



The National Business Center

FY 2008 OPERATIONAL PERFORMANCE REPORT

“Helping build the new foundation for the 21st Century, by providing transparency into the operational efficiencies of the National Business Center - a Federal Shared Services provider”

July 2009

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SECTION 1: EXECUTIVE SUMMARY

The National Business Center (NBC) is a shared service provider organization that provides business management services and systems through eight Directorates including the Acquisition Services Directorate (AQD), Administrative Operations Directorate (AOD), Appraisal Services Directorate (ASD), Aviation Management Directorate (AMD), Financial Management and Budget Directorate (FBD), Human Resources Directorate (HRD), and Information Technology Directorate (ITD). In FY09, NBC added the eighth Directorate, the Federal Consulting Directorate (FCD), formally the Federal Consulting Group. The NBC is currently working with FCD to develop performance metrics that will be reported and analyzed in subsequent reports.

The NBC continues to be a leading provider of quality services. As competition and choice are essential to the delivery of quality service, NBC recognizes that it must earn and retain its Department of the Interior (DOI) and other Federal agency customers by providing better service than other government Shared Services Centers (SSC) and private sector providers. Therefore, NBC has made the following three critical success factors central to its strategy for success: *Customer Service Excellence*, *Quality Products and Services*, and *Efficient and Economical Operations*. To support these initiatives, NBC has continued to monitor strategic roadmap accomplishments, analyzed results and performance against plan, and created follow-on strategies to capitalize on the momentum.

A few key highlighted trends across NBC during FY08 include:

- The NBC continued to track customer satisfaction performance measures in FY08. The NBC's overall customer satisfaction score in FY08 of 69 is on par with the American Customer Satisfaction Index (ACSI) Federal benchmark of 68. The NBC is also currently executing action plans to improve customer satisfaction within its continuous improvement methodology.
- The NBC's overall Service Level Agreement (SLA) performance increased to 94% in FY08 compared to 86% in FY07.
- The percent of FY08 SLA metrics met were higher than FY07 across almost all Directorates and were a result of NBC's dedication to continuous improvement and the implementation of quality management measures. Such measures include monitoring customer issues through periodic customer surveys and promptly implementing a plan of corrective action when an issue is identified.
- The NBC continued its Quality Management Initiative in FY08, based on the industry ISO9001 standard, to ensure customers receive the quality services they expect, achieve customer satisfaction objectives, and instill continuous improvement practices throughout NBC. Additionally, AMD, AQD and HRD received their ISO9001 (International Organization for Standardization) certifications, demonstrating their dedication to their customers by providing quality services that meet their business needs.
- In FY08, NBC improved cost efficiencies by consolidating staff and moving to less expensive facilities.



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Key Directorate-specific achievements in FY08 include the following:

- **AQD** awarded over 8,000 contracts and achieved 99% on-time payments of invoices processed through the GovPay system, which was recognized in April 2009 with an *Excellence In Acquisition Award*. AQD gained its ISO9001 certification which provided additional focus on quality processes to benefit customers.
- **AOD** achieved 100% accuracy for drug tests performed and provided 100% of drug test results on-time. AOD also experienced a steady increase in transit subsidy requests over the course of FY08, including a substantial growth in the number of SmartBenefits® enrollments.
- **AMD** conducted over 2,500 aircraft inspections, and averaged a 100% on-time inspection rate. AMD also tracked over 60,000 flight hours, seeing a spike in flight hours during Q4 as a result of fire-related flight operations. AMD also met 100% of its SLA metrics during FY08, due in part to the Directorate's achievement of the ISO9001 certification.
- **FBD** processed over 280,000 vendor payments (both Federal and non-Federal) and maintained exceptionally high on-time rates for processing payments across all quarters. FBD processed 100% of all Federal vendor payments across all four quarters, and successfully met the SLA Goal of 98% in FY08. Positive change also occurred as a result of FBD's improvements in internal controls and processes, the elimination of unnecessary approvals, and an emphasis on NBC employee accountability.
- **ITD** saw much improvement in FY08, increasing its percentage of help desk tickets responded to on-time and the percentage of SLA metrics met. These achievements are significant, especially when factoring in the increase in help desk ticket customer demand, and the increase in monitored devices.
- **HRD** saw excellent performance in regards to its percent of SLA metrics met, as well as its customer satisfaction ratings. HRD's high customer satisfaction rating in FY08 is due in part to the high percentage of employee calls responded to and resolved on-time, as well as the high percentage of system end-user calls responded to and resolved on-time.
- **ASD** completed over 1,000 appraisals with a total dollar value of over \$2B. Additionally, ASD improved its percentage of appraisals completed on-time and its percentage of SLA metrics met by 18% and 19% respectively from FY07 to FY08.

Performance Management

In addition to these accomplishments, NBC is embedding performance management principles into its operating processes throughout its Directorates. At the core of this approach is the philosophy that operating performance information serves multiple purposes, both strategic and tactical. For example, NBC has begun to utilize performance information by directing strategic planning initiatives to incorporate best business and service practices throughout the organization. In addition, NBC has begun to incorporate production and productivity information into business and operational planning efforts, basing future projections on a combination of historical levels, trends, and market conditions.

Along with these strategic and planning uses, there are more practical reasons for gathering performance information. The NBC obtains and analyzes relevant performance data to clearly demonstrate and communicate operational performance. This approach will enable NBC and its customers to have better insight and a more common understanding as to how effectively, efficiently, and economically NBC provides shared services.

To facilitate an effective performance management strategy, NBC has committed to enhancing internal processes that support the collection, analysis, review, and reporting of organizational performance data. In FY09, NBC began several activities as part of a multi-phase initiative aimed at improving technologies and communications that support NBC's performance management program. The primary objective for this initiative is to develop, implement, and utilize a web-based performance management portal that will not only improve data input,



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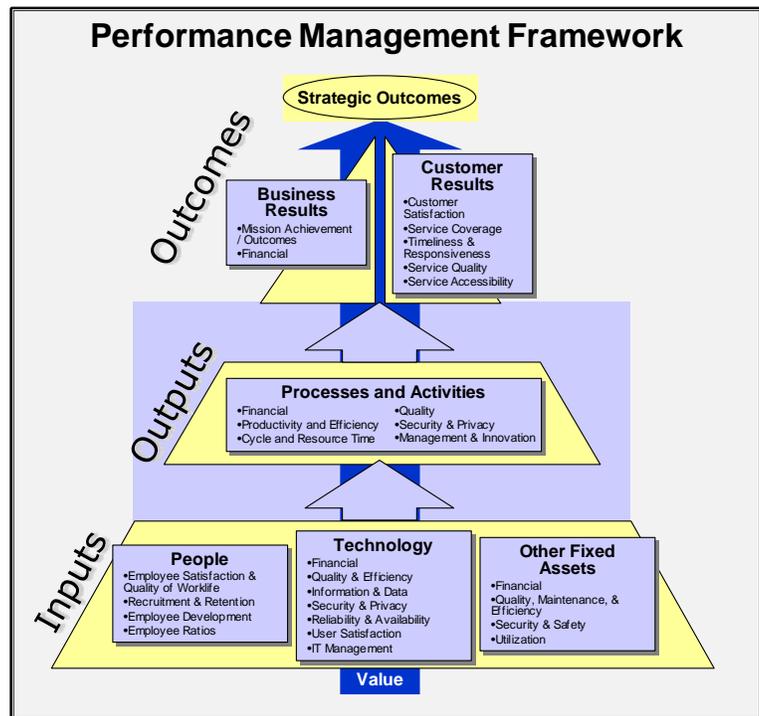
processing, and review, but also provide both customers and NBC management with an integrated view of organizational performance.

The Performance Management Framework to the right details the inputs, outputs and outcomes as well as the sources of information within each category.

This Operational Performance Report (OPR) for FY08 identifies and analyzes key Operational Performance Indicators (OPIs) by Directorate. Each of NBC's Directorates currently reports a series of performance measures and metrics on an annual, quarterly, or monthly basis, depending on the nature of the data requested. Only a subset of this performance data is included within the FY08 OPR.

The OPIs contained within this report were selected to address the following areas of performance:

- **Outputs** – A value to document the amount, quality or volume of a product or service
- **Outcomes** – A value of the productivity of output measures (Note: In some cases, where a calculated value was not readily apparent, an inherent value was selected)
 - **SLA** – A measure of how effectively NBC successfully achieves its service commitments
 - **Customer Satisfaction** – A measure to identify how well NBC satisfies the service needs of its customers



Service Level Agreements

SLAs are critical to determining NBC's performance, as these serve as objective measures designed to provide a clear understanding regarding NBC's service goals and accomplishments. As a shared service provider, NBC relies on SLAs, which are an effective tool to improve communications, manage expectations, and monitor performance. Since each SLA encompasses a set of performance measures, there is a direct correlation between the SLA achievement rate and overall customer satisfaction for each Directorate.

This FY08 OPR addresses critical performance measures for each service area and, when considered in the aggregate, establishes the bigger picture of overall NBC performance across all services. Specifically for FY08, NBC met 94% of its overall SLA metric goals compared to 86% in FY07. In addition, NBC surpassed the ACSI rating of 68, as the NBC-wide ACSI rating was 69.

Additionally, some of the output and outcome measures for many of NBC's Directorates reveal they are the leading providers of certain shared services performed. Notable areas of excellent performance are illustrated in the table on the following page.



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Directorate	Service Performance Achievement
AMD	During all quarters in FY08, AMD performed 100% of inspections on-time
	AMD met 100% of its SLA metrics in FY08
AOD	AOD reported zero false positives, and received 100% accuracy on drug tests across all quarters of FY08
	Of the 102,616 drug tests performed in FY08, AOD received 100% of lab results on-time
AQD	During FY08, AQD processed 99% of invoices on-time using the GovPay system
FBD	FBD processed 100% of all Federal vendor payments on-time
	FBD surpassed its SLA Goal of 98% of vendor payments processed on-time
	In FY08, FBD met 96% of its SLA metrics
HRD	HRD surpassed its SLA Goal of 95% of employee calls responded to and resolved on-time
	HRD surpassed its SLA Goal of 90% of system end-user calls responded to and resolved on-time
	In FY08, HRD met 98% of its SLA metrics
ITD	Overall in FY08, ITD met 99% of its SLA metrics



These areas of exceptional performance, which are later delineated in the report with a “blue ribbon,” demonstrate NBC’s ability to successfully provide superior shared services for a wide array of customers. This report further analyzes these key leading indicators and additional performance measures to not only illustrate the variety and breadth of the shared services offered by NBC, but also to demonstrate the volume and complexity of NBC’s internal operations and how effectively and efficiently NBC performs these services for its customers.



SECTION 2: OPERATIONAL PERFORMANCE REPORT

The NBC's FY08 OPR identifies and analyzes various Operational Performance Indicators (OPIs) by Directorate to provide NBC leadership, as well as NBC customers, with a clear indication of the value of NBC services and comprehensive visibility into performance. The main areas of performance measured and analyzed in this report include production volumes, Service Level Agreements (SLA), and customer satisfaction results.

The functions and corresponding benefits of measuring and managing performance across any organization are numerous. Performance measurement and management are central to the attainment of NBC's mission and goals, and its consistent, demanding standards of performance foster a high-performance culture.

A partial listing of the functions of performance management is as follows:

- Measurement Directs Behavior
- Measurement Increases Visibility
- Measurement Focuses Attention
- Measurement Clarifies Expectations
- Measurement Enables Accountability
- Measurement Increases Objectivity
- Measurement Promotes Consistency

The NBC recognizes that organizational performance measurement cannot be left to chance, with the challenge being to measure the right things, at the right time, and apply the right analysis to develop the right actions. Transforming performance management activities and rethinking the way it measures and drives organizational success has been a focus for NBC over the last few years. The following list outlines NBC's five-year performance management strategy that it is currently working towards:

- Optimizing SLA Performance Measurement
- Implementing a Performance Management Program to Improve Operational Performance
- Transforming and Integrating Performance Management Processes to Address Enterprise Governance Requirements
- Optimizing Existing Employee Performance Assessment Strategies to Assure Linkage to NBC Strategies and Goals

The NBC's FY08 Operational Performance Report (OPR) is organized into sections for each Directorate and includes the OPIs for that respective Directorate, as listed within the table on the following page. Within each Directorate section, the OPIs are analyzed in detail and are presented with a graphical representation of the data for both FY07 and FY08. Wherever possible, a detailed analysis of the data and graphical depiction are also provided to identify emerging trends or to assess patterns. The OPI analysis is focused on FY08 trends and major occurrences, and trends between FY07 and FY08 data.



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OPIs by Directorate

Directorate	OPI
NBC	Percent of SLA Metrics NBC-wide
	Percent of SLA Metrics by Directorate
	Customer Satisfaction Rating by Directorate
AQD	Number of Contracts Awarded
	Number of Contract Actions
	Obligated Contract Dollars
	Average Value of Contracts Awarded
	Average Value of Contract Actions
	Percent of Invoices Paid On-Time via GovPay
	PALT Achievement - Cycle Time for Negotiated and Simplified Acquisitions
	PALT Achievement - Cycle Time for GSA Product and Service Orders
Percent of SLA Metrics Met	
ASD	Number of Appraisal Requests Received
	Number of Appraisals Completed
	Dollar Value of Assets for Appraisals Completed
	Average Value of an Appraisal Request
	Percent of Appraisals Completed On-Time
Percent of SLA Metrics Met	
AOD	Number of Drug Collections Performed
	Percent of Accuracy of Drug Tests Performed
	Percent of Lab Results Available On-Time
	Average Number of Days to Receive Lab Results
	Number of Routine Building Maintenance Facilities Requests
	Percent of Routine Building Maintenance Facilities Requests Responded to On-Time
	Building Operations and Maintenance Cost Per Square Foot
	Cost Per Occupant
	Number of Transit Subsidy Requests
	Number of SmartBenefits® and Metro Check Enrollments
	Number of Special Events Hosted
Percent of SLA Metrics Met	
AMD	Number of Aircraft Inspections
	Number of Flight Hours
	Number of Aircraft Accidents Per Flight Hour
	Percent of Aircraft Inspections Performed On-Time
	Number of Module Credit Hours Completed for Instructor Led Programs
	Number of Online Modules Completed
Percent of SLA Metrics Met	



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Directorate	OPI
FBD	Number of Vendor Payments Processed
	Percent of Federal Vendor Payments Processed On-Time
	Percent of Non-Federal Vendor Payments Processed On-Time
	Number of Temporary Duty (TDY) Payments Processed
	Number of Permanent Change of Station (PCS) Payments Processed
	Percent of Vendor, PCS, and TDY Payments Paid by Electronic Funds Transfer (EFT)
	Amount of Interest Paid on Late Payments
	Number of Eligible Debt Referrals
	Value of Debt Referrals
	Total Vendor Invoice Payment Transactions Processed and Dollar Value of Transactions
	Total Accounting Operation Transactions
	Number of Billing and Collection Transactions
	Percent of SLA Metrics Met
	HRD
Total Value of Payroll Disbursements	
Percent of Employee Calls Responded to On-Time	
Percent of Employee Calls Resolved On-Time	
Percent of System End-User Calls Responded to On-Time	
Percent of System End-User Calls Resolved On-Time	
Number of Professional Development Courses Conducted	
Number of Students in Professional Development Courses	
Average Number of Students per Course	
Number of Mandatory Online Courses Completed	
Number of W-2s Supported and Unit Cost Charged to Clients	
Percent of SLA Metrics Met	
ITD	Number of Help Desk Tickets
	Percent of Help Desk Tickets Responded to On-Time
	Number of Events Detected, Blocked, Thwarted, or Deterred
	Number of Certifications and Accreditations (C&As) Completed
	Percent of SLA Metrics Met



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2.1 NATIONAL BUSINESS CENTER

Services Provided by NBC

As a shared services provider, NBC supports the Office of the Secretary and Bureaus within the Department of the Interior (DOI), as well as external Federal agencies by offering world-class business management systems and services. The NBC provides exceptional value and improves the efficiency and effectiveness of customer agencies in the business management functions it supports, thereby allowing customer organizations to focus on their core missions.

The NBC offers a diverse, yet integrated, set of business solutions across eight Directorates, including the Acquisition Services Directorate (AQD), Administrative Operations Directorate (AOD), Appraisal Services Directorate (ASD), Aviation Management Directorate (AMD), Financial Management and Budget Directorate (FBD), Human Resources Directorate (HRD), and Information Technology Directorate (ITD), which are further detailed in subsequent sections of this OPR. In FY09, NBC added the eighth Directorate, the Federal Consulting Directorate (FCD), formally the Federal Consulting Group. The NBC is currently working with FCD to identify and develop performance metrics that will be reported and analyzed in subsequent reports.

NBC Performance Analysis

The Office of the Director at NBC requires each of its Directorates to report on various performance data related to SLA achievement and customer satisfaction, which has been rolled-up to NBC-enterprise level for this report. Two primary performance indicators have been assessed for NBC as a whole, including:

- **Overall Percent of SLA Metrics Met by Quarter** – This represents a calculated percentage of SLA measures achieved for each Directorate by quarter for FY07 and FY08. SLA metrics are essential to NBC and its customers as a tool to communicate and track performance expectations and levels. Additionally, these have demonstrated a correlation to customer satisfaction and may provide data for additional analysis to explain customer satisfaction levels or changes. As such, SLA information provides key insight for both NBC and customers and has become an important element within a comprehensive organizational performance management program for NBC.
- **Overall Customer Satisfaction** – Customer satisfaction was determined through a comprehensive customer survey including each Directorate during FY07 and FY08. Measuring customer satisfaction is important for NBC, enabling it to objectively assess the satisfaction levels of customers of each Directorate and for NBC as a whole. The NBC intends to utilize this customer satisfaction information to identify and assess changes that may need to be made to increase organizational performance.

In general, NBC demonstrated many improvements and accomplishments throughout FY08. Noted areas of improvement in FY08 by Directorate include:

Directorate	Accomplishments
AQD	AQD awarded over 8,000 contracts and was recognized in April 2009 with an <i>Excellence In Acquisition Award</i> , which was presented by the Department of Defense (DOD). AQD also received its ISO9001 (International Organization for Standardization) certification and received a customer satisfaction score of 67.



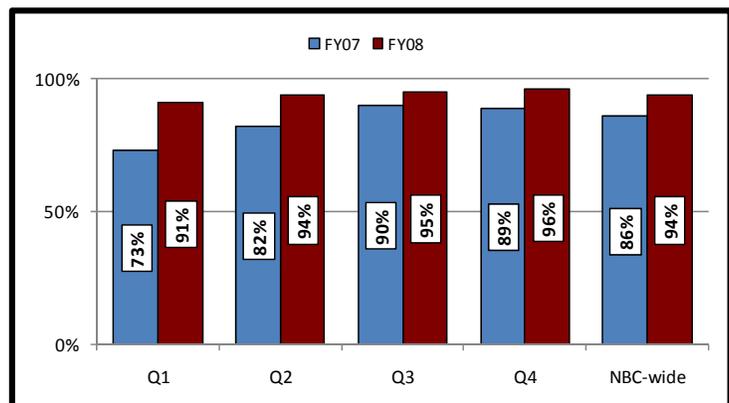
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Directorate	Accomplishments
ASD	ASD completed over 1,000 appraisals with a total dollar value of over \$2B. Additionally, ASD improved its percentage of appraisals completed on-time and percentage of SLA metrics met when compared to FY07 by 18% and 19% respectively.
AOD	AOD experienced a steady increase in transit subsidy enrollments over the course of FY08, including substantial growth in the number of SmartBenefits® enrollments. AOD received a 100% rating for the accuracy for drug tests performed and achieved a 100% rating for the ability to provide drug test results on-time.
AMD	AMD received its ISO9001 certification. The Directorate conducted over 2,500 aircraft inspections, and averaged a 100% on-time inspection rate. AMD also tracked over 60,000 flight hours, seeing a spike in Q4 as a result of fire-related flight operations.
FBD	FBD processed over 280,000 vendor payments (both Federal and non-Federal) and maintained exceptionally high on-time rates for processing payments across all quarters. FBD's improvements in internal controls and processes, the elimination of unnecessary approvals, and an emphasis on NBC employee accountability all attributed to positive change.
HRD	HRD received its ISO9001 certification, which corresponds with NBC's mission of obtaining ISO registration, as outlined in its FY08-FY12 Strategic Plan. HRD saw excellent performance in regards to its percent of SLA metrics met, and received a customer satisfaction score of 76. HRD's high customer satisfaction rating in FY08 is due in part to the high percentage of employee calls responded to and resolved on-time, as well as the high percentage of system end-user calls responded to and resolved on-time.
ITD	ITD saw great improvement in FY08, increasing its percentage of help desk tickets responded to on-time and the percentage of SLA metrics met. These achievements are significant, especially when factoring in the increase in help desk ticket customer demand, and the increase in monitored devices.

Service Level Agreements

Figure 2.1.0: Percent of SLA Metrics NBC-wide by Quarter in FY07 and FY08

SLA metrics are an effective tool to objectively measure NBC's service goals and accomplishments. As a shared service provider, NBC relies on SLAs to improve communications, manage expectations, and monitor performance. The NBC recognizes the importance of using SLA metrics to enable performance transparency, allowing both customers and NBC staff to share key information about the effectiveness of the organization and service delivery. Figure 2.1.0 represents the percent of NBC-wide SLA metrics met per quarter in FY07 and FY08. FY08 SLA metrics were higher overall than in FY07 across





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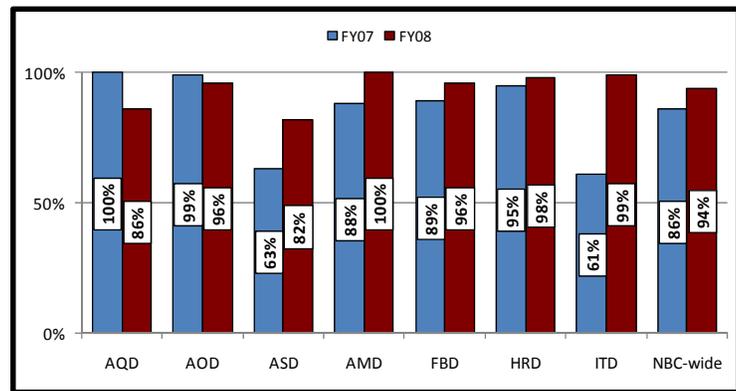
all quarters. In FY08 these metrics steadily increased each quarter moving from 91% in Q1, to 94% in Q2, 95% in Q3, and 96% in Q4. Overall, FY08 SLA performance increased to 94% compared to 86% in FY07.

Figure 2.1.1: Percent of SLA Metrics by Directorate in FY07 and FY08

Figure 2.1.1 represents the percent of SLA metrics met by each Directorate in FY07 and FY08. The percent of FY08 SLA metrics met were higher than in FY07 across almost all Directorates.

Improvements in SLA metric achievement are a result of NBC's dedication to continuous improvement and the implementation of quality management measures such as:

- Achieving ISO9001 certification which required standardized, documented processes followed by all regions/offices (AMD, HRD and AQD)
- Monitoring customer issues through periodic customer surveys and implementing corrective actions
- Completing productivity studies, and as a result, streamlining and automating processes to increase efficiencies (FBD)
- Automating capture of payroll accuracy metric data to more efficiently manage the process (HRD)
- Planning and implementing projects to improve information technology service delivery (ITD)

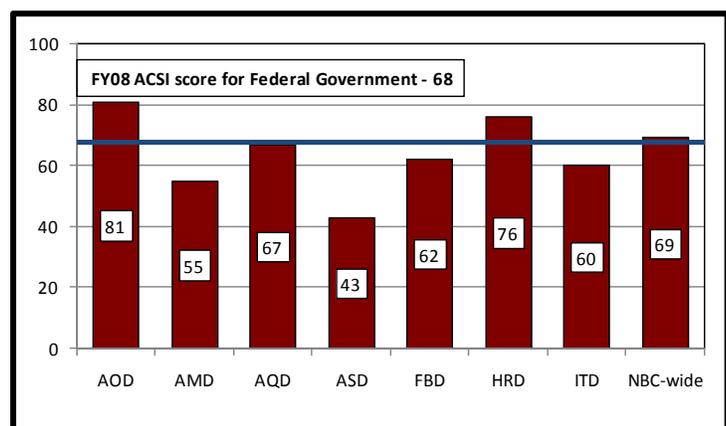


Customer Service and Satisfaction

Figure 2.1.2: Customer Satisfaction Rating by Directorate in FY08

The NBC recognizes the importance of measuring the satisfaction of its customers. Annual customer satisfaction surveys enable NBC to objectively assess customer satisfaction levels among each Directorate and throughout NBC as a whole. The NBC is committed to developing and implementing continuous improvement processes based on a review of customer feedback. These continuous improvement action plans are coordinated at an enterprise level and tailored for each Directorate to focus on those activities that will lead to improved performance in terms of enhanced productivity and quality of service.

Figure 2.1.2 represents the customer satisfaction rating by Directorate in FY08. A structured and independent survey effort gathered customer satisfaction ratings from a sample of 1,470 customers across NBC and achieved a 27% response rate. The benchmark for comparison is the American Customer Satisfaction Index (ACSI) score for satisfaction within the Federal Government, which was 68 in 2008. The NBC's overall customer satisfaction score of 69 is on par with the ACSI Federal benchmark. The NBC is also currently executing action plans to improve customer satisfaction within its continuous improvement methodology.

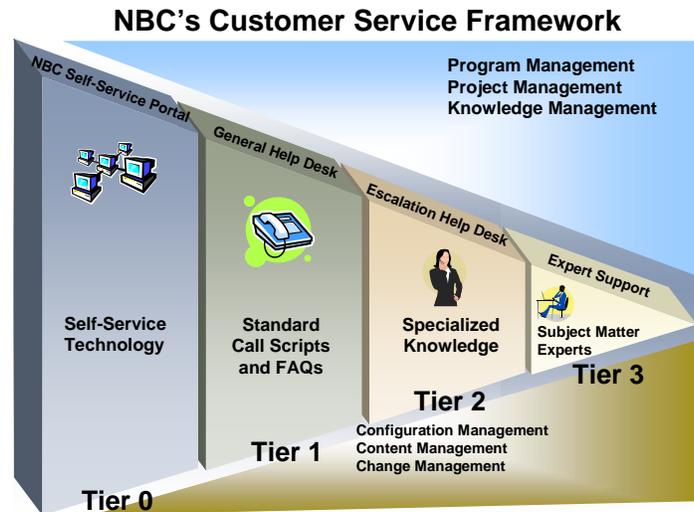




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As a whole, NBC is committed to providing exceptional customer service and has planned and implemented improvement activities that affect people, processes and technology related to enterprise helpdesk activities.

As both a shared service provider and a customer-focused organization, NBC realizes the importance of meeting service goals and expectations. In addition to addressing issues identified in FY08, NBC is looking to revisit and revise its SLA metrics to continue to implement best-practices, monitor performance, and direct future improvement activities, as needed.



FY07 and FY08 Comparison

The following table below provides a comparative summary of selected trends by Directorate in FY07 and FY08. For a more detailed description behind the trends outlined below, please refer to the Directorate-specific sections of this report.

Directorate	FY07 and FY08 Comparison
AQD	<p>The total number of contract actions performed in FY08 was 9,030, which was 16% fewer than the 10,801 performed in FY07. The FY08 decrease is due in part to contract restrictions at the beginning of the funding year, which reduced the services provided to the DOD, AQD's largest customer. These restrictions were subsequently lifted in FY08.</p> <p>Conversely, the annual total obligated contract dollars in FY08 was \$1.52B and was \$1.53B in FY07. Despite the reduction in contract actions, AQD refocused its resources and managed to award the same comparative contract dollar value year over year. In addition, AQD was recognized in April 2009 with an <i>Excellence In Acquisition Award</i>, from the DOD.</p>
ASD	<p>The total dollar value of asset appraisals in FY08 was \$2.07B, which was an increase of 31% and \$.49B compared to FY07. The FY08 increase in the value of asset appraisals is associated with an increase in the acreage appraised as appraisals with high acreage tend to be higher in dollar value.</p>
AOD	<p>In FY08, AOD experienced a dramatic increase in transit subsidy requests compared to FY07, largely due to the Internal Revenue Service's (IRS) approval of DOI's increase in the SmartBenefits® subsidy.</p> <p>In FY08, NBC as a whole improved cost efficiencies by consolidating staff and moving to less expensive facilities.</p>



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Directorate	FY07 and FY08 Comparison
AMD	<p>In FY08, a total of 30,140 online courses were completed, where as in FY07 22,616 online courses were completed, an FY08 increase of 33%. This increase is attributed to online training being more cost effective, as it does not require additional funding for travel, and students typically preferring online training over instructor led courses. These trends affected the number of instructor-led module credit hours, which decreased in FY08 by 1% or 59 hours.</p> <p>Through the ISO9001 registration process AMD improved accident investigation cycle times, increased production of accident prevention products, reduced aviation safety overtime costs, and reduced program evaluation cycle times. In addition, the number of aircraft accidents was reduced in FY08.</p>
FBD	<p>FBD processed a total of 511,531 accounting operation transactions in FY08, compared to 473,051 transactions in FY07. In addition, the total number of Temporary Duty (TDY) payments processed in FY08 was 176,816, which was 53% higher than the 115,333 TDY payments processed in FY07. The FY08 increase in accounting operations transactions and TDY payments processed is due to increased business for transaction processing, the addition of new customers and an increase in customer demand.</p>
HRD	<p>The total number of students in professional development courses increased 27% from FY07 to FY08. This rise was due to an increase in the number of employees needing to meet Contracting Officer's Representative/Contracting Officer's Technical Representative (COR/COTR) requirements, as well as an increase in supervisory training requirements. In addition, the Albuquerque Learning Center was fully staffed in FY08, and was therefore able to offer a full range of courses and training opportunities.</p>
ITD	<p>In FY08, ITD deterred 1,202M incidents which was an increase of 179% from the 431M incidents deterred in FY07. The significant rise in FY08 was a result of the increase in monitored devices due to improved security monitoring capabilities as well as an expansion in the number of devices and applications monitored.</p> <p>There was a significant increase in the number of help desk tickets responded to on-time from FY07 to FY08. ITD's notable improvement in FY08 can be attributed to the Directorate adopting the Gartner Group's standards for "Help Desk Level 1" issue response time priorities.</p>

"Blue Ribbon" Services



The NBC's "Blue Ribbon" services indicate areas of exceptional performance, which are delineated in this report with a blue ribbon. These blue ribbons demonstrate NBC's ability to successfully provide superior shared services for a wide array of customers. This report further analyzes these key leading indicators and additional performance measures to not only illustrate the variety and breadth of the shared services offered by NBC, but also to demonstrate the volume and complexity of NBC's internal operations and how effectively and efficiently NBC performs these services for its customers.



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2.2 ACQUISITION SERVICES DIRECTORATE

Services Provided by the Acquisition Services Directorate



Professionalism and expertise within AQD provides customers with a highly skilled team of contracting professionals that understand the complexities of the acquisition process. They bring peace of mind to DOI and other Federal agencies by managing the entire project from start to finish — from planning, soliciting and evaluating offers, to awarding and administering contracts, through closeout. Our Contracting Officers use all available options, including GSA Schedules, GWACs, and IDIQs to fulfill customer requirements.

AQD is uniquely positioned to provide lifecycle acquisition services in a fully electronic environment to a diverse array of clients. AQD remains accountable through the use of strong policies and procedures, cost effective operations, and a flexible, trained workforce. In addition, AQD gained its ISO9001 certification which provides additional focus on quality processes to benefit its customers. AQD provides a full spectrum of acquisition services to all Federal agencies, and helps agencies to fulfill their missions by providing expert, compliance-based solutions. With over \$3B in obligated

contracts in FY07 and FY08, AQD has an unbeatable track record for providing practical solutions to Federal agencies. AQD provides full lifecycle acquisition services including contract support for IT systems and services, non-IT services, technology research and development, supplies, aviation services, construction, financial agreements, appraisal services, and facilities leasing services. In addition to its headquarters in Herndon, VA, AQD maintains offices in Anchorage, AK, Sacramento, CA, Boise, ID, Denver, CO, Sierra Vista, AZ, and Washington, DC. A summary description of each of AQD's offering categories is described in Figure 2.2.0.

Figure 2.2.0: Acquisition Services Directorate Offerings

Categories of AQD's Offerings	Description of AQD's Offerings
Information Technology (IT) Systems & Services Contracts	Supplies and/or services for the use of electronic computers, computer software, information services, telecommunications, management information services, and managed service providers to convert, store, protect, process, transmit and retrieve information.
Non-IT Services Contracts	Services are primarily administrative, managerial, or consultative. Services include a wide variety of service acquisitions, ranging from facility, physical security, and guard services, to financial auditing and accounting.
Technology Research & Development (R&D) Contracts	Engineering, manufacturing and quality services dedicated to creating innovative solutions for advanced technologies, and identifying technology advancements which are then incorporated into production designs of future systems.
Supplies Contracts	Wide variety of equipment/materials readily available for purchase on the commercial market in potentially large volumes.



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Categories of AQD's Offerings	Description of AQD's Offerings
Aviation Services Contracts	Support for aviation missions that require distinctive aviation flight skills including wild land fire suppression efforts, wildlife capture and research, natural resource management, search and rescue operations, law enforcement, oil and gas production oversight, non-combat testing and scientific research. Additional expertise includes professional aviation program management, technical aviation services, training, safety programs, accident investigation, and contract compliance inspections.
Construction Contracts	Construction services include the assembly, alteration, renovation and/or repair of buildings, structures, and other real property, including improvements of all types.
Financial Agreements Contracts	Financial Agreements are designed to encourage entities (contractors / consortiums) that normally do not contract with the Government to participate in R&D type activities for the stimuli of public purpose. The NBC provides award and administrative services for Grants, Cooperative Agreements and Other Transactions.
Appraisal Services Contracts	Contract appraisal services in support of real property transactions for land management bureaus.
Facility Leasing Services Contracts	Acquiring administration of leased facilities and office space for NBC and DOI clients. This service includes acquisition planning for the appropriate space needed by the clients, expert lease negotiations and administration of lease executed for the entire life of the lease or until lease is terminated prior to the expiration of the lease at the request of the client.
Indirect Cost Service Contracts	Responsible for negotiating indirect cost rates with all Native American and Territorial governments, regardless of funding, and with state, local, and non-profit organizations that receive the majority of their Federal funds from DOI.

In order to effectively manage business processes and demonstrate their capabilities to customers, AQD collects and utilizes performance metrics that demonstrate their capabilities in providing world-class acquisition support. Each of AQD's services is offered on a competitive, best-value basis to all Federal agencies across the government.

Acquisition Services Performance Analysis

In this report, the following indicators and analyses are presented for AQD:

- Number of Contracts Awarded by Quarter in FY07 and FY08
- Number of Contract Actions by Quarter in FY07 and FY08
- Obligated Contract Dollars by Quarter in FY07 and FY08
- Average Value of Contracts Awarded by Quarter in FY07 and FY08
- Average Value of Contract Actions by Quarter in FY07 and FY08
- Percent of Invoices Paid On-Time via GovPay by Quarter in FY07 and FY08



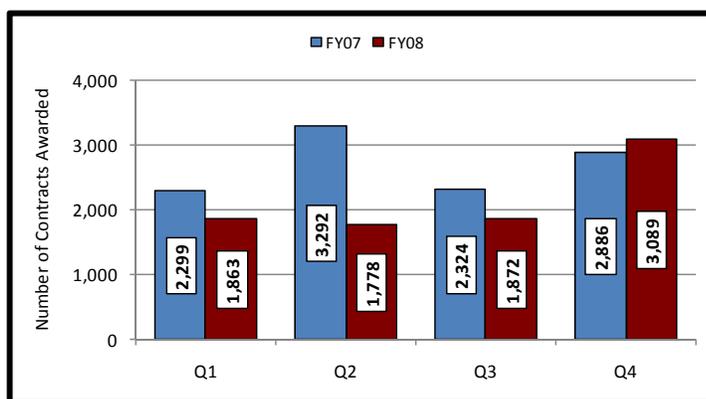
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- FY08 Procurement Administrative Lead Time (PALT) Achievement - Cycle Time for Negotiated and Simplified Acquisitions
- FY08 PALT Achievement - Cycle Time for GSA Product and Service Orders
- Percent of SLA Metrics Met by Quarter in FY07 and FY08

During FY08, AQD achieved the ISO9001 certification which demonstrates the Directorate's dedication to its customers and high performance related to the services it provides. In FY08, the majority of AQD's PALT achievement goals were also met. At the close of FY08, AQD modified the PALT achievement goals and baseline, increasing the number of categories from four to seven, which AQD hopes will provide more accurate performance data. Similarly, AQD achieved close to 100% on-time payments of invoices processed through the GovPay system which was recognized in April 2009 with an *Excellence In Acquisition Award*. Fluctuations occurred with the number of contracts awarded, contract actions awarded, average value of contracts, and the obligated dollar value for these contracts for three primary reasons: a Continuing Resolution Authority (CRA) enacted during Q1, DOD restrictions enforced during Q1 through Q3, and year-end remaining budget allocations spent during Q4. The impact of each of these factors on AQD's performance is explained in more detail in the following sections.

Figure 2.2.1: Number of Contracts Awarded by Quarter in FY07 and FY08

Figure 2.2.1 provides the total number of contracts that AQD awarded by quarter during FY07 and FY08. In Q1 FY08, AQD procured 1,863 contracts. The number of contracts awarded stayed relatively steady, within 100 awards, across the next two quarters, decreasing to 1,778 in Q2 FY08 and increasing to 1,872 in Q3 FY08. In Q4 FY08, the number of contracts awarded spiked to 3,089, an increase of 65%. The total number of contracts awarded in FY08 was 8,602.



The total number of contracts awarded in FY07 was 10,801, which is 26% higher than the total number of contracts awarded in FY08. During the first three quarters of FY07, more contracts were awarded than in the first three quarters of FY08. This is especially true in Q2 FY07 where 85% more contracts were awarded than in the same quarter in FY08. In Q1 FY07, a CRA was enacted which restricted agencies funding, resulting in fewer new contracts signed. In Q2 FY07, Congress approved the budget and the CRA ended, resulting in a sharp increase in the number of contracts awarded. The only quarter where more contracts were awarded in FY08 than in FY07 was Q4, with an increase of 7%.

Contract volumes were low in Q3 FY07 and Q1 through Q3 FY08 due to the DOD's restrictions placed on AQD at the beginning of the funding year. The restrictions limited procurement to contracts less than or equal to \$100,000, and in FY07 and FY08 the DOD was AQD's largest customer. In addition, a CRA was enacted at the beginning of FY07 and FY08 which constrained budgets and limited the number of contracts awarded. The reason for the increase in the number of contracts awarded in Q4 FY07 and Q4 FY08 is twofold. First, historically there is an increase in agency spending towards the end of the fiscal year. Second, the DOD lifted the restrictions on NBC, resulting in an influx of contracts. In addition, in April 2009 the DOD recognized AQD with an *Excellence In Acquisition Award*.

Note: The FY07 data in Figures 2.2.1 and 2.2.2 is the same, and is related to the terms "contract actions" and "contract awards." In FY08, "contract actions" and "contract awards" were clearly defined as two distinct activities, where as in FY07 the data shows that the terms were reported interchangeably. A contract award

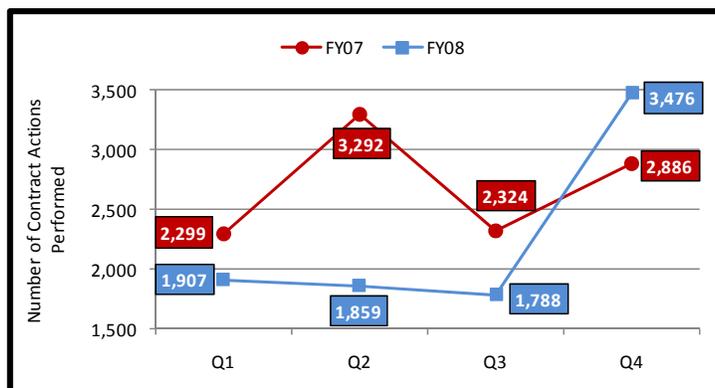


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occurs when a contract is signed, and a contract action denotes an award and a modification to a contract. A single contract can only have one contract award but may have multiple contract actions. Now that the terms have been clarified and are distinctly reported, a comparison between FY08 and FY09 data will provide clearer analysis than the FY07 and FY08 comparison.

Figure 2.2.2: Number of Contract Actions by Quarter in FY07 and FY08

Figure 2.2.2 represents the number of contract actions performed by quarter in FY07 and FY08. In Q1 FY08, AQD performed 1,907 contract actions. In Q2 FY08, the number of contract actions dropped 3% to 1,859. In Q3 FY08, contract actions continued to drop with a decrease of 4% to 1,788. The last quarter of FY08 saw a dramatic rise in the number of contract actions which totaled 3,476, an increase of 94%. The total number of contract actions performed in FY08 was 9,030.



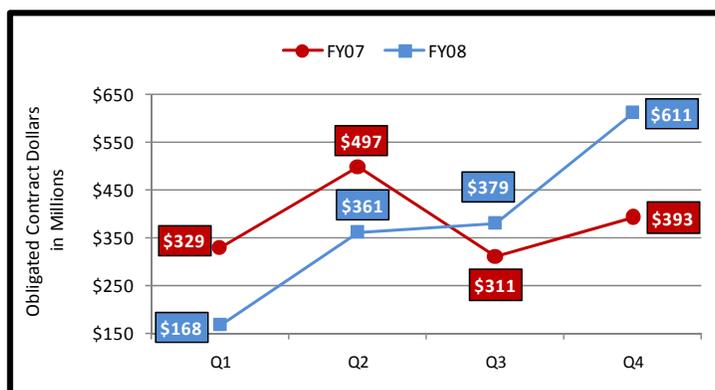
The total number of contract actions in FY07 was 10,801, which is 20% higher than the FY08 total. During the first three quarters more contract actions were performed in FY07 than were performed in FY08. In Q4, the number of contract actions rose sharply with 20% more contract actions performed in FY08 than FY07.

The total number of contract actions decreased in FY08 mainly due to contract restrictions, which greatly reduced the services provided to the DOD, AQD's largest customer. In addition, a CRA enacted at the beginning of FY07 and FY08 restricted agencies to incremental funding resulting in fewer contract actions performed. The number of contract actions in Q4 FY07 and Q4 FY08 increased greatly due to the lift of some DOD contract restrictions, and because NBC typically sees an increase in agency spending at the end of the fiscal year.

Note: As mentioned previously, it is important to recognize that the FY07 data in Figures 2.2.1 and 2.2.2 is the same. The terms "contract actions" and "contract awards" were clearly defined in FY08 as two distinct activities, where as in FY07 the terms were reported interchangeably. Now that the terms have been clearly defined, a comparison between FY08 and FY09 data will provide clearer analysis than the FY07 and FY08 comparison.

Figure 2.2.3: Obligated Contract Dollars by Quarter in FY07 and FY08

Figure 2.2.3 represents the obligated contract dollars by quarter in FY07 and FY08. In Q1 FY08, obligated contract dollars were \$168M. In Q2 FY08, the obligated contract dollars more than doubled, totaling \$361M. In Q3 FY08, obligated contract dollars rose by 5% to \$379M. The last quarter of FY08 saw a dramatic increase in obligated contract dollars which equaled \$611M, an increase of 61%. The annual total of obligated contract dollars in FY08 was \$1.52B.



The obligated contract dollars in FY07 totaled \$1.53B, which is a marginal difference of 1% from the \$1.52B reported in FY08. During the first two quarters of FY07, more obligated contract dollars were awarded than in the first two quarters of FY08. Obligated contract dollars in Q3 FY08 were higher than in Q3



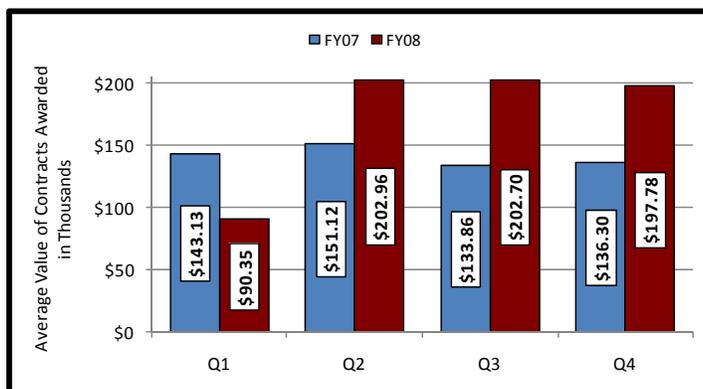
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FY07 with a reported increase of 22%. Also, Q4 FY08 is significant because obligated contract dollars were substantially higher than in FY07 with an increase of 55% and a difference of over \$200M.

Despite the significant reduction in contract actions due to DOD restrictions, AQD awarded a total of \$1.52B during FY08, which is a marginal decrease of 1% from FY07. By refocusing resources, AQD managed to award the same comparative contract dollar value year over year.

Figure 2.2.4: Average Value of Contracts Awarded by Quarter in FY07 and FY08

Figure 2.2.4 represents the average value of an awarded contract by quarter in FY07 and FY08. In Q1 FY08, AQD's average contract value was \$90.35K. The average value of a contract rose steeply to \$202.96K in Q2 FY08, an increase of 125%. In Q3 FY08, the average value remained steady at \$202.70K. In Q4 FY08, there was a marginal decrease of 2% to \$197.78K. The average value of a contract awarded in FY08 was \$176.66K.

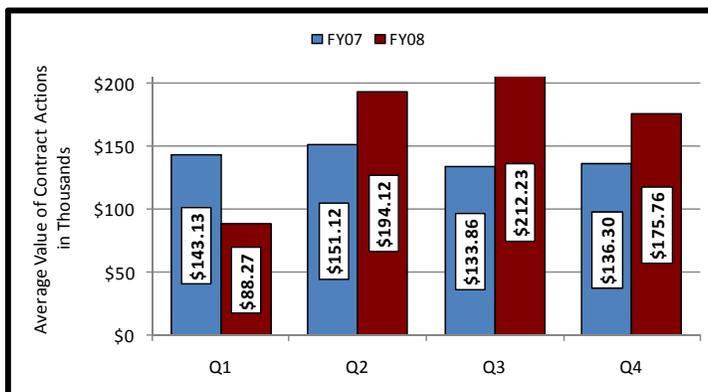


In FY07, the average value of an awarded contract was \$141.75K, which denotes a \$34.91K difference and 25% increase in FY08. In FY07, the average value of contracts awarded was more consistent quarter over quarter than in FY08. For example, in FY07 the lowest quarterly average (Q3 \$133.86K) had a difference of \$17.26K from the highest quarterly average (Q2 \$151.12K). Alternatively, in FY08 the lowest quarterly average (Q1 \$90.35K) had a difference of \$112.61K from the highest quarterly average (Q2 \$202.96K).

The larger range in the average contract value in FY08 can be attributed to the CRA, which greatly lowered the average contract value in Q1 FY08. A possible contributing factor was that the CRA constrained NBC's customers' budgets, which inhibited their ability to enter into high value contract agreements. In addition, Q1 FY08 was affected by DOD contract restrictions which also lowered the average contract value at the beginning of the funding year.

Figure 2.2.5: Average Value of Contract Actions by Quarter in FY07 and FY08

Figure 2.2.5 represents the average value of contract actions by quarter in FY07 and FY08. In Q1 FY08, AQD's average contract value was \$88.27K. The average value of a contract rose steeply to \$194.12K in Q2 FY08, an increase of 120%. In Q3 FY08, the average value rose to \$212.23K. In Q4 FY08, there was a decrease of 17% to \$175.76K. The average value of contract actions in FY08 was \$168.29K.



In FY07, the average value of contract actions was \$141.75K, which denotes a \$26.54K difference and 19% increase in FY08. In FY07, the average value of contract actions was more consistent quarter over quarter than in FY08. For example, in FY07 the lowest quarterly average (Q3 \$133.86K) had a difference of \$17.26K from the highest quarterly average (Q2 \$151.12K). Alternatively, in FY08 the lowest quarterly average (Q1 \$88.27K) had a difference of \$123.96K from the highest quarterly average (Q3 \$212.23).



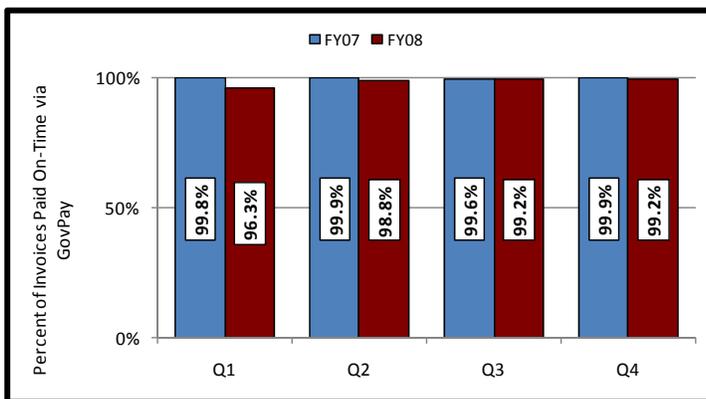
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The larger range in the average contract value in FY08 can be attributed to the CRA, which greatly lowered the average contract value in Q1 FY08. A possible contributing factor was that the CRA constrained NBC's customers' budgets, which inhibited their ability to enter into high value contract agreements. In addition, Q1 FY08 was affected by DOD contract restrictions which also lowered the average contract value at the beginning of the funding year.

Figure 2.2.6: Percent of Invoices Paid On-Time via GovPay by Quarter in FY07 and FY08



Figure 2.2.6 represents the percent of invoices paid on-time via GovPay by quarter for the Herndon office only in FY07 and FY08 (Note: other AQD offices track invoices manually, thus their data was not readily available for inclusion in this report). The Herndon office pays approximately 99% of all of its invoices using this system. Invoices paid using this system were paid on-time over 99% during FY08. A slight decrease occurred in Q1 FY08, as the percent paid on-time was 96.3%.



Invoices paid using the GovPay system were paid on-time an average of over 99% in both FY07 and FY08. The largest difference in FY07 and FY08 data can be seen in Q1 with a difference of 3.5%.

The implementation of GovPay for AQD's Herndon office has resulted in an increase of invoices paid on-time. This increase in the percent of invoices paid on-time is valuable because unnecessary late interest payments are avoided when payments are made on-time. AQD's Herndon office plans to implement the GovPay system on the Federal Financial System (FFS), NBC's accounting system. In addition, the entire AQD Directorate eventually hopes to implement the GovPay system on FFS. AQD's long term plan is to have the entire Directorate using the GovPay system on the Federal Business Management System (FBMS), an upgraded accounting system.

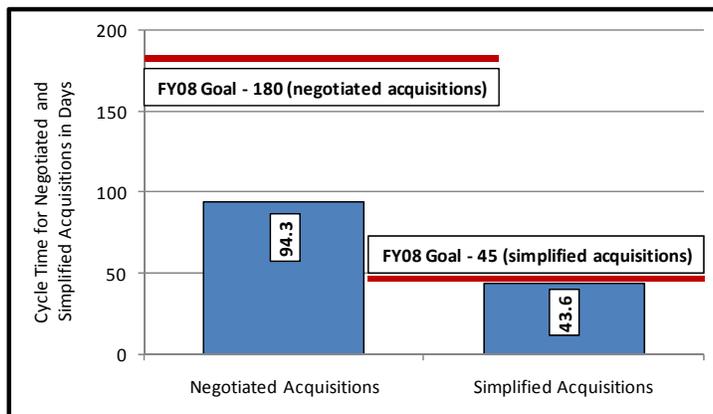
In April 2009, GovPay received the *Excellence In Acquisition Award* recognizing the system as one of the Federal government's best IT projects. AQD's GovPay system met the award's stringent criteria, and demonstrated excellence in improving organizational performance by streamlining invoice review, approval and tracking processes.



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Figure 2.2.7: FY08 PALT Achievement - Cycle Time for Negotiated and Simplified Acquisitions

Figure 2.2.7 represents the cycle times for negotiated and simplified acquisitions in FY08. Negotiated acquisitions require more steps and are more time intensive than simplified acquisitions. A dollar threshold determines whether an acquisition will follow a negotiated or simplified acquisition process. The figure also includes the FY08 goal lines for both types of acquisitions. The cycle time for negotiated acquisitions was 94.3 days, with an FY08 goal of 180 days. The cycle time for simplified acquisitions was 43.6 days, with an FY08 goal of 45 days.



The FY08 goals for both negotiated and simplified acquisitions were 100% met. The goal for negotiated acquisitions was met with 85.7 days remaining before surpassing the goal. AQD used 52% of the days available to complete the negotiated acquisitions. The goal for simplified acquisitions was met with 1.4 days remaining before surpassing the goal. AQD used 97% of the days available to complete the simplified acquisitions.

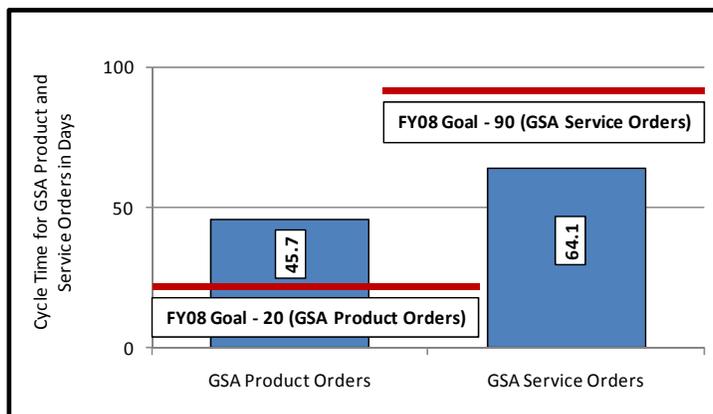
FY08 was the baseline year for data collected regarding negotiated and simplified acquisitions, therefore a comparison with FY07 data cannot be made. At the end of FY08, AQD modified the PALT Achievement baseline, increasing the number of categories from four to seven. The seven FY09 categories are based on industry standards and AQD hopes the change will provide more accurate data.

The seven PALT Achievement categories defined for FY09 are outlined below:

- Acquisitions under \$100K using Simplified Acquisition Procedures
- Acquisitions greater or equal to \$100K using Simplified Acquisition Procedures
- Negotiated Acquisitions
- Delivery orders against Federal Supply Schedule Contracts
- Task orders against Federal Supply Schedule Contracts
- Delivery orders against IDIQ Contracts other than FSS
- Task orders against IDIQ Contracts other than FSS

Figure 2.2.8: FY08 PALT Achievement - Cycle Time for GSA Product and Service Orders

Figure 2.2.8 represents the cycle times for the General Services Administration (GSA) product and service orders in FY08. The figure also includes the FY08 goals for both types of GSA orders. The cycle time for GSA product orders was 45.7 days, with an FY08 goal of 20 days. The cycle time for GSA service orders was 64.1 days, with an FY08 goal of 90 days.



The FY08 goal for GSA product orders was not met. The GSA product orders goal of 20 days more than doubled, reaching a total of 45.7 days. The FY08 GSA service orders goal was met with 25.9 days remaining before surpassing the goal.



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FY08 was the baseline year for data collected regarding GSA product and service orders, therefore a comparison with FY07 data cannot be made. As noted above in Figure 2.2.7, at the end of FY08 AQD modified the PALT achievement baseline in an effort to provide more accurate and meaningful data. AQD conducted quality control reviews of the FY08 PALT data, and based on those findings revised its PALT category definitions, created a standard definition of when PALT begins, created written work instructions for how data is collected, and held PALT training for AQD staff. AQD is also evaluating the PALT achievement goals, and may adjust goals that were set too high. All PALT goals were estimated by AQD's senior acquisition personnel, and are based on industry standards. AQD is collecting PALT data, including data on GSA product orders, to determine if meeting the current goals is realistic. Based on these findings AQD will make goal adjustments where needed. Modifying the PALT baseline and reevaluating its goals may help AQD reach its GSA product orders goal in FY09.

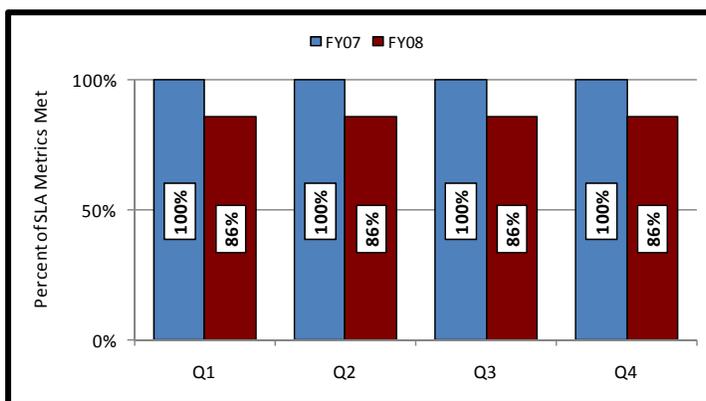
In addition, the Electronic Servicing Environment (ESE) pilot is set to go-live early in FY10. ESE is an automated system that houses data and provides real time NBC-wide tracking in addition to automating and streamlining workflow and providing greater efficiencies and transparency into process, workflow, and status. This ESE system will also help AQD better track its metrics in the future.

Figure 2.2.9: Percent of SLA Metrics Met by Quarter in FY07 and FY08

Figure 2.2.9 represents the percent of SLA metrics met by quarter in FY07 and FY08. During FY08 AQD met 86% of its SLA metrics, which is a 14% decrease from the 100% of SLA metrics met in FY07. This decrease is a result of AQD including PALT achievement categories in its SLA metrics calculation. Specifically, AQD did not meet the PALT achievement goal for GSA product orders, which affected its overall SLA percentage.

The four currently collected SLA metrics for AQD encompass accuracy, efficiency, availability, and customer satisfaction of the services provided.

FY07 was the baseline year for data collected regarding SLA metrics. AQD continually strives to meet its annual goals and adjusts its SLA metrics on an annual basis. In FY09, AQD improved its SLA calculation by taking into account the number of acquisition transactions, which was not previously included in the FY07 and FY08 SLA calculation. AQD's overall SLA metric is based on PALT achievement categories, addressing and closing customer concerns, response rates for customer feedback, and the percent of invoices paid on-time using the GovPay system.



Acquisition Services Directorate Summary

In conclusion, AQD provides lifecycle acquisition management services to a diverse array of clients. As a part of its shared services provisions, AQD awarded over 8,000 contracts during FY08, with fluctuations occurring from quarter to quarter as a result of the CRA enacted during Q1, DOD restrictions enforced during Q1 through Q3, and a historical increase of agency spending towards the end of the fiscal year in Q4. This trend had a similar impact on the number of contract actions awarded, the average value of contracts, and the obligated dollar value associated with these contracts. Another trend to highlight is that FY08 saw a lower number of contract actions than FY07, with a higher average contract value. This data indicates a positive trend for NBC as it is working with fewer contracts but those contracts are higher in dollar value.



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Despite these fluctuations, AQD met the majority of its PALT achievement goals, and has plans to revise and improve upon its PALT baseline in FY09. In addition, in FY08 AQD achieved the ISO9001 certification. Lastly, the percent of invoices processed using the GovPay system were paid on-time almost 100%, and the system was recognized with an award for improving invoicing review, approval and tracking processes.



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2.3 APPRAISAL SERVICES DIRECTORATE

Services Provided by the Appraisal Services Directorate



ASD, with its variety of locations, is organizationally structured to support clients and to provide administrative and infrastructure support to the appraisers to improve coordination and consistency in implementing appraisal guidance, professional development of appraisers, and greater efficiencies in contract monitoring and management.

ASD provides a full range of appraisal-related services including General Appraisal Services, Appraisal Review Services and Valuation Consulting Services. ASD provides these services, primarily to Interior Bureaus, for the purpose of assisting with their respective land transaction business decisions in a professional, efficient manner. ASD's appraisers provide market value appraisals concerning real estate acquisitions, disposals and exchanges on behalf of its customers. The types of properties appraised include recreational, agricultural, commercial, industrial, and residential and also take into

account various components such as minerals, water rights and timber.

ASD's mission is, "to provide credible, timely, and efficient valuation services to ensure public trust in Federal real property transactions." Each of ASD's three-core service offerings are designed to effectively respond to customers' changing needs and expectations. A summary description of each service is provided in Figure 2.3.0.

Figure 2.3.0: Appraisal Services Directorate Offerings

Service Offerings	Service Offering Description
General Appraisal Services	<p>Provides clients with quality, independent, and comprehensive real property valuations. Appraisals are "assignment-specific" and are evaluated by the appraiser to incorporate the client's requirements into a Statement of Work (SOW). Appraisals must meet the Uniform Standards of Professional Appraisal Practice (USPAP) guidelines and as applicable, appraisals must comply with the Uniform Appraisal Standards for Federal Land Acquisition (UASFLA) requirements. All appraisals used in Federal transactions are reviewed by ASD staff for compliance with these standards before being released to clients. ASD offers valuations for a wide variety of appraisal case types including:</p> <ul style="list-style-type: none"> • Acquisition • Acquisition of an Easement • Excess Land (BOR only) • Exchange - Federal Land • Exchange - Non-Federal Land • Lease • Partial Interest • Permit or License • Recreation and Public Purposes Act - Lease • Recreation and Public Purposes Act - Sale • Revenue Sharing • Right-of-Way • Sale/Disposal • Other



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Service Offerings	Service Offering Description
Appraisal Review Services	Appraisal Review Services are reviews of appraisal reports that are completed in accordance with USPAP and UASFLA requirements. ASD's review is intended to ensure that appraisal opinion results are credible and adhere to standards and policy.
Valuation Consulting Services	<p>ASD provides the following consulting services:</p> <ul style="list-style-type: none"> • Legislative Cost Estimates (NPS only) • Land Exchange Feasibility Consultations • Fiscal Year Consultations • Other Written Consultations <p>Actual products will vary for consultation services depending on the client's need. Examples include due diligence for a client's acquisition, exchange, or sale decisions, highest and best use studies, market studies and marketability studies, and studies that provide support for litigation.</p>

It is important to note that unlike most other NBC Directorates, ASD focuses on policy development and oversight as well as client support. ASD emphasizes the importance of improving appraiser/client coordination and increasing consistency in implementing appraisal guidance, professional development of appraisers, and efficiencies in contract monitoring and management. ASD is committed to assisting clients with their land transaction business decisions in a timely and efficient manner while maintaining professional standards.

Appraisal Services Performance Analysis

In this report, the following indicators and analyses are presented for ASD:

- Number of Appraisal Requests Received by Quarter in FY07 and FY08
- Number of Appraisals Completed by Quarter in FY07 and FY08
- Dollar Value of Assets for Appraisals Completed by Quarter in FY07 and FY08
- Average Value of an Appraisal Request by Quarter in FY07 and FY08
- Percent of Appraisals Completed On-Time by Quarter in FY07 and FY08
- Percent of SLA Metrics Met by Quarter in FY07 and FY08

During FY08, ASD experienced normal fluctuations in operational performance related to the number and total dollar value of all land appraisals conducted during the year. Typically, the number of appraisal requests received holds fairly steady during Q1 through Q3, with an increase in Q4 as evidenced by Federal government spending cycles. Fluctuations also occurred due to the CRA enacted at the beginning of the funding year and differences in the amount of acreage appraised and complexity of the land appraised.

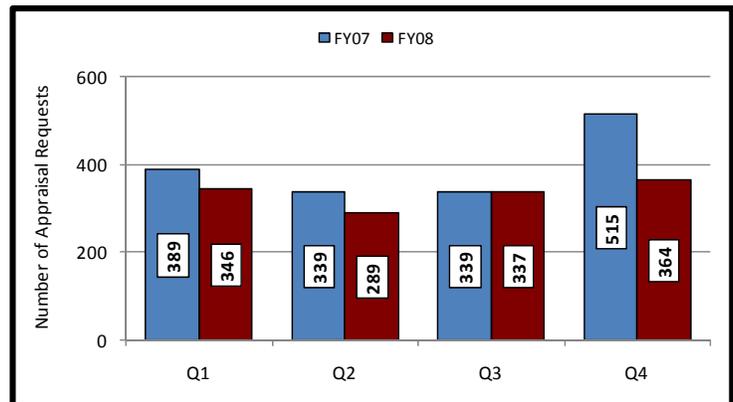
In FY08, ASD saw improvement in the number of appraisals completed on-time and its overall SLA metrics. However, in order to further improve in FY09, ASD plans to focus on the following areas: data quality improvement, increased appraiser accountability, and enhanced client service. Further detail for these indicators is provided in the analyses and sections that follow.



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Figure 2.3.1: Number of Appraisal Requests Received by Quarter in FY07 and FY08

Figure 2.3.1 provides the number of all land appraisal requests received by quarter in FY07 and FY08. The number of appraisal requests includes requests for appraisal and review, appraisal review only, concessions appraisals, preliminary value estimate, and rental appraisals, encompassing the majority of the work completed by the Directorate. The number of appraisal requests does not include requests for consultations. Additionally, a single appraisal request may include multiple land appraisals (i.e. one appraisal request may encompass a dozen individual land appraisals due to multiple ownerships or multiple parcels being included in a single project). It should also be noted that some appraisal requests are made up to a year in advance of the requested due date. In Q1 FY08, ASD received a total of 346 appraisal requests. The total number of appraisal requests decreased by 16% to 289 in Q2 FY08, and increased 17% to 337 in Q3 FY08. In Q4 FY08, there was an increase of 8% to 364 appraisal requests. The total number of appraisal requests in FY08 was 1,336.

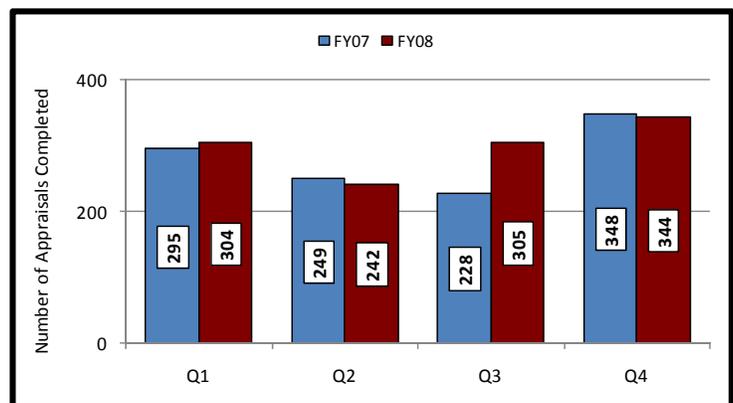


In FY07, the total number of appraisal requests was 1,582, which is 246 more appraisal requests received than in FY08. Every quarter in FY07 saw more appraisal requests than the corresponding quarter in FY08. The decrease in appraisal requests from FY07 to FY08 is a result of reduced client demand due to fewer land transactions.

In FY08, Q4 saw the most appraisal requests received, which is attributed to the fact that historically towards the end of the fiscal year there is an increase in agency spending.

Figure 2.3.2: Number of Appraisals Completed by Quarter in FY07 and FY08

Figure 2.3.2 provides the number of all appraisals completed by quarter in FY07 and FY08. In Q1 FY08, ASD completed a total of 304 appraisals. The total number of appraisals completed decreased by 20% to 242 in Q2 FY08, and increased 26% to 305 in Q3 FY08. In Q4 FY08, there was an increase of 13% to 344 appraisals completed. The total number of appraisals completed in FY08 was 1,195.



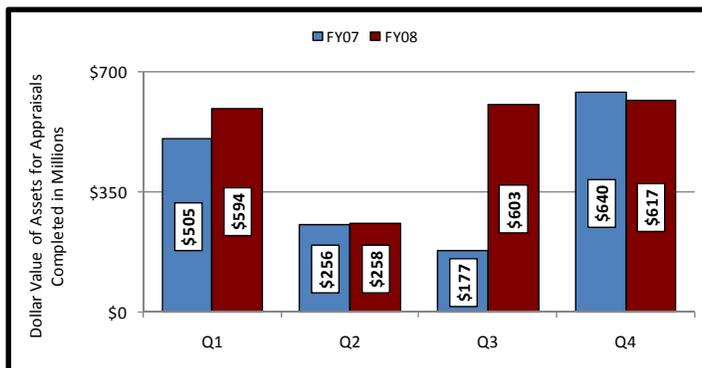
In FY07, the total number of appraisals completed was 1,120, which is 75 fewer appraisals completed than in FY08. In addition, there were fewer Full Time Equivalents (FTEs) in FY08 than in FY07 (57 appraisal FTEs in FY08 compared to 59 appraisal FTEs in FY07). The number of appraisals increased in FY08 due to increases in efficiency and changes to the workload mix. The quarter that saw the greatest variance was Q3, with a difference of 77 appraisals completed between FY07 and FY08. Q4 saw the most appraisals completed which is attributed to an increase in spending at the end of the fiscal year. In addition, completion of appraisals is seasonal. Q4 spans the months of July, August and September – the warmer summer months. Appraisers are able to complete more appraisals during Q4 as the warmer climate and longer days allow for appraisers to be outdoors more frequently and for longer periods of time.



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Figure 2.3.3: Dollar Value of Assets for Appraisals Completed by Quarter in FY07 and FY08

Figure 2.3.3 provides the dollar value of assets for appraisals completed by quarter in FY07 and FY08. The value of assets appraised includes requests for appraisal and review, appraisal review only, concessions appraisals, preliminary value estimate, and rental appraisals, encompassing the majority of the work completed by ASD. In Q1, Q3 and Q4 of FY08, the dollar value of appraised assets remained relatively consistent with a sharp decrease in Q2 of the same year. In Q1 FY08, ASD appraised assets totaling a value of \$594M.



The dollar value of assets dropped by 57% to \$258M in Q2 FY08. Q3 and Q4 of FY08 saw a spike in the value of assets totaling \$603M and \$617M respectively. The total dollar value of all asset appraisals in FY08 was \$2.07B.

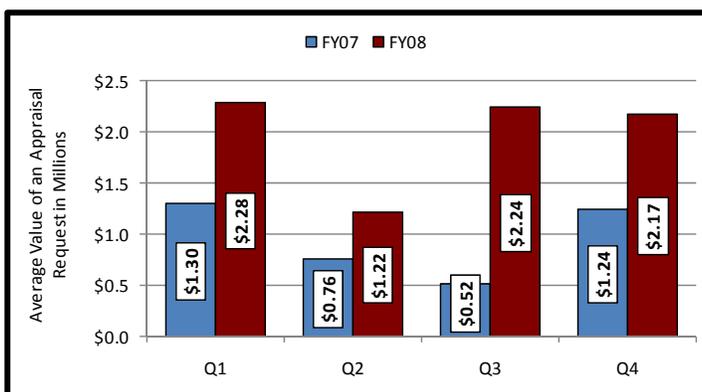
The total dollar value of all asset appraisals in FY07 was \$1.58B, which was \$.49B less than FY08. FY08 saw an increase in the value of asset appraisals of 31%. In Q1 FY08, the dollar value of appraisal assets was \$89M higher than in the same quarter of FY07. In Q2 and Q4, appraised assets were similar across FY07 and FY08. In Q3 FY08, there was a spike in the value of asset appraisals, with a significant increase of 241% and \$426M from FY07 to FY08.

The lull in Q2 is attributed to the CRA enacted at the beginning of FY07 and FY08 which restricted agency funding, as well as seasonal factors which reduced the number of appraisals completed in the winter months. The Q3 FY08 spike in the value of asset appraisals is associated with an increase in the acreage appraised. Appraisal requests with high acreage tend to be higher in dollar value. High value properties are typically more complex and require more time to appraise. Examples of high value properties include land that has development potential, possesses high resource values such as timber or minerals, and has high value improvements or large acreages. The high value of appraisal assets completed in Q4 can be explained by the reasons noted for the Number of Appraisals Completed (Figure 2.3.2). Agencies request more appraisals towards the end of the fiscal year, and appraisers are able to complete more appraisals in the summer months due to warmer weather and longer days.

ASD has made improvements to assure reporting is completed on a timely basis by enhancing the compliance review process to include a Quality Assurance Program. In addition, ASD is implementing an appraisal business process review to validate control points and identify opportunities for streamlining and cost effectiveness.

Figure 2.3.4: Average Value of an Appraisal Request by Quarter in FY07 and FY08

Figure 2.3.4 represents the average value of completed appraisal requests by quarter in FY07 and FY08. Following the trend of the dollar value of appraisals (Figure 2.3.3), the average value of an appraisal remained steady across Q1, Q3 and Q4 of FY08, with a significant decrease in Q2. In Q1 FY08, ASD's average value of an appraisal request was \$2.28M. In Q2 FY08, the value dropped significantly by 46% to \$1.22M. Q3 and Q4 of FY08 saw an increase to \$2.24M and \$2.17M respectively. The FY08 total average value of an appraisal request was \$2.02M.





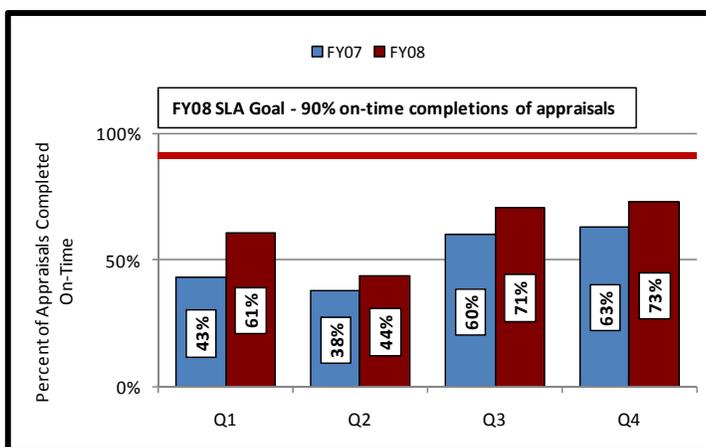
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The total average value of an appraisal request was \$1.00M in FY07, a difference of over \$1.02M and an increase of 102% in FY08. The substantial increase from FY07 to FY08 is mirrored in the dollar value of appraisals (Figure 2.3.3) and is related to the increase in the acreage appraised which raises property value.

The quarter-by-quarter fluctuations can be explained by the same reasons noted in Figure 2.3.3. The high value in Q1 is attributed to appraisals completed in Q4 FY07, which were not reported as complete until Q1 FY08. The downturn in Q2 is related to the CRA which restricted agency funding, and seasonal factors which reduced the magnitude of appraisals completed in the winter months. The Q3 FY08 rise in the value of asset appraisals is associated with an increase in the acreage appraised, as appraisal requests with high acreage tend to be higher in dollar value. Q4 FY08 had a high average value of appraisals as appraisers are able to complete more appraisals in the summer months due to warmer weather, longer days, and ease of travel.

Figure 2.3.5: Percent of Appraisals Completed On-Time by Quarter in FY07 and FY08

Figure 2.3.5 provides the percent of appraisals completed on-time (within agreed upon timeframes) by quarter in FY07 and FY08. Original commitment dates determined for each project may differ per agreement. Therefore, the hard target number for appraisal completion dates varies from one appraisal to the next. In Q1 FY08, ASD performed 61% of appraisals on-time. The percent of appraisals completed on-time decreased to 44% in Q2 FY08, a drop of 28%. In Q3 FY08, on-time completions increased to 71%. By Q4 FY08, ASD had increased the percent of appraisals completed on-time to 73%.



Every quarter of FY08 increased its percentage of appraisals completed on-time when compared to the same quarter of FY07. This increase was most significant in Q1 where the percentage of appraisals completed on-time was 43% in FY07 compared to 61% in FY08. Although ASD saw great improvement in FY08, the Directorate did not reach the SLA Goal of 90% on-time completions of appraisals in FY08. Q2 FY08 had the lowest percentage of appraisals completed on-time at 44%. This decline is related to seasonal factors which hinder appraisal completion as the winter months make appraisal reviews more difficult.

The FY08 increase in the percentage of appraisals completed on-time compared to FY07 is attributed to multiple improvement opportunities identified in FY07 and implemented by ASD in FY08. The Directorate is in the process of designing and implementing Appraisal Request, Review, and Tracking System (ARRTS) modifications that will allow for more accurate and up-to-date reporting functionality. In addition, ASD Regional Management is emphasizing the importance of meeting due dates and working with client agency realty staff to resolve delays in a more timely fashion. ASD is also requiring that all appraisers complete comprehensive ARRTS training by the end of FY09, which will increase system understanding and in turn lead to increased efficiency and attainment of goals. In addition, client realty specialists also take training which is focused on how to prepare comprehensive and high-quality appraisal requests. As of Q2 FY08, ASD has implemented a comprehensive Performance Plan that includes performance targets that appraisers are required to meet or exceed. The Performance Plan emphasizes accountability and helps to monitor and track employee productivity. ASD is also currently in the process of developing policies and procedures that will provide guidance to its appraisers in situations when delays occur that will assist in the avoidance of missed deadlines. With these improvement opportunities identified and preliminarily implemented, ASD believes that the percentage of appraisals completed on-time will increase significantly in FY09.

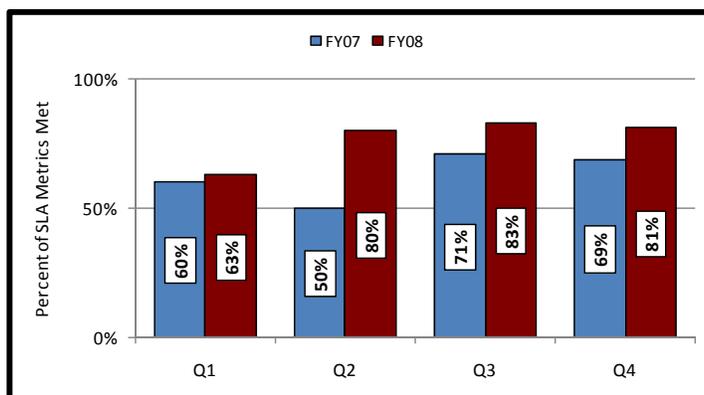


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Figure 2.3.6: Percent of SLA Metrics Met by Quarter in FY07 and FY08

Figure 2.3.6 represents the percent of SLA metrics met by quarter in FY07 and FY08. In Q1 FY08, ASD met 63% of its SLA Goals. The percent of SLA Goals met increased to 80% in Q2 FY08, followed by another increase to 83% in Q3 FY08. In Q4 FY08, the percentage dropped slightly to 81% of SLA metrics met. Overall in FY08, the Directorate met 82% of its SLA metrics.

In FY07, ASD met 63% of its overall SLA metrics, which denotes a 19% difference when compared to FY08. Every quarter of FY08 increased its percentage of SLA metrics met when compared to the same quarter of FY07. Q2 was significant as the percent of SLA metrics met went from 50% in FY07 to 80% in FY08. Notable improvement was also seen in Q3 and Q4 of FY08, where the difference in the percentage of SLA metrics met was 12% in both quarters. Although ASD saw a significant increase in the percentage of SLA metrics met, the opportunity for improvement still exists.



ASD has identified contributing factors to its SLA performance challenges, and has identified the following areas for improvement: data quality improvement, increased appraiser accountability, and enhanced client service.

- *Data Quality Improvement:* ASD is providing targeted ARRTS training to its staff to address the data quality issue, and anticipates training completion by the end of FY09. Previously, appraisers did not update the ARRTS database in a timely fashion once an appraisal was completed, which affected the accuracy of completion data in the system. In addition, enhancements to ARRTS will allow ASD to pinpoint deficiencies quickly and immediately begin a process of corrective action.
- *Increased Appraiser Accountability:* To address the lack of accountability, ASD is implementing an organization-wide Performance Plan which will define the new standards, metrics and targets by which appraiser's performance will be measured. ASD is also in the process of identifying available performance benchmarks of its private sector counterparts for comparison.
- *Enhanced Client Service:* The National Appraisal Coordination Team (NACT) was established in FY08 and focuses on meeting the needs of ASD's clients. The NACT provides an open venue for discussion related to client relations and addresses "top of mind" client issues. In addition, ASD has developed a Compliance Program that provides a secondary review of appraisals to ensure that they are in compliance with all applicable laws and policies. The Compliance Program conducts audits to determine appraisal deficiencies, and if a deficiency is identified, a plan is developed to quickly correct the issue.

With areas of improvement identified and change processes preliminarily implemented, ASD hopes to meet an even higher percentage of SLA Goals in FY09.



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Appraisal Services Directorate Summary

In conclusion, ASD provides an array of appraisal-related services including General Appraisal Services, Appraisal Review Services, and Valuation Consulting Services to four primary DOI client agencies. In FY08, the Directorate received over a thousand appraisal requests and completed appraisals totaling over \$2B in asset value. The number and total value of appraisals increased in Q4 due to the ability to more easily appraise properties during the summer months and because agencies historically increase spending towards the end of the fiscal year. Other fluctuations occurred and were a result of the CRA and differences in acreage and complexity of the land assessed.

In regards to productivity, ASD saw improvement in the number of appraisals completed on-time and its FY08 SLA metrics. This improvement is attributed to ARRTS modifications, an increased focus on ARRTS training, implementation of Performance Plans, and the development and increased adherence to policies and procedures. However, ASD also noted some areas that could be further developed and plans to focus on data quality improvement, increased appraiser accountability, and enhanced client service in FY09.



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2.4 ADMINISTRATIVE OPERATIONS DIRECTORATE

Services Provided by the Administrative Operations Directorate



AOD, in coordination with GSA, manages the modernization project at the Main Interior Building (MIB). The primary purpose of the MIB renovation is to improve the quality of life and ensure optimum habitability for all DOI occupants.

AOD provides a wide array of services, consolidating the previously independent lines of business of Creative Communication Services, Employee and Public Services, Facilities Management, Property and Asset Management Services, Modernization, Drug and Alcohol Testing, Mail Management, and Museum and Library Services. As the leading provider of these services, AOD is the backbone of support for the DOI and specifically for the DOI's MIB. AOD has the

unique responsibility of providing critical administrative and operational support to a diverse group of customers within NBC and throughout the Federal government. In July 2008, AOD consolidated a large number of its services into one location to provide more efficient service to its customers. AOD has established a full-service customer service desk that is manned during core business hours. AOD is also working to develop a cadre of trained staff who can provide multiple services from one location. In October 2008, Museum and Library Services returned to AOD.

Each AOD service offering is designed to support customer needs while allowing customers to focus on their core mission. A summary description of each service is provided in Figure 2.4.0.

Figure 2.4.0: Administrative Operations Directorate Offerings

Service Offerings	Service Offering Description
Creative Communication Services	Includes support for the Business Center (printing, graphics, etc.), and Photographic Services.
Employee and Public Services	Includes support for Physical and Personnel Security Management, Emergency Management, Mail Management, Health Unit Operations, Special Events, Passports and Visa Issuing, and the Federal Executive Board of MN.
Facilities Management	Includes support for Core Building Operations, Parking and Ride Sharing, Moving Services, Alterations, Shipping and Receiving, Flags and Seals, Maintenance/Custodial, and the Transportation Subsidy Program.
Modernization	Support for all MIB modernization program efforts; workplace safety, health (industrial hygiene) and environmental issues.
Property and Asset Management Services	Includes support for Personal Property Management Services, Fleet Management Services, and Space Management (Real Property).



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Service Offerings	Service Offering Description
Drug and Alcohol Testing	This service includes the collection of specimens in accordance with Health and Human Services and Department of Transportation regulations. Collections can be performed by in-house or contractor personnel. This service also includes lab analysis, during which specimens are in a certified laboratory.
Museum and Library Services	Includes museum speaker forums, which are conducted for the public and employees. Forum topics range from talks on the history of quilting to discussions on the history of Washington, DC. The library has a wealth of books and is a source for historians to research old Indian records, and for attorneys to research land law treaties and legal documentation of the history of the Department.

In order to demonstrate their capabilities to customers and achieve goals of streamlining business processes to increase efficiency of service delivery, AOD collects and utilizes performance metrics that demonstrate their capabilities in providing world-class business support.

Administrative Operations Directorate Performance Analysis

In this report, the following indicators and analyses are presented for AOD:

- Number of Drug Collections Performed by Quarter in FY07 and FY08
- Percent of Accuracy of Drug Tests Performed by Quarter in FY07 and FY08
- Percent of Lab Results Available On-Time by Quarter in FY07 and FY08
- Average Number of Days to Receive Lab Results by Quarter in FY07 and FY08
- Number of Routine Building Maintenance Facilities Requests by Quarter in FY07 and FY08
- Percent of Routine Building Maintenance Facilities Requests Responded to On-Time by Quarter in FY07 and FY08
- Building Operations and Maintenance Cost Per Square Foot in FY07 and FY08
- Cost Per Occupant in FY07 and FY08
- Number of Transit Subsidy Requests by Quarter in FY07 and FY08
- Number of SmartBenefits® and Metro Check Enrollments
- Number of Special Events Hosted by Quarter in FY07 and FY08
- Percent of SLA Metrics Met by Quarter in FY07 and FY08

Since AOD provides a wider array of services as compared to the other NBC Directorates, the performance measures assessed for this report provide a greater variety of the type of data assessed. For example, drug testing is one of AOD's largest services. AOD provides services to 90% of the drug testing market for the Federal government. As a result, AOD has become the "best practice" for this service, consistently maintaining strong performance results in the number of drug collections, the accuracy of these tests, and the ability to complete all tests on-time nearly 100% of the time. AOD has made efforts to improve cost efficiencies in building operations

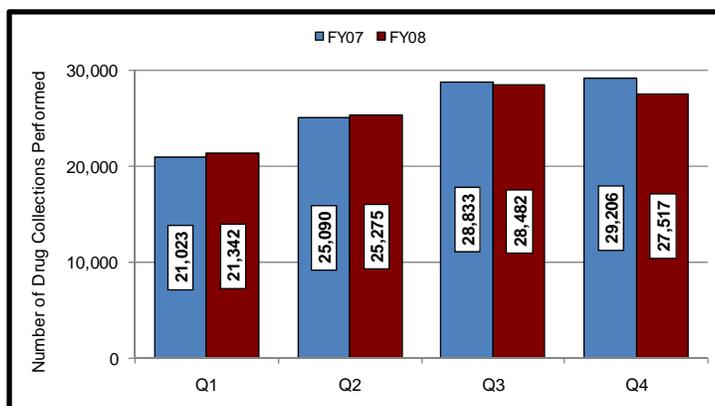


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and maintenance, and occupancy costs by consolidating staff and moving to less expensive facilities. AOD has also implemented several measures to eliminate fraud and abuse by encouraging DOI employees to enroll in the SmartBenefits® transit subsidy program. Although AOD’s SLA Metrics slipped in FY08, AOD has made great efforts to improve and streamline their business processes and offer better customer service. Greater detail for these indicators is provided in the following sections.

Figure 2.4.1: Number of Drug Collections Performed by Quarter in FY07 and FY08

Figure 2.4.1 represents the number of drug collections performed by quarter in FY07 and FY08. In Q1, NBC completed 21,342 drug collections in FY08. There was an increase of 18% in Q2 with 25,275 collections in FY08. Q3 FY08 had a smaller increase of 13%, with 28,482 collections performed. In Q4 FY08, the number of drug collections slightly decreased to 27,517 collections.



Comparing FY07 and FY08 data, there was a gradual increase of drug collections performed during the first three quarters in both FY07 and FY08. While the number of drug collections increased further in Q4 FY07, the number of drug collections decreased in that same quarter of FY08. In FY08, there was a total of 102,616 drug collections performed, which was less than the total number of drug collections performed in FY07, which was 104,152.

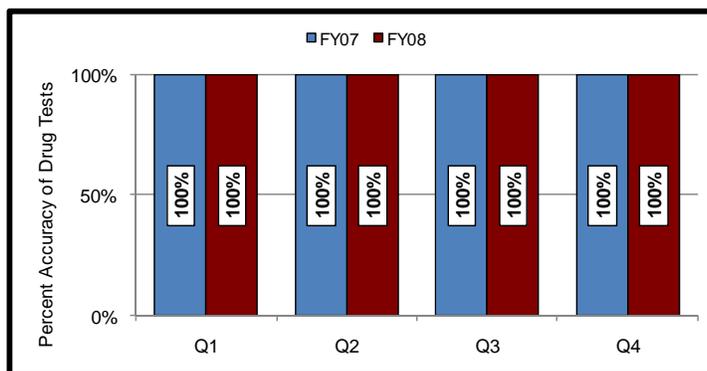
The CRA limited the number of drug collections performed during the first two quarters of FY08, as it impacted the availability of funding among Agencies at the beginning of FY08. When the CRA was lifted in Q3 FY08, this generated an increase in the number of drug collections performed in Q3 and Q4 of FY08.

The increase in the number of drug collections performed in the latter half of FY08 can also be attributed to the number of new hires. Typically, there are fewer new employees at the beginning of the fiscal year. As the number of new employees increases during the year, the number of drug collections performed gradually increases as well. The slight dip in Q4 FY08 is related to the summer months and impending fire season, where funding is directed towards performing fire-related activities.

Figure 2.4.2: Percent of Accuracy of Drug Tests Performed by Quarter in FY07 and FY08



The accuracy of drug tests is determined by the number of false positives reported per the number of drug tests performed. Figure 2.4.2 represents the percent of accuracy of tests performed by quarter in FY07 and FY08. Of the 102,616 drug tests performed in FY08, AOD reported zero false positives, and achieved 100% accuracy on drug tests across all quarters, which was also reported across all quarters in FY07.



AOD attributes the high level of drug testing accuracy to the use of a quality drug testing lab and maintenance of strict control over the chain of custody of the specimen.



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Figure 2.4.3: Percent of Lab Results Available On-Time by Quarter in FY07 and FY08



Figure 2.4.3 represents the percent of lab results that were available on-time (within three business days) by quarter in FY07 and FY08. The NBC met the SLA Goal of 100% of lab results available on-time, and throughout FY08 reported lab results within three business days. Of the 102,616 drug tests performed in FY08, AOD received 100% of lab results on-time across all quarters, which was also reported across all quarters in FY07.

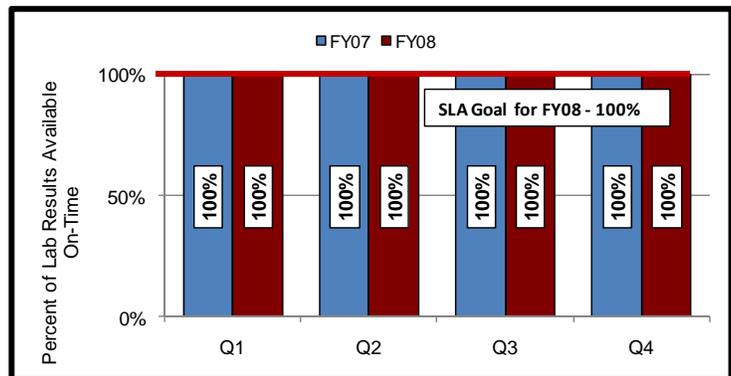
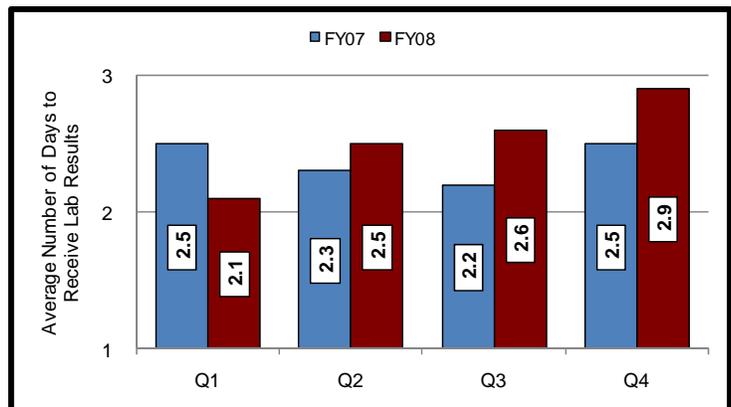


Figure 2.4.4: Average Number of Days to Receive Lab Results by Quarter in FY07 and FY08

Figure 2.4.4 represents the average number of days it took AOD to receive lab results by quarter in FY07 and FY08. AOD's goal for receiving drug test results was three days during FY08. AOD met this goal by receiving lab results in less than three days each quarter in FY08. In Q1, AOD took an average of 2.1 days to receive lab results in FY08. In Q2, this average increased slightly to 2.5 days in FY08. In Q3 FY08, the average number of days increased further to 2.6 days. Finally, in Q4, the average number of days to receive lab results rose to 2.9 days in FY08, which was the highest average of that year, but still under the stated threshold of 3 days.

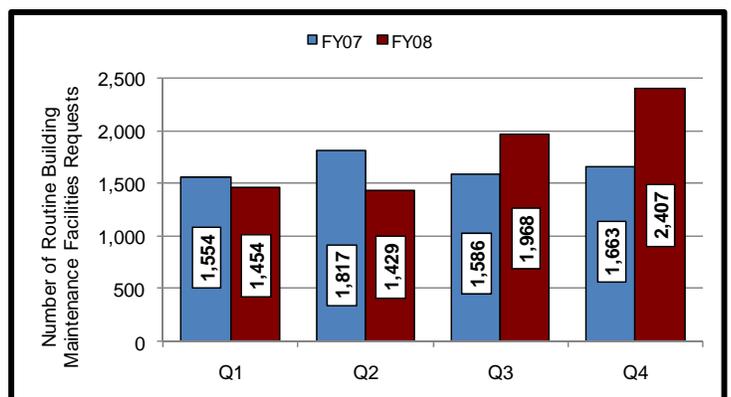


The average number of days to receive lab results was higher in Q2, Q3, and Q4 of FY08, compared to the same quarters of the previous year. In FY08, AOD adjusted its SLA target to receive lab results within three days; the goal in FY07 was five days. AOD met this SLA target of three days in every quarter of FY08.

Figure 2.4.5: Number of Routine Building Maintenance Facilities Requests by Quarter in FY07 and FY08

Figure 2.4.5 represents the number of routine building maintenance facilities requests by quarter in FY07 and FY08. This indicator encompasses requests issued in the Washington, DC, Reston, Herndon and Denver offices. Facilities requests include items such as preventative maintenance, furniture relocation, heating and air conditioning maintenance, picture hanging, insect extermination, and management and control of hazardous materials.

In Q1, AOD responded to 1,454 building maintenance facilities requests in FY08. There





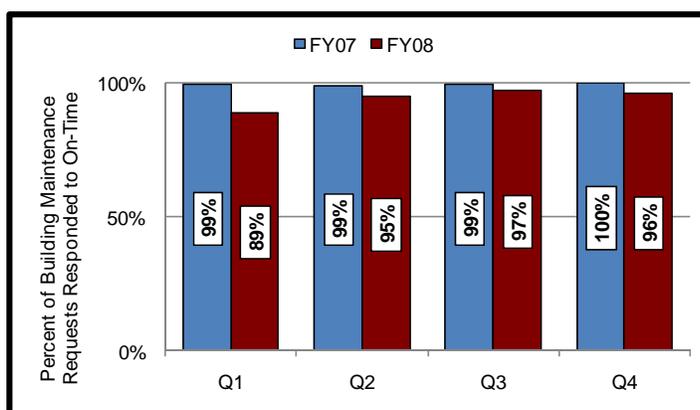
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was a slight decrease in Q2, with 1,429 requests in FY08. In Q3 FY08, the number of requests increased by 38% to 1,968. Q4 ended the year with an increase of 22%, with 2,407 requests. In FY08, there were a total of 7,258 building maintenance facilities requests, compared to 6,620 building maintenance facilities requests in FY07, which is an increase of 10%.

The increase in the number of routine building maintenance facilities requests from Q2 through Q4 of FY08 can be attributed to two reasons: building modernization activities and the CRA. Towards the end of Q2 and beginning of Q3 FY08, DOI employees moved to a newly-renovated wing within the MIB. In Q3, as employees began settling into their new offices, customer demand for building maintenance requests increased in Q3 and Q4 of FY08. The CRA also impacted spending during the first two quarters of FY08. When the CRA was lifted in Q3 FY08, DOI was able to devote more funding towards routine building maintenance facilities requests in Q3 and Q4 of FY08. Despite a decrease in manpower, AOD was able to handle the 10% increase in the total number of routine building maintenance facilities requests in FY08 by implementing mandatory overtime and contracting out an increased number of service repairs.

Figure 2.4.6: Percent of Routine Building Maintenance Facilities Requests Responded to On-Time by Quarter in FY07 and FY08

Figure 2.4.6 represents the percent of routine building maintenance facilities requests responded to on-time (within two days) by quarter in FY07 and FY08. In Q1 FY08, AOD responded to 89% of building maintenance facilities requests on-time. This percentage slightly increased to 95% in Q2 and rose further in Q3, with 97% in FY08. In Q4 FY08, AOD responded to 96% of all routine building maintenance facilities requests on-time.



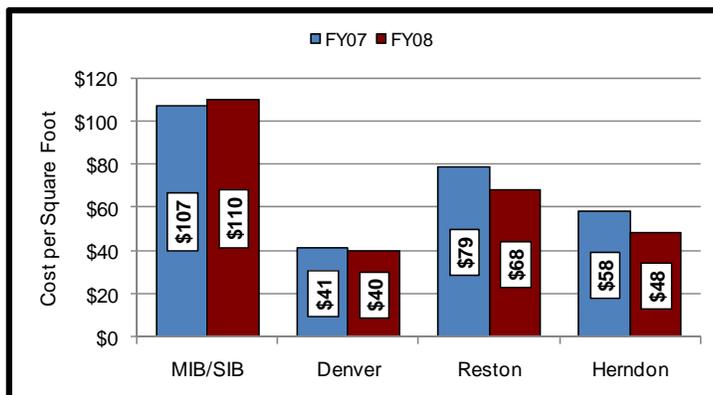
Compared to FY07 data, the percent of response to routine building maintenance facilities requests was slightly lower in FY08. This can be attributed to a decrease in manpower with the loss of building and alterations employees, which reduced the number of technicians able to respond to maintenance requests, increasing the workload for each individual and impacting the amount of time needed to respond. As detailed in the analysis of Figure 2.4.5 above, DOI building modernization activities also increased the number of building maintenance facilities requests in FY08, which impacted AOD's workload. Despite a decrease in manpower, AOD was able to handle the 10% increase in the total number of routine building maintenance facilities requests by implementing mandatory overtime and contracting out an increased number of service repairs thus mitigating the impact as much as possible. Notably, in FY08 AOD revised its SLA Goal for the MIB/SIB. The goal for performing maintenance requests in FY08 for the MIB/SIB was two days, and in FY09 will be lowered to one day.



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Figure 2.4.7: Building Operations and Maintenance Cost Per Square Foot in FY07 and FY08

The NBC provides superior support for facilities management for four NBC facilities: MIB/SIB (located in downtown Washington, DC), the Denver office, the Reston office (Ely Parker Building), and the Herndon office. Figure 2.4.7 displays the cost per square foot in FY07 and FY08. In FY08, MIB/SIB cost was \$110 per square foot, while Denver's office cost was \$40 per square foot. The NBC's Reston office cost was \$68 in FY08, while the Herndon office cost was \$48 per square foot in FY08.

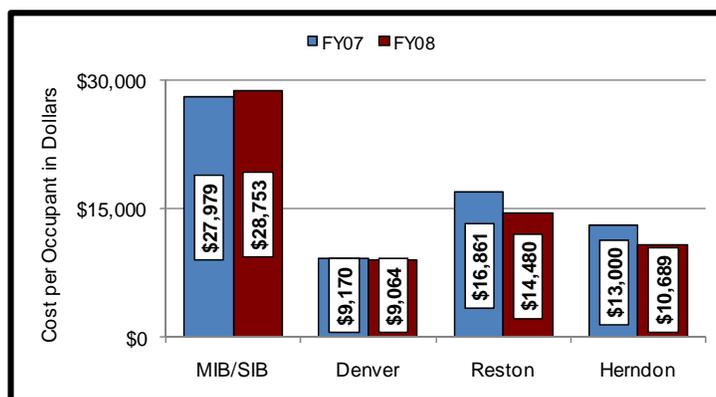


In FY08, overall cost per square foot slightly increased for MIB/SIB compared to FY07. However, in FY08, the cost per square foot decreased for Denver, Reston, and Herndon.

Variations in the cost per square foot reflect not only the geographic differences in the locations, but also the number and type of amenities that each location offers. Each office location provides building operations and maintenance, emergency management, physical security, leasing and parking. The MIB/SIB provides a substantial breadth of additional services compared to the other three offices which include: shuttle bus service, a health unit, a fitness center and a credit union. The NBC is improving cost efficiencies by consolidating staff and moving to less expensive facilities.

Figure 2.4.8: Cost Per Occupant in FY07 and FY08

Figure 2.4.8 provides the cost per occupant for all four NBC facilities in FY07 and FY08. The cost includes rent and utilities as well as services provided at the four facilities. In FY08, MIB/SIB (located in downtown Washington, DC), reported that each cost per occupant was \$28,753, while Denver's cost per occupant was \$9,064. Reston reported that it cost approximately \$14,480 per occupant, while Herndon's cost per occupant was \$10,689 in FY08.



In FY08, overall building operations and maintenance cost per square foot increased for the MIB/SIB. However, the cost per square foot decreased for Denver, Reston, and Herndon in FY08.

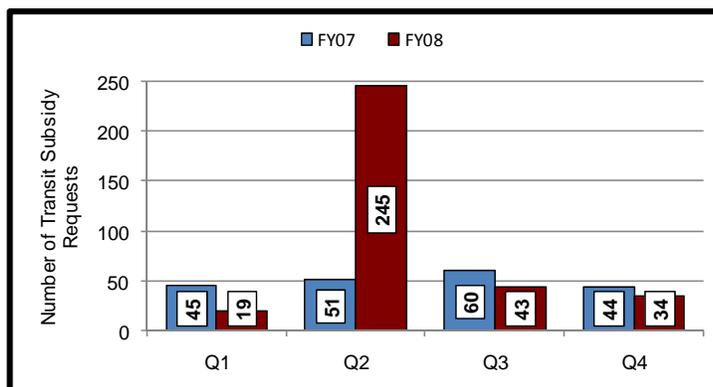
The NBC is improving cost efficiencies by consolidating staff and moving to less expensive facilities. Variations in the cost per occupant reflect the geographic differences in the locations as well as the number and type of amenities that each location offers.



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Figure 2.4.9: Number of Transit Subsidy Requests by Quarter in FY07 and FY08

The NBC manages the transit subsidy requests for the Office of the Secretary of DOI and all of NBC. Transit subsidy requests include requests for new enrollments, de-enrollments, information changes, and increases or decreases in expenses for subsidies. Figure 2.4.9 represents the number of transit subsidy requests by quarter in FY07 and FY08. In Q1 FY08, AOD received 19 transit subsidy requests. In Q2 FY08, there was a substantial increase in transit subsidy requests when AOD received 245 requests. In Q3 FY08, the number of transit subsidy requests decreased to 43. There was a 21% decrease in Q4, and AOD received 34 transit subsidy requests. Overall in FY08, AOD received a total of 341 transit subsidy requests.



Comparing FY07 with FY08 data, the number of transit subsidy requests was lower in Q1, Q3, and Q4 of FY08. Q2 of FY08 experienced a dramatic spike in transit subsidy requests compared to the same quarter of the previous year. The main reason for the large spike in Q2 FY08 can be attributed to the Internal Revenue Service's (IRS) approval of DOI's increase in the SmartBenefits® subsidy in Q2, which resulted in higher enrollment requests and applications in order to requalify for the transit subsidy increase. The increase in Q2 FY08 can also be attributed to the increase in the number of new hires in the Washington, DC Metropolitan area.

Starting in October 2007, NBC began phasing out Metro Checks and proactively encouraging employees to enroll in Washington Metropolitan Area Transportation Authority (WMATA)'s SmartBenefits® program. In FY08, WMATA implemented several measures in an effort to prevent abuse within the SmartBenefits® program. These measures included an electronic form that automatically calculates the transit subsidy for each employee. In addition, Metro's SmartBenefits® program allows employers to electronically administer the transit benefit program and directly load the benefit to their employees' SmarTrip® cards which prevents the illegal sale of Metro cards. In FY09, DOI employees will have to complete online training with DOI University to obtain the transit benefit, which will further deter cases of program fraud and abuse.

Number of SmartBenefits® and Metro Check Enrollments

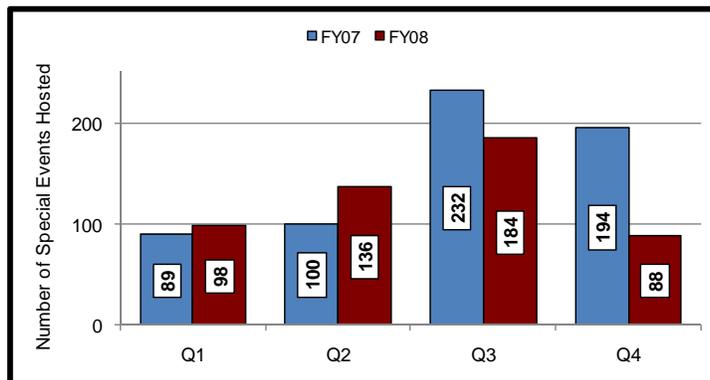
In FY08, AOD did not report on the number of SmartBenefits® and Metro Check enrollments, therefore there is no supporting data or chart for this OPI. The NBC began taking enrollment applications for SmartBenefits® as of October 1, 2007 (the start of FY08), thus no actual FY07 data exists for this measure. The number of Metro Check enrollments decreased and the number of SmartBenefits® enrollments increased in FY08. In FY09, AOD will begin to track and report on the number of SmartBenefits® enrollments.



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Figure 2.4.10: Number of Special Events Hosted by Quarter in FY07 and FY08

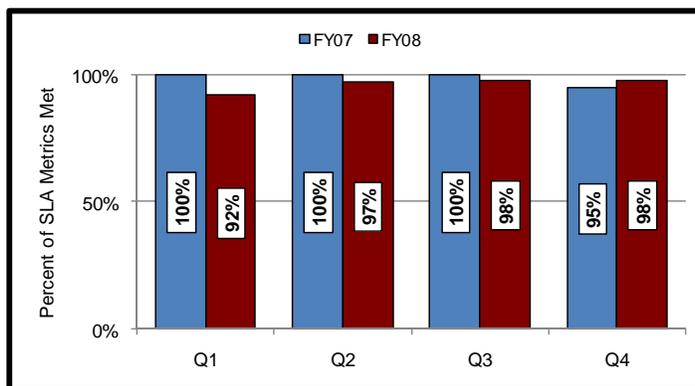
Special Events Services provides scheduling and planning for NBC-controlled conference rooms and auditoriums in the DOI complex. Figure 2.4.10 represents the number of special events hosted by quarter in FY07 and FY08. In Q1 FY08, AOD hosted a total of 98 special events. There was an increase of 39% in Q2 FY08 with 136 special events. In Q3 FY08, AOD hosted 184 special events, which represents a 35% increase from Q2. There was a decrease of 52%, in Q4 to 88 special events hosted. Overall, AOD hosted a total of 506 special events in FY08, compared to a total of 615 special events hosted by AOD in FY07.



Comparing FY07 and FY08 data, there was a decrease of 109 special events in FY08. The number of special events hosted is largely dependent upon customer demand. During the summer months, the demand for special events is higher because events can be hosted outdoors (DOI rooftop and courtyards) in addition to the auditoriums and conference rooms.

Figure 2.4.11: Percent of SLA Metrics Met by Quarter in FY07 and FY08

Figure 2.4.11 represents the percent of SLA metrics met by quarter in FY07 and FY08. In Q1, AOD met 92% of its SLA metrics in FY08. In Q2, this percentage slightly increased to 97% in FY08. The percent of SLA metrics rose further to 98% in Q3, and remained steady in Q4 FY08. AOD met the SLA Goal of 95% in Q2 through Q4 FY08.



Compared to FY07, AOD's percentage of SLA metrics met was lower in FY08. This decrease can be attributed to multiple factors, both a change in regulations related to passport requirements as well as understaffing in the passport office. These regulatory changes resulted in additional requirements and processes needed to process passport requests, resulting in an increase in workload for the passport office.

In an effort to improve and streamline its business processes, AOD developed Standard Operating Procedures (SOPs) in FY08. To improve communication efforts between AOD and DOI employees, AOD also updated the Frequently Asked Questions (FAQs) on the NBC website, and conducted monthly modernization forums. Mail Services also improved performance by providing door-to-door delivery of FedEx® packages.



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Administrative Operations Directorate Summary

In conclusion, AOD provides an extremely wide array of administrative-related services. For the purposes of the FY08 OPR, AOD was assessed based on performance in its drug testing, transit subsidy, SLAs and facilities management programs. AOD continues to be the leading provider of drug testing services for the Federal government and thus is well positioned to continue to grow its customer base. The NBC currently provides this service offering to 90% of the drug testing market. During FY08, AOD received a 100% rating for the accuracy for drug tests performed as well as achieved a 100% rating for the ability to provide drug test results on-time.

In addition to drug testing, AOD manages the transit subsidy program and saw a steady increase in enrollments over the course of FY08, including a substantial growth in the number of SmartBenefits® enrollments, specifically in Q2 FY08 due to the increase in the transit benefit amount. The NBC phased out the Metro Checks program in October 2007 and began to encourage DOI employees to enroll in WMATA's SmartBenefits® program, as the SmartBenefits® program provides several practical aspects including the elimination of paper vouchers for Metrorail, Metrobus, regional bus systems', and van pool commuters. Specifically, Metro's SmartBenefits® program allows employers to electronically administer the transit benefit program and directly add the benefit to their employees' SmarTrip® cards. Approximately 400 Federal agencies and 4,000 private employers have participated in the SmartBenefits® program, affecting more than 189,000 employees in the Washington, DC region.

As for facilities management, AOD experienced an increase in the number of building maintenance facilities requests in FY08 due to increased customer demand related to the modernization of the MIB/SIB. However, AOD's ability to meet building maintenance facilities requests on-time dipped slightly in FY08, due to a decrease in manpower. In FY08, overall building operations and maintenance costs per square foot increased for the MIB/SIB. In addition, the cost per square foot decreased in the Denver, Reston, and Herndon offices in FY08. The NBC has improved cost efficiencies by consolidating staff and moving to less expensive facilities.

Finally, AOD's SLA metrics in FY08 were slightly lower compared to FY07. This slippage was directly attributed to an increase in workload in FY08, as AOD's Passport Office had one less FTE, and Federal passport regulations changed in FY08. AOD has developed various SOPs to improve and streamline its business processes. AOD also updated the FAQs on NBC's website, and conducted monthly modernization forums to improve communication efforts between AOD and DOI employees. Additionally, to improve customer service, AOD has consolidated a large number of its services into one location to provide more efficient service to its customers.





2.5 AVIATION MANAGEMENT DIRECTORATE

Services Provided by the Aviation Management Directorate



AMD's mission is "to raise the safety standards, increase the efficiency, and promote the economical operation of aircraft activities in the DOI." AMD provides policy oversight and development, as well as customer support.

AMD provides leadership and strategic direction for the DOI aviation management program. AMD is responsible for the development, implementation, and continued oversight of Departmental policy for aviation activities within the DOI. Leveraging over 900 cumulative years of resident industry and government aviation management expertise, AMD strives to provide its DOI, other Federal, and State customers with higher quality

(Better), more cost-wise (Cheaper) aviation services at lower cycle times (Faster) that result in increased customer operational performance and fewer losses (Safer) than any one of them can provide for themselves. The ISO9001 quality standard is a widely recognized and well established quality framework. In FY08, AMD received its ISO9001 certification, demonstrating its dedication to its customers by providing quality services that meet their business needs. AMD employs operational performance and customer feedback tools to achieve established customer satisfaction goals. Each of AMD's service offerings are described in Figure 2.5.0.

Figure 2.5.0: Aviation Management Directorate Offerings

Service Offerings	Service Offering Description
Aviation Safety Services	<p>Develop and maintain mishap prevention programs that provide implementation guidelines, goals, and safety performance metrics for the program. For example, publications and policy (Department Manual, Operational Procedure Memorandums, Handbooks, Guides, Safety Alerts, Aircraft Accident Prevention Bulletins and hazard reporting (SAFECOM)).</p> <p>Promote positive aviation safety behaviors through a safety awards program that recognizes individual and organizational achievements.</p> <p>Conduct on-site investigations, gather factual information, conduct technical laboratory examination and analysis, develop causal and contributing factors, write and distribute final mishap reports, conduct analysis and identify trends, and develop recommendations for mishap prevention.</p> <p>Conduct on-site visits to review customer aviation programs. Analyze policy and procedures to identify any deficiencies. Develop reports to document findings and provide recommendations. Conduct follow-up evaluations one year later to determine implementation of corrective action, during which if no progress has been made, a report to document a material weakness is provided.</p>



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Service Offerings	Service Offering Description
Aviation Safety Services (Continued)	<p>Work collaboratively with all stakeholders to provide advice to leadership and to develop necessary aviation policies to ensure safe, effective and economical operation of aircraft in support of agency missions.</p> <p>Leverage electronic and web-based media to quickly and effectively disseminate new and/or updated aviation policies. Provides periodic on-site aviation program reviews to assess the effectiveness of aviation policy implementation.</p> <p>Develop aviation program evaluation reports with recommendations that build on lessons learned and best practices obtained from other aviation program reviews.</p> <p>Work with customer to develop plan of actions and milestones (POA&M) and provide follow-up reviews to confirm adoption of corrective action(s).</p>
Aviation Program Management Services	<p>Provide ground school and flight training for DOI Bureau pilots.</p> <p>Provide Fleet aircraft airworthiness inspections and maintenance. Inspect private sector maintenance vendors who are providing maintenance for DOI Fleet aircraft.</p> <p>Inspection, approval, management and oversight of DOI Pilots and Fleet aircraft to include civil maintenance facilities providing support to DOI Fleet aircraft.</p> <p>Provide aviation fuel facility inspections. Conduct fuel source inspections to ensure equipment and fuel quality meet appropriate standards.</p>
Aviation Safety Training	<p>Online Training offers web-based instructional courses that provide customers an opportunity to fulfill required aviation-related training from their computers. Instructor led training provides in-class training and expertise in aviation and mishap prevention policy, procedures and best safe operating practices. Training ranges from elementary safety procedures through technical programs such as transportation of freight, hazardous materials, rappelling, helitorch, and aviation management courses.</p> <p>Instructor Certification Training provides initial training and certification of bureau/agency employees to become instructors in the Interagency Aviation Training curriculum.</p> <p>The Aviation Centered Education (ACE) seminar is a week-long training program that provides bureau employees all required aviation safety training at one location. To accomplish these requirements, 24 different training classes are conducted at each ACE, providing employees the flexibility to attend only those classes that are relevant or required for their specific aviation position or duties.</p>
Aviation Flight Services Support	<p>Offer pre-use procurement, inspection/carding and approval of Commercial Aircraft Services (CAS) for immediate dispatch of quality, economical and efficient aviation resources that meet the emergency as well as routine needs of customers. Provide customers with requested technical specifications relating to capabilities and limitations of various aviation resources.</p> <p>Offer procurement planning specific to customer mission requirements.</p>



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AMD also serves the Secretary of the Interior by providing policy oversight in support of Departmental aviation effectiveness, efficiency, and safety goals. This role is similar to that which ASD fulfills for departmental appraisal policy. AMD employs a strategy of communication, coordination, and collaboration with all stakeholders in the policy development process. This partnership strategy ensures the inclusion and objective consideration of all pertinent views and requirements, serves to inform and educate stakeholders, and results in aviation policies that strike a balance between Departmental goals and customer desires. AMD employs a wide range of customer service feedback tools and operational metrics to assess and improve customer service.

Aviation Management Directorate Performance Analysis

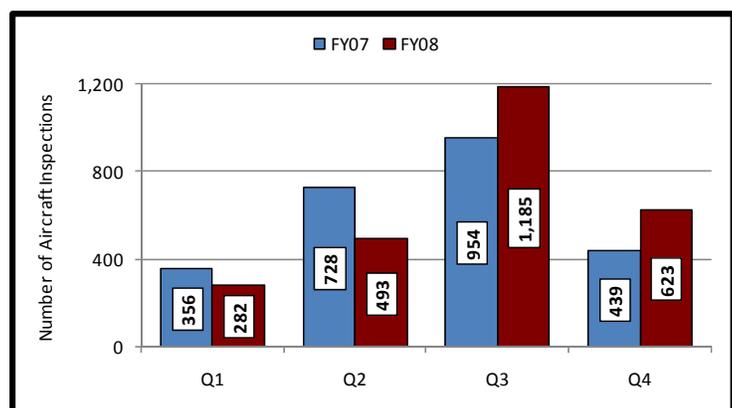
In this report, the following indicators and analyses are presented for AMD:

- Number of Aircraft Inspections by Quarter in FY07 and FY08
- Number of Flight Hours by Quarter in FY07 and FY08
- Number of Aircraft Accidents Per Flight Hour in FY07 and FY08
- Percent of Aircraft Inspections Performed On-Time by Quarter in FY07 and FY08
- Number of Module Credit Hours Completed for Instructor Led Programs by Quarter in FY07 and FY08
- Number of Online Modules Completed by Quarter in FY07 and FY08
- Percent of SLA Metrics Met by Quarter in FY07 and FY08

AMD experiences seasonal fluctuations that impact its performance data. Particularly in Q3, which spans April, May, and June, AMD prepares for the fire season, which typically occurs during Q4 in the Western states. As a result, steady increases in the number of aircraft inspections occur up through Q3, while the greatest number of aircraft mishaps occur during Q4 as a result of more aircraft being deployed to fight inherently risky wildfires. Similarly, the number of online and instructor led courses taken is higher in the first three quarters of the fiscal year, with a significant drop in Q4, as the majority of AMD as well as DOI's customers are focused on the wildfire season. Greater analysis and detail for these indicators and for the SLA metrics met are described in the following sections.

Figure 2.5.1: Number of Aircraft Inspections by Quarter in FY07 and FY08

Figure 2.5.1 represents the number of aircraft inspections by quarter in FY07 and FY08. The number of inspections pertains to all types of aircraft flown by AMD's customers: fleet, vendor, and co-operator aircraft. Aircraft are inspected at least once annually to ensure that they are ready for flight missions. In Q1 FY08, AMD inspected 282 aircraft. There was an increase in Q2 FY08 of 75%, with a total of 493 inspections. The number of inspections jumped again in Q3 FY08 by 140%, reaching a total of 1,185 inspections. Q4 FY08 inspections decreased by 47%, resulting in the completion of





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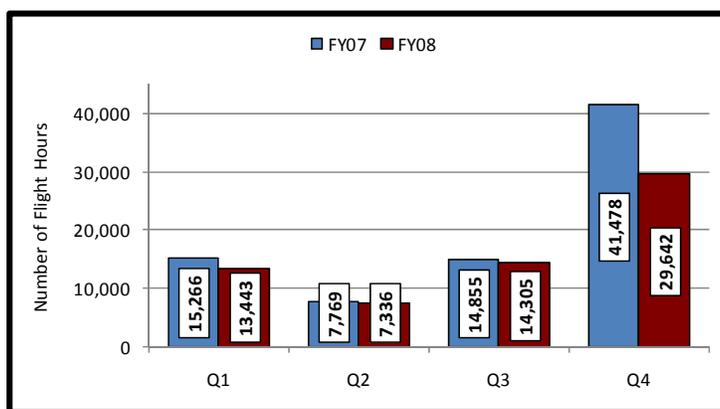
623 inspections. Again, the Q4 decrease is due to an increase in operational tempo associated with wild land fire operations. Overall for FY08, AMD completed a total of 2,583 inspections.

In FY07, a total of 2,477 aircraft inspections were conducted. There was a slight increase of 4% in FY08 in the number of aircraft inspections completed. Q1 and Q2 of FY07 had more inspections conducted than in the same quarters of FY08. However, there were more inspections conducted in Q3 and Q4 of FY08 than in FY07.

The number of aircraft inspections conducted is associated with the fire season, which occurs during Q4. Many of AMD's customers use more flight hours during this season in order to perform fire-related missions. In anticipation of fire season, AMD inspects more aircraft in Q3. In Q4, which is during the height of fire season, the number of inspections decreases, as the aircraft have already been inspected and carded for their missions.

Figure 2.5.2: Number of Flight Hours by Quarter in FY07 and FY08

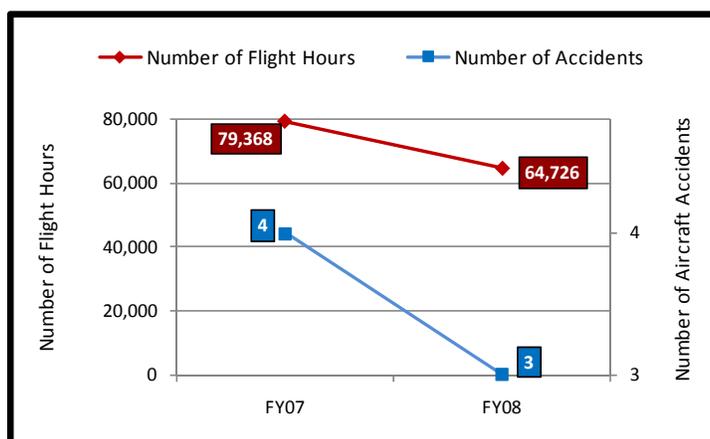
Figure 2.5.2 represents the number of flight hours by quarter in FY07 and FY08. In Q1 FY08, the number of flight hours was 13,443 and decreased by 45% to 7,336 in Q2. In Q3 FY08, the number of flight hours increased by 95% to 14,305. In Q4 there was a significant increase of 107% to 29,642 flight hours. FY08 had a total of 64,726 DOI flight hours reported.



FY07 had a total of 79,368 flight hours reported, which was 14,642 more flight hours than FY08. The reason for the decrease in flight hours in FY08 is attributed to a decrease in flight activity associated with the number of wildfires processed through the Aviation Management System. Seasonal trends are also seen in Q2 (the winter months) where flight hours are greatly reduced.

Figure 2.5.3: Number of Aircraft Accidents Per Flight Hour in FY07 and FY08

Figure 2.5.3 represents the number of aircraft accidents per flight hour in FY07 and FY08. In FY08, there were three aircraft accidents and 64,726 DOI flight hours reported. In FY07, there were four aircraft accidents and 79,368 DOI flight hours reported.



There was one less accident mishap reported in FY08 than in FY07. In addition, FY08 had 14,642 fewer flight hours reported than FY07. This trend shows that accident mishaps decrease when there is a reduction in flight hours.

In FY08, AMD conducted an analysis of its online safety system, SAFECOM, which allows users to anonymously report potential safety hazards. The analysis indicated that as SAFECOM reporting increases, aircraft accident rates decreased. In addition, the analysis suggests that an increase in training also tends to reduce aircraft accidents.



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Through the ISO9001 registration process, AMD not only improved the accuracy of the data collected and reported, but has also improved the following safety metrics:

- Accident investigation cycle time was reduced 37%
- Production of accident prevention products increased 33%
- Aviation safety overtime costs were reduced 69%
- Program evaluation cycle time was reduced 74%

Figure 2.5.4: Percent of Aircraft Inspections Performed On-Time by Quarter in FY07 and FY08



Figure 2.5.4 represents the percent of aircraft inspections performed at least seventy-two hours (3 days) prior to the aircraft reporting date by quarter in FY07 and FY08. Timely inspections of aircraft are necessary to prevent delays in the ability of the aircraft to report for a mission. During all quarters in FY08, AMD performed 100% of inspections on-time. The FY08 SLA Goal for aircraft inspections performed on-time is 100%, which AMD successfully met.

In FY07, AMD performed over 99% of inspections on-time. The increase to 100% of inspections completed on-time in FY08 is attributed to well-managed workforce planning. Accurate planning ensured that inspection schedules were met, and that inspectors with the right skills were available to perform the work.

Prior to the ISO9001 registration process, AMD did not have established aircraft inspection reporting deadlines. In Q3 FY08, AMD set SLA metrics related to the submission of interim and final aircraft inspection reports, which also helped to meet the goal of 100% of inspections performed on-time.

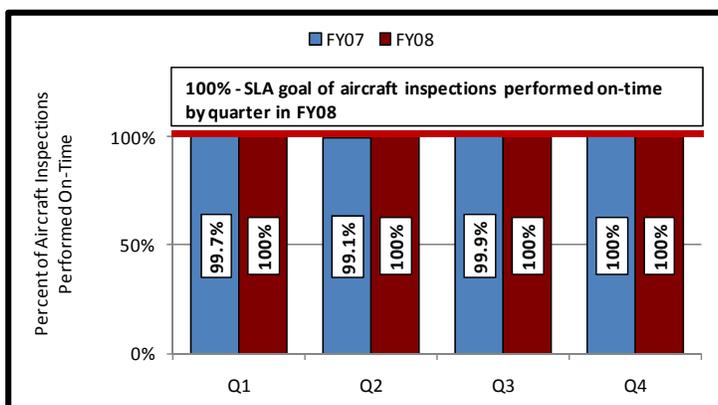
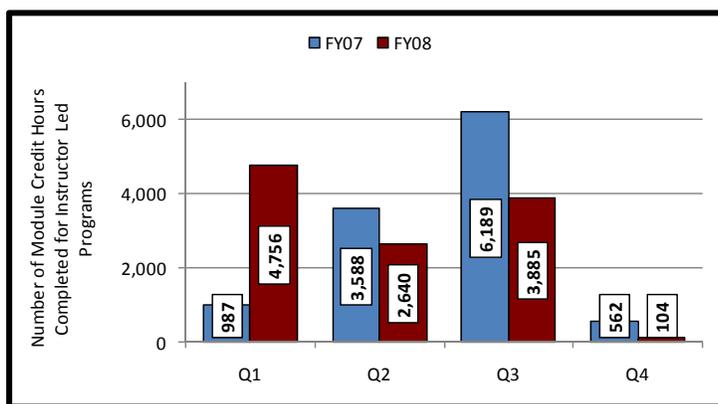


Figure 2.5.5: Number of Module Credit Hours Completed for Instructor Led Programs by Quarter in FY07 and FY08

Figure 2.5.5 represents the number of module credit hours completed for instructor led programs by quarter in FY07 and FY08. Instructor led programs include all classroom training held by AMD, including training conducted at ACE seminars. This training is provided specifically for certification regarding Aviation Safety. One of AMD's goals is to raise the safety standards of aircraft activities within the DOI. Aviation safety training requirements are different for each employee position and courses are required to be





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repeated for recertification every 1-3 years depending on the course. A module or course may consist of varying credit hours depending on the length of a course; therefore for purposes of this indicator, the number of module credit hours is reported rather than the number of courses.

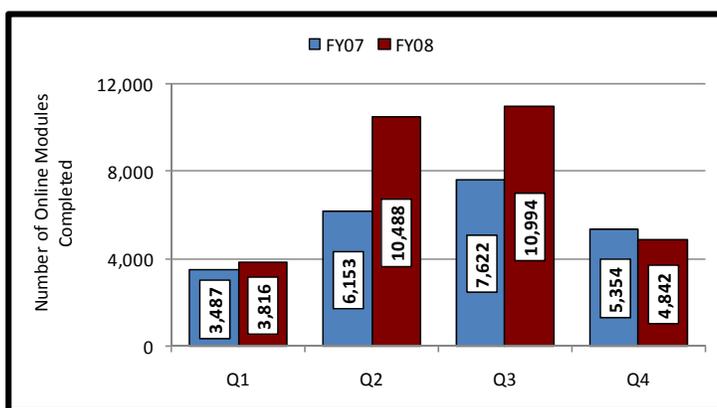
In Q1 FY08, there were 4,756 module credit hours completed. In Q2 FY08, there was a decrease of 44% to 2,640 module credit hours completed. In Q3 FY08, there was an increase of 47% to 3,885 module credit hours completed. Q4 FY08 had the lowest number of module credit hours completed with only 104 hours, which was a decrease of 97%. Overall in FY08, AMD’s customers completed 11,385 module credit hours.

In FY07, AMD’s customers completed a total of 11,326 module credit hours, which is 59 less credit hours completed than in FY08. The quarterly fluctuations in module credit hours for instructor led courses can be attributed to seasonal factors. Seasonal employees brought on to help during the fire season must be trained prior to deployment in order to perform their functions. During fire season (Q4), most employees are in the field and no longer require training. In addition, in FY08, two ACE seminars were conducted in Q1 and Q3 which contributed to those quarters having the highest number of module credit hours. The large difference in Q3 FY07 and FY08, is related to students taking online courses, rather than instructor led courses. AMD has seen an increase in the number of online courses taken due to two main factors. First, online courses are typically less expensive as they do not require additional funding for travel. Second, online courses tend to be preferred as they are easier to work into a student’s schedule, which subsequently decreases the number of instructor led programs.

In an effort to reduce the travel costs associated with instructor led training, AMD has increased the number of certified trainers, which provides trainers in more geographic areas. AMD has used the “train the trainer” model to successfully increase its number of certified trainers. However, it is important to note that there are restrictions on some types of training which require instructor led programs (e.g. water ditching and repelling).

Figure 2.5.6: Number of Online Modules Completed by Quarter in FY07 and FY08

Figure 2.5.6 represents the number of courses completed for online programs by quarter in FY07 and FY08. In Q1 FY08, customers completed 3,816 courses. With a significant increase of 175%, the number of courses completed in Q2 FY08 was 10,488. There was another increase in Q3 of 5%, resulting in 10,994 courses completed. In Q4 FY08, the number of courses completed decreased significantly by 56%, with 4,842 courses completed. In FY08, a total of 30,140 online module courses were completed.



In FY07, a total of 22,616 online module courses were completed. Q2 and Q3 are significant because there were substantially more online courses completed in FY08 than in FY07, with 4,335 and 3,372 more courses conducted respectively. Q4 should also be noted as this was the only quarter where FY07 conducted more courses than FY08, with 512 more courses completed. There were 7,524 more courses completed in FY08 than in FY07. The increase in FY08 is attributed to the same trends noted in Figure 2.5.5. Online training is more cost effective and students typically prefer online training over instructor led courses.

The increasing and subsequent decreasing trend can be explained by the fact that seasonal employees take more training in Q2 and Q3 to prepare for the approaching fire season. During the fire season (Q4), the number of trainings completed decreases as most employees are in the field and are no longer in need of training.

Figure 2.5.7: Percent of SLA Metrics Met by Quarter in FY07 and FY08



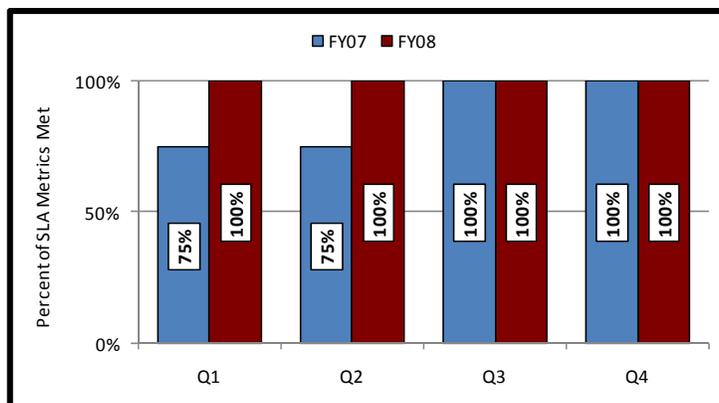
Figure 2.5.7 represents the percent of SLA metrics met by quarter in FY07 and FY08. In FY08, AMD reported on four SLA metrics related to:

- Timely issue resolution
- Timely inspection of aircraft
- Timely follow-up on SAFECOM submissions
- Provision of aviation user training

In all quarters of FY08, AMD met 100% of its SLA metrics.

In Q1 and Q2 of FY07, AMD met 75% of its SLA metrics, with the remaining quarters reaching 100% of SLA metrics. This is significant as it shows that since Q3 FY07, AMD met 100% of its SLA metrics. The ISO9001 registration process has helped AMD keep its SLA metrics at 100%, by ensuring that all employees are aware of the Directorate's goals. In addition, the ISO9001 certification process has helped AMD to standardize its terminology, and improve the accuracy of the metrics tracked and reported.

In FY09, AMD refined its SLA metrics, increasing the number of metrics tracked from 4 to 15. This revised set of metrics will provide AMD with more meaningful SLA data, which will help to further improve the Directorate's performance and customer satisfaction.



Aviation Management Directorate Summary

In conclusion, AMD provides both aviation policy, as well as aviation services for aviation safety management and aircraft mishap prevention. The Directorate's core goal is to maintain the safety of aviation activities and prevent all aviation mishaps, for both Federal and non-Federal agency customers. In FY08, AMD conducted over 2,500 aircraft inspections, and averaged a 100% on-time inspection rate. AMD also tracked over 60,000 flight hours and the associated accident rates for those flight hours, seeing a spike in both flight hours and mishaps during Q4 as a result of fire-related flight operations.

Directly corresponding to this trend, AMD provides safety training to pilots and saw steady enrollment and course completion during Q1 through Q3, then a large drop in Q4 as a result of pilots and aircraft being deployed to fires during fire season.

Finally, AMD met 100% of its SLA metrics during FY08. AMD's success was due in part to the Directorate's achievement of the ISO9001 certification. The ISO9001 certification process helped AMD to standardize its terminology, improve the accuracy of its metrics, and reinforce AMD's dedication to its customers.



2.6 FINANCIAL MANAGEMENT AND BUDGET DIRECTORATE

Services Provided by the Financial Management and Budget Directorate



FBD provides fully integrated enterprise financial management and business solutions that take advantage of economies of skill and scale for the benefit of its clients. FBD earns and retains its customers through: Professional Staffing, Experience, Technology, and Quality Service.

FBD provides its clients with an extensive set of financial services specifically tailored to meet the diversity of Federal customer business and financial processes and needs. These services are organized into three key service offerings – Financial and Business Management Systems Support, Accounting Operations Services, and eApplication Development and Support. FBD also focuses on proactively monitoring and responding to changes in Federal financial management policy to ensure that customers remain compliant with the Office of Management and Budget (OMB) and US Treasury rules and

reporting requirements. FBD performs the following range of accounting services in accordance with all Federal regulations: accounts payable, accounts receivable and reimbursement accounting, general accounting services, regulatory reporting, financial statement preparation and property and inventory management reporting. A summary description of each service offering is provided in Figure 2.6.0.

Figure 2.6.0: Financial Management and Budget Directorate Offerings

Service Offerings	Service Offering Description
Financial and Business Management Systems Support	<p>Complete financial systems and services, including support for project management, systems migration, systems implementation, systems maintenance, change management, training, and help desk. These systems and services comprise the following:</p> <ul style="list-style-type: none"> • Three FSIO-qualified core financial systems,– Oracle Federal Financials (OFF), Momentum Financials and SAP ERP Financials are currently offered to non-DOI customers. • Financial Statement preparation – use of Hyperion Consolidated Financial Statement (CFS) application for preparation of financial statements for OFF, Momentum and FFS customers. • Procurement – includes the acquisition modules of OFF, Momentum, and a standalone Commercial Off-The-Shelf (COTS) product, PRISM, that interfaces to Oracle (and SAP ERP Financials in the future). • eTravel – includes three eTravel systems (Carlson Wagon-Lit, Northup Grumman (GovTrip) and EDS) which interface to Oracle, Momentum, and FFS (and SAP ERP Financials in the future). • Financial Reporting – includes OFF and Momentum data warehouses and Oracle’s Daily Business Intelligence enterprise application. • Bankcard support – report distribution, training, interfaces, and charge card integration with OFF, Momentum Financials, and eventually SAP ERP Financials.



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Service Offerings	Service Offering Description
	<ul style="list-style-type: none"> • Property Management – includes the property modules which are part of the OFF, Momentum Financials, and SAP ERP Financials (future) as well as the Sunflower and Maximo applications with interfaces to the core financial systems for customers with more extensive property requirements. • Quarters – supports the billing, collection, and reporting of offsite housing costs which are provided to employees as part of their employment.
Accounting Operations Services	<p>Full range of financial accounting and reporting services including the following:</p> <ul style="list-style-type: none"> • Accounts Payable • Accounts Receivable/Reimbursements/Central Collections processing • Temporary Duty Travel (TDY) payment processing • Permanent Change of Station (PCS) including payment processing • Financial Statement Preparation and analysis including audit support • General Accounting Support • Financial Reporting • Debt Management • Billings and Collections • Transactional Processing
eApplication Development and Support	<p>Full range of web development and maintenance services including the following:</p> <ul style="list-style-type: none"> • Custom Web Application Development – includes project management, system analysis, and design with an emphasis on functional and security requirements, source code development, system testing, quality assurance, and implementation and post production support. • Web Design and Implementation – includes design and implementation of new websites and web pages, posting new or updated content provided by the information owner, and performing routine website maintenance including monitoring of orphan files and dead links. • Web Application and Website Hosting – includes administration, operation, and maintenance of an application, including application hosting, on-line and off-line storage, operating system backups, system security, printing capability, installation of approved and funded software fixes, technical analysis, physical and systems security, firewall security, use of intrusion detection software, administration of all software on the server, monitoring of feedback messages received from the website, and backup and disaster recovery.

In giving customers such a broad choice of services, FBD is able to offer a comprehensive financial system package, ensuring that proper internal controls are established and met.



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Financial Management and Budget Directorate Services Performance Analysis

In this report, the following indicators and analyses are presented for FBD:

- Number of Vendor Payments Processed by Quarter in FY07 and FY08
- Percent of Federal Vendor Payments Processed On-Time by Quarter in FY07 and FY08
- Percent of Non-Federal Vendor Payments Processed On-Time by Quarter in FY07 and FY08
- Number of Temporary Duty (TDY) Payments Processed by Quarter in FY07 and FY08
- Number of Permanent Change of Station (PCS) Payments Processed by Quarter in FY07 and FY08
- Percent of Vendor, PCS, and TDY Payments Paid by Electronic Funds Transfer (EFT) by Quarter in FY07 and FY08
- Amount of Interest Paid on Late Payments by Quarter in FY07 and FY08
- Number of Eligible Debt Referrals by Quarter in FY07 and FY08
- Value of Debt Referrals by Quarter in FY07 and FY08
- Total Vendor Invoice Payment Transactions Processed and Dollar Value of Transactions in FY07 and FY08
- Total Accounting Operation Transactions by Quarter in FY07 and FY08
- Number of Billing and Collection Transactions by Quarter in FY07 and FY08
- Percent of SLA Metrics Met by Quarter in FY07 and FY08

In FY08, FBD reported numerous performance measures and metrics for a wide array of services. A subset of these services was selected for this report, as seen by the OPIs above. For example, in FY08, FBD processed 100% of Federal vendor payments on-time across all four quarters, and successfully met the SLA Goal of 98% in FY08. Furthermore, in FY08 FBD processed over 99% of non-Federal vendor payments on-time.

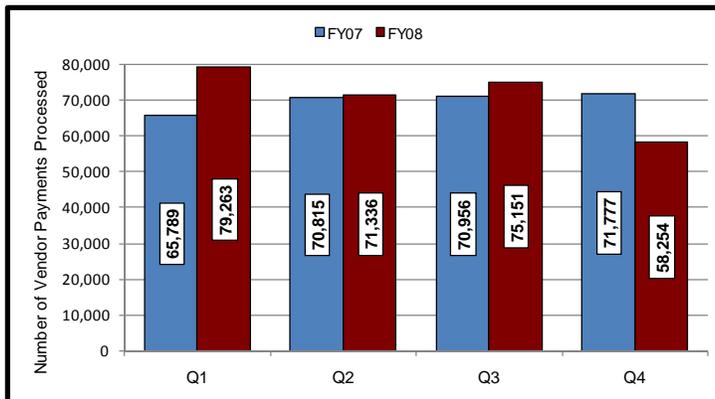
Positive change occurred in these areas as a result of FBD's improvements in internal controls and processes during FY08. FBD conducted productivity studies and reviews to improve meeting SLA metrics. Greater detail and analysis to support these FBD measures, as well as the SLA metrics and customer satisfaction ratings, can be found in the sections that follow.



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Figure 2.6.1: Number of Vendor Payments Processed by Quarter in FY07 and FY08

Figure 2.6.1 represents the total number of vendor payments processed by quarter in FY07 and FY08. In FY08, FBD processed 79,263 payments in Q1. The number of payments processed decreased by 10%, to 71,336 in Q2 FY08. In Q3 of the same year, there was a slight increase with 75,151 payments processed. The number of payments then decreased by 22% to 58,254 in Q4 FY08.



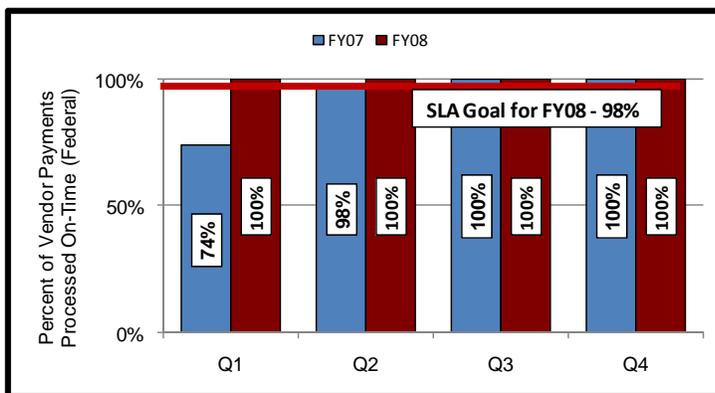
Comparing quarterly vendor payments between FY07 and FY08, the number of vendor payments in FY08 was higher overall than vendor payments reported in FY07, with the exception of Q4, where there were 13,523 fewer vendor payments in FY08.

FBD processed 284,004 vendor payments in FY08, up 1% from the 279,337 vendor payments processed in FY07. The increase in the number of vendor payments processed can be attributed to the increase in customer needs and new customers.

Figure 2.6.2: Percent of Federal Vendor Payments Processed On-Time by Quarter in FY07 and FY08



Figure 2.6.2 represents the percent of Federal vendor payments processed on-time (within ten business days) by quarter in FY07 and FY08. Across all quarters in FY08, FBD processed 100% of all Federal vendor payments on-time, and exceeded its SLA Goal of 98%.



FBD improved its first and second quarter performance from 74% and 98%, respectively, of Federal vendor payments on-time in FY07 to 100% in the first two quarters of FY08.

FBD's consistent performance throughout FY08 can be attributed to the enhancement of several internal processes, such as the improvement of quality controls, the elimination of unnecessary approvals, and an emphasis on NBC employee accountability.

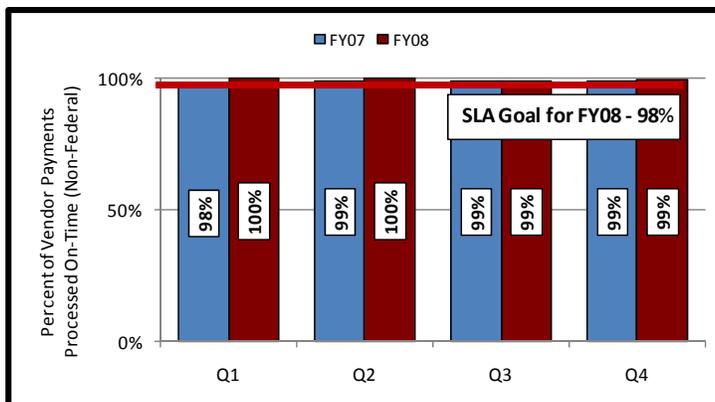


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Figure 2.6.3: Percent of Non-Federal Vendor Payments Processed On-Time by Quarter in FY07 and FY08



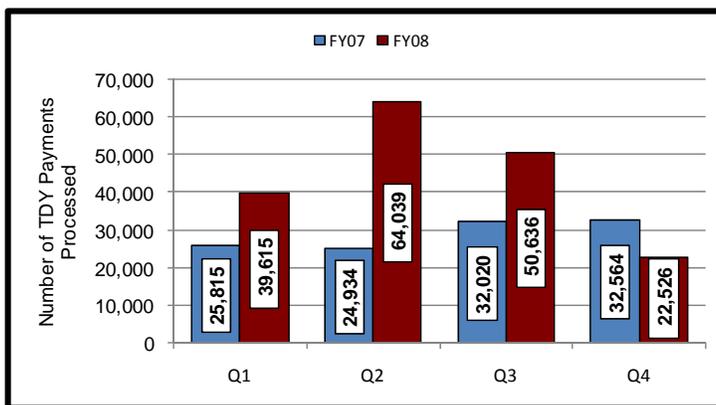
Figure 2.6.3 represents the percent of non-Federal vendor payments processed on-time (within thirty days) by quarter in FY07 and FY08. Payments to non-Federal vendors must be processed within thirty days under the Prompt Payment Act. During each quarter in FY08, FBD met the SLA Goal for FY08 of 98% of vendor payments processed on-time. In Q1 and Q2 of FY08, FBD processed 100% of non-Federal vendor payments on-time. During Q3 and Q4, the percent of non-Federal vendor payments which FBD processed on-time remained constant at 99% in FY08.



FBD processed 100% of vendor payments on-time during the first two quarters of FY08, compared to FY07 when it achieved 98% and 99% in Q1 and Q2. In FY08, FBD remained consistent in Q3 and Q4 with 99%, similar to the previous year of 99% in FY07. This high success rate is attributed in part to the fact that FBD regularly monitors its metrics to prevent slippage.

Figure 2.6.4: Number of TDY Payments Processed by Quarter in FY07 and FY08

Figure 2.6.4 represents the number of TDY payments processed by quarter in FY07 and FY08. In FY08, FBD processed 39,615 payments in Q1. The number of payments processed increased by 62% to 64,039 in Q2. In Q3, there was a 21% decrease, with 50,636 payments processed, and in Q4, the number of TDY payments decreased even further to 22,526 in FY08. In total, FBD processed 176,816 TDY payments in FY08.



Comparing quarterly figures between FY07 and FY08, the number of TDY payments processed in FY08 by quarter was overall higher than TDY payments processed in FY07, with the exception of Q4, where there were 10,038 less TDY payments processed in FY08.

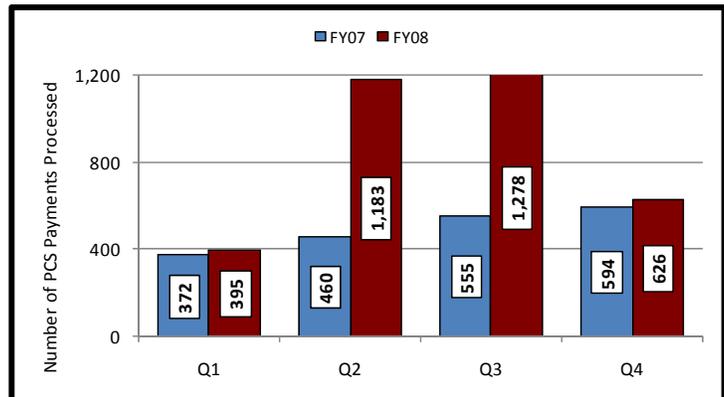
Overall, the total number of TDY payments processed in FY08 was 176,816, which was 53% higher than the 115,333 TDY payments processed in FY07. The overall number of TDY payments processed increased in FY08 because of increased business for transaction processing. The quarterly variance within and between fiscal years is dependent on customer need.



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Figure 2.6.5: Number of PCS Payments Processed by Quarter in FY07 and FY08

Figure 2.6.5 shows the number of PCS payments processed by quarter in FY07 and FY08. FBD processed 395 payments in Q1 FY08. The number of payments processed substantially increased in both Q2 and Q3 to 1,183 and 1,278 payments respectively. In Q4, the number of payments decreased to 626 payments processed in FY08. In total, FBD processed 3,482 PCS payments in FY08.

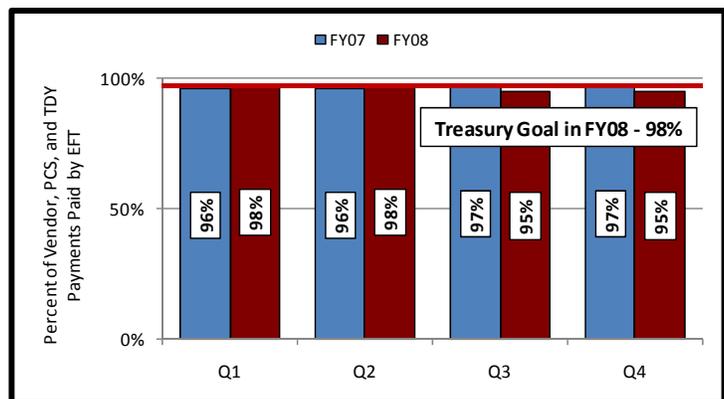


Comparing quarterly figures between FY07 and FY08, the number of PCS payments in FY08 by quarter was overall higher than PCS payments reported in FY07. The increase in PCS payments in Q2 and Q3 in FY08 is primarily related to transaction processing services for new customers. During these quarters, there was a large accumulation of payments which contributed to the sharp increase in PCS payments processed in Q2 and Q3 of FY08.

The increase in PCS payments in Q2 and Q3 in FY08 is primarily related to transaction processing services for new customers. During these quarters, there was a large accumulation of payments which contributed to the sharp increase in PCS payments processed in Q2 and Q3 of FY08.

Figure 2.6.6: Percent of Vendor, PCS, and TDY Payments Paid by EFT by Quarter in FY07 and FY08

Figure 2.6.6 represents the percent of vendor, PCS, and TDY payments paid by EFT by quarter in FY07 and FY08. In Q1, 98% of vendor, PCS, and TDY payments were made by EFT, in FY08. In Q2, the percent of payments made by EFT remained constant. In Q3 and Q4 of FY08, the percent of payments paid by EFT decreased to 95%.



Comparing quarterly percentages between FY07 and FY08, the percent of vendor, TDY, and PCS payments were higher in Q1 and Q2, (98% for both quarters in FY08), but lower in Q3 and Q4 (95% for both quarters in FY08). The Treasury Goal in FY08 was 98%. FBD met this goal in Q1 and Q2 of FY08, but did not meet the goal in Q3 and Q4.

FBD met this goal in Q1 and Q2 of FY08, but did not meet the goal in Q3 and Q4.

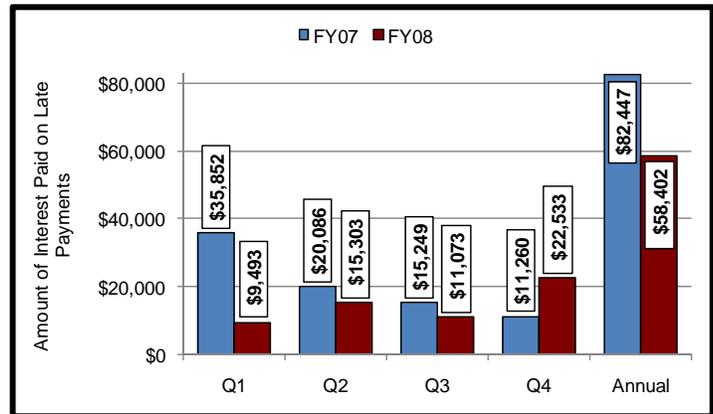
Foreign payments were a contributing factor as to why FBD did not meet the FY08 Treasury Goal of 98% of payments paid by EFT. Foreign payments are coded and processed differently than non-foreign EFT payments. To present a more accurate measure in the future, the calculation for this metric will be reevaluated to include transactions that do not use the traditional EFT payment process.



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Figure 2.6.7: Amount of Interest Paid on Late Payments by Quarter in FY07 and FY08

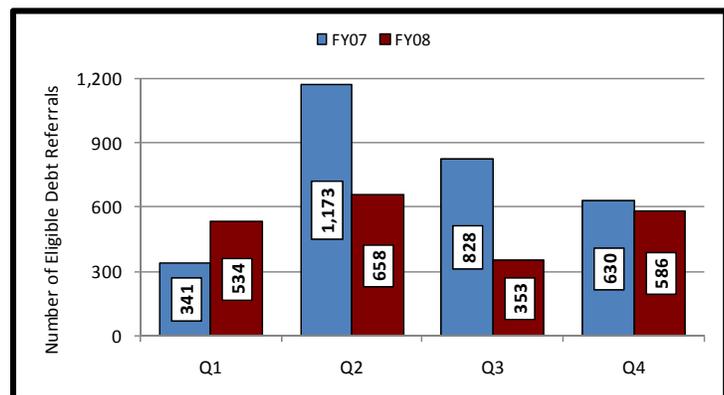
Figure 2.6.7 represents the amount of interest paid on late payments by quarter in FY07 and FY08. In Q1 FY08, FBD paid \$9,493 in interest on late payments. In Q2 FY08, the amount of interest paid increased to \$15,303. In Q3, there was a decrease of 28%, to \$11,073 paid on late payments in FY08. In Q4, FBD paid \$22,533 of interest on late payments, which was the highest amount among all quarters in FY08. The FY08 total amount of interest paid on late payments was \$58,402, compared to a total of \$82,447 in FY07. This denotes a 29% decrease in interest paid on late payments from FY07 to FY08.



Compared to FY07, the amount of interest paid on late payments by quarter in FY08 was lower, with the exception of Q4 where FBD paid \$22,533 in interest, 100% higher than what it paid that same quarter in the previous year. The significant decrease in the amount of interest paid since Q1 of FY07 can be attributed to government-wide internal controls and processes that were implemented in FY08, resulting in less interest paid on late payments. The increase in interest in Q4 FY08 can be primarily attributed to customers not providing their reports on time. The amount of interest paid is dependent on the dollar value of the contracts, timing of receiving reports to validate invoices, and timing of payment of invoices. Monitoring and customer follow-up occurs regularly to mitigate late payments.

Figure 2.6.8: Number of Eligible Debt Referrals by Quarter in FY07 and FY08

Figure 2.6.8 represents the number of eligible debt referrals by quarter in FY07 and FY08. FBD assists clients with billing and collection of debt, and refers eligible debt to the Treasury for collection. Debt referral for most NBC customers consists of employee debt owed to the agency. Debt referral also includes debt that is owed to the tribal power companies. Variances by quarter are most often due to the timing of receipt of delinquent account referral information.



In Q1 FY08, there were 534 eligible debt referrals. In Q2, there was an increase of 23% with 658 eligible debt referrals in FY08. The number of debt referrals decreased in Q3 to 353 in FY08. In Q4, FBD had a total of 586 eligible debt referrals. In FY08, FBD processed a total of 2,131 eligible debt referrals.

Compared to FY07, the number of eligible debt referrals was lower each quarter in FY08, with the exception of Q1, where FBD processed 534 referrals, which was 193 more referrals than it processed in FY07. The number of debt referrals is dependent on market conditions and customer needs. Q2 FY08 is higher than other quarters for both fiscal years due to the timing of receipt of delinquent account information during the year.



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Figure 2.6.9: Value of Debt Referrals by Quarter in FY07 and FY08

Figure 2.6.9 represents the value of debt referrals by quarter in FY07 and FY08. In Q1 of FY08, FBD processed \$193K in debt referrals. The value of debt referrals increased by 66% in Q2 to \$320K. In Q3, there was a smaller increase to \$373K in debt referrals, then a dramatic decrease in Q4 to \$51K in FY08. In FY08, FBD processed a total of \$937K in debt referrals.

Compared to FY07, the value of debt referrals were lower by quarter in FY08, with the exception of Q3, where FBD processed \$373K in debt referrals, \$14K more than in the same quarter of the previous year. Overall, FBD processed 63% fewer dollars in debt referrals in FY08 (\$937K) than in FY07 (\$2,507K), which indicates increased overall productivity for accounting operations. It is important to note that the value of debt referrals is dependent on customer needs.

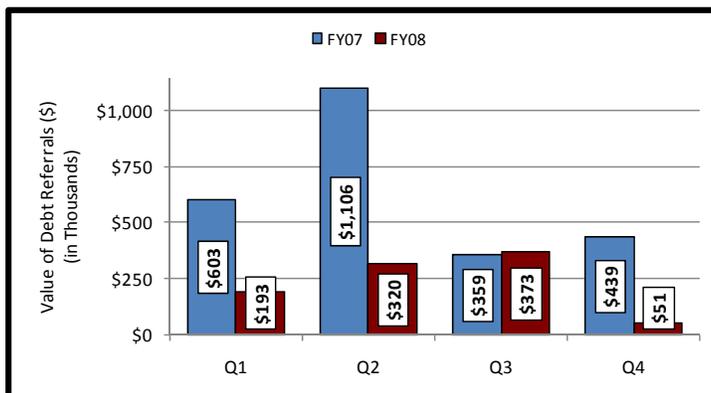
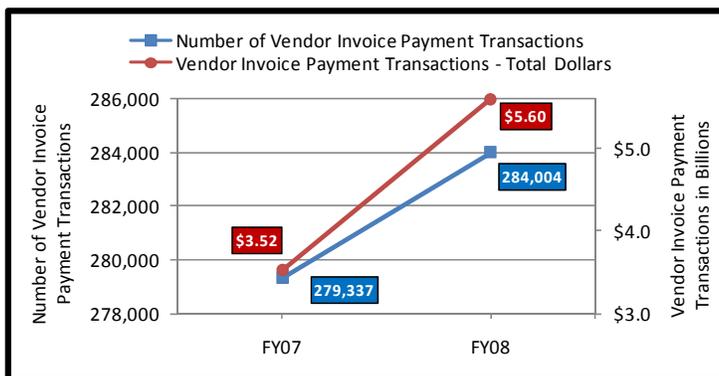


Figure 2.6.10: Total Vendor Invoice Payment Transactions Processed and Dollar Value of Transactions in FY07 and FY08

Figure 2.6.10 shows the total vendor invoice payment transactions processed and the dollar value of these transactions in FY07 and FY08. In FY07, FBD processed a total of 279,337 vendor invoice payment transactions, as compared to a total of 284,004 processed in FY08. Respectively, vendor invoice payment transactions totaled \$3.52B in FY07 and \$5.60B in FY08.

Both the total number of vendor invoice payments and the value of these vendor invoice payments were higher in FY08 than in FY07. The increase in the transaction workload is consistent with FBD's expansion of its client base in FY08 through the completion of new client implementations.

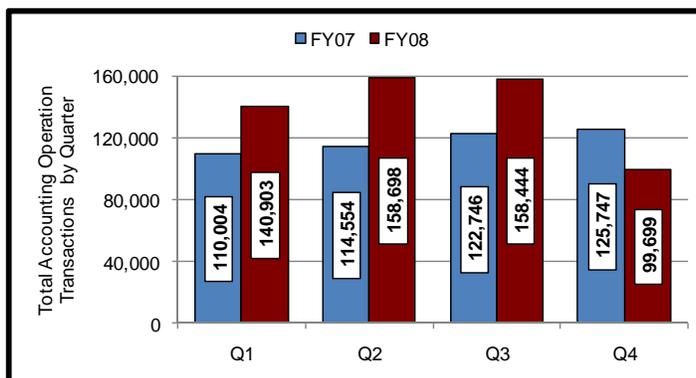




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Figure 2.6.11: Total Accounting Operation Transactions by Quarter in FY07 and FY08

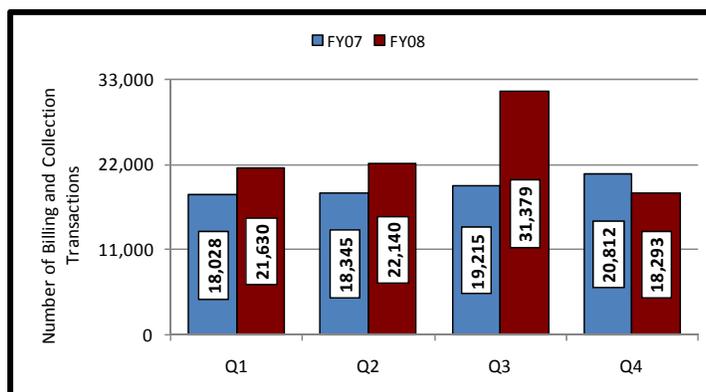
Figure 2.6.11 shows the total accounting operations transactions by quarter in FY07 and FY08. The total accounting operations transactions include vendor payments, PCS payments, TDY payments, and billing and collections transactions. In Q1 FY08, FBD processed a total of 140,903 accounting operation transactions. In Q2, the number of accounting operation transactions increased to 158,698 in FY08. This number slightly decreased to 158,444 in Q3 of FY08. In Q4 FY08, the number of total transactions dramatically decreased to 99,699.



FBD experienced two significant increases of accounting operation transactions in Q2 (158,698) and Q3 (158,444) of FY08, due primarily to new customers. Overall, FBD processed a total of 557,744 accounting operation transactions in FY08 compared to 473,051 in FY07, which highlights an 18% increase in productivity. This increase can be attributed to the increased business for transaction processing, which is dependent on customer demand.

Figure 2.6.12: Number of Billing and Collection Transactions by Quarter in FY07 and FY08

Figure 2.6.12 shows the number of billing and collection transactions by quarter in FY07 and FY08. In Q1, FBD processed a total of 21,630 billing and collection transactions in FY08. In Q2, the number of accounting transactions increased slightly to 22,140. This number increased further to 31,379 in Q3 FY08. In Q4 FY08, the number of billing and collection transactions dropped to 18,293.



Compared to FY07, the number of billing and collection transactions by quarter in FY08 was much higher, with the exception of Q4 where there were 2,519 more transactions performed in FY07. There were a total of 76,400 billing and collection transactions performed in FY07 and 93,442 in FY08, which denotes a 22% increase in productivity in FY08. The overall number increased in FY08 because of increased business for transaction processing. The quarterly variance is dependent on customer need.

There were several reasons for the increase in the number of billing and collection transactions that occurred in Q3 FY08. In this quarter, client services increased, the CRA was lifted, and the number of customers increased at NBC.



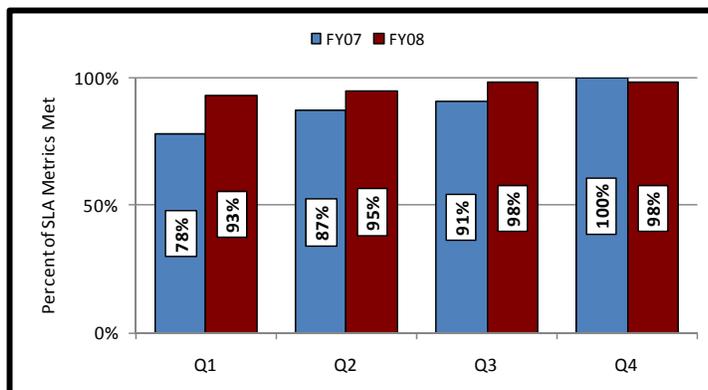
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Figure 2.6.13: Percent of SLA Metrics Met by Quarter in FY07 and FY08



Figure 2.6.13 represents the percent of SLA metrics met by quarter in FY07 and FY08. In Q1 FY08, FBD met 93% of its SLA metrics. In Q2 FY08, the percent of SLA metrics met increased to 95%, and increased further to 98% in both Q3 and Q4. This figure includes SLA metrics for FBD's financial and business management systems, accounting operations, and website development.

Compared to FY07, the percent of SLA metrics met in FY08 was much higher, with the exception of Q4 FY08. Specifically, Q1 through Q3 of FY08 showed improvement compared to the same quarters in FY07. This is significant because it shows FBD's SLA metrics have generally improved since Q1 FY07.



Some of the reasons for this steady improvement are attributed to the fact that FBD conducted productivity studies and process improvement reviews to improve meeting its SLA metrics. FBD developed new processes and procedures, and established a quality assurance focus, all of which have helped FBD improve its ability to meet its SLAs.

Financial Management and Budget Directorate Summary

In FY08, FBD processed over 280,000 vendor payments (both Federal and non-Federal) and maintained exceptionally high on-time rates for processing payments across all quarters. FBD processed 100% of Federal vendor payments on-time across all four quarters, and successfully met the SLA Goal of 98% in FY08. Positive change also occurred as a result of FBD's improvements in internal controls and processes, the elimination of unnecessary approvals, and an emphasis on NBC employee accountability. In FY08, FBD conducted productivity studies and reviews to improve meeting its SLA metrics.

In FY08, FBD also experienced an increase in customer demand, which contributed to the increase in the number of accounting operation transactions, vendor payments processed, and billing and collection transactions. In addition, the value of debt referrals decreased in FY08, which indicates increased overall productivity for accounting operations. The increase in FBD's productivity in FY08 is consistent with FBD's expansion of its client base through the completion of new client implementations.



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2.7 HUMAN RESOURCES DIRECTORATE

Services Provided by the Human Resources Directorate



HRD provides both day-to-day personnel and payroll operational support and project support as well as training and educational opportunities. Subject matter experts are ready to assist HRD's client base in the areas of Payroll Processing, Staff Acquisition, Performance and Compensation Management, Labor Relations as well as a host of other areas. Through HRD's DOI University, the DOI as well as other Federal employees can receive a wide array of classroom training and computer based training on a broad spectrum of topics at a variety of convenient locations.

HRD provides its customers with an extensive set of services to help manage human capital. HRD provides an array of payroll and personnel processing applications and services as well as human resources and payroll systems requirements for payroll management activities. In FY08, NBC consolidated its training services organization and incorporated it as part of HRD. In addition to human resources and payroll services, NBC offers a variety of training and educational opportunities such as

leadership development programs, speaker forums, online learning and classroom training. HRD's vision is "to be the HR Shared Services Center (SSC) provider of choice in the Federal marketplace." To support this vision, HRD's mission is "to drive customer success by providing best-of-breed, cost-effective human resources solutions." In HRD's continuing effort to be a market leader, it received the ISO9001 certification for the Integrated Payroll Services operation. HRD's focus on providing superior customer service is evident in all aspects of service delivery. A summary description of each service offering is provided in Figure 2.7.0.

Figure 2.7.0: Human Resources Directorate Offerings

Service Offerings	Service Offering Description
Payroll Operations Services	<p>Payroll Operations base-level services include:</p> <ul style="list-style-type: none"> • Personnel and Pay Processing • Assistance in submission of Time and Attendance (T&A) • T&A processing and adjustments • Pay certification and disbursement • Payroll reconciliation • Reissued and supplemental checks • Maintenance and certification of leave, health, Thrift Savings Plan, and retirement records • Payment and reconciliation of Federal, state, and local taxes; issuance of W-2s • Completion of reports for bonds and the Office of Workers Compensation Programs (OWCP) • Unemployment reporting using contract services • Garnishments processing • Payroll debt collection • Pay and leave adjustments and payments • Separations Processing • Customer Support



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Service Offerings	Service Offering Description
HR Operational Services	<p>HR Operations services include:</p> <ul style="list-style-type: none"> • Human Resources Strategy • Organization and Position Management • Staff Acquisition • Personnel Action Processing • Benefits Management • Compensation Management • Employee Relations Management • Labor Relations Management • Performance Management • FPPS Security
HR Application Services	<p>These services include the hosting, operation, and maintenance of information technology systems to provide customers with the Office of Personnel Management (OPM) required HR functionality for the HR SSC described above. These systems include:</p> <ul style="list-style-type: none"> • FPPS • DataMart Data Warehouse • Quicktime Time & Attendance • webTA (Kronos) Time & Attendance • Workforce Tracking and Transformation System (WTTS)/ Entrance on Duty System (EODS) • Talent Management System (TMS) • Client-specific requirements
Educational and Training Services	<p>DOI University's Leadership Development Programs provide:</p> <ul style="list-style-type: none"> • A planned, systematic, competency-based approach to developing future leaders, at all levels, for DOI. • Programs to enhance development opportunities for current and future leaders. • Entry-level leadership development training provides high potential employees with the necessary skills to transition to supervisory and leadership roles. • Intern programs to include the Government-wide Acquisition Management Intern Program, Office of the Secretary Management Intern Program, President Management Fellowship Program, and the R. Schuyler Leshner Financial Management Career Intern Program. <p>Online Learning and Classroom training:</p> <ul style="list-style-type: none"> • Mandated online training • Customized online courses • Learning Management Systems (LMS) Services and Support for a one-stop solution to provide and manage online training resources. An extensive catalog of learning opportunities is provided in our classroom training environments. • An extensive catalog of competency-based classroom courses • Customized Department-wide and Bureau special topics training • Competency-based certificate programs



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Service Offerings	Service Offering Description
Educational and Training Services (Continued)	<p>Speaker Forums includes two services:</p> <ul style="list-style-type: none"> • Executive Forums are programs that offer DOI leadership an opportunity to share ideas/inspirations in featured books. • Government-wide Forums are programs that offer Federal agencies an opportunity to increase job satisfaction, quality of work life, lifelong learning and networking opportunities, and a positive agency image. <p>National Indian Programs Training Center (NIPTC) provides training and developmental opportunities that are consistent, current and critical to Federal agencies responsible for administering Indian programs. Provides a learning environment that fosters personal and organizational development, leading to improved Indian programs and services. The NIPTC also offers a broadcast facility for distance learning that allows training to be provided directly to numerous Indian reservations that will greatly increase training opportunities and drastically reduce travel costs.</p>

HRD has been a key payroll provider for more than 30 years with highly trained and experienced staff in all facets of human resources including personnel action processing, payroll processing, time and attendance, labor cost distribution, recruitment, benefits administration, debt management, employee and labor relations management, human capital strategy planning, performance management and position classification. Additionally, the HRD staff is innovative, creative and customer-focused, and is positioned to deliver excellence in HR products and services. In HRD's continuing effort to be a market leader, it received the ISO9001 certification for the Integrated Payroll Services operation. The ISO9001 quality standard is a widely-recognized and well-established quality framework. HRD's achievement of this certification demonstrates its commitment to provide quality products and services to meet the business needs of their larger customer base. Additionally, in May 2008, HRD completed the migration of the Institute of Museum and Library Services (IMLS) onto the Federal Personnel and Payroll System (FPPS).

Human Resources Directorate Performance Analysis

In this report, the following indicators and analyses are presented for HRD:

- Number of Payroll Disbursements by Quarter in FY07 and FY08
- Total Value of Payroll Disbursements by Quarter in FY07 and FY08
- Percent of Employee Calls Responded to On-Time by Quarter in FY07 and FY08
- Percent of Employee Calls Resolved On-Time by Quarter in FY07 and FY08
- Percent of System End-User Calls Responded to On-Time by Quarter in FY07 and FY08
- Percent of System End-User Calls Resolved On-Time by Quarter in FY07 and FY08
- Number of Professional Development Courses Conducted by Quarter in FY07 and FY08
- Number of Students in Professional Development Courses by Quarter in FY07 and FY08
- Average Number of Students per Course by Quarter in FY07 and FY08
- Number of Mandatory Online Courses Completed by Quarter in FY07 and FY08



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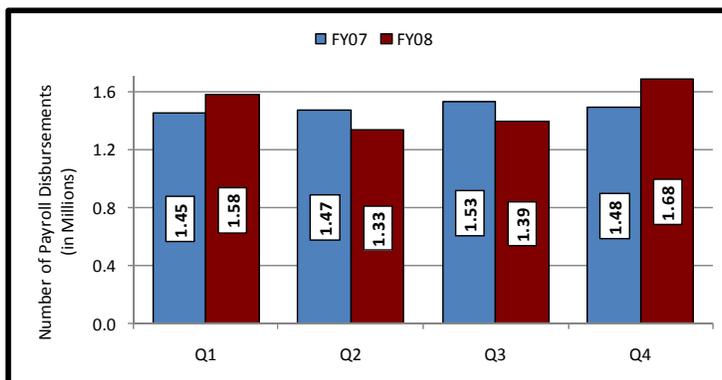
- Number of W-2s Supported and Unit Cost Charged to Clients From 1989 through 2008
- Percent of SLA Metrics Met by Quarter in FY07 and FY08

During FY08, HRD saw excellent performance in regards to its percent of SLA metrics met, as well as its customer satisfaction ratings. In FY08, HRD exceeded its annual FY08 SLA Goals for the percent of employee and end user calls responded to and resolved on-time.

With regards to the number of professional development courses conducted and the number of students enrolled in these courses, HRD saw an increase in Q2 and Q3, which has been a stable trend over the past several years. The CRA enacted in Q1 affects customers with limited resources to participate in programs such as training. Once the CRA was lifted in Q2, agencies were able to use funding for these programs, resulting in an increase in workload and training opportunities for HRD. Greater detail behind these measures, as well as the SLA metrics met can be found in the subsequent sections.

Figure 2.7.1: Number of Payroll Disbursements by Quarter in FY07 and FY08

Figure 2.7.1 provides the total number of payroll disbursements processed by quarter in FY07 and FY08. In Q1 FY08, NBC processed 1.58M payroll disbursements. In Q2 FY08, the number of payroll disbursements dropped to 1.33M. In Q3 FY08, there was a slight increase to 1.39M payroll disbursements. In Q4 FY08, the total number of payroll disbursements increased again to 1.68M. The total number of payroll disbursements for FY08 was 5.98M.



Comparing quarterly totals between FY07, the total number of payroll disbursements in FY08 was higher in Q1 and Q4, but lower in Q2 and Q3. The total number of payroll disbursements in FY08 (5.98M) was slightly higher than the total number of payroll disbursements in FY07 (5.93M).

The increase in the number of disbursements from Q2 to Q4 in FY08 can be attributed to an increased level of seasonal activities, such as wildland firefighting activities and greater national park usage and support during the summer months. The number of payroll disbursements also increased because of greater seasonal additions of temporary staff and overtime pay due to summer-based support programs, including law enforcement on public lands, various environmental programs, wild horse rescue, refuge and hatcheries programs, and migratory bird watching. In FY08, NBC increased staffing in the summer for the Youth Conservation Corp (YCC) program, which affected the number of payroll disbursements. Furthermore, the Bureau of Indian Affairs (BIA) experienced a large increase at the beginning of the school year (August) and a decrease at the end of the school year (May and June) due to the large number of contract educators that it employs. In addition, the decrease in the number of disbursements in FY08 from Q1 to Q2 can be attributed to seasonal factors such as fewer wildland firefighting activities and low national park usage during the colder months. Finally, out of a total of 26 pay periods during FY08, Q2 and Q4 have one additional pay period, or 7 pay periods, while Q1 and Q3 have only 6 pay periods. The additional pay period in Q4 partly explains why the average value of payroll disbursements increased from Q3 to Q4 of FY08.

Other general conditions that affected the increased number of payroll disbursements include new hires, retirements/buy outs, reductions in force, and special programs in agencies that necessitate an increase in FTE levels.



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Figure 2.7.2: Total Value of Payroll Disbursements by Quarter in FY07 and FY08

Figure 2.7.2 represents the total value of payroll disbursements (in billions) by quarter in FY07 and FY08. In Q1 FY08, NBC's total payroll disbursement was \$5.29B. The total value increased by 21% to \$6.41B in Q2 FY08. In Q3 FY08, the total value dropped to \$5.55B. In Q4 FY08, there was another increase to \$6.70B.

Comparing quarterly data between FY07 and FY08, the total value of payroll disbursements in FY08 was slightly lower in Q1 and Q3 compared to FY07, but higher in Q2 and Q4. The increase in Q2 FY08 can be attributed to several reasons.

First, a jump in disbursement amounts due to the General Schedule Pay Raise effective in the beginning of each calendar year affected the total value of payroll disbursements in Q2. Second, the large number of retirements which typically occur on January 3rd of each year is followed two pay periods later by a large number of lump sum leave payouts which occur in Q2. Third, the Social Security Administration (SSA) experiences a jump in hiring in Q2 to handle the influx of tax reports due April 15th of each year. Finally, out of a total of 26 pay periods during the fiscal year, Q2 and Q4 have one additional pay period, or 7 pay periods, while Q1 and Q3 have only 6 pay periods. The additional pay periods in Q2 and Q4 partly explain why the total value of payroll disbursements increased from Q1 to Q2 and from Q3 to Q4. The increase in Q4 is due to seasonal additions of temporary staff and increases in overtime pay to support programs that are more active in the summer months, including law enforcement on public lands, various environmental programs, wild horse rescue, refuge and hatcheries programs, and migratory bird watching. As mentioned in Figure 2.7.1, NBC increased staffing in the summer for the YCC program which raised the number of payroll disbursements in Q4 FY08.

Other factors also affect the total value of payroll disbursements. Wage schedule increases, for example, can occur at any time of the year. Also, there is a large reduction in staff at the end of the BIA school year, as well as at the end of the summer fire season, which are followed by annual leave lump sum payments.

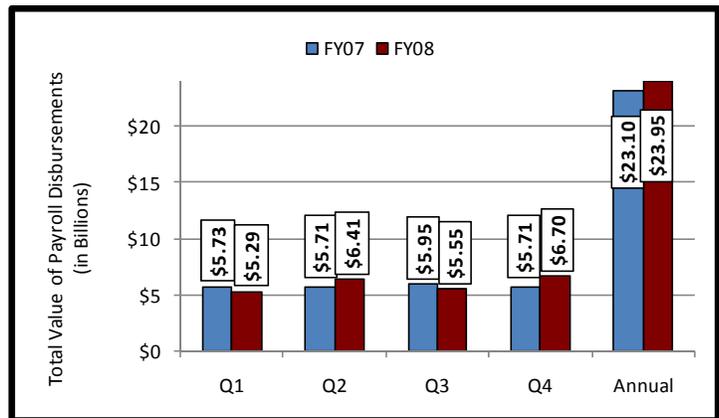


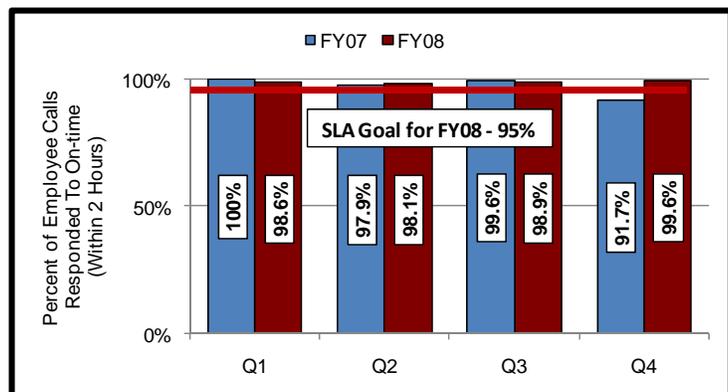
Figure 2.7.3: Percent of Employee Calls Responded to On-Time by Quarter in FY07 and FY08



Figure 2.7.3 represents the percent of employee calls responded to on-time (within two hours) by quarter in FY07 and FY08. In Q1 FY08, HRD responded to 98.6% of employee calls on-time. There was a slight decrease in the response rate in Q2 to 98.1% in FY08. The rate increased in Q3 to 98.9% in FY08. In Q4, the percent of calls responded to within two hours increased again to 99.6% in FY08.

The percent of employee calls responded to on-time in FY08 was lower in Q1 and Q3 when compared to FY07. Overall, HRD successfully met the SLA Goal of 95% in all four quarters in FY08, compared to only three quarters in FY07.

HRD's high success rate in responding to employee calls on-time in FY08 can be attributed in part to HRD's merger of two Help Desks, combining the end user and employee Help Desk into one. HRD also developed SOPs to improve business processes and provided cross-training to its employees.



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Figure 2.7.4: Percent of Employee Calls Resolved On-Time by Quarter in FY07 and FY08



Figure 2.7.4 represents the percent of employee calls resolved on-time (within 24 hours) by quarter in FY07 and FY08.

In Q1 FY08, HRD resolved 99.8% of employee calls on-time. There was a slight decrease in the resolution rate in Q2 to 99.7%. The rate slightly decreased again in Q3 FY08 to 99.2%. In Q4 FY08, the percent of calls resolved within 24 hours increased slightly to 99.3%.

Comparing the percentages between FY07 and FY08, HRD met the SLA Goal of 95% every quarter in FY07 and FY08. As stated in Figure 2.7.3, HRD's high success rate in FY08 was due to HRD merging two Help Desks, combining the end user and employee Help Desk into one, and also by developing standard SOPs.

HRD also focused on improving Help Desk issue resolution. A "Tier 1" Help Desk ticket is resolved immediately by the Help Desk representative. If the Help Desk representative is unable to resolve the problem, the issue is escalated to "Tier 2" status. In an effort to resolve more issues at the "Tier 1" level, HRD reviewed the "Tier 2" tickets to determine areas where increased Help Desk representative training may be needed. Increased training was provided individually as well as in groups, and was focused on topics identified by reviewing the "Tier 2" tickets. HRD hopes that this focused training will further improve the percent of employee calls resolved on-time in FY09.

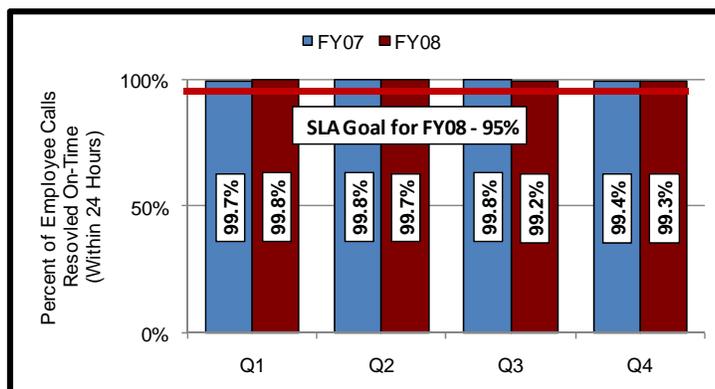


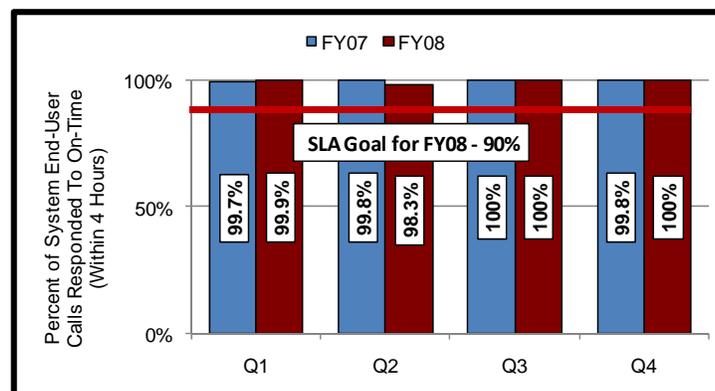
Figure 2.7.5: Percent of System End-User Calls Responded to On-Time by Quarter in FY07 and FY08



Figure 2.7.5 represents the percent of system end-user calls responded to on-time (within 4 hours) by quarter in FY07 and FY08. System end-users are HR representatives from clients.

In Q1 FY08, HRD responded to 99.9% of system end-user calls on-time. There was a slight decrease in the response rate in Q2 to 98.3% in FY08. In Q3 FY08, the rate increased again to 100%. In Q4, the percent of calls responded to within 4 hours remained steady at 100% in FY08.

Compared to FY07, HRD achieved higher percentages of system end-user responses in Q1 and Q4 of FY08. All response rates in FY08 were above the SLA Goal of 90%. This high success rate in FY08 is attributed in part to the fact that HRD merged two Help Desks by consolidating end user and employee call centers, developed SOPs to improve its internal business processes and provided cross-training to its employees. Other factors that contributed to HRD's high success rate in responding on-time to system end-user calls include improved customer service, increased employee job knowledge, and accessibility to a knowledge bank.



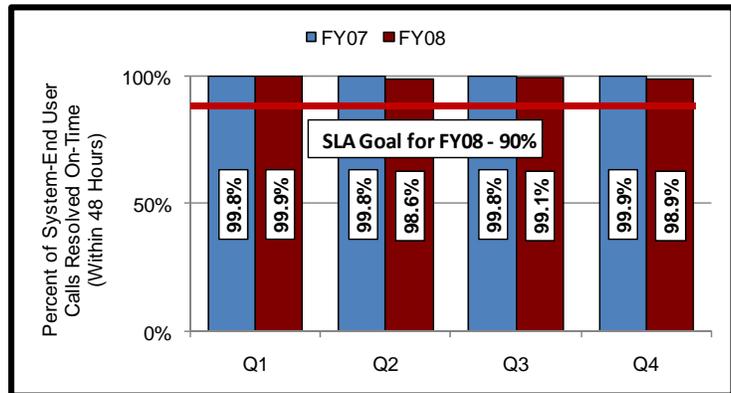


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Figure 2.7.6: Percent of System End-User Calls Resolved On-Time by Quarter in FY07 and FY08



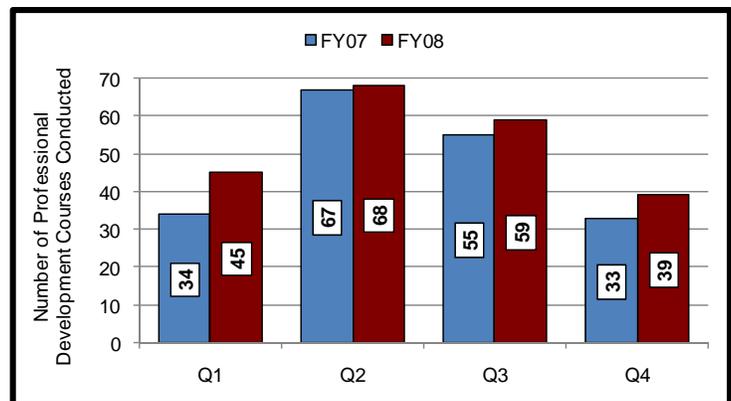
Figure 2.7.6 represents the percent of system end-user calls resolved on-time (within forty-eight hours) by quarter in FY07 and FY08. In Q1 FY08, NBC resolved 99.9% of its system end-user calls on-time. There was a slight decrease in the resolution rate in Q2 FY08 to 98.6%. The rate increased to 99.1% in Q3 FY08. In Q4 FY08, HRD resolved 98.9% of system end-user calls. All resolution rates in FY08 were above the SLA Goal of 90%.



Compared to the FY07 percentages, the percentage of system end-user calls resolved on-time in FY08 was higher in Q1, but slightly lower in Q2, Q3, and Q4. Several factors can explain why these percentages were slightly lower in FY08, including the turnover of resources, the promotion of employees to other Divisions, the training of new resources, the increase of calls during peak times with limited resources, and unexpected spikes in call volumes.

Figure 2.7.7: Number of Professional Development Courses Conducted by Quarter in FY07 and FY08

Figure 2.7.7 provides the total number of professional development courses by quarter in FY07 and FY08. Professional development courses do not include leadership and certification programs because those are reported separately under current data call models. In Q1 FY08, NBC had 45 professional development courses. The number of courses increased by 51% to 68 in Q2 FY08. In Q3 FY08, the courses slightly decreased to 59. The number of professional development courses dropped to 39 in Q4 FY08. The total number of professional development courses in FY08 was 211. The total number of professional development courses in FY07 was 189.



Comparing FY07 data, the number of professional development courses was higher across all quarters in FY08. The overall increase in the total number of professional development courses in FY08 is due to growth in the number of customized courses developed and delivered. This increase was due in part to a rise in the number of employees needing to meet Contracting Officer's Representative/Contracting Officer's Technical Representative (COR/COTR) requirements as well as an increase in supervisory training requirements. In addition, the Albuquerque Learning Center was fully staffed in FY08, and was therefore able to offer a full range of courses and training opportunities.

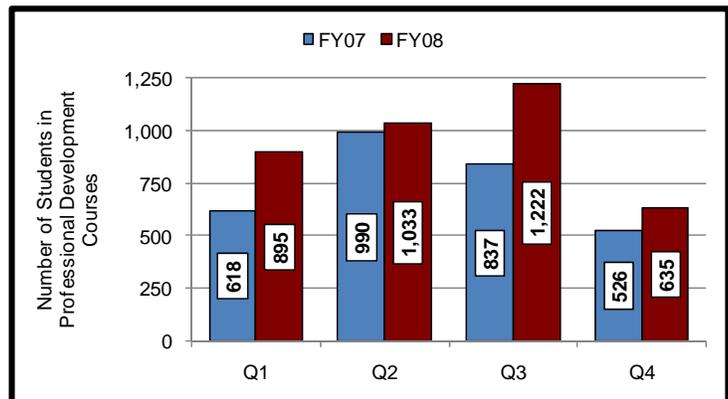
The low number of professional development courses conducted in Q1 is related to employees focusing on year-end close activities and funding restrictions associated with the CRA. The number of professional development courses spiked in Q2 FY08, as CRA funding restrictions were lifted that quarter. Professional development courses decreased in Q3 and further declined in Q4, as employees were conducting fieldwork, such as fire-related activities. Planned summer vacations also limit employee availability to participate in training in Q3 and Q4.



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Figure 2.7.8: Number of Students in Professional Development Courses by Quarter in FY07 and FY08

Figure 2.7.8 shows the total number of students that participated in professional development courses by quarter in FY07 and FY08. In Q1 FY08, NBC had 895 students in professional development courses. The number of students increased by 15%, to 1,033 students in Q2 FY08. In Q3 FY08, the number of students increased further by 18% to 1,222. The number of students dropped to 635 in Q4 FY08. The total number of students in professional development courses in FY08 was 3,785.

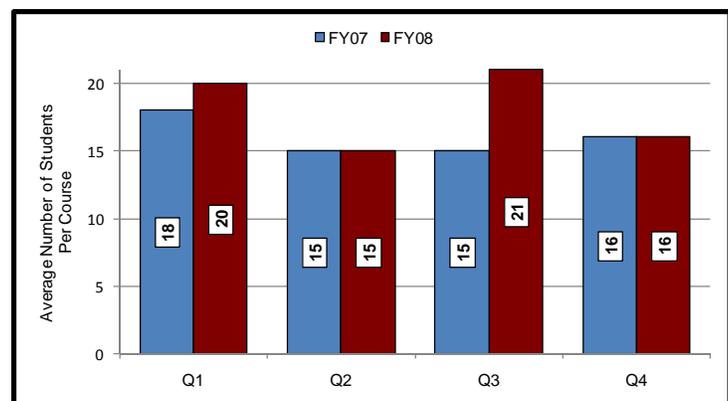


The total number of students in professional development courses in FY07 was 2,971. Comparing FY07 data, the number of students in professional development courses was higher across all quarters in FY08. HRD experienced a steady increase in the number of students who participated in professional development courses beginning in Q1 through Q3 of FY08. A reason why the total number of students in professional development courses was higher in FY08 was due to the Albuquerque Learning Center being fully staffed. At the end of FY07, key personnel were hired to fully staff the Albuquerque Learning Center, which allowed the center to offer more training courses in FY08.

The gradual increase in the number of professional development courses from Q1 through Q3 of FY08 was also attributed to the increase in the number of customized courses delivered as employees needed to meet requirements for COR/COTR and supervisory training. In addition, as the summer months commence (Q4), fewer employees are available to take training due to participation in field work and planned summer vacations, which explains the downward trend in Q4 FY08.

Figure 2.7.9: Average Number of Students per Course by Quarter in FY07 and FY08

Figure 2.7.9 provides the average number of students per course by quarter in FY07 and FY08. In Q1 FY08, the average number of students per course was 20. The average number of students decreased by 25% to 15 in Q2 FY08. In Q3 FY08, the average number of students increased to 21. The average number of students per course decreased to 16 in Q4 FY08.



Comparing FY07 numbers, the average number of students per course in FY08 was slightly higher in Q1 and Q3, and exactly the same in Q2 and Q4.

The range of students per course stays relatively stable during the year because HRD does not provide a course unless a certain number of students register to attend. DOI University establishes a minimum and maximum number of students per course based on the optimum number for learning and the number required for full cost recovery.

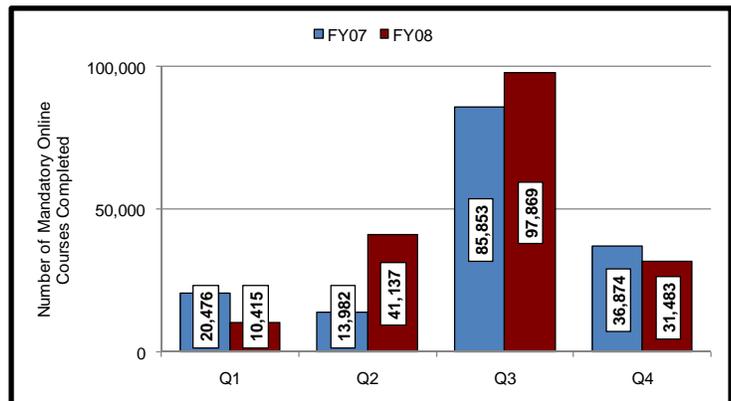


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Figure 2.7.10: Number of Mandatory Online Courses Completed by Quarter in FY07 and FY08

Figure 2.7.10 represents the number of mandatory online courses taken by quarter in FY07 and FY08. Mandatory online courses may not include those students who took training via CD ROM. If a student takes a course, but does not enter completion data in DOI Learn, HRD does not consider this a completed course.

In Q1 FY08, DOI employees took 10,415 mandatory online courses. In Q2 FY08, the number of online courses completed greatly increased by 295% to 41,137 courses. In Q3 FY08, the number of mandatory courses completed more than doubled to 97,869 courses.



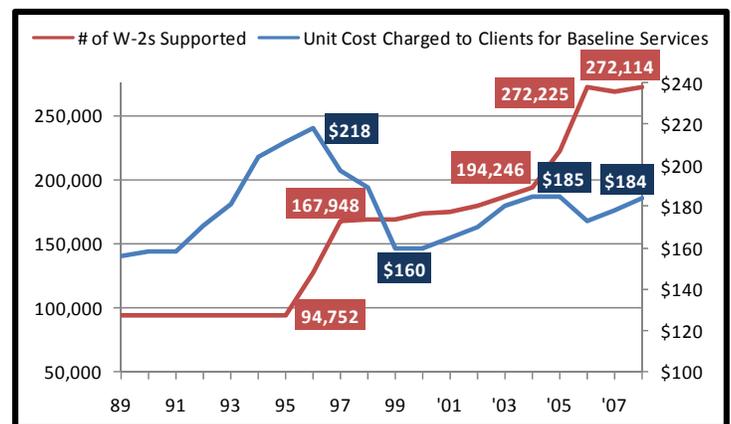
There was a decrease in Q4 FY08 to 31,483 online courses completed. Overall for FY08, there were 180,904 mandatory online courses completed.

The total number of mandatory online courses completed in FY07 was 157,185. This denotes a 15% raise and 23,719 course increase in the number of mandatory online courses completed in FY08. Comparing FY07 and FY08, the number of mandatory online courses completed in FY08 was higher in Q2 and Q3, but lower in Q1 and Q4. The reason for the spike in Q3 FY08 can be attributed to customer demand and the FY08 mandatory training deadline for all DOI employees, as most mandatory online courses must be completed by May 29th, 2008.

HRD offers three mandatory online training courses every year to DOI employees, which include: *Federal Information Systems Security Awareness (IT Security)*, *Records Management Awareness*, and *Orientation to the Privacy Act*. Another required course entitled, *Discrimination and Whistleblowing in the Workplace* is delivered every other year. The deadline for each class is different but the goal is to complete all courses by Q3. While each bureau decides when they want to deploy the courses, most bureaus conduct training in Q3.

Figure 2.7.11: Number of W-2s Supported and Unit Cost Charged to Clients From 1989 through 2008

Figure 2.7.11 shows the number of W-2s supported from 1989 to 2008 and the unit cost charged to clients for baseline services. When the volume of W-2s increased in the late 1990s, NBC realized economies of scale. As a result, unit costs decreased from \$218 in 1995 to \$160 in 1999. The data also indicates that when W-2s supported increased by 40% from 194,246 to 272,114 between 2004 and 2008, the trend in unit cost decreased 1% from \$185 to \$184. As the number of W-2s increased, gains in efficiency of production (people, processes, and technology) allowed HRD to keep its unit cost per W-2 relatively flat. This can also be seen when comparing unit costs charged to clients in 1993 and 2008. The unit cost charged to clients in 1993 was \$181, and was \$184 in 2008. This emphasizes HRDs productivity and ability to keep unit costs steady with an increasing number of W-2s supported. The dip in the unit cost charged to clients in 2006 was due to the migration of additional clients to E-Payroll. As a result, economies of scale occurred, thus achieving cost advantages.





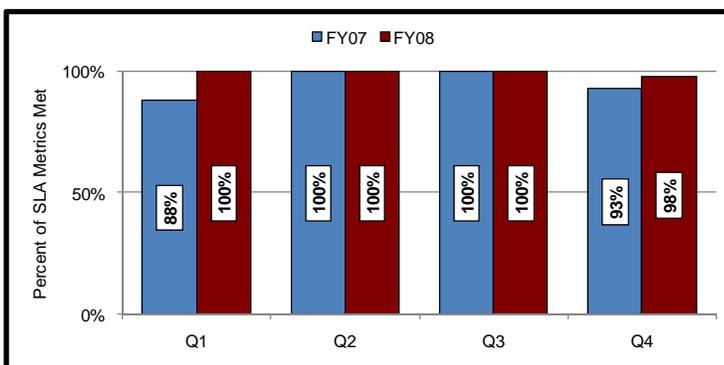
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Since its inception, the number of W-2s supported has tripled, and in the past five years it has increased by nearly 68%. The number of W-2s supported spiked to 272,225 in 2004, and remains near this level. This spike in W-2s coincided with OMB's promotion of FBD and HRD's shared services offerings in 2004 and 2005.

Figure 2.7.12: Percent of SLA Metrics Met by Quarter in FY07 and FY08



Figure 2.7.12 provides the percent of SLA metrics met by quarter in FY07 and FY08. This data only reflects HR metrics, and not Training Services metrics. In FY07, the percent of SLA metrics met for HR and Training Services were reported separately, because in FY07, HR and Training Services were two distinct Directorates. Therefore, the FY07 data represents the percent of SLA metrics for HR only. At the end of FY08, NBC consolidated Training Services as part of HRD, however for FY08 HRD did not combine reporting of the SLA metrics for Training Services. Therefore, the FY08 SLA metrics data represents personnel and payroll only.



In Q1 through Q3 of FY08, HRD met 100% of its SLA metrics. There was a slight decrease in Q4 FY08 as HRD met 98% of its SLA Metrics. The reason for this decrease can be attributed to a power outage in FY08, which affected HRD's performance and the availability of staff to respond to customer inquiries.

Overall, HRD's SLA Metrics were higher in FY08 compared to FY07. The reason for the SLA improvement from FY07 to FY08 was attributed to inclement weather, specifically snowstorms in FY07 that affected the availability of staff to respond to customer inquiries in Q1 FY07. The implementation of new technology, cross training, and multiple geographic locations for help desk support in FY09 will mitigate this risk, and is anticipated to provide consistently high levels of service and availability of staff to both internal and external customers.

Human Resources Directorate Summary

In addition to offering an array of payroll and personnel processing applications and services, HRD also provides online and classroom training for employees of DOI and other Federal agencies. In HRD's continuing effort to be a market leader, it received the ISO9001 certification for the Integrated Payroll Services operation. In FY08, HRD's performance and workload was affected by customer demand and the CRA. Regardless of demand, however, HRD continues to provide excellent, efficient, effective, and on-time service. This is specifically demonstrated by the percent of employee calls resolved on-time, and the percent of system end-user calls resolved and responded to on-time. HRD attributed this high success rate in part to HRD consolidating two Help Desks, developing SOPs to improve its internal business processes and providing cross-training for its employees. Other factors included improved customer service, increased employee job knowledge, and accessibility to a knowledge bank. During FY08, HRD saw excellent performance in regards to its percent of SLA metrics met, as well as its customer satisfaction ratings.

In regards to providing training, HRD saw an increase in the total number of professional development courses conducted, the total number of students in professional development courses, and the total number of mandatory online courses completed in FY08 compared to FY07. HRD staff continues to be innovative, creative, and customer-focused, which allows the Directorate to deliver excellence in HR products and services.



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2.8 INFORMATION TECHNOLOGY DIRECTORATE

Services Provided by the Information Technology Directorate



ITD provides a reliable, responsive, and affordable processing environment for its customers with an emphasis on quality of service. To deliver premier support and services, ITD focuses on its long-term, client-oriented relationships, and maintains a stable, highly skilled workforce.

As NBC expanded its client base over the last several years, multiple Information Technology (IT) business units at different geographical locations were combined into a central division known as ITD. Today, ITD is comprised of business units located in Colorado, Idaho, Virginia, and Washington, DC.

In October 2008, ITD completed its reorganization by centralizing its business units into a shared service delivery of IT service offerings. Business units include the Chief Information Officer's (CIO's) Office,

Information Security, Enterprise Technology, which includes the IT Chief Technology Officer (CTO), Business Management, Infrastructure Operations Services, and Customer Support Services. ITD continues to focus on offering premier IT Infrastructure and Application Hosting Servers in its delivery and support to NBC Directorates, the DOI's Office of the Secretary, and external customers.

In FY08, one of ITD's major improvements was implementing Activity-Based Costing measures, which streamlined cost accounting for the Directorate. In addition, in order to become the premier IT service provider, ITD is executing a plan of action to improve current service quality, effectiveness, and efficiency.

The specific service offering descriptions for infrastructure services can be found in Figure 2.8.0.

Figure 2.8.0: Information Technology Directorate Offerings

Service Offerings	Service Offering Description
Application Hosting Services	Managed services include: (1) Data Center Facilities Management services and activities to provide a secure data center with power and cooling to support centralized production, quality assurance, and test and development environments; (2) Data Center Operations support services for all major hardware and infrastructure software platforms including applications, system administration and database administration services; (3) Data network Wireless Access Network (WAN), Local Access Network (LAN), LAN to LAN/Client Secure Networks, and Network Security Services; and (4) Disaster Recovery which supports business continuity for customers business applications, and (5) Dual Data Centers that support hot site production system redundancy.
Voice / Networks	Advance Voice Communications and Audio/Video Conferencing Services include provisioning, management, administration, and troubleshooting of voice communications and Teleconferencing Video locations.
E-Mail	Electronic Mail Management and Wireless Blackberry Services are the activities associated with providing support of the customer's standard approved e-mail infrastructure environment, including desktops, laptops, and handheld devices.



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Service Offerings	Service Offering Description
IT Security Management Services	Compliance Security Services are the operations, administration and governance services and activities required to provide and support security to customer's IT infrastructure and enterprises, include Risk Management, Certification and Accreditation (C&A), and Federal Information Security Management Act (FISMA) and Federal Information System Controls Audit Manual (FISCAM) Compliance Services. Security Engineering and Operations Services includes Security Policy, Policy Compliance and Enforcement Services, Proactive/Active Security Services, Security Response Services, Security Infrastructure, Access Control Management, and Security and Awareness Training.

Information Technology Directorate Performance Analysis

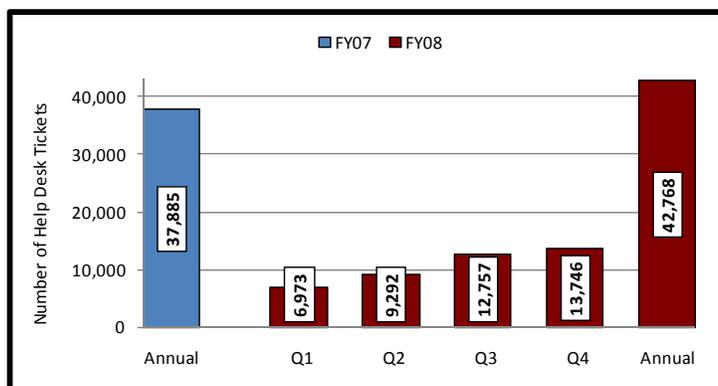
In this report, the following indicators and analyses are presented for ITD:

- Number of Help Desk Tickets in FY07 and FY08
- Percent of Help Desk Tickets Responded to On-Time by Quarter in FY07 and FY08
- Number of Events Detected, Blocked, Thwarted, or Deterred by Quarter in FY07 and FY08
- Number of Certifications and Accreditations (C&As) Completed in FY07 and FY08
- Percent of SLA Metrics Met by Quarter in FY07 and FY08

In FY08, there was a significant increase in the number of incidents deterred due to a rise in security monitoring capabilities as well as an increase in the number of devices and applications monitored. ITD also saw a rise in the number of help desk tickets due to increased customer demand. Even with increased demand, ITD significantly improved its percentage of help desk tickets responded to on-time by adopting the Gartner Group's standard framework for response time priorities. The Gartner Group's framework is an industry best practice for issue prioritization, and provides a process for escalating and tracking incidents. Lastly, ITD saw great improvement in the percentage of SLA metrics met, which was due to the Directorate's improved processes for collecting and reporting standardized performance data. Greater detail for these indicators is provided in the following sections.

Figure 2.8.1: Number of Help Desk Tickets in FY07 and FY08

Figure 2.8.1 represents the number of help desk tickets responded to in FY07 and FY08. The number of help desk tickets includes the number of tickets for the Office of the Secretary and NBC, including the Boise, DC, Denver, Herndon, and Reston offices. In Q1 FY08, ITD responded to 6,973 help desk tickets, this number increased by 33% in Q2 to 9,292. This number also increased in Q3 and Q4 of FY08 to 12,757 and 13,746 respectively. The total number of help desk tickets responded to in FY08 was 42,768.



The data in FY07 was captured annually not quarterly. Accordingly, 37,885 help desk tickets were responded to in FY07. In FY08, there was an increase of 13% and 4,883 help desk tickets, to an annual total of 42,768 help desk tickets. The rise from FY07 to FY08 in the number of help desk tickets responded to is attributed to an increase in customer demand.

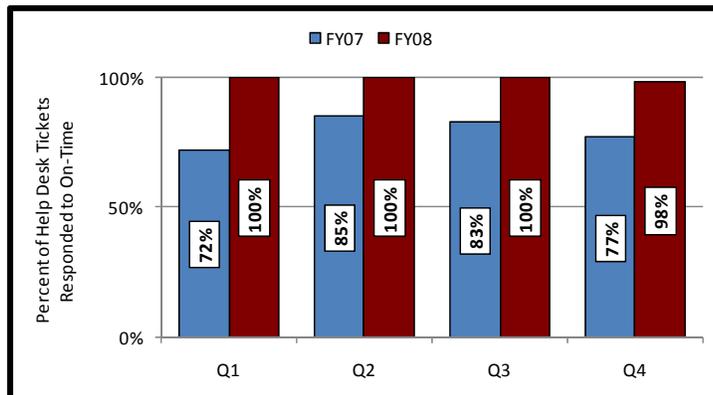


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Figure 2.8.2: Percent of Help Desk Tickets Responded to On-Time by Quarter in FY07 and FY08

Figure 2.8.2 represents the percent of help desk tickets that were responded to on-time by quarter in FY07 and FY08. The percent is an average of the help desk tickets responded to on-time for each of the four levels of severity. The four levels of severity include: First Contact - Issue resolved at first contact with help desk, Severity 1 - A 15 minute response time, Severity 2 - A 2 hour response time, and Severity 3 - An 8 hour response time.

In Q1, Q2 and Q3 of FY08, ITD responded to 100% of help desk tickets on-time. There was a slight decrease in Q4 FY08 to 98% of help desk tickets responded to on-time.

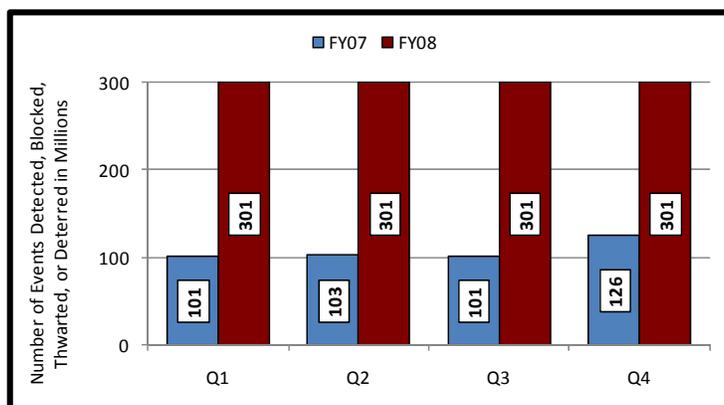


There was a significant increase in the number of help desk tickets responded to on-time from FY07 to FY08. ITD's improvement from FY07 to FY08 in the percentage of help desk tickets responded to on-time can be attributed to the Directorate adopting the Gartner Group's standard framework for "Help Desk Level 1" issue response time priorities. The Gartner Group's framework is an industry best practice for issue prioritization, and provides a process for escalating and tracking incidents.

Figure 2.8.3: Number of Events Detected, Blocked, Thwarted, or Deterred by Quarter in FY07 and FY08

Figure 2.8.3 represents the number of events detected, blocked, thwarted, or deterred by quarter in FY07 and FY08. In FY08, the events data was maintained on an annual basis, not quarterly. A total of 1,202M events were detected in FY08. The 1,202M was equally divided across FY08's four quarters and is reflected as 301M in Figure 2.8.3.

In FY07, a total of 431M events were detected. The significant increase of 179% from FY07 to FY08 is a result of the increase in monitored devices. During the course of FY08, the number of monitored devices increased from approximately 500 to approximately 1,800. The number of monitored devices dramatically increased in FY08 due to an increase in security monitoring capabilities as well as an increase in the number of devices and applications monitored. The increase in security monitoring greatly raised the number of events detected in FY08.



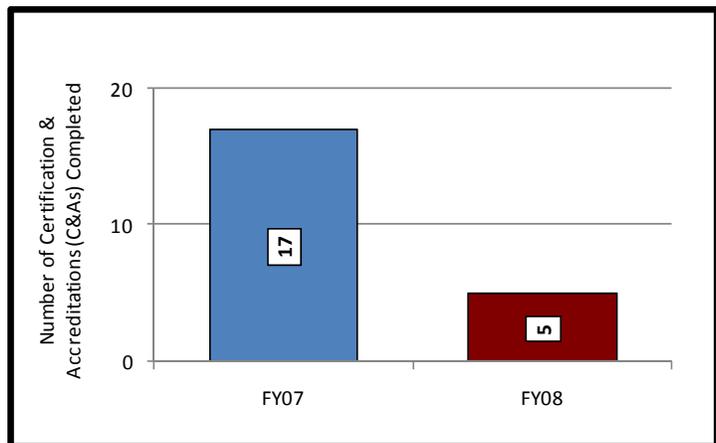


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Figure 2.8.4: Number of C&As Completed in FY07 and FY08

Figure 2.8.4 represents the number of C&As completed in FY07 and FY08. In FY08, 5 C&As were completed, whereas in FY07, 17 C&As were conducted.

The large difference in the number of C&As conducted from FY07 to FY08 is due to system certification expirations, major changes to systems that required a C&A, and any scheduled changes to systems to facilitate workload balancing. System certifications usually last for three years and beyond that timeframe, will need to be reaccredited. Therefore, it is typical to see a spike every three years in the number of C&As conducted due to system expirations.



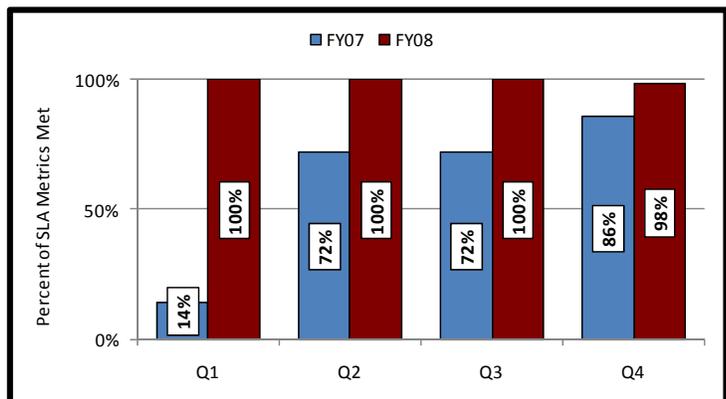
The NBC has been in compliance with the OMB Circular A-130 Appendix II C&A requirements for many years. In addition, NBC utilizes the most recent National Institute of Standards and Technology (NIST) guidance in the performance of C&A activities for all General Support Systems (GSSs) and Major Applications (MAs). Each system is reviewed annually as required by the FISMA and is reaccredited at least every three years as required. Lastly, NBC is developing a work plan to outline and monitor C&A activities to more evenly distribute the workload.

Figure 2.8.5: Percent of SLA Metrics Met by Quarter in FY07 and FY08



Figure 2.8.5 represents the percent of SLA metrics met by quarter in FY07 and FY08. In Q1, Q2 and Q3 of FY08, ITD met 100% of its SLA metrics. There was a slight decrease in Q4 FY08 to 98% of SLA metrics met. Overall in FY08, ITD met 99% of its SLA metrics.

In FY07, ITD met 61% of its SLA metrics, which is a 38% improvement in the SLA metrics met in FY08. The largest improvement can be seen in Q1 where there was a difference of 86% between FY07 and FY08. There was a 28% improvement in Q2 and Q3, and a 12% improvement in Q4.



FY08 saw strong improvement in the percentage of SLA metrics met which was due in part to ITD's improved processes for collecting and reporting performance data for all standard metrics. FY07 was the initial year for reporting SLA metrics, and in FY08, ITD made great strides to standardize its metrics and incorporated those standards into its SLA criteria and goals. In addition, ITD focused on incorporating industry standards into its SLA metrics. By identifying standard metrics for all ITD base service offerings, the Directorate was able to consolidate, collect and report on performance data that is meaningful to its customers.



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Information Technology Directorate Summary

The increase in the percentage of help desk tickets responded to on-time and the percentage of SLA metrics met were notable improvements for ITD in FY08. These achievements are significant, especially when factoring in the increase in help desk ticket customer demand, and the increase in monitored devices. ITD's vision is to become the premier provider of IT infrastructure services for DOI and other Federal agencies. To accomplish this goal, ITD is executing a five-year roadmap to improve current service quality, effectiveness, and efficiency. In addition, ITD is also focused on maintaining its long-term, client-oriented relationships by delivering premium support and services.



SECTION 3: CONCLUSION

The NBC has integrated performance management principles into its core operating processes, enabling it to provide exceptional, world-class service through its Directorates. Performance measurement, management, and monitoring are key factors which help NBC to achieve its mission and goals. The operational performance analysis described within this report represents NBC’s efforts to analyze relevant performance data, monitor and track metrics, and highlight specific trends, challenges, and achievements since FY07. This approach enables NBC and its customers to have better insight and understanding as to how effectively, efficiently, and economically NBC provides shared services. The operational performance analysis described within this report also provides an overall indication of NBC’s performance throughout FY08. Specifically, the efficiency and effectiveness of each Directorate have been presented with particular emphasis on the outputs (production) of those services and the outcomes (value) provided to customers. This report also discusses overall SLA metrics and annual customer satisfaction levels, which are critical outcome based indicators when assessing the performance of a shared service provider such as NBC.

As outlined in this report, NBC has continued to track customer satisfaction performance measures in FY08. Overall, NBC’s customer satisfaction score in FY08 of 69 is on par with the ACSI Federal benchmark of 68. In addition, NBC’s overall SLA performance increased to 94% in FY08 compared to 86% in FY07. The percent of FY08 SLA metrics met were higher than FY07 across almost all Directorates and were a result of NBC’s dedication to continuous improvement and the implementation of quality management measures. Such measures include monitoring customer issues through periodic customer surveys and when issues are identified, promptly implementing a plan of corrective action.

The NBC continued its Quality Management Initiative in FY08, based on the industry ISO9001 standard, to ensure customers received the quality they expect, achieve customer satisfaction objectives, and instill continuous improvement practices throughout NBC.

The NBC’s investment in the advancement of technology for performance management demonstrates its commitment to continuous improvement throughout the entire organization. With the development and implementation of a comprehensive web based performance management tool, NBC will significantly enhance the processes, technology and communication that are critical for an effective and efficient performance management program. Through improved technology, NBC management will have the ability for timely, accurate and reliable performance data to facilitate effective decision making across all operations.

“Blue Ribbon” Services



A number of NBC’s individual Directorates demonstrated the ability to provide exemplary services, as delineated throughout this report with a “blue ribbon.” These exceptional services demonstrate NBC’s ability to successfully provide superior shared services for a wide array of customers, and include the following examples:



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- **AOD** reported zero false positives, and received 100% accuracy on drug tests across all quarters of FY08. In addition, out of the 102,616 drug tests performed in FY08, AOD received 100% of lab results on-time.
- **AMD** performed 100% of inspections on-time and met 100% of its SLA metrics in FY08.
- **AQD** processed 99% of invoices on-time using the GovPay system during FY08.
- **FBD** processed 100% of all Federal vendor payments on-time. FBD met 96% of its SLA metrics in FY08.
- **HRD** surpassed its SLA Goal of 95% of employee calls responded to and resolved on-time, and surpassed its SLA Goal of 90% of system end-user calls responded to and resolved on-time. HRD met 98% of its SLA metrics in FY08.
- **ITD** met 99% of its SLA metrics in FY08.

While these performance results represent a subset of NBC's strong FY08 performance, these results are the most indicative measures of NBC's ability to provide a wide array of premier shared services to a number of customer organizations with varying needs. This report affirms NBC's continued commitment to providing shared services in the most efficient, effective, and economic manner possible. The NBC is committed to working collaboratively with customers to accomplish these objectives.



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3.1 GLOSSARY

Acronym	Definition
ACE	Aviation Centered Education
ACSI	American Customer Satisfaction Index
AMD	Aviation Management Directorate
AOD	Administrative Operations Directorate
AQD	Acquisition Services Directorate
ARRTS	Appraisal Request, Review and Tracking System
BIA	Bureau of Indian Affairs
C&As	Certifications and Accreditations
CAS	Commercial Aircraft Services
CFS	Consolidated Financial Statement
CIO	Chief Information Officer
COR/COTR	Contracting Officer's Representative/Contracting Officer Technical Representative
COTS	Commercial Off-The-Shelf
CRA	Continuing Resolution Authority
CTO	Chief Technology Officer
DOD	Department of Defense
DOI	Department of the Interior
EFT	Electronic Funds Transfer
EODS	Entrance on Duty System
ESE	Electronic Servicing Environment
FAQ	Frequently Asked Question
FBD	Financial Management and Budget Directorate
FBMS	Federal Business Management System
FCD	Federal Consulting Directorate
FFS	Federal Financial System
FISCAM	Federal Information System Controls Audit Manual
FISMA	Federal Information Security Management Act
FPPS	Federal Personnel and Payroll System
FTE	Full Time Equivalent
GSA	General Services Administration
GSS	General Support System
HRD	Human Resources Directorate
IDIQ	Indefinite Delivery/Indefinite Quantity
IMLS	Institute of Museum and Library Services



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Acronym	Definition
IRS	Internal Revenue Service
ISO	International Organization for Standardization
IT	Information Technology
ITD	Information Technology Directorate
LAN	Local Access Network
LMS	Learning Management System
MA	Major Application
MIB	Main Interior Building
NACT	National Appraisal Coordination Team
NBC	National Business Center
NIPTC	National Indian Programs Training Center
OFF	Oracle Federal Financials
OMB	Office of Management and Budget
OPI	Operational Performance Indicator
OPM	Office of Personnel Management
OPR	Operational Performance Report
OWCP	Office of Workers Compensation Programs
PALT	Procurement Administrative Lead Time
PCS	Permanent Change of Station
POA&M	Plan of Actions and Milestones
R&D	Research and Development
SIB	South Interior Building
SLA	Service Level Agreement
SOW	Statement of Work
SSA	Social Security Administration
SSC	Shared Services Center
T&A	Time and Attendance
TDY	Temporary Duty
TMS	Talent Management System
UASFLA	Uniform Appraisal Standards for Federal Land Acquisition
USPAP	Uniform Standards of Professional Appraisal Practice
WAN	Wireless Access Network
WMATA	Washington Metropolitan Area Transportation Authority
WTTS	Workforce Tracking and Transformation System
YCC	Youth Conservation Corporation