Acquisition Balanced Scorecard: Opportunities for OAMP

NIH Office of Acquisition Management and Policy (OAMP)

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THE OPPORTUNITY TO MAKE A DIFFERENCE HAS NEVER BEEN GREATER

May 2005
Agenda

- Introduction
- Quality of performance
- Vulnerability risk assessment
- Efficiency/effectiveness of operations
- Summary of OAMP opportunities
- Observations/lessons learned
Introduction

- LMI briefed each of the 13 NIH offices on their Balanced Scorecard results and implications
- We also pre-briefed you on this material
- Today, we focus on highlighting opportunities for OAMP
  - Cross-cutting issues among 13 offices
  - Areas for consideration
- Small Business and Government Property/Logistics addressed separately
Introduction (cont)

- Criteria used for highlighting cross-cutting issues among 13 offices

<table>
<thead>
<tr>
<th>Area</th>
<th>Tool</th>
<th>Criterion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of performance</td>
<td>Customer survey</td>
<td>Issue if scoring less than 70% positive for 6 or more offices (Customer); 10 or more offices (Employee)</td>
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<tr>
<td></td>
<td>Employee survey</td>
<td></td>
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<tr>
<td>Vulnerability of regulatory non-compliance</td>
<td>Customer survey</td>
<td>5 or more offices with less than 70% positive scores for Vulnerability Critical Indicators and Other Indicators</td>
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<tr>
<td></td>
<td>Employee survey</td>
<td></td>
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<tr>
<td>Efficiency/Effectiveness</td>
<td>Mathematical model</td>
<td>Relative rankings</td>
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</tbody>
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Quality of Performance

- Customer survey results
- Employee survey results
Quality of Performance: Customers

- There are several cross-cutting issues for acquisition customers identified by criterion (6+ offices; < 70% positive)
  - Simplified Acquisitions
    - Q-3f: Provides consistent guidance regardless of whom I talk to (6 offices, average 50%)
  - Planning Phase
    - Q-6c: Plans effectively for timely delivery (6 offices, average 55%)
  - Post-award Phase
    - Q-9b: Works closely with me to monitor contractor’s performance (6 offices, average 55%)
  - Acquisition Training
    - Q-19: Encouraged by procurement office (10 offices, average 53%)
Quality of Performance: Customers (cont)

- Top 3 priorities for improvement
  - Streamlined policies and procedures
    - 11 out of 13 offices first priority
    - 1 out of 13 offices second priority
  - More efficient work processes
    - 1 out of 13 offices first priority
    - 6 out of 13 offices second priority
  - More contracting staff
    - 2 out of 13 offices first priority
    - 5 out of 13 offices second priority
Quality of Performance: Employees

- There are several cross-cutting issues from employee surveys identified by criterion (10+ offices; < 70% positive)
  - **Overall**
    - Q-1: To what extent do you agree or disagree that the overall quality of your work life is excellent? (11 offices, average 42%)
  - **Work Environment**
    - Q-5a: Team contributions are recognized (11 offices, average 47%)
    - Q-5d: Workload is distributed fairly (11 offices, average 42%)
    - Q-5h: Work units within the office communicate well with one another (12 offices, average 47%)
  - **Workforce Development/Training**
    - Q-6c: Acquisition System training is accompanied by useful instruction and guidance on how to apply it (11 offices, average 52%)
    - Q-6d: Acquisition System is designed, integrated, and administered in a way that helps me perform my job tasks efficiently and effectively (11 offices, average 41%)
Additional cross-cutting issues from employee surveys

- Partnership Relationships (evaluating Project Officers)
  - Q-4a: My project officers encourage my participation early in the project planning process (12 offices, average 50%)
  - Q-4b: My project officers and I clearly define and understand the roles and responsibilities within the acquisition process (10 offices, average 52%)
  - Q-4g: Customers provide complete SOWs and evaluation criteria as part of the initial acquisition package (12 offices, average 34%)
  - Q-4h: Customers furnish realistic government cost estimates (11 offices, average 35%)
  - Q-4j: Customers prevent delays in product/service delivery (12 offices, average 37%)
  - Q-4k: Customers monitor contractor performance carefully (11 offices, average 44%)
  - Q-4l: Customers review invoices on a timely basis (10 offices, average 50%)
Quality of Performance: Employees (cont)

- Top 3 priorities for improvement
  - More contracting staff
    - 8 out of 13 offices first priority
    - 2 out of 13 offices second priority
  - Streamlined policies and procedures
    - 2 out of 13 offices first priority
    - 4 out of 13 offices second priority
  - Improved use of technology
    - 2 out of 13 offices first priority
    - 3 out of 13 offices second priority
Quality of Performance: Areas for Consideration

• OAMP address training of Project Officers, including contracting office expectations, emphasizing
  – SOW preparation
  – Realistic government cost estimates
  – Evaluation criteria
  – Contract monitoring, including
    • Delivery delay prevention
    • Invoice processing

• Also consider the following areas for improvement
  – Better recognize team contributions; e.g., more frequent award ceremonies (quarterly or semi-annually rather than annually)
  – Identify acquisition systems and consider NIH-wide system and training
    • Streamlined policies and procedures
    • More efficient work processes

• OAMP should also encourage individual offices to address low-scoring areas identified by their surveys
  – Customer survey: CC, OLGO, NIEHS-AMB
  – Employee survey: CC, OD/ORF, OLGO, NIEHS-AMB
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## Vulnerability Risk Assessment: Indicators

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Average %</th>
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<tbody>
<tr>
<td></td>
<td>(Number of offices below 70% threshold)</td>
</tr>
<tr>
<td><strong>Employee</strong></td>
<td></td>
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<tr>
<td>My supervisors properly balance program office needs and taxpayer interests</td>
<td>78% (3)</td>
</tr>
<tr>
<td>Procurement operations are conducted impartially</td>
<td>74% (4)</td>
</tr>
<tr>
<td>Customers evaluate proposals impartially</td>
<td>63% (7)</td>
</tr>
<tr>
<td><strong>Customer</strong></td>
<td></td>
</tr>
<tr>
<td>Conducts procurements impartially</td>
<td>88% (0)</td>
</tr>
<tr>
<td><strong>Vendor</strong></td>
<td></td>
</tr>
<tr>
<td>Conducts procurements with high standards of integrity</td>
<td>Not Surveyed</td>
</tr>
<tr>
<td><strong>Index of Other Indicators (Average)</strong></td>
<td>70% (6)</td>
</tr>
</tbody>
</table>
Vulnerability Risk Assessment: Cross-Cutting Issues

- Vulnerability risk assessment flagged cross-cutting customer issues
  - Customers evaluate proposals impartially (employee survey)
    - 7 out of 13 offices below 70% threshold
- Also flagged “index of other indicators”
  - 6 out of 13 offices below 70% threshold
    - Questions include procurement office professionalism, employee evaluation of customer input into pre-award and post-award, customer evaluation of procurement office knowledge, preventing problems, and obtaining high quality products/services
- Areas for consideration
  - Explore improved communication and training; increased trust between Project Officers and acquisition employees in relation to impartial proposal evaluations
Vulnerability Risk Assessment: Results

- **Low risk:** all indicators meet goals
  - NCI, NHLBI, NIEHS-RCB, NLM

- **Medium risk:** most indicators meet goals
  - NIAID-AMOB, NIAID-CMP, NICHD, NIDA, NIEHS-AMB, NINDS

- **High risk:** some indicators meet goals
  - CC, OD/ORF, OLAO meet goal for *only one* item
    - Conducts procurements impartially (Customer survey)
    - Emphasize these office’s individual improvement programs
  - Procurement management review if needed
Efficiency/Effectiveness of Operations

• NIH ranked average in acquisition efficiency/effectiveness across HHS assessment (July 2002)
• NIH considering restructuring which may improve efficiency
Efficiency/Effectiveness of Operations (cont)

- NIH efficiency/effectiveness assessments may have implications for restructuring
- Top 5 offices from 2004 analysis
  - NINDS (High)
  - NLM (High)
  - OLAO (High)
  - NCI (Average)
  - NHLBI (Average)
- 4 offices have high survey scores, low vulnerability risk, and are relatively efficient
  - NINDS, NLM, NCI, and NHLBI
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Summary of OAMP Opportunities

- Improved training/communication for acquisition customers and employees for cross-cutting issues
- Encourage increased recognition of team performance
- Identify acquisition systems and consider NIH-wide system and training
  - Streamlined policies and procedures
  - More efficient work processes
- Vulnerability: fostering of increased trust between Project Officers and acquisition employees in relation to impartial proposal evaluations
- Efficiency: improve/monitor through realignment process
- Encourage CC, OLAO, OD/ORF, and NIEHS-AMB to address their individual issues
Observations/Lessons Learned

• Conduct and analysis
  – Mailing lists: have OAMP vet lists (service center, customer, employee)
  – Simplified/small vs. large purchase: identifying office/functions/applicability
  – Efficiency information: need breakdown of workload for offices with multiple units

• Improvement efforts
  – Awareness and continuity of efforts
  – Office submission of summary report with action plan to OAMP
  – Dissemination of HHS manual
Observations/Lessons Learned (cont)

• Communication
  – GPRA/BSC concepts not widely known
  – Offices don’t always know what their counterparts are doing, even within the same organization
  – Opportunities for rotational assignments, cross-agency communication/mentoring, and training
  – Lack of knowledge of customers about acquisition

• Organizational issues
  – Organizational placement/role
  – Service center organization
  – Offices conducting own customer service evaluation received more positive scores
Observations/Lessons Learned (cont)

- Suggested timeframes for next round (March 2006)
  - November 2005
    - OAMP provide HR data to office for verification
    - OAMP provide DCIS data to office for verification
    - Office provide customer list to OAMP for review
  - January 2006
    - OAMP provide all data to LMI
  - March 2006
    - Start conduct