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ADMINISTRATIVE SERVICES LINE OF BUSINESS INTEGRATION AND MANAGEMENT

I. Purpose

This Management Directive (MD) establishes the Department of Homeland Security's (DHS) vision and direction on the authorities and responsibilities of the leadership of the Department's Chief Administrative Officer. It reinforces our commitment to create a unified 21st century department in both mission accomplishment and support systems performance as quickly as possible. As such, this directive is the principal document for leading, governing, integrating, and managing the Administrative Services functions throughout DHS. Essential to the success of Departmental operations is an integrated, progressive support infrastructure designed to function in a highly dynamic environment. Our Strategic Goal of Organizational Excellence mandates a collaborative approach from every entity within the Department.

Creating functional excellence, as described herein, requires every executive, manager, and employee in the Department to create the environment that rewards collaboration, promotes best practices, and shares accountability for the performance of the management support systems that enable the Department to fulfill its mission. This concept of dual accountability mandates that both OE heads and key departmental functional experts are responsible for organizational excellence. The Line of Business Chief described herein will be held accountable for designing the system to optimize the Administrative Services function, setting the standards for functional performance, creating the department-wide policies and processes, providing the automated solutions to yield greater efficiencies, and nurturing the development and success of centers of excellence. OE heads will likewise be accountable to support these progressive business functions as a key part of their commitment to mission accomplishment.

In all efforts of this magnitude, when so much is to be gained, the integration and alignment of each function requires strong communication, respect for both individuals and process, and a shared resolve to find solutions that benefit both mission accomplishment and functional excellence. DHS leadership across the Department must challenge traditional approaches and communicate and execute as a team to design and execute these support functions that will constitute progressive 21st century excellence in governance.

II. Scope

This Directive applies to all DHS organizational elements, except the United States Secret Service (USSS) and United States Coast Guard (USCG), which are exempted by statute. That notwithstanding, as part of the larger DHS team, both the USSS and USCG will collaborate and participate in the efforts described herein to further both operational and organizational effectiveness and efficiency.

III. Authorities

This MD is governed by numerous Public Laws, regulations, rules and other directives, including but not limited to:

- A. Public Law 107-296, Homeland Security Act of 2002, codified in Title 6, US Code.
- B. Delegation Number 0201.1, Delegation to the Under Secretary for Management.
- C. Department of Homeland Security Management Directive 0010.1, Management Directives System and DHS Announcements.
- D. Department of Homeland Security Management Directive 3030, SES Merit Staffing Plan
- E. Department of Homeland Security Management Directive 0110, Organization Control System.
- F. Secretary of Homeland Security Memorandum, dated September 12, 2003; Subject: DHS Leadership Meeting - Organizational Integration.
- G. Secretary of Homeland Security Memorandum, dated August 12, 2004; Subject: Functional Integration Effort.
- H. Deputy Secretary of Homeland Security Memorandum, dated August 13, 2004; Subject: Guidance for DHS Functional Integration Effort.
- I. President's Management Agenda, August 1, 2001.
- J. Securing our Homeland, US Department of Homeland Security Strategic Plan, February 2004.

IV. Definitions

- A. **Administrative Services**: Administrative Services includes all functional areas managed by the DHS Chief Administrative Services Officer (CAO) and OE Senior Administrative Services Officers. Administrative Services functional areas include asset management (logistics, real estate, personal property, aviation, transportation, fleet, marine vessels), mail screening and delivery, occupational safety and health, environmental planning and management, historic preservation, energy management, records, directives, forms, printing, library services, graphics, providing support for continuity of operations planning, and emergency preparedness.
- B. **Administrative Services Council**: The functional advisory body that assists the DHS CAO in evaluating and determining the best course of action for the Administrative Services Functions. The DHS Administrative Services Council is chaired by the DHS CAO, and operates under written charter approved by the Under Secretary for Management.
- C. **Administrative Services Functions**: The personnel resources, assets, budgets, and processes used to deliver Administrative Services.
- D. **Center of Excellence**: An organizational entity with expertise, capabilities, and resources in a specific discipline area chartered to support DHS-wide requirements. The mission, charter, roles, responsibilities, resources, authority, implementation plans, and service level agreements for each Center will be reviewed by the DHS Administrative Services Council and approved by the DHS CAO.
- E. **Dual Accountability**: The shared responsibility of both OE Heads and LOB Chiefs to build a progressive 21st Century DHS. Dual accountability recognizes mission accomplishment as the ultimate responsibility of the OE Heads, and also requires them to support functional integration. Dual accountability recognizes the LOB Chiefs' professional expertise in their specialty area and consequently their primary responsibility to drive functional excellence across DHS, and to do so focused also on DHS mission accomplishment.
- F. **Functional Integration**: Functional Integration is a transformation process that enhances efficient and effective use of resources by establishing unified policies and business processes, the use of shared or centralized services and standards, and automated solutions. Functional integration is a structured cooperation and collaboration among DHS OEs and LOB Chiefs for the purpose of achieving functional excellence in support of Departmental mission and objectives. This is accomplished by decreasing fragmentation and duplication, providing enhanced integrated services, and increasing efficiency and quality of management lines of business.

G. **Key Administrative Services Officials:** Key official identified as the Senior Administrative Services Officer. In addition, the following positions are identified as Key Administrative Services Officials: Asset Manager and Safety Officer.

H. **Line of Business (LOB) Chief:** This includes the DHS Chief Procurement Officer, DHS Chief Administrative Services Officer, Chief Financial Officer, the Chief Human Capital Officer, and the Chief Information Officer.

I. **Organizational Element (OE):** Directorates and agencies comprising the Department of Homeland Security, as defined in MD 0010.1.

J. **OE Heads:** DHS Under Secretaries of the Border and Transportation Security (BTS), Information Analysis and Infrastructure Protection (IAIP), Science and Technology (S&T), Management, and Emergency Preparedness and Response (EP&R) Directorates and their mission leaders, administrators and commissioners; the Director of the US Secret Service; the Commandant of the U.S. Coast Guard; the Director, U.S. Citizenship and Immigration Services (CIS); and the Inspector General (IG).

K. **Office of the Chief Administrative Services Officer (CAO):** The Departmental organization that manages and directs the Administrative Services functional areas, including: Asset management (logistics, real estate, personal property, aviation, transportation, fleet, marine vessels), mail screening and delivery, occupational safety and health, environmental planning and management, historic preservation, energy management, records, directives, forms, printing, library services, graphics, providing support for continuity of operations planning, and emergency preparedness. This office is headed by the Chief Administrative Officer (CAO) who is supported by Headquarters staff functions and the DHS Administrative Services Council.

L. **Senior Administrative Services Officers:** Senior-most Federal Administrative Services executives designated by the OE Head in each of the following OEs, or as otherwise identified by the DHS CAO:

1. U.S. Citizenship and Immigration Services
2. U.S. Coast Guard
3. U.S. Secret Service
4. The BTS Directorate
 - a. Bureau of Customs and Border Protection (CBP)
 - b. Bureau of Immigrations and Customs Enforcement (ICE)

- c. Transportation Security Administration (TSA)
- d. Federal Law Enforcement Training Center (FLETC)
- 5. The Emergency Preparedness and Response (EP&R) Directorate
- 6. The Science and Technology (S&T) Directorate
- 7. The Information Analysis and Information Protection (IA&IP) Directorate

M. **Service Level Agreement (SLA)**: Formal agreement that defines customer service expectations and responsibilities between DHS Mission OEs and support service providers, whether internal or external. SLAs are defined or renewed annually and are used to communicate baseline mission service requirements. SLAs will be signed by the responsible official providing the service, the responsible official receiving the service, and the DHS CAO.

V. Responsibilities

A. **The Secretary** has ultimate authority, accountability and responsibility for all Administrative Services Management within DHS. As permitted by law and regulation, the Secretary has delegated those authorities to the Under Secretary for Management.

B. **The Under Secretary for Management** is responsible for establishing the general policy direction for all Management programs within the Department.

1. As permitted under law and regulation, in order to carry out Administrative Services Management responsibilities, the Under Secretary for Management, through this Directive, re-delegates certain Administrative Services authorities not already delegated by law to the DHS CAO. The Under Secretary is also responsible for ensuring that strategic plans are coordinated with, and mutually supportive of, the efforts of the other LOB Chiefs. These include the CAO, Chief Financial Officer (CFO), Chief Procurement Officer (CPO), Chief Human Capital Officer (CHCO), and Chief Information Officer (CIO). This continuous review by the Under Secretary serves to ensure that supportive and complementary integration between or among functions as well as within the function is identified and completed.

2. The Undersecretary for Management, with the LOB Chiefs, is responsible and accountable for designing the optimum Department-wide integrated systems to continuously improve mission support. This requires a team approach, working in collaboration with all OEs, to drive performance excellence in each function in order to create the most progressive support system possible.

C. **OE Heads**

1. All must recognize their shared, related, and interdependent responsibility to collaborate and deliver effective and efficient services throughout the Department on behalf of the American taxpayer. In addition, OE Heads all must recognize the unique challenges presented by the mission of the Department of Homeland Security and plan to ensure the continued delivery of effective services in the event of National emergencies and disasters.

2. OE Heads will work together to achieve organizational and systems alignment over time such that coherent, analogous organizational structures between OEs and the Department are built to foster greater management efficiency and clarity.

3. The OE Head, in addition to other duties, is responsible for:

a. Ensuring that Administrative Services duties, as defined in this directive, are carried out effectively and efficiently in support of mission accomplishment and functional integration goals.

b. Supporting and enforcing the tenets of functional excellence as defined by the DHS CAO.

c. Supporting and implementing the annual goals established in collaboration with the DHS CAO.

d. Incorporating DHS CAO input into performance appraisals, bonus or award recommendations, pay adjustments, and other forms of commendation for OE Key Administrative Services Officials. In the spirit of dual-accountability, the OE Head and the Under Secretary for Management will confer to resolve any issues.

e. Collaborating with DHS CAO in recruiting and selecting Key Administrative Services Officials, in the following manner:

(1) Seek the concurrence of the DHS CAO on the qualification standards including knowledge, skills, and abilities (KSAs) or competencies for said position(s);

- (2) Seek the assistance of the DHS CAO to assist in identifying candidates for consideration;
- (3) Provide the DHS CAO the opportunity to participate in the interview process of the best qualified list of candidates; and
- (4) Seek the concurrence of the DHS CAO on the final selection.

f. Appointing an OE Senior Administrative Services Officer and ensuring the position is organizationally placed at a senior level and is included in the strategic leadership team in the OE.

g. Advising and collaborating with the Under Secretary for Management on any OE reorganization or restructuring plans that will result in functional realignments outside of the line of business and any action that would reduce stature or level within the line of business.

h. With the DHS CAO, and through their OE Senior Administrative Services Officer, collaborating to support the appropriate resources are made available for all DHS-wide Administrative Services initiatives and providing the direction required to achieve Administrative Services functional excellence.

D. The DHS CAO is responsible for:

1. Conducting program reviews in each of the Administrative Services functional areas and in turn, recommending program improvements, corrective actions, and if necessary, revocation of delegated authorities in the specific function.
2. Exercising the authorities delegated by law, executive order, regulation, or as assigned by the Secretary.
3. Advising and assisting the Secretary, Deputy Secretary, Under Secretary for Management, OE Heads, and other senior officials in carrying out DHS' responsibilities for all Administrative Services activities relating to the programs and operations of the Department.
4. Communicating and implementing the Secretary's and Under Secretary for Management's leadership direction related to the Administrative Services Functions.

5. Designing, in collaboration with the CAO Council, the optimum structure, processes, and systems to support both Departmental and OE missions and goals and to achieve Administrative Services functional excellence. This includes defining performance metrics and the use of service level agreements by which the OEs can measure the performance of delivered administrative services.
6. Establishing Department Administrative Services priorities, policies, processes, standards, guidelines, and procedures. In the spirit of dual accountability, the OE Head and the Under Secretary for Management will confer to resolve any issues.
7. Collaborating with OE Heads in recruiting and selection of Key Administrative Services Officials, in the following manner:
 - a. Concurring on the qualification standards including KSAs or competencies for said position(s) with the OE Head and OE CAO;
 - b. Assisting in identifying candidates for consideration;
 - c. Opting to participate in the interview process of the best qualified list of candidate(s); and
 - d. Concurring in the final selection made by the OE Head.
8. The DHS CAO will provide written performance objectives for Administrative Services functional areas at the start of the performance cycle. The DHS CAO will, in turn, provide input/feedback to the rating official for the Key Administrative Services Officials' accomplishment of those objectives, and will provide input on bonus or award recommendations, pay adjustments, and other forms of commendation.
9. Re-delegating certain authorities to OE Senior Administrative Services Officers, as necessary, to ensure their appropriate and efficient administration.
10. Providing the Department's Secretary, Deputy Secretary, and OE Heads an annual evaluation of Administrative Services program performance. This will include an assessment of each OEs functional performance. Reports will be prepared by the end of the first quarter of each fiscal year and will include the President's Management Agenda (PMA), the DHS Strategic Plan, and other program metrics as they are established.

11. Analyzing workforce requirements for functional personnel to establish recommended staffing and resource level parameters and guidelines for each OE to consider.
12. Establishing and chairing an Administrative Services Council.
13. Establishing training, development, and certification guidelines for Administrative Services professionals.

E. **DHS OE Senior Administrative Services Officers** are responsible for:

1. Creating a world-class OE Administrative Services organization focused on supporting the mission.
2. Implementing Departmental Administrative Services policies within the OE.
3. Incorporating annual program guidance and DHS CAO key areas of emphasis into program operations and personal performance as appropriate.
4. Advising the DHS CAO on the mission and business needs of the OE.

F. **The DHS Administrative Services Council** is a functional advisory body that assists the DHS CAO in evaluating and determining the best course of action for Administrative Services Functions and establishing goals for the Department and its OEs. The DHS Chief Administrative Officer charts and chairs the Council, and has the final decision-making responsibility for the Council. The Administrative Services Council is responsible for:

1. Establishing a Departmental Administrative Services Strategic Plan and setting priorities.
2. Rationalizing priorities to best capitalize resources.
3. Defining and continuously improving DHS' Administrative Services governance structures, processes and performance.
4. Ensuring the development and implementation of policies, processes, best practices, performance measures and decision criteria for managing the delivery of Administrative Services and activities.
5. Establishing Centers of Excellence, boards, and working groups tied to DHS' Administrative Services Council priorities.

6. Developing and executing formal communications programs for internal and external constituencies.

7. Supporting the DHS CAO in the design, planning, and implementation of integration plans.

G. The **BTS Under Secretary** is responsible for assisting in the coordination of Administrative Services activities between the DHS CAO and the OE CAOs of agencies in the BTS Directorate. The BTS Under Secretary will facilitate the dotted line reporting relationship between the DHS CAO and OE CAOs of agencies in the BTS Directorate, promoting communication, feedback, and cooperation along the chain of command.

H. All **DHS Administrative Services employees** are responsible for being knowledgeable of and complying with policies and programs established by the DHS Chief Administrative Officer and appropriate OE Senior Administrative Officers, and for conforming to applicable laws and regulations. DHS will provide training and/or guidance from time to time to assist employees, including OE Senior Administrative Officers and other senior executives, to develop their knowledge of operations, policies, procedures, and programs related to the Administrative Services function.

VI. Policy & Procedures

A. **Policy**

1. It is the policy of DHS that the Office of the DHS CAO shall serve as the foundational DHS organization through which all Department-wide Administrative Services activities and services will be overseen, defined, and measured.

2. **Authority and Accountability for Integration**. The DHS CAO, through the DHS Administrative Services Council and its centers of excellence, shall design, direct, and oversee the implementation of the integration of Administrative Services across the Department to improve mission support quality and efficiency. OE Heads, OE CAOs, and the DHS CAO will all share accountability to the Secretary for successful planning and implementation of functional integration and adherence to this Management Directive.

B. **Principles**

Functional integration will rely on the following principles:

1. Focus on Mission.

2. Recognize our employees as our most valuable asset and make the investments in their career development and professional growth.
3. Plan rigorously and implement when success is likely.
4. Continuously assess and improve operational effectiveness.

C. **Procedures**

1. Administrative Services functional integration will be driven by the following:
 - a. **Policies & Processes:** DHS will standardize Administrative Services policies and appropriate procedures across the Department to ensure functional excellence. This will be an ongoing effort.
 - b. **Systems:** The Department will continue to consolidate and integrate the number of systems supporting the Department's Administrative Services functions, ensuring such action results in efficiencies and does not compromise mission effectiveness.
 - c. **Organizations:** A guiding principle of the DHS CAO will be to consolidate the number of organizations that perform the same function and create centers of excellence, ensuring such action results in efficiencies and does not compromise mission effectiveness.
2. **Integration Milestones.** The DHS CAO, in collaboration with the OE Heads and Administrative Services Council, will annually establish milestones for the functional integration of Administrative Services.
3. **Performance Metrics.** To track progress and OE Senior Administrative Services Officers and administrative services organizations, the DHS CAO will annually recommend certain key performance metrics to OE Heads and OE Senior Administrative Services Officers. Some suggested performance metrics will be relevant to all DHS OEs, and some will differ by OE.
4. **Service Level Agreements.** All SLAs between DHS OEs and support service providers (both internal and external) will include:
 - a. Resources Required
 - b. Performance Period

- c. Performance Metrics and Reporting
- d. Responsibilities
- e. Funding Mechanism
- f. Terms and Pricing for Services
- g. Dispute Resolution Process
- h. Corrective Action Plans
- i. Termination Policy
- j. Continuous Improvement Goals
- k. Signatures of the Responsible Director for the Provider, the Receiver of Service, and the DHS CAO
- l. Other content as determined by the DHS Administrative Services Council

D. **Implementation** of these policies and programs may be delegated to managers and supervisors responsible for managing assigned personnel. Managers and supervisors at all levels are accountable for the execution of responsibilities within the framework of Federal and DHS policies.

VII. Questions

Questions or concerns regarding this directive should be addressed to the Office of the DHS CAO.

Dated: October 28, 2004



Tom Ridge
Secretary of Homeland Security