THE PRESIDENT'S MANAGEMENT AGENDA

I t is the Department's stated mission to promote job creation and improve living standards for all Americans by fostering economic growth, technological competitiveness, and sustainable development. In meeting this obligation to the U.S. taxpayer, the Department fully appreciates the importance of sound management practices and is intent on applying them in all aspects of its work.

Through focusing on major management areas—strategic management of human capital, competitive sourcing, improved financial performance, electronic government, and budget and performance integration—Department employees work towards continual improvement in the programs for which they are responsible.

The President's Management Agenda (PMA) guides these improvements, and the President's Management Scorecard provides a way of keeping track of how agencies are doing in the management of public programs and public funds. Each quarter, federal agencies set goals and establish timeframes for meeting their objectives in the major management areas that are the focus of the PMA, and each quarter the Office of Management and Budget (OMB) rates the agencies' status and progress in those areas. Green indicates success, yellow means mixed results, and red is unsatisfactory. Progress ratings for each category reflect how the Department is doing in achieving success in that category, and whether it is following through on planned actions. Status ratings indicate the degree to which the Department succeeded in reaching its ultimate goals for each management area.

The table below shows the Department's most recently published progress and status ratings for government-wide initiatives. The sections that follow provide a look at what the Department has accomplished.

DEPARTMENT OF COMMERCE RATINGS		
INITIATIVE	STATUS RATINGS AS OF 9/30/06	PROGRESS RATINGS AS OF 9/30/06
Strategic Management of Human Capital	🟡	🟢
Competitive Sourcing	🟡	🟢
Improved Financial Performance	🟢	🟢
Electronic Government	🟡	🟢
Budget and Performance Integration	🟢	🟢

WHAT RATINGS INDICATES: *OMB assesses agency "progress" on a case by case basis against the deliverables and time lines established for the five initiatives that are agreed upon with each agency as follows:*

🟢 **GREEN** *Implementation is proceeding according to plans agreed upon with the agencies;*

🟡 **YELLOW** *Some slippage or other issues requiring adjustment by the agency in order to achieve the initiative objectives on a timely basis; and*

🔴 **RED** *Initiative in serious jeopardy. Unlikely to realize objectives absent significant management intervention.*

STATUS ●	**Strategic Management of Human Capital**	● PROGRESS

As part of its ongoing effort to ensure that it has the right people in the right jobs at the right time, the Department has:

◆ Implemented a multi-tier performance appraisal system in more than half of the Department; and conducted performance management training for over 7,000 employees, including managers, supervisors, and team leaders.

◆ Developed a number of leadership development and certificate programs for all levels to continue to close skills gaps in the areas of leadership, project management, and information technology (IT).

◆ Upgraded automated hiring system and conducted workshops for managers on how to make better selections.

◆ Developed and tested materials for training managers on Office of Personnel Management (OPM) hiring flexibilities to address succession planning challenges.

◆ Continued to expand delivery of online training courses through the Learning Management System as an alternative to classroom training. Installed a 1,600 course electronic training library now available to all Department employees with Internet access.

◆ Recruited 90 graduate students for the summer term in order to increase the number and quality of applicant pools for future vacancies.

STATUS ●	**Competitive Sourcing**	● PROGRESS

More than half of the Department's budget is used for contracts, grants, and interagency agreements. Therefore, it is imperative that it continue to look at its operations to determine who can best do its commercial work—its own employees or other sources. The Department has examined this issue extensively, and it is working on developing the best approach for making such decisions. Throughout the year, it selects certain activities and conducts public-private competitions to identify the most cost-effective method for getting the job done.

Over the past year, the Department:

◆ Implemented its feasibility study approach for the second year to identify the best potential candidates for pre-planning, and eventually (if determined to be good opportunities after this phase) its competition announcement.

◆ Conducted comprehensive pre-planning efforts for the two candidates out of last year's feasibility efforts, plus an additional one that would be a potential streamlined competition, with competition announcements completed in FY 2006 and very early FY 2007.

◆ Provided contracting officer representative training in the four required areas of expertise: business/industry, general management, project management, and procurement knowledge.

◆ Included contracting officer representative element in performance plans of all employees who spend more than 20 percent of their time working on contracts.

◆ Refined database to track the education and training of the acquisition workforce.

◆ Initiated development of a comprehensive human capital plan for the acquisition community.

◆ Developed an enterprise-wide strategic plan to improve acquisition management.

◆ Participated in implementation of the financial and acquisition systems interface, including deployment of training modules.

STATUS ●	Improved Financial Performance	● PROGRESS

The Department continues to make itself accountable to the taxpayer for how it spends public funds. Readily available financial information helps managers make well-informed operational, policy, and budget decisions. The timeliness and reliability of such information are essential aspects of this effort. Here is what the Department has accomplished in the past year:

◆ Maintained a green status in "Improving Financial Management" on the President's Management Scorecard.

◆ On its FY 2006 financial statements, the Department received an unqualified audit opinion for the eighth consecutive year.

◆ Completed A-123 implementation and assessment of internal controls, noting no material control weaknesses.

◆ Completed upgrade of consolidated financial reporting corporate database to a Web-based version.

◆ Developed and deployed a mass reclassification application software within the core financial system. This software provides the capability to transfer transactions through the core financial system from one fund code/program code combination to a new fund code/program code combination when required at the conclusion of a continuing resolution, while maintaining a thorough audit trail of the process.

◆ Developed a standard obligation requisition standard interface that automatically posts requisitions and obligations from the acquisition system into the core financial system using an enterprise application integration tool.

◆ Updated the Consolidated Reporting System (CRS) to include Government Performance and Results Act (GPRA) goals and results, hurricane cost information, and Financial Plan and Report.

STATUS ●	Electronic Government	● PROGRESS

The Department has long recognized the advantages afforded by e-government to support its responsibilities in delivering scientific, technical, and statistical information to the public. The Office of the Chief Information Officer (OCIO) works with the Department operating units to pursue opportunities to make transactions with its customers and the public Web-based and fully electronic.

The Department also continues to work with other federal agencies to provide the public with easy-to-find, single points of access to government services; to reduce reporting burdens on businesses; to share information more quickly and conveniently among different levels of government; and to automate internal processes to save money.

Some of the Department's activities and accomplishments in the area of IT are listed below:

◆ Completed an enterprise architecture (EA) that sets a blueprint for strategic directions in the use of IT to support the Department's mission.

◆ Completed comprehensive business cases for major IT investments, covering 85 percent of the Department's IT portfolio, to ensure that IT funds are invested and managed wisely.

◆ Met cost, schedule, and performance targets for more than 90 percent of the Department's major IT investments.

◆ Made significant progress in IT security: One hundred percent of Department systems are covered by IT security plans, 96 percent have tested controls, 100 percent have contingency plans, 93 percent have certification and accreditation (C&A) packages, and with much-improved quality and thoroughness of C&A documentation.

◆ Completed and posted to the Web privacy impact assessments for all applicable systems.

◆ Led an interagency e-government initiative to provide the public with a single portal to export-related government services (export.gov).

◆ Worked actively with other agencies as well as state, local, and private sector experts to create Web sites that improve effectiveness, efficiency, and customer service throughout the government.

◆ Awarded field data collection automation contract to support the decennial census with handheld computers.

◆ Awarded high performance computing contract to support research and development across the National Oceanic and Atmospheric Administration's (NOAA) programs.

| STATUS 🟢 | Budget and Performance Integration | 🟢 PROGRESS |

To ensure taxpayers an appropriate return on investment, the Department looks carefully at how its programs are performing and how much they cost. As a result, it can objectively verify that taxpayers get what they're paying for. The Department's accomplishments include:

◆ Achieved a "green" status in "Budget and Performance Integration" on the President's Management Scorecard.

◆ Integration of funding needs with program goals has become routine for managers because the Department's annual performance plan is integrated with the Department's budget submission, which in turn reflects strategic goals and objectives and the Secretary's priorities.

◆ Employee performance plans have been revised to hold managers accountable for results, including program improvements.

◆ Submitted four Program Assessment Rating Tool (PART) assessments during FY 2006.

◆ Updated PART improvement plans.

◆ Held quarterly performance reviews with the Deputy Secretary and the head of each bureau.