EXECUTIVE OFFICE OF THE PRESIDENT
OF THE UNITED STATES

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PRESIDENT'S MANAGEMENT ADVISORY BOARD

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MEETING MINUTES

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FRIDAY
MARCH 27, 2015

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The Advisory Board convened in Room 350 of the Eisenhower Executive Office Building located at 1650 Pennsylvania Avenue, Northwest, Washington, D.C. at 9:00 a.m., Beth Cobert, Chair, presiding.

<u>PMAB Members Present</u>
BETH COBERT, Chair
SAM GILLILAND
JEFF KINDLER
ENRIQUE SALEM
RON WILLIAMS

<u>Staff Present</u>
BRAD GOLSON, Designated Federal Official and Executive Director, President's Management Advisory Board

<u>Administration Officials Present</u>
BETH ANGERMAN, Director of the Office of Financial Innovation and Transformation, Department of the Treasury
TOWANDA BROOKS, Deputy Chief Human Capital Officer, Department of Housing and Urban Development
NANI COLORETTI, Deputy Secretary, Department of Housing and Urban Development
JONATHAN FOLEY, Director, Planning and Policy Analysis, Office of Personnel Management
BRODI FONTENOT, Chief Financial Officer, Department of the Treasury
KRYSTA HARDEN, Deputy Secretary, Department of Agriculture
ELLEN HERBST, Chief Financial Officer and Assistant Secretary of Administration, Department of Commerce

Effective IT delivery is necessary for effective operation of government and the Board continues to do considerable work in smarter IT delivery. Work in benchmarking administrative support functions continues. Chair Cobert has completed the second round of meetings with the interagency management councils. In the first round of these meetings, a database of some 40 metrics for benchmarking was promulgated, virtually all having to do with cost. Most federal agencies are an agglomeration of different activities. Oftentimes, the best comparators are not to be found within the same agency. GSA supported the distribution of a survey to 130,000 federal employees. Response to this survey is sufficient to begin looking at issues around cost and indicators of quality. Senior management hopes to incorporate the results into the budget-formulation process. Work in open data continues. The new US Chief Data Officer is DJ Patil.

Chair Cobert is excited about the continued work having to do with people and culture. The PMAB was instrumental in early work on employee engagement, especially having to do with the SES core. Training programs have been developed, and an SES Advisory Group works to bring more great people into government service and revitalize the brand of SES. The President challenged the Advisory Group to be bold and push harder. Management has created a listserv of all the senior leaders across the federal government.

Agencies are developing awards programs focused on frontline customer service individuals and teams. Nominations will come back toward the end of summer 2015 for Presidential recognition in October. Member Kindler suggested an arrangement wherein one government-wide award is granted, along with other agency-specific ones. That is, agencies could implement their own programs for customer service recognition, using the Presidential awards as a model. Chair Cobert said that is the idea of the proposed plan. An interagency customer service group has been formed in Denver to improve the customer service experience, and Schwab's Denver-based call center has provided lessons learned and best practices. The federal feedback button pilot will roll out soon in both online and non-digital environments. Also, GSA's Freeze the Footprint initiative has entered its next phase: Reduce the Footprint, which is a data-based strategy.

Anne Rung, Administrator of GSA's Office of Federal Procurement Policy (OFPP), provided an update on Category Management. She said she knows of 3300 federal contracting offices around the world; there may be more. These offices duplicate a great deal of effort and offer little visibility into their operations. This results in huge price disparities. Well-intentioned legislation to reform procurements has caused unintended consequences: for example, the proliferation of duplicative IT contracts across federal agencies. OFPP has developed a new model to help manage procurement across 10 super-categories, totaling $270 billion. The model is based on other federal agencies and some private industry models, but is unprecedented with respect to its scale. The question then becomes how to organize and bring transparency to $270 billion in common spend. Ms. Rung's office will tackle the problem utilizing a phased approach: bringing transparency to existing government-wide solutions, yielding price information

this data." Member Kindler reiterated his suggestion that government ask its vendors to provide information on how much it is spending in these categories. Ms. Rung said parsing out IT spends can be difficult, though Level 2 and 3 data will help improve clarity. Member Salem said the complexity of government contracts may make obtaining this type of pricing data more difficult. Member Kindler said rewarding people with shared savings is a good way to drive participation in the program.

Ms. Rung said the Acquisition Gateway is a tool to help support category management and shed light on existing contracting solutions. Oftentimes, government acquisition officers lack pricing data or information on best practices. Laura Stanton, of the General Services Administration (GSA), provided the walkthrough of the application. She said the program will require a massive change effort that will need to occur at two levels: at the institutional level and at the contracting and acquiring officers' level. The theme of the program is "acting as one for smarter acquisition." The tool is aligned to the super-categories. If successful, the application will begin to change the retail behavior of individual acquisitions officers, and also serve as an online community for workers in this area. In response to a question from Member Kindler, Ms. Stanton said uptake of the Gateway has thus far been slow. Users are joining at a rate of 75-100 per week. Transaction tools will be added soon. Member Kindler suggested tracking which agencies use the Gateway and which do not. Ms. Rung said she is considering the question of how to institute category management when managers are often only in place for a couple years. "How do we embed this in the DNA of the federal organization?" Mr. Meiburg, of the Environmental Protection Agency (EPA), said people may be incentivized by perceived scarcity. Holding the status of workers involved in acquisitions in higher esteem would help drive performance. Mr. Mendez, of the Department of Transportation (DOT), noted the importance of implementing policy in this area which will transcend administrations. The benchmarking effort will be challenging but will also provide valuable information for a long time to come. Member Williams said workers and agencies will be better off if they can figure out how to get the work done in a fiscally constrained environment whether or not the policy continues. Member Gilliland said it is very important to get the Acquisition Gateway right.

Chair Cobert thanked those assembled for their comments and introduced Tony Scott, the U.S. Chief Information Officer, who began his position about six weeks prior.

Mr. Scott said his focus, in his limited time in federal service, is shaping up to be "land the plane." That is, good initiatives have started; it is now time to realize them and bring them to scale across government. He has three main areas of focus: 1) Cyber ("from a security perspective, this is the issue of our era"), where efforts thus far have been too siloed and must be thought of from a systems perspective; 2) Cost, focusing on two areas: institutionalizing new ways of developing applications in the federal government, and leveraging data to make it available across government and to the public, and 3) Fostering a people agenda in the context of a generation of IT leaders about to retire. The Digital Services Team helps bring new skills and approaches to federal agencies, and early indications are that it is delivering value. Mr. Scott's office is in the midst of providing guidance on new legislation, FITARA, the Federal Information

customer of shared services. Two factors make this a unique marketplace: the government rarely provides clear price signals, and quality, chiefly pertaining to audit and special program needs. Member Williams encouraged the maintenance of the competitive arena, both for price and for the promulgation of unique competencies. Member Gilliland asked for comment on the business case of moving to payroll shared service. Mr. Mader said cost savings are insufficient on their own; we should also look at cost avoidance, and improved quality and cyber security. Alaina Teplitz of the Department of State said her department provides payroll service for all of its locally engaged staff, approximately 50,000 employees. Chair Cobert said implementing shared services is always harder and more complicated than it sounds.

Employee Engagement
Chair Cobert said a key element of the President's Management Agenda focuses on employee engagement. The Federal Employee Viewpoint Survey (FEVS) is a tool in that process. The FEVS is the "best indicator we have of what we are doing." SES employees now have access to unlocktalent.gov, a great tool, and usage is tracked. Agencies have identified a senior accountable official, responsible for developing their agency's tailored plan for employee engagement.

Department of Education
Andrew Jackson, Assistant Secretary for Management at the Department of Education, said his Department seeks PMAB's insight into some challenging issues it has. Education works to promote the quality and equity of the nation's educational system, employing about 4400 employees. Most of the department's budget is comprised of formula and discretionary grants, and has over $1 trillion in its loan portfolio.

Employee engagement has improved over the last four years, going up four points on the Engagement Index, a subset of the FEVS. Participation at Education in the FEVS is typically between 60-70%, significantly above the government-wide rate. Member Salem recommended use of two polling questions: would you recommend that a friend work here, and how strongly? Member Kindler suggested additional focus on the relationships between supervisors and their employees, because this relationship often is more important than that between employees and senior leadership. Member Williams considers Education employees' views with respect to senior leaders a serious issue. He asked why employees have such a low view of their senior leaders. Mr. Jackson said the Department is wrestling with this question and has formulated some hypotheses to be tested. One theory is that the concept of "senior leader" is not well understood, and that employees may be responding about holders of different offices. Member Williams said the Department's size hinted a large opportunity to impact employees' lives. Mr. Williams said management is struggling with what to do about improving attitudes around senior leadership. Member Williams suggested improving the visibility of senior leaders through site visits and other means, as well as demonstrating that the Department is listening to the feedback it receives from the FEVS. Member Gilliland said improving employee perceptions of senior leaders should be part of senior leaders' performance objectives. This means implementation of quality metrics and perhaps some kind of award system. Communication is crucial to improving employee engagement. Even if not utilized, the opportunity to provide

Ned Holland, of the Department of Health and Human Services (HHS), is creating an exchange program between senior managers in government and the private sector. The goal is to find ways to better create understanding between the public and private sectors. Member Salem suggested increased opportunity for public and private sector leaders to interact with each other. Mr. Holland suggested meetings at the Senior Vice President and corresponding SES levels. Member Kindler expressed his pleasure at the caliber of SES workers he has met at meetings of the PMAB. He endorsed Mr. Holland's idea and suggested these sorts of exchange programs be considered as a PMAB action. Business and government interests too often meet each other on an adversarial basis. Member Williams said that government service for business executives used to be more common; perhaps this practice could be brought back. Chair Cobert noted the presence of the Presidential Innovation Fellows program, but said there are other opportunities not being realized.

Final Comments & Moving Forward
Chair Cobert said PMAB Members can expect some communication from Mr. Golson pertaining to specific items about which PMAB members wish to learn more. Members' timely response will be appreciated.

PMAB will meet again on June 26 and September 11, 2015. The FEVS will be launched in April 2015. Chair Cobert thanked members for the attendance and their thoughtful comments. She also thanked the agency representatives for their participation and good questions.

Adjournment
Chair Cobert adjourned the meeting at 11:59 a.m.