (April 2002); and GSA Office of Inspector General Audit Plan FY 2003.

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight: 12%

Explanation: The Regional ITS FY 2004 Budget linked budgetary resources and performance goals. However, FTS must first work to refine its annual goals and develop long-term, outcome goals before it can demonstrate that its Budget is fully integrated with program performance.

Evidence: GSA FY 2004 Annual Performance Plan and Congressional Justification.

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight: 12%

Explanation: ITS has taken meaningful steps to address the strategic planning deficiencies identified by: 1) developing performance measures at the business line and unit levels; 2) working with OMB to develop long-term goals, efficiency targets, and data for benchmarking its performance against non-GSA entities; and 3) linking performance goals to resource requirements in the FY 2004 Budget.

Evidence: GSA FY 2004 Annual Performance Plan and Congressional Justification; and "Getting to Green: Integrating Performance with Budget (March 2003).

Program Assessment Rating Tool (PART)

Program: GSA's Regional IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not
60%	50%	75%	44%	Demonstrated

2.CA1 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: YES Question Weight: 12%

Explanation: Regional ITS conducts analyses of alternatives on task orders. An acquisition strategy is used, which includes consideration of factors such as customer requirements, time, complexity, costs, special requirements, and contract comparisons. The level of effort to conduct the analysis is commensurate with the value and complexity of the task; knowledge and experience of the project manager may also be a factor.

Evidence: Contract Comparison Matrix-ANSWER SDC; Manual and Reference Guide for IT Solutions; Solutions Edu Training Services.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: NO Question Weight: 12%

Explanation: Annually, contracting officers collect detailed contractor performance information at the task order level from clients. Monthly, the program's current business system (ITSS) allows customers to certify receipt of goods/services and rate their overall satisfaction on contractor performance. Regional ITS does not routinely use this data to manage the program and improve performance. Also, EVMS is only used on very large dollar contracts.

Evidence: Sample ITSS and NIH Past Performance Database Reports.

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight: 12%

Explanation: FTS senior managers are held accountable through the annual performance review process. IT Solutions industry partners are held accountable for conducting client projects on time, at or under cost, and with satisfactory results. Accountability for ITS contractors is specified at the task order level.

Evidence: Sample SES Performance Plans; Interagency Agreements; Samples of Statement of Work, Memorandum of Understanding for IT Solutions, and Task Order Award.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 12%

Explanation: All Regional ITS funds are obligated in a timely manner and spent for the intended purpose. Establishing obligations prior to processing payments is an inherent aspect of GSA's accounting system. Monthly, Regional ITS reports on actual expenditures are compared to planned use.

Evidence: GSA FY 2002 Annual Performance and Accountability Report; IT Fund Briefings; Monthly and Quarterly Briefings for the Administrator; Use of Performance Management Tool.

Program Assessment Rating Tool (PART)

Program: GSA's Regional IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not
60%	50%	75%	44%	Demonstrated

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?

Answer: YES

Question Weight: 12%

Explanation: Regional ITS efficiency measure is operating expenses as a percent of gross margin. This measure provides the program with information needed to assign fees and recover full costs. It is reviewed monthly through the agency's performance tracking tool. A more appropriate efficiency measure would be the savings (time and cost) its customers realize from using the program.

Evidence: GSA FY 2002, 2003, and 2004 Annual Performance Plans and Reports.

3.5 Does the program collaborate and coordinate effectively with related programs?

Answer: YES

Question Weight: 12%

Explanation: In response to a recent study, FTS has reorganized to help improve coordination and collaboration with FSS. Toward this end, GSA established the Office of Professional Services to provide leadership in the areas of acquisition, financial, and project management. The Contract Vehicle Review Board was also established to evaluate each GSA contracting vehicle and determine if it should be continued or eliminated.

Evidence: Accenture Report: "GSA Delivery of Best Value Information Technology Services to Federal Agencies: Analysis of FSS and FTS Structure and Services: Findings and Recommendations" (April 2002); Professional Services-Phase 1 Implementation (May 2003); GSA Order: "Changes in GSA Organization," ADM 5440.568 (December 2002).

3.6 Does the program use strong financial management practices?

Answer: YES

Question Weight: 12%

Explanation: GSA has had clean audit opinions for the past 15 years and no material weaknesses have been identified in the Regional ITS program. In addition, GSA's financial systems meet statutory requirements and are integrated with its performance system. Procedures are in place to provide financial information accurately and timely.

Evidence: GSA FY 2002 Annual Performance and Accountability Report; IT Fund Briefings; Monthly and Quarterly Perry Briefings; Use of Performance Measurement Tool; Monthly Customer Funding Statement.

3.7 Has the program taken meaningful steps to address its management deficiencies?

Answer: NO

Question Weight: 12%

Explanation: There are several means by which FTS evaluates management effectiveness. For example, FTS Center for Regional Operations provides program oversight; develops plans, policies, and procedures. However, there is no systematic approach to correcting/addressing deficiencies when they are identified.

Evidence: Accenture Study: "GSA Delivery of Best Value Information Technology Services to Federal Agencies: Analysis of FSS and FTS Structure and Services" (April 2002); Gartner Consulting Report: "ITS Application Analysis (January 2001); Gartner Consulting Report: "ITS Application System Analysis Phase 2" (March 2001); GSA FSS/FTS Performance Improvement Initiative (December 2002); IT Solutions Regional Services Center Program and Risk Assessment Reviews (1999, 2001, 2002).

Program Assessment Rating Tool (PART)

Program: GSA's Regional IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
60%	50%	75%	44%	

- 3.CA1 Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?** Answer: YES Question Weight: 12%
- Explanation: The program makes good use of performance contracting by including statement of objectives, statement of work, evaluation criteria/performance indicators at the task order level. These items outline the quality, capability, and performance objectives of a specific project.
- Evidence: Manual and Reference Guide for IT Solutions; GSA Semi-annual Report on GWAC Activity (November 2002); Examples of Statement of Work, Task Order Award (Statement of Objectives, Risk Matrix, and Award Fee Schedule).
- 4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight: 16%
- Explanation: GSA will continue to develop long-term, measurable outcome goals.
- Evidence: FTS "Getting to Green:" Integrating Performance with Budget (March 2003).
- 4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight: 16%
- Explanation: Regional ITS met one of its three annual program goals.
- Evidence: FY 2002 Annual Performance and Accounting Report.
- 4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: SMALL EXTENT Question Weight: 16%
- Explanation: Regional ITS achieved its efficiency measure to reduce direct operating expenses as a percent of gross margin. However, Regional ITS should develop efficiency measures that capture savings (cost or time) agencies realize by using the ITS program.
- Evidence: FY 2002, FY 2003 , and FY 2004 GSA Annual Performance Plans.
- 4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: YES Question Weight: 16%
- Explanation: Studies indicate that Regional ITS performs favorably with respect to its benchmark programs when judged across all performance measures and business practice areas (including performance, growth, price, timeliness, customer service, and customer retention/satisfaction). Furthermore, Regional ITS is fully costed when compared to other Federal GWAC programs.
- Evidence: Booz-Allen & Hamilton Report "Benchmarking IT Solutions: Final Report" (December 1999); GAO Audit Report "Contract Management: Interagency Contract Program Fees Need More Oversight," (July 2002).

Program Assessment Rating Tool (PART)

Program: GSA's Regional IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
60%	50%	75%	44%	

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: LARGE EXTENT Question Weight: 16%

Explanation: Independent evaluations indicate that Regional ITS performs favorably when evaluated across many performance measures (price, timeliness, customer service, customer retention). GSA has taken steps to address inefficiency issues in FTS and FSS that cause confusion for vendors. However, there are still overlapping IT contracts offered by GSA.

Evidence: Doherty & Associates and JD Power & Associates, "FTS Blueprint Project: 2002 Customer Satisfaction Survey: Final Report" (September 2002); GAO Audit Report "Contract Management: Interagency Contract Program Fees Need More Oversight" (July 2002); and Booz-Allen & Hamilton Report: "Benchmarking IT Solutions: Final Report" (December 1999).

4.CA1 Were program goals achieved within budgeted costs and established schedules? Answer: SMALL EXTENT Question Weight: 16%

Explanation: The IT Fund operated within budget and met one its three annual goals. Regional ITS operates out of a revolving fund, is fully costed, and receives no appropriated funds.

Evidence: GSA FY 2002 Congressional Justification and GSA FY 2002 Annual Performance and Accountability Report.

PART Performance Measurements

Program: GSA's Regional IT Solutions Program

Agency: General Services Administration

Bureau: Federal Technology Service

Measure: Percentage of task orders subject to the fair opportunity process (i.e. all contractors, including small businesses, were considered for the award).

Additional Information: This measure is intended to support the ITS goal of fostering competition by maximizing the fair opportunity process for all contract holders.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2002	75%	70%	
2003	>80%	86%	
2004	>80%		
2005	>85%		
2006	>85%		

Measure: Percent of dollar savings between independent government cost estimates (IGCEs) and award amounts.

Additional Information: This measure is intended to help support the ITS goal of helping clients achieve significant savings in the acquisition of IT products and services.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2002	10%	7.9%	
2003	>6%		
2004	>7%		
2005	>8%		
2006	>8%		

Measure: Percentage of negotiated award dates for services and commodities that are met or bettered.

Additional Information: This measure is intended to support the ITS goal of improving acquisition processes and methods to reduce time to award through increased customer communication.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2002	90%	93%	

PART Performance Measurements

Program: GSA's Regional IT Solutions Program

Agency: General Services Administration

Bureau: Federal Technology Service

Measure: Percentage of negotiated award dates for services and commodities that are met or bettered.

Additional Information: This measure is intended to support the ITS goal of improving acquisition processes and methods to reduce time to award through increased customer communication.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003	>90%	91%	
2004	>93%		
2005	>94%		
2006	>95%		

Program Assessment Rating Tool (PART)

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	44%	75%	17%	Demonstrated

- 1.1 Is the program purpose clear?** Answer: YES Question Weight: 20%
Explanation: The purpose of GSA's Leasing program is to provide commercially available space for government agencies when Federally-owned space is not available.
Evidence: Leasing property for Federal tenants is fundamental to GSA's mission statement: "help Federal agencies better serve the public by offering, at best value, superior workplaces" (GSA's Strategic Plan). Authorizing legislation: Federal Property and Administrative Services Act of 1949, and the Public Buildings Act of 1959, as amended.
- 1.2 Does the program address a specific and existing problem, interest or need?** Answer: YES Question Weight: 20%
Explanation: There is a continuing need to house government agencies in leased space when Federally-owned space is not available or there is a short-term requirement for space. Leasing space, as oppose to owning space, also provides the government flexibility to meet changes in government housing needs, such as unanticipated growth (i.e., establishment of the Transportation Security Administration (TSA)) or downsizing.
Evidence: Approximately 46% of GSA's total space inventory is now leased space ("State of the Portfolio FY2002"). A recent example of a specific need for leased space is the TSA, which must be located at or near airports, where federal space is generally not available. In order to satisfy these space needs, GSA awarded over five hundred leases at or near airports throughout the country.
- 1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: NO Question Weight: 20%
Explanation: In addition to GSA, over 25 Federal agencies lease real property including DoD, Transportation, and Agriculture.
Evidence: GSA's leases accounts for approximately 44% of the government's total leased space. Federal Real Property Profile as of September 30, 2002.
- 1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight: 20%
Explanation: There is no recent evidence of major design flaws. In the mid-1990's, GSA redesigned the leasing program to streamline its operations and reduce cost. For example, GSA began using commercially available databases to support leasing decisions; relying on local codes as a guide for complying with accident/fire-safety/handicap criteria; and contracting services for market analysis and surveys, A/E, and lease acquisition.
Evidence: GAO Report: More Businesslike Leasing Approach Could Reduce Costs and Improve Performance (February 1995). GSA Study: Re-engineered Lease Acquisition Process (1994). Cant Beat GSA Leasing initiative.
- 1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 20%
Explanation: GSA's Leasing program is designed to provide space to those Federal agencies who do not possess authority to own or lease space. GSA's knowledge of market conditions and multiple agency needs often allows it to consolidate several agencies into a single facility, resulting in efficient use of private sector leased space and taxpayer dollars.
Evidence: GSA's FY 2004 Capital Improvement and Leasing Program. Authorizing legislation: Federal Property and Administrative Services Act of 1949, and the Public Buildings Act of 1959, as amended.

Program Assessment Rating Tool (PART)

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	44%	75%	17%	Demonstrated

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: NO Question Weight: 11%

Explanation: GSA is in the process of developing program-specific, long-term outcome goals and measures that have clear targets and timeframes. For instance, one goal under consideration is to "deliver 90 percent of new space requirements within the time frame and budget committed to our customers through 2010."

Evidence: GSA's FY 2004 Annual Performance Plan.

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight: 11%

Explanation: GSA is in the process of developing program-specific, long-term outcome goals and measures with ambitious targets and timeframes.

Evidence: GSA's FY 2004 Annual Performance Plan.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 11%

Explanation: GSA uses several annual performance measures, linked to its strategic goals and program purpose, to measure its success in managing the leasing program. As part of its development of long-term outcome measures, GSA is encouraged to review these measures and determine whether a smaller subset or other measures would be appropriate (such as lease cost compared to the private sector in the 10 highest-cost cities) and to develop an efficiency measure.

Evidence: GSA's FY 2004 Annual Performance Plan and Performance Measurement Tool. GSA's annual measures include: the cost of leasing space compared to the private market; customer satisfaction; the timeliness of delivering leased space; and the amount of non-revenue producing space. GSA is also in the process of developing efficiency measures for this program.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 11%

Explanation: Three out of four of the annual measures for the Leasing program have baselines and measurable targets. Since the establishment of its baselines, GSA has demonstrated improvement in all three areas -- customer satisfaction, lease cost, and non-revenue producing space.

Evidence: GSA's FY 2004 Annual Performance Plan, FY 2002 Annual Performance and Accountability Report, and Performance Measurement Tool.

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: NO Question Weight: 11%

Explanation: GSA uses both regional and local brokerage firms to help acquire lease space. These brokerage contracts do not contain any provisions or commitments of working towards GSA's annual performance goals.

Evidence: GSA's Brokerage Contracts.

Program Assessment Rating Tool (PART)

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	44%	75%	17%	

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: NO Question Weight: 11%

Explanation: There are no regularly scheduled, independent evaluations of performance in GSA's Leasing program.

Evidence: GAO last evaluated this program in Feb. 1995, while the IG recently evaluated the use of brokerage contracts in FY 2002. Given the age of the GAO report and the limited scope of the IG evaluation, it is recommended that a more recent evaluation of the leasing program be conducted.

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight: 11%

Explanation: The Federal Buildings Fund budget identifies all of the relevant costs associated with the Leasing program. However, the budget presentation does not identify the impact funding, policy, or legislative changes will have on performance.

Evidence: GSA's FY 2004 Annual Performance Plan and FY 2004 Congressional Budget Justification.

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight: 11%

Explanation: GSA is addressing strategic planning deficiencies in several ways. In July 2002, GSA established the National Office of Realty Services to ensure national coherence and guidance in leasing transactions. GSA is in the process of developing program-specific, long-term outcome goals with a target of completion by Q4/2003. GSA also plans to implement new National Broker Contracts to increase regional workload capacity, help get the best deal in the market place, and improve customer service.

Evidence: GSA Order establishing the National Office of Realty Services. GSA's Proud to Be for Budget and Performance Integration. National Broker Contract Implementation Plan.

2.CA1 Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity? Answer: YES Question Weight: 11%

Explanation: When there is a long-term need to house agencies in a given location, alternatives and trade-offs are conducted at the project level by comparing the cost of leasing to purchase/construction. (Working with OMB, GSA developed this cost-benefit model over 15 years ago.) After a determination is made to pursue a leasing alternative, GSA compares proposed rental rates to comparable private sector leases to ensure the rates are within current industry standards.

Evidence: GSA's FY 2004 Capital Investment and Leasing Program, including TAPS analyses. Society of Industrial & Office Realtors database.

Program Assessment Rating Tool (PART)

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	44%	75%	17%	Demonstrated

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight: 12%

Explanation: GSA's senior management meets quarterly to review performance and financial data. For instance, the Society of Industrial and Commercial Realtors (SIOR) data is used to compare GSA's lease costs to market costs. GSA's Performance Measurement Tool also tracks performance data on a monthly basis.

Evidence: GSA's Performance Measurement Tool. SIOR data and LMI analysis. An illustrative example of a recent management action: In evaluating regional offices performance in leasing space at or below market rates, GSA's Central Office identified a region with a high percentage of leases above the market rates. This was discussed with the region and steps were taken to ensure future leases were at or below the market rates. This region's progress continues to be monitored.

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: NO Question Weight: 12%

Explanation: The National Realty Services Officer (NRSO) is responsible for providing strategic direction and achieving the goals of the leasing program at the national level. Since each of GSA's regions manages its leasing program differently, the individual responsible for achieving performance results at the regional level varies from the Assistant Regional Administrator (ARA) to Realty Services Officers (RSO). At the regional level, it is not clear whether program performance is incorporated into these managers performance evaluation criteria. In addition, GSA's current brokerage contracts are not structured in such a way as to reflect a commitment towards achieving GSA's annual performance goals.

Evidence: Implementation Plan for the National Office of Realty Services. NRSO, ARA, and RSO performance evaluation criteria. Brokerage Services Contracts.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 12%

Explanation: Funds for the Leasing program are obligated consistently with the overall program plan and within established timeframes/schedules. Over the past 5 years, GSA obligates, on averages, 97.5% of its available rental of space funds each year. As of March 2003, GSA is projecting that it will obligate 99% of its rental of space funds.

Evidence: Rental of Space Annual Plan; Rental of Space March 2003 Financial Report; SF-132s and SF-133s.

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: NO Question Weight: 12%

Explanation: GSA's performance plan does not include efficiency measures and targets for the Leasing program. Through IT investments such as the Spatial Data Management system and STAR, GSA is striving to improve its responsiveness to customer space planning requests, identifying vacant space, and increasing the accuracy of the Rent bills. However, GSA is unable to measure the impact these systems have had on program efficiency and effectiveness.

Evidence: GSA's FY 2004 Performance Plan. STAR Master Plan and Special Data Management guidance.

Program Assessment Rating Tool (PART)

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	44%	75%	17%	Demonstrated

- 3.5 Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 12%
- Explanation: GSA works closely with state and local governments to designate the appropriate delineated areas in accordance with the government's location policy. GSA also participates with such industry groups as the Corporate Real Estate Network, and Building Owners and Managers Association International (BOMA), and works with customer agencies to identify housing and budgetary requirements.
- Evidence: FY 2004 Capital and Leasing Program. E.O. 12072 and the Rural Development Act of 1972. GSA recently hosted Industry Roundtables with BOMA to discuss security requirements for leased space.
- 3.6 Does the program use strong financial management practices?** Answer: YES Question Weight: 12%
- Explanation: GSA has had clean audit opinions for the past 15 years and no material weaknesses have been identified in the leasing program. In addition, GSA's financial systems meet statutory requirements and are integrated with its performance system. Procedures are in place to minimize erroneous payments and provide financial information accurately and timely.
- Evidence: GSA's FY 2002 Annual Accountability Report and Performance Measurement Tool.
- 3.7 Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 12%
- Explanation: The National Office of Realty Services (NORS) reviews all performance data at least quarterly. When a region is not performing, NORS and the region works together to identify and correct the deficiency. In addition, NORS coordinates a Peer Review process to ensure that regional real estate programs are consistent with national initiatives and current polices. One region is reviewed each quarter. If deficiencies are identified, the region develops a plan on how the deficiency will be addressed and corrected in a 12 month period.
- Evidence: Performance Measurement Tool. Peer Review guidance.
- 3.CA1 Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?** Answer: YES Question Weight: 12%
- Explanation: GSA uses performance-based Solicitations for Offers and lease contracts which clearly define the space deliverables required, thus ensuring the quality of the space and the financial capability of the lessor to deliver the space and provide services during the lease term. GSA investigates the financial responsibility of contractors, as well as their past performance. All SFOs & leases include specified time frames for space delivery and an analysis of offers ensures that the price is reasonable and in the best interest of the Government prior to award.
- Evidence: A Standard Solicitation for Offers Template defines the quality of space, such as type of carpeting, window treatments, and permanent partitions. Language is also included to establish milestones for space delivery, including project design, construction completion, and occupancy.
- 4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight: 16%
- Explanation: GSA is in the process of developing program-specific, long-term outcome goals and measures.
- Evidence: FY 2004 Annual Performance Plan

Program Assessment Rating Tool (PART)

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	44%	75%	17%	Demonstrated

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight: 16%

Explanation: GSA met 2 of the 3 annual performance goals as set out in its FY 2002 performance plan for the leasing program. However, the brokerage firms (GSA's program partners) are not held accountable for achieving performance goals.

Evidence: FY 2004 Annual Performance Plan. FY 2002 Annual Performance and Accountability Report. Brokerage Contracts.

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: NO Question Weight: 16%

Explanation: GSA's performance plan does not include efficiency measures and targets for the Leasing program.

Evidence: FY 2004 Annual Performance Plan

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: NO Question Weight: 16%

Explanation: Even though there are over 25 Federal agencies that lease real property, there are no current studies comparing GSA's leasing program to these agencies or any studies comparing GSA's leasing program with the private sector.

Evidence:

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: NO Question Weight: 16%

Explanation: There has been no recent, comprehensive, independent study evaluating the effectiveness of GSA's leasing program. Two recent IG reports identified concerns with 1) the design and use of the current brokerage contracts, and 2) the controls over contracting and leasing documentation. GSA is taking steps to address the IG's concerns and implement the recommendations.

Evidence: IG Report No. A020135/P/W/R03003: Review of PBS Use of Brokerage Contracts for Lease Acquisition Services. FY 2000 Interim and Year-End Management Letters (Pricewaterhouse Coopers LLP).

4.CA1 Were program goals achieved within budgeted costs and established schedules? Answer: LARGE EXTENT Question Weight: 16%

Explanation: GSA achieved 2 out of 3 of its goals -- customer satisfaction and acquiring lease space at or below private sector rates -- within budget costs. In addition, for the first time in five years, the leasing program had a positive balance (revenue exceeded costs).

Evidence: FY 2002 Annual Performance and Accountability Report. FY 2004 Congressional Budget Justification.

PART Performance Measurements

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service

Measure: Percent of lease cost at or below the average market rate
Additional Information: This measure compares GSA's cost in leasing space to average lease rates in the commercial market.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	98.9%	99.5%	
2002	99.1%	99.1%	
2003	99.2%		
2004	99.3%		
2005	99.4%		

Measure: Percent tenants that rate leased space services as satisfactory or better.
Additional Information: This measure tracks the percentage of customers satisfied with the leased space provided by GSA.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	82%	85%	
2002	83.0%	84.0%	
2003	85%		
2004	85.5%		
2005	85.5%		

Measure: Percent of vacant space in leased inventory
Additional Information: This measure tracks how much leased space is vacant.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2002	2.0%	2.0%	

PART Performance Measurements

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service

Measure: Percent of vacant space in leased inventory
Additional Information: This measure tracks how much leased space is vacant.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003	2.1%		
2004	2.0%		
2005	2.0%		

OMB Program Assessment Rating Tool (PART)

Direct Federal Programs

Name of Program: Multiple Awards Schedules

Section I: Program Purpose & Design (Yes, No, N/A)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Is the program purpose clear?</i>	YES	The purpose of GSA's Multiple Award Schedule (MAS) Program is to provide Federal agencies with a simplified acquisition process to acquire commercially available products and services at discount prices.	The Federal Property and Administrative Services Act of 1949 and FAR 8.4 and FAR 38.1.	20%	0.2
2 <i>Does the program address a specific interest, problem or need?</i>	YES	The MAS Program eliminates the need for Federal agencies to establish separate contracts. Agencies achieve time and cost savings by utilizing the established Schedule contracts.	Logistics Management Institute (LMI) study, "Establishing Baselines for Measuring Acquisition Streamlining Improvements, found that it takes an agency an average of 268 days to put a contract in place (9/96).	25%	0.3
3 <i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	YES	The MAS Program is designed to provide time and cost savings for Federal agencies in acquiring products and services.	Johnson & Johnson Report: Impact on FAR 8/4, Comparative Analysis of Customer Elapsed Time Savings (11/98), found it takes 49 days to establish a Blanket Purchase Order, 15 days to issue. The e-Buy program (no data on costs yet) and MAS program savings and benefits paper (savings from administrative costs and FTE resources).	25%	0.3
4 <i>Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?</i>	NO	The MAS Program provides access to over 4 million commercial products and services, through established contracts with over 10,000 commercial firms, at discount pricing on a direct-delivery basis. Over half of the sales are for IT products and services. There are four agencies, including GSA's FTS, designated to operate information technology Governmentwide Acquisition Contracts (GWACs). Other IT GWACs help encourage competition to ensure the Government gets the best price.	Business volume for IT products and services (FSS-19 Report 72A). Accenture Report: GSA Delivery of Best Value Information Technology Services to Federal Agencies (4/30/02). GSA Administrator memos: Results of Study of FTS and FSS Operations Related to Information Technology Offerings (5/1/02) and Update on FSS/FTS Initiative to Provide Best Value Solutions in IT Procurements (7/17/02).	10%	0.0

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5 <i>Is the program optimally designed to address the interest, problem or need?</i>	NO	An Accenture study revealed that FSS and FTS are not optimally designed. Overlaps exist in the areas of IT sales and marketing and IT contract offerings.	Accenture Report: GSA Delivery of Best Value Information Technology Services to Federal Agencies (4/2002). GSA Administrator memos: Results of Study of FTS and FSS Operations Related to	20%	0.0
Total Section Score				100%	70%

Section II: Strategic Planning (Yes,No, N/A)					
Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?</i>	NO	The Schedule's program's strategic goals, while clear, are not measurable and do not have specified time frames for future assessment. GSA should develop long-term goals that assess success/failure of the program. For example, by 200X, increase the savings realized by the agencies by XX%.	GSA Strategic Plan and FY 2003 Annual Performance Plan	17%	0.0
2 <i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	YES	Annual performance goals for the MAS program include key measures such as cost per \$100 sales, small businesses on schedules contracts, and customer satisfaction.	GSA's FY 2001 Annual Performance Plan.	17%	0.2
3 <i>Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?</i>	N/A	Intimately involving contractors in the strategic planning process would create a perception of a conflict of interest. Program goals are communicated to vendors to get buy-in and support for the Program purpose.	Coalition for Government Procurement, Testimony before House Technology and Procurement Policy Subcommittee, 4/02.	0%	
4 <i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	NO	Most importantly, GSA does not coordinate with FTS' GWAC program. GSA delegated procurement of medical and pharmaceutical products to VA. The MAS Program issues policy guidance to VA, which ensures standardized policies and procedures.	FSS Acquisition Letter FC-01-1 (3/02). Accenture Report: GSA Delivery of Best Value Information Technology Services to Federal Agencies (4/30/02).	17%	0.0

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5 <i>Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?</i>	NO	There have been several independent studies conducted over the last several years; however, they are limited in scope and not performance-based. Also, there no regularly scheduled, independent reviews of GSA's MAS program.	GAO, GSA IG, and other independent reports.	17%	0.0
6 <i>Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?</i>	NO	The budget for managing the MAS program is neither clearly aligned with the program goals nor are the requests clearly derived by estimating what is needed to accomplish the annual performance measures and long-term goals.	GSA's FY 2003 Annual Performance Plan and Congressional Justification.	17%	0.0
7 <i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	YES	GSA will submit an integrated budget and performance plan for FY 2004. Also, FSS: 1) developed an FY 2003 corporate scorecard for the Commercial Acquisition business line and will drill down the performance measures to the program and individual levels, 2) separated the supply and schedules programs to better evaluate achievement of performance goals, 3) established teams to prepare a business plan to realign redundant FTS and FSS functions, 4) is taking steps to conduct regular evaluations of the program.	Commercial Acquisition Corporate Scorecard and the FSS Performance Measurement System. Accenture Report: GSA Delivery of Best Value Information Technology Services to Federal Agencies (4/2002).	17%	0.2
Total Section Score				100%	33%

Section III: Program Management (Yes,No, N/A)					
Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?</i>	YES	FSS' senior management meets quarterly to review performance data. A Performance Measurement System tracks monthly progress in meeting the targets established for each performance goal and measure. Performance data is also used by program managers overseeing the supply program in several ways, such as using monthly performance indicators evaluate the efficiency of the program. The MAS program also conducts semiannual meetings to assess performance and initiate changes to improve performance.	FSS Performance Measurement System; FSS Management Council quarterly meetings; Commercial Acquisition Business Meetings; Customer Surveys.	14%	0.1
2 <i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	YES	Managers are held accountable through the annual performance review process and ongoing monitoring of major business performance and internal process quality indicators to anticipate and adjust for failure. Corrective actions have included reassignment of staff, strengthening management commitment, realignment of resources, or other appropriate steps.	SES Performance Plans and MAS senior managers' Performance Plans.	14%	0.1
3 <i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	YES	All MAS program funds are obligated in a timely manner and spent for the intended purpose. It is an inherent part of the GSA accounting system requirements, that obligations be established prior to processing payments for goods and services. This ensures that payments correspond to their intended purpose.	FY 2001 GSA Consolidated Annual Financial Statements. GSA Accounting Classifications Handbook.	14%	0.1
4 <i>Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?</i>	YES	An annual performance goals/efficiency measure for the program is total cost per \$100 of business volume.	FY 2003 Annual Performance Plan	14%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5 <i>Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?</i>	NO	All direct and indirect costs are allocated to the Program, including agency administrative costs and other overhead. However, GSA does not have a system that can link the full program cost to achieving performance goals.	FY 2001 GSA Consolidated Annual Financial Statements.	14%	0.0
6 <i>Does the program use strong financial management practices?</i>	YES	GSA received clean audit opinions for 14 years. No material internal control weaknesses for several years.	GSA's FY 2001 Annual Accountability Report. GAO Report 02-734: Contract Management: Interagency Contract Program Fees Need More Oversight (8/02).	14%	0.1
7 <i>Has the program taken meaningful steps to address its management deficiencies?</i>	YES	A contractor was hired to evaluate options and make recommendations to reduce the 1% industrial funding fee.	GSA's Audit Follow-up and Evaluation Branch (established by GSA Order ADM 5440.166, 10/15/79) tracks actions taken in response to audit recommendations. LMI study on fees.	14%	0.1
Total Section Score				100%	86%

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i>	NO	The lack of specific long-term performance goals makes it difficult to determine whether adequate progress has been made in achieving these goals.	GSA's Strategic Plan and FY 2003 Annual Performance Plan.	25%	0.0

Long-Term Goal I:	Provide Best Value for Customer Agencies and Taxpayers
Target:	N/A
Actual Progress achieved toward goal:	N/A
Long-Term Goal II:	Operate Efficiently and Effectively
Target:	N/A
Actual Progress achieved toward goal:	N/A
Long-Term Goal III:	Ensure Financial Accountability

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score																		
		Target:	N/A																				
		Actual Progress achieved toward goal:	N/A																				
2 Does the program (including program partners) achieve its annual performance goals?	Large Extent	The Supply and Procurement Programs were one business line prior to FY 2002; therefore, the customer satisfaction target was combined for both programs and no quantitative target was established. The MAS program met or exceeded its annual performance goals in FY 2001. However, the threshold was set very low (at or below the baseline level) for two of the three performance goals. To receive full credit for this question in the future, the program should establish stretch, meaningful annual goals that are linked to the achievement of the long-term outcome goals.	GSA's FY 2001 Annual Performance Report and FY 2001 Annual Performance Plan. FSS Business Plans on Operating Costs and Business Volumes.	25%	0.2																		
<table border="1"> <tbody> <tr> <td>Key Goal I:</td> <td>Reduce costs per \$100 sales.</td> </tr> <tr> <td>Performance Target:</td> <td>In 2001, reduce costs per \$100 sales to \$0.73 (FY 2000 baseline=\$0.61).</td> </tr> <tr> <td>Actual Performance:</td> <td>GOAL WAS MET: Cost per \$100 sales was \$0.65.</td> </tr> <tr> <td>Key Goal II:</td> <td>Maintain the percent of schedule contracts awarded to small businesses.</td> </tr> <tr> <td>Performance Target:</td> <td>In 2001, 77% schedule contracts awarded to small businesses (FY 2000 baseline=77%).</td> </tr> <tr> <td>Actual Performance:</td> <td>GOAL WAS MET: Schedule contracts awarded to small businesses was 78.1%</td> </tr> <tr> <td>Key Goal III:</td> <td>Increase customer satisfaction.</td> </tr> <tr> <td>Performance Target:</td> <td>In 2001, increase customer satisfaction above baseline of 72%. (FY 2000 baseline=72%)</td> </tr> <tr> <td>Actual Performance:</td> <td>GOAL WAS MET: Customer satisfaction was 74.4%.</td> </tr> </tbody> </table>						Key Goal I:	Reduce costs per \$100 sales.	Performance Target:	In 2001, reduce costs per \$100 sales to \$0.73 (FY 2000 baseline=\$0.61).	Actual Performance:	GOAL WAS MET: Cost per \$100 sales was \$0.65.	Key Goal II:	Maintain the percent of schedule contracts awarded to small businesses.	Performance Target:	In 2001, 77% schedule contracts awarded to small businesses (FY 2000 baseline=77%).	Actual Performance:	GOAL WAS MET: Schedule contracts awarded to small businesses was 78.1%	Key Goal III:	Increase customer satisfaction.	Performance Target:	In 2001, increase customer satisfaction above baseline of 72%. (FY 2000 baseline=72%)	Actual Performance:	GOAL WAS MET: Customer satisfaction was 74.4%.
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Performance Target:	In 2001, increase customer satisfaction above baseline of 72%. (FY 2000 baseline=72%)																						
Actual Performance:	GOAL WAS MET: Customer satisfaction was 74.4%.																						
3 Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?	Yes	Operating costs per \$100 sales decreased in FY 2001. [Target=\$0.73, Actual=0.65, Baseline=\$0.61].	FY 2001 GSA Annual Performance Report and FY 2001 GSA Performance Plan. FSS Business Plans on Operating Costs and Business Volumes.	25%	0.3																		
4 Does the performance of this program compare favorably to other programs with similar purpose and goals?	N/A	Although there are other IT GWACs, there are no studies that compare their performance.		0%																			

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5 <i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	Small Extent	Studies of the MAS Program reveal that the MAS Program: 1) demonstrates time savings through a streamlined procurement process, 2) needs to improve training to help agencies achieve best value; 3) needs to consistently negotiate Most-Favored Customer Pricing, 4) need to reevaluate the 1% industrial funding fee to approximate a break-even position.	GAO Report: Contract Management: Not Following Procedures Undermines Best Pricing Under GSA's Schedules (11/00); GSA IG Report: Audit of FSS' Industrial Funding Fee (5/99); GSA IG: MAS Pricing Practices (8/01)	25%	0.1
Total Section Score				100%	50%

Program Assessment Rating Tool (PART)

Program: Personal Property Management Program (FBP)
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	38%	71%	8%	Demonstrated

- 1.1 Is the program purpose clear?** Answer: YES Question Weight: 20%
Explanation: The purpose of this program is to ensure the timely, effective and efficient disposition of the Federal Government's excess and surplus personal property, yielding the greatest return on investment to the taxpayer. This includes ensuring that excess and surplus property is made available for maximum reuse thus minimizing public expenditure for new procurements.
Evidence: Federal Property and Administrative Services Act of 1949, as amended; Property Management Mission Statement.
- 1.2 Does the program address a specific and existing problem, interest or need?** Answer: YES Question Weight: 20%
Explanation: There is a continuing requirement to dispose of Federally owned personal property, as well as a continuing need for Federal and State agencies to reuse available excess and surplus property thereby reducing expenditures on new property.
Evidence: Federal Property and Administrative Services Act of 1949, as amended.
- 1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight: 20%
Explanation: The program was authorized by Congress as the sole authority for managing transfer and reutilization of excess Federal property and for donating Federal surplus personal property to State and local governments and other eligible recipients. All federal agencies have the authority to determine how they sell surplus federal property after they have completed the reutilization and donation process managed by GSA.
Evidence: Federal Property and Administrative Services Act of 1949, as amended.
- 1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: NO Question Weight: 20%
Explanation: FSS is one of several entities within GSA whose activities must be closely coordinated to assure that GSA's property disposal role contributes effectively to the overall asset management goals of the Federal government. It does not appear that the roles and responsibilities of these different entities have been sufficiently well defined, and resources made available accordingly, to cause this to happen.
Evidence: FORM Analysis; FMR 102.36
- 1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 20%
Explanation: The Property Management Program has two major customer groups which are potential beneficiaries: Federal agencies for which it provides disposal support and Federal and State agencies which are recipients of transfers and donations of excess and surplus property. Regional program staff provide assistance to both customer groups in processing disposal actions and assisting in searching for and acquiring property.
Evidence: FMR 102.36, Disposition of Excess Personal Property; FMR 102.37, Donation of Surplus Personal Property.

Program Assessment Rating Tool (PART)

Program: Personal Property Management Program (FBP)
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	38%	71%	8%	

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: NO Question Weight: 12%

Explanation: FSS has traditionally focused on annual output measures and has assigned long-term targets to some of those measures. However, GSA is now in the process of developing program-specific, long-term outcome goals and measures. These goals and measures will meaningfully reflect the program's purpose and focus on what GSA will achieve for its customers.

Evidence: GSA's FY 2004 Annual Performance Plan

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight: 12%

Explanation: GSA is in the process of developing program-specific, long-term outcome goals and measures with ambitious targets and timeframes.

Evidence: GSA's FY 2004 Annual Performance Plan

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 12%

Explanation: FSS has several annual performance measures and targets that are aligned with the five GSA strategic goals.

Evidence: Guide to the FSS Performance Measurement System; FSS & FBP Scorecard

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 12%

Explanation: Baselines are generally set using the previous year's actuals. Annual stretch targets (significantly beyond the baselines) are set using a compound annual growth rate (CAGR) methodology.

Evidence: Guide to the FSS Performance Measurement System; FBP Scorecard

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: NO Question Weight: 12%

Explanation: The State Agencies for Surplus Property (SASPs) are the main partners with Property Disposal who are responsible for seeing that donated surplus Federal personal property gets to the intended beneficiaries and is used for the intended purposes. FSS has not shown how SASPs commit to working toward either long-range or annual goals.

Evidence: None.

Program Assessment Rating Tool (PART)

Program: Personal Property Management Program (FBP)
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	38%	71%	8%	

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: NO Question Weight: 12%

Explanation: The last external (i.e., non-GSA) review of the Personal Property Management Program was the FORM review in 1996. Since then, there have been no independent performance reviews of the Property Management Program.

Evidence:

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight: 12%

Explanation: The budget presentation for this program does not present the resource needs together in one place and identify the impact funding, policy, or legislative changes will have on performance. Rather, the funds for this program are split between two accounts: the GSF for the sales program and Operating Expenses for the Utilization and Donation programs. Also, most of the annual output measures are only presented under the GSF portion of the budget.

Evidence: FY 2004 Congressional Budget

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight: 12%

Explanation: Strategic planning deficiencies are addressed throughout the year via review by FSS Office of Enterprise Planning (FE), the Commissioner, and Administrator, during quarterly reviews. FSS is very engaged in GSA's efforts to develop long-term, outcome-oriented performance measures.

Evidence: Guide to the FSS Performance Measurement System; FBP Scorecard; FSS/GPRA FY 04 Performance Plan; FY 02 Property Performance Award; Administrator's Quarterly Review

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight: 14%

Explanation: FSS senior management meets quarterly to review performance data. A Performance Measurement System tracks monthly progress in meeting the targets established for each performance goal and outcome measure. Performance data is also used monthly by program managers overseeing the Personal Property Management program to evaluate the effectiveness and efficiency of the Program. Property Management also conducts meetings with the Leadership Board, which consists of national and regional directors, at least semiannually to assess performance and initiate changes to improve performance.

Evidence: Administrator's Quarterly Performance Review, Actuals & Targets, FBP Scorecard, Program Management and Liaison in the Regions; Guide to the FSS Performance Measurement System. As a result of performance reviews, FBP initiated several activities to reduce its disposal cycle time, including concurrent screening of excess and surplus property with Xcess/Xpress and increasing the disposals on the GSAAuction website.

Program Assessment Rating Tool (PART)

Program: Personal Property Management Program (FBP)
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	38%	71%	8%	

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: NO Question Weight: 14%

Explanation: Managers are held accountable through the annual performance review process, which is directly tied to the Program's Performance Plan and Scorecard; i.e., the Program's measures are the manager's measures. However, FSS has not provided information on how SASPs are required to provide performance information used to manage the donation program.

Evidence: Guide to the FSS Performance Measurement System; FY 02 Property Performance Award, which is based on performance measures for cycle time, percent of favorable customer survey responses, and direct costs as a % of revenue.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 14%

Explanation: All of the Personal Property Management Program funds are obligated in a timely manner and spent for the intended purpose. It is an inherent part of the GSA accounting system requirements, that obligations be established prior to processing payments for goods and services. This ensures that payments correspond to their intended purpose.

Evidence: FY 02 GSA Consolidated Annual Financial Statements. GSA Accounting Classifications Handbook.

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: NO Question Weight: 14%

Explanation: The Property Program shows two program-specific efficiency measures and targets in its performance scorecard: operating cost per \$100 of business volume and cycle time for the full disposal process. However, neither of these measures meets OMB's definition of efficiency measures. GSA needs to develop good efficiency measures for this program.

Evidence: Guide to the FSS Performance Measurement System; FBP Scorecard

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 14%

Explanation: Property Management staff participate in various inter-Governmental committees and coordinate with other agencies regarding issues and plans for property management programs. Examples of this collaboration at the Federal level include the InterAgency Committee for Property Management, the DoD Disposal Policy Working Group, and the DoD Demil Policy Working Group; and on the State level, the National Association of State Agencies for Surplus Property (NASASP) and The Users and Screeners Association (USA). Property Management associates also assist other agencies in review of their operational and procedural handbooks, provide comments and recommendations to GSA's Office of Governmentwide Policy (OGP) in the development of property management regulations, and provide additional support to OGP on other Property Management policy initiatives.

Evidence: Examples of recent collaboration include working with DLA and DRMS to re-implement internal screening and implement MILSTRIP requisitioning. Also, collaboration has enabled an automated interface between FEDS and USDA Forest Service Excess Property Program's system, FEPMIS. Regular meetings with NASASP and USA.

Program Assessment Rating Tool (PART)

Program: Personal Property Management Program (FBP)
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	38%	71%	8%	

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 14%

Explanation: GSA has had clean audit opinions for the past 15 years and no material weaknesses have been identified in the leasing program. In addition, GSA's financial systems meet statutory requirements and are integrated with its performance system. Procedures are in place to minimize erroneous payments and provide financial information accurately and timely.

Evidence: GSA's FY 02 Annual Performance and Accountability Reports

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 14%

Explanation: Performance and program issues are addressed by the Property Leadership Board at scheduled semiannual meetings or during teleconferences convened to address specific issues. Where performance issues are identified, Property Management implements corrective action through modification of processes. The Sales Functional Consolidation, developed in 2001/02, was a major fundamental step to correct program and financial management deficiencies and an example of Leadership Board management system success.

Evidence: Program Management and Liaison in the Regions; GSA Order-Sales Consolidation; Regional Center of Expertise Memo

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: NO Question Weight: 25%

Explanation: GSA is in the process of developing program-specific, long-term outcome goals and measures with ambitious targets and timeframes.

Evidence: FSS/GPRA FY04 Performance Plan

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight: 25%

Explanation: To a large extent, the Personal Property Management Program achieved its annual performance goals for FY 02. However, FBP has not demonstrated how its program partners, the SASPs, have contributed to the achievement of its annual performance goals.

Evidence: FBP Score Card; FY02 Property Performance Award

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: NO Question Weight: 25%

Explanation: Although Property Management is aggressively taking action to improve its performance in several important areas, e.g., reducing the cycle time, from 132 to 99 days in FY02, it does not have any measures that meet OMB's definition of efficiency measures.

Evidence: GSA Order-Sales Consolidation, Xcess Xpress implementation letters

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: N/A Question Weight: 0%

Explanation: We are not aware of any other Federal activity that offers full personal property disposal service to all other Federal agencies.

Evidence: N/A

Program Assessment Rating Tool (PART)

Program: Personal Property Management Program (FBP)
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	38%	71%	8%	

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

Answer: NO

Question Weight: 25%

Explanation: As noted previously, there have been no independent evaluations of the Personal Property Management Program since the 1996 FORM Review.

Evidence:

PART Performance Measurements

Program: Personal Property Management Program (FBP)

Agency: General Services Administration

Bureau: Federal Supply Service

Measure: Percent of customers who report service levels as satisfactory or better.

Additional Information: Based on an external customer satisfaction survey. Three questions on the survey are consistent to the American Customer Satisfaction Index. A combination of these scores are used for overall customer satisfaction.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001		67%	
2002	68%	73%	
2003	76%		

Measure: Operating cost per \$100 of business volume

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2002	1.44	2.31	
2003	2.52		

Measure: Cycle Time: total days required to transfer, donate, or sell property.

Additional Information: Number of days from receipt of excess property to case closure

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2001		132	
2002	87	99	
2003	87		
2004	85		

PART Performance Measurements

Program: Personal Property Management Program (FBP)

Agency: General Services Administration

Bureau: Federal Supply Service

Measure: Direct cost as percentage of revenue

**Additional
Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
1998		76%	
1999		71%	
2000		82%	
2001		86%	
2003	61%		

Program Assessment Rating Tool (PART)

Program: Real Property Disposal (PR)
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	25%	43%	13%	Demonstrated

- 1.1 Is the program purpose clear?** Answer: YES Question Weight: 20%
Explanation: The purpose of GSA's Office of Property Disposal (PR) is to ensure that Federal landholding agencies realize maximum utilization and efficiencies from their real property holdings and, when appropriate, to redeploy their unneeded properties to benefit the Federal Government and surrounding communities. PR does this by managing the reutilization of excess property and disposal of surplus property.
Evidence: Federal Property and Administrative Services Act of 1949 (Property Act or 49 Act), as amended; FMR; Economy Act; E.O. 12512; PR's mission statement; PR's vision statement.
- 1.2 Does the program address a specific and existing problem, interest or need?** Answer: YES Question Weight: 20%
Explanation: The Federal government owns millions of acres of land and thousands of facilities with millions of square feet of space. Much of this property is underutilized and should be redeployed within the Federal government or disposed of in a manner that maximizes its benefit to the taxpayers.
Evidence: Hoover Commission Report (June 1955) pg. 49; Property Act; E.O. 12512; GAO Report: High Risk Series Federal Real Property.
- 1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight: 20%
Explanation: Although many agencies have obtained their own statutory authorities to manage and dispose of their real property, GSA is the only agency authorized to handle transfers of property within the Federal government and donations of property to state and local governments.
Evidence: Federal Property and Administrative Services Act of 1949 (Property Act or 49 Act), as amended.
- 1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: NO Question Weight: 20%
Explanation: The PBS Property Disposal Program is one of several activities within GSA whose activities must be closely coordinated to assure that GSA's property disposal role contributes effectively to the overall asset management goals of the Federal government. It does not appear that the roles and responsibilities of these different entities have been sufficiently well defined, and resources made available accordingly, to cause this to happen. Also, it does not appear that PBS has accepted PR as a core business line, given the absence of this program from its GPRA plans.
Evidence: Corporate Real Estate Services Practices Roundtable Abstract.
- 1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 20%
Explanation: PR's disposal process assures that Federal agencies and prospective state and local donees are informed of the availability of Federal property and provided the necessary degree of assistance in acquiring property for which they are eligible.
Evidence: Property Act; FMR 102-75 -- Real Property Disposal

Program Assessment Rating Tool (PART)

Program: Real Property Disposal (PR)
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	25%	43%	13%	Demonstrated

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: NO Question Weight: 12%

Explanation: PBS has not included any performance measures and goals for this program in its Annual Performance Plan and only one measure in its budget submission. However, GSA is now in the process of developing program-specific, long-term outcome goals and measures. These goals and measures will meaningfully reflect the program's purpose and focus on what GSA will achieve for its customers.

Evidence: FY 2004 Congressional Justification; GSA Annual Performance Plan, FY 2004; FY01 - FY06 Business Plan for Office of Property Disposal.

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight: 12%

Explanation: Neither the PBS Budget request, nor the GSA Annual Performance Plan, nor the Office of Property Disposal 01 - 06 Business Plan include long-term performance goals for this program.

Evidence: FY 2004 Congressional Justification; GSA Annual Performance Plan, FY 2004; FY01 - FY06 Business Plan for Office of Property Disposal.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 12%

Explanation: PBS sets annual targets at the beginning of each fiscal year. These targets tie to GSA's strategic goals and are used in its Pay for Performance system to hold managers accountable. The target for reducing disposal cycle time is also used in quarterly performance reviews with the Administrator to assess the disposal program during the year. Additional work is required to develop useful efficiency measures for this program.

Evidence: Pay for Performance Plan; Performance Measurement Tracking system reports.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight: 12%

Explanation: PBS uses the previous year's results as the baseline for setting targets for the following year. However, this target-setting approach appears to be more mechanical than based on business conditions and "stretch goals."

Evidence: Pay for Performance Plan; FY 02 Goals and Results Chart

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: NO Question Weight: 12%

Explanation: PBS uses level of effort contracts, not performance-based contracts, with its contractors, e.g., brokers and appraisers. It holds the PBS staff who manage these contracts accountable for achieving the results that the contracts are intended to support.

Evidence: Various statements of work for contractor support.

Program Assessment Rating Tool (PART)

Program: Real Property Disposal (PR)
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	25%	43%	13%	Demonstrated

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: NO Question Weight: 12%

Explanation: PBS has contracted for customer and industry surveys or roundtable conferences to assess its disposal activities on a nearly annual basis. While these surveys provide many valuable recommendations for improving the program, they do not evaluate the performance of the program against its own targets or against external benchmarks.

Evidence: Industry Roundtable Report; Office of Property Disposal Customer Survey Analysis; Customer Segmentation Analysis Summary Report; Confidential Study of Corporate Real Estate Services Practices; (Draft) GSA/PR Best Practices Overview--feedback from the private sector industry roundtables; Final Results of FY 2002 GSA Customer Satisfaction Study.

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight: 12%

Explanation: The budget identifies all of the relevant costs associated with the real property disposal program. However, these costs are not presented together in one place. Also, the budget presentation does not identify the impact funding, policy, or legislative changes will have on performance.

Evidence: GSA's FY 2004 Congressional Jusification

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight: 12%

Explanation: PBS has been working to develop long term goals for all of its programs. However, no satisfactory long term goals have been developed to date. PBS has also begun to review its various contracts to look for opportunities to insert performance requirements tied to Property Disposal's annual and long term goals.

Evidence: Draft Property Disposal Long Term Goals

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight: 14%

Explanation: PR senior management meets quarterly to ensure that products and service delivery meet quality and operational performance goals, including goals for activities performed by contractors. Annual strategic planning meetings are held to re-evaluate PR's missions, goals, expectations of performance and customer and stakeholder commitments. PR conducts regular Program Management Reviews (PMRs), through monthly and quarterly status reports, with contractors/strategic partners to review the status of contracted activities and adjust project goals as necessary. PR also keeps abreast of any GAO and IG reports on Federal real property issues.

Evidence: Monthly status reports for contracted activities; PR FY01-06 Business Plan. Based on its performance reviews, PR takes steps to reduce the disposal cycle time, e.g., initiating collaboration with agencies prior to the report of excess so that certain activities can be completed while holding agencies are working on reporting the property; using the Internet to report property excess; and disposing of property via online auctions.

Program Assessment Rating Tool (PART)

Program: Real Property Disposal (PR)
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	25%	43%	13%	

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: NO Question Weight: 14%

Explanation: PR's managers have annual performance plans that contain critical elements, general and specific performance measures and success standards; they also use a Pay for Performance plan that rewards associates for meeting annual performance goals, including goals that are achieved with contractor support. However, PR does not use performance-based contracts to hold its contractors accountable for meeting cost, schedule, or performance targets.

Evidence: Performance Plans; FY02 performance goals; quarterly and monthly contract status reports.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 14%

Explanation: GSA obligates its funds properly and timely. Over the past five years, GSA has obligated 95.4% of its available funds for the real property disposal program.

Evidence: GSA Standard Form 132; 5 year Operating Expense Obligation Chart, GSA FY 02 Annual Accountability Report (including the auditor's opinion on the financial statements).

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: NO Question Weight: 14%

Explanation: PR has been able to demonstrate increased efficiencies and cost effectiveness in its reimbursable program where PR's goal for reimbursable costs of sales is under 4% (industry average is 6%). However, PR needs to develop effectiveness and efficiency measures for its utilization and donation programs, which comprise the majority of its work, to measure its overall program in a meaningful way.

Evidence: PR's reimbursable cost of sales goal is less than 4%.

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 14%

Explanation: PR partners with agencies (e.g. - DOD) with their own disposal authority to ensure that Federal real property is appropriately redeployed in a consistent manner. PR collaborates with other agencies on initiatives (I.e. - EPA's Brownfields Redevelopment; USCG's and DOI 's Lighthouse Initiative; PBS's Portfolio Restructuring Initiative; Army on the divestiture of its ammunition plants and the Corps of Engineers on integrating cleanup and redevelopment for Formerly Used Defense Sites (FUDS))

Evidence: Brownfields Fact Sheet/Brochure; PBS Portfolio Restructuring presentation; AAP status and statistics; Lighthouse Fact Sheet; Base Closure Report.

Program Assessment Rating Tool (PART)

Program: Real Property Disposal (PR)
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	25%	43%	13%	

3.6 Does the program use strong financial management practices?

Answer: NO

Question Weight: 14%

Explanation: This program appears to have the good controls over spending that characterize most GSA activities. However, GSA typically has problems in obtaining and reporting data on property sales in a timely and accurate manner, since such data is not maintained by GSA centrally, but must be obtained by data calls to the regional offices. In addition, the independent auditor has raised concerns about the way that GSA determines the amount of disposal proceeds to be transferred to the Land and Water Conservation Fund.

Evidence: Various Inspector General reports; FY 2002 management letter from independent auditor.

3.7 Has the program taken meaningful steps to address its management deficiencies?

Answer: NO

Question Weight: 14%

Explanation: No evidence has been provided of actions taken to address IG concerns or to respond to customer and industry survey recommendations.

Evidence:

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?

Answer: NO

Question Weight: 20%

Explanation: GSA is in the process of developing program-specific, long-term outcome goals and measures with ambitious targets and timeframes.

Evidence:

4.2 Does the program (including program partners) achieve its annual performance goals?

Answer: SMALL
EXTENT

Question Weight: 20%

Explanation: Since the measure was adopted and a baseline established, PR has reduced the average cycle time for 49 Act disposals by approximately 30%; the annual return on the appropriation has steadily increased over the last four years; and the reimbursable cost of sales goal is less than 4%. The exception is the customer satisfaction goal of 95%; PR twice achieved a 93% customer satisfaction rating (FY99 and FY01). However, PR does not appear to have baselines and ambitious targets for all its annual measures.

Evidence: Customer Satisfaction Charts; Business Plan; 5-year goals and results.

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?

Answer: NO

Question Weight: 20%

Explanation: PR has no efficiency or cost effectiveness measures with which to demonstrate improvements.

Evidence: PR's awards list; 5-year auction results; Homepage/RC paper with results; FY03/04 budget presentation.

Program Assessment Rating Tool (PART)

Program: Real Property Disposal (PR)
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	25%	43%	13%	

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?

Answer: SMALL
EXTENT

Question Weight: 20%

Explanation: Although several agencies have disposal authority and real property disposal programs, PR is unaware of any formal studies comparing its utilization and disposal program and corresponding performance measures with these other agencies. However, PR's reimbursable sales program costs compare very favorably to commission rates for selling property.

Evidence: LMI report; FORM Report.

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

Answer: NO

Question Weight: 20%

Explanation: PBS has contracted for customer and industry surveys or roundtable conferences to assess its disposal activities on a nearly annual basis. However, these surveys do not evaluate the performance of the program against its own targets or against external benchmarks.

Evidence:

PART Performance Measurements

Program: Real Property Disposal (PR)
Agency: General Services Administration
Bureau: Public Buildings Service

Measure: Percent of customers who report service levels as satisfactory or better.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	95%	93%	
2002	95%	93%	
2003	95%		
2004	95%		

Measure: Dollar ratio of the value of properties disposed to program costs.

Additional Information: The ratio of the total value of properties disposed to the cost of the disposal program.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	16.1	18.1	
2002	17.1	22.1	
2003	18.1		

Measure: Cycle Time: total days required to transfer, donate, or sell property.

Additional Information: Average days to complete a disposal action.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	528	357	
2002	528	232	
2003	336		
2004	330		

PART Performance Measurements

Program: Real Property Disposal (PR)
Agency: General Services Administration
Bureau: Public Buildings Service

Measure: Total Number of Disposals

**Additional
Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	323	308	
2002	337	389	
2003	334		
2004	374		

OMB Program Assessment Rating Tool (PART)

Capital Assets & Service Acquisition Programs

Name of Program: Supply Depots and Special Order

Section I: Program Purpose & Design (Yes,No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Is the program purpose clear?</i>	Yes	The Office of Supply's purpose is to provide agencies with a method of acquiring commodities that: 1) fulfill their socio-economic requirements and 2) achieve cost and time efficiencies.	Federal Property and Administrative Services Act of 1949, Federal Property Management Regulation 101-26.107, and GSA Bulletin FPMR E-95 (July 28, 1971), 48 CFR 8.7 (JWOD and UNICOR), and Executive Order 13101 "Greening the Government."	20%	0.2
2	<i>Does the program address a specific interest, problem or need?</i>	Yes	Customer agencies' either desire the Supply program's full-service method of purchasing and delivering products (acceptance and management of orders, delivery of product from stock or directly from vendors, billing, and customer service) or require disaster-related supplies to be quickly accessible in emergency situations.	Federal Property and Administrative Services Act of 1949, which sets forth the purpose of the program.	20%	0.2
3	<i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	Yes	FSS has designed the program to ensure federal agencies can meet demands for mission-critical, disaster-related supplies and socio-economic requirements. FSS stockpiles many items to guarantee their immediate availability during emergency situations (e.g. special firefighter boots required for fighting forest fires). These items comprise at least 70% of total business volume. The remaining customers use the program to procure every-day products, such as paper, food handling equipment, and tools.	FSS 19 Business Operations Systems. Reports on Business Volumes. Availability of socio-economic products on the National Supply System. Federal Acquisition Register definition of "socio-economic," includes nonprofits employing individuals who are blind or severely handicapped, Federal Prison Industries, and small business programs.	20%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	<i>Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?</i>	No	GSA and DoD are both responsible for separate and discrete components of the National Supply System, which supplies commercial products to government activities worldwide. There is no commercial counterpart in the number/type of products and the way agencies are billed. However, there are redundancies in the types of products offered and inefficiencies in the delivery mechanisms employed.	GSA Bulletin FPMR E-95 (July 28, 1971), which outlines the agreement with DoD regarding the National Supply System. Private sector availability of various products.	20%	0.0
5	<i>Is the program optimally designed to address the interest, problem or need?</i>	No	There are numerous opportunities to streamline operations, increase efficiency, reduce costs, and improve decision-making and customer satisfaction. For example, the program should improve its IT applications to improve automation and become more customer-oriented.	Tompkins Report: "Supply Fulfillment Enterprise Operations Analysis and Improvement Plan (3-12-02).	20%	0.0
Total Section Score					100%	60%

Section II: Strategic Planning (Yes,No, N/A)						
	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?</i>	No	The Supply program's goals, while clear, are not measurable and do not have timeframes to allow for future assessment. GSA should develop long-term goals that assess performance of the program. For example, by 200X, increase the savings realized by the agencies by XX%.	Provide best value for the customer; operate efficiently and effectively, and government responsibility (GSA's Strategic Plan).	13%	0.0
2	<i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	Yes	Annual performance goals for the program include key measures such as cost per \$100 sales, socio-economic business volume, and customer satisfaction. These goals support the long-term strategic goals, which are the same as the agency's strategic goals.	FY 2001 Annual Performance Plan.	13%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
3	<i>Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?</i>	N/A	Vendors participate on several planning councils, which are primarily a forum for exchanging ideas, not for developing, aligning, and securing support for Supply's performance goals. The vendors do not measure and report on these performance goals.	Superstore Leadership Council, Federal Alliance, Office Products and Services, and the Alliance for Quality Business Solutions.	0%	
4	<i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	Yes	GSA participates in various intergovernmental committees relating to standards, cataloging, billing, ordering, transportation, and quality of service. GSA collaborates with the Defense Logistics Agency (DLA) to coordinate aspects of the National Supply System (i.e. catalogue development and contract coverage for specific products).	Strategic Distribution Initiative, Supply Process Review Committee, MILSTAMP, and committees that help promulgate procurement standards.	13%	0.1
5	<i>Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?</i>	Yes	There no regularly scheduled, independent reviews of GSA's Supply program. However, there have been several comprehensive, independent studies conducted over the last several years, which have evaluated program effectiveness, informed program improvements, and influenced program planning.	GAO, GSA IG, and other independent reports, including Tompkins Report: "Supply Fulfillment Enterprise Operations Analysis and Improvement Plan"(3-12-02); LMI: "Business Review of GSA's Stock Program" (2-10-01)	13%	0.1
6	<i>Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?</i>	No	The budget for managing the supply program is neither clearly aligned nor are requests clearly derived by estimating what is needed to accomplish annual performance measures and long-term goals.	GSA's FY 2003 Annual Performance Plan and Congressional Justification.	13%	0.0
7	<i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	Yes	GSA will submit an integrated budget and performance plan for FY 2004 and develop an independently- administered vendor satisfaction survey. Also, FSS: 1) developed a corporate scorecard for the Supply business line and plans to drill down the performance measures to the program level and 2) separated the supply and schedules programs to better evaluate achievement of performance goals.	President's Management Agenda Scorecard (3rd Quarter Review). GSA's FY 2003 Annual Performance Plan and Congressional Justification.	13%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
8 (Cap 1.) <i>Are acquisition program plans adjusted in response to performance data and changing conditions?</i>	Yes	Inventory purchases on acquisition plans can be adjusted in response to changing market and pricing conditions and the operating environment.	GSA Monthly Report on Supply Performance History, which includes business trend measurements-- inventory carrying levels, system fill rates, and backorder rates.	13%	0.1
9 (Cap 2.) <i>Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule and performance goals?</i>	Yes	The program conducts annual reviews of stocked commodities to determine which products to stock and how best manage them. Competitive procurements identify best sourcing alternatives. For capital investments, formal studies underlie decisions.	FSS Handbook 2901.11B, Supply Operations, Commodity Management. Tompkins Report: Relocation Study Alternative Recommendation Report (3/00).	13%	0.1
Total Section Score				100%	75%

Section III: Program Management (Yes,No, N/A)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?</i>	Yes	FSS' senior management meets quarterly to review performance data. Performance data is also used on an on-going basis by program managers overseeing the supply program in several ways, such as using monthly performance indicators to adjust inventory and customer satisfaction data to identify performance strengths and specific customer concerns.	Monthly performance reports and an annual customer satisfaction survey.	9%	0.1
2 <i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	Yes	Managers are held accountable through the annual performance review process and ongoing monitoring of major business performance and internal process quality indicators to anticipate and adjust for failure. Corrective actions have included reassignment of staff, strengthening management commitment, realignment of resources, or other appropriate steps.	Contract administration files illustrate enforcement of commercial vendor performance. FSS' annual employee review and rating evaluation.	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
3	<i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	Yes	Funds are carefully tracked through a budget process that matches expenditures against program plans throughout the year. FSS' accounting system requires that obligations must be established prior to processing payments for goods and services to ensure payments correspond to their intended purpose.	FY 2003 Congressional Justification and FY 2001 GSA Consolidated Financial Statements.	9%	0.1
4	<i>Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?</i>	Yes	An annual performance goals/efficiency measure for the program is total cost per \$100 of business volume.	FY 2003 Annual Performance Plan.	9%	0.1
5	<i>Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?</i>	No	All direct and indirect costs are allocated to the program, including agency administrative costs for other overhead. However, GSA does not have a system that can link the full program cost to achieving performance goals.	FY 2001 GSA Consolidated Annual Financial Statements.	9%	0.0
6	<i>Does the program use strong financial management practices?</i>	Yes	GSA has received clean audit opinions for the past 14 years. No material weaknesses have been identified.	GSA's FY 2001 Annual Accountability Report.	9%	0.1
7	<i>Has the program taken meaningful steps to address its management deficiencies?</i>	Yes	FSS implemented a formalized process for addressing GAO and IG audit recommendations. FSS also separated the supply and procurement programs to better evaluate the program.	GSA Order ADM 5440.541 (6/00) and IG follow-up action plans.	9%	0.1
8 (Cap 1.)	<i>Does the program define the required quality, capability, and performance objectives of deliverables?</i>	Yes	The program uses an extensive preaward system to evaluate potential contractors to ensure that they meet facilities, capacity, and quality control requirements. If selected, each contract includes appropriate design and/or performance specifications.	GSA Handbook on Preaward checks of contracts, Federal Product Specification and Commercial Item Descriptions, Voluntary Commercial Standards, Commercial Item Descriptions, Military Standards, and Contracts.	9%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
9 (Cap 2.) <i>Has the program established appropriate, credible, cost and schedule goals?</i>	Yes	The program uses an elaborate process to establish unit prices for all products each year. This process involves analyzing business volume trends, forecasting sales, running an econometric model to build the overall pricing markup, and working with the acquisition centers to validate and adjust the prices.	GSA's Annual Pricing Guidelines Memorandum.	9%	0.1
10 (Cap 3.) <i>Has the program conducted a recent, credible, cost-benefit analysis that shows a net benefit?</i>	No	The most recent cost-benefit analysis was in 1996.	Arthur Andersen Study: "Supply and Procurement Business Line Review," (4-96).	9%	0.0
11 (Cap 4.) <i>Does the program have a comprehensive strategy for risk management that appropriately shares risk between the government and contractor?</i>	Yes	The contract awards process includes an evaluation of manufacturing/supply capacity and financial capability to perform under the stated contracts.	Office of Contract Management procedures for administration of contracts contained in FSS Manual on Preaward Evaluation of Plant Facilities and Capabilities.	9%	0.1
Total Section Score				100%	82%

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i>	No	The lack of specific long-term performance goals makes it difficult to determine whether adequate progress has been made in achieving these goals.	GSA's Strategic Plan and FY 2003 Annual Performance Plan.	17%	0.0

Long-Term Goal I:	Provide Best Value for Customer Agencies and Taxpayers
Target:	N/A
Actual Progress achieved toward	N/A
Long-Term Goal II:	Operate Efficiently and Effectively
Target:	N/A
Actual Progress achieved toward	N/A
Long-Term Goal III:	Government Responsibility
Target:	N/A
Actual Progress achieved toward	N/A

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	<i>Does the program (including program partners) achieve its annual performance goals?</i>	Small Extent	The Supply and Procurement Programs were one business line prior to FY 2002; therefore, the customer satisfaction target was combined and no quantitative target was established for socioeconomic business volume and customer satisfaction. The supply program met two of its annual performance goals in FY 2001. To receive full credit for this question in the future, the program should establish stretch, meaningful annual goals that are linked to the achievement of the long-term outcome goals.	GSA's FY 2001 Annual Performance Report and FY 2001 Annual Performance Plan. FSS Business Plans on Operating Costs and Business Volumes.	17%	0.1

Key Goal I:	Reduce costs per \$100 sales.
Performance Target:	In 2001, reduce costs per \$100 sales to \$18.53 (FY 2000 baseline=\$18.04).
Actual Performance:	GOAL WAS NOT MET: Cost per \$100 sales was \$20.67.
Key Goal II:	Maintain effective socio-economic procurement volumes.
Performance Target:	In 2001, improve socio-economic procurement volumes above baseline of \$26.06 (FY 2000=baseline).
Actual Performance:	GOAL WAS MET: Socio-economic business volume was 26.63%
Key Goal III:	Increase customer satisfaction.
Performance Target:	In 2001, increase customer satisfaction above baseline of 72.2%. (FY 2000 baseline=72.2%)
Actual Performance:	GOAL WAS MET: Customer satisfaction was 75%.

3	<i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i>	Small Extent	The program did not achieve its efficiency goal in FY 2001 due to unusual costs associated with closing six distribution points. The closure of these facilities will result in increases in efficiencies for the supply program.	FY 2001 GSA Annual Performance Report and FY 2001 GSA Performance Plan. LMI Study: Business Review of GSA's Stock Program (2/00).	17%	0.1
4	<i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i>	Large Extent	The most direct counterparts to the program are DLA functions and private sector superstores (e.g. Office Depot). Information reveals that DLA ships faster, but GSA shipments receive positive evaluations on the customer satisfaction survey. Data are not available from private sector sources.	RAND Corporation (7/01). FY 01 Customer Satisfaction Survey results: conditions of item received (84.1), accuracy (79.1), packaging (79.1), speed of delivery (73.8). [The government average is 68.8%].	17%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	<i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	Small Extent	The program has been largely effective in meeting its customer demands, but there are numerous opportunities to streamline operations, increase efficiency, reduce costs, and improve decision-making and customer satisfaction.	FY 01 Customer Satisfaction Survey results. Tompkins Report: "Supply Fulfillment Enterprise Operations Analysis and Improvement Plan (3/02).	17%	0.1
6 (Cap 1.)	<i>Were program goals achieved within budgeted costs and established schedules?</i>	Small Extent	Revenue shortfalls were realized in four of the last five years. This year, the program expects to break even or realize minimal surplus revenue. The anticipated improvement in financial condition is a result of closing six distribution points and lowering the product markup.	FY 2003 Congressional Justification, FY 2003 Annual Performance Plan, and Annual Pricing Guidelines Memorandum.	17%	0.1
Total Section Score					100%	33%

OMB Program Assessment Rating Tool (PART)

Capital Assets & Service Acquisition Programs

Name of Program: **Vehicle Acquisition**

Section I: Program Purpose & Design (Yes,No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Is the program purpose clear?</i>	Yes	GSA Automotive contracts for consolidated Federal vehicle requirements, and provides Federal agencies with vehicles at the best value from a wide selection of vehicle manufacturers, a choice of vehicle models, and convenient delivery locations.	40 U.S.C 481(a); 31 U.S.C. 1343; Federal Property Management Regulations (41 CFR 101-26.501-1)	20%	0.2
2	<i>Does the program address a specific interest, problem or need?</i>	Yes	Federal agencies spend a significant amount annually to purchase vehicles (over \$2 billion in FY 01) and GSA Automotive assists agencies in meeting their vehicle procurement needs.	Federal Procurement Data System	20%	0.2
3	<i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	Yes	Annually, GSA Automotive purchases 60,000 vehicles valued at nearly \$1billion. For FY 2001, this was approximately 94% of all non-DoD vehicle purchases (29% of total purchases). Commercial motor vehicle fleets have to purchase vehicles directly from dealerships and pay a small markup on dealer invoice costs as well as state and local taxes. Because GSA is able to consolidate Federal procurements for standard vehicle types, it is able to buy directly from manufacturers at costs significantly (averaging 27%) below dealer invoice costs and avoid paying taxes. Even when FSS' one percent surcharge is added to the vehicle costs, the savings to the agencies are still significant.	Supplier summary report of Big 3, Trend of vehicle discounts, Federal Procurement Data System	20%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	<i>Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?</i>	Yes	GSA Automotive is the mandatory source for all new non-tactical vehicles for use by Federal government agencies. No other agency has this authority or the ability to purchase standard vehicles (e.g., sedans, SUVs, light trucks, etc.) directly from vehicle manufacturers. GSA also procures non-standard, low volume vehicles on behalf of agencies through a competitive process that permits manufacturers as well as dealerships to bid.	40 U.S.C 481(a); 31 U.S.C. 1343; Federal Property Management Regulations (41 CFR 101-26.501-1)	20%	0.2
5	<i>Is the program optimally designed to address the interest, problem or need?</i>	Yes	As the single buying point for the Federal government, GSA Automotive uses GSA Fleet purchases to leverage agency requirements and maximize price discounts. In addition, GSA's multiple vendor approach provides Federal agencies with choices to meet the Government's varied needs such as fuel efficiency (miles per gallon); convenient delivery, maintenance, and repair locations; and choices of optional equipment.	Federal Vehicle Standards, Screen capture of MPG summary from AutoChoice, comparison of prices paid by GSA to the "Black Book" dealer prices.	20%	0.2
Total Section Score					100%	100%

Section II: Strategic Planning (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?</i>	No	GSA has a set of strategic goals, which, while clear, are not measurable and do not have specified time frames for future assessment. GSA Automotive believes that it has one longstanding long-term goal to "Maintain an average discount of 20% below dealer list price." This goal would be consistent with the GSA Strategic Goal of providing best value to the customer, if it were expressed in terms of savings to the customer. Also, FSS has not formally stated this as a long-term goal for this program, nor has FSS stated any long-term goals for internal efficiency or any other strategic goals.	<i>FY 2000, 2001, and 2003 GSA Strategic Plans; FSS Corporate Scorecard published in Guide to the FSS Performance Measurement System.</i>	13%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	<i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	Yes	FSS has established FY '02 performance targets for all of five of GSA Strategic Goals. Several of these targets are associated with Vehicle Acquisition and Leasing business line, which includes this program as well as the GSA Fleet program. Specific annual targets are provided in the answer to Section IV, question 2.	Sec. IV, question 2 lists several FY'02 business line performance targets for this program. <i>Guide to the FSS Performance Measurement System; GSF Financial Plan.</i>	13%	0.1
3	<i>Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?</i>	N/A	GSA Automotive's programs are not carried out through grantees, sub-grantees, or contractors.		0%	
4	<i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	Yes	GSA Automotive works closely with Federal agencies to identify their vehicle requirements. For example, Federal agencies actively participate in the annual Federal Vehicle Standards process to identify vehicle models and options required. GSA Automotive also collaborates with the Office of Governmentwide Policy to coordinate and make recommendations on proposed regulations that may effect vehicle acquisition, e.g., limiting the purchase of sedans to compacts or sub-compacts only.	Federal Vehicle Standards, old Federal Property Management Regulations (41 CFR 101-38.104) and new Federal Management Regulations (41 CFR 102-34.45)	13%	0.1
5	<i>Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?</i>	No	Independent quality evaluations are not conducted on the GSA Automotive programs on a regular basis. GSA Automotive conducted its first ever customer survey this year, but such surveys do not satisfy the independent evaluation requirement.		13%	0.0
6	<i>Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?</i>	No	FSS prepares and administers financial plans and operating budgets to each program within business lines. However, since there are only a limited number of annual performance targets, there is no evidence that budget planning is tied to performance or strategic planning.	2003 budget submitted in February 2002. Official FY 2002 GSF Financial Plan with Actual Results vs. Plan. Automotive EOY Forecast. <i>Guide to the FSS Performance Measurement System.</i>	13%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
7	<i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	No	GSA Automotive management team meets semi-annually to review and update the Strategic Plan, but this review addresses annual tactical issues, not strategic issues. We could find no evidence that GSA Automotive is developing long-term strategic goals that correspond to GSA's Strategic goals.	<i>Guide to the FSS Performance Measurement System .</i>	13%	0.0

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
8 (Cap 1.) <i>Are acquisition program plans adjusted in response to performance data and changing conditions?</i>	Yes	GSA Automotive annually reviews market conditions in order to add or delete vehicle models and equipment options as availability changes. For example, as vehicle models are shut down for order placement, GSA Automotive notifies ordering agencies so that alternative purchasing decisions can be made.	Model close-out announcement	13%	0.1
9 (Cap 2.) <i>Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule and performance goals?</i>	Yes	In its annual procurement planning process, GSA Automotive analyzes agency order trends and works closely with vehicle manufacturers to identify changes in design and availability of models and optional features. Information covering vehicle model specifications, optional equipment, and other features, is then used to analyze alternative ways of categorizing vehicles in order to maximize competition and achieve the lowest vehicle and option prices. This provides Federal agencies with a choice of vehicles and options at the best value. For example, this past year options for additional vehicle warranties were deleted due to lack demand. GSA Automotive also examined alternative ordering processes and developed an on-line electronic ordering system to reduce its internal operating costs.	Option analysis report	13%	0.1
Total Section Score				100%	50%

Section III: Program Management (Yes,No, N/A)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
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	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?</i>	Yes	As part of the annual procurement process for passenger cars and light trucks, GSA Automotive analyzes vehicle model and optional equipment bid prices compared to the Black Book - Official New Car Invoice Guide publication. This analysis is used to set negotiation objectives and to ensure price reasonableness when reviewing vendor offers. GSA Automotive began performing annual customer satisfaction surveys in FY 2002. Based on the first survey results, GSA Automotive established a Customer Care focus group to improve issues related to communication. GSA Automotive also reviews operating cost ratios against targets semi-annually and has initiated several cost reduction efforts as a result of these reviews.	Black Book - Official New Car Invoice Guide example, Customer Satisfaction survey	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	<i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	Yes	The performance of GSA Automotive Managers is reviewed annually against program goals and objectives. Managers are responsible to control operating costs and to complete all program initiatives within target dates. Financial incentives are distributed based on the results of these reviews.	FSS' annual employee review and rating evaluation.	11%	0.1
3	<i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	Yes	All Program funds are obligated in a timely manner and spent for the intended purpose. It is an inherent part of the GSA accounting system requirements that obligations be established prior to processing payments for goods and services. This ensures that payments correspond to their intended purpose.	<i>FY 2003 Congressional Justification; Consolidated Financial Statements.</i>	9%	0.1
4	<i>Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?</i>	Yes	Annual performance goals/efficiency measure for the program is the official GSF Financial Plan and Cost per \$100 Business Volume as measured therein.	Reference GSF Financial Plan included in evidence at Section II, Question 6, and Automotive Program Operating Cost per \$100 Business Volume Performance Analysis included herein.	10%	0.1
5	<i>Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?</i>	No	FSS utilizes an activity-based (ABC) cost distribution system to allocate all direct and indirect costs to each Program, including both service and staff office administrative costs for program support and operating overhead. In addition, FASB Statement of Net Costs are prepared quarterly to capture post employment retirement, health benefit, and other costs not funded through internal agency accounts. However, the budget for managing this program is not clearly derived by estimating what is needed to accomplish annual performance measures and long-term goals.	FY 03 Congressional justification. Activity-Based Cost Distribution Plan for FY 2003. GSF Statement of Net Costs	9%	0.0
6	<i>Does the program use strong financial management practices?</i>	Yes	GSA has received clean audit opinions for 14 consecutive years. No material internal control weaknesses for several years.	GSA FY 2001 Annual Financial Statements Audit Report.	8%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
7	<i>Has the program taken meaningful steps to address its management deficiencies?</i>	Yes	GSA Automotive management team meets semi-annually to review ways to improve program processes and performance. For example, during a semi-annual review, the GSA Automotive management team reestablished the priorities and scheduling of publication projects to address the fact that more publication projects were being planned than could be effectively managed.	GSA Automotive Strategic Plan	10%	0.1
8 (Cap 1.)	<i>Does the program define the required quality, capability, and performance objectives of deliverables?</i>	Yes	The Federal Vehicle Standards, annually published by GSA Automotive, establishes the required quality and performance objectives for the vehicles procured for the Federal government.	Federal Vehicle Standard	7%	0.1
9 (Cap 2.)	<i>Has the program established appropriate, credible, cost and schedule goals?</i>	Yes	A market analysis of reasonable delivery schedules is performed for GSA Automotive vehicle acquisitions. Based on the results of this market analysis, delivery schedule requirements are established by the insertion of the appropriate delivery clauses in the solicitation. For example, AFV versions of vehicles require an additional 30 to 60 days to produce as compared to gasoline versions of the same vehicle types. Therefore, the required delivery times for these vehicles reflect the additional time. GSA Automotive negotiated prices are validated as reasonable by comparison to the Black Book - Official New Car Invoice Guide publication.	Delivery Schedule clauses, Black Book - Official New Car Invoice Guide	7%	0.1
10 (Cap 3.)	<i>Has the program conducted a recent, credible, cost-benefit analysis that shows a net benefit?</i>	No	Although GSA Automotive compares its annual solicitation offers against dealer prices, it does not conduct periodic cost-benefit analyses on the overall vehicle acquisition program.	Black Book - Official New Car Invoice Guide example, Discount report (7 top selling items)	10%	0.0
11 (Cap 4.)	<i>Does the program have a comprehensive strategy for risk management that appropriately shares risk between the government and contractor?</i>	No	GSA maintains that risk assessment is performed by ordering agencies. However, as the agency that manages the acquisition of these capital assets, GSA has a responsibility to explicitly identify the risks associated with this acquisition and who bears those risks. GSA must also articulate a strategy for minimizing or sharing the risks among the affected parties.		8%	0.0
Total Section Score					100%	73%

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
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Section IV: Program Results (Yes, Large Extent, Small Extent, No)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
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|---|---|--------------|---|---|-----|-----|
| 1 | <i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i> | No | GSA Automotive has a long-standing goal of buying vehicles at 20% below manufacturers' invoice prices, but this has never been stated as a long-term goal. In addition, this goal is not yet reflected in FSS' current strategic goals. | GSA Strategic Plan and FY 2003 Annual Performance Plan, FSS Business Line Scorecard | 25% | 0.0 |
| 2 | Does the program (including program partners) achieve its annual performance goals? | Small Extent | Program goals have been met to a large extent. However, these goals are not stretch goals, but rather projections of annual trends in business activities. | Business Line Scorecard, trend of vehicle discounts, GSF financial plan, Customer satisfaction survey | 25% | 0.1 |

Key Goal I:		Achieve an average vehicle discount of 20% vehicle manufacturer's invoice prices for seven top-selling vehicle types.			
		FY 2000	FY2001	FY2002	FY2003
Performance Target:	% discount	20%	20%	19%*	20%
Actual Performance:		13%	22%	27%	N/A
*Note: For FY 02, the FSS Performance Management System adjusted the annual 20% purchase price discount goal to a 19% selling price discount target to consider the 1% administrative cost surcharge to agencies. This effectively converts this traditional FSS goal to an acceptable best value to customer goal.					
Key Goal II:		Do not exceed annual target for ratio of operating costs to \$100 of business volume			
		FY 2000	FY2001	FY2002	FY2003
Performance Target:	Op. Cost/\$100 BV	\$0.59	\$0.52	\$0.47	N/A
Actual Performance:		\$0.56	\$0.53	\$0.46	N/A
Key Goal III:		Improve customer satisfaction score to at least 73%			
		FY 2000	FY2001	FY2002	FY2003
Performance Target:	Cust. Survey Score	N/A	N/A	73%	N/A
Actual Performance:		N/A	N/A	64%	N/A
Note: FY 02 was the first year that GSA Automotive performed a customer satisfaction survey and the overall customer satisfaction score of 64% was below the 73% target. Because the survey response rate was significantly lower than desired, FSS has elected to use a new company and new format to conduct the FY '03 survey.					

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|---|--|--------------|---|--|-----|-----|
| 3 | <i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i> | Large Extent | In its official Financial Plans, FSS has established annual targets for operating costs per \$100 business volume. Although Automotive did not achieve its targets for FY 99 (not shown above in answer 2) and FY 01, it was very close in those years and better than the target in the other years. | Reference GSF Financial Plan included in evidence at Section II, Question 6, and Automotive Program Operating Cost per \$100 Business Volume Performance Analysis included herein. | 25% | 0.2 |
|---|--|--------------|---|--|-----|-----|

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	<i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i>	N/A	GSA Automotive is the only mandatory source for the purchase of all new non-tactical vehicles.	Federal Property Management Regulations (41 CFR 101-26.501-1)	0%	
5	<i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	N/A	FSS' internal management reporting systems and customer surveys are sufficient to report performance against the program's goals and demonstrate the program's effectiveness.		0%	
6	<i>Were program goals achieved within budgeted costs and established schedules?</i>	Large Extent	GSA Automotive achieved its program goals within planned budget. Program and Agency levels review financial performance compared to plan	Official FY 2002 GSF Financial Plan with Actual Results vs. Plan. Automotive Program EOY Forecast.	25%	0.2
Total Section Score					100%	42%

OMB Program Assessment Rating Tool (PART)

Capital Assets & Service Acquisition Programs

Name of Program: Vehicle Leasing

Section I: Program Purpose & Design (Yes,No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Is the program purpose clear?</i>	Yes	GSA Fleet leases vehicles and provides related fleet management services (e.g., maintenance and accident management, management reporting, etc.) to Federal agencies. GSA's purpose in providing these services is to be the most cost effective source of services that satisfy agencies' fleet management needs.	40 U.S.C. 472 Sec 2; 40 U.S.C 491 Sec. 211(a); GSA website	20%	0.2
2	<i>Does the program address a specific interest, problem or need?</i>	Yes	Federal agencies, excluding the Postal Service, operate almost 377,000 non-tactical (i.e., non-military) vehicles worldwide, of which 224,000 are owned and 153,000 are leased. As funding for replacement vehicles has been cut over the past 20 years, agencies, particularly DoD agencies, have increased their reliance on leased vehicles.	FY00 Federal Motor Vehicle Fleet Report - 602,626 government vehicles, including the Postal Service; 376,877 without the Postal Service.	20%	0.2
3	<i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	Yes	GSA Fleet provides 95% of the leased vehicles used by the Federal Government, excluding the Postal Service. GSA is receiving increased requests from agencies for leased vehicles and has designed its program to accommodate as many of these requests as possible.	GSA Fleet manages over 188,000 vehicles in FY 02 (up from 150,000 in FY 00) for more than 70 Federal customer agencies who drive nearly 2 billion miles annually; GSA website	25%	0.3
4	<i>Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?</i>	No	GSA Fleet believes that it is unique in the breadth of full service fleet management services it provides to its customers, since all of these services are not normally available from commercial sources. These services include vehicle acquisition, maintenance and repair, accident processing, fuel, operation oversight, and disposal. GSA also sets nationwide, rather than locality-based, lease rates, which allows for easier budgeting by customer agencies. Although GSA's program is more comprehensive than programs offered by commercial vehicle leasing firms, and by agencies themselves, it is not inherently unique and could be duplicated by commercial firms or agencies.	COBRA/A76/Cost Comparisons, GSA Fleet rate bulletin, commercial leasing rate structure and consolidation savings to customer agencies.	10%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	<i>Is the program optimally designed to address the interest, problem or need?</i>	No	GSA Fleet offers a wide variety of vehicles to meet agencies' needs as well as a comprehensive set of fleet management services to assist agencies in managing the vehicles they lease from GSA. As stated previously, these services are more comprehensive than services offered commercially or by agencies for themselves, and at lower overall cost than services offered commercially. However, GSA Fleet uses a "one size fits all" approach that does not address the full range of agencies' vehicle and fleet management needs. For example, GSA Fleet mileage charges include both maintenance and fuel charges which would be redundant for agencies with their own in-house maintenance shops and fuel contracts. GSA Fleet's maintenance and accident management services and other services, such as management reports on cost and utilization, are only available for GSA Fleet vehicles and not for agency-owned vehicles for which such needs may be equally great. Although GSA Fleet has indicated a willingness to tailor its services to fit agencies' diverse fleet management needs, it has yet to take concrete steps to do so.	FY 2001 Fiscal Year Accomplishments; Fleet Service Representative Program	25%	0.0

Total Section Score					100%	65%
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Section II: Strategic Planning (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?</i>	No	FSS has two long-term performance measures that have shown up in several previous GPRA Strategic Plans: (1) hold annual increases in cost-per-mile charges for GSA fleet operations at or below the inflation rate, and (2) fill 100% of customer requests for alt. fuel vehicles. These performance measures tie to two of GSA's strategic goals (i.e., operate effectively and efficiently and government responsibility). However, neither of these goals are reflected in GSA's latest Strategic Plan or in FSS planning documents.	GSA Strategic Plan, 2003 Performance Plan, FSS Corporate Scorecard	13%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	<i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	Yes	Although GSA Fleet has no long-term goals, it has annual targets for numerous performance measures, many of which relate to FSS and GSA strategic goals. Performance measures for which there are annual targets include Overhead cost per vehicle, Use of Electronic invoice and mileage reporting, Maintenance and repair cost per mile, Vehicle Utilization, Vehicles per on board FTE, and Participation in Alternative Fuels Program. However, GSA seems to develop annual goals based on trends, rather than by setting "stretch" goals to motivate significant improvements in performance.	FY 2002 Business Line Score Card	13%	0.1
3	<i>Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?</i>	No	GSA Fleet has partnered with various commercial firms such as vehicle auction houses, automotive manufacturers, Ford Quality Care (pilot), and fleet service card providers to help achieve GSA Fleet's goals. However, GSA Fleet does not incorporate performance requirements in its vendor contracts or agreements that link directly to achievement of FSS annual performance targets.	Contractual agreements with the organizations and pilots being established to test feasibility.	10%	0.0
4	<i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	Yes	GSA Fleet collaborates with DoE on alternative fuel issues and with GSA Automotive on planning vehicle purchases for GSA Fleet.		10%	0.1
5	<i>Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?</i>	No	The last comprehensive review of GSA Fleet was the FORM review in 1996. Since then, there have been some IG reviews of different limited aspects of the Fleet program, but no comprehensive review that assesses the program's overall performance.	FORM Review (1996), Numerous IG audits and consultant reviews.	10%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
6	<i>Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?</i>	No	FSS prepares and administers financial plans and operating budgets for each program within business lines. However, there is no evidence that budget planning is tied to performance or strategic planning.	2003 President's Budget. Official FY 2002 GSF Financial Plan with Actual Results vs. Plan. Automotive EOY Forecast. <i>Guide to the FSS Performance Measurement System</i> .	13%	0.0
7	<i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	No	The biggest strategic planning deficiency is the lack of long-term goals and there is no evidence that either GSA or FSS has begun to address this.		10%	0.0
8 (Cap 1.)	<i>Are acquisition program plans adjusted in response to performance data and changing conditions?</i>	Yes	GSA Fleet monitors income and expenses, growth, inflation, and other business indicators using a flexible 10-year Capital model to ensure available capital and cash meets operational needs. GSA Fleet's financial planning allows it to meet its routine business needs, respond to emergency requests such as supplying new vehicles to TSA, and acquire sufficient alternative fuel vehicles to assist agencies in meeting the environmental requirements of EPACT.	GSA Fleet Official Financial Statements, and 10-year Capital model.	10%	0.1
9 (Cap 2.)	<i>Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule and performance goals?</i>	Yes	GSA Fleet routinely reviews actual versus planned results for a number of performance measures and examines alternative approaches for addressing problems. For example, GSA Fleet recently conducted an analysis that determined the need for implementation of dry rate schedules to meet cost objectives for overseas leasing. GSA Fleet also studied lease vs. buy options to determine optimal cost savings in the vehicle procurement process. In addition, GSA Fleet continues to review its Fleet Management Centers' performance in relation to business indicators.	GSA Rate Bulletin, FMS data, Price Waterhouse Coopers Study, GSA Fleet Regional FMC reviews, IG reviews	11%	0.1
Total Section Score					100%	44%

Section III: Program Management (Yes,No, N/A)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
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	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?</i>	Yes	The Office of the Controller provides the Administrator of GSA the financial position of the GSA Fleet Program on a periodic basis. The GSA Fleet Program monitors its financial results and gathers performance data on a wide variety of measures. Fleet briefs senior management and the regions monthly on these program performance. GSA Fleet also holds numerous customer meetings and focus groups during each year throughout the country and uses the feedback from these meetings to improve the quality of fleet service.	GSA Fleet Official Financial Statements, Quarterly Management Review (QMR) given to the GSA Chief of Staff, Manheim market reports, and Quality Deficiency Reports, NAFA, Automotive Fleet cost comparisons and analysis, commercial benchmarks.	10%	0.1
2	<i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	Yes	GSA Fleet contractors are held accountable for contract results. Contractor performance is reviewed annually prior to renewal of option years on multi-year contracts. Concessions are considered and negotiated when necessary. Federal Managers are held accountable for cost-control initiatives related to their individual program financial performance measures.	Annual Contract Reviews, Fleet Management Center Reviews, QMRs and Quality Deficiency Reports.	9%	0.1
3	<i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	Yes	All Program funds are obligated in a timely manner and spent for the intended purpose. It is an inherent part of the GSA accounting system requirements that obligations be established prior to processing payments for goods and services. This ensures that payments correspond to their intended purpose.	GSA funds' accounting policy/procedures follow established accountability procedures set forth in several internal and external guidance documents, e.g., OMB Circular A11, the Treasury Financial Manual, and various GSA internal policy handbooks. FY2003 Congressional Budget Justification. GSA Fleet 10 Year Plan.	9%	0.1
4	<i>Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?</i>	Yes	GSA Fleet implemented goals and performance measures in 1998. These goals are distributed, discussed and shared at all levels of the GSA Fleet Program. The Regional Fleet Managers and the Director of the GSA Fleet Program meet quarterly to discuss program issues, policies, goals, and the long term vision of the program. The performance targets are changed annually to reflect what behavior the program is striving to change, e.g. reduce maintenance/repair costs, reduce overhead costs, or increase the use of electronic processes.	GSA Fleet Regional Business Indicators	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	<i>Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?</i>	No	FSS utilizes an activity-based (ABC) cost distribution system to allocate all direct and indirect costs to each Program, including both service and staff office administrative costs for program support and operating overhead. However, there is no evidence that program performance changes are linked to funding levels, or vice versa.	FY 03 Congressional justification. Activity-Based Cost Distribution Plan for FY 2003.	9%	0.0
6	<i>Does the program use strong financial management practices?</i>	Yes	GSA has received clean audit opinions for 14 consecutive years. No material internal control weaknesses for several years.	General Supply Fund's portion of the GSA Annual Financial Statement audit.	9%	0.1
7	<i>Has the program taken meaningful steps to address its management deficiencies?</i>	Yes	GSA Fleet routinely assesses its performance against annual targets for headquarters and regional offices. When performance problems are identified, GSA Fleet initiates corrective actions, including the development of new programs, where necessary.	GSA Fleet Business Indicators	9%	0.1
8 (Cap 1.)	<i>Does the program define the required quality, capability, and performance objectives of deliverables?</i>	No	The Federal Vehicle Standards, annually published by GSA Automotive, establishes the required quality and performance objectives for the vehicles procured for the Federal government. However, GSA Fleet should extend the scope of the performance requirements on its contractors to include schedules for getting vehicles to customers, getting repairs made, and other performance characteristics of interest to its agency customers.	Federal Vehicle Standards	9%	0.0
9 (Cap 2.)	<i>Has the program established appropriate, credible, cost and schedule goals?</i>	Yes	Vehicle lease cost schedules and vehicle life cycles are established within prescribed GSA Fleet procedures and GSA's governmentwide motor vehicle regulations and standards.	AMP, FMS, automotive manufacturer contracts	9%	0.1
10 (Cap 3.)	<i>Has the program conducted a recent, credible, cost-benefit analysis that shows a net benefit?</i>	No	There is piecemeal evidence of the cost-effectiveness of different elements of the GSA Fleet Program. For example, GSA Fleet is able to demonstrate savings of least 20% below dealer costs on the purchase of nearly 40,000 new vehicles annually (costing over \$700 mill.). Federal agencies report reductions in the numbers of vehicles and annual operating costs when they consolidate their fleets with GSA Fleet. However there have been no comprehensive analyses of the overall program since the 1996 FORM review.	Navy 751 Contract cost comparison, Agency Consolidation Studies, NAFA, Automotive Fleet	9%	0.0

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
11 (Cap 4. <i>Does the program have a comprehensive strategy for risk management that appropriately shares risk between the government and contractor?</i>)	No	GSA Fleet annually contracts for over \$250 million in maintenance/repair and fuel, spends over \$700 million on new vehicle purchases, and receives over \$200 million in vehicle sales proceeds from the commercial auction houses that sell FSS vehicles. GSA minimizes the risk associated with using its contractors by setting fixed fees and rates; establishing performance requirements, where appropriate; and overseeing contractor performance. However, we have seen no evidence that GSA has explicitly identified the risks associated with this program or examples of the contract provisions that show how risk is shared or minimized.	Fleet Services Card contract, automotive contracts and schedules with OEM's, auction contracts.	9%	0.0
Total Section Score				100%	64%

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i>	No	FSS has no stated long-term goals for any of its programs, including GSA Fleet. Also, the inflation target that GSA Fleet presents as its long-term "best value" goal is not adequate for this purpose. GSA needs to develop a credible way to recalibrate the rates it charges its customers against comparable commercial rates.	Business Line Scorecard	25%	0.0
2 <i>Does the program (including program partners) achieve its annual performance goals?</i>	Large Extent	Most annual program targets have been met or exceeded. However, GSA Fleet needs better measures of "best value" performance; its inflation goal is inadequate for this purpose and only applies to the cost to FSS, not to the customers. GSA Fleet also needs to report performance on certain efficiency measures that it shares with GSA Automotive and that are included in the measures reported periodically to the Administrator (specifically, Operating Cost per \$100 in Business Volume).	Annual performance plan and review	25%	0.2

Key Goal I:		Keep Rates at or below the projected rate of inflation (National Measure for Providing Best Value for Customer)			
		FY 2000	FY2001	FY2002	FY2003
Actual Overall Inflation		8.4%	3.5%	2.5%(target)	N/A
Increase in Fleet rates:		2.0%	4.0%	N/A	N/A
Key Goal II:		Be at or below annual cost per mile target National and Regional measure for operating efficiently)			
		FY 2000	FY2001	FY2002	FY2003
Performance Target:	Cost/mile	\$0.36	\$0.36	\$0.36	N/A

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Actual Performance:		\$0.33	\$0.35	\$0.36	N/A
Key Goal III:		Improve customer satisfaction score to at least 73% (National Measure for Best Value to the Customer)			
		FY 2000	FY2001	FY2002	FY2003
Performance Target: Cust. Survey Score		N/A	N/A	73%	N/A
Actual Performance:		N/A	N/A	78%	N/A
Key Goal IV:		Be at or above annual target for number of vehicles per on board FTE (National and Regional performance measure for operating efficiently)			
		FY 2000	FY2001	FY2002	FY2003
Performance Target:		N/A	242	249	N/A
Actual Performance:		N/A	249	285	N/A

- | | | | | | | |
|---|--|-----------------|--|---|-----|-----|
| 3 | <i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i> | Large
Extent | Over the last 5 years, GSA Fleet customer rates have increased only 6.9% which is a less than the cumulative inflation of 22.4% in our industry (e.g. fuel). In order to meet operating cost targets and improve customer service, GSA Fleet has initiated numerous initiatives, the most significant of which are Mileage Express, Dial-a-mile, and Reports Carryout. However, GSA Fleet does not report the standard internal efficiency measure adopted by FSS for this program, i.e., operating cost per \$100 of business volume. | Rate Bulletin | 20% | 0.1 |
| 4 | <i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i> | Large
Extent | Numerous studies have shown that GSA Fleet offers its customers full service vehicle leases below the comparable costs charged by commercial vehicle leasing companies. Agency studies also show savings from consolidating their owned vehicles into GSA Fleet. However, there are no recent studies that evaluate the overall cost of GSA Fleet compared to the cost of comparably funded agency-run fleet programs. | Navy 751 contract, Consolidations Review, Red Cross, COBRA, NAFA cost comparisons, Automotive Fleet cost comparisons. | 10% | 0.1 |

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	<i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	N/A	There has been no overall evaluation of this program since the FORM review in 1996. However, many Federal customers have conducted their own evaluations to determine the most economical means of obtaining vehicle fleet support. This has been accomplished through COBRA studies, internal agency audits, or through soliciting private sector quotes for vehicle leasing support. While the projected savings vary from agency to agency, customers have reported savings from \$136 to \$2,000 per vehicle per year. The Air Force Audit Agency Study determined that on average that leasing through GSA Fleet would provide a projected savings of \$136 per vehicle per year. The United States Marine Corps reported an average annual savings of \$1,118 per year based on their COBRA study. Also, FSS' internal management reporting systems and customer surveys are sufficient to report performance against the program's goals and demonstrate the program's effectiveness.	Customer Survey, Air Force Audit Agency Study, Air Force Europe Study, COBRA pricing results, Customer Memorandums of Understandings	0%	
6	<i>Were program goals achieved within budgeted costs and established schedules?</i>	Large Extent	GSA Fleet achieved most of its program goals within planned budget and schedules. Program, FSS, and GSA level managers review financial performance compared to plan on a monthly basis.	Official FY 2002 GSF Financial Plan with Actual Results vs. Plan; GSA Fleet Official Financials	20%	0.1
Total Section Score					100%	50%

Program Assessment Rating Tool (PART)

Program: Records Services Program
Agency: National Archives and Records Administration
Bureau:
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Adequate
100%	75%	86%	42%	

- 1.1 Is the program purpose clear?** Answer: YES Question Weight: 20%
 Explanation: NARA's mission is to ensure ready access to essential evidence that documents the rights of American citizens, the actions of Federal officials, and the national experience.
 Evidence: NARA Strategic Plan
- 1.2 Does the program address a specific and existing problem, interest or need?** Answer: YES Question Weight: 20%
 Explanation: NARA's Records Services program provides guidance and assistance to Federal officials on the management of records, determines the retention and disposition of federal records, and preserves for public and historical use records determined by the Archivist of the United States to have sufficient historical or other value to warrant their continued preservation by the U.S. Government.
 Evidence: Title 44 U.S.C, sections 3101 and 3301
- 1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight: 20%
 Explanation: NARA's Records Services program is for the most part designed to complement rather than duplicate records management and preservation efforts of other Federal Agencies and entities. The major exception is in regards to NARA Records Centers, which provide records management services to agencies (i.e. storage) that are also available from private sector companies and at least one Federal agency.
 Evidence: Title 44 USC, Chapter 29, 31,33. As of October 1, 2002, federal agencies have the ability to store records with NARA, a private sector records company, or establish their own records center (36 CFR part 1228, subpart I) pursuant to NARA regulations (36 CFR part 1228, subpart k).
- 1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight: 20%
 Explanation: NARA's records services program adequately supports the mission of NARA by managing, preserving, and providing access to US government records to the public. As part of NARA's strategic planning process, NARA anticipates and plans for future challenges in records management. As a result, NARA has initiated two major long-term programs to help address the challenges posed by the change from a federal government that produces mainly paper documents to one that produces mainly electronic records: the Records Management Initiative is intended to streamline and improve NARA's Federal records management services, and the Electronic Records Archives is intended to preserve and provide access to the growing number of federal electronic records.
 Evidence: Report on Current Recordkeeping Practices within the Federal Government, SRA International, December 10, 2001. NARA Proposal for A Redesign of Federal Records Management, July 24, 2002. Electronic Records Archive website: http://www.archives.gov/electronic_records_archives/index.html. Electronic Records Management Initiative website: http://www.archives.gov/records_management/initiatives/erm_overview.html

Program Assessment Rating Tool (PART)

Program: Records Services Program
Agency: National Archives and Records Administration
Bureau:
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Adequate
100%	75%	86%	42%	

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 20%

Explanation: Appropriated funding for NARA's Records Services program is applied to the management, preservation, and access to federal records. NARA's regional records centers operate on a fee-for service basis.

Evidence: The President's FY 2004 Budget requests more than \$200 million dollars for NARA's Records Services Program, which include regional records services facilities, Presidential libraries, ISOO and records management services. This accounts for over 70 percent of NARA's total program costs.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 12%

Explanation: NARA's records services program has three long-term goals: (1) that essential evidence will be created, identified, appropriately scheduled, and managed for as long as needed; (2) essential evidence will be easy to access regardless of where it is or where users are for as long as needed; (3) all records will be preserved in an appropriate environment for use as long as needed. NARA has adequate long-term measures in place for goals two and three; NARA has reassessed its measures related to the creation and management of records for FY 2005 in order to make them more outcome-oriented.

Evidence: NARA Strategic Plan. An new goal related specifically to electronic records was added in NARA's 2003 update to its Strategic Plan.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 12%

Explanation: NARA's targets and timeframes for its long-term measures are for the most part sufficiently ambitious, with the majority of its measures baselined in 1999.

Evidence: NARA's 2003 Strategic Plan. FY 2005 NARA Annual Performance Plan.

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 12%

Explanation: NARA has annual goals for records services that are determined based on the Long Range Targets set forth in the Strategic Plan. While NARA's annual measures related to access and preservation of records demonstrate progress towards long-term goals, NARA has reassessed its annual measures related to the creation and management of records for FY 05, some of which remain under development.

Evidence: NARA's 2003 Strategic Plan. FY 2005 NARA Annual Performance Plan.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 12%

Explanation: Most of NARA's annual measures were baselined in 1999, and have long range targets out through 2007. Quarterly trend data is available for most of these.

Evidence: Annual Performance Plans

Program Assessment Rating Tool (PART)

Program: Records Services Program
Agency: National Archives and Records Administration
Bureau:
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Adequate
100%	75%	86%	42%	

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: NO Question Weight: 12%

Explanation: NARA and other federal agencies share responsibility for Federal records management under the Federal Records Act. A NARA-commissioned report on records management practices indicated that, with certain exceptions, agencies for the most part view records management overall as a low priority, which may put records at risk. As part of its Records Management Initiative, NARA plans to more strongly advocate the importance of records management practices with agencies. In regards to the Electronic Records Archive, NARA has established multiple formal partnerships with educational and research institutes, such as the National Academy of Science and the Georgia Institute of Technology.

Evidence: Report on Current Recordkeeping Practices within the Federal Government, SRA International, December 10, 2001. The report cites the following factors as evidence that several agencies view records management and recordkeeping as a low priority: lack of staff and budget resources, absence of up-to-date policies and procedures, lack of training and lack of accountability. Electronic Records Archives partnership agreements with research institutions and universities.

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight: 12%

Explanation: The General Accounting Office and NARA's Office of the Inspector General perform reviews as needed on NARA's Records Services program.

Evidence: For a list of such reviews, see NARA's FY 2002 Annual Performance Report, Appendix B.

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight: 12%

Explanation: Although NARA's budget is clearly aligned to each of NARA's strategic goals, and NARA includes information on performance costs by linking goals and activities to dollars from each of its budget accounts, where practical NARA should more clearly indicate the connection between its annual and long-term performance measures and program activities and associated unit costs for base activities.

Evidence: NARA's FY 2004 Budget, Congressional Justification.

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight: 12%

Explanation: NARA updates its Strategic Plan every three years to correct any strategic planning deficiencies. Its recent update included new unit cost measures. NARA assesses annual targets on a yearly basis to ensure continued improvement. For its FY 2005 budget, NARA indicated the connection between its performance measures and associated costs for new activities.

Evidence: For example, as NARA is in the update cycle of its Strategic Plan it is adding a new strategic goal and corresponding long-term and annual targets specifically related to disposition and preservation of electronic records due to the increased importance of this issue. NARA Notice 2003-064, Request for Comments on Strategic Plan Update; NARA Notice 2003-147, Request for Comments on Draft Strategic Plan.

Program Assessment Rating Tool (PART)

Program: Records Services Program
Agency: National Archives and Records Administration
Bureau:
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Adequate
100%	75%	86%	42%	

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight: 14%

Explanation: NARA collects regular monthly performance data (published for agency-wide use on a quarterly basis) that it uses to manage its program and improve performance via the Performance Measurement and Review System (PMRS). NARA plans to move to a monthly data reporting system during FY 2004. The PMRS system incorporates both automatic and manual data checks to spot missing, partial, or discrepant data. NARA's Inspector General assists in determining the credibility of this data via yearly evaluations to assess data accuracy and validity of a portion of NARA's performance measures. IG reports over the last three years indicate that the majority of performance measures it has reviewed are supported by credible data.

Evidence: Performance Measurement and Reporting System; Quarterly Reports to the Archivist. IG Reports: Evaluation of the Accuracy of the Performance and Measurement and Reporting System. Since implementation of the Performance Measurement and Reporting System, NARA's IG has performed three reviews of PMRS. In total, 27 measures have been reviewed out of a current total of 27; 11 recommendations to improve the validity of the data were made over the course of the three reviews. NARA responds to IG recommendations via action plans. Further discussion of the data validity of NARA's measures may be found in NARA Annual Performance Reports.

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: YES Question Weight: 14%

Explanation: The majority of NARA's employees, both temporary and permanent, are held accountable for performance results by linkage of their performance plans to NARA's strategic objectives. NARA managers performance plans tie to annual performance targets, and performance is measured against these results.

Evidence: Performance Measurement and Reporting System; Quarterly Reports to the Archivist; NARA's 2002 APR stated that as of FY 02, 80% of NARA employees had performance plans linked to strategic outcomes.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 14%

Explanation: NARA has a limited amount of unobligated funds at the end of the year in its records services accounts. Obligations and outlays are reviewed monthly.

Evidence: NARA obligated 99.5% of its appropriated funds in FY 02. NARA prepares monthly reports and conducts quarterly reviews that compare actual spending to program operating plans.

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight: 14%

Explanation: Several of NARA's performance measures examine NARA's timeliness in providing access to records and in completing processing of scheduled records. In its updated Strategic Plan and APP for FY 2005, NARA has adopted a new cost-efficiency measure for management of electronic records and has developed several per unit cost measures for its services (with targets under development), including unit costs for storage of records.

Evidence: Annual APPs and APRs, NARA 801, IT Investment Analysis and Decision Process

Program Assessment Rating Tool (PART)

Program: Records Services Program
Agency: National Archives and Records Administration
Bureau:
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Adequate
100%	75%	86%	42%	

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 14%

Explanation: NARA's records management staff, part of their overall Records Services program, work with Records Managers at Federal agencies to provide guidance and assistance for agency Records Management programs via training, promulgation of regulations, guidance to agencies via Targeted Assistance Partnerships (TA) and limited audits. In its current form, the TA program has been largely limited to agency-determined, rather than NARA-determined needs, which may or may not show the full picture of an agency's records management challenges. As part of NARA's Records Management Initiative, NARA is looking at ways to focus and prioritize its assistance to agencies based on greater determination by NARA of which areas are most crucially in need of assistance. NARA should continue to examine methods with which it can more comprehensively address Federal records management challenges.

Evidence: Setting Priorities: A Handbook for Records Management Allocation.

3.6 Does the program use strong financial management practices? Answer: NO Question Weight: 14%

Explanation: NARA reported two material weaknesses in its FY 02 Financial Manager's Financial Integrity Act (FMFIA) report that relate to its records services programs- IT security (a material weakness since FY 00) and security of records collections. No definitive assessment may be made on the financial management of NARA's appropriated funding, because NARA has not previously produced audited financial statements on these funds. However, independent audits of NARA's Records Center Revolving Fund found no material weaknesses for FY 2001 and 2002.

Evidence: FY 02 Assurance Report to the President, IG reports. NARA will be required to produce audited statements on its appropriated funding for the first time in FY 04. Although the Accountability of Tax Dollars Act of 2002 required NARA and other listed agencies to produce audited financial statements in FY 03, NARA received a waiver for FY 03 from OMB.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 14%

Explanation: NARA managers prepare annual assurance statements, which identify management deficiencies and steps for remediation. NARA managers prepare quarterly reports for the Archivist, which address annual performance targets, and progress on implementing recommendations from audits and reviews. Also, NARA's Leadership Team reviews strategic-level schedules and issues every month, and participates in cross-agency program review. NARA has either developed or plans to develop action plans to address all managerial weaknesses listed above.

Evidence: Annual Assurance Statements; Quarterly Reports to the Archivist; Monthly Strategic Schedule Reviews

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: SMALL EXTENT Question Weight: 25%

Explanation: The program has demonstrated adequate progress towards meeting its long-term performance goals related to access to records and preservation of records. NARA developed new, more outcome-oriented performance goals related to the creation and management of records for FY 2005, but results for these goals are not available at this time.

Evidence: NARA 2003 Strategic Plan, annual APPs and APRs

Program Assessment Rating Tool (PART)

Program: Records Services Program
Agency: National Archives and Records Administration
Bureau:
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Adequate
100%	75%	86%	42%	

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: LARGE EXTENT Question Weight: 25%

Explanation: The program for the most part achieves its annual performance goals.

Evidence: NARA Strategic Plan, annual APPs, APRs

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: SMALL EXTENT Question Weight: 25%

Explanation: NARA's performance measures indicate that the program for the most part has increased efficiency by meeting several timing targets related to customer service. However, NARA is currently unable to demonstrate improved cost-efficiency in achieving its program goals. In its 2003 Strategic Plan and FY 05 APP, NARA developed a cost-efficiency measure for electronic records and developed several unit cost measures, but NARA will need to develop targets for its unit cost measures in order to be able to demonstrate improved cost-efficiency for its programs.

Evidence: FY 2002 Annual Performance Report. An example of NARA's improved efficiency in responding to customer service requests is its response rate to Freedom of Information Act (FOIA) requests, which improved from 20 percent to 81 percent of FOIA requests answered within 20 working days over the past two years.

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: NA Question Weight: 0%

Explanation: For the most part, this program is not directly comparable to any other Federal government programs or the private sector, and no studies have been made between the performance of NARA's Records Services program and those of other National Archives.

Evidence: Although NARA's Records Centers program offers services that could be compared with those provided by the Veterans Administration and by the private sector, no independent assessments have been made regarding how their performance compares with NARA.

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: SMALL EXTENT Question Weight: 25%

Explanation: Independent evaluations of NARA's record services programs have indicated the need for major improvements in areas such as electronic records management and preservation and processing of veterans records. However, these evaluations also indicate that NARA is making progress in its efforts to improve program performance.

Evidence: For a list of such evaluations, see NARA's FY 2002 Annual Performance Report, Appendix B.

PART Performance Measurements

Program: Records Services Program
Agency: National Archives and Records Administration
Bureau:

Measure: Annual cost of archival storage space per cubic foot of traditional holdings. (under development)

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual	(Efficiency Measure)
2003				

Measure: Percent of requests for military service records answered within 10 working days.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual	(Efficiency Measure)
2002	35%	40%		
2003	45%	37%		
2004	70%			
2005	95%			

Measure: Percent of traditional NARA archival holdings described in an on-line catalog. Traditional holdings are books, papers, maps, photographs, motion pictures, sound and video recordings and other material not stored electronically.

Additional Information: Traditional holdings include books, papers, maps, photographs, motion pictures, sound and video recordings and other documentary material that is not stored on electronic media. The unit of measure for traditional records is the cubic foot.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual	(Efficiency Measure)
2002	20%	19%		
2003	25%	20%		
2004	35%			
2005	40%			

Program Assessment Rating Tool (PART)

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Effective
100%	78%	100%	83%	

1.1 Is the program purpose clear?

Answer: YES

Question Weight: 20%

Explanation: The U.S. Nuclear Regulatory Commission (NRC) regulates the Nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of public health and safety, to promote the common defense and security, and to protect the environment. To support the NRC's mission, the licensing program ensures applicants for licenses can and will control safety and national security related risks to acceptable levels. The mission of inspection is to verify licensee performance in accordance with the regulatory requirements.

Evidence: The Atomic Energy Act of 1954, Energy Reorganization Act of 1974, Section 204; NRC FY2002 Performance and Accountability Report, pp4-6 and 10. Manual Chapter (MC) 2600 and Fiscal Year 2003 Master Inspection Plan. "Fiscal Year 2003 Master Inspection Plan" modifications - memos dated - 11/12/02, 3/6/03, 7/3/03.

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight: 20%

Explanation: The fuel cycle licensing and inspection program regulates all of the nation's non-defense related fuel fabrication facilities (~34 in 2002). Its licensing program is designed to issue licenses to facilities to receive title to, own, acquire, deliver, receive, possess, use, and transfer special nuclear material (SNM). It verifies that companies can safely use SNM prior to taking possession and starting operations. The inspection program's purpose is to obtain objective information that will permit NRC to assess whether its licensed fuel cycle facilities are operated safely, and that licensee activities do not pose undue safety and safeguards risks. This needs to be performed routinely since companies continue to make changes to facilities, staff, and operations.

Evidence: The Atomic Energy Act of 1954, NRC Inspection Manual, Manual Chapter 2600, Fuel Cycle Facility Operational Safety and Safeguards Inspection Program, 9/30/02; 10 CFR Part 70, Domestic Licensing of Special Nuclear Material; and 10 CFR Part 40, Domestic Licensing of Source Material.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

Answer: YES

Question Weight: 20%

Explanation: This program uniquely regulates commercial fuel facilities in the U.S. (those not operated by government agencies). Certain commercial facilities (primarily those related to uranium milling and leaching) are regulated by the States under the Agreement State program, wherein 33 States have signed formal agreements with the NRC. Those States have assumed regulatory responsibility over certain byproduct, source, and small quantities of special nuclear material. In these cases the NRC oversees State regulatory activity, but does not duplicate it. The facilities regulated by NRC are subject to regulation by the U.S. EPA, the DOT, and the OSHA. However, NRC has entered into memoranda of understanding with these agencies to ensure that there are no duplicative efforts for the fuel cycle facilities that we regulate.

Evidence: Memorandum of Understanding between the Nuclear Regulatory Commission and the Occupational Safety and Health Administration: Worker Protection at NRC-Licensed Facilities, 53 FR 43950; Memorandum of Understanding Between the U.S Environmental Protection Agency and the U.S. Nuclear Regulatory Commission; Consultation and Finality on Decommissioning and Decontamination of Contaminated Sites, 67 FR 65375; "Transportation of Radioactive Materials; Memorandum of Understanding Between the Department of Transportation and the U.S. Nuclear Regulatory Commission," 44 FR 38690; NRC-SECY-92-165, and the Atomic Energy Act of 1954. Section 274, "Cooperation With States," Agreement States Procedure SA-700.

Program Assessment Rating Tool (PART)

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Effective
100%	78%	100%	83%	

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: YES Question Weight: 20%

Explanation: The fuel cycle licensing and inspection program is performing well against its measures, but continually strives to do better. Mechanisms include constant self-assessments against the operating plan (see response to question 2.3), management reviews, IMPEP reviews (see response to question 2.6) and concerted efforts to involve stakeholders, particularly licensees and the public, in the regulatory process. These activities are performed to ensure that the program operates efficiently and effectively. Related rulemakings are subject to a cost/benefit analysis. A recent rulemaking codified a procedural change for licensing (Integrated Safety Assessments) that uses resources in the highest risk areas, and inspection efforts at fuel cycle facilities are based on the type of facility, the associated risk, and the historical performance of that facility.

Evidence: Inspection Manual Chapter 2600, Inspection Manual Chapter 2604, and 10 CFR Part 70. Office of the Inspector General "Audit of NRC's Regulatory Oversight of Special Nuclear Materials, May 23, 2003". The Nuclear Materials Safety Arena Division of Fuel Cycle Safety and Safeguards FY 2003 Operating Plan (updated quarterly): and the recent IMPEP review (3/24/03-3/28/03) focused on the fuel cycle inspection program in Region III. The management review board was held on 6/10/03, and the report should be available shortly. MRB notes (6/20/03) and Paperiello memo (5/30/03). Zimmerman memo (2/27/03). Transmittal of MD 5.6 "Integrated Materials Performance Evaluation Program (IMPEP) November 5, 1999".

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: YES Question Weight: 20%

Explanation: The NRC conducts the fuel cycle licensing and inspection program to ensure that we identify and resolve safety issues at all commercial fuel cycle facilities before they affect safety. The program resources are allocated between the headquarters and regional offices, and about 80% go to mission direct work with approximately 20% spent on overhead.

Evidence: Nuclear Materials Safety Arena Division of Fuel Cycle Safety and Safeguards FY 2003 Operating Plan (updated quarterly)

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight: 11%

Explanation: The NRC has four strategic goals listed in the Agency's Strategic Plan. The second goal applies specifically to the fuel cycle licensing and inspection program. In the Nuclear Materials Safety Arena, the NRC will conduct an efficient regulatory program that allows the Nation to use nuclear material for civilian purposes in a safe manner to protect public health and safety and the environment by working to achieve the following strategic goal, Prevent radiation-related deaths and illnesses, promote the common defense and security, and protect the environment in the use of source, byproduct, and special nuclear material. This goal encompasses the activities of the fuel cycle licensing and inspection program. The NRC has identified five measures to determine if it is meeting this strategic goal.

Evidence: U.S. Nuclear Regulatory Commission Strategic Plan, Fiscal Year 2000-Fiscal Year 2005, NUREG-1614, Volume 2, pp 1, 11, and 12; and Budget Estimates and Performance Plan, Fiscal Year 2004, NUREG-1100, Vol. 19, page 65

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Section Scores				Overall Rating
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100%	78%	100%	83%	

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight: 11%

Explanation: Specific strategic measures have been developed to demonstrate progress toward achieving the fuel cycle licensing and inspection program strategic goal listed in the response to Question 2.1. The measures are listed in the FY2000 Agency Strategic Plan. The strategic measures and additional precursor measures are included in Operating Plans which are discussed and evaluated quarterly. Resource adjustments are made based on these outputs.

Evidence: U.S. Nuclear Regulatory Commission Strategic Plan, Fiscal Year 2000-Fiscal Year 2005, NUREG-1614, Volume 2, page 12; and Budget Estimates and Performance Plan, Fiscal Year 2004, NUREG-1100, Vol. 19, page 68 and the Nuclear Materials Safety Arena Division of Fuel Cycle Safety and Safeguards FY 2003 Operating Plan. Commission memo (7/19/03) "Update to the Planning, Budgeting and Performance Management Process (PBPM)".

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 11%

Explanation: In addition to the specific strategic goals and strategic measures the Agency has developed performance goals, which focus on outcomes and are the key contributors to achieving the strategic goal. There are associated annual performance measures (operating plans) which indicate whether the NRC is achieving its goals and establish the basis for performance measurement. Information from inspections and reports made by licensees are used to demonstrate progress toward the goals.

Evidence: U.S. Nuclear Regulatory Commission Strategic Plan, FY 2000 - FY 2005, NUREG-1614, Volume 2, page 15; and Budget Estimates and Performance Plan, FY 2004, NUREG-1100, Vol. 19, page 69, the Nuclear Materials Safety Arena Division of Fuel Cycle Safety and Safeguards FY 2003 Operating Plan (updated quarterly). Bulletin 91-01 and NRC reporting requirements in 10 CFR Parts 20 - Standards for Protection Against Radiation, 21 - Reporting of Defects and Non-compliance, 40 - Domestic Licensing of Source Material, and 70 - Domestic Licensing of Special Nuclear Material.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 11%

Explanation: For the performance goals, in several cases, the targets are zero events each year. Where the target is other than zero, the number is based on historical data and risk-assessment, and has decreased over time. Data for the annual performance measures has been collected and reported for several years, establishing an adequate baseline for each measure. The existing targets are considered to be ambitious and appropriate given the high consequence of the events being measured. Further, for each measure that applies to the fuel cycle licensing and inspection program, operating plan goals and measures which are very specific mechanisms for meeting and measuring progress toward the higher level goals have been developed. The measures and metrics for these goals are continually evaluated to determine whether they are meaningful, and whether the measures are sufficiently ambitious.

Evidence: U.S. Nuclear Regulatory Commission Strategic Plan, Fiscal Year 2000-Fiscal Year 2005, NUREG-1614, Volume 2; and Budget Estimates and Performance Plan, Fiscal Year 2004, NUREG-1100, Vol. 19 and Nuclear Materials Safety Arenda Division of Fuel Cycle Safety and Safeguards FY 2003 Operating Plan

Program Assessment Rating Tool (PART)

Program: Fuel Facilities Licensing & Inspection
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Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Overall Rating
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2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight: 11%

Explanation: We regulate the fuel facilities in concert with States in our Agreement State program and with EPA, DOT, and OSHA in order to ensure protection of the public and the environment. Interested parties also include licensees and industry groups. Agreement States commit to adequate and compatible programs as part of their agreements, and are periodically reviewed for conformance. This process was coordinated with the States. The MOUs with EPA, DOT, OSHA are joint agreements between agencies to ensure each meets its own goals consistent with one another's.

Evidence: STP Procedure Approval: Processing an Agreement - SA-700, April 2, 2001. NRC Management Directives 5.6, 11.7 and 11.8; MC 1007 and Memorandum of Understanding between the Nuclear Regulatory Commission and the Occupational Safety and Health Administration: Worker Protection at NRC-Licensed Facilities, 53 FR 43950; MOU with EPA.

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight: 11%

Explanation: The General Accounting Office (GAO), the Agency's Office of the Inspector General (OIG), the Advisory Committee on Reactor Safety (ACRS) and the ACNW (Advisory Committee on Nuclear Waste) have all conducted independent reviews of the program. The ACRS is independent of the NRC staff. One of its primary purposes is to review nuclear facility safety-related items.) The OIG and the ACRS each recently reviewed a fuel facility licensing and inspection activity. In addition, NRC has a review process for Agreement State and NRC materials programs called the Integrated Materials Performance Evaluation Program (IMPEP). The IMPEP process employs a team of NRC and Agreement State staff to assess both Agreement State and NRC materials licensing and inspection programs.

Evidence: NRC Organization Chart, 4/8/02. ACRS and Advisory Commission on Nuclear Waste (ACNW) charters. IMPEP review (3/24/03-3/28/03) focused on the fuel cycle inspection program in Region III. The management review board was held on 6/10/03, and the report should be available shortly. Draft OIG Report "Oversight of Special Nuclear Materials, May 23, 2003". Complete review of Agreement States are on NRC's website.

Program Assessment Rating Tool (PART)

Program: Fuel Facilities Licensing & Inspection
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Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Overall Rating
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100%	78%	100%	83%	

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight: 11%

Explanation: The direct costs for the planned activities performed by the fuel cycle licensing and inspection program are clearly identified in the NRC budget, as are annual performance goals. These annual goals are linked directly to the agency's long term goals. Program activities and the associated budget are designed to accomplish those annual and long-term goals. Activities are prioritized during the budget process each year based on the strategic goals and performance goals. This is described in the NRC's Planning, Budgeting and Performance Management (PBPM) process. Other agency support costs, such as administrative activity costs, agency support office costs and agency and office labor overhead are assigned to the program according to a cost allocation process.

Evidence: U.S. Nuclear Regulatory Commission Strategic Plan, Fiscal Year 2000-Fiscal Year 2005, NUREG-1614, Volume 2; and Budget Estimates and Performance Plan, Fiscal Year 2004, NUREG-1100, Vol. 19, and Memorandum to the Program Review Committee, "Prioritized Listing of Program Office Activities by Arena for FY2004 and FY2005 Budgets," dated April 16, 2003. The Nuclear Materials Safety Arena Division of Fuel Cycle Safety and Safeguards FY 2003 Operating Plan.

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: NO Question Weight: 11%

Explanation: The fuel cycle licensing and inspection program has performance goals that are linked directly to achievement of the agency's strategic goals. The Agency is currently developing its 2003-2008 Strategic Plan, in the context of which this program is updating its performance goals. The associated annual measures are re-evaluated every year as the budget cycle begins. The updated Strategic Plan will show more specific, ambitious long-term goals than were included in the previous Strategic Plan.

Evidence: U.S. Nuclear Regulatory Commission Strategic Plan, Fiscal Year 2000-Fiscal Year 2005, NUREG-1614, Volume 2; and Budget Estimates and Performance Plan, Fiscal Year 2004, NUREG-1100, Vol. 19, and 'Success Through Safety; U.S. Nuclear Regulatory Commission Performance and Accountability Report, Fiscal Year 2002.

2.RG1 Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals? Answer: YES Question Weight: 11%

Explanation: This program issues specific guidance on the implementation of both its licensing and inspection programs. Before it is made final, the guidance is issued for comment by all stakeholders, and includes a clear discussion of its purpose and intent. The guidance includes a cost/benefit analysis which has supported changes to bring greater alignment between the activities of the program and its long-term goals. Two recent examples are the revisions to 10 CFR Part 70 to create a risk-informed, performance-based requirement, and the development of 2 guidance documents in place of a new 10 CFR Part 41 to update the regulatory framework for the uranium recovery licensing program.

Evidence: U.S. Nuclear Regulatory Commission Regulations Handbook, NUREG-BR-0053, Revision 5; Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission, NUREG-BR-0058, Revision 3; MC 0030 and MC 0040; NRC SECY-00-0111 and 65 FR 56211 (regarding 10 CFR Part 70); SECY-99-011, SECY-01-0026, and SECY-02-0204 (regulatory framework for the uranium recovery licensing program), SECY-99-0188 and SECY-02-0222. Commission memo (3/18/02) (Inspection Program).

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Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Effective
100%	78%	100%	83%	

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight: 9%

Explanation: We have a number of mechanisms for continually evaluating our performance. (1) We update our operating plan (described in the responses to 2.4 and 2.8) quarterly, with data on how we have been performing, including reported events, and use that information to adjust our priorities, focus our resources, and determine if there are areas that need specific management attention. (2) We routinely inspect our licensee performance. (3) We use a Public Licensee Performance Review (LPR) process. LPR results provide an overview of licensee performance to NRC management, and inform licensees and the public how the NRC assesses facility performance.

Evidence: Reporting requirements in 10 CFR Parts 20, 21, 40, and 70. NRC Bulletin 91-01. Recent LPRs include Westinghouse (3/5/2002), Nuclear Fuel Services (3/14/2003), Honeywell (4/15/2001), BWXT (5/2/2002), and Framatome ANP (6/19/2002). Manual Chapter 2604, Licensee Performance Review. Link Ltr. (6/13/02). SECY-02-0216 "Proposed Process for Providing Information on Significant Nuclear Materials Issues and Adverse Licensee Performance" (12/11/02). NRC Management Directive 8.14 "Agency Action Review Meeting" (5/7/02). MD 5.6, SA-700, and MC 2600.

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: YES Question Weight: 9%

Explanation: Each manager in the Division of Fuel Cycle Safety and Safeguards is responsible for development and implementation of specific items in the Strategic Plan and Operating Plan. These items are in their SES contracts, elements and standards for performance appraisals, which are used, in part, to determine promotions and awards, and our work tracking and assignment system (ticketing). The SES program is being modified for FY2004 to link individual goals even more explicitly to NRC goals. Agreement States are evaluated for performance and licensees are routinely inspected.

Evidence: For more information see the SES contracts for the NMSS/FCSS Division Director, Deputy Division Director and Branch Chiefs, and the Elements and Standards for the NMSS/FCSS Section Chiefs. 7/15/03 Paul Bird memo on FY 2004 SES Performance Plans. MD 5.6, SA-700, MC 2600.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 9%

Explanation: NRC agency systems for budget execution and the administrative control of funds comply with the requirements set forth in OMB circulars, the Antideficiency Act, the Impoundment Control Act of 1974, Chief Financial Officers Act of 1990, etc. Agency policies and procedures are documented in NRC Management Directive, Volume 4 Financial Management. NRC's Office of the Chief Financial Officer monitors commitments, obligations, and expenditures on a monthly basis and reports findings in monthly and quarterly reports in the Budget Execution Reports. In NRC's Office of Nuclear Material Safety and Safeguards, contract funds are tracked at the project manager, Division and Office level. We have specific targets for funding to be committed, obligated and expended each quarter. Through a rigorous oversight and accountability process we limit carryover (unobligated funds) at the end of each year. We use a computer tracking system (COSTS) to track this information for each of our contracts.

Evidence: NRC Management Directives, Manual Chapter 4.2 Administrative Control of Funds; Budget and Reporting Number Structure Guide; Regulatory Information Tracking System (RITS) Users Guide; Acquisition Certification and Training program for project managers, technical monitors, and all personnel who are part of the acquisition process as defined in the May 2000 memorandum to Office Directors and Regional Administrators from the Executive Director for Operations, FCSS Monthly Contract Reports.

Program Assessment Rating Tool (PART)

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Effective
100%	78%	100%	83%	

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight: 9%

Explanation: There are a number of programs in place to measure and achieve efficiencies. One such program is the Business Process Improvement (BPI) review of licensing activities, and a later BPI of inspection activities. There is also an ongoing BPI of the contracts process at the Office level. The staff revised MC2600 and MC2604 for efficiency and effectiveness. Operating Plans are evaluated quarterly in order to reallocate resources.

Evidence: Inspection Manual Chapter 2604, 10 CFR Part 70, and 67 FR 20555. Commission memo: "Status of the Office of Nuclear Material Safety and Safeguards Business Process Improvement Initiative, June 18, 2003". "Prioritized Listing of Program Office Activities by Arena for FY 2004 and FY 2005 Budgets, April 16, 2003," and Nuclear Materials Safety Arena Division of Fuel Cycle Safety and Safeguards FY 2003 Operating Plan.

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 9%

Explanation: We regulate the fuel facilities in concert with States in our Agreement State program, and with EPA, DOT, and OSHA in ensure the safety of the public and the environment. The NRC has memoranda of understanding with the EPA, the DOT and OSHA to ensure that there are no duplicative efforts for the fuel cycle facilities that we regulate. Agreement States commit to adequate and compatible programs and are routinely evaluated.

Evidence: Memorandum of Understanding Between the U.S Environmental Protection Agency and the U.S. Nuclear Regulatory Commission; Consultation and Finality on Decommissioning and Decontamination of Contaminated Sites, 67 FR 65375; "Transportation of Radioactive Materials; Memorandum of Understanding," 44 FR 38690; NRC-SECY-92-165, SECY-02-0146, Fee Recovery for Fiscal Year 2003, and the Atomic Energy Act of 1954. MOU with OSHA, SA-700 and MD 5.6.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 9%

Explanation: NRC financial management practices governing control of funds and resource allocation are codified in MD4.2 and are fully implemented by the fuel facilities licensing and inspection program. The adequacy of these practices is reflected in the fact that NRC's financial statements have earned unqualified opinions for nine consecutive years. NRC's cost accounting system was identified as having a material weakness because the system is not in full compliance with SFFAS Number 4 by capturing the full cost of program outputs. NRC is implementing a remediation plan to resolve the instance of non-compliance; all other financial systems are in full compliance. NRC offers a financial management training seminar to staff twice a year on Administrative Control of Funds and Financial Management.

Evidence: NRC's Performance and Accountability Report for FY 2002, Monthly Budget Execution Reports (BER), Quarterly review of BER by top Agency management, NRC Management Directive 4.2, Administrative Control of Funds; NRC Financial Management Seminar. The day-to-day operations of the program are unaffected by the noted material weakness in cost accounting.

Program Assessment Rating Tool (PART)

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Effective
100%	78%	100%	83%	

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 9%

Explanation: Resources are reallocated in response to inspection findings, license reports and reviews of operating plans. Each quarter, the operating plan for the fuel cycle licensing and inspection program, including annual measures and metrics linked to strategic goals (discussed in the responses to questions 2.1-2.4) is updated and examined. In addition, in FY02, the Office of Nuclear Material Safety and Safeguards (NMSS) contracted with Gallup to survey the employees in an effort to build a stronger workplace. NMSS has already taken a number of actions in response to the survey results, and will continue to do so.

Evidence: NRC Management Directive 4.4, "Annual Reasonable Assurance Statements; 'Success Through Safety; U.S. Nuclear Regulatory Commission Performance and Accountability Report, Fiscal Year 2002; Nuclear Materials Safety Arena Division of Fuel Cycle Safety and Safeguards FY2003 Operating Plan (updated quarterly). "Nuclear Regulatory Commission (NRC) Manager's Workbook, Building a Stronger Workplace," The Gallup Organization, and "NRC NMSS Executive Presentation (06/02)," The Gallup Organization

3.RG1 **Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?** Answer: YES Question Weight: 9%

Explanation: One of our Agency Performance goals is increase public confidence. To that end we have an open and participatory rulemaking process. The process takes into account the views of the affected parties, recognizes the public's interest in the proper regulation of nuclear activities, and provides opportunities for citizens to make their opinions known. The NRC elicits public involvement early in the regulatory process so that safety concerns that may affect a community can be resolved in a timely and practical manner. All rulemakings provide the public with at least one opportunity for comment. In some cases, NRC holds meetings and workshops before a proposed rule is drafted so that members of the public can express their concern early in the process. The NRC may also publish an Advance Notice of Proposed Rulemaking in the Federal Register to obtain public comments and provide clarification of certain issues before developing a proposed rule. NRC is subject to the Small Business Regulatory Enforcement Fairness Act, which evaluates impact on small businesses.

Evidence: Revised 10 CFR Part 70 and 65 FR 56211, revisions to Inspection Manual Chapters 2600, and 2604 and 67 FR 53815 and 67 FR 20555. NRC SECY-00-0111 and 65 FR 56211 (regarding 10 CFR Part 70); SECY-99-011, SECY-01-0026, and SECY-02-0204 (regulatory framework for the uranium recovery licensing program), SECY-99-0188 and SECY-02-0222. Commission memo (3/18/02) (Inspection Program).

3.RG2 **Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates R** Answer: YES Question Weight: 9%

Explanation: NRC is covered by SBREFA and the Regulatory Flexibility Act and is in full compliance with their requirements on applicable rulemakings. For example, the final Fee Rule for FY2003 (10CFR Parts 170 and 171), contains a Regulatory Flexibility Analysis and a SBREFA determination. As an independent agency, NRC is not bound by the Unfunded Mandate Reform Act, or for the most part, by Executive Order 12866. The one exception is the requirement in the Executive Order to regularly post the overall agency regulatory agenda, which the NRC does in full compliance with the order.

Evidence: 6/18/2003 Federal Register Notice 1010 CFR Parts 170 and 171 Revision of Fee Schedules; Fee Recovery for FY 2003; Final Rule". SECY-00-0111.

Program Assessment Rating Tool (PART)

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Overall Rating
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100%	78%	100%	83%	

- 3.RG3 Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?** Answer: YES Question Weight: 9%
- Explanation:** We conduct ongoing assessments of the licensing and inspection program. For example, (1) We updated 10 CFR Part 70 to create a risk-informed, performance-based regulation. (2) Staff had proposed a new 10 CFR Part 41 in 1999 to update the regulatory framework for the uranium recovery licensing program, but later proposed a new strategy, to update the appropriate guidance documents instead. (3) Finally, Inspection Manual Chapters 2600 and 2604 were recently revised as a result of a larger project that is continually reviewing inspection program development and guidance. We also have a process to accept and evaluate Petitions for Rulemaking when stakeholders see an opportunity for greater regulatory effectiveness, and we review the fuel cycle regulations when changes are made to similar regulations. We assess the regulations as part of the regular trending and analysis of reported events.
- Evidence:** 10 CFR Part 2, NRC-SECY-00-0222. NRC SECY-00-0111 and 65 FR 56211 (regarding 10 CFR Part 70); SECY-99-011, SECY-01-0026, and SECY-02-0204 (regulatory framework for the uranium recovery licensing program), SECY-99-0188 and SECY-02-0222. Commission memo (3/18/02) (Inspection Program).
- 3.RG4 Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity?** Answer: YES Question Weight: 9%
- Explanation:** NRC conducts regulatory impact analyses (RIAs) to determine whether proposed changes maximize benefits. NRC guidance states that "OMB maintains that the regulatory analysis should select the regulatory alternative that achieves the greatest present value-the discounted monetized value of expected net benefits. The NRC guidance also states, "[s]electing the alternative with the largest net value is consistent with obtaining the largest societal gain from among the alternatives analysed." However, not all benefits can be quantified, and in some cases qualitative benefits are determined to justify the costs. In some cases NRC determines that regulatory changes are the most cost effective, given the constraints of time.
- Evidence:** U.S. Nuclear Regulatory Commission Regulations Handbook, NUREG-BR-0053, Revision 5; Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission, NUREG-BR-0058, Revision 3; and NRC Inspection Manual, Manual Chapters 0030 and 0040. Also see NRC-SECY-00-0222 for example regarding the Nuclear Fuel Safety Oversight program.
- 4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: YES Question Weight: 16%
- Explanation:** The NRC, including the fuel facility licensing and inspection program, has met all of its strategic goal measures since GPRA reporting began in 1997.
- Evidence:** 'Success Through Safety; U.S. Nuclear Regulatory Commission Performance and Accountability Report, Fiscal Year 2002, page 46.
- 4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: YES Question Weight: 16%
- Explanation:** The fuel cycle licensing and inspection program has met all of its annual performance goal measures since 1997. The NRC has a review process for Agreement States and NRC materials programs called the IMPEP. The IMPEP process employs a team of NRC and Agreement State staff to assess the performance of both parties materials licensing and inspection programs. Operating plans are evaluated quarterly in order to reallocate resources.
- Evidence:** Success Through Safety; U.S. Nuclear Regulatory Commission Performance and Accountability Report, Fiscal Year 2002, page 47.

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Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

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4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: YES Question Weight: 16%

Explanation: In developing the FY2002 budget, the Office of Nuclear Material Safety and Safeguards estimated that 10% efficiencies would be achievable in the fuel cycle licensing and inspection programs. The numbers reflected in the FY2002 budget include that decrease. Fuel cycle licensing and inspection has continued to get the work done, and meet the performance goals with fewer resources.

Evidence: Other efficiencies have also been planned and achieved in the fuel cycle licensing and inspection program. In FY2002, the staff revised Inspection Manual Chapter 2604, Licensee Performance Review, to make the LPR process more timely and efficient. See IMC 2604, and background information. Also see response to question 3.4.

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: SMALL EXTENT Question Weight: 16%

Explanation: EPA and the chemical industry have some similar purposes and goals to the NRC's fuel facility licensing and inspection program. Although we have not benchmarked our performance with respect to the chemical industry, and the associated chemical and safety hazards, NRC's safety record with respect to radiation hazards as evidence by our strategic goal measure results compare favorably to other programs.

Evidence: U.S. Nuclear Regulatory Commission Performance and Accountability Report, Fiscal Year 2002, page 46.

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: LARGE EXTENT Question Weight: 16%

Explanation: We have some independent evaluators, like the Agency's Office of the Inspector General (OIG), and the Advisory Committee on Reactor Safety (ACRS). (The ACRS is independent of the NRC staff and reports directly to the Commission, which appoints its members. One of its primary purposes is to review nuclear facility safety-related items.) The OIG and the ACRS each recently reviewed a fuel facility licensing and inspection activity. In addition, the fuel cycle inspection program, itself, indicates that our program is effective and achieving results, as does the IMPEP program (see response to question 2.6).

Evidence: Meeting transcripts for the ACRS Subcommittee on Reactor Fuel on 4/21/03, and the Full Committee, 502nd Meeting on 5/9/03 and Draft Audit Report, Audit of NRC's Regulatory Oversight of Special Nuclear Materials, NRC Office of the Inspector General. IMPEP review (3/24/03 - 3/28/03) focused on the fuel cycle inspection program in Region III. Nuclear Materials Safety Arena Division of Fuel Cycle Safety and Safeguards FY 2003 Operating Plan.

4.RG1 Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits? Answer: YES Question Weight: 16%

Explanation: RIA's almost always show a net benefit for NRC regulations. Without this condition, there is a potential not to proceed with the rulemakings unless there is a question of public health and safety that will be degraded as a result. The Agency strives to implement regulatory change when there is a net benefit toward safe operation of fuel cycle facilities and the societal costs are minimized. However, in all aspects of rulemaking at the NRC, public health and safety is paramount where programmatic goals are concerned.

Evidence: Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission, "NUREG/BR-0058, Rev. 3, July 2000. SECY-00-0111.

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards

Measure: No deaths resulting from acute radiation exposures from civilian or malevolent uses of source, byproduct, or special nuclear materials, or deaths from other hazardous materials used or produced from licensed material

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2001	0	0	
2002	0	0	
2003	0	0	
2004	0		
2005	0		

Measure: No more than 5 substantiated cases per year of attempted malevolent use of source, byproduct, or special nuclear material. (Transferred to another office in 2002.)

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	0	0	
2002	0	0	

Measure: No breakdowns of physical protection or material control and accounting systems resulting in a vulnerability to radiological sabotage, theft, or unauthorized enrichment of special nuclear material. (Transferred to another office in 2002.)

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	0	0	
2002	0	0	

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards

Measure: No more than 6 events per year resulting in significant radiation or hazardous material exposures from the loss or use of source, byproduct, and special nuclear material

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	<6	0	
2002	<6	0	
2003	<6	0	
2004	<6		
2005	<6		

Measure: No events resulting in releases of radioactive material from civilian or malevolent uses of source, byproduct, or special nuclear materials that cause an adverse impact on the environment.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2001	0	0	
2002	0	0	
2003	0	0	
2004	0		
2005	0		

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards

Measure: No losses, thefts or diversion of formula quantities of strategic special nuclear material; radiological sabotages; or unauthorized enrichment of special nuclear material regulated by NRC. (Transferred to another office in 2002.)

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2001	0	0	
2002	0	0	

Measure: No unauthorized disclosure or compromise of classified information causing damage to national security. (Transferred to another office in 2002.)

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2001	0	0	
2002	0	0	

Measure: No occurrences of accidental criticality

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	0	0	
2002	0	0	
2003	0	0	
2004	0		
2005	0		

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection

Agency: Nuclear Regulatory Commission

Bureau: Office of Nuclear Materials and Safeguards

Measure: No more than 30 events per year resulting in radiation overexposures from radioactive material that exceed applicable regulatory limits (with another Division in NRC)

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	<40	27	
2002	<30	23	
2003	<30	18	
2004	<30		
2005	<30		

Measure: No more than 5 releases per year to the environment of radioactive material from operating facilities that exceed the regulatory limit (with another Division in NRC)

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	<6	0	
2002	<5	4	
2003	<5	0	
2004	<5		
2005	<5		

Program Assessment Rating Tool (PART)

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Effective
100%	78%	100%	83%	

1.1 Is the program purpose clear?

Answer: YES

Question Weight: 20%

Explanation: The U.S. Nuclear Regulatory Commission (NRC) regulates the Nation's civilian use of byproducts, source, and special nuclear materials to ensure adequate protection of public health and safety, to promote common defense and security, and to protect the environment. The NRC has several programs to fulfill its responsibility to protect public health and safety, one of which is the Reactor Inspection and Performance Assessment program. This purpose of this program is to ensure that the 104 power reactors licensed to operate identify and resolve safety issues before they affect safe plant operation.

Evidence: The Atomic Energy Act of 1954, as amended Mission Statement from the NRC FY2002 Performance and Accountability Report, pages 2 and 5. FY2004 Budget Estimates and Performance Plan, page 50.

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight: 20%

Explanation: The Reactor Inspection and Performance Assessment program provides the NRC regulatory oversight of commercial operating power reactors. The reactor inspection program provides the means for the NRC to gather information on licensee performance and oversee safe operation. The assessment process provides the means for the NRC to use this information to identify performance deficiencies and determine appropriate Agency actions in response.

Evidence: The Atomic Energy Act of 1954, as Amended, Section 25 states that an Inspection Division shall be responsible for gathering information to show whether or not licensees are complying with the provisions of this Act and the appropriate rules and regulations of the Commission.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

Answer: YES

Question Weight: 20%

Explanation: The NRC has the sole responsibility to license commercial power reactors and ensure that these facilities are being operated in accordance with license conditions and other Federal regulations. As discussed later, the NRC does collaborate with other State and Federal agencies on some aspects of the oversight of operating commercial power reactors.

Evidence: The Atomic Energy Act of 1954, as Amended, Section 101, states that it shall be unlawful for any person within the United States to acquire, possess, or use any utilization facility except under and in accordance with a license issued by the Commission pursuant to section 103.

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100%	78%	100%	83%	

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: YES Question Weight: 20%

Explanation: The Reactor Oversight Process (ROP) is the key component of the Reactor Inspection and Assessment program and was designed to improve the oversight processes by making them more objective, predictable, understandable, and risk-informed. This initiative resulted from internal reviews, external stakeholder input, and direction from the Commission, and was specifically designed to address the interests, problems, and needs of all stakeholders. The ROP also includes a built-in self-assessment process, including senior management review, to ensure that the program continues to meet the interests and needs of its stakeholders. Independent external stakeholders have responded favorably to the ROP as a significant improvement over the previous oversight programs, and annual self-assessments have concluded that the ROP is effective.

Evidence: NRC Commission paper SECY-03-0062 dated April 21, 2003, provides the results of the latest self-assessment of the ROP. Also Reference SECY-99-007 and 007A, SECY-00-0049, SECY-01-0114, and SECY-02-0062, as well as ACRS letters dated March 13, 2003 (ML030730366) and February 13, 2002 (ML020500775), and the OIG report dated August 21, 2002. Commission memo on "Results of the NRC Agency Action Review Meeting, April 22-23, 2003," dated May 2, 2003.

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: YES Question Weight: 20%

Explanation: Resource allocations for the program target the direct work (70% of program resources) performed either by NRC technical and professional staff or by NRC contractors, as well as the overhead and support activities (30% of resources) needed to implement the program. Approximately 90% of the total program resources are directed to the four regional offices to conduct inspections, assess reactor performance, respond to events, and address allegations. The remaining 10% of resources are directed to NRC Headquarters to: support continuing program development, improvement, and oversight; address emergency preparedness; maintain liaison with State, local, and tribal organizations and other Federal agencies; and conduct legal, investigative, and enforcement activities. In addition to targeting specific resources to support the program as described in the NRC budget, the Agency also monitors the use of funding and staff during the execution year to ensure that resources are expended as planned.

Evidence: Budget Estimates and Performance Plan - Fiscal Year 2004. NRC MD 4.2, "Administrative Control of Funds". NRR Rainbow Reports

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight: 11%

Explanation: The strategic goal for the oversight of power reactors through the Reactor Inspection and Performance Assessment program is to prevent radiation related deaths and illnesses, promote the common defense and security, and protect the environment in the use of civilian nuclear reactors. The NRC has identified five measures to determine if it is meeting this strategic goal.

Evidence: FY2002 Performance and Accountability Report, Chapter 2

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight: 11%

Explanation: The targets for the Nuclear Reactor Safety Strategic Goal performance measures are very ambitious. In fact they are zero for all five measures. These are also long-term performance measures that generally have an unlimited timeframe. These targets and timeframes are appropriate given the extremely low frequency and high consequence of the events that would contribute to these performance measures.

Evidence: FY2002 Performance and Accountability Report, Chapter 2, page 36

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Type(s): Regulatory Based

Section Scores				Overall Rating
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100%	78%	100%	83%	

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 11%

Explanation: The NRC has established performance measures such as "No statistically significant adverse industry trends in safety performance" and "No more than one event per year identified as a significant precursor of a nuclear accident" that provide indication on an annual basis of the programs ability to meet its long-term goal of maintaining safety. Another key performance goal of the program is to make it more effective and efficient. The ROP self-assessment program includes several measures that promote continuous improvement and drive the staff to evaluate the program annually for effectiveness and efficiency improvements. The ROP tracks and trends 39 performance metrics related to its four principal functional areas and 19 performance metrics related to the overall effectiveness of the ROP.

Evidence: FY2002 Performance and Accountability Report, Chapter 2. Budget Estimates and Performance Plan FY2004. IMC 0307, Reactor Oversight Process Self-Assessment Program , Appendix A. For example, performance measure IP-9 in IMC 0307 requires the analysis of inspection hours expended against budgeted resources. Reactor Oversight Process Self-Assessment for Calendar Year 2002 (SECY-03-0062). FY 2003 Operating Plan and quarterly updates.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight: 11%

Explanation: Data for the annual performance measures related to maintaining safety have been collected and reported for several years, thus establishing an adequate baseline level of performance for each measure. Ambitious targets have also been set for each measure, with several of the targets being zero. These targets are appropriate given the extremely low frequency and high consequence of the events being measured. The ROP self-assessment program includes several measures that promote continuous improvement and drive the staff to evaluate the program annually for effectiveness and efficiency improvements. However, the Commission determined early during the development of the ROP that establishing resource demands artificially would be inconsistent with the goal of maintaining safety. Therefore, specific measures and targets for cost-effectiveness of the program have not been developed. Resource requirements for the program are determined by using risk-insights to determine those Agency actions required to provide reasonable assurance of public health and safety.

Evidence: FY2002 Performance and Accountability Report, Chapter 2, pages 32 and 37. IMC 0307, Reactor Oversight Process Self-Assessment Program, Appendix A. Item 8 of the Staff Requirements Memorandum for SECY-99-007 and SECY-99-007A dated June 18, 1999 provides Commission guidance establishing resource measures for the program.

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Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Overall Rating
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100%	78%	100%	83%	

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight: 11%

Explanation: There are several key partners for the Reactor Inspection and Performance Assessment program. Most important are the four NRC Regional Offices which implement the program on a day-to-day basis. Each regional office has developed and implemented an operating plan and performance metrics that measure program performance against the strategic and performance goal measures. In addition, the NRC's performance measure of "No statistically significant adverse industry trends in safety performance" links the performance of the regulated entities to the performance goal of maintaining safety. Industry performance is a key input in evaluating the effectiveness of the Reactor Inspection and Performance Assessment program. An Industry Trends Program (ITP) has been developed by the staff to identify and evaluate adverse trends, and take appropriate action. The results of this program are documented in an annual Commission Paper and reviewed by senior NRC managers as part of the annual Agency Action Review Meeting and Commission briefing on the status of the ROP.

Evidence: FY2002 NRC Regional Office Operating Plans. FY2002 Performance and Accountability Report, pages 32 and 33. Commission Paper SECY-03-0057 "Results of the Industry Trends Program for Operating Power Reactors and Status of Ongoing Development." Management Directive 8.14 "Agency Action Review Meeting."

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight: 11%

Explanation: Several independent advisory committees reviewed the ROP prior to implementation and continue to evaluate the program on a regular basis, including the Advisory Committee on Reactor Safeguards (ACRS) and the Office of the Inspector General (OIG). Specific panels were established, by charter under the rules of the Federal Advisory Committees Act, to independently evaluate ROP effectiveness; namely, the Pilot Program Evaluation Panel (PPEP) and the Initial Implementation Evaluation Panel (IIEP). In addition, annual surveys via Federal Register notice are administered to obtain stakeholder input regarding the efficacy of the ROP and provide insights for improvement. These critical reviews have resulted in several program enhancements as described in the annual self-assessments, including developing a structured self-assessment program, streamlining the Significance Determination Process, refining several performance indicators, and clarifying the inspection reporting guidance.

Evidence: Reference IIEP report dated May 10, 2001 (ML011290025, attachment 4 to SECY-01-0114), PPEP report dated December 21, 1999, (ML993550449, attachment 2 to SECY-00-0049), as well as ACRS letters dated March 13, 2003 (ML030730366) and February 13, 2002 (ML020500775), and the OIG report dated August 21, 2002 (Review of NRC's Significance Determination Process, OIG-02-A-15). NRC Inspection Manual Chapter 0307, "Reactor Oversight Process Self-Assessment Program"

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Type(s): Regulatory Based

Section Scores				Overall Rating
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100%	78%	100%	83%	

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight: 11%

Explanation: The budget for the Inspection and Performance Assessment program reflects the activities and anticipated level of effort that contributes to achieving the four performance goals that support the Agency's mission. Program resources are aligned annually in accordance with the concept of "prioritization" defined in NRC's Planning, Budgeting and Performance Management (PBPM) process as the ranking of activities ... based on their contribution to performance goals. In the past, the direct and overhead costs for this program have been clearly identified in the NRC budget, and beginning in the FY 2005 budget, full cost for the program will be shown in the budget document. Although the current budget presentation is more descriptive than analytical, future NRC budgets will provide additional analytical information and will reflect the impact of resource allocation on effectiveness and efficiency.

Evidence: NRC Strategic Plan (FY 2002-FY 2005); FY 2004 Budget Estimates and Performance Plan; FY 2002 Performance and Accountability Report; Memorandum to the Program Review Committee, Prioritized Listing of Program Office Activities by Arena for FY 2004 and FY 2005 Budgets, dated April 16, 2003.

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight: 11%

Explanation: The NRC is currently revising strategic goals and performance goal measures, and including some ROP performance attributes in these. These revised measures, which are primarily output measures, are then incorporated into the annual performance plan. The ROP is the main process for regulatory oversight under the Reactor Inspection and Performance Assessment program. NRC has been developing and using risk-informed and less-prescriptive performance-based regulatory approaches, where appropriate, to maintain safety and promote efficiency. As a direct result of this process, efficiencies have been identified for FY 2004, freeing up staff and budget to address unanticipated developments, such as the Davis-Besse performance issues.

Evidence: NRC Strategic Plan (FY 2002-2005); FY 2004 Budget Estimates and Performance Plan; FY 2002 Performance and Accountability Report.

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Type(s): Regulatory Based

Section Scores				Overall Rating
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100%	78%	100%	83%	

2.RG1 **Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?** Answer: YES Question Weight: 11%

Explanation: NRC regulations issued are considered necessary to provide assurance that licensees operate their facilities in a safe manner and the goals are met to protect public health and safety. The Reactor Inspection and Performance Assessment program ensures that licensees are complying with these requirements. NRR has issued office instructions for rulemaking that provide procedures and guidance to its staff. Any rule imposing requirements needs a backfit analysis (per 10CFR50.109 - Backfit Rule) either justifying that the requirements are necessary for adequate protection or are cost-beneficial safety enhancements. An internal review committee (Committee to Review Generic Requirements) reviews these analyses before any rule is forwarded to the Commission for consideration. Additionally, the NRC has undertaken various efforts to review its regulations to reduce unnecessary regulatory burden and ensure consistency with NRC goals. For example, the NRC has embarked on a number of rulemakings to risk-inform requirements in 10 CFR Part 50 and remove unnecessary regulations.

Evidence: NRC Regulations Handbook, NUREG/BR-0053, Rev 5 (ADAMS Assession No. ML011010183 and ML011010201) and Supplement 1 (ML021990398); and NRC Regulatory Analysis Guidelines, NUREG/BR-0058, July 2000 (See 3RG3 for web page references). LIC 300, Rulemaking Procedures and Commission White Paper, Risk-informed and Performance-Based Regulations, SRM to SECY-98-144, dated March 1,1999. SECY-98-300, Options for Risk-informed Revisions to 10 CFR Part 50, December 23, 1998; SECY-00-0198, Status Report on Study of Risk-informed changes to 10 CFR Part 50, September 14, 2000; SECY-02-0057, 4th Status Report on Study of Risk-informed changes to 10 CFR Part 50, March 29, 2002; SECY-03-0044, Update to Risk-informed Implementation Plan, March 21, 2003. Some current regulatory actions underway to conform with the initiatives of the program are: (1) Performance-Based Risk-Informed Fire Protection, (2) §50.69 - Risk-Informing 10 CFR Part 50, Option 2 (Special Treatment Requirements), (3) Risk-Informed 50.44 Rulemaking, (4) Fitness For Duty Rulemaking, and (5) Risk-Informed Part 73/Exercise Rule.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 9%

Explanation: ROP's self-assessment program annually evaluates the program's success in meeting its intended objectives. A detailed program assessment, using objective criteria, is conducted annually to evaluate program effectiveness. The sources of the data include Regional Operating Plans, performance indicators, internal and external stakeholder surveys, independent audits, program documents reviews, and agency databases. The self-assessment program has resulted in significant improvements in the effectiveness and efficiency of the ROP, including streamlining the Significance Determination Process, refining several performance indicators, and clarifying the inspection and assessment guidance. The results of the annual self-assessment are discussed and confirmed by senior NRC management during the annual Agency Action Review Meeting, and are subsequently provided to the Commission and interested stakeholders. Plant-specific performance indicator data is used to improve regulatory oversight.

Evidence: Reference IMC 0307 and SECY-03-0062. MD 8.14 describes the Agency Action Review Meeting. FY2002 Performance and Accountability Report, pages 32 and 33.

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Program: Reactor Inspection and Performance Assessment
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Section Scores				Overall Rating
1	2	3	4	Effective
100%	78%	100%	83%	

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: YES Question Weight: 9%

Explanation: Each manager in the Office of Nuclear Reactor Regulation is responsible for development and implementation of specific items in the Strategic Plan and Operating Plan. These items are in their SES contracts, elements and standards for performance appraisals, which are used, in part, to determine promotions and awards, and our work tracking and assignment system (ticketing). The SES program is being modified for FY2004 to link individual goals even more explicitly to NRC goals. In addition, the ROP characterizes the performance of our licensee partners in an ongoing manner, updating this assessment quarterly. When licensee performance declines, the ROP has predictable, clearcut linkages to regulatory responses which include additional inspection and increased regulatory interface with licensee management. Licensee partners are held accountable for the safety performance of their plants, adherence to all regulatory requirements, and strive to operate in a manner that the ROP will explicitly reflect as acceptable performance.

Evidence: Management Directive 10.137, "Senior Executive Service Performance Management System." Mid-year review of each manager's performance; annual performance review which includes the performance review board compensation adjustments. Example of SES Performance Plan for Chief, Inspection Program Branch. IMC 0305 "Operating Reactor Assessment Program" creates an accountability structure in that licensee's are given quarterly performance reviews that are made public in a clear and understandable manner.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 9%

Explanation: It is the policy of the NRC that agency systems for budget execution and the administrative control of funds conform to policies, procedures, and standards that comply with the requirements set forth in OMB circulars, the Antideficiency Act, the Impoundment Control Act of 1974, Chief Financial Officers Act of 1990, etc. Agency policies and procedures are documented in NRC Management Directive, Volume 4 Financial Management. NRC's Office of the Chief Financial Officer monitors commitments, obligations, and expenditures on a monthly basis and reports findings in monthly and quarterly reports in the Budget Execution Reports. NRC's Office of Nuclear Reactor Regulation tracks funding and staff utilization, and projects annual resource expenditures for the majority of resources in the Inspection and Performance Assessment program through the NRR Rainbow Reports which are issued monthly.

Evidence: NRC Management Directives, Manual Chapter 4.2 Administrative Control of Funds; Budget and Reporting Number Structure Guide; Management Directive and Handbook 10.43, Time and Labor Reporting; monthly Budget Execution Reports; NRR Rainbow Reports; Acquisition Certification and Training program for project managers, technical monitors, and all personnel who are part of the acquisition process as defined in the May 2000 memorandum to Office Directors and Regional Administrators from the Executive Director for Operations.

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Section Scores				Overall Rating
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3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight: 9%

Explanation: As noted in the response to item 2.3, procedures are in place that establish clearcut measures and goals to monitor ROP performance. The annual ROP self-assessment further includes analysis of resources expended as compared to resources budgeted, with established goals as targets. The combined thorough evaluation of performance and cost provides regular insights from which ROP changes to improve efficiency and cost effectiveness have been made and are being made. NRC annually analyzes inspection resources required for preparation, travel, communication, conduct of the inspection, and documentation of results to identify ways to make inspection more efficient and effective. The NRC also formed an efficiency focus group to explore additional ways to achieve efficiency gains within the ROP. Ongoing efficiency evaluations include the consolidation of inspection procedures, the streamlining of the inspection reporting process, and reevaluating the scope and frequency of the annual public meetings.

Evidence: IMC 0307, Appendix A, measure IP-9, "Analysis of Inspection Hours". Commission paper SECY-03-0062, Attachment 7 "ROP Resource Analysis". NRC Letter to Congress on Efficiencies Gained Through Implementation of the ROP, dated March 31, 2003 (ML030690522)

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 9%

Explanation: The NRC collaborates with many other Federal and State regulatory bodies on certain aspects of the Reactor Inspection and Performance Assessment program. For example, NRC works in conjunction with FEMA to provide oversight of Emergency Preparedness activities at and around the power reactor sites. Many states, such as the State of Illinois, regularly participate in inspections of power reactors lead by the NRC. The NRC also collaborates and coordinates internally with other programs related to power reactor oversight, such as the security and safeguards programs run by the Office of Nuclear Safety and Incident Response.

Evidence: Collaboration with FEMA as described in the NRC/FEMA memorandum of understanding, dated August 26, 1993. Per the Atomic Energy Act of 1954, as Amended, Section 274 (i), the Commission in carrying out its licensing and regulatory responsibilities under this Act is authorized to enter into agreements with any State, or group of States, to perform inspections or other functions on a cooperative basis as the Commission deems appropriate. Management Directive 5.2, "Memoranda of Understanding With States." NRC's Policy Statement on "Cooperation With States at Commercial Nuclear Power Plants and Other Nuclear Production or Utilization Facilities" (57 FR 6462, February 25, 1992).

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 9%

Explanation: NRC financial management practices governing control of funds and resource allocation are codified in MD4.2 and are fully implemented by the reactor oversight process (ROP). The adequacy of these practices is reflected in the fact that NRC's financial statements have earned unqualified opinions for nine consecutive years. NRC's cost accounting system was identified as having a material weakness because the system is not in full compliance with SFFAS Number 4 by capturing the full cost of program outputs. NRC is implementing a remediation plan to resolve the instance of non-compliance; all other financial systems are in full compliance. NRC offers a financial management training seminar to staff twice a year on Administrative Control of Funds and Financial Management.

Evidence: NRC's Performance and Accountability Report for FY 2002, Monthly Budget Execution Reports (BER), Quarterly review of BER by top Agency management, NRC Management Directive 4.2, Administrative Control of Funds; NRC Financial Management Seminar, Audit of the Nuclear Regulatory Commission's FY 2002 Financial Statements, OIG-03-A-04.

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Section Scores				Overall Rating
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3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 9%

Explanation: The NRC has identified management challenges for the Reactor Inspection and Performance Assessment program in developing and implementing risk-informed and performance-based regulatory oversight. Actions taken to address these challenges resulted in significant changes and improvements to the program structure and its implementation. For example, during ROP development the assessment process was streamlined and consolidated from three separate processes to one and the core/baseline inspection program was revamped using risk-informed evaluations. Annual program self-assessments have produced improvements as a result of program deficiencies identified and lessons learned, as shown by the last one conducted for CY 2002. The NRC IG has also identified challenges in the implementation of the ROP, which the staff has taken actions to address. A recent internal employee survey aimed at determining trends in the NRC's 'safety culture identified certain areas where improvement could be made. The NRC created a task force to review this safety culture survey and they published a report with recommendations (NRC Safety Culture & Climate, ADAMS number ML031630816), for which the staff comment period is still open.

Evidence: NRC Management Directive 4.4; Annual Reasonable Assurance Statements; FY2002 Performance and Accountability Report. NRC MD 8.14, "Agency Action Review Meeting," IMC 0305, "Operating Reactor Assessment Program," SECY-03-0062, "Reactor Oversight Process Self-Assessment for CY2002," SECY-00-0049, "Results of the Revised Reactor Oversight Process Pilot Program," IMC 0307, "Reactor Oversight Process Self-Assessment Program"; Management Challenges Appendix of Budget Estimates and Performance Plan FY 2004; OIG-03-A-02, Inspector General's Assessment of the Most Serious Management Challenges Facing NRC, NRC Safety Culture & Climate, ADAMS number ML031630816.

3.RG1 **Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?** Answer: YES Question Weight: 9%

Explanation: In support of the program, the rulemaking process at the NRC takes into account the views of the affected parties, recognizes the public's interest in the proper regulation of nuclear activities, and provides opportunities for citizens to make their opinions known. The NRC seeks to elicit public involvement early in the regulatory process so that safety concerns that may affect a community can be resolved in a timely and practical manner. All rulemakings provide the public with at least one opportunity for comment. Often, there are several opportunities. In some cases, NRC holds meetings and workshops before a proposed rule is drafted so that members of the public can express their concerns early in the process. Sometimes, the NRC may publish an Advance Notice of Proposed Rulemaking in the Federal Register to obtain public comments and provide clarification of certain issues before developing a proposed rule. NRC is subject to the Small Business Regulatory Enforcement Fairness Act, thus evaluating any expected impact on small businesses.

Evidence: NRC Regulations Handbook, NUREG/BR-0053 and NRC Regulatory Analysis Guidelines, NUREG/BR-0058. The handbooks assist NRC staff in drafting and preparing rulemaking documents for publication in the Federal Register. LIC 300, Rulemaking Procedures and Commission White Paper and SRM to SECY-98-144, Risk-informed and Performance-Based Regulations, dated March 1,1999. The following rulemakings pertinent to the Reactor Inspection and Performance Assessment program requested public participation and are stored in the NRC Document Management system ADAMS under the following accession nos. - ML021080576, ML021300030, & ML022630007.

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1	2	3	4	Effective
100%	78%	100%	83%	

3.RG2 **Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates R** Answer: YES Question Weight: 9%

Explanation: NRC is covered by SBREFA and the Regulatory Flexibility Act and is in full compliance with their requirements on applicable rulemakings. For example, the final Fee Rule for FY2003 (10CFR Parts 170 and 171), contains a Regulatory Flexibility Analysis and a SBREFA determination. As an independent agency, NRC is not bound by the Unfunded Mandate Reform Act, or for the most part, by Executive Order 12866. The one exception is the requirement in the Executive Order to regularly post the overall agency regulatory agenda, which the NRC does in full compliance with the order. However, as a matter of normal practice, the NRC performs cost-benefit analyses on proposed rules which are not on matters of immediate safety concern. The NRC's guidance directs the analyst to use OMB's Regulatory Impact Analysis Guidance, Appendix V in Regulatory Program of the United States Government: April 1, 1992 - March 31, 1993, and Benefit-Cost Analysis of Federal Programs; Guidelines and Discounts, Circular No. A-94, Federal Register, Vol. 57, November 10, 1992, pp. 53519-53528.

Evidence: 6/18/2003 Federal Register Notice 1010 CFR Parts 170 and 171 Revision of Fee Schedules; Fee Recovery for FY2003; Final Rule". SECY-00-0111. Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission, NUREG/BR-0058, Rev. 3, July 2002 The following proposed rulemakings pertinent to the Reactor Inspection and Performance Assessment program prepared regulatory impact analyses and are stored in the NRC Document Management system ADAMS under the following accession nos. - ML021080807, ML022630028, ML021080576, ML021300030, & ML022630007.

3.RG3 **Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?** Answer: YES Question Weight: 9%

Explanation: As fostered by Commission policy, and in recognition of risk insights, the NRC has undertaken various efforts to review its regulations to reduce unnecessary regulatory burden and ensure consistency with NRC goals. For example, the NRC has embarked on a number of rulemakings to risk-inform requirements in 10 CFR Part 50. Significant examples include the revision to 10 CFR 50.44 and the proposed addition of 10 CFR 50.69. Most recently, the NRC has been engaged in an initiative to improve the coherence among its risk-informed regulatory programs. As part of this effort, the NRC will be systematically looking at its regulations to determine whether they are built on a unified safety concept (and consistent with our performance goals) and are properly integrated. This effort is using information from the ROP to identify candidate areas where our regulations and our risk-informed oversight process may not be fully compatible.

Evidence: SECY-98-300, Options for Risk-informed Revisions to 10 CFR Part 50, December 23, 1998; SECY-00-0198, Status Report on Study of Risk-informed changes to 10 CFR Part 50, September 14, 2000; SECY-02-0176 Proposed Rule Risk-informed Categorization and Treatment of Structures, systems and components, September 30, 2002; SECY-02-0080 Proposed Rule Risk-informed revision to 10 CFR 50.44, Combustible Gas Control, May 13, 2002; SECY-02-0057, 4th Status Report on Study of Risk-informed changes to 10 CFR Part 50, March 29, 2002; SECY-03-0044, Update to Risk-informed Implementation Plan, March 21, 2003; Meeting Summary March 28, 2003 on Coherence (ML031210499); LIC-300 Rulemaking Procedures; White Paper, Risk-Informed and Performance-based Regulations, SRM to SECY-98-144, dated March 1, 1999; SECY-00-0191, High-level Guidelines for Performance-based Activities, September 1, 2000.

Program Assessment Rating Tool (PART)

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Effective
100%	78%	100%	83%	

- 3.RG4** **Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity?** Answer: YES Question Weight: 9%
- Explanation:** NRC conducts regulatory impact analyses (RIAs) to determine whether proposed changes maximize benefits. NRC guidance states that OMB maintains that the regulatory analysis should select the regulatory alternative that achieves the greatest present value-the discounted monetized value of expected net benefits. The NRC guidance also states 'Selecting the alternative with the largest net value is consistent with obtaining the largest societal gain from among the alternatives analyzed. However, not all benefits can be quantified; and in some cases qualitative benefits were determined to justify the costs. Examples of significant RIAs are noted under Evidence.
- Evidence:** Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission, NUREG/BR-0058, Rev. 3, July 2002. Some of the supporting RIAs for rulemakings pertinent to the Reactor Inspection and Performance Assessment program are stored in the NRC Document Management system ADAMS under the following accession nos. - ML021080807 and ML022630028.
- 4.1** **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: YES Question Weight: 16%
- Explanation:** The Reactor Inspection and Performance Assessment program has achieved its long term strategic goal to prevent radiation related deaths and illnesses, promote the common defense and security, and protect the environment in the use of civilian nuclear reactors. As previously discussed, the effectiveness of the program in achieving these goals has been the subject of frequent independent evaluations. While areas of program improvement have been noted, and the NRC continues to work to improve the program, these evaluations have concluded that the program is effective at providing reasonable assurance of the adequate protection of public health and safety.
- Evidence:** The program has met all of its strategic goal measures as demonstrated on page 36 of the FY2002 Performance and Accountability Report. For the results of independent evaluations, reference IIEP report dated May 10, 2001 (ML011290025, attachment 4 to SECY-01-0114), PPEP report dated December 21, 1999, (ML993550449, attachment 2 to SECY-00-0049), as well as ACRS letters dated March 13, 2003 (ML030730366) and February 13, 2002 (ML020500775), and the OIG report dated August 21, 2002 (Review of NRC's Significance Determination Process, OIG-02-A-15).

Program Assessment Rating Tool (PART)

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Effective
100%	78%	100%	83%	

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight: 16%

Explanation: The Reactor Inspection and Performance Assessment program has achieved its performance goal of maintaining safety at operating power reactors as demonstrated through achieving the five annual performance measures for this goal. The key program partners are the four NRC regional offices, which commit to and achieve this goal through their regional operating plans. Measures reflecting industry performance also link external partners to the program. Systematic integration of licensee performance into ROP programmatic and resource decisions occurs routinely as described in MD 8.14 and as documented in the annual ROP self-assessment Commission Papers. Also as described in the annual Commission Papers, the staff has been successful at identifying ways to continually improve the program. Examples include pursuing improved performance indicators and continuing to revise the Significance Determination Process to make it more effective. However, as previously discussed, appropriate targets for continuous improvement and cost effectiveness have not been able to be established.

Evidence: The program has met all of its performance goal measures for maintaining safety as demonstrated on page 37 of the FY2002 Performance and Accountability Report. Measures on industry performance are shown on pages 32 and 33 of the FY2002 Performance and Accountability Report. MD 8.14 describes the NRC's Agency Action Review Meeting Process. SECY-03-0062 and SECY-03-0057 document the NRC's most recent assessments of the ROP and the industry trends programs respectively. Commission paper SECY-03-0062 also describes the results of evaluating the program against its annual self-assessment performance measures to identify areas for continued improvement and increased effectiveness.

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: YES Question Weight: 16%

Explanation: NRC has taken several steps to continuously evaluate the Reactor Inspection and Performance Assessment program to identify ways to make it more cost efficient. Resource analyses conducted as part of the annual ROP self-assessment have demonstrated improved efficiencies and cost effectiveness in each of its three years of program implementation. The staff has identified methods to make inspection preparation and documentation more efficient, and has also identified certain inspection procedures that can be conducted together, possibly requiring less resources. These efficiency gains were recognized by identifying a 15 FTE resource savings that could be applied to the conduct of the Baseline Inspection program effective for FY 2004 and beyond.

Evidence: Commission paper SECY-03-0062 Attachment 7 "ROP Resource Analysis". FY2004 Budget Estimates and Performance Plan, page 52.

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: LARGE EXTENT Question Weight: 16%

Explanation: During the development of the ROP inspection program, the NRC benchmarked the concepts with similar programs in the Environmental Protection Agency and the Federal Aviation Administration. The purpose was to glean insights into how these agencies incorporated risk into their inspection programs.

Evidence: Commission Paper SECY-99-007, Attachment 3, dated January 8, 1999

Program Assessment Rating Tool (PART)

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Effective
100%	78%	100%	83%	

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: YES Question Weight: 16%

Explanation: Recent reports from the Advisory Committee on Reactor Safeguards and the Office of the Inspector General have indicated that the ROP is generally effective, though suggested improvements were noted. The Pilot Program Evaluation Panel and Initial Implementation Evaluation Panel also provided favorable results with some noted improvements. External stakeholders have responded favorably to the ROP as a significant improvement over the previous oversight programs.

Evidence: Reference SECY-03-0062, as well as ACRS letters dated March 13, 2003 (ML030730366) and February 13, 2002 (ML020500775), and the OIG report dated August 21, 2002.

4.RG1 Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits? Answer: YES Question Weight: 16%

Explanation: The NRC Regulatory Impact Analysis (RIA) Guidelines state that the value-impact analyses must consider implementation of the regulation both upon affected entities and on the NRC. These RIAs are subject to public comment. The NRC Office of Nuclear Reactor Research has also conducted a number of look-back studies on the regulatory effectiveness of particular regulations. Examples include: (1) Section 50.63- Loss of all alternating current (Station Blackout); (2) 50.62, Requirements for reduction of risk from anticipated transients without scram; and (3) Option B of Appendix J (Containment Leak Rate Testing). For each study, a draft version of the report was circulated for both internal NRC and external comment before finalization. Examples of this are noted under Evidence Section.

Evidence: Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission, NUREG/BR-0058, Rev. 3, July 2002; Station Blackout Study (ML003741781); Anticipated Transient Without Scram Study (ML011200001), and 10 CFR 50 Appendix J Study (ML023100201)

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation

Measure: No nuclear reactor accidents

Additional Information: Defined as those accidents which result in substantial damage to the reactor core, whether or not serious offsite consequences occur.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2002	0	0	
2003	0	0	
2004	0		
2005	0		

Measure: No breakdowns of physical security that significantly weaken the protection against radiological sabotage or theft or diversion of special nuclear materials in accordance with abnormal occurrence criteria.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2002	0	0	
2003	0	0	
2004	0		
2005	0		

Measure: No deaths resulting from acute radiation exposures from nuclear reactors

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2002	0	0	
2003	0	0	
2004	0		

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment

Agency: Nuclear Regulatory Commission

Bureau: Office of Nuclear Reactor Regulation

Measure: No deaths resulting from acute radiation exposures from nuclear reactors

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2005	0		

Measure: No events at nuclear reactors resulting in significant radiation exposures

Additional Information: Significant radiation exposures defined as those that result in unintended permanent functional damage to an organ or physiological system.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2002	0	0	
2003	0	0	
2004	0		
2005	0		

Measure: No radiological sabotage at nuclear reactors

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2002	0	0	
2003	0	0	
2004	0		
2005	0		

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment

Agency: Nuclear Regulatory Commission

Bureau: Office of Nuclear Reactor Regulation

Measure: No events that result in releases of radioactive material from nuclear reactors causing a adverse impact on the environment

Additional Information: Releases that have the potential for an adverse impact is taken to mean those that exceed the reporting limits given by Abnormal Occurrence Criterion 1.B.1 of Appendix B to 10 CFR Part 20.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2002	0	0	
2003	0	0	
2004	0		
2005			

Measure: No more than one event per year identified as a significant precursor of a nuclear accident

Additional Information: Such events have a probability of 1/1000 or greater of leading to a reactor accident.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2002	1 or less	0	
2003	1 or less	0	
2004	1 or less		
2005	1 or less		

Measure: No statistically significant adverse industry trends in safety performance

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2002	0	0	
2003	0	0	
2004	0		
2005	0		

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment

Agency: Nuclear Regulatory Commission

Bureau: Office of Nuclear Reactor Regulation

Measure: No events resulting in radiation overexposures from nuclear reactors that exceed applicable regulatory limits

Additional Information: Overexposures are those that exceed limits as provided by 10 CFR 20.2203(a)(2)

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2002	0	0	
2003	0	0	
2004	0		
2005	0		

Measure: No more than three releases per year to the environment from nuclear reactors that exceed the regulatory limits

Additional Information: Releases that have a 30-day reporting requirement under 10 CFR 20.2203(a)(3)

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2002	3 or less	0	
2003	3 or less	0	
2004	3 or less		
2005	3 or less		

Program Assessment Rating Tool (PART)

Program: CTAC Counterdrug Research & Development
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Research and Development

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	30%	70%	7%	Demonstrated

1.1 Is the program purpose clear?

Answer: YES

Question Weight: 20%

Explanation: ONDCP's authorizing statute directs the CounterDrug Technology Assessment Center (CTAC) to serve as the central counterdrug technology research and development organization of the United States Government. The statute also specifies the following six specific responsibilities of CTAC: identify and define the short-, medium-, and long-term scientific and technological needs of Federal, State, and local drug supply reduction agencies; identify demand reduction basic and applied research needs and initiatives; in consultation with affected National Drug Control agencies, prioritize the needs identified according to fiscal and technological feasibility; oversee and coordinate counter drug technology initiatives with related activities of other Federal civilian and military departments; provide support to the development of the national drug control performance measurement system; and submit requests to Congress for the reprogramming or transfer of funds appropriated for counter drug technology research. Grant authority appears to be derived from annual appropriations acts.

Evidence: Authorizing Statute (21USC1703); various annual appropriations acts.

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight: 20%

Explanation: In FY 2004 more than ten Federal drug control agencies requested \$1B for drug-related research, the overwhelming majority of which was for demand reduction research. The potential for overlap, inadequate coordination, and missed opportunities is substantial. CTAC's responsibility is to attempt to alleviate these potential problems.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP); discussions with ONDCP staff.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

Answer: YES

Question Weight: 20%

Explanation: ONDCP/CTAC's R&D responsibilities do not excessively overlap with other Federal programs. The responsibility for coordinating Federal counterdrug technology research and development is CTAC's alone. The R&D funding that it provides is less than 2% of Federal funds for drug control research. In recent years, the majority of that funding has been used to provide neuroimaging technologies to research centers that support the efforts of NIDA-funded research teams to further the knowledge related to substance abuse and addiction.

Evidence: Authorizing Statute (21USC1703); CTAC Research and Development Blueprint Update, 2003 (ONDCP)

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?

Answer: YES

Question Weight: 20%

Explanation: The CTAC R&D program is free from major design flaws and there is no evidence that another approach to coordinating Federal drug control research would produce better results.

Evidence: Authorizing Statute (21USC1703)

Program Assessment Rating Tool (PART)

Program: CTAC Counterdrug Research & Development
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Research and Development

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	30%	70%	7%	Demonstrated

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: NO Question Weight: 20%

Explanation: ONDCP does not prioritize R&D proposals submitted to CTAC by Federal agencies. Annual meetings of the Interagency Working Group for Technology (IAWG-T), which is comprised of representatives from each of the Federal drug control agencies, is reported to be the established mechanism for meeting this responsibility. At those meetings, participating agencies propose research and development projects to meet their needs. Those proposals that have multi-agency support are included in a Broad Agency Announcement (BAA), which requests proposals for all the R&D needs identified by the IAWG-T members. However, there is no evidence from the program documents that the needs identified by the IAWG-T are prioritized by ONDCP/CTAC. Responses to the BAAs are reviewed by agency staff and other experts to determine whether they are possible within the resources available and other experts and to assess the technical merits of the proposal.

Evidence: CTAC Research and Development Blueprint Update, 2003 (ONDCP); discussions with ONDCP/CTAC staff.

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight: 10%

Explanation: CTAC has recently established long-term performance measures that reflect the two goals of the R&D program: improving the quality of drug abuse and drug addiction research and improving the quality of drug-related criminal investigations. Although the measures are output measures, they are appropriate for R&D programs due to the often very long-term and indirect effects of funded research.

Evidence: ONDCP FY 2005 Performance Plan and discussions with ONDCP/CTAC staff.

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight: 10%

Explanation: CTAC does not currently have specific targets and timeframes in place for its R&D grant component. However, targets and timeframes are under development.

Evidence: ONDCP FY 2005 Performance Plan and discussions with ONDCP/CTAC staff.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 10%

Explanation: CTAC has recently established annual measures that reflect the two goals of the R&D program: improving the quality of drug abuse and drug addiction research and improving the quality of drug-related criminal investigations.

Evidence: ONDCP FY 2005 Performance Plan and discussions with ONDCP/CTAC staff.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight: 10%

Explanation: CTAC does not currently have baselines and targets in place for all of its R&D annual measures. However, targets and timeframes are under development.

Evidence: ONDCP FY 2005 Performance Plan and discussions with ONDCP/CTAC staff.

Program Assessment Rating Tool (PART)

Program: CTAC Counterdrug Research & Development
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Research and Development

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	30%	70%	7%	

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: NO Question Weight: 10%

Explanation: CTAC long-term and annual goals have been established very recently and CTAC does not currently have procedures in place to require grantees to commit those goals. CTAC is developing those procedures at this time.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan)

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: NO Question Weight: 10%

Explanation: There has not been an independent evaluation of CTAC's responsibilities other than the 1998 GAO report.

Evidence: "Drug Control: Planned actions Should Clarify Counterdrug Technology Assessment Center's Impact," GAO (February 1998)

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight: 10%

Explanation: ONDCP has not provided budget requests that make clear the impact of funding, policy, or legislative decisions on expected performance and explains why the requested performance/resource mix is appropriate. This is largely due to the absence of adequate program performance measures in past years.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight: 10%

Explanation: CTAC has established acceptable long-term and annual performance measures, is developing baselines, targets, and timeframes for those measures, and has committed to improving program descriptions and documentation made available to the public.

Evidence: Discussions with ONDCP staff.

2.CA1 Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity? Answer: Question Weight: 0%

Explanation:

Evidence:

Program Assessment Rating Tool (PART)

Program: CTAC Counterdrug Research & Development
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Research and Development

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	30%	70%	7%	Demonstrated

- 2.RD1** **If applicable, does the program assess and compare the potential benefits of efforts within the program to other efforts that have similar goals?** Answer: NO Question Weight: 10%
- Explanation: No comparisons with other programs appear to have been made. Information provided by CTAC only describes other programs and offers no assessments of their relative benefits.
- Evidence: Information provided by CTAC on other agency programs is found in Appendix C of the CTAC Research and Development Blueprint Update, 2003 (ONDCP) .
- 2.RD2** **Does the program use a prioritization process to guide budget requests and funding decisions?** Answer: NO Question Weight: 10%
- Explanation: As indicated in response to question 1.5 above, ONDCP does not prioritize R&D proposals submitted to CTAC by Federal agencies.
- Evidence: CTAC Research and Development Blueprint Update, 2003 (ONDCP); discussions with ONDCP/CTAC staff.
- 3.1** **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 10%
- Explanation: ONDCP/CTAC holds monthly and quarterly meetings with technical and contracting agents to review progress and plans for funded projects. Although these meetings do not review true outcome information, the R&D programs are assessed on the use of process measures.
- Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan)
- 3.2** **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: NO Question Weight: 10%
- Explanation: CTAC contracting technical agents have full authority to terminate any project for cost, schedule or performance reasons and that it has periodically recalled funds from an agent for cost, schedule or performance reasons pending resolution of identified issues. However, ONDCP has not incorporated performance measures into the performance standards for CTAC staff.
- Evidence: The assessment is based on discussions with the agency and program manager vacancy announcements.
- 3.3** **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 10%
- Explanation: CTAC uses interagency agreements to transfer appropriated funds to its technical and contracting agents. These agreements are prepared in advance of apportionment so that funding may be transferred as soon as it becomes available. There have been no negative findings from audits or other financial reviews.
- Evidence: Treasury reports on obligations.

Program Assessment Rating Tool (PART)

Program: CTAC Counterdrug Research & Development
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Research and Development

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	30%	70%	7%	

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: NO Question Weight: 10%

Explanation: Currently, CTAC does not have any efficiency measures and targets, such as per-unit cost of outputs, timing targets, program overhead costs, average times to fund competitive awards, or other indicators of efficient and productive processes germane to the program.

Evidence: Discussions with ONDCP staff.

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 10%

Explanation: CTAC participates in periodic reviews, meetings, and other forums sponsored by agencies with related programs. CTAC uses these meetings to identify research needs and issues BAAs seeking proposals to address those needs.

Evidence: Discussions with ONDCP staff.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 10%

Explanation: CTAC's Technical and Contracting agents, are audited by the Defense Contract Audit Agency. No material internal control weaknesses, reports of erroneous payments, or the failure of financial management systems to meet statutory requirements have been identified.

Evidence: Army Audit Agency (AAA) audits, per ONDCP Financial Management Staff.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 10%

Explanation: CTAC has committed to improving program descriptions and documentation made available to the public.

Evidence: Discussions with ONDCP staff.

3.CA1 Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals? Answer: NA Question Weight: 0%

Explanation:

Evidence:

3.CO1 Are grants awarded based on a clear competitive process that includes a qualified assessment of merit? Answer: YES Question Weight: 10%

Explanation: CTAC's technical and contracting agents use competitive procurement procedures (Broad Agency Announcements, Sources Sought and RFPs) to contract for R&D efforts. Each proposal is evaluated by government subject matter experts and awards are based on best overall value to the government.

Evidence: Review of CTAC Broad Agency Announcements (BAA), discussions with ONDCP staff.

Program Assessment Rating Tool (PART)

Program: CTAC Counterdrug Research & Development
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Research and Development

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	30%	70%	7%	

- 3.CO2 Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight: 10%
- Explanation: CTAC holds monthly meetings with technical and contracting agents to report on overall progress. In accordance with CTAC's requirements, these agents hold quarterly program reviews for each project.
- Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.
- 3.CO3 Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: NO Question Weight: 10%
- Explanation: Development program. However, the measures were just recently established and there are no performance data available. Previous performance measures were reported annually in the CTAC "Blueprint." However, that information was very limited.
- Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.
- 3.RD1 For R&D programs other than competitive grants programs, does the program allocate funds and use management processes that maintain program quality?** Answer: NA Question Weight: 0%
- Explanation: The CTAC R&D program is a competitive grant program.
- Evidence: Discussions with ONDCP staff, program documents.
- 4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight: 20%
- Explanation: CTAC has recently established adequate long-term performance measures but has not yet developed the targets and time frames for those measures.
- Evidence: Discussions with ONDCP staff.
- 4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight: 20%
- Explanation: CTAC has recently established adequate annual measures performance measures but has not yet developed the targets and time frames for those measures.
- Evidence: Discussions with ONDCP staff.

Program Assessment Rating Tool (PART)

Program: CTAC Counterdrug Research & Development
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Research and Development

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	30%	70%	7%	

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: NO Question Weight: 20%

Explanation: No evidence of any efficiency measures and targets, such as per-unit cost of outputs, timing targets, program overhead costs, average times to fund competitive awards, or other indicators of efficient and productive processes germane to the program.

Evidence: Discussions with ONDCP staff.

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: NO Question Weight: 20%

Explanation: There has been no comparison of CTAC's R&D program to similar programs run by other agencies.

Evidence: Discussions with ONDCP staff.

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: NO Question Weight: 20%

Explanation: There has been no independent evaluation of CTAC's responsibilities other than the 1998 GAO report.

Evidence: Discussions with ONDCP staff.

4.CA1 Were program goals achieved within budgeted costs and established schedules? Answer: Question Weight: 0%

Explanation:

Evidence:

PART Performance Measurements

Program: CTAC Counterdrug Research & Development

Agency: Office of National Drug Control Policy

Bureau: Office of National Drug Control Policy

Measure: Number of peer-reviewed publications based on CTAC-funded research. (Under development)

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	Define Goal	Done	
2004	Establish Targets		

Measure: New research institutions equipped within budget and on-time. (Under development)

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003	Define Goal	Done	
2004	Establish Targets		

Measure: Percentage of systems developed by CTAC that are purchased by Federal LEAs, thereby validating the project as useful to and supported by client agencies. (Under development)

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	Define Goal	Done	
2004	Establish Targets		

Measure: Percentage of CTAC supply-reduction R&D funding allocated to agency-identified projects. (Under development)

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003	Define Goal	Done	
2004	Establish Targets		

Program Assessment Rating Tool (PART)

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	38%	60%	11%	

1.1 Is the program purpose clear?

Answer: YES

Question Weight: 20%

Explanation: The general purpose of ONDCP's CTAC Technology Transfer Program is to provide technologies directly to state and local law enforcement agencies (LEAs). However, the lack of authorizing language clearly describing the purpose of the program resulted in varied definitions of the program purpose. ONDCP has developed a mission statement for the Technology Transfer Program that establishes the purpose of the program as "transferring technologies to state and local law enforcement agencies that may otherwise be unable to benefit from the developments due to limited budgets or a lack of technological expertise to expand the investigative capabilities of state and local law enforcement.

Evidence: ONDCP FY 2004 Congressional Budget Submission/Performance Plan; CTAC Research and Development Blueprint Update, 2003; and various annual appropriations acts.

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight: 20%

Explanation: Salaries and general overhead constitute the largest share of State and local law enforcement agency (LEA) budgets and leave relatively little for the purchase of drug-crime fighting technologies. In addition, local political considerations often make it difficult for local law enforcement officials to purchase needed technology rather than hiring additional officers. CTAC funds the development, testing, and distribution of effective investigative technology to help supplement LEA budgets.

Evidence: Historically, surveys and censuses of local law enforcement agency budgets by the Bureau of Justice Statistics (BJS) have found that approximately 85 percent of the typical agency's budget is allocated to salaries and other general overhead expenses, leaving little funding available to procure technologies to expand investigative capabilities. According to BJS staff, recent surveys haven't been asking for that data because there was relatively little variation in the responses received.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

Answer: YES

Question Weight: 20%

Explanation: There are other Federal programs that either directly transfer technology to State and local law enforcement agencies or provide funds to purchase equipment, but those programs are sufficiently distinct from the TTP that there is no substantial overlap. For example, the \$190M Law Enforcement Technology Program, part of the Justice Department's Community Oriented Policing Services (COPS) program, provides funding for law enforcement technology. However, these grants are typically used for administrative equipment rather than investigative equipment and are intended to move officers from paperwork to spending more time on the street. For example, an August 2000 NIJ study indicated that 79 percent of COPS technology grant recipient agencies used funds for the purchase of mobile computers. In addition, unlike many State and local assistance grant programs, the appropriation for the TTP has not been earmarked by the Congress for specific grantees.

Evidence: "National Evaluation of the COPS Program Title I of the 1994 Crime Act," National Institute of Justice. Discussions with ONDCP staff.

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?

Answer: YES

Question Weight: 20%

Explanation: There is no clear evidence that another approach or mechanism would be a more efficient/effective mechanism to transfer investigative technology to state and local law enforcement agencies.

Evidence:

Program Assessment Rating Tool (PART)

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	38%	60%	11%	

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: NO Question Weight: 20%

Explanation: The lack of authorizing language has caused ambiguity concerning purpose and intended beneficiaries of the program. As a result, ONDCP has operated the program essentially on a first-come, first-served basis. ONDCP has begun to developing procedures to target its resources more effectively, including devising a means to improve the ability to distinguish the relative merits of the requests received.

Evidence: ONDCP FY 2004 Congressional Budget Submission/Performance Plan and CTAC Research and Development Blueprint Update, 2003.

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight: 12%

Explanation: ONDCP has established a new long-term performance measure for the technology transfer program - - the percentage of recipient agencies that report improvement relative to officer safety, investigative capability, and investigative effectiveness from use of CTAC sponsored equipment and training.

Evidence: ONDCP FY 2004 Congressional Budget Submission/Performance Plan; CTAC Research and Development Blueprint Update, 2003; and discussions with ONDCP staff.

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight: 12%

Explanation: This is a new target, and ONDCP has not established a baseline due to lack of relevant information. Baselines will be established following a review of data collected from TTP recipients during FYs 2003 and 2004.

Evidence: ONDCP FY 2004 Congressional Budget Submission/Performance Plan; CTAC Research and Development Blueprint Update, 2003; and discussions with ONDCP staff.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 12%

Explanation: ONDCP has established new annual performance measures for the technology transfer program. These measures include: Maintain administrative expenses at less than 10 percent of total program funds expended; provide 95% of TTP recipients with equipment they report has provided a technological solution to an investigative requirement; and provide 95% of TTP recipients with training in use of the TTP equipment they report was adequate based on experience using the equipment in the field.

Evidence: ONDCP FY 2004 Congressional Budget Submission/Performance Plan; CTAC Research and Development Blueprint Update, 2003; and discussions with ONDCP staff.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight: 12%

Explanation: This is a new target, and ONDCP has not established a baseline due to lack of relevant information. Baselines will be established following a review of data collected from TTP recipients during FYs 2003 and 2004.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP); discussions with ONDCP staff.

Program Assessment Rating Tool (PART)

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	38%	60%	11%	

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: NO Question Weight: 12%

Explanation: ONDCP has just recently developed adequate long-term and annual measures for the TTP and there has not been sufficient time for CTAC partners to review and commit to the goals. Previously, ONDCP did not have adequate measures for the CTAC program. Consequently, the program must receive a "no" answer for this question.

Evidence: See above.

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: NO Question Weight: 12%

Explanation: There has not been an independent evaluation of CTAC's TTP.

Evidence: Discussions with ONDCP staff.

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight: 12%

Explanation: ONDCP has not provided budget requests that make clear the impact of funding, policy, or legislative decisions on expected performance and explain why the requested performance/resource mix is appropriate. This is largely due to the absence of adequate program performance measures in past years.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan)

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight: 12%

Explanation: ONDCP staff have begun to define a limited number of specific, ambitious long-term performance goals and a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals. ONDCP staff have also committed to improving the information that the TTP collects and using that information to review program performance.

Evidence: Discussion with ONDCP staff.

Program Assessment Rating Tool (PART)

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	38%	60%	11%	

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: NO Question Weight: 10%

Explanation: Until the Summer of 2003, ONDCP did not have meaningful, ambitious performance targets for the CTAC TTP and has relied on survey responses from TTP recipients as a gauge of the program's performance. The measures generally reflect only customer satisfaction, are limited in both number and scope, and rely exclusively on unverified self-reported responses from TTP recipients. There is no indication these data have been used to improve program performance. ONDCP has agreed to improve the management measures and to collect and analyze them on a regular basis in the future.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: NO Question Weight: 10%

Explanation: ONDCP procedures governing the distribution of CTAC funds includes a broad description of services to be provided by the entities that serve as CTAC agents, including: special instructions placing restrictions on funds to be spent for travel and administrative support; details on reporting requirements; a termination clause; and a requirement that the agent adhere to DOD regulations for program and financial management. However, performance standards for ONDCP managers who are responsible for achieving key TTP program results have not been established.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 10%

Explanation: CTAC uses interagency agreements to transfer appropriated funds to its technical and contracting agents. These agreements are prepared in advance of apportionment so that funding may be transferred as soon as it becomes available. There have been no negative findings from audits or other financial reviews.

Evidence: Treasury reports on obligations.

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight: 10%

Explanation: ONDCP established efficiency measures and targets for the TTP in Summer of 2003. That measure requires ONDCP to keep administrative costs to less than 10% of program expenditures.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan)

Program Assessment Rating Tool (PART)

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	38%	60%	11%	

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 10%

Explanation: CTAC staff participate in organizations established by LEAs such as the TPC (Technology Policy Council) chaired by the National Institute of Justice and technology committees of the IACP (International Association of Chiefs of Police) and NSA (National Sheriff's Association). CTAC also attends Advanced Planning Briefings to Industry such as those held by TSWG (Technical Support Working Group - DOD). These meetings enable ONDCP to identify technologies desired by law enforcement.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 10%

Explanation: CTAC's Technical and Contracting agents, as members of the Department of Defense use DOD financial management practices. No material internal control weaknesses, reports of erroneous payments, or the failure of financial management systems to meet statutory requirements have been identified.

Evidence: Army Audit Agency (AAA) audits, per ONDCP Financial Management Staff.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 10%

Explanation: ONDCP staff have begun to define a limited number of specific, annual performance goals and measures. ONDCP staff have also committed to reviewing and revising where necessary the information that the TTP collects to determine program performance.

Evidence: Discussions with ONDCP staff.

3.CO1 Are grants awarded based on a clear competitive process that includes a qualified assessment of merit? Answer: NO Question Weight: 10%

Explanation: ONDCP operates an aggressive outreach program for the TTP and applications to the program are reviewed on a first-come, first-served basis. ONDCP requires that each request be reviewed by one of ten active-duty law enforcement officers. These reviewers provide their expert judgment as to whether: the technologies requested will improve the operational capabilities of the requesting department or organization; the organization has the requisite infrastructure to integrate the technology into its daily operations; and the equipment is too complex for the organization. However, because the requests for assistance have exceeded the available funding, many LEAs cannot be given the equipment requested. ONDCP is working to establish adequate criteria to weigh the relative merit of applications.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.

Program Assessment Rating Tool (PART)

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	38%	60%	11%	Demonstrated

- 3.CO2 Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight: 10%
- Explanation: ONDCP contracts with five former-senior law-enforcement officials to follow-up with recipient agencies. ONDCP also requires recipients to complete an "evaluation" 90-, 180-, and 270-days after receiving the technology. The 90-, 180-, and 270-day evaluation forms request specific objective and quantifiable data regarding results achieved with use of TTP equipment. Agencies also provide information on the number of cases in which TTP equipment was employed and details of specific operational experience with the technology. ONDCP is also developing more relevant post-award data collection to improve its knowledge of grantee activities.
- Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP); discussions with ONDCP staff.
- 3.CO3 Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: NO Question Weight: 10%
- Explanation: A series of evaluation forms are collected from recipient agencies but they are not regularly analyzed and are not made available to public in an accessible manner, such as via a web site or widely available program reports. The lack of public access to such data, and other CTAC information, has been a consistent problem with the CTAC programs. ONDCP has committed to improving all forms of CTAC communication with the public.
- Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP); discussions with ONDCP staff.
- 4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight: 33%
- Explanation: ONDCP has established a new long-term performance measure for the technology transfer program. However, the measure was just recently established and there are performance data available.
- Evidence: See question 2.1
- 4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight: 33%
- Explanation: ONDCP has established a new annual performance measure for the technology transfer program. However, the measure was just recently established and there are performance data available.
- Evidence: See question 2.3
- 4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: NA Question Weight: 0%
- Explanation: The CTAC TTP program has an established history of using approximately 90% of funding for equipment and training and only small amounts, generally about 10%, being required for administrative costs. Expecting further improvements beyond this level may be unrealistic.
- Evidence: National Drug Control Strategy Counterdrug R&D Blueprint Update, February 2003, (p. 10; "Effectiveness and Interest in the Program")

Program Assessment Rating Tool (PART)

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	38%	60%	11%	

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?

Answer: NA

Question Weight: 0%

Explanation: As stated in response to question 1.3, other Federal programs that either directly transfer technology to State and local law enforcement agencies are sufficiently different from the TTP program that no explicit comparison can be made. In addition, unlike many State and local assistance grant programs, the appropriation for the TTP has not been earmarked by the Congress for specific grantees.

Evidence: See questions 2.1 and 2.3

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

Answer: NO

Question Weight: 33%

Explanation: There has been no independent evaluation of CTAC's TTP.

Evidence:

PART Performance Measurements

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy

Measure: Percentage of agencies that report improved officer safety, investigative capability, and investigative effectiveness due to technologies received from the TTP. (Under development.)

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	Establish Targets	Done	
2004	95%		
2005	95%		
2006	95%		
2007	95%		

Measure: Administrative costs as a percent of total program funds expended.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term (Efficiency Measure)
2003	Establish Targets	Done	
2004	10%		
2005	10%		
2006	10%		
2007	10%		

Measure: Percentage of TTP recipients that report TTP equipment has provided a technological solution to an investigative requirement.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003	Establish Targets	Done	

PART Performance Measurements

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy

Measure: Percentage of TTP recipients that report TTP equipment has provided a technological solution to an investigative requirement.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004	95%		
2005	95%		
2006	95%		
2007	95%		

Measure: Percentage of TTP recipients who report that the training received for use of the TTP equipment was adequate based on experience using the equipment in the field.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003	Establish Targets	Done	
2004	95%		
2005	95%		
2006	95%		
2007	95%		

Program Assessment Rating Tool (PART)

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

1.1 Is the program purpose clear?

Answer: YES

Question Weight: 20%

Explanation: The Drug-Free Communities Act of 1997 established two strategic goals for the Drug-Free Communities Support Program (DFC): (1) reducing substance abuse among youth, and, over time, among adults, by addressing factors in the community that serve either to increase or minimize the risk of substance abuse; and (2) establishing and strengthening collaboration among communities, Federal, state, local and tribal governments and private nonprofit agencies to support community coalition efforts to prevent and reduce substance abuse among youth.

Evidence: 21 USC1521 et seq., as amended; Report Language from the DFC Reauthorization (Rept. 107-175)

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight: 20%

Explanation: Illegal use of controlled substances in the United States remains unacceptably high. According to the Substance Abuse and Mental Health Services Administration (SAMHSA) 2002 National Household Survey on Drug Abuse, 19.5 million Americans ages 12 and older (8.3%) reported using an illicit drug in the month before the survey was conducted.

Evidence: 2001 National Household Survey on Drug Abuse: Volume I, Summary of National Findings; DFC FY03 Grant Funding Announcement (GFA)

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

Answer: YES

Question Weight: 20%

Explanation: The DFC Program provides funds for organizing multiple sectors of a community as a means for reducing and/or preventing substance abuse. There appears to be no other substantial Federal, state, local, or private program that provides grant funds for this purpose. The HHS Substance Abuse Prevention and Treatment Block grant funding is made to the Single State Authority and then passed on to local providers which generally use these funds to deliver direct services to target populations and/or to address specific drug abuse trends. State Incentive Grants (SIG) can only fund a limited number of "science-based" program models. Only one such coalition model (Communities That Care) has been approved for SIG funding. However, due to the \$100K statutory cap on a DFC grant, that model may not be affordable for replication by DFC grantees. Therefore, under a strict interpretation of the funding guidelines of the SIG program, most DFC coalition models are not eligible for funding.

Evidence: Discussions with ONDCP and HHS staff.

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?

Answer: YES

Question Weight: 20%

Explanation: The DFC program uses a competitive grant process to award funds to community anti-drug coalitions. There is no strong evidence that another approach or mechanism would be more efficient/effective to achieve the intended purpose.

Evidence: 21 USC1521 et seq., as amended

Program Assessment Rating Tool (PART)

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: YES Question Weight: 20%

Explanation: The intended beneficiaries of the DFC program are established, broad-based, anti-drug coalitions. Applicants to the program are reviewed explicitly against this criteria in the review process. ONDCP requires DFC applicants to submit an assessment of drug use in their community with their grant applications. These requirements ensure that limited DFC funds are provided only to organizations demonstrating local commitment and resolve to address its drug problem.

Evidence: 21 USC1521 et seq., as amended; Report Language from the DFC Reauthorization (Rept. 107-175); DFC FY03 GFA (Grant Funding Announcement)

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight: 12%

Explanation: The DFC program has identified long-term performance measures that reflect the two statutory purposes of the program -- reducing substance abuse among youth and strengthening community coalition efforts to prevent and reduce substance abuse among youth. The measures related to reducing substance abuse among youth (age of onset; use in the past 30 days; perception of harm; and perception of parental disapproval) are generally accepted by researchers as the best surrogate measures for adolescent drug use. Because of the small size of the DFC grants, the performance of the DFC program will not be measured against national level changes in any of these measures. Rather, the performance will be measured against the extent to which grantees meet the targets identified for their communities.

Evidence: ONDCP Strategic Plan 2002-2008 Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA) FY03 Data Call Documents

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight: 12%

Explanation: As of June 30, ONDCP had established specific quantified targets for establishing and strengthening community coalitions. Those targets had recently been revised to address concerns about whether they were sufficiently ambitious. However, no quantified targets or timeframes had yet been established for the performance measure related to reducing substance abuse among youth. ONDCP expects to have those targets in place prior to submission of the FY 2005 Budget request.

Evidence: ONDCP Strategic Plan 2002-2008 Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA) Discussions with DFC program staff.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 12%

Explanation: The DFC program has identified annual performance measures that directly support the program's long-term goals. Those goals are largely incremental increases toward the long term goal.

Evidence: ONDCP Strategic Plan 2002-2008 Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA) Discussions with DFC program staff.

Program Assessment Rating Tool (PART)

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight: 12%

Explanation: As of June 30, ONDCP had established specific baselines and targets for its annual measures related to establishing and strengthening community coalitions. However, no quantified targets or timeframes had yet been established for the performance measure related to reducing substance abuse among youth. ONDCP expects to have those targets in place prior to submission of the FY 2005 Budget request.

Evidence: ONDCP Strategic Plan 2002-2008 Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA) Discussions with DFC program staff.

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight: 12%

Explanation: DFC grantees and ONDCP's Federal partners (Office of Juvenile Justice and Delinquency Prevention (OJJDP), which administers the DFC Program for ONDCP, and HHS Center for Substance Abuse Prevention (CSAP) which provides technical assistance to grantees) commit to and work toward the annual and long-term measures of the DFC program. The 530 grantees submit semi-annual CAPRs (Categorical Assistance Program Report) to OJJDP with information on how they are meeting their goals and objectives.

Evidence: Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA) CAPR Part I and Part II DFC FY03 GFA (Grant Funding Announcement) National Anti-Drug Coalition Institute Strategic Plan (2003)

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: NO Question Weight: 12%

Explanation: The DFC program has had an independent evaluation in place since 1998. However, the evaluation did not address program performance adequately. After review of the 2002 report, ONDCP concluded that the evaluation required modification to capture the program's intended outcomes adequately. ONDCP has enhanced the original evaluation plan and has taken steps to ensure that the DFC program has a refocused evaluation in place by the end of 2003.

Evidence: ONDCP Strategic Plan 2002-2008 Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA) Discussions with DFC program staff.

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight: 12%

Explanation: ONDCP has not provided budget requests that make clear the impact of funding, policy, or legislative decisions on expected performance and explains why the requested performance/resource mix is appropriate. This is largely due to the absence of adequate program performance measures in past years. A second factor has been the absence in the budget requests of all direct and indirect costs associated with the DFC Program. ONDCP is working to revise its budget presentation for FY 2005 and expect to correct both shortcomings at that time.

Evidence: ONDCP Strategic Plan 2002-2008 Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA) Discussions with DFC program staff.

Program Assessment Rating Tool (PART)

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight: 12%

Explanation: In 2002, ONDCP: requested grantees to track and report on levels of drug use as measured by school-based survey instruments in the target communities; began requiring grantees to submit outcome data on four core measures; notified grantees that continuation funding would be jeopardized if grantees did not provide the outcome data; and began requiring grantees to issue an Annual Report to the Community describing dimensions of local drug use and the coalitions strategies to address this use. ONDCP plans to move the evaluation contract under its direct control, assign additional staff to that effort, and will re-compete the evaluation contract after a new evaluation design and statement of work is developed with the assistance of national evaluation experts.

Evidence: Discussion with ONDCP staff and review of DFC program documentation.

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: NO Question Weight: 10%

Explanation: Currently, ONDCP relies on information collected through the Categorical Assistance Program Reports (CAPR) every six months from all grantees. However, this information is not closely related to the performance of the program. ONDCP recently collected core measure data from all 531 grantees to determine substance abuse rates in grantee communities. This baseline performance data will enable to ONDCP to set meaningful, ambitious targets and measure grantee performance against those targets.

Evidence: Categorical Assistance Progress Report Forms Part 1 and 2; discussions with ONDCP staff

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: YES Question Weight: 10%

Explanation: Grantees are required to establish a system to monitor and report on the performance measures stipulated by ONDCP, including the four measures related to substance abuse among youth. Grantees that fail to make satisfactory progress towards the goals and strategies described in their applications could lose their funding or realize other sanctions. In addition, ONDCP has identified the managers and key staff responsible for achieving key program results and has incorporated the program's performance standards into the rating systems for those managers.

Evidence: DFC FY03 GFA (Grant Funding Announcement); Inter-Agency Agreement (IAA) between ONDCP and OJJDP; IAA between ONDCP and CSAP (for Coalition Institute operations); National Anti-Drug Coalition Institute Strategic Plan (2003); Performance appraisal documents for DFC staff.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 10%

Explanation: DFC appropriated funds have been successfully competed and awarded in a timely manner during the first five years of operation. Only a few serious problems (8 of approximately 540 awards) have arisen with individual grantees regarding the spending of funds and all such problems have been quickly detected and corrected. Administrative cost limits stipulated in the legislation have been met. Funds remaining from a terminated project are returned to the grant pool and are not used for another purpose.

Evidence: SF - 132s, SF -133s, Treasury reports, and OJJDP financial summary reporting forms

Program Assessment Rating Tool (PART)

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?

Answer: YES

Question Weight: 10%

Explanation: In FY 2003, OJJDP instituted new grant application submission procedures using emerging web-based technology. This grants management system (GMS) enables applicants to submit applications electronically and not only enables OJJDP to more efficiently review the applications, but provides the basis for consolidating grantee information for analytical purposes. Contract awards (e.g. for peer review support by OJJDP) are also competed as was the Coalition Institute grant.

Evidence: DFC FY03 GFA; discussions with ONDCP and OJJDP staff; ONDCP Report to Congress on Administrative Costs associated with DFC Program. (July 2001)

3.5 Does the program collaborate and coordinate effectively with related programs?

Answer: YES

Question Weight: 10%

Explanation: State alcohol and drug agencies are major collaborators as coalitions often are part of the state strategic planning process. CSAP, CSAT, and NIAAA are frequent collaborators in a wide range of national and local activities. Private sector organizations such as CADCA, Join Together (Boston University), and several Robert Wood Johnson Foundation supported programs (e.g. Governor's Spouses Initiative to Reduce Underage Drinking) are also key collaborators.

Evidence: Discussions with ONDCP and HHS staff.

3.6 Does the program use strong financial management practices?

Answer: YES

Question Weight: 10%

Explanation: ONDCP's Office of Administration monitors DFC program funds and OJJDP's Office of the Comptroller performs a similar role with individual DFC grant funds. Statutory limits on the expenditure of appropriated funds provide clear guidance on allowable expenditures. OJJDP requires that grantees closely track and report on their spending and matching of grant funds. No material internal control weaknesses have been identified, OJJDP financial management systems meet statutory requirements, and financial information is accurate and timely.

Evidence: Discussions with ONDCP staff; review of program documents.

3.7 Has the program taken meaningful steps to address its management deficiencies?

Answer: YES

Question Weight: 10%

Explanation: In August 2002, ONDCP Director Walters moved the DFC program from the Office of Demand Reduction to the Office of the Deputy Director, who is a recognized expert on community anti-drug coalitions. In recent months, ONDCP has moved to assume the direct supervision of the national evaluation of the program. A new statement of work is in preparation and the new design of the national evaluation will be announced for competitive applications in the fall.

Evidence: Discussions with ONDCP staff.

Program Assessment Rating Tool (PART)

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

3.CO1 Are grants awarded based on a clear competitive process that includes a qualified assessment of merit?

Answer: YES

Question Weight: 10%

Explanation: DFC grants are peer reviewed and independently scored by expert panels selected by OJJDP. Senior OJJDP staff and ONDCP staff then further review the highest scoring applications, ensure that funded applicants do not duplicate operations in an area already served by a funded application, and that the additional statutorily priorities relating to serving economically disadvantaged and rural areas are adequately represented in the cohort recommended for funding.

Evidence: OJJDP Peer Review Guidelines (general guidelines for all OJJDP programs); DFC Peer Reviewers Guide (specific guidance to reviewers); discussions with ONDCP staff.

3.CO2 Does the program have oversight practices that provide sufficient knowledge of grantee activities?

Answer: YES

Question Weight: 10%

Explanation: Program managers at OJJDP are responsible for the oversight and monitoring of DFC grantees. Managers regularly talk with grantees on the phone, engage mail correspondence, review progress reports (CAPRs), and make site visits as appropriate. Furthermore, grantees are in frequent email contact with the administrator at ONDCP and senior staff at OJJDP. Grantees are encouraged to telephone and send email to any senior staff should problems or questions arise. The ONDCP DFC administrator has daily contact with program managers as issues warrant. In addition, the 11 members of the Advisory Commission for Drug-Free Communities, who are appointed by the President, also periodically observe grantee performance and provide feedback and guidance to the Director and Deputy Director of ONDCP

Evidence: Categorical Assistance Progress Report Forms Part 1 and 2; OJJDP Desk Audit Form; OJJDP Site Visit Reports; discussions with ONDCP and OJJDP staff

3.CO3 Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?

Answer: NO

Question Weight: 10%

Explanation: While ONDCP has improved the collection of DFC Program performance data, it has not made it available to the public in a transparent and meaningful manner. ONDCP plans to extract appropriate data from the final five-year summative reports from the FY 1998 cohort of grantees and place it on the DFC website when they are submitted early in FY 2004. At the end of FY 2003 (the five year mark on the program), ONDCP will prepare a summative report that will include all performance data collected and analyzed to date. ONDCP plans to distribute this report in both print and electronic form. Additionally, the new DFC grant application (FY03) requires grantees to present a plan for reporting the best available data to their community on a regular basis.

Evidence: Review of ONDCP and DFC web sites and publications, discussions with ONDCP staff.

Program Assessment Rating Tool (PART)

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: SMALL EXTENT Question Weight: 25%

Explanation: The program has demonstrated some progress in achieving the long-term performance goals related to strengthening collaboration among communities, federal, state, local and tribal governments and private nonprofit agencies to support community coalition efforts to prevent and reduce substance abuse among youth. Performance goals for reducing substance abuse among youth have only recently been established and no quantified targets or timeframes have yet been established.

Evidence: ONDCP Strategic Plan 2002-2008; Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA); discussions with DFC program staff.

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight: 25%

Explanation: The DFC program has demonstrated some progress in achieving the annual targets related to strengthening collaboration among communities, federal, state, local and tribal governments and private nonprofit agencies to support community coalition efforts to prevent and reduce substance abuse among youth. Performance goals for reducing substance abuse among youth have only recently been established and no quantified targets or timeframes have yet been established.

Evidence: ONDCP Strategic Plan 2002-2008; Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA); discussions with DFC program staff.

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: YES Question Weight: 25%

Explanation: With a basically flat administrative budget, the number of active grants that have been funded has grown from about 90 in FY 1998 to more than 600 currently. ONDCP has instituted a new screening process that eliminates non-competitive applications. This new process means that fewer non-competitive applications will undergo the expensive peer review process and that panels will review higher quality applications. This process reduced by approximately 120 applications, the number of applications undergoing peer review, at an estimated cost of more than \$800 per application. ONDCP is also developing an internet-based application system that will permit electronic filing of an application and capturing program baseline and performance data.

Evidence: Review of ONDCP and DFC web sites and publications, discussions with ONDCP staff.

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: NA Question Weight: 0%

Explanation: As described in question 1.3 above, there appears to be no other substantial Federal, state, local, or private programs that provides funds for organizing the community and its multiple sectors as the means for reducing and/or preventing substance abuse. Other Federal programs provide funding directly to service providers for more direct provision of services. While these programs share a common broad goal (reducing substance abuse), the methods they use make them inherently different approaches.

Evidence: Discussions with ONDCP and HHS staff.

Program Assessment Rating Tool (PART)

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: NO Question Weight: 25%

Explanation: As described in question, 2.6 above, the DFC program has had an independent evaluation in place since 1998 but that evaluation did not address program performance adequately.

Evidence: ONDCP Strategic Plan 2002-2008 Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA) Discussions with DFC program staff.

PART Performance Measurements

Program: Drug-Free Communities Support Program

Agency: Office of National Drug Control Policy

Bureau: Office of National Drug Control Policy

Measure: Percent of DFC grantees that report meeting the target established for enhancing the capabilities of community anti-drug coalitions in their communities.

Additional Information: Percent of DFC grantees that report meeting target established in their communities for increasing citizen participation, increased technical capabilities of coalitions or other factors.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	Est. measure	Done	
2004	Establish Targets		

Measure: Percent of DFC grantees that report meeting the target established for enhancing prevention activities in their communities.

Additional Information: Percent of DFC grantees that report meeting target established in their communities for decreasing risk factors, increasing protective factors, or decreasing indicators of substance abuse.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	Est. measure	Done	
2004	Establish Targets		

Measure: Percent of DFC grantees that report meeting the target established for Increase citizen participation in prevention efforts in their communities.

Additional Information: Percent of DFC grantees that report meeting the target established for their coalitions.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003	Design System	Done	
2004	Establish Targets		

Measure: Percent of DFC grantees that report meeting the target established for their coalitions.

Additional Information: Percent of DFC grantees that report meeting the target established for their coalitions.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003	Design System	Done	
2004	Establish Targets		

PART Performance Measurements

Program: Drug-Free Communities Support Program

Agency: Office of National Drug Control Policy

Bureau: Office of National Drug Control Policy

Measure: Increase Coalition capabilities through training

Additional Information: Percent of DFC grantees that report meeting the target established for their coalitions.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003	Design System	Done	
2004	Establish Targets		

Program Assessment Rating Tool (PART)

Program: High Intensity Drug Trafficking Areas (HIDTA)
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	71%	63%	11%	Demonstrated

1.1 Is the program purpose clear?

Answer: no

Question Weight: 20%

Explanation: The purpose of the High Intensity Drug Trafficking Areas (HIDTA) program is to provide Federal assistance to law enforcement agencies located in areas that are drug trafficking centers. However, the focus of the program has weakened over time. The first five HIDTAs, designated in 1990, met then, and still meet, the statutory criteria. Since 1995, twenty-three additional HIDTAs have been designated, almost three a year. HIDTAs are now located in 43 of the 50 States, and the Office of National Drug Control Policy estimates that HIDTAs include more than 13 percent of all counties in the United States. While it is undeniable that there is some level of drug problem in all areas designated as HIDTAs, the sheer magnitude of this expansion raises questions about whether the drug trafficking in all of these areas meets the intent of the statute as enacted. Congressional pressures have been primarily responsible for this expansion.

Evidence: Authorizing language (21 U.S.C. Sec. 1706) and program documents. Section 1706 includes the following factors for consideration when designating a HIDTA: (1) the area is a center of illegal drug production, manufacturing, importation, or distribution; (2) State and local law enforcement agencies have committed resources to respond to the drug trafficking problem in the area, thereby indicating a determination to respond aggressively to the problem; (3) drug related activities in the area are having a harmful impact in other areas of the country; and (4) a significant increase in allocation of Federal resources is necessary to respond adequately to drug related activities in the area.

1.2 Does the program address a specific interest, problem or need?

Answer: yes

Question Weight: 20%

Explanation: The number of current users of illegal drugs (19.5 million persons age 12 and over, or 8.3% of that population) is unacceptably high. Drug-related crime remains unacceptably high also. Disrupting the market for drugs is one of three priorities in the President's National Drug Control Strategy.

Evidence: Designation criteria in the authorizing language clearly identify the specific problem to be addressed. However, some HIDTAs, or parts of HIDTAs, were designated in statute by the Congress and drug-related activities in those areas do not appear to be having a harmful impact in other areas of the country.

1.3 Is the program designed to have a significant impact in addressing the interest, problem or need?

Answer: yes

Question Weight: 20%

Explanation: Program guidance assigns significant authority to local HIDTAs to design and carry out activities that reflect the specific needs of that area. The HIDTA Councils and tasks forces include participants from all Federal law enforcement agencies and from a wide variety of local agencies. ONDCP annually requires each HIDTA to: (1) assess drug threats within its geographic area; (2) prepare strategies and initiatives to address these threats; (3) develop a proposed budget to accomplish its initiatives; and (4) report the details of its accomplishments.

Evidence: Annual submissions of strategy, threat assessments, initiatives and associated budget, and annual report from each HIDTA to OSLA.

Program Assessment Rating Tool (PART)

Program: High Intensity Drug Trafficking Areas (HIDTA)
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	71%	63%	11%	

1.4 Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)? Answer: yes Question Weight: 20%

Explanation: HIDTA programs are intended to provide additional Federal law enforcement resources, including financial assistance to local law enforcement, to establish multijurisdictional task forces in areas that have particularly severe drug problems. (See the four criteria above.) More importantly, operational control of these task forces is not held by Federal law enforcement agencies but is shared jointly with participating State and local agencies through the Executive Council for that HIDTA.

Evidence: Authorizing language and program documents.

1.5 Is the program optimally designed to address the interest, problem or need? Answer: yes Question Weight: 20%

Explanation: There is no evidence that a competitive grant system would work better. Congressional earmarks are problematic.

Evidence: No contrary evidence.

2.1 Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program? Answer: Yes Question Weight: 14%

Explanation: In FY 2003, ONDCP developed a performance measurement system that will be applied to each of the 28 HIDTAs. These measures included "core measures" that each HIDTA is expected to address and "specific threat measures" that reflect the particular focus of each HIDTA's threat assessment and strategy. The HIDTA program's performance will be measured by the extent to which the individual HIDTAs meet the targets established for each.

Evidence: HIDTA Program Policy and Budget Guidance for FY 2003.

2.2 Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals? Answer: Yes Question Weight: 14%

Explanation: ONDCP has established a series of annual goals that reflect significant tasks that must be accomplished and also numerical measures of progress toward the long-term goal.

Evidence: FY 2005 Annual Performance Plan; HIDTA Program Policy and Budget Guidance for FY 2003.

2.3 Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program? Answer: Yes Question Weight: 14%

Explanation: HIDTA program documents specify requirements for participating agencies, including use of the performance system. Participants must agree to these requirements as a condition of receiving funds. In addition, refinement of the system has is being developed by a group of local HIDTA officials.

Evidence: ONDCP Performance Measures of Effectiveness and GPRA documents.

Program Assessment Rating Tool (PART)

Program: High Intensity Drug Trafficking Areas (HIDTA)
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	71%	63%	11%	Demonstrated

2.4 Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives? Answer: Yes Question Weight: 14%

Explanation: At the local level, where resources are allocated to specific task forces, the HIDTA Councils and tasks forces include participants from all Federal law enforcement agencies and from a wide variety of local agencies. At the National level, HIDTA officials have worked closely with Organized Crime Drug Enforcement Task Force (OCDETF) program to improve coordination and program management.

Evidence: Annual HIDTA reports, OCDETF documents

2.5 Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness? Answer: No Question Weight: 14%

Explanation: There has not been an independent evaluation of the HIDTA program.

Evidence: Discussions with HIDTA staff and other ONDCP staff.

2.6 Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known? Answer: No Question Weight: 14%

Explanation: ONDCP is working to align its budget with its programs and performance measures.

Evidence: ONDCP Budget submissions.

2.7 Has the program taken meaningful steps to address its strategic planning deficiencies? Answer: Yes Question Weight: 14%

Explanation: ONDCP modified the HIDTA Program Policy and Budget Guidance includes a chapter on Performance Management. The chapter requires that Core and Specific Threat measures be established for each HIDTA. ONDCP is using \$500K of program funds to begin implementation of a performance measurement system. This use of limited funds for a contract to establish a performance measuring system reflects program managers new commitment to measuring performance.

Evidence: HIDTA budget requests and operating plan.

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: no Question Weight: 12%

Explanation: ONDCP has developed a performance measurement system that will use FY 04 data as a baseline for measuring changes in HIDTA targeting of core and threat specific threats. However, that system is not yet in place.

Evidence: HIDTA Program Policy and Budget Guidance for FY 2003.

Program Assessment Rating Tool (PART)

Program: High Intensity Drug Trafficking Areas (HIDTA)
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	71%	63%	11%	

3.2 Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results? Answer: No Question Weight: 12%

Explanation: HIDTA threat assessments, strategies, and budgets are reviewed at ONDCP for internal consistency, reasonableness, etc. and ONDCP's performance measurement system will make it possible for ONDCP to hold individual HIDTAs responsible for performance for the first time ever. However, there is no evidence that program performance is linked to the performance assessments of key program managers.

Evidence: ONDCP budget requests

3.3 Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: Yes Question Weight: 12%

Explanation: Obligations are timely. In 2001, \$206M was appropriated and \$205M was obligated or transferred to Federal law enforcement agencies within 12 months. Each grant closeout is reviewed by ONDCP to ensure expenditures are aligned properly to the approved budgets. Also, ONDCP reviews all grants prior to grant closeout to ensure funds are reconciled from the grantees financial status reports to the Office of Administration's accounting reports. KPMG has been contracted to perform financial audits on HIDTA funds. First set of final reports resulted in all unqualified opinions on full-scope audits and no major findings on limited-scope audits.

Evidence: SF -133s, HIDTA Operating Plans, Independent audits by KPMG, Inc.

3.4 Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: n/a Question Weight: 0%

Explanation: Very few procurement decisions are made by the HIDTA National Office. Virtually all procurements are approved by the separate HIDTA Executive Councils and completed by the participating agency that will use the equipment/service acquired.

Evidence: HIDTA Operating Plans, GPRA, ONDCP budget submissions

3.5 Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels? Answer: N/A Question Weight: 0%

Explanation: Neither the HIDTA Operating Plan nor ONDCP Budget submissions identify all direct and indirect costs for the program. However, these personnel and overhead costs are so small (approximately \$1M) that they have no significant or measurable effect on the overall program budget.

Evidence: ONDCP Budget submissions

Program Assessment Rating Tool (PART)

Program: High Intensity Drug Trafficking Areas (HIDTA)
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Results Not
80%	71%	63%	11%	Demonstrated

3.6 Does the program use strong financial management practices?

Answer: Yes

Question Weight: 12%

Explanation: Grantees must submit source documentation (such as invoices) along with each reimbursement request to the Natl HIDTA Assistance Center. Desk Audit is performed to ensure that funds are used appropriately in conforming with OMB Cost Principles (A-87) and the HIDTA Program Guidance. An ONDCP Budget Analyst reviews the reimbursement requests before forwarding them to the Office of Admin for payment. In addition, KPMG has been contracted to perform financial audits on HIDTA funds. First set of final reports resulted in all unqualified opinions on full-scope audits and no major findings on limited-scope audits.

Evidence: PriceWaterhouseCoopers management review of ONDCP, KPMG audits

3.7 Has the program taken meaningful steps to address its management deficiencies?

Answer: Yes

Question Weight: 12%

Explanation: In the past two years ONDCP has established a program to audit the individual HIDTA to ensure the program funds are used properly, has intensified the review process of individual HIDTAs, has entered into a contract to help develop a performance measurement system, and has established a performance measurement system as part of its program guidance to grantees.

Evidence: ONDCP Operating plan, budget submissions

3.CO1 Are grant applications independently reviewed based on clear criteria (rather than earmarked) and are awards made based on results of the peer review process?

Answer: yes

Question Weight: 12%

Explanation: Each year ONDCP/HIDTA reviews requests from officials seeking a HIDTA designation for their area and reviews those areas against the established criteria. The review process includes HIDTA national Office staff, former law enforcement officers under contract to ONDCP, and senior law enforcement officials in existing HIDTAs. In recent years, most of the requests have been turned down. For a few years (1996-1998) the Appropriations Acts included specifically designated HIDTAs named by the Congress.

Evidence: Interviews with HIDTA officials, observation of HIDTA reviews, and HIDTA program descriptions.

3.CO2 Does the grant competition encourage the participation of new/first-time grantees through a fair and open application process?

Answer: n/a

Question Weight: 0%

Explanation: The HIDTA program is markedly different from other "competitive grant" programs. The expectation is that a designation of an areas as a HIDTA entails a commitment by the Federal government to provide assistance for an extended period of time.

Evidence:

3.CO3 Does the program have oversight practices that provide sufficient knowledge of grantee activities?

Answer: yes

Question Weight: 12%

Explanation: ONDCP's HIDTA office maintains close contact with local HIDTAs, reviews annual assessment, strategy, and budgets documents thoroughly, performs in-depth field reviews by HQ staff and peers every three years (or more frequently if problems arise), and brings all HIDTAs together annually for a program review and update.

Evidence: Interviews with HIDTA officials, observation of HIDTA reviews, and HIDTA program descriptions.

Program Assessment Rating Tool (PART)

Program: High Intensity Drug Trafficking Areas (HIDTA)
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
80%	71%	63%	11%	

- 3.CO4 Does the program collect performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: No Question Weight: 12%
- Explanation: ONDCP has implemented a performance measurement system that will use FY 04 data as a baseline for measuring changes in HIDTA targeting of core and threat specific threats. However, that system is not yet in place.
- Evidence: GPRA Reports and HIDTA website
- 4.1 Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?** Answer: No Question Weight: 33%
- Explanation: ONDCP has established goals for individual HIDTAS and is in the process of developing specific targets for the national program. However, these measures are new and no performance data are available.
- Evidence: HIDTA Program Policy and Budget Guidance for FY 2003; discussions with ONDCP staff.
- 4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: small extent Question Weight: 33%
- Explanation: ONDCP's performance measurement system for the HIDTA program is too new to have performance data. However, the first goal --establishing a performance measurement system -- has been met.
- Evidence: GPRA documents, HIDTA Operating Plans, discussions with HIDTA and ONDCP staff
- 4.3 Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?** Answer: n/a Question Weight: 0%
- Explanation: Efficiency measures are not appropriate for law enforcement programs. In addition, all of ONDCP FTEs are inherently governmental and therefore exempt from competitive sourcing requirements.
- Evidence: Efficiency measures that are not appropriate for law enforcement include cost per arrests, seizure, or investigation. Targets are generally not accepted for these types of measures and are not helpful in determining a law enforcement program's effectiveness.
- 4.4 Does the performance of this program compare favorably to other programs with similar purpose and goals?** Answer: n/a Question Weight: 0%
- Explanation: No similar programs
- Evidence: Discussions with HIDTA and ONDCP staff
- 4.5 Do independent and quality evaluations of this program indicate that the program is effective and achieving results?** Answer: No Question Weight: 33%
- Explanation: There has not been an independent evaluation of the HIDTA program.
- Evidence: Discussions with HIDTA and ONDCP staff

PART Performance Measurements

Program: High Intensity Drug Trafficking Areas (HIDTA)

Agency: Office of National Drug Control Policy

Bureau:

Measure: Number of individual HIDTAs that meet performance goals established for core measures of anti-drug efforts

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	Design System	Done	
2004	Establish Targets		

Measure: Number of individual HIDTAs that meet performance goals established for the specific threat assessment developed by the HIDTA.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	Design System	Done	
2004	Establish Targets		

Program Assessment Rating Tool (PART)

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not
100%	67%	70%	6%	Demonstrated

- 1.1 Is the program purpose clear?** Answer: yes Question Weight: 20%
Explanation: The "Drug Free Media Campaign Act of 1998" directs ONDCP to conduct a national media campaign to reduce and prevent drug abuse among young people in the United States.
Evidence: Authorizing statute "Drug Free Media Campaign Act of 1998." (21 USC 1801 et. seq.)
- 1.2 Does the program address a specific interest, problem or need?** Answer: yes Question Weight: 20%
Explanation: Current rate of drug use among youth (12-17) is unacceptably high (11.6%) and has increased since the early 1990s. Stopping drug use before it starts is one of three priorities in the President's National Drug Control Strategy. Research has established the efficacy of using public service announcements (PSAs) in public health campaigns, e.g., smoking cessation and seat belt use.
Evidence: National Household Survey on Drug Use and Health (SAMHSA)
- 1.3 Is the program designed to have a significant impact in addressing the interest, problem or need?** Answer: yes Question Weight: 20%
Explanation: The National Youth Antidrug Media Campaign (NYADMC) accounts for the majority of current antidrug advertising in the traditional mass media and other less traditional venues. The Campaign's FY 2003 budget includes \$121M for purchase of media time and space, and that amount must be matched by the media with contributions of advertising time/space or related in-kind services. Prior to the inception of the Media Campaign in 1998, the value of antidrug (PSAs) funded through private sources had declined from approximately \$360M in 1990 and 1996 to approximately \$260M.
Evidence: Media Campaign Operating Plan, Partnership for Drug Free America (PDFA)
- 1.4 Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?** Answer: yes Question Weight: 20%
Explanation: The Media Campaign is the principal source for consistent reinforcing messages across a variety of media and for messages aimed at specific target audiences that may be difficult to persuade with standard messages. In addition, since the Campaign purchases time and space, it is able to place ads in broadcast prime time and in desirable locations. Ads provided by broadcasters and others as public service announcements are often shown during periods when there are few viewers/listeners.
Evidence: See number three.
- 1.5 Is the program optimally designed to address the interest, problem or need?** Answer: yes Question Weight: 20%
Explanation: The Campaign acquires time/space by contracting with established advertising company. Content of ads is generally provided pro bono through arrangement with not-for-profit organization. ONDCP lacks staff with the specialized skills to perform these tasks.
Evidence: No contrary indications.

Program Assessment Rating Tool (PART)

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	67%	70%	6%	

- 2.1 Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: yes Question Weight: 11%
- Explanation: In response to the 2002 OMB PART review, ONDCP revised the Campaign's logic model and significantly changed its long-term and annual performance measures. These new measures were included in ONDCP's FY 2004 and FY 2005 GPRA plans.
- Evidence: ONDCP Strategic Plan, FY 2004 Performance Plan, Annual Performance Reports (1999-2001), and Campaign Communications Strategy Statement.
- 2.2 Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?** Answer: yes Question Weight: 11%
- Explanation: In response to the 2002 OMB PART review, ONDCP revised the Campaign's logic model and significantly changed its long-term and annual performance measures. These new measures were included in ONDCP's FY 2004 and FY 2005 GPRA plans.
- Evidence: Annual Performance Plans and Reports
- 2.3 Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?** Answer: no Question Weight: 11%
- Explanation: The Media Campaign's two major contracts are "cost plus fixed-fee," rather than performance-based, although the Campaign is currently exploring the possibility of issuing the upcoming re-competition of the non-advertising contract as a performance-based contract. Currently, contractors are held accountable only for meeting process goals and other goals that are not directly related to the outcome measures established by ONDCP.
- Evidence: Discussions with ONDCP legal staff.
- 2.4 Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?** Answer: yes Question Weight: 11%
- Explanation: ONDCP Campaign staff have established working relationships with related programs (e.g., Drug Free Communities, HHS treatment and research programs, and law enforcement).
- Evidence: Media Campaign Operating Plan, discussions with staff from other agencies, and review of web sites.
- 2.5 Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?** Answer: yes Question Weight: 11%
- Explanation: A comprehensive long-term independent evaluation is being conducted under a NIDA contract; reports are issued semiannually. The NIDA contract has expired and discussions are underway about the design of a replacement evaluation.
- Evidence: Evaluation of the National Youth Anti-Drug Media Campaign (NIDA).

Program Assessment Rating Tool (PART)

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	67%	70%	6%	

2.6 Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known? Answer: no Question Weight: 11%

Explanation: ONDCP is working to align its budget with its programs and performance measures.

Evidence: Communications Strategy Statement; ONDCP Strategic Plan and Annual Performance Plans and Reports

2.7 Has the program taken meaningful steps to address its strategic planning deficiencies? Answer: yes Question Weight: 11%

Explanation: In May 2002, following the receipt of the semi-annual report detailing the disappointing results of the Campaign, ONDCP: increased testing of ads prior to airing them; targeted ads to a different age group; began involving ONDCP staff more directly in the message development process; and directed the Media Campaign staff to report directly to the ONDCP Director. In FY 2003, ONDCP redesigned its long-term and annual performance measures and goals.

Evidence: Revised Media Campaign Operating Plan

2.CAP1 Are acquisition program plans adjusted in response to performance data and changing conditions? Answer: yes Question Weight: 11%

Explanation: After reviewing the results of the most recent NIDA-managed evaluation, which showed that the Campaign was not yet having the desired effect on youth anti-drug attitudes and behaviors, several changes were made to the Campaign, including shifting the emphasis to a different age group, involving ONDCP staff more directly in the production process, focusing more on marijuana, and developing and airing more ads directed towards youth, rather than parents.

Evidence: Media Campaign documents, ONDCP press release

2.CAP2 Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule and performance goals? Answer: no Question Weight: 11%

Explanation: No documentation of a comprehensive trade-off analysis is available.

Evidence:

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: yes Question Weight: 10%

Explanation: ONDCP has used the semi-annual reports from the NIDA contract to begin significant changes to Campaign operations. In addition, contract staff revise ad copy and adjust media buys in response to feedback about the effectiveness of specific ads.

Evidence: Annual Performance Plans and Reports; Media Campaign Operating Plan

Program Assessment Rating Tool (PART)

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	67%	70%	6%	

- 3.2 Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?** Answer: no Question Weight: 10%
- Explanation: These is no apparent linkage of program performance to agency managers or to program contractors.
 Evidence: Discussions with ONDCP staff.
- 3.3 Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: yes Question Weight: 10%
- Explanation: Obligations are timely. In 2002, \$180M was appropriated and \$170M (94%) was obligated within 12 months. In addition, agency reviews led to questioning contractor vouchers for approximately \$7.6M. Contractor later settled by reimbursing Government \$700,000 and dropping \$1.1M in unsubstantiated charges.
 Evidence: SF - 132s, SF -133s, Treasury reports. and GAO.
- 3.4 Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: yes Question Weight: 10%
- Explanation: The Media Campaign utilizes competitive sourcing to select contractors to complete the advertising and non-advertising aspects of the Campaign. Both of the campaign's major contractors were chosen through a full and open contract solicitation process and awarded contracts based on "best value" (a combination of past performance, cost, and strength of proposal).
 Evidence: GPRA documents
- 3.5 Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?** Answer: n/a Question Weight: 0%
- Explanation: Neither the Media Campaign Operating Plan nor ONDCP Budget submissions identify all direct and indirect costs for the program. However, these personnel and overhead costs are so small (approximately \$1M) that they have no significant or measurable effect on the overall program budget.
 Evidence: FY 2002 Media Campaign Operating Plan and ONDCP budget requests
- 3.6 Does the program use strong financial management practices?** Answer: yes Question Weight: 10%
- Explanation: Questionable labor cost billings by principal contractor for the Campaign were challenged by the ONDCP contract manager and not approved. Principal problem was due to HHS Program Support Center issuing contract without requiring contractor to have in place adequate accounting system for government contracts.
 Evidence: GAO review of Media Campaign contract management; PricewaterhouseCoopers management review of ONDCP.

Program Assessment Rating Tool (PART)

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not
100%	67%	70%	6%	Demonstrated

3.7 Has the program taken meaningful steps to address its management deficiencies?

Answer: yes

Question Weight: 10%

Explanation: In May 2002, following the receipt of disappointing results in the semi-annual report, ONDCP: increased testing of ads prior to airing them; targeted ads to a different age group; began involving ONDCP staff more directly in the message development process; and directed the Media Campaign staff to report directly to the ONDCP Director.

Evidence: Discussions with Media Campaign staff and others.

3.CAP1 Does the program define the required quality, capability, and performance objectives of deliverables?

Answer: yes

Question Weight: 10%

Explanation: Since the spring of 2002, 100 percent of Media Campaign TV ads have been tested prior to airing. Advertising developed under this new standard first aired in October of 2002. ONDCP has worked closely with PDFA and its advertising contractor to develop specific processes for the development and testing of all advertising.

Evidence: Discussions with Media Campaign staff and others.

3.CAP2 Has the program established appropriate, credible, cost and schedule goals?

Answer: yes

Question Weight: 10%

Explanation: Cost and schedule estimates for the contract used to purchase the advertising space and time (\$121M) are now being reviewed and validated by an independent entity outside the program. A procedure is in place for an outside review of the costs associated with new ad development.

Evidence: Discussions with Media Campaign staff and others.

3.CAP3 Has the program conducted a recent, credible, cost-benefit analysis that shows a net benefit?

Answer: no

Question Weight: 10%

Explanation: No cost benefits analysis has been performed.

Evidence: Discussions with Media Campaign staff and others.

3.CAP4 Does the program have a comprehensive strategy for risk management that appropriately shares risk between the government and contractor?

Answer: no

Question Weight: 10%

Explanation: Campaign contracts: (1) do not have a comprehensive risk management plan that identifies technical, cost, and schedule risks and describes how these risks will be isolated, minimized, monitored, and controlled, and (2) are not selected using contracts and pricing mechanisms that provide appropriate incentives for contractors to meet cost, schedule and performance goals.

Evidence: Discussions with Media Campaign staff and others.

Program Assessment Rating Tool (PART)

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not
100%	67%	70%	6%	Demonstrated

4.1 Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)? Answer: no Question Weight: 16%

Explanation: ONDCP has established goals for the Media Campaign. However, progress toward the long-term goal will be reviewed against the final the NIDA-managed evaluation that provides longitudinal data assessing the effect of exposure to the Media Campaign against youth attitudes and behavior. Long term measure established only this year; no long-term progress to demonstrate, only annual.

Evidence: ONDCP Strategic Plan, FY 2004 Performance Plan, Annual Performance Reports (1999-2001), and Campaign Communications Strategy Statement.

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: Small Extent Question Weight: 16%

Explanation: Annual goals have been established but progress towards these measures will not be available until the final NIDA evaluation report is made available. Unless similar questions are asked in any subsequent evaluations, new annual measures will be needed.

Evidence: ONDCP Strategic Plan, FY 2004 Performance Plan, Annual Performance Reports (1999-2001).

4.3 Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year? Answer: no Question Weight: 16%

Explanation: The Media Campaign does not have efficiency measures and targets, such as per unit cost of outputs, timing targets, or other efficiency and productivity indicators.

Evidence: Media Campaign Operating Plan

4.4 Does the performance of this program compare favorably to other programs with similar purpose and goals? Answer: no Question Weight: 16%

Explanation: Although there is no closely comparable Federal program (in terms of target audience, behavior change sought, etc.) there have been a number of other media efforts designed to change the public's behavior in health-related matters. An analysis of 48 other such health behavior-change efforts found an average short-term effect that "roughly translates" into 9% more people performing the desirable behavior after exposure to the media effort than before.

Evidence: "A Meta-analysis of U.S. Health Campaign Effects on Behavior: Emphasize Enforcement, Exposure, and New Information, and Beware the Secular Trend," L.B. Snyder and M.A. Hamilton,

4.5 Do independent and quality evaluations of this program indicate that the program is effective and achieving results? Answer: no Question Weight: 16%

Explanation: Outcome data from the evaluation suggest little or no direct positive effect on youth behavior and attitudes attributable to the Campaign to date. Perhaps some positive effect on parental attitudes/behavior but that has not yet translated into an effect on youth.

Evidence: Evaluation of the National Youth Anti-Drug Media Campaign (NIDA).

Program Assessment Rating Tool (PART)

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Capital Assets and Service Acquisitio

Section Scores				Overall Rating
1	2	3	4	Results Not
100%	67%	70%	6%	Demonstrated

4.CAP1 Were program goals achieved within budgeted costs and established schedules?

Answer: no

Question Weight: 16%

Explanation: See numbers 1 and 2.

Evidence: See numbers 1 and 2.

PART Performance Measurements

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:

Measure: Increase the percentage of youth (12-18) who believe here is great risk of harm from regular marijuana use

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	Establish target	Done	
2004	62%		
2005	62.9%		
2006	63.8%		
2007	64.8%		

Measure: Maintain the percentage of parents who report holding strong beliefs that parental monitoring will make it less likely their child will use any drug

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	Establish target	Done	
2004	47.2%		
2005	47.2%		
2006	47.2%		
2007	47.2%		

Measure: Decrease the percent of 10th graders who report being current users of marijuana

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	Establish target	Done	

PART Performance Measurements

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:

Measure: Decrease the percent of 10th graders who report being current users of marijuana

**Additional
Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2004	18.4%		
2005	18.1%		
2006	17.9%		

OMB Program Assessment Rating Tool (PART)
Direct Federal Programs

Name of Program: **Federal Employees Group Life Insurance (FEGLI)**

Section I: Program Purpose & Design (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Is the program purpose clear?</i>	Yes	FEGLI was created to make available group life insurance to Federal employees. However, OPM has not focused on the role it plays in overall compensation and recruitment and retention (R and R) efforts.	P. L. 83-598 (August 17, 1954), P.L. 96-427, and P.L. 105-311.	30%	0.3
2	<i>Does the program address a specific interest, problem or need?</i>	Yes	FEGLI is a benefit that helps to sustain the financial viability of survivors of deceased Federal employees and retirees. However, it is not clear what part it plays in the Federal Government's overall compensation and R and R efforts.	Over 90 percent of medium and large private sector employers offer some life insurance. The take-up rate is high for basic coverage (87 percent of employees; 92 percent of annuitants).	20%	0.2
3	<i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	No	It is OPM's responsibility to develop and maintain a contemporary employee compensation and benefits package to enable the Government to compete for talented human resources. However, it is not clear how significant a role FEGLI plays in that effort.	At the present time, OPM does not collect the data necessary to make this determination.	20%	0.0
4	<i>Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?</i>	No	While FEGLI has certain features not comparable to the private sector (e.g., pre-existing conditions are not a limit to participation), it is not clear how it aids in the Government's compensation and R and R efforts.	Life insurance is readily available in the private market at prices that are generally competitive with FEGLI premiums. However, the private sector does offer a wider range of insurance products.	10%	0.0
5	<i>Is the program optimally designed to address the interest, problem or need?</i>	No	We cannot say one way or another at this time. Further evaluation/review is necessary.	While OPM has limited individual questions in employee surveys, it has not been collecting generalizable data on how well FEGLI is designed to address employee needs.	20%	0.0
Total Section Score					100%	50%

Section II: Strategic Planning (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?</i>	No	There are no ambitious long-term performance goals that focus on outcomes related to improving and/or enhancing the overall compensation package and R and R.	At the present time, OPM considers the stable financial viability of the Program and the receipt of consistently clean audit opinions as its most significant long-term goals for the FEGLI Program.	15%	0.0
2	<i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	No	FEGLI lacks long-term outcome goals focused on R and R. However, OPM has set specific performance goals that focus on outputs. Because the purpose and administration of the Program are enumerated in statute, these performance goals are strictly process oriented.	There are no long-term goals to demonstrate against. However, OPM does have annual goals. For example, in 2001, 99.5 percent of claims were paid accurately, with a 99.7 percent accuracy rate (expressed as a percentage of \$'s paid). In addition, timeliness for claims payments were on average 5.7 days.	20%	0.0
3	<i>Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?</i>	Yes	All program partners are held accountable through contractual requirements to meet annual performance goals for the standards OPM set. Under the program, MetLife is responsible for meeting OPM set accuracy levels and claims processing times.	MetLife contract.	20%	0.2
4	<i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	No	OPM rarely coordinates and/or collaborates with VA or DoD life insurance programs. While these programs are not identical to the FEGLI program, they are related in that they both serve populations associated with Federal service.		5%	0.0
5	<i>Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?</i>	No	OPM has not undertaken a comprehensive, independent, quality evaluation of the program as it relates to the Government's overall compensation package and R and R.	On the process side, Deloitte and Touche continues to report an unqualified audit opinion on FEGLI-related MetLife financial activities. KPMG then uses this info. to audit OPM's financial statements.	10%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
6	<i>Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?</i>	No	FEGLI Fund resources are not aligned with program goals on the mandatory side, as appropriate R and R goals have not yet been developed. However, OPM's FEGLI discretionary administrative (\$1.3 million) budget is activity based and is aligned with program goals, and FEGLI's performance measures reflect its sensitivity to resource fluctuations.	On the discretionary side, Performance Based Budgeting and effective resource management has enabled the organization to increase efficiency and maintain high levels of customer satisfaction in an environment of static funding.	20%	0.0
7	<i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	No	OPM has not undertaken a comprehensive, independent, quality evaluation of the program (in terms of long-term strategic planning) as it relates to the Government's overall compensation package and R and R.	The evaluations needed to begin to improve strategic planning have not yet taken place.	10%	0.0
Total Section Score					100%	20%

Section III: Program Management (Yes,No, N/A)						
	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?</i>	Yes	OPM routinely collects, reports on, and tracks production data and information. This information is made available to managers who evaluate program performance and identify opportunities to enhance program measures or indicators.	OPM's Management Information Branch and Quality Assurance Group work with the MetLife to collect and analyze performance data on timeliness and accuracy of benefit payments.	20%	0.2
2	<i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	Yes	The Performance Management System for Managers and Supervisors include performance goals and milestones for which they are each held accountable.	As an example, OPM's managers and supervisors are evaluated on FEGLI's audit opinion and level of erroneous payments.	10%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
3	<i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	Yes	OPM's Federal Financial Management System is a transaction driven system that permits both budgetary and proprietary accounts to be recorded in a timely manner. The contractor draws on a letter of credit account at Treasury to pay claims and administrative expenses. This "draw down" is done on a checks cleared basis and must be justified in advance.	In FY 2001, MetLife paid an average of \$1.8 billion in claims in an average of 5.7 days. Periodic OPM IG audits and annual independent financial audits serve to verify that funds are spent for the intended purpose.	10%	0.1
4	<i>Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?</i>	Yes	The majority of FEGLI administration is currently outsourced to a commercial entity. The contract has not been recompeted since its original award in the mid-1950's. The contract contains a performance clause that establishes an expectation that the contact will remain with MetLife except for nonperformance.	Direct comparisons between MetLife and other commercial life insurance products are difficult due to the Program's statutory foundation, benefits design, and the methodology for determining premiums.	10%	0.1
5	<i>Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?</i>	Yes	The administrative costs OPM incurs in monitoring the Program are borne by the various offices where representative staff engage in actuarial, policy, eligibility determination, and certification activities. All budget projections include estimated funds needed for administration, support for operations, accruing costs of Federal retirement, and other overhead costs.	Total administrative costs were \$9.5 million (or five-thousandths of one percent of total benefit costs - - or \$2.40 per covered life) in FY 2001. Administrative costs incurred by MetLife were \$7.5 million. OPM's costs to monitor the contract, develop actuarial valuations, and to provide guidance and information to agencies totaled almost \$2.0 million.	20%	0.2
6	<i>Does the program use strong financial management practices?</i>	Yes	FEGLI is audited annually by an independent financial accounting firm. Actuarial valuations of the program are also subject to an annual independent audit.	For the fourth consecutive year KPMG issued an unqualified audit opinion on the FEGLI financial statements. The auditors reported no material internal control weaknesses.	20%	0.2
7	<i>Has the program taken meaningful steps to address its management deficiencies?</i>	Yes	No management deficiencies have been identified by internal/independent auditors.	OPM has processes in place to track production data and mitigate failure by bringing needed corrective action(s) to managers' attention.	10%	0.1
Total Section Score					100%	100%

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
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1	<i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i>	No	There are no long-term performance goals that focus on outcomes related to the overall compensation package and R and R. OPM's focus has been on maintaining the high level of service provided, through oversight and administrative/process outputs.		25%	0.0
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Long-Term Goal I: Target: Actual Progress achieved toward goal:
Long-Term Goal II: Target: Actual Progress achieved toward goal:
Long-Term Goal III: Target: Actual Progress achieved toward goal:

2	<i>Does the program (including program partners) achieve its annual performance goals?</i>	No	OPM's annual Performance and Accountability report continues to validate that the annual goals set for the FEGLI Program have been achieved. However, FEGLI has no long-term goals to demonstrate against.	However, FEGLI did meet its annual goals targets for accuracy of claims paid, accuracy as a percent of dollars paid, and timeliness of claims.	25%	0.00
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Key Goal I: Timeliness of Life Insurance Claims Payments (in days) Performance Target: 10 (FY 2001 and FY 2002). An increase of 0.2 days (or 2 percent) over a base of 10.2 in FY 2000. Actual Performance: 5.7 in FY 2001, 6.0 in FY 2002
Key Goal II: Accuracy of Life Insurance Claims Payments as a Percentage of Number Paid Performance Target: 99.5 percent (FY 2001 and FY 2002). No change from FY 2000 performance of 99.5 percent. Actual Performance: 99.6 percent in FY 2001, 99.7 percent in FY 2002.
Key Goal III: Performance Target: Actual Performance:

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
3	<i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i>	Yes	FEGLI is managed and operated efficiently, within established performance targets for timeliness, accuracy and cost. MetLife's administrative expenses are limited by annual negotiations.	Administrative costs were \$9.5 million on \$1.8 billion claims paid. Benefits were paid timely and accurately.	30%	0.30
4	<i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i>	N/A	Not applicable. OPM does not collect and/or analyze performance data on/from other types of life insurance products.	Unlike other private life insurance products, FEGLI does not limit participation due to pre-existing conditions or certain life style practices.	0%	
5	<i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	small extent	Only on an annual operating basis. OPM has not undertaken a comprehensive, independent, quality evaluation of the program as it relates to the Government's overall compensation package and R and R.	On the process side, for the fourth consecutive year KPMG issued an unqualified audit opinion on the FEGLI financial statements. The auditors reported no material internal control weaknesses.	20%	0.07
Total Section Score					100%	37%

OMB Program Assessment Rating Tool (PART)

Direct Federal Programs

Name of Program: **Federal Employees Retirement Program**

Section I: Program Purpose & Design (Yes, No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Is the program purpose clear?</i>	Yes	The purpose of the Federal civilian retirement program is to provide post-employment income security for employees and their families. It consists of 2 retirement plans which cover over 90% of all Federal civilian employees: 1) the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS).	Authorizing legislation PL 66-125 of May 22, 1920, and PL 99-335 dated June 6, 1986.	30%	0.3
2	<i>Does the program address a specific interest, problem or need?</i>	Yes	Retirement plans are an integral part of the employee compensation package. As an employer, the Federal government must maintain a contemporary employee benefits & compensation package to compete for talented human resources.	Employment-based retirement plans cover more than one-half of all wage and salary workers, and two-thirds of the ERISA workforce.	20%	0.2
3	<i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	Yes	CSRS pre-dates the Social Security (SS) system and was created to remove superannuated employees from the civil service. It is a defined benefit plan and covers employees hired prior to 1984. FERS was created after the Social Security Amendments of 1983 brought all employees hired after 1983 under SS. FERS adopted a nonfederal approach to plan design, including defined benefit and contribution components in addition to SS.	FERSA (PL 99-335) Senate Report 99-166; CRS Report "Federal Retirement Systems: Background and Design Concepts" November 1994; GAO Testimony "Overview of Federal Retirement Programs" May 1995.	20%	0.2
4	<i>Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?</i>	Yes	CSRS and FERS cover the majority of Federal employees and do not duplicate other Federal pension plans; other retirement plans are exclusively available to specific employee groups (e.g., Foreign Service, CIA).	FERS flexible design is intended to help attract and retain a high-performing workforce, and promote mobility of employees in and out of government, especially during mid-career.	10%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	<i>Is the program optimally designed to address the interest, problem or need?</i>	Yes	Typical retirement systems for salaried workers in medium & large-size firms combine SS with an employer-provided pension, and a voluntary savings or 401K plan. FERS includes SS, a defined benefit pension plan and a 401K-like plan, the Thrift Savings Plan.	CRS Report "Federal Civil Service Retirement: Comparing the Generosity of the Federal and Private-Sector Systems" June 1995.	20%	0.2
Total Section Score					100%	100%

Section II: Strategic Planning (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?</i>	No	There are no ambitious long-term performance goals that focus on outcomes, i.e., relate improving and/or enhancing the Federal compensation package to achieving workforce goals.	OPM's strategic program goals and objectives focus on improving administrative process efficiency, maintaining clean audit opinions, and improving customer satisfaction ratings. OPM doesn't adequately coordinate composition and design of Federal compensation and benefits to achieve governmentwide human capital strategic goals and objectives.	20%	0.0
2	<i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	No	The retirement program lacks long-term outcome goals focused on recruitment and retention. OPM has set specific performance goals, but they focus on outputs and are strictly process oriented.	FYI -- In 2001, FERS claims processing averaged 101 days, down from 185 days in 2000, with a 93.8% accuracy rate. Ninety-three percent of customers were "very" or "generally" satisfied with OPM's services.	20%	0.0
3	<i>Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?</i>	N/A	OPM operates the retirement program in-house; little work is contracted out.		0%	

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	<i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	Yes	OPM collaborates with other Federal benefit programs to ensure that Federal benefits aren't duplicated, avoid or reduce erroneous payments, and to inform employees about the benefits each agency manages and administers.	OPM has data-matching agreements with DoD, SSA, VA and Railroad Retirement Board, and participates in Treasury's Death Notification Entry System to reclaim overpayments from financial institutions. Together with SSA, OPM developed the Federal Employees Retirement Calculator available online at www.opm.gov or Firstgov.gov .	10%	0.1
5	<i>Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?</i>	No	OPM doesn't routinely collect information to benchmark its performance managing and administering the Federal retirement plan against like or similar public or private service providers. It also doesn't collect information to assess the effect of retirement plan design on the government's ability to recruit and retain a high-performing workforce.	OPM uses a Quality Assurance Program to monitor various claims processing functions. In 2001, the KPMG-audited erroneous payment rate was .35% of obligations totaling \$47.5 billion.	10%	0.0
6	<i>Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?</i>	Yes	The retirement program's discretionary administrative budget (\$77 million) is activity based and aligned with the program's management and administrative performance goals and so it reflects its sensitivity to resource fluctuations. Retirement Fund resources aren't fully aligned with program goals on the mandatory side, as appropriate strategic workforce goals haven't been developed. However, unlike CSRS, FERS benefits are fully funded as they are earned (full normal cost).	On the discretionary side, Performance Based Budgeting and effective resource management has enabled the organization to increase efficiency and maintain high levels of customer satisfaction in an environment of relatively static funding.	25%	0.3
7	<i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	No	Currently OPM doesn't perform comprehensive, independent, quality evaluations of the program's strategic value as a component of the government's overall compensation package, and its effect on recruiting and retaining the desired workforce.	In FY2004, OPM plans to begin regular, rigorous program evaluations to assess program performance against strategic goals and objectives.	15%	0.0
Total Section Score					100%	35%

Section III: Program Management (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?</i>	Yes	OPM collects real-time operational performance data for program managers to use to assess progress against workload goals & objectives. Customer satisfaction surveys allow OPM to gauge how satisfied retirees & survivors are with the quality of service.	OPM's Management Information Branch and Quality Assurance Group collects and analyzes performance data on timeliness and accuracy of benefit payments.	20%	0.2
2	<i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	Yes	OPM's Performance Management System for Managers and Supervisors includes retirement program performance goals and milestones that are identified in OPM's Annual Performance Plan.	The annual performance review process evaluates the degree to which each manager has met the goals established in their individual work plans. OPM uses performance-based contracts to hold contractor's accountable for meeting timeliness and accuracy standards.	10%	0.1
3	<i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	Yes	OPM's Federal Financial Management System is a transaction driven system that permits both budgetary and proprietary accounts to be recorded in a timely manner.		10%	0.1
4	<i>Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?</i>	Yes	The program is leveraging improved computer and web-based technology to automate re-engineered select paper-intensive processes to reduce costs & increase service quality.	Phase II of the program outsourcing feasibility study is underway and will be completed in Q1 FY2003, and will form the basis for OPM's decision whether or how to outsource commercial activities currently being performed by approximately 700 FTE.	10%	0.1
5	<i>Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?</i>	Yes	The administrative costs OPM incurs in monitoring the program are borne by the various offices where representative staff engage in actuarial, policy, eligibility determination, and claims payment activities. All budget projections include estimated funds needed for administration, support for operations, and other overhead costs.	Total administrative costs were \$77 million on obligations of \$48 billion (or .0016%) in FY 2001.	20%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
6	<i>Does the program use strong financial management practices?</i>	Yes	An independent financial accounting firm audits the program each year. Actuarial valuations of the program are also subject to an annual independent audit.	"Unqualified" audit opinions issued FY1997-2001. Data-matching agreements and computer matching with other benefit-paying programs (e.g., SSA, DoD, VA) and Treasury used to avoid or reduce erroneous payments.	20%	0.2
7	<i>Has the program taken meaningful steps to address its management deficiencies?</i>	Yes	Internal/independent auditors haven't identified any management deficiencies.	OPM has processes in place to track production data and mitigate failure by bringing needed corrective action(s) to managers' attention.	10%	0.1
Total Section Score					100%	100%

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i>	No	There are no long-term performance goals that focus on outcomes related to the overall compensation package and its strategic value in recruiting and retaining the desired workforce. OPM's focus has been on maintaining high customer satisfaction ratings and achieving administrative process efficiency outputs.	FY2004 request and Annual Performance Plan.	20%	0.0

Long-Term Goal I:	Accurate & timely payment to benefit recipients
Target:	payment accuracy for retirement claims is 98%
Actual Progress achieved toward goal:	combined CSRS/FERS claims accuracy rate is 93.5% in FY2001 and 92% in FY2002
Long-Term Goal II:	Cost efficient system
Target:	reduce unit cost of claims processing from \$111 to \$27
Actual Progress achieved toward goal:	On average, unit cost reduced to \$83.71 in FY200; increased to \$89.53 in FY2002
Long-Term Goal III:	Satisfied customers (employees, annuitants, survivors & beneficiaries)
Target:	increase overall annuitant satisfaction from 68% to 95%
Actual Progress achieved toward goal:	by FY2001, customer satisfaction rate increased to 90%

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score																		
2	<i>Does the program (including program partners) achieve its annual performance goals?</i>	No		Annual Performance & Accountability Reports; RSM Capital Asset & Project Plan; Annual Budget requests & Performance Plans; customer satisfaction surveys	20%	0.0																		
<table border="1"> <tr> <td>Key Goal I:</td> <td>Reduce FERS annuity claims processing time</td> </tr> <tr> <td>Performance Target:</td> <td>185 calendar days in FY2001</td> </tr> <tr> <td>Actual Performance:</td> <td>101 calendar days in FY2001</td> </tr> <tr> <td>Key Goal II:</td> <td>Retiring employees receive accurate & consistent benefits counseling</td> </tr> <tr> <td>Performance Target:</td> <td>88% of retiring employees are satisfied with counseling in FY2001</td> </tr> <tr> <td>Actual Performance:</td> <td>88% of retiring employees reported they were satisfied with counseling in FY2001</td> </tr> <tr> <td>Key Goal III:</td> <td>Administrative cost per annuitant</td> </tr> <tr> <td>Performance Target:</td> <td>\$45.00/annuitant in FY2001</td> </tr> <tr> <td>Actual Performance:</td> <td>\$44.83/annuitant in FY2001</td> </tr> </table>							Key Goal I:	Reduce FERS annuity claims processing time	Performance Target:	185 calendar days in FY2001	Actual Performance:	101 calendar days in FY2001	Key Goal II:	Retiring employees receive accurate & consistent benefits counseling	Performance Target:	88% of retiring employees are satisfied with counseling in FY2001	Actual Performance:	88% of retiring employees reported they were satisfied with counseling in FY2001	Key Goal III:	Administrative cost per annuitant	Performance Target:	\$45.00/annuitant in FY2001	Actual Performance:	\$44.83/annuitant in FY2001
Key Goal I:	Reduce FERS annuity claims processing time																							
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Performance Target:	\$45.00/annuitant in FY2001																							
Actual Performance:	\$44.83/annuitant in FY2001																							
Footnote: Performance targets should reference the performance baseline and years, e.g. achieve a 5% increase over base of X in 2000.																								
3	<i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i>	Yes	The retirement program is managed and operated efficiently, within established performance targets for timeliness, accuracy and cost.	See the long-term and annual program administration (process) performance goals listed in Items 1 and 2 above. Administrative costs were \$77 million on \$ 48 billion annuity claims paid.	35%	0.4																		
4	<i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i>	N/A	Unclear. OPM doesn't routinely collect information to benchmark its performance managing & administering the Federal retirement plan against like or similar public or private service providers. It also doesn't collect information to assess the effect of retirement plan design on the government's ability to recruit & retain a high-performing workforce.		0%																			
5	<i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	Large Extent	But only on an annual operating basis. OPM hasn't yet undertaken a comprehensive, independent, quality evaluation of the program as it relates to the Government's overall compensation package and workforce recruitment and retention.	KPMG issued unqualified audit opinions on program financial statements for FY1997-2001. The auditors didn't report any material internal control weaknesses.	25%	0.2																		
Total Section Score					100%	52%																		

Program Assessment Rating Tool (PART)

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Effective
100%	100%	100%	93%	

1.1 Is the program purpose clear?

Answer: YES

Question Weight: 20%

Explanation: The purpose of OIG oversight of the FEHBP is clear. OIG's oversight program is designed to protect the integrity of the health benefits component of the total federal employee compensation package. OIG accomplishes this purpose through (1) audits of health benefits carrier contracts and (2) enforcement activities comprised of criminal investigations of health care providers and persons receiving benefits through FEHBP and administrative sanctions of health care providers who commit violations identified by statute or regulation.

Evidence: Inspector General Act of 1978, as amended [5 U.S.C. App.], provides OIG with audit and investigative jurisdiction for all OPM programs. 5 U.S.C. 8902a establishes administrative sanctions authorities for FEHBP providers. The Federal Employees Health Benefits Acquisition Regulation (FEHBAR) and OPM's contracts with FEHBP carriers establish requirements for their operations. The Homeland Security Act of 2002, P.L. 107-296, section 812, provides permanent law enforcement authority to certain federal offices of inspector general. Executive Order 12805 (May 11, 1992), established the President's Council on Integrity and Efficiency (PCIE) as the governmentwide coordinating body for the offices of inspector general.

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight: 25%

Explanation: Oversight is an essential factor in (a) detecting fraud, waste, and abuse by health care providers and covered persons; (b) assuring that FEHBP carriers comply with their contracts. FEHBP provides health coverage to over 9 million persons and handles in excess of \$24 billion in premiums annually.

Evidence: Based on our experience, erroneous payments totaled approximately \$129 million in FY 2002, or less than 1 percent of total premiums of \$24 billion. Since the beginning of FY 1992, OIG oversight of the FEHBP has resulted in \$1 billion of positive financial impact. OIG review and enforcement activities have verified that fraud by providers and covered persons exists in the FEHBP context. Further, most OIG audits identify deficiencies in contract compliance and funds management by FEHBP carriers.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

Answer: YES

Question Weight: 25%

Explanation: OIG is the only entity that exercises ongoing, systematic oversight of FEHBP. It is specifically empowered by the IG Act to conduct oversight of FEHBP, as well as all other OPM programs. We achieve oversight through audits of FEHBP carriers, criminal investigations of health care providers and FEHBP participants, and administrative sanctions. GAO and the Department of Justice hold governmentwide audit and investigative authority, and complement OIG's efforts.

Evidence: No state or local government, nor any private entity, has the authority to review the FEHBP program. FEHBP contracts represent separate lines of business for all carriers, and are managed under federal regulation. Claims from both providers and covered persons are subject to enforcement under federal law. Criminal violations investigated OIG are adjudicated in the federal court system. Administrative sanctions are imposed under specific federal law and regulations.

Program Assessment Rating Tool (PART)

Program: FEHBP Integrity
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100%	100%	100%	93%	

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: YES Question Weight: 15%

Explanation: At this time, as determined through our peer review process, there are no significant design flaws that hamper the effectiveness of OIG's oversight activities. In addition, we have resolved all material weaknesses previously identified through Federal Manager's Financial Integrity Act (FMFIA) review process .

Evidence: (1) OIG has full statutory authority under the IG Act to conduct independent audits of FEHBP carriers and operations. OIG's audit program complies with the Government Auditing Standards issued by GAO. (2) Homeland Security Act (2002) resolved previous limitations on our investigative operations by providing full criminal law enforcement authority to OIGs. (3) Federal Employees Health Care Protection Act resolved procedural inefficiencies related to earlier administrative sanctions authority and provided OPM with civil monetary penalty authority to recover funds lost to health care fraud through provider violations.

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: YES Question Weight: 15%

Explanation: OIG's responsibility is to provide independent oversight of the FEHBP, for the purposes of improving protecting the integrity of its financial and health care activities. Decisions regarding FEHBP program operations and policies are outside OIG's jurisdiction. OIG's audit and enforcement activities are targeted to detect and prevent wrongdoing that threatens FEHBP's integrity.

Evidence: OIG allocates its resources to oversight activities through processes that include: (1) audit plans based on annual risk analyses and program office input/comment; (2) locating investigative personnel throughout the United States in areas containing the highest concentrations of federal employees and annuitants, thus impacting the highest number of FEHBP transactions; and (3) setting financial thresholds for investigations so that violations representing the most egregious threats to FEHBP integrity are addressed on a priority basis.

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight: 12%

Explanation: (1) Reduce erroneous payments from the FEHBP fund and (2) detect and prevent fraud, waste, and abuse in the FEHB Program.

Evidence: The FEHBP audit cycle is the average number of years between audits of all carriers. By reducing the audit cycle, OIG is able to increase the percentage of FEHBP program funds that it audits each year. (In FY 2000 the actual audit cycle was 4.5 years; the target audit cycle for FY 2004 is 3 years). See chart # 3. By targeting investigations to areas of high FEHBP usage, OIG will increase health care-related investigations of providers or other entities that abuse the federal employees health benefits program. Exclusion-related sanctions regulations were implemented during FY 2003; financial sanctions regulations will be implemented in FY 2004.

Program Assessment Rating Tool (PART)

Program: FEHBP Integrity
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Section Scores				Overall Rating
1	2	3	4	Effective
100%	100%	100%	93%	

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight: 17%

Explanation: (1) Conduct audits of all FEHBP carriers on a 3 year basis; (2) Increase successful investigations (i.e., resulting in conviction, administrative sanction, or recovery of funds) of fraud and abuse by 25 percent in geographical areas containing highest density of program participants; (3) Propose administrative sanctions (either debarment or civil monetary penalty or both) within 6 months against all providers referred through investigative activities.

Evidence: Key long-term measures include (1) Return on Investment [dollars returned to FEHBP trust fund per direct program dollar spent - all OIG programs]: FY 1999 baseline was \$6; FY 2004 target is \$10, an increase of 67%; see chart #1; (2) Positive financial impact [actual recoveries plus management committment to collect questioned costs]; FY 2000 baseline was \$105 million; FY 2004 target is \$143 million, an increase of 36%; see chart #4; (3) Carrier Audit Cycle: FY 2000 baseline was 4.5 years; FY 2004 target is 3.0 years; an improvement of 33%; see chart # 3; (4) Number of FEHBP carriers not audited within 5 years: FY 2000 baseline was 153 or 42% of the universe; FY 2004 target is 76 or 27% of the universe; an improvement of 31%; see chart # 5; and (5) Number of Debarments and Suspensions of Health Care Providers from participating in FEHBP; FY 2000 baseline was 2706; FY 2004 target is 4300; an increase of 59%; see chart # 6. (6) Reduce erroneous payments by 50 percent.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 17%

Explanation: (1) Reduce audit cycle for each category of FEHBP carrier (fee-for-service, community-rated, experience-rated, and employee organization affiliated); (2) Increase numbers of successful investigations in targeted high-density areas; (3) Assess risk profile of all health care providers referred through investigative activities, and propose suspension or debarment of those who pose a risk to FEHBP covered persons within 6 months of referral.

Evidence: Overall, audit cycle for FEHBP carriers has declined from 4.5 years in FY 2000 to 4 years in FY 2002. Target is 3 years for FY 2005. Beginning in FY 2002, OIG began to locate investigators in field locations identified as high density for FEHBP usage. All providers identified as having committed violations were debarred or suspended in FY 2002; civil monetary penalty regulations will be implemented beginning in FY 2004. See attached charts.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 12%

Explanation: In each annual performance plan since FY 2000, OIG has captured baseline data for each of the performance measures indicated above, and has set targets that reflect progress toward ultimate achievement of long-term goals.

Evidence: Please see 2.2 and 2.3 above; also see attached charts.

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight: 7%

Explanation: Oversight work is performed primarily by OIG personnel. Stakeholders outside of the OIG include OPM offices with responsibility to contract for/manage FEHBP and program enrollees.

Evidence: Stakeholders have been highly supportive of OIG's oversight activities, on both a short- and long-term basis. OPM offices managing FEHBP participate in setting OIG audit agenda; take action on 70 - 75% of OIG audit findings regarding FEHBP carriers; assure carrier support and implementation of administrative sanctions orders. FEHBP enrollees provide tips to the OIG Health Care Fraud Hotline that generate approximately 250 investigations per year.

Program Assessment Rating Tool (PART)

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)
Type(s): Direct Federal

Section Scores				Overall Rating
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100%	100%	100%	93%	

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight: 12%

Explanation: The President's Council on Integrity and Efficiency (PCIE) has promulgated standards for external quality review and assessment of federal OIGs, and assures that such reviews are conducted on a regularly-scheduled basis. In addition, OIG has, on an as-needed basis, obtained independent review (by other agencies, contractors, or independent consultants) of aspects of its operations.

Evidence: A mandatory peer review of OIG review activities is conducted under auspices of PCIE every three years. The reviewing organization is selected by PCIE and has full independence. These reviews are conducted based on guidelines developed by PCIE and apply Government Auditing Standards. PCIE is implementing an equivalent peer review process of criminal investigative enforcement activities, which is approved by the Attorney General. Results of these reviews are forwarded to the Attorney General. OIG will be in the first group of agencies to be reviewed.

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: YES Question Weight: 7%

Explanation: OIG's budget is fully integrated with performance plans and results data. In preparation of budget requests, OIG analyzes previous year's actual performance data and uses risk - benefits analysis to allocate resources among the core FEHBP oversight functions (audits and enforcement). Amounts are determined by computing varying costs of auditors, investigators, and sanctions analysts, along with travel costs and other object spending. Based on performance data, budget request clearly indicates projected levels of results for varying levels of available resources. All FEHBP oversight activities are financed through appropriated transfers from the Trust Fund.

Evidence: OIG annual budget request/performance plans reflect strategic goals, necessary resources to accomplish these goals, financial and nonfinancial performance measures, and activities performed by OIG in support of the goals. Requests for additional resources are linked to short- and long-term outcomes that would be achieved with increased levels of resources. Performance indicators include: positive financial impact, return on investment, audit cycles and recovery rates, and numbers of arrests, indictments, convictions, and administrative sanctions.

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight: 12%

Explanation: OIG extensively redesigned its 5-year strategic plan in April 2003. This plan reduced the number of long-term goals, and aligned all goals in the new plan with both annual and strategic performance measures. The previous plan did not set ambitious long-term performance goals, but the revised plan sets specific goals for each long-term objective that, when achieved, will represent a significantly improved level of oversight beyond the current baseline.

Evidence: Strategic plan redesign included (1) refining the short- and long-term goals so that they strictly represent outcomes; (2) integrating all goals and measures with the GPRA process; and (3) assuring that work reporting and tracking systems generate data needed to measure performance against goals.

Program Assessment Rating Tool (PART)

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100%	100%	100%	93%	

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight: 20%

Explanation: OIG internal work reporting and tracking systems collect and analyze performance data on results of all FEHBP oversight activities. Information is collected in real time, and is used as the basis for: risk - benefit analysis that support allocation of resources; setting annual audit agendas; specific audit programs; prioritizing investigative enforcement activities; tracking compliance with administrative sanctions orders; preparing the semiannual OIG reports to Congress (required by the IG Act); and responding to inquiries from Congress, OMB, FOIA/Privacy Act.

Evidence: OIG data systems include Automated Audit Receivables Tracking System; Investigations Tracking System; and OPM Debar (administrative sanctions database). OIG has invested substantial resources since FY 2000 to upgrade capabilities of all of these systems. AARTS is also used by OPM to track implementation of audit recommendations concerning FEHBP.

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: YES Question Weight: 14%

Explanation: All OIG managers involved in FEHBP oversight have an element in their performance contracts holding them accountable for timeliness, effectiveness, and efficiency of their activities.

Evidence: Performance contracts include the SES Standard for Excellence and fulfillment of annual performance plan, audit agendas, and/or annual work plans as key elements on which OIG managers and supervisors are evaluated.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 14%

Explanation: OPM's financial management system is a transaction driven system that permits budgetary accounts to be recorded in a timely manner. OIG funds are obligated and accounted for through OPM's system. OIG obligates/expends its funds consistent with its strategic plan and associated annual performance plans.

Evidence: OPM financial management systems and reports verify that OIG funds are spent in a timely manner and that only a minimal amount of unobligated funds remains at the end of each fiscal year. Year-end balances for each of the last two years have been approximately \$25,000, out of annual appropriation of \$11 - 12 million.

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight: 14%

Explanation: Resources are allocated to maximize achievement of goals identified in performance plans.

Evidence: OIG tracks timeliness of audit processes by individual auditors, and links auditor efficiency with annual performance appraisal system. OIG has developed a process to reduce travel costs, under which individual auditors are given an incentive to reduce their travel expenditures by sharing with OIG the savings they achieve. OIG has implemented an automated audit system (TEAMMATE) which, by fully automating workpapers at all stages of an audit, including generation of the report, saves time and resources, allowing more efficient use of staff and resources.

Program Assessment Rating Tool (PART)

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Effective
100%	100%	100%	93%	

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 20%

Explanation: Related programs exist in several federal agencies with audit and enforcement authority for other health care programs. Examples include the special fraud investigative units of each FEHBP carrier; the Offices of Inspector General at the Departments of Health and Human Services, Defense, and Veterans Affairs; the Medicaid Fraud Control Units in each state; the FBI; and U.S. Attorneys Offices, which prosecute cases and chair regional health care fraud task forces. OIG has both received and given full cooperation/coordination with these agencies on all annual and long-term goals. In addition, OIG is an active member of professional groups interested in health care integrity matters, such as the National Health Care Antifraud Association, the Association of Government Accountants, and the Interagency Committee on Suspension and Debarment.

Evidence: OIG review activities frequently are a basis for criminal or civil legal action, and OIG auditors, investigators, and attorneys are proficient in coordinating with Department of Justice attorneys. OIG participates in law enforcement task forces (both permanent and ad hoc) that address criminal activity in federal health care systems. Administrative sanctions data is routinely shared through an agreement with the Office of the Inspector General/DHHS, and OIG holds membership in the governmentwide Debarment and Suspension Coordinating Committee.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 9%

Explanation: OIG uses the recently implemented OPM GFIS, FEDESK, and Data Portal systems to account for expenditure of its funds. OIG does not maintain financial management systems independently of OPM.

Evidence: Independent financial audit of OPM's financial statements, including OIG financial activities, have resulted in "unqualified" opinions for the past five fiscal years.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 9%

Explanation: OIG's FEHBP review activities have not been cited for management deficiencies by any regularly-scheduled evaluative mechanism. However, OIG has implemented management changes in response to specific issues that have been either self-generated or imposed by OPM.

Evidence: As part of a self-generated management study, OIG implemented a revised organizational structure to better focus resources on FEHBP audits and administrative sanctions. In response to a personnel management evaluation by OPM, OIG modified its personnel recruitment practices and developed a pilot program to improve recruitment of professional auditors in a highly competitive labor market.

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: YES Question Weight: 20%

Explanation: Within current resource structure, OIG is making progress to achieve long-term goals.

Evidence: OIG's annual performance plans and reports track performance measures from FY 1999 - present. All key measures in FY 2002 reflect improvement over FY 1999 baseline level, and projected measures reflect continued improvement in FY 2003 and beyond. For example, at FY 2004 resource levels, OIG will meet the critical 3-year audit cycle for FEHBP carriers; FEHBP investigative caseloads in targeted high-usage areas have increased 50% since FY 2000; and all administrative sanctions authorities will be implemented and in active use.

Program Assessment Rating Tool (PART)

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Effective
100%	100%	100%	93%	

-
- 4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: YES Question Weight: 20%
- Explanation: OIG's FY 2002 Performance and Accountability Report indicates that OIG met all key measures associated with FEHBP oversight. These measures are: positive financial impact; return on investment; and arrests, indictments, and convictions.
- Evidence: Refer to charts 1-6 attached for detailed information on OIG's performance in meeting annual goals.
- 4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: YES Question Weight: 20%
- Explanation: The best measures of the efficiency and cost effectiveness of our oversight program are return on investment and positive impact. Both of these measures have reflected dramatic improvement over FY 1999 baseline levels.
- Evidence: FY 2002 OPM Performance and Accountability Report indicates that return on investment improved from \$6 per direct program dollar spent in FY 1999 to \$12 in FY 2002. Positive financial impact improved from \$51.9 million in FY 1999 to \$116 million in FY 2002.
- 4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: LARGE EXTENT Question Weight: 20%
- Explanation: For investigative enforcement functions, an OIG comparative study indicated that our health care-related caseload per investigator is four times that of VA/OIG and three times that of DCIS. FY 2002 PCIE Progress Report to the President, providing consolidated performance information on all OIG, indicates that OIG/OPM stood 6th out of 28 IG's in amount of recommended audit recoveries, and 5th of 28 in receivables/recoveries from successful investigations.
- Evidence: OIG performance is reported annually side-by-side with that of other Offices of Inspectors General in annual PCIE Reports.
- 4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: YES Question Weight: 20%
- Explanation: OIG participates fully in the program of independent quality reviews of OIGs administered by the President's Council on Integrity and Efficiency.
- Evidence: The three most recent PCIE-administered peer reviews indicated that OIG review activities meet applicable professional standards. These reviews were conducted by GSA in 1994; Railroad Retirement Board in 1997; and Federal Emergency Management Agency in 2000. OIG will be in the first group to undergo the equivalent peer review process for enforcement activities (FY 2003).

PART Performance Measurements

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)

Measure: Return on Investment (Dollars returned to FEHB Trust Fund per direct OIG program dollar spent) - Note: Delays in completing action on two multi-million dollar recoveries until FY 04 adversely affected actual Return on Investment in 2003.

Additional Information: Dollars returned to FEHBP Trust Fund per direct OIG program dollar spent--all OIG operations

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2000	10	11	
2001	10	25	
2002	10	12	
2003	10	4	
2004	10		

Measure: FEHBP Audit Recovery Rate (Percentage of audit recommendations that OPM program office agrees to collect)

Additional Information: Percentage of audit recommendations that OPM program office agrees to collect

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2000	70-75%	72%	
2001	70-75%	85%	
2002	70-75%	58%	
2003	70-75%	92%	
2004	70-75%		

Measure: Positive financial impact

Additional Information: Dollars (in millions) of actual recoveries plus management commitments to collect audit recommendations

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2000	100	105.2	

PART Performance Measurements

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)

Measure: Positive financial impact
Additional Information: Dollars (in millions) of actual recoveries plus management commitments to collect audit recommendations

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	100	242.1	
2002	100	116	
2003	102	40.2	
2004	143		

Measure: FEHB Carrier Audit Cycle (Average number of years between audits for all FEHB carriers)
Additional Information: Average number of years between audits -- all FEHBP carriers

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2000	5	4.5	
2001	4	4	
2002	4	4	
2003	4	4	
2004	3		

Measure: # of Carriers not Audited Within 5 Year Retention Period
Additional Information: Plans are only required to maintain records for 5 years

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2000	160	153	
2001	145	145	
2002	135	135	
		247	

PART Performance Measurements

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)

Measure: # of Carriers not Audited Within 5 Year Retention Period

Additional Information: Plans are only required to maintain records for 5 years

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	110	110	
2004	76		

Measure: # of Debarments & Suspensions

Additional Information: Health care providers who committed sanctionable violations under law or OPM regulation

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2000	3,000	2,706	
2001	3,900	4,032	
2002	4,100	3,380	
2003	4,200	3,405	
2004	4,300		

Measure: # of Debarment Inquiries Responded to

Additional Information: All inquiries related to debarment of health care providers

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2000	1,400	1,725	
2001	1,800	2,119	
2002	2,800	3,827	
2003	3,000	2,741	
2004	3,500		

Program Assessment Rating Tool (PART)

Program: Public Defender Service for the District of Columbia
Agency: Public Defender Service for the District of Columbia
Bureau:
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	54%	90%	40%	

1.1 Is the program purpose clear?

Answer: YES

Question Weight: 20%

Explanation: PDS's mission is to provide and promote quality legal representation to indigent adults and children facing a loss of liberty in the District of Columbia, and thereby protect society's interest in the fair administration of justice.

Evidence: PDS Mission Statement; PDS Enabling Statute, DC Code §§ 2-1601 to 2-1608; PDS Agency Resume; PDS Draft Strategic Plan; Gideon v. Wainwright, 372 US 335 (1963); Bill of Rights: Sixth Amendment

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight: 20%

Explanation: PDS's services meet the clearly defined, existing need for constitutionally mandated criminal defense services for indigent persons in the District of Columbia courts. The Supreme Court's Gideon v. Wainwright decision established the requirement that state/local governments provide counsel to indigent defendants. In addition, the population size of individuals who qualify for those services in DC based on the application of the U.S. Department of Labor's lower level living standards--more than 95% of criminal defendants in the Superior Court--shows no sign of diminishing.

Evidence: Gideon v. Wainwright; Bill of Rights: Sixth Amendment; The Plan for Furnishing Representation to Indigent Defendants; May 18, 2003 Washington Post Article: D.C. Pockets of Poverty Growing; Former Superior Court Chief Judge Moultrie's March 17, 1983 Memorandum Re: Eligibility Standards

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

Answer: YES

Question Weight: 20%

Explanation: The District of Columbia delivers services to individuals facing criminal or delinquency charges, or who are facing involuntary commitments, using a hybrid representation system. This system includes an institutional defender organization (PDS) and a panel or panels of private attorneys who are eligible to receive court appointments [Criminal Justice Act (CJA) attorneys]. PDS is the only institutional defender organization serving adults and children in the Superior Court for the District of Columbia. PDS is designed to develop expertise in the most difficult, complex, and time-consuming cases and is the only institution able to handle these types of cases in the Superior Court for the District of Columbia. It is the only organization, public or private, that provides special education advocacy for children in the juvenile delinquency system. It is also the only provider of representation before the U.S. Parole Commission.

Evidence: Federal Criminal Justice Act, 18 U.S.C. § 3006A; D.C. Criminal Justice Act, D.C. Code §§.11-2601 et seq.; The Plan for Furnishing Representation to Indigent Defendants;

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?

Answer: YES

Question Weight: 20%

Explanation: The hybrid representation model, whereby an institutional public defender and a group of private attorneys are both appointed to represent indigent clients in the same jurisdiction, is used in Superior Court to provide court-appointed counsel to indigent defendants. This model 1) establishes a full-time defender organization to provide direct representation and to serve as a resource to court-appointed private counsel, and 2) creates panels of private attorneys to handle those cases not assigned to the defender organization. It is efficient and effective because PDS generally is assigned to represent clients charged with the more serious offenses, or clients whose cases require the most resources.

Evidence: Best practices standards adopted by the American Council of Chief Defenders (ACCD), the National Legal Aid and Defender Association (NLADA), and the American Bar Association.

Program Assessment Rating Tool (PART)

Program: Public Defender Service for the District of Columbia
Agency: Public Defender Service for the District of Columbia
Bureau:
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	54%	90%	40%	

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: YES Question Weight: 20%

Explanation: PDS has a staff of eligibility examiners who perform eligibility checks on every person who has been charged with an offense in Superior Court. The results of these examinations are transmitted on a daily basis to the Superior Court electronically and made part of the court record for public inspection. The eligibility exam includes an interview, a sworn statement from the arrestee, and asset verification using ChoicePoint Asset Company's database. False statements made during this process are subject to criminal prosecution. In FY 2002, PDS's Defender Services Office (DSO) performed over 29,000 eligibility exams. PDS uses a pick-up schedule that maximizes the availability of qualified PDS lawyers over a six-week schedule. PDS's DSO prepares the lock-up list each morning for the assigning judicial officer, detailing all the cases, the charges, and the available attorneys. The DSO pre-assigns the most serious juvenile and adult cases to the available PDS attorneys. This list is then transmitted electronically to the appointing judicial officer to complete the remaining appointments from the available panel attorneys and for approval of the recommended assignments.

Evidence: The Plan for Furnishing Representation to Indigent Defendants, Section II. A and B. (2); Eligibility Form; Former Superior Court Chief Judge Moultrie's March 17, 1983 Memorandum Re: Eligibility Standards; Sample Lock-up List, Appointment Material, and Pick-up Schedule; D.C. Code § 1-2702

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight: 18%

Explanation: Prior to PDS's transition from a District funded agency to a Federally-funded independent agency under the National Capital Revitalization and Self-Government Improvement Act of 1997, PDS operated with less than \$8 million dollars in funding, 96% of which was for personnel service costs. Consequently, PDS did little in the way of meaningful strategic and long-term planning and is still not required to comply with GPRA requirements. Regardless, PDS has finalized its first GPRA-compliant strategic plan outlining long-term goals and objectives for FY 2004-FY2009.

Evidence: PDS Strategic Plan

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight: 18%

Explanation: Prior to PDS's transition from a District funded agency to a Federally-funded independent agency under the National Capital Revitalization and Self-Government Improvement Act of 1997, PDS operated with less than \$8 million dollars in funding, 96% of which was for personnel service costs. Consequently, PDS did little in the way of meaningful strategic and long-term planning and is still not required to comply with GPRA requirements. As a result, PDS has not yet gathered enough baseline data to have established ambitious targets and timelines for its long-term measures.

Evidence: PDS Strategic Plan; PDS Draft Annual Performance Plan.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: NO Question Weight: 18%

Explanation: The agency is currently reassessing its reporting tools and data sets to determine how they may be modified to capture, analyze, and report on the new forms of performance measure the strategic plan envisions. At this time, however, PDS does not have a limited number of specific annual goals.

Evidence: PDS Draft Annual Performance Plan.

Program Assessment Rating Tool (PART)

Program: Public Defender Service for the District of Columbia
Agency: Public Defender Service for the District of Columbia
Bureau:
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	54%	90%	40%	

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight: 5%

Explanation: PDS plans to establish its first full year of baseline data and annual targets for out-years during the upcoming FY 2004, FY 2005, and FY 2006 budget years. The context of PDS's very recent planning process and the fact that this status of baseline and initial year's target data is the norm for any organization undertaking its first-ever performance planning and assessment initiative lead to a reasonable assertion that PDS is on target in its implementation of these requirements.

Evidence: PDS Strategic Plan; PDS Draft Annual Performance Plan.

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: NA Question Weight: 0%

Explanation: This question is not applicable to PDS as it has no partners in delivering its program activities. PDS has a distinct mission and serves a distinct and exclusive population; PDS does so independently and unassisted in its core program activities. PDS does not contract with private entities to carry out any major program activities. PDS does not have grant authority to sub-grant funds to conduct its activities. The mission and the population that PDS serves are both exclusive of other government agencies that serve defendants interests.

Evidence: PDS Enabling Statute, Federal Criminal Justice Act, 18 U.S.C. § 3006A; D.C. Criminal Justice Act, D.C. Code §§ 11-2601 et seq.; Plan for Furnishing Representation to Indigent Defendants

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight: 18%

Explanation: No formal independent evaluation of PDS's program has been conducted. Such an evaluation has been neither appropriate nor necessary given PDS's relatively small budget (\$23.1 million for FY 2003) and PDS's smaller scale impact. In addition, PDS frequently receives informal evaluations of its work (see response to Question 4.4) that are consistent with PDS's reputation as a provider of excellent legal representation. Going forward, however, PDS's strategic plan contemplates scheduling an evaluation through the National Legal Aid and Defenders Association (NLADA) in FY 2005.

Evidence: PDS Strategic Plan; NLADA's Website Pages and NLADA's Evaluation of a Public Defender Office: Clark County, Nevada, March 2003.

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight: 5%

Explanation: Prior to PDS's transition from a District funded agency to a Federally-funded independent agency under the National Capital Revitalization and Self-Government Improvement Act of 1997, the agency operated with less than \$8 million dollars in funding, 96% of which was for personnel service costs. Consequently, PDS did little in the way of meaningful strategic long-term planning or budget-performance integration. Furthermore, PDS has never been required to have an annual budget submission that complies with GPRA requirements. PDS is now working toward presenting a fully integrated performance-based budget in FY 2006.

Evidence:

Program Assessment Rating Tool (PART)

Program: Public Defender Service for the District of Columbia
Agency: Public Defender Service for the District of Columbia
Bureau:
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	54%	90%	40%	

- 2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 18%
- Explanation: The principal deficiency PDS needed to address was the lack of any formal strategic plan with associated goals, targets, and performance measures. Both the GPRA and PART exercises have provided the form and structure necessary to take truly meaningful steps to correct this deficiency.
- Evidence: PDS Strategic Plan; PDS Draft Annual Performance Plan.
- 3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 15%
- Explanation: On a monthly basis, PDS Division Chiefs provide information, including statistical data and trends analysis, to executive staff about Division activities. PDS's executive staff uses this information to make staffing, resource allocation, and policy decisions that are communicated to the Division Chiefs for the purpose of improving program performance and effectiveness. The Divisions activities are then monitored to ensure that outcome.
- Evidence: Monthly Division and Statistical Reporting format
- 3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight: 15%
- Explanation: All of PDS's senior management (i.e., Division Chiefs, Special Counsels, the General Counsel), except the Deputy Director, serves at the will of the Director. The Trial Division has a significant number of mid-level supervisors, all of whom are appointed for a specific term of one or two years. Upon the completion of the term, the position is re-opened for applications. The Director typically requires that the applicants produce a recent sample of original research and writing demonstrating innovative litigation, and list as references two attorneys whom they have supervised in the past year. The Director also solicits confidential comments on the applicants from every staff member. The General Counsel and the Deputy Director forward recommendations to the Director after interviewing all the applicants. The Director then interviews a smaller group of candidates and makes the final selection. Supervisors are selected based on their application materials, their previous legal performance, their supervisory performance, their performance during the interviews, and feedback from references and staff.
- Evidence: Sample Supervisor Job Announcements and Solicitation of Staff Comment.
- 3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 15%
- Explanation: PDS obligates all goods and services for the current year no later than September 30 of the current year within the quarterly apportionment guidance delivered by OMB. At the end of the year, a minimal portion of appropriated funds remains unobligated. PDS also actively compares actual expenditures against intended use by linking PDS's FY 2003 Enacted Budget and PDS's FY 2003 Operating Budget Plan, and by comparing the estimated year-to-date apportionment to the PDS summary status of funds.
- Evidence: The most current reconciliation for FY 2002 reflects that the actual year-end balance of unexpended funds totaled approximately \$149,000, or .07% of PDS's total appropriation of \$20,829,000 for FY 2002.

Program Assessment Rating Tool (PART)

Program: Public Defender Service for the District of Columbia
Agency: Public Defender Service for the District of Columbia
Bureau:
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	54%	90%	40%	

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: NO Question Weight: 10%

Explanation: PDS's mission and long-term outcome goals (provide quality representation to all indigent defendants in the District of Columbia) rely largely on the intellectual product and work ethic of its attorneys. These components are difficult to capture and quantify in an efficiency measure. PDS will continue to work on this as they move forward with implementation of their strategic and annual plans.

Evidence:

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 15%

Explanation: PDS collaborates with a wide variety of institutions within the criminal justice community and the mental health system, as well as with faith-based and community organizations. PDS collaborates both as a member of larger organizations (for example the Criminal Justice Coordinating Council and the D.C. Sentencing Commission) and on smaller, more informal levels. PDS also coordinates effectively with related programs by referring clients, their family members, and the public to other organizations and agencies when issues are identified that PDS does not handle. PDS provides this service through its Duty Day program and the resource materials generated for that program.

Evidence: The Plan for Furnishing Representation to Indigent Defendants, Section II. A (2) and B; April 2001 OPTIONS Memoranda Of Understanding; CJA Investigator Certification Program Memorandum Of Understanding; Pro Bono Program Memorandum Of Understanding; D.C. Superior Court Administrative Order 02-33; December 2, 2002 Report of the Superior Court Criminal Justice Act Continuing Legal Education Committee; Participation with dozens of committees and informal working groups with partners such as the D.C. Superior Court, the D.C. Department of Mental Health, and the Pretrial Services Agency.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 15%

Explanation: Independent financial audits for FY 1999 and FY 2000 found that PDS's "financial statements presented fairly, in all material respects, the financial position of PDS, and the results of its operations and the cash flows for the years then ended in conformity with generally accepted accounting principles." Independent financial audits for FY 2001 and FY 2002 are currently underway. Since the passage of the Revitalization Act, PDS has taken significant steps to enhance the design and operation of internal controls over financial reporting to ensure PDS's ability to record, process, summarize, and report financial data. PDS has used recommendations provided by auditors to ensure PDS's financial management structure is in full compliance with statutory and regulatory requirements governing PDS's financial management practices, procedures, reporting, and internal controls.

Evidence: June 4, 2003 Memorandum Re: Statement of PDS Financial Management Practices; FY 2001/2002 Audits Engagement Purchase Order and Related Materials.

Program Assessment Rating Tool (PART)

Program: Public Defender Service for the District of Columbia
Agency: Public Defender Service for the District of Columbia
Bureau:
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	54%	90%	40%	

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 15%

Explanation: For years prior to the passage of the 1997 Revitalization Act, PDS operated with only a Director, a Deputy Director, and an Executive Assistant responsible for the entire administrative function. In recognition of this deficiency, PDS sought and obtained funding for basic management and administrative support. This has enabled PDS to establish a human resources office, competent and professional budget and finance staff, and a core information technology unit that supports PDS's technological infrastructure. PDS has also examined its management structure and addressed weaknesses created by its past practice of relying on centralized management. For example, PDS has created Unit/Division Chief positions where incumbents are held responsible for the operation and effectiveness of their Divisions. These managers provide monthly reports that are used by executive management to track progress, examine trends, and spot and address deficiencies that may exist in the program areas.

Evidence: PDS Organizational Chart; Sample Monthly Division and Statistical Reporting Format.

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: NO Question Weight: 20%

Explanation: PDS and OMB recently agreed on a final strategic plan for FY 2004-FY 2009, which includes long-term performance goals. Measurement of these goals should become possible in FY 2006 and beyond.

Evidence:

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: NO Question Weight: 20%

Explanation: PDS does not now have the type of annual performance goals envisioned by GPRA, but is currently in the process of establishing them through the drafting of its annual performance plan.

Evidence:

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: SMALL EXTENT Question Weight: 30%

Explanation: PDS has demonstrated high levels of efficiency through innovative use of technology. Over the past year, PDS has developed and launched the first few of several program modules in its state of the art case management and tracking system, Atticus. This system provides desktop access to real-time case activity and status information in the form of a running case resume and calendar. Significant efficiencies are gained through this system, including: the increased accountability of individual program staff on a case-by-case basis through program management's ability to track cases and to provide direction; and increased ability of the individual program staff member to follow the current status of a case and to implement next required tasks toward achieving timely and effective client representation. PDS has also achieved significant efficiency gains in its Investigations Division through the widespread dissemination and use of cell phones by investigators in the field as well as by providing access to a variety of online databases providing real-time information.

Evidence: Sample pages from Atticus Training Manual

Program Assessment Rating Tool (PART)

Program: Public Defender Service for the District of Columbia
Agency: Public Defender Service for the District of Columbia
Bureau:
Type(s): Direct Federal

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	54%	90%	40%	

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: YES Question Weight: 30%

Explanation: PDS's status as one of the best public defender organizations in the country is well known in the legal community. The Legal Aid Society for DC awarded PDS the 2003 Servant of Justice award for "faithful dedication and remarkable achievement in ensuring that all persons have equal and meaningful access to justice in the District of Columbia." PDS is the first institution to receive this prestigious award. Past honorees include: Justice Thurgood Marshall, Janet Reno, Peter Edelman, and Charles Ruff. PDS staff are also in demand to act as speakers/trainers for academic institutions, federal law enforcement agencies, state and federal defender organizations, and private organizations. PDS's reputation is also recognized internationally, and the Department of State's International Visitor Program routinely arranges for delegations from countries reforming their criminal justice systems (Chile, Kosovo, Canada, and China) to meet with and receive presentations from PDS staff. PDS recently received funding for a DNA initiative and in a short period of time has become a national leader in the defense community in addressing the admissibility of new DNA technologies and challenges to this evidence at trial.

Evidence: Legal Aid Society Award; Recent requests for staff to act as speakers/trainers have come from: Federal Judicial Center; Harvard Law School's Trial Advocacy Program; Superior Court for the District of Columbia Judicial Conference; National Legal Aid and Defender Association; Georgetown Law School, Criminal Justice Clinic; University of Virginia School of Law; Bureau of Alcohol, Tobacco, and Firearms; Defender Service Division for the Administrative Office of the U.S. Courts; Public Defender Association of Pennsylvania; New Mexico Public Defender; Illinois Office of the Appellate Defender; George Washington School of Law; Howard University School of Law; American Professional Society on the Abuse of Children; District of Columbia Bar; National Association of Sentencing Advocates; The Sentencing Project; American University School of Law; University of Maryland, School of Social Work; California Public Defenders Association; George Washington University, School of Medicine; and National Institute of Trial Advocacy. Transcript Excerpts; Supreme Court Order of Appointment, and Order Granting Certiorari.

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: NA Question Weight: 0%

Explanation: No formal independent evaluation of PDS's program has been conducted. Such an evaluation has been neither appropriate nor necessary given PDS's relatively small budget (\$23.1 million for FY 2003), PDS's smaller scale impact, and the frequent positive assessments of PDS performance through informal evaluations of its work.

Evidence: Legal Aid Society Award; Brennan Center for Justice's Evaluation of PDS's Community Defender Program; District of Columbia Court of Appeals Rule 49 (c) (9) (B);

PART Performance Measurements

Program: Public Defender Service for the District of Columbia

Agency: Public Defender Service for the District of Columbia

Bureau:

Measure: Effectiveness of PDS legal representation (a survey of judges and other adjudicators)

Additional Information: This measure will track the effectiveness of PDS legal representation using a survey of judges and other adjudicators.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
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Measure: Percentage of cases resulting in pre-trial release

Additional Information: The measure will track the percentage of cases resulting in pre-trial release.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
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Measure: Percentage of clients visited within 2 days after an attorney is appointed

Additional Information: This measure will track the percentage of clients visited within 2 days after an attorney is appointed.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
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Program Assessment Rating Tool (PART)

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Results Not
100%	38%	82%	47%	Demonstrated

1.1 Is the program purpose clear?

Answer: YES

Question Weight: 25%

Explanation: Congress established laws designed to restore and maintain investor confidence in capital markets by providing more structure and government oversight. Securities laws and regulations were established to prevent fraud and misrepresentation in the public offering, trading, voting, and tendering of securities. This Program monitors the collection, review, and dissemination of this material information to the public so they may make informed investment decisions.

Evidence: Three primary statutes authorize the SEC to implement a program to support the full disclosure of information: the Securities Act of 1933, the Securities Act of 1934, and the Sarbanes-Oxley Act of 2002. These laws require that companies publicly offering securities tell the truth about their business and the risks of investing. Recent allegations of corporate fraud have confirmed the importance of accurate and timely disclosures in maintaining the public's confidence in the securities markets. The issue was deemed of sufficient importance that Congress and the President recently approved the Sarbanes-Oxley Act of 2002 to tighten disclosure rules and provide increased staff and funding for this Program.

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight: 25%

Explanation: A safe and sound securities market continues to be instrumental to the U.S. economy. At the end of 2002, over 52% of U.S. households owned securities, and the value of assets under investment company management (\$6.3 trillion) significantly exceeded the amount on deposit at commercial banks (\$3.7 trillion).

Evidence: Statutory Authority is identified in the agency's strategic plan and is reinforced in the program's mission statement in the annual budget request, and on the agency's website: www.sec.gov/about.whatwedo/html.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

Answer: YES

Question Weight: 25%

Explanation: The SEC is uniquely charged with the responsibility of administering the securities laws and regulations established to prevent fraud and misrepresentation in the public offering, trading, voting, and tendering of securities.

Evidence: The SEC has primary jurisdiction for requiring and reviewing corporate registrations and filings to ensure the disclosure of material information to the public through this Program. Other federal and state regulators also may review disclosure materials, but do so for different purposes. For example, banking regulators consider safety and soundness issues, and states and other Federal regulators evaluate mergers for merit and fairness issues.

Program Assessment Rating Tool (PART)

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	38%	82%	47%	

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: YES Question Weight: 25%

Explanation: The design of the disclosure review process is fundamentally sound. In reviewing filings under the 1933 and 1934 Securities Acts, this Program seeks to monitor and enhance compliance with financial and other disclosure requirements. Filings are received electronically through the SEC's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system and made available to the public via the agency's website. As part of the review process, division staff may issue comments to an issuer to elicit better compliance with applicable requirements through amended filings and restatements by the company. Through this comment process, the Program facilitates investor access to information necessary to make informed investment decisions, deters fraud, and enhances the efficiency of the capital markets. When appropriate, matters are referred to SEC's Enforcement division for possible action.

Evidence: The U.S. model for the disclosure of material information has become a defacto standard for other countries to follow. In the U.S., many states also accept filings made to the SEC as sufficient to satisfy their corporate disclosure requirements. Recent legislation (particularly the Sarbanes-Oxley Act of 2002) underscored the relevance of the SEC's disclosure program and resulted in increased funding to expand disclosure activities to support the SEC mission.

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: NA Question Weight: 0%

Explanation: The program does not have beneficiaries as defined by the question.

Evidence:

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: NO Question Weight: 12%

Explanation: The Program's long-term performance goal is the adequate, accurate, and timely disclosure of material information to investors. Accomplishing this goal protects investors and facilitates capital formation. The program has certain measures that reflect timeliness of disclosure review but do not directly address the long-term performance goal. SEC is in the process of developing broader long-term measures.

Evidence: The Program needs to develop long-term outcome-based goals. The Program is in the process of developing new outcome-oriented measures. Depending upon the results of these efforts, the agency may consider using surveys to evaluate the usefulness of material information and the efficacy of the Program.

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight: 12%

Explanation: SEC needs to develop long-term measures. Refined targets and timeframes are under development.

Evidence: SEC has targets for its efficiency measures that are ambitious and have timeframes. SEC needs to develop long-term outcome measures and related targets. SEC is working to provide these measures in their 2005 GPRA plan.

Program Assessment Rating Tool (PART)

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	38%	82%	47%	

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 12%

Explanation: SEC has specific annual measures that are used to monitor the performance of the program. These measures address the extent and timeliness of reviews as well as quantifiable outcomes from those reviews, such as number or reviews that result in significant income restatements. These measures are being refined in light of Sarbanes-Oxley Act mandates.

Evidence: As shown in the SEC's Annual Performance Reports, the Program tracks a number of annual measures. The primary measures the Program is currently tracking are listed under the measures tab. For example, the Program measures the average time it takes to issue initial comments on full-review registration statements and merger proxy filings.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight: 12%

Explanation: The Program is in the process of developing baselines and targets. For many measures, it is difficult to estimate a baseline or set reasonable targets. For the example, one annual measure is the total dollar value of restatements with financial changes greater than 10%. The Program has a limited basis to project the dollar amount of erroneous statements in future years. The Program has baselines and targets for certain other measures, such as the average number of days to resolve comments.

Evidence: Examples of historical baselines, actuals, and projections are located in the FY04 budget request on page I-16 under the Full Disclosure Program and in the SEC's FY04 GPRA Annual Performance Report.

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: NA Question Weight: 0%

Explanation: The full disclosure corporate review program is unique to the SEC and does not have partners (grantees, contractors, etc.).

Evidence:

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight: 12%

Explanation: Evaluations or program performance reviews are conducted on a periodic basis to evaluate program effectiveness and consider program improvements. Internal management reports also are used regularly and systematically to assess program performance against targets. In many instances, independent evaluators have used and reviewed internal Program management reports as part of their assessments (see reference to management information system reports in question 3.1).

Evidence: Regular audits of the program are conducted by the General Accounting Office and the SEC's Office of Inspector General. Recent OIG audits covered the following topics: Comment Letter Follow-up, Commission Review of Periodic Reports, Planning the Enforcement of F/D Rules, EDGAR Utility to Commission Staff, the Rulemaking Process, and Collection of Filing Fees. Three of these audits (EDGAR Utility, Rulemaking Process, and Collection of Filing Fees) were issued within the last year. Audits and studies conducted by the GAO included reviews of rulemaking compliance and a study on Financial Statement Restatements. Currently, GAO is conducting an update of its previous review on Section 10a Reporting.

Program Assessment Rating Tool (PART)

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	38%	82%	47%	

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight: 12%

Explanation: The SEC FY05 Budget needs to be better aligned with the agency's GPRA plan. Currently, the budget reflects workload estimates, such as the impact of staffing levels on the volume of applications and filings that are reviewed. While this information is helpful, the agency needs to align its budget requests with outcome-oriented goals.

Evidence: SEC 2005 Budget

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight: 12%

Explanation: The Program undertakes periodic reviews of its activities in light of changes in agency resources and market conditions. These reviews result in refinements of businesses processes, staff workload, and the various selection criteria for filing reviews. The Program staff are currently creating new performance measures for its 2005 GPRA plan. The Program is considering using new data sources, such as investor surveys, to measure program results.

Evidence: The General Accounting Office report, SEC OPERATIONS: Increased Workload Creates Challenges (GAO-02-302), identified a number of issues that affected the agency's performance. GAO found that while the agency has established a GPRA strategic plan, the agency would benefit from a comprehensive strategic planning process. Since the GAO report was issued, the Program has taken steps to address the report's recommendations. Also, the agency filled a position that will support its GPRA strategic planning and performance management activities and is revising its GPRA performance measures to be more outcome-oriented.

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight: 9%

Explanation: The program maintains a management information system to track performance information on the receipt, review, and processing of filings. The information is used to analyze the effectiveness of the program and identify possible changes to regulations to better meet program goals.

Evidence: The Program's Filing Activity Tracking System (FACTS) produces management reports on program performance and workload levels. Analysis of data results in changes to Program activities. Data can be analyzed across issues, managers, and staff performance. Regular review of results at the branch and staff level are used to manage performance against targets.

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: YES Question Weight: 9%

Explanation: Senior officers and supervisors in the agency are held accountable for performance and program management through performance standards and evaluations. No grantees, sub-grantees, contractors, or cost-sharing partners perform full disclosure activities.

Evidence: Senior Officer Performance Plan/Rating document, and Supervisory Performance Plan and Evaluation form (SEC 2495).

Program Assessment Rating Tool (PART)

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	38%	82%	47%	

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 9%

Explanation: Most program funding is associated with compensation and benefits and therefore is obligated quickly for that purpose. In the past year, there have been some delays in obligations due to hiring delays. The Program has not yet completed hiring a large number of the new accountants for which the Program recently received funding. New hiring authorities are helping speed up the process.

Evidence: Of the funds appropriated for the Program in 2002, 91.1% were obligated in the first year, all for the originally stated purpose. For example, a major IT project, the recent modernization effort for EDGAR, was completed on time and within budget.

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: NO Question Weight: 9%

Explanation: The Program does not currently have procedures in place to measure cost effectiveness in program execution.

Evidence: The Program's FACTS system tracks timeliness of disclosure reviews, but the agency has not developed procedures to track cost efficiencies.

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 9%

Explanation: The Program frequently consults and coordinates with other SEC programs. For example, the Program communicates with other programs on new rulemaking that affects their responsibilities, and will refer matters uncovered during disclosure reviews to the SEC's Enforcement Division for further investigation. The Program also actively seeks the input of other affected offices on recommendations to the Commission. The Program also has strong working relationships with other securities-related groups and Federal regulators, including the North American Securities Administrators Association, the Comptroller of the Currency (OCC), and other banking regulation agencies.

Evidence: The SEC's Government-Business Forum on Small Business Capital Formation recently held its 21st annual meeting. This yearly gathering provides the only national forum for small businesses to let officials from different parts of the federal government know how the laws, rules and regulations affect the ability of small companies to raise capital. The SEC also participates in the North American Securities Administrators Association annual uniformity conference. In addition, internal manuals and procedures cover matters requiring coordination and staff liaison work across SEC programs.

3.6 Does the program use strong financial management practices? Answer: NO Question Weight: 9%

Explanation: The SEC has not undergone a full financial audit. A majority of the Program's resources are expended on compensation and benefits and are managed via the SEC's payroll system through an inter-agency agreement with the Department of Interior. The Program also is involved in the collection of filing fees and the security of the EDGAR filing system. Recommendations for improvements in these areas are being implemented.

Evidence: The SEC is currently scheduled to complete its first audited financial statements for fiscal year 2004. OIG audits on internal controls and financial management included assessments on the Collection of Filing Fees (Audit #348), and an Independent Accountant's Report (Audit #362). The implementation of a new automated filing fee system addressed a material weakness previously reported to Congress. The Filing Fee audit concluded that corrections had been made and did not identify any material weaknesses in the management controls over the collection of filing fees. The Independent Accountant's Report found some items concerning the collection of filing fees that were without policies. These items are expected to be resolved by the end of fiscal year 2004. System security certification and accreditation activities for the EDGAR system also are currently underway.

Program Assessment Rating Tool (PART)

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Results Not
100%	38%	82%	47%	Demonstrated

3.7 Has the program taken meaningful steps to address its management deficiencies?

Answer: YES

Question Weight: 9%

Explanation: The Program successfully resolved prior deficiencies and materials weaknesses reported to Congress. In addition, in the past year, with the assistance of a consultant, SEC has made a full management review of the agency.

Evidence: Corrective action is taken on IG recommendations and tracked centrally by the agency. For example, an audit on confidential treatment requests identified areas for improvement. The Program implemented changes to ensure documents were safeguarded and SSNs were eliminated wherever practicable. An audit on IT security and data validation also resulted in changes in how information is collected, tracked, and analyzed.

3.RG1 Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?

Answer: YES

Question Weight: 9%

Explanation: Proposed Rulemakings and the process of soliciting views of affected parties in the drafting process is formalized. Intended rulemaking activities also are identified in the semi-annual Unified Agenda publications. Furthermore, notices of Commission meetings and the results of Open Meetings are published in the daily SEC News Digest, which is available on the Commission's website.

Evidence: Agency releases are published in the Federal Register and also are made available on the SEC's website. The releases formally solicit public views. The views of all public commentators are summarized, analyzed, and fully considered. Revisions to Proposed Rulemakings are made as appropriate in response to public comment. The majority of Proposed Rulemakings are considered at Commission Open Meetings, which may be attended by members of the public. The Unified Agenda contains information on SEC rulemaking activities as well. Depending upon the nature of the rule, selected audiences are contacted for feedback on rulemaking initiatives. Public comments on proposed rules or concept releases also are gathered electronically via the agency's web site. For example, the Program is considering possible changes to proxy rules. Public hearings and roundtables often are held in connection with comprehensive or controversial rulemaking initiatives. Comments are being sought from a wide variety of sources in advance of any formal rulemaking. Individual investor feedback also is gathered through work with groups representing investing communities. Also the public may petition the Commission to adopt or rescind rules on matters. The Program occasionally will seek the assistance of corporate and investor groups, as well as organizations, to help ensure broad dissemination of requests for public comment.

Program Assessment Rating Tool (PART)

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	38%	82%	47%	

3.RG2 **Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates R** Answer: YES Question Weight: 9%

Explanation: As an independent agency, the SEC is not required to prepare the regulatory impact analyses required by the Executive Order. However, SEC rulemaking follows a formal process to ensure that requirements are met in both the proposing and adopting stages. Regulatory Flexibility Act (RFA), SBREFA, and cost analyses are conducted on all rulemaking activities by the office drafting the proposing and adopting release, although most of the work associated with the SBREFA analysis is required only at the adopting stage. These documents are reviewed by the Office of Economic Analysis and the Office of General Counsel at the proposing and adoption stages. Internal controls are in place to ensure that rulemaking packages are complete before being issued and distributed outside the agency. The Office of Economic Analysis issues formal memos regarding its review of the RFA, cost-benefit, and SBREFA analyses.

Evidence: GAO conducts reviews of SEC rulemaking to determine compliance with applicable requirements. For example, a report was issued on the promulgation of the SEC's rule on Acceleration of Periodic Report Filing Dates and Disclosure Concerning Web Site Access to Reports. In addition, the SEC's Office of General Counsel maintains a guide on rulemaking requirements (Title: SEC Compliance Handbook), and the Program also provides guidance to staff to ensure compliance with Federal requirements (Memo entitled: Corporation Finance Rulemaking Outline). The Program further maintains a separate "Rulemaking Style Manual". Additionally, Division rulemakers compile a "closing binder" that contains documents and memos evidencing compliance with the RFA, PRA, and SBREFA requirements.

3.RG3 **Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?** Answer: YES Question Weight: 9%

Explanation: When a Program determines that an area of regulation (text or forms) needs to be reviewed, related matters are incorporated and considered.

Evidence: Regular and systematic reviews are required by statute (RFA and PRA), and rules are reviewed consistent with those guidelines. The Program also has undertaken initiatives such as establishing a Disclosure Simplification Task Force to review all rules and forms administered by the Program with a view toward eliminating outdated requirements and eliminating any unnecessary duplication among requirements. Major issues also are identified by the Program and result in periodic, comprehensive reviews of rules covering targeted areas. For example, a review of the proxy rules is underway and the Program is considering formulating broad changes to the Securities Act registration process. Studies also are conducted on cross-cutting issues affecting the financial regulatory community. For example, the SEC and the Federal Reserve jointly issued a white paper on structural change in the settlement of government securities, and a staff report on the Task Force on Mortgage-Backed Securities Disclosure was prepared with the Department of the Treasury and the Office of Federal Housing Enterprise Oversight.

Program Assessment Rating Tool (PART)

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	38%	82%	47%	

- 3.RG4 Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity?** Answer: YES Question Weight: 9%
- Explanation:** The Program's primary regulatory activity is to establish new disclosure requirements or to eliminate obsolete disclosure requirements so that investors get information that is relevant to their investment decisions. Proposed rulemaking identifies proposed new requirements and requests comment on implementation benefits and costs. Alternatives are addressed and cost/benefit analyses are prepared in accordance with rulemaking and cost/benefit analysis guidance. To collect and verify data on potential costs and benefits a small number of companies may be contacted to ask for estimates (provided the activity is undertaken consistent with Paperwork Reduction Act requirements). Both qualitative and quantitative benefits are evaluated against the potential cost of regulations. The agency attempts to maximize the benefit while minimizing the burden of its regulatory activity to the extent practicable.
- Evidence:** The Office of General Counsel provides guidance on developing regulations, and the Office of Economic Analysis provides a manual containing guidance on preparing a cost-benefit analysis. The Program has published a small business compliance guide and routinely considers possible means to lessen burdens on small business issuers. The Program also considers special issues associated with foreign private issuers.
- 4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight: 20%
- Explanation:** The Program's current long-term goals are not outcome based.
- Evidence:** The program needs to develop more outcome based measures. SEC is currently refining its long-term and annual performance goals and will provide further information during the FY 2005 GPRA Annual Planning process.
- 4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight: 20%
- Explanation:** The Program met performance goals for the percentage of issuers reviewed annually and average time to issue initial comments on full review registration and merger proxy statement filings. The Program is in the process of developing other measures.
- Evidence:** The Program's goal was to review 20% of issuers in 2003, the program reviewed 23 percent. The program's goal was to issue initial comments on full review registration and merger proxy statement filings in 30 days. In 2003, the average time to issue comments was 27.7 days.
- 4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: NO Question Weight: 20%
- Explanation:** The Program has not demonstrated improved efficiencies or cost effectiveness in program goals each year.
- Evidence:** The program needs to develop measures of efficiencies or cost effectiveness.

Program Assessment Rating Tool (PART)

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
100%	38%	82%	47%	

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: NA Question Weight: 0%

Explanation: The SEC is uniquely charged with the responsibility of administering the securities laws and regulations established to prevent fraud and misrepresentation in the public offering, trading, voting, and tendering of securities.

Evidence:

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: YES Question Weight: 20%

Explanation: GAO and OIG audits indicate that the program is effectively managed and generally achieves results. Audits have noted that some improvements are possible and the Program recently received increased staff and funding to help make these changes. In addition, the Program recently received through legislation greater flexibility to hire accounting professionals.

Evidence: The SEC's Office of Inspector General issued a report, GPRA Performance Reports (#329), assessing whether the Commission prepared its performance reports in accordance with GPRA requirements. The audit found that the reports generally complied with the requirements and also recommended actions for some of the measures. Additional OIG audits assessed factors of the Program including an audit on EDGAR Utility to Commission Staff (#351) and Comment Letter Follow Up (#326). The General Accounting Office report, SEC OPERATIONS: Increased Workload Creates Challenges (GAO-02-302), identified a number of issues that affected agency and program performance. The GAO study included interviews with stakeholder communities and their assessment of program performance. The report found that the SEC is a respected regulator but that limited resources were having a significant impact on the work of the agency. Other GAO audits and studies have assessed rulemaking compliance as well as Financial Statement Reporting.

4.RG1 Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits? Answer: YES Question Weight: 20%

Explanation: The Program's primary regulatory activity is establishing or eliminating disclosure requirements. Proposed rulemaking identifies proposed new requirements and requests comment on implementation burden. Alternatives are addressed and cost/benefit analyses are completed. The agency attempts to minimize the burden of its regulatory activity to the extent practicable while maximizing net benefits.

Evidence: The Program published a small-business compliance guide and routinely considers possible means to lessen burdens on small-business issuers. The Program also considers special issues associated with foreign private issuers.

PART Performance Measurements

Program: Full Disclosure Program (Corporate Review)

Agency: Securities and Exchange Commission

Bureau:

Measure: Percentage of issuers reviewed annually

Additional Information: The Sarbanes-Oxley Act sets a target of reviewing each issuer once every three years. The Program estimates achieving this one-third target by 2006. The Act provided the Program additional staffing in order to achieve the mandated target.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term (Efficiency Measure)
2003	20	23	
2004	24		
2005	28		
2006	33		
2007	33		

Measure: Number and percentage of comment letters issued on 34 Act annual report filings selected for review

Additional Information: Sarbanes-Oxley mandates the review of all companies once every three years. More frequent reviews should assist companies in accomplishing better disclosure. Over time, it is expected that the number of filings and companies reviewed will increase but with improved disclosure practices, a smaller percentage of reviews will result in comment letters being issued.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003	2,500	2,330	
2004	2,600		
2005	2,675		
2006	2,700		
2007	2,700		

Measure: Average time to issue initial comments on full review registration and merger proxy statement filings (in days)

Additional Information: The target of 30 days has become a defacto industry standard for the maximum time to receive SEC comments. Companies often build this timeframe into timelines. The 30 days is considered aggressive given the other mandatory reviews conducted by the Program and the fluctuation in filing volume that impacts workload plans.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual (Efficiency Measure)
2003	30	27.7	

PART Performance Measurements

Program: Full Disclosure Program (Corporate Review)

Agency: Securities and Exchange Commission

Bureau:

Measure: Average time to issue initial comments on full review registration and merger proxy statement filings (in days)

Additional Information: The target of 30 days has become a defacto industry standard for the maximum time to receive SEC comments. Companies often build this timeframe into timelines. The 30 days is considered aggressive given the other mandatory reviews conducted by the Program and the fluctuation in filing volume that impacts workload plans.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual	(Efficiency Measure)
2004	30			
2005	30			
2006	30			
2007	30			

Measure: Average number of days to resolve comments provided to issuers on reviews of annual reports

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual	(Efficiency Measure)
2003	117	126		
2004	115			
2005	110			
2006	100			
2007	90			

Measure: Number of issuers that materially revise disclosures in response to staff comments (under development)

Additional Information: Comments are issued to an issuer to elicit better compliance with applicable disclosure requirements.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003			

PART Performance Measurements

Program: Full Disclosure Program (Corporate Review)

Agency: Securities and Exchange Commission

Bureau:

Measure: Number of reviews that resulted in significant income restatements. (under development)

Additional Information: Comments are issued to an issuer to elicit better compliance with applicable disclosure requirements. In many instances, the issuer amendments involve financial restatements. The determination of "significance" stems from the nature of the change (restating positive income as a loss) or the size of the company.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003			

Measure: Number of IPO reviews resulting in income restatements greater than 10% (under development)

Additional Information: Comments are issued to an issuer to elicit better compliance with applicable disclosure requirements. In many instances, the issuer amendments involve financial restatements. The percentage change is determined from the source document being reviewed and the resulting amendment.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003			

Measure: Total dollar value of restatements with financial changes greater than 10% (under development)

Additional Information: Comments are issued to an issuer to elicit better compliance with applicable disclosure requirements. In many instances, the issuer amendments involve financial restatements. Targets are not appropriate for this measure.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003			

Measure: Number of Enforcement referrals (under development)

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003		218	

Measure: Number of interpretive advice requests or telephone calls on rules received and responded to by staff (under development)

Additional Information: Providing guidance reduces the likelihood that a filer will submit inaccurate or inadequate material under SEC rules. The nature of requests are reviewed to identify where rules should be clarified or improved. It is anticipated that the level of requests will grow while regulations stemming from Sarbanes-Oxley are implemented, then begin to decrease.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003	46,000	41,700	
2004	47,000		

PART Performance Measurements

Program: Full Disclosure Program (Corporate Review)

Agency: Securities and Exchange Commission

Bureau:

Measure: Number of interpretive advice requests or telephone calls on rules received and responded to by staff (under development)

Additional Information: Providing guidance reduces the likelihood that a filer will submit inaccurate or inadequate material under SEC rules. The nature of requests are reviewed to identify where rules should be clarified or improved. It is anticipated that the level of requests will grow while regulations stemming from Sarbanes-Oxley are implemented, then begin to decrease.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2005	48,000		
2006	49,000		
2007	50,000		

Program Assessment Rating Tool (PART)

Program: U.S. Trade and Development Agency
Agency: Trade and Development Agency
Bureau:
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Moderately
100%	88%	100%	50%	Effective

1.1 Is the program purpose clear?

Answer: YES

Question Weight: 20%

Explanation: USTDA's authorizing legislation states that "the purpose of the Trade and Development Agency is to promote United States private sector participation in development projects in developing and middle-income countries, with special emphasis on economic sectors with significant United States export potential, such as energy, transportation, telecommunications, and environment." USTDA clearly reflects this intent in their mission statement: "The U.S. Trade and Development Agency (USTDA) advances economic development and U.S. commercial interests in developing and middle income countries".

Evidence: USTDA's authorizing statute is 22 U.S.C. Sec. 2421, which is the Foreign Assistance Act of 1961, as amended, Section 661. The agency's Mission Statement is contained in USTDA's Strategic Plan and its website at www.tda.gov.

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight: 20%

Explanation: USTDA programs address two principal U.S. interests: furthering U.S. trade and foreign policy/development objectives and promoting U.S. exports. In support of the first interest, USTDA programs assist low and middle income nations to achieve their developmental objectives by promoting U.S. commercial participation (technology transfer, analysis and best practices) in infrastructure projects and policy creation. To advance its second interest, the agency sponsors early, strategic involvement of U.S. firms in development projects that possess high economic/political risks (and may deter private sector interest) or that face competition from state-supported, foreign firms. By supporting U.S. private sector participation in these projects, USTDA facilitates the export of U.S. goods and services and increases transparency in procurement and project development.

Evidence: Other developed countries, such as Japan, Germany, etc., have well-established and active programs supporting their respective companies attempts to participate in development projects in the same markets where USTDA is active. (2000 TPCC National Export Strategy (NES) Report; CIDA Materials; JICA Materials; USTDA website). Before approving an activity, USTDA requires the following: a request from the host country government; verification by the U.S. Embassy in country that the proposal is a host country priority; a determination that the proposal has significant developmental and commercial impact, evidence that the project will likely be financially, and evidence of foreign competition. (USTDA Handbook, Chapter 6).

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

Answer: YES

Question Weight: 20%

Explanation: USTDA supports U.S. private sector involvement in priority development projects overseas by providing grant assistance to fund project-specific activities (feasibility studies, etc) and broader activities (technical assistance). The only programs that are similar in scope and objective are the programs in other nations with which USTDA competes, such as JICA in Japan and the Canadian International Development Agency/International Cooperation Program. No state or local government activities are comprehensive enough to compare with USTDA's mandate and range of activities. Private entities that conduct feasibility studies, technical assistance, etc. without USG support do not focus on providing broader benefits to other U.S. companies and foreign project sponsors.

Evidence: Federal agencies like DOC and Ex-Im Bank provide assistance to U.S. exporters, but their mandates do not focus on the developmental impact of their projects and do not provide assistance through feasibility studies (early project development), technical assistance, etc. OPIC has a similar development mandate to that of USTDA, but provides credit (insurance, loans, guarantees) not grants. USAID provides development assistance in the forms of grants and technical assistance, but focuses on social sector and local private sector development. USTDA, however, focuses on opening opportunities for the U.S. private sector in commercial and industrial sectors. Unique to USTDA is its emphasis on having the grantee choose and oversee the work of the U.S. firm.

Program Assessment Rating Tool (PART)

Program: U.S. Trade and Development Agency
Agency: Trade and Development Agency
Bureau:
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Moderately
100%	88%	100%	50%	Effective

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: YES Question Weight: 20%

Explanation: Through the aid of Definitional Missions and Desk Studies, USTDA's program design emphasizes project selection and utilizes a broad array of implementation devices (Technical Assistance, Feasibility Studies, Orientation Visits, Conferences and Training Grants). The agency considered the alternative of hiring in-house experts to perform some or all of the work that is currently conducted by contractors, but believes that this would: a) limit access to cutting edge services; b) sacrifice flexibility and efficiency in acquiring a proper workforce skills mix; and c) be contrary to federal outsourcing policy.

Evidence: The agency's history of return on investment of over \$35 in exports for every program dollar expended suggests the absence of any fundamental flaws in program design. (USTDA Annual Reports). The agency's newly designed developmental impact measures will allow it to measure the developmental impact of its past, ongoing and future activities. (Measures Tab). Feedback from stakeholders, including a recent TPCC survey of U.S. companies did not surface concerns or suggestions for program redesign. (2002 TPCC NES Report).

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: YES Question Weight: 20%

Explanation: USTDA provides funding to an in-country grantee to pay for expertise from a U.S. firm of the grantee's choosing in the form of technical assistance or feasibility studies. While USTDA funds go to the foreign project sponsor grantee, all funds are disbursed directly from the agency to the U.S. contractor. This method ensures that the grantee receives the U.S. services for the agreed-upon activity. Further, agency funds are disbursed, as milestones are achieved, thereby ensuring that the activity has been accomplished prior to releasing any funds. Both the in-country grantee and the U.S. contractor are the agency's direct beneficiaries. The secondary beneficiaries are U.S. firms that export to these projects.

Evidence: To ensure that the in-country grantee benefits from U.S. best business practices, USTDA uses transparent competitive procedures. USTDA approves the developing country's choice of a U.S. firm. Together, the grantee, USTDA and the U.S. firm set the terms of reference for the activity. In addition, before payment is made, both the grantee and USTDA must approve the U.S. firm's work. Often, signing the grant agreement itself represents a change in policy or a move toward good business practice by the grantee. (USTDA Forms and Procedures; USTDA Handbook, Chapter 6.)

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight: 12%

Explanation: USTDA uses two specific performance measures, the multiplier and the hit rate, to ascertain whether its programs achieve its long-term strategic objectives of advancing U.S. commercial interests in development projects. USTDA's other long-term strategic objective of advancing economic development in low and middle income countries will be measured by newly designed development measures. These measures will be applied to past, current and prospective agency activities.

Evidence: USTDA's FY 03-07 Strategic Plan highlights these performance measures: (1) The Multiplier consists of identified U.S. exports/USTDA expenditures; (2) the "Hit Rate" consists of the percentage of USTDA projects with exports. Developmental measures are under the Measures Tab. The developmental measures will be included with the Multiplier and the Hit Rate in the FY 05 GPRA documents. (FY 03,04 GPRA Plan)

Program Assessment Rating Tool (PART)

Program: U.S. Trade and Development Agency
Agency: Trade and Development Agency
Bureau:
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Moderately Effective
100%	88%	100%	50%	

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight: 12%

Explanation: The targets for the multiplier and hit rate performance measures, while ambitious, have remained fairly constant. USTDA projects often take many years to mature and the measures are applied on the basis of ten year rolling averages (TYRA). The agency continues to maintain its ambitious targets but believes that they might be difficult to achieve in light of the increased complexity of the international economy and the economic distress in developing countries. USTDA has established and is implementing developmental impact measures.

Evidence: USTDA's long term performance target for the multiplier is 35 to 1, or \$35 in U.S. exports for every \$1 in agency funding. The target for the hit rate is 37%, or, to put it another way, 37% of the agency's projects produce U.S. exports. The targets for projects that successfully impact host country economic development will be measured after completion of the projects and these measures are being refined by OMB and USTDA. These targets and timeframes will be included in the FY 05 GPRA documents. Measures Tab. (FY 03,04 GPRA Plans)

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 12%

Explanation: To date, USTDA annual performance measures (multiplier and hit rate) are calculated on a ten year rolling average to reflect the length of time it takes some of the agency's projects to mature. USTDA evaluates these measures each year to determine whether they need adjustment to reflect changing market conditions and other factors. USTDA is currently implementing newly designed development measures.

Evidence: USTDA's Annual Performance Measures are: the multiplier (on a ten year rolling average basis) and the hit rate (on a ten year rolling average basis). The agency's newly determined measures of developmental impact will be integrated into its FY 05 Annual Performance Plan and its revised 5 year Strategic Plan. Measures Tab. (FY 03,04 GPRA Plans)

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 12%

Explanation: USTDA has baselines and ambitious targets for two of its annual measures (export multiplier, hit rate). The targets for these measures have increased significantly over the last decade due to the continuation of public sector projects at the same time as the growth of private sector projects in the developing world. Baseline data to be applied to the development measures is being gathered, and will be included in the agency's GPRA documents for FY 05.

Evidence: USTDA baselines and targets for its commercial impact measures are as follows: For the Multiplier: the FY 01 Target was 38:1 and the Actual was 39:1. For FY 02, the Target was 40:1 and the Actual was 39. For FY 03, the Target is 40:1 and for FY04, the Target is 35:1. For the Hit Rate: the FY 01 Target was 36% and the Actual was 39%. For FY 02, the Target was 40% and the Actual was 38%. For FY 03, the Target is 38% and for FY04, the Target is 37%.

Program Assessment Rating Tool (PART)

Program: U.S. Trade and Development Agency
Agency: Trade and Development Agency
Bureau:
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Moderately Effective
100%	88%	100%	50%	

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight: 12%

Explanation: As a part of its due diligence and project documentation, USTDA requires that the grantee comply with certain terms and conditions designed to support the agency's annual and long term goals. In addition, when submitting requests, project managers must provide evidence of how the project will contribute to the agency's long term goals. USTDA grantees and U.S. firms provide information to assess the agency's program performance. For future projects, the project documents will incorporate, where applicable, the development objectives that the project should address. Various sources, including grantees and Contractors, will provide the data necessary to measure the development impact. The Trade Promotion Coordinating Committee (TPCC) and direct partnerships in overseas offices in Ankara, Turkey, Johannesburg, South Africa, and Bangkok, Thailand, other federal agencies, like Ex-Im Bank, OPIC, ITA at Commerce, and State, contribute to USTDA's commercial and developmental objectives.

Evidence: Grant Agreements between USTDA and developing country grantees contain Terms of Reference, Mandatory Clauses and other provisions that commit to working toward the annual and long term commercial goals of the agency. The subsequent, or secondary, agreement between the developing country grantee and the U.S. firm must also include these Terms of Reference, Mandatory Clauses and other similar provisions. In the future, project documents will address the new development objectives. (USTDA Handbook, Chapter 6. Model Format for the Grant Agreement and the Secondary Agreement, Sample Grant Agreement, Sample letters from Grantees and Host Countries).

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight: 12%

Explanation: Independent evaluations have been conducted on an annual basis to evaluate the commercial impact of USTDA's activities. To assess the agency's developmental impact, these evaluations focused only on the agency's existing broad developmental objectives due to the lack of specific development measures. More specific developmental impact measures have been developed and are being implemented. Due to its size, USTDA pays for annual outside evaluations and these take the place of or supplement third party audits. For the future, USTDA will expand the scope of its outside evaluations to gather the data necessary on an annual basis to measure both its developmental and its commercial impact in developing countries.

Evidence: The QED Group, LLC (2000 to 2002) The QED Group, LLC 2003 (Draft) Section 6, "Assessment of USTDA Development Impact." Assessments of Agency Effectiveness by Sector (e.g. Petrochemical Refining and Fossil Fuel Power).

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight: 12%

Explanation: Previous budget submissions (e.g. FY 04) were based on the agency's assessment of the necessary funding level to meet demand, support Presidential priorities, and responsibly run its programs. USTDA's budget requests are not explicitly tied to the accomplishment of its performance goals. Therefore, the agency's FY 05 budget submission will try to integrate its budget with performance to clearly show all costs (program and administrative) needed to meet its commercial and developmental objectives.

Evidence: Past USTDA's budget requests did not link budget and performance on the developmental side.

Program Assessment Rating Tool (PART)

Program: U.S. Trade and Development Agency
Agency: Trade and Development Agency
Bureau:
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Moderately Effective
100%	88%	100%	50%	

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight: 12%

Explanation: USTDA recognizes its past strategic planning deficiencies in the measurement of its program's developmental impact. USTDA, working with OMB, has created development measures and specific development goals to assess the developmental impact on the host country. USTDA will incorporate these goals and measures in its FY 05 GPRA documents. These evaluation measures will continue to be refined and expanded in future years to focus on newly established goals and targets.

Evidence: OMB is currently working with USTDA to create the agency's developmental goals and measures. In addition, the agency is expanding the scope for its outside evaluation experts to gather the data necessary to measure its current and future developmental impact. USTDA will also apply its newly designed developmental measures to assess its performance on past activities. (Measures Tab)

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight: 10%

Explanation: USTDA collects data on the dollar value of U.S. exports associated with each of its activities and uses it to calculate the multiplier and hit rate. USTDA will begin to collect additional information to assess its program's developmental impact. The project documents include an annual reporting requirement, and the agency uses this and other information to guide future decisions on types of project proposals to support. The program and financial audits of select projects and reporting requirements allow the agency to manage program activities and to make adjustments, if necessary, to improve performance.

Evidence: Annual Evaluations by the QED Group, LLC 2000-2002. Grant Agreements. Cost Share and Success Fee Letter agreements. USTDA's Grants Administrator. Agency Forms and Procedures.

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: YES Question Weight: 10%

Explanation: Through the annual performance appraisals and reviews, USTDA managers are held accountable for selecting projects that meet USTDA criteria and mission, supervising contractors and grantees, meeting payment schedules, and reviewing invoices for work performed under contracts and grants. USTDA managers ensure that contractor and grantee milestones have been met prior to payment, and that the grantee has approved contractor invoices, which are tied to established project deliverables. USTDA's grants administrator reviews the final product for compliance before the payment of the final 15 percent of the grant amount, ensuring that contractors are accountable for accomplishing agreed upon deliverables set forth in the grant agreement.

Evidence: Weekly/monthly Activity Reports and Annual Performance Appraisal Reviews. The weekly/monthly reports are up-dated in weekly or biweekly project reviews with senior management and the regional managers. (EIS Reports, PARs, Grantee Performance Evaluation of USTDA projects, Agency Forms and Procedures).

Program Assessment Rating Tool (PART)

Program: U.S. Trade and Development Agency
Agency: Trade and Development Agency
Bureau:
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Moderately Effective
100%	88%	100%	50%	

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 10%

Explanation: USTDA obligates its appropriations in a timely manner. USTDA has two primary accounts: Operating Expenses and Program Budget. Similar to other International Assistance programs, USTDA receives a two year appropriation for the majority of its funds, reflecting Congressional and OMB intent for flexibility in obligating these funds. All USTDA funds are spent for the intended purpose.

Evidence: USTDA follows current Federal Law and apportsions funds with OMB in accordance with sections 1211 and 1512 of the General Appropriations Act, as amended. For each project, the grantee must submit disbursement documents for USTDA endorsement and payment. The grant agreement governs disbursement procedures and matters related to the proper use of USG funds. The agency has never had to return unobligated funds to the Treasury.

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight: 10%

Explanation: USTDA procedures measure and achieve efficiencies and cost effectiveness in program execution. By contracting with the private sector to perform its project Definitional Mission (DM), Desk Study (DS), Orientation Visit, and Conference work, USTDA enhances its staff expertise. The DM and DS Contractors are competitively selected and help USTDA staff assess appropriate funding levels and Terms of Reference for feasibility studies and technical assistance projects. To accomplish the same amount of work without outside assistance would require a substantial increase in FTEs. This outsourcing is consistent with USG policy and keeps the agency up-to-date on industry trends and development successes. USTDA also is investing in updating its management information system (TDAMIS) that helps track, measure and improve the efficiency of the contracting and grant process. USTDA also uses outside contractors to evaluate managerial and program performance.

Evidence: USTDA funds about 250 contracting opportunities per year (average from 2000-2002 period) for Desk Studies, Definitional Missions, Orientation Visits and Conferences. USTDA also funds annually about 200 Feasibility Study and Technical Assistance activities. On average, USTDA contracts with independent auditors to conduct 3 to 5 program and/or financial audits per year. These audits have helped the agency improve contract and grant management procedures. (USTDA Annual Reports from 2000 to 2002, USTDA Audits from 1998 to 2000)

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 10%

Explanation: USTDA coordinates directly with related programs and works through the Trade Promotion Coordinating Committee (TPCC) to collaborate effectively with other USG programs. Together, USTDA and the other TPCC agencies develop a government-wide strategic plan for carrying out U.S. trade promotion programs. USTDA also closely coordinates with USG agencies, including USTR, DHS, DOT, (in particular the FAA), DOC, State, Ex-Im Bank, OPIC, USAID and NSA, on developing public-private approaches to address the Administration's priorities in specific areas (e.g., transportation security).

Evidence: TPCC National Export Strategy Report, 2002 & 2003. On a daily basis, USTDA program staff coordinates overseas project development extensively with DOC's U.S. & Foreign Commercial Service, as well as with the State Department, FAA and DHS's Transportation Security Agency, and Commerce's Advocacy Center. Examples of USTDA leading a USG initiative in support of another agency are: Enterprise for ASEAN Initiative (USTR); SEED, FSA (State Department); and STAR Initiative (TSA). USTDA/OPIC office in Ankara, Turkey, and OPIC/Ex-Im/USTDA Office in Zagreb, Croatia.

Program Assessment Rating Tool (PART)

Program: U.S. Trade and Development Agency
Agency: Trade and Development Agency
Bureau:
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Moderately
100%	88%	100%	50%	Effective

3.6 Does the program use strong financial management practices?

Answer: YES

Question Weight: 10%

Explanation: Independent financial audits of USTDA financial statements are conducted yearly. Each audit has provided a clean opinion with no findings of material weaknesses. In addition, USTDA's accounting and payroll services are provided through the Department of Interior's Federal Financial System (FFS), a system also subject to periodic, independent audit. Based upon standards outlined in the 'Statement on Auditing Standards (SAS), these audits have also rendered clean opinions. USTDA maintains written accounting policies and procedures to regulate internal accounting practices. USTDA also organizes regular meetings with trade associations, the business community, and its Grantees for feedback on agency operations.

Evidence: USTDA Financial Audit Reports for 2000 to 2002; KPMG Audit of Department of Interior's FFS.

3.7 Has the program taken meaningful steps to address its management deficiencies?

Answer: YES

Question Weight: 10%

Explanation: USTDA actively responds to management issues reported in its financial and program audits. Issues identified by independent auditors are specifically addressed and inserted into a corrective action tracking system for follow-up. Depending on the issue, policies and or procedures are modified and implemented agency-wide. While this is done in a responsive way, the agency continues to identify proactive ways to tighten or improve its controls. An example is the establishment of an agency Grants Administrator. Also, in accordance with OMB Circular A-123, USTDA annually conducts an internal control management review and survey of all staff in all departments, actively seeking their identification of processes, procedures, incidents or actions that may require review, risk assessment, and possibly corrective action. USTDA recently completed a review of agency business rules in conjunction with the implementation for a web-based enterprise architecture.

Evidence: Management Letters from Audits; USTDA's Handbook; Functional Specifications for TDAMIS.

3.CO1 Are grants awarded based on a clear competitive process that includes a qualified assessment of merit?

Answer: NA

Question Weight: 0%

Explanation: USTDA's program is neither a competitive grant program nor a block grant/formula grant program. USTDA's program is a foreign grant program that provides grant assistance to host country sponsors upon the request of the host country.

Evidence:

3.CO2 Does the program have oversight practices that provide sufficient knowledge of grantee activities?

Answer: YES

Question Weight: 20%

Explanation: USTDA Grant Agreements, cost share/success fee agreements and contract mandatory clauses include provisions that provide for USTDA oversight and specifically require USTDA review and approval of contractors; contracts, including amendments and modifications; invoices; and deliverables, including final reports. USTDA milestone-payment procedures require the approval of USTDA Regional Staff, as evidenced by their signature on the Disbursement Voucher. Final invoice payment procedures require the review of the final work product by USTDA's Grants Administrator and the approval of the Regional Staff prior to payment of the final invoice. USTDA also conducts periodic program and financial audits of its grants. In the case of a program audit, an independent auditor will visit the Grantee in country as well as review the books and records with respect to the project.

Evidence: Grant Agreement; cost share/success fee agreements; USTDA Forms and Procedures; Agency Program Audits Binder, 1998-2000; Agency Financial Audits, 2000 - 2002.

Program Assessment Rating Tool (PART)

Program: U.S. Trade and Development Agency
Agency: Trade and Development Agency
Bureau:
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Moderately
100%	88%	100%	50%	Effective

- 3.CO3 Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight: 10%
- Explanation:** USTDA collects grantee performance on an annual basis through a project-by-project evaluation by an outside contractor to measure the commercial impact of its program. The agency makes this information available to the public through the multiplier and the hit rate. The agency will expand this methodology to include developmental performance using the newly-developed developmental impact measures. The status of projects is broadly disseminated through all of the agency's communication channels. Also, copies of public reports on agency projects are available through the agency library or the web site.
- Evidence:** www.tda.gov. Information also may be sought via Info@USTDA.gov. USTDA quarterly newsletters, USTDA's Briefs, FY2002 USTDA Annual Report.
- 4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: SMALL EXTENT Question Weight: 25%
- Explanation:** USTDA has demonstrated strong progress in meeting its long-term commercial goals (multiplier and hit rate). With respect to developmental impact, over the years, USTDA has gathered performance data but has not done so systematically and has not evaluated its activities against specific development performance measures with ambitious targets and timeframes. Accordingly, USTDA, working with OMB, is developing specific development measures with targets and timeframes. This will complement USTDA's ongoing project-by-project developmental impact analysis carried out through contact with foreign Grantees, U.S. contractors, other involved U.S. companies, international financial institutions and U.S. financial organizations.
- Evidence:** The QED Group LLC Report (2000 to 2002 and 2003 Draft); Economic Sectoral Evaluations by Outside Technical Experts; (3) Internal USTDA Evaluations: Analysis of Cost Share/Success Fee (annual series); Small Companies and USTDA (annual series); Financing of USTDA Exports (periodic reports); and U.S. Suppliers to USTDA Projects (periodic reports); Evaluations Office Report on developmental impact on host country economic development; Examples of Projects; Representative Letters.
- 4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight: 25%
- Explanation:** For its commercial objective, USTDA sets high targets and for many years has been able to meet or exceed the targets. Since USTDA's development goals, measures and targets have been recently developed, there is insufficient data available at this time for systematic and detailed demonstration of its annual host country developmental impact.
- Evidence:** USTDA baselines and targets for its commercial impact measures are as follows: For the Multiplier: the FY 01 Target was 38:1 and the Actual was 39:1. For FY 02, the Target was 40:1 and the Actual was 39. For FY 03, the Target is 40:1 and for FY04, the Target is 35:1. For the Hit Rate: the FY 01 Target was 36% and the Actual was 39%. For FY 02, the Target was 40% and the Actual was 38%. For FY 03, the Target is 38% and for FY04, the Target is 37%.

Program Assessment Rating Tool (PART)

Program: U.S. Trade and Development Agency
Agency: Trade and Development Agency
Bureau:
Type(s): Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Moderately Effective
100%	88%	100%	50%	

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: YES Question Weight: 25%

Explanation: Prior to project approval, USTDA conducts its own research and enters into contracts with experts to conduct due diligence on potential projects. This combined review analyzes project information, scrubs budgets, and, by so doing, results in improved cost effectiveness, reduction in FTE utilization and staff time, and rejection of poorly planned or ill-conceived projects. In addition, to reduce paper processing time and improve data collection, the agency is updating its IT systems to include a new enterprise architecture. Together, USTDA and OMB will work on this initiative through the A-11, Exhibit 300 type process. USTDA improves efficiencies in the procurement of consultant services by revising contracting methods on an ongoing basis.

Evidence: Functional specifications for the IT enterprise architecture for the agency's redesign of its management information system and the agency's willingness to participate in an Exhibit 300 (business case). Contracting efficiencies include: revisions to Definitional Mission contract provisions, contract reviews and participation in the Small Business Administration ProNet waiver program, which allows streamlined access by the agency to U.S. small businesses.

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: NA Question Weight: 0%

Explanation: While there are no other directly comparable U.S. entities in either the public or private sector, there are foreign entities that conduct feasibility studies and other activities similar to USTDA. Since USTDA only has anecdotal evidence of the performance of these programs, the agency cannot make a meaningful comparison.

Evidence: Insufficient information for comparison

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: SMALL EXTENT Question Weight: 25%

Explanation: Independent evaluations indicate that USTDA programs are effective and achieve results in the area of the agency's commercial impact through export promotion. USTDA's independent evaluators, using existing, broad developmental objectives, also show that the agency's program have some developmental impact. The evaluations cite agency developmental achievements in the areas of market-oriented legal and regulatory reform, environmental standards, and public infrastructure development. However, these evaluations do not demonstrate USTDA's effectiveness/results in relation to the specific achievement of USTDA-centered established goals and targets, which are now being developed and will be in place soon.

Evidence: The QED Group, LLC Report (2000 to 2002 and 2003 Draft, Chapter 6); Economic Sectoral Evaluations by Outside Technical Experts: Telecommunications by Synetics; Petrochemical & Refining by Pace Consultants; Management Information Systems by Market Access; Electric Power Generation by Howell & Associates.;

PART Performance Measurements

Program: U.S. Trade and Development Agency

Agency: Trade and Development Agency

Bureau:

Measure: Dollar amount of U.S. exports for every \$1 in agency funding (the multiplier)

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2002	\$40	\$39	
2003	\$40	\$33	
2004	\$35		
2005	\$35		

Measure: Percentage of Agency Projects that produce US exports (the hit rate)

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2002	40%	38%	
2003	38%	36%	
2004	37%		
2005	38%		

Measure: Percentage of projects that have the potential of contributing to the multiplier

Additional Information: Feasibility Studies (FS)/ Technical Assistance (TA) reviewed to initially assess projects ability to involve US exports - indicates potential contribution to meeting the long-term multiplier target.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004	> 60%		
2005	> 60%		

PART Performance Measurements

Program: U.S. Trade and Development Agency

Agency: Trade and Development Agency

Bureau:

Measure: Percentage of projects that have the capacity to produce US exports (the hit rate)

Additional Information: Feasibility Studies (FS)/ Technical Assistance (TA) reviewed to initially assess projects ability to involve US exports - indicates potential contribution to meeting the long-term hit rate target.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004	> 60%		
2005	> 60%		

Measure: Percentage of implemented activities that result in infrastructure/industrial projects

Additional Information: Feasibility Studies (FS)/ Technical Assistance (TA) evaluated 6 years following completion to determine implementation.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2004	> 55%		
2005	> 55%		

Measure: Percentage of implemented activities that lead to adoption of market oriented reforms

Additional Information: Feasibility Studies (FS)/ Technical Assistance (TA) evaluated 6 yrs following completion to determine whether reform was adopted.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2004	> 25%		
2005	> 25%		

Measure: Percentage of implemented activities that create 10 or more jobs or train at least 10 people

Additional Information: Feasibility Studies (FS)/ Technical Assistance (TA) evaluated 6 years following completion to determine jobs created or number of people trained

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2004	> 30%		
2005	> 30%		

PART Performance Measurements

Program: U.S. Trade and Development Agency

Agency: Trade and Development Agency

Bureau:

Measure: Percentage of implemented activities that result in the transfer of advanced technology or increased productivity

Additional Information: Feasibility Studies (FS)/ Technical Assistance (TA) evaluated 6 years following completion to determine higher technology or increased productivity

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2004	>50%		
2005	>50%		

OMB Program Assessment Rating Tool (PART)

Capital Assets & Service Acquisition Programs

Name of Program: TVA Power

Section I: Program Purpose & Design (Yes,No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Is the program purpose clear?</i>	Yes.	The purpose of TVA's power program is to provide TVA's customers ample supplies of economical and reliable power.	TVA's power program today is a \$7 billion per year business. The basis in law for TVA's power program is the TVA Act of 1933 (48 Stat. 58). Section 10 reads "The Board is hereby empowered and authorized to sell the surplus power not used in its operations..." Building on this somewhat narrow base, and working to serve its customers' needs, the agency expanded its power program during World War II. Congress delineated TVA's service area in 1959. The agency embarked on a major expansion of its power plants during the 1980s, so that today TVA is one of the five largest electric power companies in the country. The purpose of TVA's power program today is spelled out further in the agency's Vision Statement, its Government Performance and Result Act (GPRA) statements and related documents.	20%	0.2
2	<i>Does the program address a specific interest, problem or need?</i>	Yes.	TVA supplies the power needed by 8.3 million people -- four percent of the nationwide total -- living in Tennessee and parts of six neighboring states.	There is a 70-year legislative history supporting TVA's mission to meet the power needs of the people the agency serves.	20%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
3	<i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	Yes.	See the box immediately above. TVA generates power and transmits it to 158 municipal utilities and rural electric cooperatives. They in turn deliver the power to retail customers. TVA played a leadership role in helping accelerate the availability of electric power in rural areas at affordable prices	TVA Act, Sec. 11 - " permit domestic and rural use at the lowest possible rates and in such manner as to encourage increased domestic and rural use of electricity."	20%	0.2
4	<i>Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?</i>	No.	TVA made a unique contribution during its start-up phase, supplying power to small towns and rural areas at low prices. Its role today is important but not unique. Electric power today is of course widely available throughout the US and around the world. That power is supplied by non-federal governmental and privately owned entities, as well as federal entities. Each of these approaches works reasonably well and each has its advocates. Each of these approaches is capable of providing affordable power. Note, for example, that some non-federal power companies supply power at costs that are lower than those TVA charges. In short, there are a number of ways to provide the economical power TVA currently supplies.	For information on the US electric power industry and alternate organizational forms of electric utilities, turn to the information and statistics provided by the Energy Information Administration (EIA) in the Department of Energy. Investor-owned utilities supply 75 percent of the country's power, municipal utilities 15 percent and cooperatives 10 percent. See the related EIA link: http://www.eia.doe.gov/cneaf/electricity/page/prim2/fig4.gif The prices TVA charges for power are lower than many utilities but higher than some, including utilities neighboring TVA's service area.	20%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	<i>Is the program optimally designed to address the interest, problem or need?</i>	No.	TVA's power program has had its ups and downs. The program today is taking the steps needed to improve its design and operation and to prepare for changes now occurring in power markets. Three areas where TVA is seeking to improve include national energy policy, debt reduction, and strategic planning: (1) The Administration is working with the Congress on reforms of the electric power industry, seeking to modernize the nation's transmission system and to introduce competition in the nation's electric power markets. TVA could play a leadership role, for example, opening up its transmission system and allowing its customers to shop for power. (2) TVA needs a debt reduction plan. GAO and some TVA customers have expressed concern that TVA's debt is too large and needs to be reduced. (3) As noted in the next section below, TVA does not have a business plan and a strategic plan, explaining how it will operate in the changing electricity markets of the future.	Links and other evidence related to program design changes TVA needs to consider follow: (1) The <i>President's National Energy Policy Report</i> is available at the following link: http://www.energy.gov/HQPress/release_s01/maypr/energy_policy.htm (2) The following GAO report catalogues concerns about TVA's finances and evidence the agency need to reduce its debt <i>TVA Debt Reduction Efforts and Potential Stranded Costs</i> (GAO-01-327, February 2001) (3) TVA itself argued debt reduction was important in the <i>TVA Ten Year Business Outlook</i> , which TVA published in July 1997. TVA has since revised its position, saying cost-effective investment in new power plants and environmental mitigation is more important than debt reduction. (4) TVA has hired a corporate strategic planner and is working to develop its strategic plan.	20%	0.0
Total Section Score					100%	60%

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section II: Strategic Planning (Yes,No, N/A)						
1	<i>Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?</i>	Yes.	TVA is in the process of developing a strategic plan, a business plan and a debt reduction plan. TVA does have six strategic objectives. In 1999, the TVA Board adopted 6 strategic objectives designed to achieve their vision of "Generating Prosperity in the Valley." 3 of those objectives pertain specifically to TVA's power program. This section of the PART assesses TVA's strategic planning effort in terms of TVA's three power-related strategic objectives.	TVA hired a nationally recognized expert on electric industry restructuring and regulation in June 2002 as its Senior Vice President for Strategic Planning and Analysis. She will be working with TVA and TVA stakeholders to develop a strategic plan for TVA. In addition, the following references are relevant for assessing TVA's GPRA-related plans: TVA 2003 GPRA Performance Plan; TVA 2001 Annual Report	11%	0.1
2	<i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	Yes.	TVA is in its second full year of a new "Winning Performance" program. It includes a "Balanced Scorecard" which contains specific annual goals and performance targets which are aligned to the long-term strategic objectives. As noted on the PART summary, TVA performance measures are useful in part, but metrics need to be developed further. E.g. the cost of power metric needs to be developed to account for the fact that TVA has access to capital at AAA bond rates.	TVA 2003 GPRA Performance Plan; TVA 2002 Balanced Scorecard	11%	0.1
3	<i>Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?</i>	No.	TVA plans to involve its stakeholders in its new strategic planning process.	The process began in June 2002 and stakeholder involvement has not yet begun.	11%	0.0
4	<i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	Yes.	TVA has long been an active participant in national and regional electricity reliability councils (NERC), has strong partnerships with 158 public power municipal and cooperative distributors, and good relationships with private power utilities.	NERC committee representation, TVPPA partnership and contracts, TVA's Public Power Institute, power interchange agreements and regional transmission MOU's.	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	<i>Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?</i>	Yes.	TVA conducts continuous performance reviews on its own, has topical reviews by an Inspector General and GAO, receives annual independent financial audits. There have rarely been full-scope independent evaluations of the entire power program's effectiveness, however.		11%	0.1
6	<i>Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?</i>	No.	TVA has developed a rigorous integrated performance planning and budget process, with a foundation of individual plant and business unit plans that are aligned with corporate goals and objectives. This is to the agency's credit. However TVA began its strategic planning effort in earnest the summer and has yet to establish its power program goals in a way that the effect of policy changes and legislation on performance is apparent. See column to the right for more details.	Examples of TVA successes include the following: Winning Performance Program and Balanced Scorecards; Annual Performance Plans; Monthly Executive reviews of financial and operational performance. Examples where TVA has additional work to do (related to its strategic plan and business plan) include the following: the effect of allowing TVA customers to shop for power; the effect of joining a regional transmission organization; the effect of an environmental surcharge on TVA's debt, interest expense and competitiveness; and the effect of new energy legislation expected this year.	11%	0.0
7	<i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	Yes.	As the PART summary notes, in OMB's view TVA does a good job operating its power plants but has not yet squarely addressed the strategic planning task that lies ahead of it. The agency is taking steps to address its deficiencies. See the column to the right.	TVA hired a corporate strategic planner in June 2002 and has given her the task of helping TVA assess its business environment, identify options and assess them, and generally prepare TVA to deal with the changing market conditions the agency will face in the future.	11%	0.1
8 (Cap 1.)	<i>Are acquisition program plans adjusted in response to performance data and changing conditions?</i>	Yes.	Capital projects are continually reviewed as part of an intensive Project Justification Process.	Example: A \$300 million combined-cycle plant project was cancelled as a result of changing conditions both within TVA's operations and the bulk power market.	11%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
9 (Cap 2.) <i>Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule and performance goals?</i>	Yes.	This is an ongoing part of TVA's planning, budgeting and performance management process, aided by independent reviews and recommendations by the Inspector General.	Examples: (1) Recent major power supply decisions have resulted in both "build" (BF1) and "buy" (Calpine contract) based on economics. (2) A Nashville office space relocation based on costs, economic benefits to the local region, and IG recommendations.	11%	0.1

Total Section Score	100%	78%
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Section III: Program Management (Yes,No, N/A)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?</i>	Yes.	TVA has an ongoing monthly budget and performance reporting system that includes both TVA organizational and contractor performance information. Budgets are reallocated as necessary to address emerging problems or opportunity . TVA is currently implementing Activity Based Management (ABM) as another tool to manage performance.	Winning Performance Program; Corporate and Business Unit Balanced Scorecards; Monthly Executive Performance Summary report.	9%	0.1
2 <i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	Yes.	The Winning Performance program includes a process of both individual and business unit goal-setting and periodic performance review. A portion of individual compensation is "at risk" based on performance achieved.	Quarterly Business Performance reviews; Quarterly individual performance reviews; Pay for Performance targets and awards; Contract incentives for major plant maintenance partners.	9%	0.1
3 <i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	Yes.	TVA's financial reporting system includes detailed reports of actual vs. budget expenditures on a monthly (and for some components weekly) basis.	Monthly and quarterly performance reports; monthly "savings and use" reports (mechanism for reallocating resources when needed).	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	<i>Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?</i>	Yes.	TVA includes performance requirements in all major procurement and contractor "partner" agreements. Incentives are designed such that the supplier and TVA share in cost savings achieved.	TVA Procurement Group's "Strategic Sourcing" initiative (\$100 million reduction in material inventory over 5 years); Fossil Group's maintenance contractor "partner" contracts.	9%	0.1
5	<i>Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?</i>	Yes.	TVA's internal accounting system is an accrual-based, full-cost allocation system, including such indirect costs as employee benefits (pension, medical) and support services (computer support, building facilities).	Monthly financial reports; IBS (automated G/L system); independent financial audit.	9%	0.1
6	<i>Does the program use strong financial management practices?</i>	Yes.	TVA has developed over the years strong centralized financial systems through which all transactions are recorded and controlled.	Clean audit reports (PWC). Internal audit reports (IG).	9%	0.1
7	<i>Has the program taken meaningful steps to address its management deficiencies?</i>	Yes.	TVA has developed a highly qualified executive management team, all of which have private sector as well as public sector experience. Within the operating groups, functional "peer teams" have been established across all major disciplines. They meet regularly to evaluate all business processes, do extensive benchmarking studies, and implement "best practices" from other units and other companies.	<i>Winning Performance</i> Program; <i>STAR 7</i> training program; Nuclear's <i>Pentagen</i> program; COO peer teams.	9%	0.1
8 (Cap 1.)	<i>Does the program define the required quality, capability, and performance objectives of deliverables?</i>	Yes.	These features are built into all major procurement contracts and project proposals.	Fossil "Partner" contracts; Lignite Plant performance contract (TVA compensated by supplier for delays); Project Justification procedure.	9%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
9 (Cap 2.) <i>Has the program established appropriate, credible, cost and schedule goals?</i>	Yes.	TVA develops extensive cost and benefit analysis on all asset acquisitions ranging from computer systems to generating units.	Published procurement RFP's; Project Justification process.	9%	0.1
10 (Cap 3.) <i>Has the program conducted a recent, credible, cost-benefit analysis that shows a net benefit?</i>	Yes.	TVA conducts hundreds of individual project/acquisition assessments each year. Major projects are reviewed/approved by the Board.	Browns Ferry Unit 1 project analysis included a 6-month "detailed scoping and estimating program" and a Supplemental EIS.	9%	0.1
11 (Cap 4.) <i>Does the program have a comprehensive strategy for risk management that appropriately shares risk between the government and contractor?</i>	N/A	While there are many examples of specific "risk management" techniques, the risk of the overall power program rests primarily with TVA.		9%	0.0
Total Section Score				100%	91%

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Has the program demonstrated adequate progress in achieving its long-term outcome goal's)?</i>	large ext.	As the President's Budget notes, TVA operates its existing assets efficiently and has received industry awards for operating its nuclear and coal-fired power plants cost effectively, a significant improvement from the past when those plants posed major problems. TVA's power program scores less well, however, in terms of strategic planning, competitive bidding and debt reduction.	TVA GPRA Performance Plan; TVA Balanced Scorecard.	17%	

Long-Term Goal I:	Meet customers' needs by providing affordable, reliable electric power.
Target:	Annual reliability targets set (no. of interruptions per customer connection point) based on planned system improvements.
Actual Progress achieved toward goal:	Steady improvement in system reliability achieved in each of past 3 years (see data below).
Long-Term Goal II:	Reduce TVA's delivered cost of power relative to the market.
Target:	Annual cost targets (cents/kWh) set based on forecasted sales and operating budgets.

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
	Actual Progress achieved toward goal: In addition and importantly, this metric should be developed to account for financial advantages the federal government provides TVA (such as access to capital at AAA bond rates and no payment to the federal government in lieu of taxes).		Results have been less than planned in some years; short-term results can be influenced by weather and economic conditions.			
	Long-Term Goal III: Target: Actual Progress achieved toward goal: The strategic plan should open up TVA to competition so TVA's distributors have the right to buy power from non-TVA sources at their discretion.		TVA needs to establish a debt reduction goal with annual targets for meeting these goals. The goal should be tied to TVA's strategic plan.			
2	<i>Does the program (including program partners) achieve its annual performance goals?</i>	yes	Targets achieved on 2 of 3 goals.	TVA GPRA Performance Plan; TVA Balance Scorecard	17%	
	Key Goal I: Performance Target: Actual Performance:		No. of Interruptions per Customer Connection Point 2000 - 1.58 2001 - 1.31 2002 - 1.17 2000 - 1.40 2001 - 1.17 2002 - 1.12 (est.)			
	Key Goal II: Performance Target: Actual Performance:		Delivered Cost of Power (cents/kWh) 2000 - 3.90 2001 - 4.00 2002 - 4.25 2000 - 4.00 2001 - 4.05 2002 - 4.11			
	Key Goal III: Performance Target: Actual Performance:		TVA needs to establish a debt reduction goal with annual targets for meeting these goals. The goal should be tied to TVA's strategic plan. The strategic plan should open up TVA to competition so TVA's distributors have the right to buy power from non-TVA sources at their discretion.			
3	<i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i>	yes	TVA's cost of power is lower than many other producers. However, there are lower cost producers than TVA.	Annual budget documents. Annual reports.	17%	0.2
4	<i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i>	yes	TVA conducts extensive benchmarking studies in all business areas. Ranks in industry top quartile or better in nuclear, fossil, and transmission.	EUCG benchmarking data. Tim Martin (Navigant) staffing studies. TVA Business Unit balanced scorecards.	17%	0.2
5	<i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	yes	TVA's nuclear program is reviewed regularly by NRC and INPO and TVA is receiving highest ratings. Regular assessments are conducted by the IG and as requested by Congress, GAO.	GAO Report May 2002 : "TVA - Information on Benchmarking and Electricity Rates." IG Report May 2001 - "Selected Power Rate and Cost Issues."	17%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
6 (Cap 1.)	<i>Were program goals achieved within budgeted costs and established schedules?</i>	yes	TVA has consistently operated within its overall operating and capital budgets.	Financial performance is reviewed monthly with the TVA Board and Executive Committee. Broader business unit performance plan reviews are held quarterly. But TVA needs to improve its strategic planning and better prepare for competitive markets	17%	0.2
Total Section Score					100%	67%

OMB Program Assessment Rating Tool (PART)

Capital Assets & Service Acquisition Programs

Name of Program: TVA Resource Stewardship (Non-Power)

Section I: Program Purpose & Design (Yes,No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Is the program purpose clear?</i>	Yes	TVA's Stewardship Program carries out TVA's statutory responsibilities for managing the Tennessee River system and associated federal lands as identified in the TVA Act and in TVA's strategic goal of supporting a thriving river system.	TVA's purpose was spelled out in the TVA Act of 1933. It includes flood control, navigation improvement, and the promotion of economic development. TVA's non-power program helps provide these services. TVA's Government Performance and Results Act (GPRA) Mission statement and its strategic objectives document this purpose. TVA's Vision and Goals establishes the goal of supporting a thriving river system. The Regional Resource Stewardship Council (RRSC), a Federal Advisory Committee Act (FACA)-chartered advisory group representing major stakeholders throughout TVA's seven-state service region, helps ensure that program beneficiaries have a means to express their views on the services TVA provides its stakeholders, consistent with the purpose spelled out in the TVA Act of 1933.	20%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	<i>Does the program address a specific interest, problem or need?</i>	Yes	TVA was created to manage the Tennessee River system and its associated lands to improve navigation, reduce flood damage, generate power, and improve the standard of living in the TVA region.	The Tennessee River system provides a set of public or semi-public goods and services. These need to be provided by either an interstate regional agency or by the Federal government. They require capital investments such as dams, locks, reservoirs, and public lands which, in turn, need to be operated and maintained to meet the needs of Valley residents and to protect wildlife and natural resources.	20%	0.2
3	<i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	Yes	TVA's Stewardship Program is designed to maintain and operate the Tennessee River system infrastructure, manage and protect public lands, improve water quality, provide recreational opportunities, and regulate development on TVA-owned and managed shoreline in accordance with reservoir management plans and policies.	TVA's management of the Tennessee River system results in the avoidance of an average of \$190 million/year in flood damage along the Tennessee, Ohio, and Mississippi Rivers, reduces transportation costs to shippers by over \$400 million/year, improves water quality, and sets aside over 122,000 acres of public land for natural resource protection. TVA's GPRA Performance Plan identifies 10 performance measures that are tracked to verify that TVA's Stewardship Program continues to meet Valley needs for flood control, navigation, water quality, and recreation.	20%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	<i>Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?</i>	No.	TVA makes an important contribution to the well-being of the people it serves. These services are not unique since they could be provided by other federal agencies, state and local governments, or a non-federal, interstate organization. Similar services are in fact provided elsewhere in the country. But the system managed by TVA is doing an effective job delivering these services and little or no purpose would be served by changing the current system.	The TVA Act and the Energy and Water Appropriations Act of 1998 document TVA's responsibility for essential stewardship activities including river and land management. TVA coordinates its stewardship program as appropriate with other agencies including the U.S. Army Corps of Engineers (USACE), the National Park Service (NPS), the National Forest Service (NFS), the US Fish and Wildlife Service, state wildlife and water agencies, and state historical preservation offices.	20%	

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	<i>Is the program optimally designed to address the interest, problem or need?</i>	Yes	There are alternate ways to (a) organize and (b) finance this activity. But it makes sense to stick with the current organizational design and financing arrangements. (a) TVA's integrated river management system is recognized as an efficient and effective way to manage the entire watershed. TVA has managed this program this way since TVA was created 70 years ago. There are no obvious advantages to changing the current program design. (b) The program is financed by TVA's power program. It might be paid for instead through federal appropriations. (The federal government pays for similar programs elsewhere in the country.) But it makes sense to continue the current financing arrangement since the current arrangement is the result of a compromise Congress agreed to in 1998. See column to the right for more details.	(a) The current program design works well. TVA's GPRA performance plan tracks agency performance in support of navigation, flood control, water quality, and land management. (b) With respect to program financing, TVA's non-power program might be paid for by federal government appropriations (as similar programs are elsewhere in the country) rather than by TVA power program revenues. However Congress agreed on the current funding arrangement in 1998. The arrangement was the result of a compromise involving a quid pro quo. TVA's power program would fund TVA's non-power program in the future. In return, Congress appropriated \$1.1 billion to pay off a debt TVA owed the U.S. Treasury. The \$1.1 billion appropriation, in the view of many, in effect compensated TVA financially for its obligation to fund TVA's non-power program in the future from proceeds of TVA's power program rather than appropriations.	20%	0.2
Total Section Score					100%	80%

Section II: Strategic Planning (Yes,No, N/A)						
1	<i>Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?</i>	Yes	TVA's s Stewardship program is designed to achieve TVA's corporate goals of supporting a thriving river system while contributing to a low-cost reliable power supply and supporting sustainable economic development in the Tennessee Valley.	TVA's GPRA Strategic Plan and TVA's Internal performance reports provide relevant evidence and data. Specific performance targets have been established for water quality, dam safety, reservoir land management plans, flood storage, and reservoir system operation.	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	<i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	No	TVA has 10 annual performance goals specific to the Stewardship Program that track performance in the areas of navigation, flood control, water quality, land planning, and recreation. One of these, Watershed Water Quality, is an outcome indicator that is incorporated on TVA's corporate Balanced Scorecard. While TVA has done a very good job developing these performance goals, TVA probably should devote additional effort to this important task since some of the goals are ambiguous and in need of refinement.	TVA's GPRA Strategic Plan and TVA "Winning Performance" program provide evidence of a well developed set of performance goals. It would be helpful if TVA would devote more effort to improving the way it measures its contribution in the flood prevention area, for example.	11%	0.0
3	<i>Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?</i>	Yes	While TVA's Stewardship Program involves regional and local stakeholders in annual planning efforts, there are no major grantees or contractors with significant involvement in the program. TVA carries out joint planning efforts with watershed coalitions to identify action plans. Annual reviews of performance against plan are conducted and results are factored into the next year's action planning efforts. TVA meets annually with the chiefs of state water and wildlife agencies to coordinate planning efforts. TVA also coordinates activities related to navigation with the USACE per existing Memoranda of Understanding and with other federal agencies in the areas of land and resource protection and wildlife preservation.	Evidence of TVA's efforts in this area includes documentation of annual reviews with watershed coalitions and state chiefs and planning efforts with the USACE and other agencies.	11%	0.1
4	<i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	Yes	TVA coordinates flood control efforts with the USACE. It also collaborates, where appropriate, with the US Fish and Wildlife Service, US Forest Service, US Coast Guard, and state agencies.	GPRA Strategic Plan, TVA/USACE MOU, joint 26a/USACE process, MOU's with state historic preservation offices.	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	<i>Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?</i>	Yes	TVA's Regional Resource Stewardship Council (RRSC) reviewed TVA's major stewardship programs during FY2001 & 2002 and provided recommendations concerning program direction. TVA's Dam Safety program is reviewed by the Hydro Board of Consultants. Flood risk calculations are being reviewed by the consulting firm of Baker, Inc. Resource Stewardship and Dam Safety performance benchmarking reports by Haddon Jackson Consulting, annual reviews of aquatic weed management plans by stakeholder groups, joint annual planning meetings with the chiefs of state water and wildlife agencies, Environmental auditing according to TVA's Environmental Management System. Activity audits by TVA's Inspector General (IG). Program audits by PricewaterhouseCoopers (PwC).	RRSC Recommendations; Hydro Board of Consultants Reports, Internal Audit Reports, PwC program audit reports, IG audit reports..	11%	0.1
6	<i>Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?</i>	Yes	TVA utilizes an integrated budget and performance planning process where annual and out year performance targets are set based on funding needs and resource availability. TVA is in the process of adopting an activity based management methodology for tracking costs according to processes and related activities.	TVA Performance Plans., performance planning process documentation.	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
7	<i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	Yes	TVA regularly reviews progress against performance targets and re-evaluates the effectiveness of action plans in achieving program goals. Lessons learned from each year's planning cycle are identified and improvements incorporated into the next planning effort. TVA has completed one revision to its GPRA strategic plan and is preparing to conduct a second revision in FY03. A business environment review process was established using internal scan teams and external subject matter experts addressing major aspects of the business/political/stakeholder/technology situation. A new Senior Vice President for Strategic Planning and Analysis joined TVA in June 2002. Major stewardship policies are reevaluated based on changes in stakeholder needs and modified as needed through public review processes. Recent examples include TVA's Shoreline Management Initiative (SMI) and the current Reservoir Operations Study (ROS).	SMI documentation, Watershed planning process, ROS status documentation. Revised GPRA strategic plan. Business Environment Scan Team report.	11%	0.1
8 (Cap 1.)	<i>Are acquisition program plans adjusted in response to performance data and changing conditions?</i>	Yes	TVA conducts monthly, quarterly, and annual reviews of expenditures and achievement of performance targets to identify gaps and develop action plans for reprioritizing resources as needed to close performance gaps. Budgeting and planning assumptions are modified as needed to improve alignment between targeted and achieved performance. TVA reviews its performance measures on an annual basis to ensure they reinforce the desired behaviors and achieve the desired results.	Monthly/quarterly/annual performance reports; savings and use process	11%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
9 (Cap 2.) <i>Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule and performance goals?</i>	Yes	TVA is presently conducting an in-depth review of its Reservoir Operations policy. This study, initiated following a recommendation by the Regional Resource Stewardship Council, will identify whether alternative reservoir operating strategies could provide greater public benefits from the Tennessee River system. The study is evaluating navigation, flood control, power generation, water quality, recreation, and economic development benefits provided by the current and various alternative operating policies. The previous reservoir operations study was completed in the early 1990's. In 1998, TVA completed the Shoreline Management Initiative (SMI), a major review of its shoreline management policy which involved the creation and evaluation of a number of alternatives that represented varying impacts across multiple resource issues.	ROS scoping document; ROS updates in Quarterly Reports to Congress; Lake Improvement Plan EIS, SMI EIS.	11%	0.1
Total Section Score				100%	89%

Section III: Program Management (Yes,No, N/A)					
Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?</i>	Yes	TVA has a monthly expense and performance reporting system that includes both employee and contractor information. Major programs and projects are managed and performance tracked against budget and performance milestones. Business units review performance at least monthly, and actions are taken to adjust resources as needed based on budget or performance gaps.	Monthly & quarterly performance reports. Savings and Use process documentation. ROS project management reports.	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	<i>Are Federal managers and program partners (grantees, sub grantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	Yes	TVA utilizes an annual performance goal setting process for all management/professional employees. Specific performance goals are established and progress is reviewed at least quarterly. Business Units review cost & performance results versus plan on at least a monthly basis and actions are taken as needed to address gaps. Contractors are held accountable to a defined scope of work, budget, and schedule and progress is also reviewed at least monthly. Past performance is a major factor in new contract awards.	Monthly & quarterly performance reports. Employee Performance Review and Development (PR&D) process. Contract scope of work/schedule/budget documentation.	9%	0.1
3	<i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	Yes	Program funds are allocated in TVA's annual budget/performance planning process. Monthly expenditure budgets are established, progress against those budgets is monitored, and end-of-year forecasts are made on a monthly and quarterly basis. If under runs are forecast, the Savings and Use process allows funds to be re-allocated as needed to ensure achievement of program goals.	Monthly and quarterly budget/performance reports and forecasts. Savings & Use reports.	9%	0.1
4	<i>Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?</i>	Yes	TVA tracks cycle time and percent cost recovery for permitting, cycle time and commitments met for environmental reviews, and land transfers and acquisitions. TVA identifies opportunities to collaborate with partners and local governments to reduce costs of providing services.	Monthly performance reports. Collaborative agreements for recreation area management.	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	<i>Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?</i>	Yes	TVA's budgeting system includes all costs (direct and indirect) associated with operating its Stewardship program. TVA's accounting system captures and allocates all direct and indirect costs of program operation. Performance targets are set based on available resources. These systems allow impacts of changes in program funding to be estimated.	TVA budget/performance plans.	9%	0.1
6	<i>Does the program use strong financial management practices?</i>	Yes	TVA has a rigorous financial management system that tracks costs and ensures billings and payments are made when due. TVA's financial controls and reports are certified by PricewaterhouseCoopers.	PwC audit reports. TVA annual reports.	9%	0.1
7	<i>Has the program taken meaningful steps to address its management deficiencies?</i>	Yes	TVA conducts reviews of program functions to ensure they continue to meet customer and stakeholder needs and are cost effective. TVA is carrying out a process documentation and improvement process to identify opportunities for improvement. TVA recently redesigned its process for prioritizing watershed improvement efforts to focus TVA activities and investments in hydrological units where the most improvement can be achieved. Shoreline stabilization projects are prioritized based on the severity of erosion, presence of archaeological sites, and vegetative cover.	Process & Methods reports; Watershed and shoreline stabilization prioritization processes, functional review results.	9%	0.1
8 (Cap 1.)	<i>Does the program define the required quality, capability, and performance objectives of deliverables?</i>	Yes	TVA's Stewardship Program does little contracting for capital assets. TVA services contracts have defined scopes of work, milestones, and deliverables, and project reviews are held to ensure appropriate progress is being made and that deliverables meet contract specifications.	TVA contract documents.	9%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
9 (Cap 2.) <i>Has the program established appropriate, credible, cost and schedule goals?</i>	No	Monthly budgets are developed and progress and expenditures are tracked against this control budget and scheduled milestone completion. Some goals, however, could benefit from more work.	Monthly performance reports. Goals OMB believes need more work include "shipper savings" and "flood storage availability."	9%	0.0
10 (Cap 3.) <i>Has the program conducted a recent, credible, cost-benefit analysis that shows a net benefit?</i>	Yes	TVA's stewardship program carries out statutory responsibilities for navigation, flood control, power generation, and economic development. Internal analyses have been conducted that show the benefits to TVA's power customers from TVA's management of the Tennessee River System exceed the costs of the Stewardship program. TVA is presently conducting an analysis of its reservoir operations policies to identify costs and benefits of alternative operating strategies.	Internal cost/benefit study; Reservoir Operations Study results.	9%	0.1
11 (Cap 4.) <i>Does the program have a comprehensive strategy for risk management that appropriately shares risk between the government and contractor?</i>	Yes	TVA's Stewardship Program is largely carried out by employees and costs are under the control of TVA's financial controls system. There is no significant risk due to contracting activities.	TVA budget documents. Internal risk management analyses.	9%	0.1
Total Section Score				100%	91%

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Has the program demonstrated adequate progress in achieving its long-term outcome goals)?</i>	Yes	TVA's major Stewardship program goal is to support a thriving Tennessee River system. The primary outcome measure is watershed water quality which continues to show annual improvement.	GPRA Annual Reports. TVA Balanced Scorecard.	17%	0.2

Long-Term Goal I:	Support a thriving river system as measured by watershed water quality
Target:	Annual targets for hydrologic units in good or fair condition. There are 611 watershed units in the Tennessee River System.
Actual Progress achieved toward goal:	FY2001 - 496 HUCs in fair or good condition; FY2002 projection - 506 HUC's in fair or good condition. FY2003 Target 510 HUCs in fair or good condition.

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
	Long-Term Goal II: Target: Actual Progress achieved toward goal:		Increase shipper savings provided by Tennessee River navigation system Annual targets based on projected navigation system availability and shipper preference for river shipping FY 2001 - \$485 million in shipper savings; FY2001 - \$555 million in shipper savings; FY2002 \$560 million targeted shipper savings.			
	Long-Term Goal III: Target: Actual Progress achieved toward goal:		Manage the river system to minimize flood damage Flood storage availability measures TVA's readiness to control damaging floods. In 1995 a long-term target of 80% was established. Performance has exceeded the 80% target in recent years due to lower than normal rainfall. 80% is still seen as the appropriate target under normal rainfall conditions.			
2	<i>Does the program (including program partners) achieve its annual performance goals?</i>	Yes	TVA has met its targets on these measures since reporting under GPRA was initiated. Achievement of targeted performance requires participation of partners including the USACE (shipper savings) and watershed coalitions (watershed water quality)	GPRA Annual Performance Reports.	17%	0.2
	Key Goal I: Performance Target: Actual Performance:		Watershed Water Quality FY00 - 491, FY01 - 492; FY02 506 FY00 - 491, FY01 - 496; FY02 506 (projected)			
	Key Goal II: Performance Target: Actual Performance:		Shipper Savings FY00 - \$480 million; FY01 - \$465 million; FY02 - \$560 million FY00 - \$485.5 million; FY01 - \$555 million; FY02 - \$560 million (projected)			
	Key Goal III: Performance Target: Actual Performance:		Flood storage Availability 80% (reflects improvement from 75% baseline in FY95) FY00 - 92.6%; FY01 - 88.7%; FY00 - 80% (projected)			
3	<i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i>	Yes	TVA's Stewardship program continues to meet or exceed performance goals without increasing overall costs. These efficiency improvements come through the use of public/private partnerships and more effective use of internal resources (managed attrition, realignment of functions, etc.)	Annual budget documents, performance results;	17%	0.2
4	<i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i>	Yes	Benchmarking exercises conducted this year with the USACE, BLM, and BPA indicate that TVA's performance and cost to conduct stewardship activities compare favorably with other federal agencies.	Haddon-Jackson benchmark results.	17%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	<i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	No	TVA has provided one independent assessment and an assessment from its advisory committee. It would be helpful if TVA sought and presented next year one or two additional independent assessments of its operation of this program.	The Hydro Board of Consultants findings show approval of TVA's dam safety program activities. The Regional Resource Stewardship Council reviewed TVA's Stewardship program and recommended that TVA continue its major programs related to management of the Tennessee River System.	17%	0.0
6 (Cap 1.)	<i>Were program goals achieved within budgeted costs and established schedules?</i>	Yes	TVA's Stewardship program meets performance targets within budgeted resources and in accordance with established schedules.	GPRA Performance Reports; TVA monthly performance reports.	17%	0.2
Total Section Score					100%	83%