

### III. Annual Commitment Process and Measures Central

This section of OCFO's guidance covers two areas:

- A. Performance Tracking and Reporting of FY 2010 Actual Results
- B. Negotiation and Agreement of FY 2011 Performance Commitments.

The Annual Commitment System (ACS) is a part of an important central repository of Agency performance measurement information called Measures Central. For NPM Guidance process, ACS is used to track:

1. Annual headquarters and regional performance commitment information and results
2. Senior Management Measures, an element of the SES performance appraisal process managed by OARM (internal)
3. Internal NPM and Regional measures

These three sets of measures are all part of Measures Central. Overlap between the sets exists as the measures are flagged to meet specific needs, but reporting and tracking of individual measures are entered only one time and pulled for different reporting. User manuals, training materials, data entry requirements, and other information about ACS can be found on OCFO's intranet website at <http://intranet.epa.gov/ocfo/acs>.

#### A. Performance Tracking and Reporting of FY 2010 Actual Results

**Action Requested:** Follow the deadlines and timelines for mid-year adjustments, mid-year and end-of-year data reporting, and analysis of results to ensure accurate and complete reporting. Please refer to OCFO guidance documents on measures governance to improve data quality and reporting.

#### Detailed Information

##### 1. FY 2010 Annual Commitment Measures

The deadline for reaching agreement on FY 2010 performance commitments is October 23, 2009, and unresolved commitments will be subject to an escalation process with Agency senior managers to directly engage in and resolve any remaining issues. There have been numerous discussions over the last several months on the impact of the economy on FY 2010 commitments, particularly in light of tight state budgets. Based on the programmatic discussions between states, regions and NPMs, the FY 2010 commitments should be ambitious but realistic; we expect only a limited number of adjustments at midyear.

OCFO will post regional reports showing the final FY 2010 agreed-upon commitments (those with the "Parties in Agreement" box checked) on EPA's Regional Commitments Quickplace (see sidebar) by November 18, 2009. OCFO expects regions and NPMs to adhere to their FY 2010 commitments, report their progress at mid-year and end-of-year, and to raise performance issues or explain differences that occur between the commitment and actual performance (e.g., using the "Comments" field on the results screen in ACS).

Unfortunately, OCFO has determined that it is not possible to unlock certain fields in ACS to allow minor changes in the system, as requested by NPMs. To protect the integrity of the commitment process, OCFO will continue to use a locking feature in FY 2010 to ensure that final, agreed-upon commitments are not changed. NPMs and regions should use the explanation field to explain if actual results differ from targets. There are many valid and reasonable explanations for missed targets. Missing a target provides an opportunity for an informed discussion among appropriate staff, managers, and partners to understand and address the cause(s) of the unanticipated performance. These comments provide information to help spotlight specific issues that merit management discussion, adjust priorities and strategies, and establish future commitments and targets

As in previous years, OCFO will open ACS for a two-week period in late spring 2010. At that time, NPMs and regions can make mid-year adjustments, in those limited cases where both the NPM and region believe it is significant and critical to make the adjustment. Changes will be kept to a minimum and require NPMs and regions to submit a description of the change and a rationale to OCFO by June 14, 2010. (**Attachment 8**) Furthermore, please remember that *adjustments will be permitted only for commitments not affecting targets corresponding to annual performance goals and measures in EPA's FY 2010 President's Budget, unless there are significant changes in the enacted budget.*

NPMs and regions will enter actual FY 2010 end-of-year data in ACS starting in October 2010 through early November 2010. Similar to the bidding process, regions are required to enter state-by-state, end-of-year performance information in ACS for state grant measures and, where possible, for other measures with state-specific results.

For planning purposes, the milestones chart in this section provides projected dates for FY 2010. Keep in mind that these dates may change to improve alignment with various Agency reporting schedules.

## 2. Performance Reports

OCFO encourages Agency managers and staff to use reports from the Executive Management Dashboard, ORBIT, and ACS to analyze and evaluate performance information tracked in ACS.

### **Regional Commitments Quickplace and Reports for States and Tribes**

#### **What is it?**

EPA's password-protected external website for states and tribes to see annual performance commitments and proposed targets.

#### **Where is it?**

<https://epaqpx.rtp.epa.gov/commitments>

#### **What's in there now?**

Regional reports showing draft and final commitments for FY 2005-FY 2010

#### **What's going to be in there later?**

- Draft FY 2011 commitments (July 2010)
- Final FY 2011 commitments (Oct. 2010)

#### **What will States and Tribes see in reports?**

All NPM annual commitment measures and draft and final commitments involving state or tribal performance contributions.

#### **For more information see Attachment 10**

Starting in December 2009, the Executive Management Dashboard will host OCFO's mid- and end-of-year performance reports. These reports will be updated nightly for all measures within Measures Central. OCFO will continue to publish official reports on a semi-annual basis. ORBIT and ACS produce reports that are similar in content but array the information differently. OCFO recommends the use of ORBIT reports since the reports are easier to run and allow greater flexibility for displaying information, including the use of graphics (e.g., bar charts).

The Executive Management Dashboard is an interactive and comprehensive tool managers can use to make performance-informed decisions. The Dashboard may be accessed at the following link: [portal.epa.gov/ExecMgt](http://portal.epa.gov/ExecMgt).<sup>1</sup> For more information about reports available from ACS and ORBIT, see the ACS intranet website at <http://intranet.epa.gov/ocfo/acs> in "Training Materials, Handouts."

### **3. ACS FY 2010 Mid-Year and End-of-year Reporting**

#### **FY 2010 Mid-Year Performance Measures Report**

The *FY 2010 Measures Central Mid-Year Performance Measures Report* will provide a detailed review of mid-year performance results for annual operating and annual budget measures. Like previous reports, measures that are not on target or that had exceeded targets by the mid-year will be highlighted and analyzed. NPMs will enter performance data into ACS at the end of Q2 FY 2010.

The FY 2010 Mid-Year report will contain analysis, trend data, and improved data quality, as well as highlighting potential end-of-year performance issues. The FY 2010 report also will be available on the Executive Management Dashboard. The Dashboard allows for faster report production and a more accurate display of performance data by the Dashboard's direct linkage to performance databases.

#### **FY 2010 End-of-Year Performance Measures Report**

The *FY 2010 Measures Central End-of-Year Performance Measures Report* will call attention to measures whose targets were not met or significantly exceeded during the fiscal year and guide target-setting for future fiscal years. The timing of the report will correspond with the Performance and Accountability Report (PAR) reporting cycle. The end-of-year report is different from the PAR in that it specifically analyzes **all** annual operating commitment measures and includes regional performance while the PAR focuses on results achieved for annual budget measures only, with a national perspective. Additionally, the end-of-year analysis helps determine reasons why measure targets are missed and met and provides additional context for these results shown in the PAR.

OCFO is currently developing the approach and guidance for the *FY 2009 End-of-Year Performance Measures Report*, and for the first time this report will be available on the executive Management Dashboard. **NPMs and regions will enter actual FY 2009 end-of-year performance data into ACS by November 2, 2009.** Additional guidance and milestones for

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<sup>1</sup> EPA LAN ID and Password required to access the Dashboard

developing the FY 2009 End-of-Year Report will be issued in October 2009 and experiences from this effort will be used to improve the FY 2010 End-of-Year report on the Dashboard.

<b>Key Milestones for the Performance Tracking of FY 2010 Actual Results</b>	
October 23, 2009	NPMs and regions reach agreement in ACS on FY 2010 performance commitments
October 2009	<i>FY 2009 Performance Measures End-of-Year Report</i> guidance issued by OCFO
November 26, 2009	ACS is locked to prevent adjustments to FY 2010 Commitments
December 2009	<i>FY 2009 End-of-Year Performance Measures Report</i> distributed by OCFO and posted on OCFO's intranet website
April 2010	<i>FY 2010 Mid-Year Performance Measures Report</i> guidance issued by OCFO
Late April - mid May 2010	Actual FY 2010 mid-year data entered into ACS
May 28 – June 11, 2010	ACS is reopened to allow a limited number of mid-year adjustments to FY 2010 commitments, only if necessary, and NPMs notify OCFO of these changes and rationale by <b>June 14</b>
Late June 2010	<i>FY 2010 Mid-Year Performance Measures Report</i> released and posted on OCFO's intranet site
October 2010	<i>FY 2010 End-of-Year Performance Measures Report</i> guidance issued by OCFO
October- Early November 2010	NPMs and regions enter actual FY 2010 end-of-year performance results in ACS
Early December 2010	<i>FY 2010 End-of-year Performance Measures Report</i> distributed by OCFO and posted on OCFO's intranet website

OCFO will continue to enhance ACS and develop additional performance reports in ORBIT to provide easier access to and use of performance information. We encourage input from NPMs and regions on the development of these reports, and any suggestions for improvements to the reports or enhancements to the mid-year and end-of-year reports and the Executive Management Dashboard.

## **B. Negotiation and Agreement of FY 2011 Performance Commitments**

**Action Requested:** NPMs and regions should follow guidelines, timeframes, and instructions for developing FY 2011 commitments.

### **Detailed Information**

Regions will establish draft and final performance commitments for FY 2011 jointly with NPMs and with input from states and tribes. Commitments should align with and provide the optional

basis for meeting NPM specific operational measures, the annual targets associated with measures in EPA's *FY 2011 Annual Plan and Budget*, and strategic measures in EPA's *2009-2014 Strategic Plan*. NPMs and regions will agree on final regional commitments in ACS and include any relevant comments or explanations.

As in the past, regions should develop state-by-state and tribal contributions to FY 2011 draft and final commitments, to the extent possible, and enter this information in ACS. This creates additional transparency in the commitment process and allows states and tribes to identify their contributions to achieving regional commitments and NPM goals. NPMs and regions are **required** to enter state-by-state information for state grant measures. For more information on entering state and tribal information into the system, see the *Regional Users Manual* available at <http://intranet.epa.gov/ocfo/acs>.

## **1. Entering FY 2011 Annual Commitment Measures**

Similar to past fiscal years, OCFO will copy FY 2010 annual commitment measures in ACS as draft FY 2011 measures in December 2009. NPMs should then adjust the FY 2011 measures (i.e., edit, delete or add measures) to incorporate any changes to measures, consistent with EPA's *FY 2011 Annual Plan and Budget*, the *2009 – 2014 Strategic Plan*, and NPM specific measure adjustments. OCFO also will copy the same measure assignments for regions, states, and tribes associated with each measure, but without FY 2010 performance information. NPMs and regions should follow OCFO's guidance documents on measures governance to ensure accurate, high quality data for each measure.

NPMs should finalize the text of their FY 2011 annual commitment measures in ACS no later than April 30, 2010. At that time, NPMs must initiate the commitment process in the system by entering a value in the "Proposed Bid" field (including "0," if applicable) for each commitment measure.

## **2. Draft FY 2011 Commitments**

NPMs and regions, with input from states and tribes, may begin negotiations on draft commitments as soon as measures are finalized in ACS. The negotiation should continue through July, when the draft FY 2011 regional performance commitments are due in ACS, reflecting Deputy Regional Administrator (DRA) approval. An email must be sent from the regions to OCFO confirming that the draft regional performance commitments have been entered in ACS and have been approved by their DRAs. Please see specific dates for these processes below.

Similar to the FY 2010 process, OCFO will post a report of external, draft FY 2011 regional performance commitments on EPA's password-protected Quickplace website. Prior to posting on EPA's Quickplace, OCFO will send the reports of the draft FY 2011 regional performance commitments to NPM and regional planning contacts to review for accuracy. Please note that these reports will represent a snapshot of negotiations to date. Regions will engage proactively with states and tribes and encourage them to provide comments on the draft commitments before agreement is reached on the final performance commitments, no later than October 22, 2010. For

more information about the Regional Commitments Quickplace Website, see **Attachment 10**.

### **3. Final FY 2011 Commitments**

After DRA-approved draft regional performance commitments are entered into ACS, NPMs and regions should reach and indicate agreement in the system as soon as commitments are finalized. Regions should ensure that DRAs remain informed throughout the negotiation process and that final bids have fully considered state and tribal comments and cross-program impacts. NPMs are required to consider and respond to all regional commitments within two weeks from the date in which they are entered into the system. Once agreement has been reached, NPMs must close bidding by checking the 'Parties in Agreement' box in ACS.

For those measures that are still being negotiated, regions should enter final FY 2011 bids in ACS no later than October 1, 2010. NPMs and regions should reach agreement on the final FY 2011 commitments in ACS by October 22, 2010, and elevate any outstanding issues to NPM and regional managers. OCFO will run a report of final agreed-upon FY 2011 commitments to be posted on OCFO's Regional Commitments Quickplace Website (after review for accuracy by EPA planning contacts). Any commitments not yet resolved by October 22, 2010, should be brought to the attention of senior NPM and regional management, including the DAAs and DRAs, if necessary, for resolution.

On October 29, 2010, NPMs and regions should send OCFO an email confirming that the final performance commitments in ACS have been approved by their DAAs/DRAs. NPMs and regions should also notify OCFO of outstanding commitments (using **Attachment 9**), and confirm that outstanding commitments have been brought to the attention of their DAAs/DRAs. .

<b>Key Milestones for the Negotiation and Agreement of FY 2011 Performance Commitments</b>	
December 2009	OCFO copies FY 2010 measures into ACS as draft FY 2011 measures.
February 12, 2010	Draft FY 2011 NPM guidance and supporting documents (including: FY 2010 Measures Attachment and Explanation of Key Changes between FY 2010 and FY 2011) due to OCFO
March – October, 2010	Regions engage NPMs, states, and tribes in determining FY 2011 regional performance commitments.
April 30, 2010	Text of FY 2011 commitments finalized by NPMs in ACS; commitment measures opened for bidding.
July 9, 2010	FY 2011 draft regional performance commitments reflecting DRA approval due in ACS
July 12, 2010	Regions send an email to OCFO indicating that draft regional performance commitments have been entered in ACS and have been approved by DRAs.
July – October, 2010	Regions continue to engage NPMs, states and tribes in determining final FY 2011 regional performance commitments.
July 23, 2010	FY 2011 draft annual regional commitments are posted on EPA Quickplace site.
September 17, 2010	Last day for states and tribes to comment on FY 2011 draft regional commitments
October 1, 2010	FY 2011 regional final commitment information reflecting DRA approval due in ACS.
October 22, 2010	NPMs and regions reach agreement in ACS on FY 2011 performance commitments
October 29, 2010	NPMs and regions notify OCFO of any outstanding issues for dispute resolution. NPMs and regions send an email to OCFO indicating that final performance commitments entered in ACS have been approved by DRAs and DAAs and that DRAs and DAAs are aware of unresolved FY 2011 commitments.
November 19, 2010	FY 2011 final commitments (for which agreement was reached) are posted on EPA Quickplace site.
November 26, 2010	ACS is locked to prevent any adjustments to FY 2011 Commitments