



**DEPARTMENT
of HEALTH
and HUMAN
SERVICES**

Program Support Center

FY 2010 Online Performance Appendix

Introduction

The FY 2010 Online Performance Appendix is one of several documents that fulfill the Department of Health and Human Services' (HHS) performance planning and reporting requirements. HHS achieves full compliance with the Government Performance and Results Act of 1993 and Office of Management and Budget Circulars A-11 and A-136 through the HHS agencies' FY 2010 Congressional Justifications and Online Performance Appendices, the Agency Financial Report, and the HHS Citizens' Report. These documents are available at <http://www.hhs.gov/asrt/ob/docbudget/index.html>.

The FY 2010 Congressional Justifications and accompanying Online Performance Appendices contain the updated FY 2008 Annual Performance Report and FY 2010 Annual Performance Plan. The Agency Financial Report provides fiscal and high-level performance results. The HHS Citizens' Report summarizes key past and planned performance and financial information.



Transmittal Letter from PSC Director

I am pleased to transmit the Program Support Center's (PSC) fiscal year (FY) 2010 Online Performance Appendix. The information delivered in this report is in compliance with guidance provided by the Office of Management and Budget. This report also meets the requirements of the Government Performance and Results Act. In this report, our performance is assessed against the targets in our FY 2010 Congressional Justifications and accompanying Online Performance Appendix.

Data used to report progress are reliable and as complete as possible. Inherent to the nature of our work is a time lag between when we take action as the shared services provider for HHS and when we can measure result from that action. Therefore, for the reporting year, we cannot provide results data for two of our performance measures.

Paul S. Bartley
Deputy Assistant Secretary for Program Support

**Department of Health and Human Services
Program Support Center
FY 2010 Online Performance Appendix**

Table of Contents

Introduction.....	2
Transmittal Letter from PSC Director	3
Summary of Targets and Results Table.....	5
Summary of Performance Targets and Results.....	5
Performance Detail	7
PSC Online Performance Appendix Performance Measures Table.....	7
Performance Narrative	11
Overview of PSC Performance.....	11
Detail of Performance Analysis	15
OPDIV/STAFFDIV-level Information.....	29
Link to HHS Strategic Plan	29
List of Program Evaluations	31
Information on Use of Non-parties.....	31

Summary of Targets and Results Table

Summary of Performance Targets and Results

Fiscal Year	Total Targets	Targets with Results Reported	Percent of Targets with Results Reported	Total Targets Met	Percent of Targets Met
2007	10	9	90%	5	56%
2008	10	10	100%	7	70%
2009	10	0	0%	0	0%
2010	9	0	0%	0	0%

This table provides a summary of the number of targets that PSC reports under the Government Performance and Results Act (GPRA) and the progress it has made in achieving its targets. The percentage of “Percent of Targets with Results Reported” is the percentage of the number of results reported for the fiscal year divided by the total number of targets for that same fiscal year. The “Percent of Targets Met” is the percentage of the number of targets met for the fiscal year divided by the number of results reported in the same fiscal year.¹

By focusing on PSC-wide outcome oriented goals, over the years PSC has reduced the overall number of its performance measures by 77 percent; from 44 measures in FY 2002 to 10 measures in FY 2005 to FY 2009. In FY 2010, PSC reduced its performance measure to 9 measures by discontinuing Intra-service Costs (Performance Measure 3.3). The reduction in performance measures allowed PSC to direct its resources to entity-wide outcomes. Using a logic model in its performance management approach, PSC has defined overall goals of improving quality and cost savings to the Department. These are crucial for PSC to successfully achieve its mission. To measure success, PSC will continue to track these performance measures through FY 2010.

For FY 2008, PSC successfully met the targets for 7 of its 10 performance measures. The remaining 3 performance measures did not meet their targets. PSC achieved or exceeded the targets related to Timeliness (Performance Measure 1.1), Customer Satisfaction (Performance Measure 1.2), Timely Billing (Performance Measure 1.3), Increase in Number of Customers (Performance Measure 2.1), Department-wide Consolidations (Performance Measure 3.1), Overhead Costs (Performance Measure 3.2), and Financial Audit (Performance Measure 3.6).

On the other hand in FY 2008, PSC did not meet the targets related to Intra-service Costs (Performance Measure 3.3), Employee Satisfaction (Performance Measure 3.4), and Cost Recovery (Performance Measure 3.5). Although PSC did not meet the target for Cost

¹ The “Total Targets Met” column for FY 2008 increased from 6 to 7 because of the availability of the FY 2008 Performance Measure 3.6 (Financial Audit) result which is discussed in the *Performance Detail* section of this document.

Recovery (Performance Measure 3.5), the performance result was improved over the prior year.

While PSC did not achieve all its performance goals for FY 2008, overall it made significant progress. For FY 2008, the percentage of targets met was 70% compared to 56% in FY 2007. The percentage increase from FY 2007 to FY 2008 was 14%.

Performance Detail

PSC Online Performance Appendix Performance Measures Table

Long Term Objective: Improve quality – Provide quality administrative support so that high performance can be maintained in HHS Program Services.

Measure	FY	Target	Result
1.1.1: Increase the percentage of services achieving timelines targets. (Outcome)	2010	95%	Sep 30, 2010
	2009	95%	Sep 30, 2009
	2008	95%	95% (Target Met)
	2007	95%	95% (Target Met)
	2006	95%	96% (Target Exceeded)
	2005	100%	92% (Target Not Met)
1.1.2: Increase the percentage of customers responding to PSC comment cards and indicating excellent/good ratings for satisfaction of services. (Outcome)	2010	90%	Sep 30, 2010
	2009	90%	Sep 30, 2009
	2008	90%	91% (Target Exceeded)
	2007	90%	91% (Target Exceeded)
	2006	90%	95% (Target Exceeded)
	2005	100%	87% (Target Not Met)
1.1.3: Increase the percentage of cost centers processing billings to coincide with service delivery (Outcome)	2010	95%	Sep 30, 2010
	2009	95%	Sep 30, 2009
	2008	95%	95% (Target Met)
	2007	Set Baseline	87% (Baseline)

Measure	Data Source	Data Validation
1.1.1	Data on timeliness is tracked through internal cost center systems on a monthly basis	Timeliness data is tracked by each cost center and is submitted to the PSC Business Office on a monthly basis by cost centers that are randomly sampled and tested for data verification.

Measure	Data Source	Data Validation
1.1.2	Customer satisfaction data is obtained through an electronic survey which is available 24/7 for customer input. In addition, hard copy comment cards are collected from customers as an alternative data collection mechanism.	Customer satisfaction data is collected each month. Customers are asked to complete surveys at the time of services rendered. In addition, the online survey is available through the PSC website and in the signature of PSC employee emails.
1.1.3	Data obtained from the PSC Revenue, Invoicing, and Cost Estimation System (PRICES).	Actual performance measured based on the monthly billing activity of cost centers.

Long Term Objective: Increase Cost Savings to HHS by Expanding Market Share or Increasing Size of Customer Base.

Measure	FY	Target	Result
1.2.1: Increase percentage of new customers acquired annually. (<i>Outcome</i>)	2010	2% increase over FY09	Sep 30, 2010
	2009	2% increase over FY08	Sep 30, 2009
	2008	2% increase over FY07	4% (Target Exceeded)
	2007	2% increase over FY06	17.6% (Target Exceeded)
	2006	2% increase over FY04 (18 new customers)	22% (Target Exceeded)
	2005	2% increase over FY03 (40 new customers)	29.4% (Target Exceeded)

Measure	Data Source	Data Validation
1.2.1	PSC maintains service level agreements with customers that track customers' purchasing behavior. In addition, data on the number of customers (established by billings) that the PSC support is maintained in the Customer Information section of PRICES.	Actual performance will be measured by the increase in the number of customers billed through PRICES.

Long Term Objective: Increase Cost Savings to HHS through Asset Management

Measure	FY	Target	Result
1.3.1: Participate in Department-wide consolidations. (<i>Outcome</i>)	2010	1 consolidation	Sep 30, 2010
	2009	1 consolidation	Sep 30, 2009
	2008	1 consolidation	2 consolidations (Target Exceeded)
	2007	1 consolidation	0 consolidation (Target Not Met)
1.3.2: Maintain PSC overhead rate to be less than 1.6% of total costs. (<i>Outcome</i>)	2010	1.6%	Sep 30, 2010
	2009	1.6%	Sep 30, 2009
	2008	1.6%	1.2% (Target Exceeded)
	2007	1.6%	1.3% (Target Exceeded)

Measure	FY	Target	Result
	2006	1.3%	1.4% (Target Not Met)
	2005	10%	8% (Target Not In Place)
<u>1.3.3:</u> Maintain percentage of revenue consumed by intra-service costs. <i>(Outcome)</i>	2010	Discontinued	
	2009	4%	N/A
	2008	4%	5% (Target Not Met)
	2007	4%	4% (Target Met)
	2006	-10%	77% (Target Not Met)
	2005	N/A	10% (Target Not Met)
<u>1.3.4:</u> Increase the percentage of overall employee satisfaction PSC-wide. <i>(Outcome)</i>	2010	75%	Mar 31, 2011
	2009	75%	Mar 31, 2010
	2008	75%	53% (Target Not Met)
	2007	75%	58% (Target Not Met)
	2006	75%	61% (Target Not Met)
	2005	77%	Goal Not Measurable
<u>1.3.5:</u> Increase the percentage of cost centers recovering within an established variance and achieving target Net Operating Result (NOR). <i>(Outcome)</i>	2010	75%	Sep 30, 2010
	2009	75%	Sep 30, 2009
	2008	75%	61% (Target Not Met)
	2007	100%	60% (Target Not Met)
	2006	100%	62% (Target Not Met)
	2005	90%	62% (Target Not Met)
<u>1.3.6:</u> Achieve unqualified audit opinion for the SSF. <i>(Outcome)</i>	2010	Unqualified audit opinion, no new MW and RC, and measurable progress in correcting existing MW and RC	Dec 30, 2010
	2009	Unqualified audit opinion, no new MW and RC, and measurable progress in correcting existing MW and RC	Dec 30, 2009
	2008	Unqualified audit opinion, no new MW and RC, and measurable progress in correcting existing MW and RC	Unqualified audit opinion (Target Met)

Measure	FY	Target	Result
	2007	Unqualified audit opinion, no new MW and RC, and measurable progress in correcting existing MW and RC	Not completed (Target Not Met)
	2006	Unqualified audit opinion, no new MW and RC, and measurable progress in correcting existing MW and RC	Not completed. (Target Not Met)
	2005	Unqualified and no new	Unqualified audit opinion 1 repeat MW, 1 RC down graded from 2004 MW, and 1 repeat RC (Target Met)

Measure	Data Source	Data Validation
1.3.1	Data will be obtained from the PSC Business Office who has responsibility for tracking participation in Department-wide consolidation efforts. Data will also be obtained on the total estimated FTEs reported HHS-wide that were categorized as administrative in nature.	Actual results will be presented based on ASAM approval of consolidation efforts. Actual reductions will be calculated as the total administrative FTEs over the prior year.
1.3.2	Data will be obtained from the Cost Recovery Reports from PRICES.	Actual performance will be calculated as the percentage of total overhead costs to total costs.
1.3.3	Data will be obtained from the billings by Customer Report and Cost Recovery Report in PRICES.	Actual performance will be calculated as the percentage of total intra-service costs to total revenue.
1.3.4	Data will be obtained from the results of the annual human capital survey, i.e., Human Resource Management Index (HRMI) survey, Federal Human Capital Survey, or some equivalent survey.	Actual results will be based on the annual human capital survey.
1.3.5	Data will be obtained from the Cost Recovery Reports from the PSC Revenue, Invoicing, and Cost Estimation System. These reports itemize the costs, including obligations and expenses; revenue; and percentage of cost recovery for each PSC cost center.	Cost recovery data is reviewed monthly to monitor and adjust performance as needed. Final results are determined at the end of the fiscal year and will be calculated as the percentage of all cost centers whose cost recovery is 100%.
1.3.6	Data will be obtained from the annual audit of financial statements.	Actual results will be identified in the annual financial audit performed by independent auditors.

Performance Narrative

Overview of PSC Performance

As PSC strives to be the provider of choice across the Federal government, it continues to be performance driven in an effort to provide high quality and competitively priced administrative support services to its customers. Linking PSC's performance to mission and goals and measuring its progress is an essential part of the strategic visioning and planning process. The PSC mission and vision are focused on delivering products and services that are recognized as high value for the price paid. PSC's Strategic Plan 2005-2009 identifies goals that enable employees and leaders within the organization to remain focused on this mission and vision. In order to measure its success in a quantifiable manner, PSC tracks ten performance measures that directly and indirectly link to each of the strategic goals. To this end, the two primary outcomes that PSC strives to achieve are quality delivery and cost-effective operations. By striving to achieve these outcomes, PSC will support the Department's efforts for responsible stewardship and effective management.

PSC has worked diligently for the past several years to reengineer processes, control costs, set service level expectations with customers, and develop its employees as skilled customer service providers. The intent for each of these activities was to ensure that PSC improved its service delivery approach so that customers and competitors in the marketplace recognize PSC as a state of the art organization that is the provider of choice. The goal is for competitors in both the public and private sectors to look to PSC as the premier provider of administrative shared services and benchmark their approach, price, and service levels against those provided by PSC. This is a long range goal that requires a strict focus on continuous improvement, understanding of customer needs, and awareness of the market. In the short term, PSC remains committed to performing its own benchmarking activities to better understand how it compares to its competitors. This comparison allows PSC leaders to make educated decisions that help them achieve the end goal of "Becoming the Benchmark." Having performance results and benchmarking data accessible enables PSC to adjust to the ever-changing business context in which it operates and ultimately gives it the tools necessary to reach the top of the market.

The results of the FY 2008 Human Capital Improvement Survey were released to PSC in April 2009 and demonstrated that PSC employees who responded to the survey had an overall job satisfaction rating of 53%. Therefore, the FY 2008 target of 75% was not met. To address the outcome of the FY 2008 HCIS, PSC evaluated the results and planned new strategies to address the shortcomings. The PSC has already implemented "Operation High GEAR", a series of 15 initiatives to address tactical and strategic goals to transform the PSC into a customer-focused shared services organization. These initiatives will position PSC to better serve customers by developing its workforce, providing processes and tools for targeted services, and focusing on more global issues such as determining our core services. One of the five goals of this program is to Improve PSC's Human Capital. Operation High GEAR was introduced to employees at an All Hands Meeting in March 2008. Follow-up survey results indicated a positive

reception and strong approval of the initiatives. Survey results further indicated that employees feel PSC leadership is engaged, and committed to implementing the initiatives in Operation High GEAR.

The annual communications survey conducted in FY 2008 revealed that the PSC eNews, which was implemented as an employee newsletter, was “Useful” or “Somewhat Useful” to 73% of the respondents. Feedback from the new hire orientation program revealed that knowledge of HHS, PSC and PSC Performance increased by 10%, 40% and 42% respectively. In addition, 51% of the attendees of the new hire orientation rated it as excellent and 58% felt that it was relevant, contained the right amount of detail, and prepared them to work in the PSC.

On the whole, the PSC Employee Communication Survey results showed many components of PSC communications are effective in providing useful and timely information to the PSC employee. The data also showed there are some areas that will require more attention. Those areas have been the focus of continuous improvement in the Communications Program which is an ongoing effort.

To address opportunities for career growth, PSC implemented the Individual Development Planning (IDP) Program in FY 2006. The IDP Program will allow employees to develop a detailed, action-based plan that targets development activities that they plan to complete to support their professional goals. The program will also foster two-way communication between employees and supervisors to ensure employees are receiving the necessary support and guidance from their direct supervisors.

The implementation of the IDP Program has been delayed by staffing shortages and failure of HHS University to implement the performance management module of the Saba Learning Management System. HHS University which is the owner of the system has experienced extremely high turnover of both government and contractor personnel, which has impeded the IDP system. The expectation is that IDP functionality will become available in June 2009 as system upgrades are completed.

PSC is committed to the goal of improving financial performance. To achieve this goal, PSC established a performance measure to achieve a clean audit opinion with no material weaknesses and reportable conditions. This goal also sets expectations around cost management and PSC has two measures that specifically track intra-service costs and overhead costs to ensure that these costs are contained.

In an effort to expand E-Government, PSC is tracking the number of Department-wide consolidations in which it participates. Many of these initiatives are centered on implementing centralized E-Solutions that have an impact on multiple Operating Divisions (OPDIVs), which in turn are expected to reduce costs across the Department. Examples are Improve E-Gov Travel CoE Communications, Improve the HSPD-12 Badge Process, and Automate the Transhare and Parking.

The Strategic Sourcing Program is one example of the Department achieving cost savings in FY 2008. By consolidating procurement activity across HHS to leverage purchasing power and reduce purchase costs associated with certain goods and services, the Department lowered overhead operating costs by \$27.4 million based on actual usage of the consolidated contracts. The PSC is also engaged in an initiative to provide its Procurement Specialists and customers with a *knowledgebase* of standard procurement operating procedures via secure intranet portal.

In FY 2008, PSC participated in two Department-wide consolidations through HHS Consolidated Acquisition Solution (HCAS) and HSPD-12 Shared Biometric Enrollment and PIV Card Issuance Initiative. There were two distinct ways in which administrative cost savings were realized. First, by consolidating operations and maintenance activities for HCAS into one team, PSC was able to bring IHS onto HCAS without additional administrative staff. Additional HHS OPDIVs will be joining in this effort in FY09 without a requirement for additional administrative staff. In addition, cost savings have been achieved between HCAS Operations and UFMS Operations with respect to sharing and leveraging tools, processes and infrastructure. HCAS achieved approximately \$1.5M savings in contracted resources, \$1.1M in savings in software tool costs and \$0.5M in server infrastructure.

In a calculated effort to reduce costs and minimize duplication of effort across HHS, the PSC has purchased and deployed HSPD-12 mobile Biometric enrollment and Personal Identity Verification (PIV) card issuance stations in the last quarter of FY 2007 and the first quarter of FY 2008 which offers OPDIVs the opportunity to enroll and be issued the new PIV card without having to procure, install and maintain expensive equipment, as well as staff the effort. These networked systems also eliminate the need for personnel to travel to their headquarters' offices for enrollment and PIV card issuance, saving time and money. The HSPD-12 initiative is estimated to achieve an approximate savings of \$2.5M over 18 months for the Department. Additional savings and benefits should follow when other OPDIVs and STAFFDIVs choose to use the Division of Security Services (DSES) at PSC as an HSPD-12 enrollment and issuance service provider. Currently National Institute of Health (NIH), National Disaster Medical System (NDMS), Centers for Medicare and Medicaid Services (CMS), Indian Health Services (IHS), Office of Medicare Hearings and Appeals (OMHA) and the Office of Inspector General (OIG) have signed memoranda of understanding governing the provision of these services.

By tracking PSC's participation in Department-wide consolidations, PSC will demonstrate its commitment to ensuring HHS duplication of services Department-wide is limited and that cost-effective administrative support services are delivered.

For FY 2008, PSC successfully met or exceeded the targets for 7 of its 10 performance measures. In the area of improving quality, PSC exceeded its targets for timeliness of service delivery, customer satisfaction and timely billing. In the area of market share expansion, PSC exceeded the target to acquire new customers. In the area of asset management, PSC participated in Department-wide consolidations, maintained its budgeted FTE staffing levels, and received an unqualified "clean" opinion of the Service

and Supply Fund (SSF) balance sheet with no material weaknesses. Of the remaining 3 performance measures, PSC did not meet the targets. In the area of asset management, PSC was unable to achieve the targets to reduce intra-service costs, increase the percentage of overall employee satisfaction and achieve cost recovery.

While we may not achieve all performance measures from year to year, PSC continues to make significant progress toward achieving its primary outcomes of quality delivery and cost effective operations and will continue this effort in FY 2009.

Detail of Performance Analysis

This section provides details on PSC's performance as the provider of premium, centralized administrative support goods and services for HHS. The performance measures table, data sources and data validation information are on pages 7 to 11. The present performance measures, targets, and actual results for PSC are also summarized on pages 7 to 11.

PSC has a long term goal of improving quality of service delivery so that HHS OPDIVs may receive superior service while maintaining focus on their mission-related programs. There are three important measures that indicate quality of service – timeliness, customer satisfaction and timely billing.

Performance Measure 1.1 (Timeliness: Target met in FY 2008):

Timely service and responsiveness are critical elements that determine a customer's level of satisfaction with PSC. It is essential that an organization place a continued focus on maintaining and improving timeliness in order to maintain and improve the customers' perceptions of their service provider. PSC seeks to provide timely, accurate and efficient products and services to all customers through simplified, streamlined processes and procedures and through employing best business practices.

PSC measures the timeliness of service delivery against the timeliness performance standards established for each product and service listed in our comprehensive Directory of Products and Services. Service delivery is considered timely when the requested service is delivered to the customer in a prompt manner and within the time frame published for the timeliness performance standard for that product or service. An example of a timeliness performance standard is the following: "95% of medical express orders will be processed and shipped within 1 business day of order receipt". This timeliness performance standard applies to the pharmaceutical, medical, and dental supplies and services provided by the Supply Service Center under the Strategic Acquisition Service (SAS).

The target for each timeliness standard is set to achieve maximum customer satisfaction for timely delivery of products and services. In most cases, the timeliness targets are set at 95 to 100%. These standards exist in order to set expectations with the customer and to allow the customer to hold PSC accountable.

For Performance Measure 1.1, PSC tracks performance data to determine the percentage of its products and services that are achieving their individual timeliness standards. While these standards will be rolled up to the highest PSC level for reporting purposes, each Cost Center Manager of a product or service line is held responsible for meeting their goals. The responsibilities of a Cost Center Manager are assigned and documented under the Performance Management Appraisal Program (PMAP). Individual product and service lines results will be analyzed monthly and reviewed for problem resolution and tracked for improvement. PSC Business Operations (PBO) provides monthly training to

the Cost Center Managers so that they can properly analyze the performance results of their respective products and services.

In analyzing our prior years' performance, it became apparent that some product and service timeliness targets were too aggressive and could not be met when external forces, which PSC could not control, came in to play. For example, from FY 2006 to FY 2008, PSC experienced volume spikes in the areas of personnel security and acquisitions that were not anticipated. An example of a timeliness performance target that was aggressive was from the Division of Acquisition Management: "All acquisition requirements will be completed within 15 days for less complex acquisitions and within 45 days for complex acquisitions." The FY 2008 performance target was 85% and this target was missed three months out of the fiscal year because of the overwhelming volume of acquisition requirements coupled with new employees in training. PSC monitored performance closely on a month to month basis to ensure optimum performance was achieved to meet our customers' needs. As a result of this effort, PSC achieved the FY 2006, FY 2007 and FY 2008 targets for timeliness of service delivery.

For FY 2006, PSC tracked 117 individual timeliness standards for 61 products and services. The performance results demonstrate that PSC met timeliness standards 96% of the time, thus exceeding the target of 95%. For FY 2007, PSC tracked 150 individual timeliness standards for 82 products and services. The performance results for FY 2007 were timely 95% of the time, thus PSC achieved the target of 95%. For FY 2008, PSC tracked 156 individual timeliness standards for 71 products and services. There were less products and services in FY 2008 compared to FY 2007 because of cost center consolidations by the CASUs and realignment of the products and services provided by the Enterprise Support Service (ESS). In FY 2008, the performance results were also timely 95% of the time, thus PSC achieved the target of 95%.

Looking towards FY 2009 and FY 2010, the target for Performance Measure 1.1 will remain constant at 95%. PSC will continue to analyze the targets established for each product and service to ensure that appropriate yet challenging targets are established. In addition, we will continue to evaluate ways to improve the effects of external forces on our business as well as to cost effectively plan to address these situations as they arise. With this approach, it is expected that PSC, as a whole, will be able to continue to achieve the timeliness standards at least 95% of the time in upcoming years.

Performance Measure 1.2 (Customer Satisfaction: Target exceeded in FY 2008):

The other factor in measuring quality is overall customer satisfaction. PSC has placed great emphasis on providing quality, value-added services to all customers through reengineered processes and procedures, management and employee attention to quality, and through employing best business practices. PSC will measure the perceived quality of its service delivery as the percentage of customers expressing overall satisfaction with the quality of services provided. When PSC's customers are satisfied with products and services they are receiving, it allows them to keep focus on their core mission.

Additionally, it is important for PSC to track customer satisfaction because the higher the satisfaction ratings, the more likely customers are going to continue purchasing PSC products and services, as well as increase their purchases. More sales have an overall effect on price per service in that the total cost of the service is being spread over a larger customer base, thus reducing the price per unit. It is clear that customer satisfaction has a direct relationship not only to quality, but also to price for customers.

The customer satisfaction measure defines quality as those customers who are highly satisfied with overall service. PSC encourages customers to complete an on-line survey upon delivery of products and services and makes the survey available on PSC's website. Survey responses are collected and analyzed on a monthly basis to arrive at the customer satisfaction rating. The monthly performance results are distributed to the cost center managers to resolve issues and to monitor the performance of their respective areas.

As a result of prior years' performance and in an effort to create an attainable yet challenging target, the FY 2006 target was set for 90% of customers to be satisfied with PSC services. For FY 2006, 1,771 customers completed the PSC On-line Customer Survey with a resulting customer satisfaction rating of 95% based on a four point scale, thus exceeding the target of 90%. In addition, the customer satisfaction rating for each Service Area within PSC exceeded the 90% target.

The following table displays the customer satisfaction results by Service Area in FY 2007.

FY 2007 Overall Satisfaction Ratings (# of Comments)	AOS	BTO	FMS	FOHS	ESS	SAS	PSC Overall
Very Satisfied	472	1	199	139	108	271	1,190
Satisfied	53	3	35	46	19	34	190
Dissatisfied	14	0	17	6	2	3	42
Very Dissatisfied	30	0	36	11	5	3	85
Total	569	4	287	202	134	311	1,507
Percentage of Customers Very Satisfied and Satisfied	92%	100%	82%	92%	95%	98%	91%

The results for customer satisfaction in FY 2007, demonstrated that 1,507 customers completed the PSC On-line Customer Survey with a resulting customer satisfaction rating of 91% based on a four point scale, thus PSC achieved the target of 90%. In addition, all but one Service Area within the PSC exceeded the 90% target for customer satisfaction rating. FMS is the one Service Area that did not meet the target. The lower customer satisfaction results could be attributed to the implementation and stabilization of UFMS. While this type of effect could be expected under the circumstances, both PSC and FMS

leadership are continuously monitoring the results and working to resolve issues that may contribute to the lower customer satisfaction ratings.

The lower customer satisfaction of 91% in FY 2007 as compared to 95% in FY 2006 could be attributed to the PSC-wide buyout in January 2007 that resulted in the loss of 35 employees and their institutional knowledge and customer service skills. This decrease in staffing and the lapse in hiring reduced the quality of service provided by PSC.

The decrease from FY 2006 to FY 2007 in the number of customers completing the on-line survey was due to less than active promotion of the comment cards and the feedback from some customers that some of the questions were unclear.

In FY 2007 due to staff turnover and staffing shortages, PSC was not able to update the questions in the comment cards and was not able to implement the initiative related to dissatisfied customers.

In FY 2008, the questions in the comment cards were updated and modified to be more relevant to customer requirements and easier to understand. Questions specific to the Information Technology Operations were also added so that management would be aware of items applicable only to ITO.

The PSC initiative related to Dissatisfied Customers was implemented in FY 2008. For each dissatisfied comment related to a certain product or service documented in the monthly Customer Satisfaction report, the Cost Center Manager is required to complete a Comment Card Feedback Form to provide the issue that caused the unfavorable rating and the corrective action plan taken to resolve the issue.

The following table displays the customer satisfaction results by Service Area in FY 2008.

FY 2008 Overall Satisfaction Ratings (# of Comments)	AOS	BTO	FMS	FOH	ESS	SAS	OD	PSC Overall
Very Satisfied	522	6	204	185	167	159	30	1,273
Satisfied	80	4	33	71	21	8	14	231
Dissatisfied	24	0	7	11	8	2	2	54
Very Dissatisfied	40	0	17	10	12	5	3	87
Total	666	10	261	277	208	174	49	1,645
Percentage of Customers Very Satisfied and Satisfied	90%	100%	91%	92%	90%	96%	90%	91%

The results for customer satisfaction in FY 2008 , demonstrated that 1,645 customers completed the PSC On-line Customer Survey with a resulting customer satisfaction rating of 91% based on a four point scale, thus PSC achieved the target of 90%. In addition, all Service Areas and the Office of the Director (OD) within the PSC exceeded the 90% target for customer satisfaction rating.

In FY 2008, PSC implemented a Customer Feedback Form related to dissatisfied customers. Each Service Area or Cost Center must complete a Customer Feedback Form for each dissatisfied comment providing the issues that caused the dissatisfied rating and the corrective actions taken to resolve the issue. This initiative reinforced PSC's commitment to superior customer service.

Despite the success achieved in FY 2008, the FY 2009 and FY 2010 targets will remain constant at 90% due to the potential for customer satisfaction fluctuations arising from the recently implemented organizational realignment. The PSC realignment was approved by HHS so that PSC can better serve its customers and can best leverage the expertise of its employees. Cost centers were moved from Financial Management Service (FMS), Administrative Operations Service (AOS) and Enterprise Support Service (ESS) to the newly-formed Information and Systems Management Service (ISMS).

The biggest driver in the realignment was the formation of ISMS as the IT services organization. PSC has strong IT capabilities. As PSC have grown organically, the IT assets were distributed throughout PSC. At a certain time, this distribution of expertise made sense but now poses a challenge in managing these assets and competencies and how to better serve the customers. Best practices, especially for an organization of PSC's size, point to a structure where these assets are managed centrally. PSC also need to better cultivate IT skills and to more effectively manage information resources, which are becoming more important to the PSC's service delivery structure essential service offerings.

As a result of this major realignment transition, there is a potential for dissatisfaction because of disruption of service due to the realignment of processes and reassignment of personnel.

Performance Measure 1.3 (Timely Billing: Target met in FY 2008):

In an effort to improve the quality of PSC service delivery, PSC established a new performance measure for FY 2008 that strives to achieve timely billings. As a fee-for-service organization, it is important for PSC to process its billings when services are rendered in order to collect revenue from its customers in a timely manner. This performance measure was under development during FY 2007 wherein 87% was established as the baseline. The 87% resulted from the cost centers billing on time 707 instances out of 815 actions in FY 2007.

Timely billing in PSC Revenue, Invoicing, and Cost Estimation System (PRICES) is affected by the prompt receipt of billing data from the service providers, availability of

the related UFMS reports and the efficient set-up by the cost center managers for the customers' billing information in PRICES. Billing is considered timely when the invoices for the products and services of a certain cost center are entered by the Cost Center Manager into PRICES on or before the monthly cut-off date or deadline. For example, the cut-off date for entering December invoices is January 3rd, the Cost Center Manager completes his/her billing on December 12th, and thereby meeting the December billing deadline and his/her billing is considered timely.

In FY 2008, PSC achieved the target of 95%. By having a performance result of 95%, PSC was successful in achieving its intended outcome of increasing the percentage of cost centers processing billings to coincide with service delivery. The target will remain constant for FY 2009 and FY 2010.

The PSC seeks to expand its portion of the Federal shared services market in order to establish itself as the leader in shared services, benefit from economies of scale, achieve operational efficiencies, foster standardization, and free customers to focus on their core mission. As the shared services provider for HHS, it is essential that our prices be competitive and costs be controlled. To best serve our customers, we strive to identify ways that costs can be reduced and prices can be maintained and/or reduced.

One method of controlling price increases is through obtaining new Federal customers, not just internal customers in the Department, but especially external customers outside the Department. By doing this, the PSC can spread overhead costs to a greater number of work units; achieve economies of scale through volume buys, thus lowering the cost to customers. This is most effective when a greater portion of the expanded market includes external customer agencies, which has a direct effect on HHS customer agencies (i.e. total cost to the Department can be reduced)². As a result, we must monitor our customer's usage of services (in addition to managing costs, which is discussed in the next series of performance goals). Before FY 2008, there were two measures utilized to track customer usage. The first measure is still being used to track the number of new customers who are not currently purchasing any services from the PSC.

The second measure, performance measure 2.2 (Existing Customers Obtaining New Services) which was a performance measure in FY 2007 was eliminated in FY 2008. This performance measure was utilized to track the number of existing customers who choose to purchase additional services. This measure was dropped for FY 2008 because PSC did not believe that it would significantly contribute to PSC's long term goal to improve cost savings.

Performance Measure 2.1 (Increase in Number of Customers: Target exceeded in FY 2008):

For this measure, the FY 2006 target was established before baseline data was available.

² While expanding the market is one component of the equation, the other component that has an overall effect on total HHS cost is actual cost of service delivery. It is only when market share AND total delivery costs are tracked that true savings to the Department can be determined.

As a result, PSC established a target of 2% growth over the FY 2004 baseline for FY 2006. The results for FY 2006 demonstrated that PSC exceeded its target for Performance Measure 2.1 by achieving a growth rate of 22%. The results could be attributed to the addition of two CASUs to PSC in October 2005. With the addition of the two CASUs to PSC's portfolio of business lines, PSC expanded its customer base. As a result of the market expansion achieved in FY 2006, the number of external customers has grown which will result in the ability to decrease costs in future years.

In FY 2007, PSC exceeded the goal of increasing its customers by 2% over the FY 2006 customer base. The FY 2007 result for this measure was 17.6% with an increase of 189 new customers. The bulk of the FY 2007 new customers were 29% from the Department of Defense (DOD), 12% were from Department of Labor (DOL) and 12% were from the Department of the Interior (DOI).

During FY 2008, PSC strived to increase its customers by 2% over the FY 2007 customer base. The FY 2008 result for this measure was 4% with an increase of 54 new customers. 87% of the FY 2008 new customers were new customers of the CASUs. The other new customers were earned by the Supply Support Center, Federal Occupational Health (FOH) Seattle and Division of Property Management. The bulk of the FY 2008 customers were 27% from DOD, 7% from the General Services Administration (GSA) and 3% from DOI.

For FY 2009 and FY 2010, PSC has set a target of maintaining growth for the number of new customers at a rate of 2% over the prior year.

Two critical factors that influence a customer's decision to purchase services from the PSC are quality of the service and price. PSC's first three performance measures address methods for monitoring quality and customer satisfaction.

The previous two performance measures focus on monitoring volume of services purchased, which directly correlates to the price PSC charges its customers. The remaining performance measures also address factors that influence price; however, this set of measures focuses on overall cost of delivering the products and services. If PSC costs can be maintained or reduced and the volume of services purchased remains steady or increases, there will be a positive result for the customer (i.e. prices remain the same or decrease).

Performance Measure 3.1 (Department-wide Consolidations: Target exceeded in FY 2008):

This performance measure was established for FY 2007 and replaced a retired measure that previously tracked PSC's contributions to the Department's goal for a reduction in administrative staff. This measure is intended to track PSC's participation in Department-wide consolidations which will address the overall Department goal of reducing administrative costs.

In FY 2007, the PSC did not participate in a Department- wide consolidation. In FY 2008, PSC participated in two Department-wide consolidations through HHS Consolidated Acquisition Solution (HCAS) and HSPD-12 Shared Biometric Enrollment and PIV Card Issuance Initiative. PSC participated in the Department-wide consolidation of acquisition systems.. There were two distinct ways in which this created administrative cost savings. First, by consolidating operations and maintenance activities for HCAS into one team, PSC was able to bring IHS onto HCAS without additional administrative staff. Additional HHS OPDIVs will be joining in this effort in FY 2009 without a requirement for additional administrative staff. In addition, cost savings have been achieved between HCAS Operations and UFMS operations with respect to sharing and leveraging tools, processes, and infrastructure. This obviated the need for an additional FTE and achieved approximately \$1.5M savings in contractor resources, \$1.1M in savings in software tool costs, and \$0.5M in server infrastructure.

PSC, in a calculated effort to reduce costs and minimize duplication of effort across HHS, has purchased and deployed 22 HSPD-12 mobile Biometric enrollment and 21 Personal Identity Verification (PIV) card issuance stations across the United States and affiliated US territories.. This enterprise offers OPDIV and STAFFDIV field offices the opportunity to enroll and be issued the new PIV card without having to procure, install and maintain expensive equipment, as well as staff the effort. These networked systems also eliminate the need for personnel to travel to their headquarters' offices for enrollment and PIV card issuance, saving time and money.

This effort achieved an approximate savings of \$2.5M for the Department during its first eighteen months of operation. Additional savings and benefits should follow when other OPDIVs and STAFFDIVs choose to use Division of Security Services (DSES) at PSC as an HSPD-12 enrollment and issuance service provider. Currently NIH, NDMS, CMS, IHS, OMHA, and the OIG have signed memoranda of understanding governing the provision of these services by PSC.

The target for FY 2009 and FY 2010 is for PSC to participate in at least one consolidation. If by working with other HHS components on consolidation initiatives, these other HHS components cease providing duplicate administrative services offered by the PSC as the Department's shared services provider; then, overall savings should be seen across the Department.

Performance Measure 3.2 (Overhead Costs: Target exceeded in FY 2008):

PSC recognizes that it must be prudent in controlling overhead costs (those not involved directly in the performance of our products and services). To achieve this outcome, PSC originally established a performance measure to reduce the resources consumed by overhead to the extent possible while still maintaining required internal support functions. As a result of a 40% reductions in overhead costs achieved during FY 2002 and FY 2004 as well as the performance results for FY 2005, PSC realized it could no longer continue

to aggressively reduce overhead costs. Therefore, for FY 2006 the goal of reducing overhead for this performance measure was changed to a maintenance goal.

For FY 2006, PSC established a target of maintaining an overhead rate of 1.3% or less. The results indicate that the PSC overhead rate for FY 2006 was 1.4%. Although PSC came close, the results demonstrate that PSC was not able to achieve its target for FY 2006. The target was not met for this performance measure because the overhead costs increased as a result of PSC identifying and placing corporate costs where they appropriately belonged.

In FY 2006, PSC charged indirect costs sometimes to the business lines that had funding available. This practice made it very difficult to truly identify overhead costs. Personnel were sometimes charged just to a specific cost center instead of being charged as overhead costs to the entire PSC because of the functions that they performed. The PSC Executive Team (ET) decided that it would be more accurate and efficient to report and operate all overhead functions in a single office which was the PSC Office of the Director rather than the scattered approach that resulted in the FY 2006 target not being achieved. In addition, costs increased as a result of full implementation of PSC's communication initiative.

For FY 2007, PSC established a revised target of maintaining an overhead rate of 1.6% or less. This budgeted overhead rate increased slightly from the FY 2006 target due to inclusion of FTE and contractual costs into overhead that were previously supplemented by the PSC Service Areas. In addition, the increase included funds for upcoming business initiatives as well as increases related to oversight of competitive sourcing contracts. The FY 2007 results indicated that the actual overhead rate was 1.3% so that the FY 2007 target of 1.6% was achieved.

For FY 2008, PSC achieved a 1.2% performance result which achieved the FY 2008 target of 1.6%.

For FY 2009 and FY 2010, the performance targets will remain to be the maintenance of an overhead rate of 1.6% because more personnel were centralized and moved to the PSC Office of the Director, thereby increasing the overhead costs.

Performance Measure 3.3 (Intra-service Costs: Discontinued for FY 2010; Target not met in FY 2008):

Intra-service costs are the costs of PSC services provided by one PSC cost center to another PSC cost center. This performance measure is being dropped for FY 2010 as PSC does not believe it will significantly contribute to PSC's long term goal to improve cost savings. The tedious process of internal billings, which are not accounted for in the financial statements, does not justify the labor costs invested in this metric. PSC is searching for another performance measure that will enable PSC to reduce costs and has

the right and appropriate data collection and measurement system to support it.

As a result of the performance in prior years, this measure was revised for FY 2007 to be a maintenance goal with a target of maintaining the percentage of revenue consumed by intra-service costs to 4%. This refined measure was based from the FY 2006 performance result of 4%. In FY 2007, the actual intra-service costs was \$21,199,605 and the revenue was \$535,880,420 resulting in 4% of revenue consumed by PSC intra-service costs that successfully achieved the 2007 target of 4%.

In prior years, PSC encountered some difficulties in properly articulating and measuring this performance measure. In *FY 2009*, the FY 2004 to FY 2006 results were reflected as the monetary amounts of the intra-service costs instead of the resulting percentage. The percentage of intra-service costs as compared to revenue is the more appropriate measure and the formula used in the calculations of the performance results in the PSC's *FY 2009 Justification of Estimates for Appropriations Committees*. PSC had dramatic increases in business over the past few years which accounted for the increase in intra-service costs.

In FY 2008, the actual intra-service costs were \$32,129,559 and the revenue was \$690,134,553 resulting in 5% (4.7% if not rounded), of revenue consumed by PSC intra-service costs which did not achieve the 2008 target of 4%. There were more intra-service costs spent than projected for the corresponding revenue collected. The variance between the projected intra-costs and the actual intra-service costs was due to the costing process wherein the costs were not properly identified and aligned.

PSC is focused on educating managers on prudent use of PSC products and services in an effort to control operational costs and improve buying behavior. The target for FY 2009 is to maintain 4.0% of revenue consumed by intra-service costs which was the same target in FY 2008.

As indicated above, in FY 2010, this performance measure is discontinued.

Performance Measure 3.4 (Employee Satisfaction: Target not met in FY 2008):

Studies have shown that there is a direct link between employee satisfaction, productivity, and customer satisfaction. As a result, it is essential that PSC monitor employee satisfaction levels because dips in satisfaction may result in lower levels of productivity, which then has a correlation to a potential increase in costs. PSC recognizes the importance of employee satisfaction with respect to the overall success of the organization.

To measure employee satisfaction levels, PSC relies on the results of the Department's bi-annual human capital survey (even years) and the OPM HCIS (odd years). PSC previously participated in the HHS-wide Human Resource Management Index (HRMI) Survey. For FY 2006, PSC set a target to achieve a 75% satisfaction rating. To measure achievement of this outcome, the PSC participated in the FY 2006 Federal Human

Capital Survey that was conducted by the Office of Personnel Management. The results of the FY 2006 survey were released to PSC in March 2007 and demonstrated that 58% of PSC employees responded to the survey with an overall job satisfaction rating of 61%. Therefore, the FY 2006 target of 75% was not met.

The results of the FY 2007 survey were released to PSC in March 2008 and demonstrated that PSC employees who responded to the survey had an overall job satisfaction rating of 58%. Therefore, the FY 2007 target of 75% was not met. To address the outcome of the FY 2007 Human Capital Survey, the PSC continued the implementation of the employee engagement program to communicate survey results and generate discussions over how to address negative results.

The results of the FY 2008 Human Capital Improvement Survey were released to PSC in April 2009 indicated that 27% of PSC employees responded to the survey. The personnel who participated in the survey revealed an overall job satisfaction rating of 53%. Therefore, the FY 2008 target of 75% was not met. To address the outcome of the FY 2008 HCIS, PSC evaluated the results and planned new strategies to address the shortcomings. The PSC has already implemented "Operation High GEAR", a series of 15 initiatives to address tactical and strategic goals to transform the PSC into a customer-focused shared services organization. Five of these initiatives are designed to improve PSC's Human Capital experience.

The annual communications survey conducted in FY 2008 revealed that the PSC eNews, which was implemented as an employee newsletter, was "Useful" or "Somewhat Useful" to 73% of the respondents. Feedback from the new hire orientation program revealed that knowledge of HHS, PSC and PSC Performance increased by 10%, 40% and 42% respectively. In addition, 51% of the attendees of the new hire orientation rated it as excellent and 58% felt that it was relevant, contained the right amount of detail, and prepared them to work in the PSC.

On the whole, the PSC Employee Communication Survey results showed many components of PSC communications are effective in providing useful and timely information to the PSC employee. The data also showed there are some areas that will require more attention. Those areas have been the focus of continuous improvement in the Communications Program which is an ongoing effort.

Moving forward, PSC expects to continue to measure employee satisfaction as a critical component of its performance management program. The target for 2009 remain at the 75% overall satisfaction rating. The FY 2008 results will be available in March 2009. In the meantime, PSC is taking action to address satisfaction issues and work to improve human capital processes. In addition to using human capital survey results to measure employee satisfaction, previously PSC conducted a workforce analysis to assess existing human capital processes. Surveys were conducted that identified human capital areas that PSC will focus on improving and strengthening over the next few years.

As a result of the workforce analysis, PSC plans to improve human capital processes by focusing on human capital strategy, workforce planning and recruiting, knowledge management, career development, rewards and recognition, succession planning, work-life balance and change management. PSC is still trying to implement the IDP Program which will ensure employees receive the training and other developmental opportunities they need to advance in their careers and to meet the PSC's mission requirements. The PSC's IDP Program utilizes the IDP system owned by HHS University. The implementation of the IDP system has been delayed by staffing shortages and failure of HHS University to implement the performance management module of the Saba Learning Management System.

The PSC also implemented the Employee Awards and Recognition Program as a means to ensure that managers are aware of their role in rewarding high performance and motivating their employees as well as providing the tools that are available to support them. The PSC also provided work-life balance programs such as Alternative Work Schedules (AWS) and Child Care Subsidy which began on October 1, 2000. Lastly, PSC implemented its Succession Planning Program to ensure it is proactively planning for the loss of employees in mission-critical positions. The Succession Planning Programs helps improve job satisfaction through mentoring and training that prepares personnel to be ready for the mission critical positions. In the end, these efforts will assist the PSC in achieving higher levels of satisfaction across the organization and help it achieve the targets for FY 2009.

Performance Measure 3.5 (Cost Recovery: Target not met in FY 2008):

The Cost Recovery performance measure is one of several performance measures with a long-term objective of increasing cost savings to HHS through asset management. As a working capital fund, PSC must fully recover its operating costs with customer revenue at the agency level. However, in order to ensure that this rolled up information is being managed as effectively as possible, PSC also tracks this information at each individual cost center (product/service) level.

Each cost center identifies costs, develops rates/prices, and then revenue is collected at the cost center level. Cost recovery data is reviewed monthly to monitor and adjust performance as needed. Cost recoveries are measured by the Net Operating Results (NORs) which are the variances between revenues and obligations. If the revenues of a cost center are equal or more than its obligations, then that cost center fully recover its costs for that fiscal year. Final performance results are determined at the end of the fiscal year and the Cost Recovery performance measure is calculated as the percentage of all cost centers that fully recovered their costs.

The Cost Recovery performance measure enables PSC management to evaluate the performance, cost, and business results of each product line; identify problem areas; and take appropriate action. PSC monitors cost center performance with an expectation that all costs will be covered by revenue recognition.

During FY 2004 and FY 2005, PSC completed an analysis of most of its product lines and conducted extensive reengineering. As a result, PSC identified its core business products and expected all to be operating at the highest recovery levels for FY 2006. Therefore, PSC established targets for FY 2006 and FY 2007 that have 100% of cost centers achieving full cost recovery. The performance results for FY 2006 demonstrated that 62% of cost centers fully recovered costs thus the target was not met. While the results achieved for FY 2006 were below the target of 100%, organizationally PSC recovered 100% of its operating costs. The performance results for FY 2007 demonstrated that 60% of cost centers fully recovered costs thus the target was not met. While the results achieved for FY 2007 were below the target of 100%, organizationally PSC recovered 100% of its operating costs.

The performance results for FY 2008 demonstrated that 61% of cost centers fully recovered costs thus the target was not met. While the results achieved for FY 2008 were below the target of 100%, organizationally PSC recovered 100% of its operating costs.

Even though the performance result for FY 2007 was 60% and the performance result for FY 2008 was 61%, the number of cost centers that did not achieve the performance targets for two consecutive fiscal years was reduced from 10 or 22% to 7 or 11% of the total number of cost centers.

While PSC continues to strive for full cost recovery at the organizational level and cost center level each year, it realizes that unforeseen circumstances and business fluctuations may alter its operations during the course of the year. Therefore, PSC established its FY 2008 target to have 75% of its cost centers recover costs within an established variance. This new target will remain in effect for FY 2009.

Performance Goal 3.6 (Financial Audit: Target met in FY 2008):

A key component in managing PSC's costs is to monitor its financial data and ensure that we meet financial reporting requirements. Achieving an unqualified audit opinion from independent auditors is a significant performance measure of how PSC implements management controls and maintains its financial records. Based on government-wide standards, PSC has adopted a measure that targets a clean, unqualified audit opinion.

The FY 2005 audit for the PSC was finalized in January 2007. As was previously reported, the audit report for FY 2005 indicates that PSC has received an unqualified audit opinion with one repeat material weakness (Financial Systems and Processes), one reportable condition (Internal Controls over Payroll) downgraded from an FY 2004 material weakness, and one repeat reportable condition (Information Technology Access and Security Controls). PSC improved the audit findings for FY 2005 as a result of better monitoring and increased internal controls by the Enterprise Support Service (formerly the Human Resources Service) which resulted in reducing the material weakness to a reportable condition for Internal Controls over Payroll.

For FY 2006, FY 2007 and FY 2008, PSC had set the goal of attaining an unqualified audit opinion with no new material weaknesses and no new reportable conditions identified. In addition, PSC tracked progress made in correcting existing material weaknesses and reportable conditions.

The FY 2006 and FY 2007 financial audits of the PSC were not completed due to the deployment and stabilization of the Unified Financial Management System (UFMS). Though an independent audit of PSC activities were not completed, all PSC programs were part of the Department-wide audit, which resulted in an Unqualified 'Clean' Opinion for FY 2006 and FY 2007. PSC received an unqualified "clean" opinion of the SSF balance sheet with no material weaknesses for FY 2008. Due to the large scale of PSC's financial operations and fiduciary responsibility, the successful FY 2008 audit demonstrates to PSC's customers its continued commitment to managing for positive results.

Effective FY 2009, the SSF fund will be audited rather than a PSC-specific audit. The Service and Supply Fund Board approved the expansion with the support of the Department's CFO. The PSC is evaluating the future of this performance measure. The measure may be modified to present the PSC's performance result under the SSF-wide audit.

OPDIV/STAFFDIV-level Information

Link to HHS Strategic Plan

The following table displays the alignment of PSC strategic goals with the overall goals of HHS: ³

HHS Strategic Goals	PSC Goal 1: Excellent Customer Service	PSC Goal 2: Excellent Workforce	PSC Goal 3: Excellent Communication	PSC Goal 4: Excellent Resource Management	PSC Goal 5: Benchmark for the Federal Shared Services Community
1 Health Care Improve the safety, quality, affordability and accessibility of health care, including behavioral health care and long-term care.					
1.1 Broaden health insurance and long-term care coverage.	✓	✓	✓	✓	✓
1.2 Increase health care service availability and accessibility.	✓	✓	✓	✓	✓
1.3 Improve health care quality, safety and cost/value.	✓	✓	✓	✓	✓
1.4 Recruit, develop, and retain a competent health care workforce.	✓	✓	✓	✓	✓
2 Public Health Promotion and Protection, Disease Prevention, and Emergency Preparedness Prevent and control disease, injury, illness and disability across the lifespan, and protect the public from infectious, occupational, environmental and terrorist threats.					
2.1 Prevent the spread of infectious diseases.	✓	✓	✓	✓	✓
2.2 Protect the public against injuries and environmental threats.	✓	✓	✓	✓	✓

³ As the shared service provider for HHS, the strategic goals of the PSC are not directly linked to the strategic goals of HHS; rather they are aligned with the Department's commitment to responsible stewardship and effective management.

HHS Strategic Goals	PSC Goal 1: Excellent Customer Service	PSC Goal 2: Excellent Workforce	PSC Goal 3: Excellent Communication	PSC Goal 4: Excellent Resource Management	PSC Goal 5: Benchmark for the Federal Shared Services Community
----------------------------	--	---	---	--	---

2.3 Promote and encourage preventive health care, including mental health, lifelong healthy behaviors and recovery.	✓	✓	✓	✓	✓
2.4 Prepare for and respond to natural and man-made disasters.	✓	✓	✓	✓	✓
3 Human Services Promote the economic and social well-being of individuals, families, and communities.					
3.1 Promote the economic independence and social well-being of individuals and families across the lifespan.	✓	✓	✓	✓	✓
3.2 Protect the safety and foster the well being of children and youth.	✓	✓	✓	✓	✓
3.3 Encourage the development of strong, healthier and supportive communities.	✓	✓	✓	✓	✓
3.4 Address the needs, strengths and abilities of vulnerable populations.	✓	✓	✓	✓	✓
4 Scientific Research and Development Advance scientific and biomedical research and development related to health and human services.					
4.1 Strengthen the pool of qualified health and behavioral science researchers.	✓	✓	✓	✓	✓
4.2 Increase basic scientific knowledge to improve human health and human development.	✓	✓	✓	✓	✓
4.3 Conduct and oversee applied research to improve health and well-being.	✓	✓	✓	✓	✓
4.4 Communicate and transfer research results into clinical, public health and human service practice.	✓	✓	✓	✓	✓

List of Program Evaluations

As the shared services provider for the Department, PSC's mission is to assist and enable HHS to focus on its core mission of enhancing the health and well being of all Americans through the provision of centralized, qualitative administrative support for goods and services.

Due to this, PSC's activities are administrative in nature and are not programs.

Program evaluations apply to programs that have undergone program assessments. The PSC has no program evaluations to report.

Information on Use of Non-parties

There is no contribution from non-Federal entity in preparing the FY 2010 OPA.