

**National Science Foundation**  
**Advisory Committee for Business and Operations**  
Spring 2017 Meeting

June 20-21, 2017  
Room 1235

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**Tuesday, June 20, 2017**

1:00 pm

**Welcome/Introductions/Recap**

*Co-Chairs: Chuck Grimes and Susan Sedwick*

1:15 pm

**BFA/OIRM/OLPA Updates**

*Presenters: Marty Rubenstein, BFA, Joanne Tornow, OIRM; Karen Pearce, OLPA*

2:00 pm

**Update on the NSF Relocation**

After showing a video tour of NSF's new headquarters, The NSF Relocation Office will update the Committee on the status of the relocation project. The presentation will touch on several topics, including those of interest to the Committee discussed at previous meetings.

- Project Status
  - Buildout
  - Union
- Physical Move
  - Schedule and Logistics
- Strategic Communications
- Employee Engagement
- Post-Move Activities

*Presenter: Brian MacDonald, OIRM*

3:00 pm

**Reforming the Federal Government- Overview**

On April 12, 2017, the Office of Management & Budget (OMB) released a memorandum (M-17-22) for all executive departments and agencies called the "Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce." The memorandum instructs agencies to submit an Agency Reform Plan to OMB as part of the agency's FY 2019 budget submission, with an initial high-level draft due June 30, 2017. In developing these plans, agencies are to consider fundamental scoping questions about the agency's role and responsibilities, what activities it should perform, and how to improve existing business processes.

In a memo to staff, Dr. Córdoba emphasized that this is an important opportunity to think deeply and critically about how we as an organization could transform to support and sustain NSF's long-term research agenda. Dr. Córdoba established the Steering Committee for Agency Reform, co-chaired by Marty Rubenstein and Joanne Tornow, as the primary body charged overseeing the development of the Agency Reform Plan.

Committee Action/Feedback:

The Steering Committee for Agency Reform seeks advice and perspective on how to ensure that NSF moves forward effectively on meaningful reforms. See individual agenda items below for specific questions.

*Presenters: Marty Rubenstein, BFA, Joanne Tornow, OIRM*

3:30 pm

**Break**

3:45 pm

**Conversation with NSF's Steering Committee for Agency Reform**

The Steering Committee is the primary body charged with meeting the requirements of M-17-22, including overseeing the development of the Agency Reform Plan. The Steering Committee will talk about their views on the effort as background followed by interaction and questions with the BOAC.

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4:45 pm

**Reforming the Federal Government- What Does Reform Mean for NSF?**

Committee Action/Feedback:

- How do we overcome barriers to change in light of NSF's decentralized nature and "change-fatigue?"
- What can we learn from past successful change efforts in other federal and non-federal contexts?
- How can we build commitment across all levels of the organization?

*Presenters: Marty Rubenstein, BFA, Joanne Tornow, OIRM*

*Discussants: Adam Goldberg and Jan Jones*

5:45 pm

**Adjourn**

6:30 pm

**Dinner**



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**Wednesday, June 21, 2017**

8:00 am      **Reforming the Federal Government- Reform Implementation**

Committee Action/Feedback:

- How do we engender necessary fundamental change over a sustained period when the perception is that the current effort is driven by crisis?
- How will NSF's highly collaborative environment help and hurt our efforts to implement reform, and how can we leverage the positive aspects of collaboration and mitigate the difficulties?
- What are the research community's expectations for involvement, and what mechanisms are most effective?

*Presenters: Marty Rubenstein, BFA, Joanne Tornow, OIRM*

*Discussants: John Kamensky and Joe Thompson*

9:00 am      **Report from NSF on Implementation of the Recommendations of the Subcommittee on NAPA Implementation Regarding NSF's Use of Cooperative Agreements to Support Large Scale Investments in Science and Technology**

NSF has been reviewing and discussing the March 2017 Report from the BOAC's Subcommittee on NAPA Implementation. This Report provided recommendations for appropriate agency-wide oversight for the NSF Office of the Director (OD) for the following four tasks:

- Re-scope of the role, duties, and membership of the Major Research Equipment and Facilities Construction (MREFC) Panel to include status update reviews of projects in the development and construction phases focusing on cost, schedule, and performance. [NAPA Recommendation 6.2]
- Evaluate the potential value in extending the MREFC Panel's role to operating facilities, including divestment (i.e. full life-cycle).
- Evaluate the potential value in creating an internal agency "senior official" position in OD charged with reporting to the Director and Deputy Director/Chief Operating Officer on large facilities.
- Evaluate the potential value in creating a new Federal Advisory Committee Act (FACA) committee to provide the NSF Director with a sounding board for objective insight on large research projects. [NAPA Recommendation 6.4]

The BOAC will hear from Fae Korsmo, NSF Office of the Director, on the status of NSF's consideration of the Report. NSF will give general feedback and agency reactions to the report and will explain the process NSF is following to implement the report. NSF will identify any recommendations that may constitute "quick wins" will be easy to implement, and also any areas that may need further clarification from the BOAC.

Committee Action/Feedback:

This agenda item is primarily a status report, but the agency seeks Committee discussion and advice on those recommendations that NSF identifies as potentially benefitting from clarification.

*Presenter: Fae Korsmo, OD*

*Discussant: Mike Holland*

9:45 am      **Preparation for Meeting with Dr. Córdova and Dr. Ferrini-Mundy**

10:15 am      **Break**

10:30 am      **Meeting with Dr. Córdova and Dr. Ferrini-Mundy (via WebEx)**

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11:00 am

**Formation of New Subcommittee on NSF's Strengthened Oversight of Large Facility Cost Surveillance**

In January 2015, as part of the resolution of several of audit recommendations in connection with NSF's oversight of Large Facility Awards, the agency's Chief Operating Officer and Audit Resolution Follow-up Official noted that NSF has begun to strengthen cost estimating and cost monitoring oversight procedures and called for increased end-to-end cost surveillance policies and procedures. The COO committed the agency to inviting a qualified third-party organization, with in-depth knowledge of project management cost estimating and cost accounting, to evaluate the results once the strengthened policies were implemented.

NSF seeks to form a subcommittee of the BOAC that would to prepare a report for the Committee that would evaluate NSF's current cost surveillance policies and procedures to ensure that they are sufficient to ensure sound, end-to-end oversight of all NSF Large Facility construction and operations awards.

Committee Action/Feedback:

Committee review and discussion of the Draft Charge, Structure, Timeline, and Proposed Composition of a new BOAC Subcommittee.

*Presenters: Matt Hawkins, BFA and Jeff Lupis, BFA*

*Discussant: Kim Moreland*

11:30 am

**Loose Ends/Wrap Up**

12:00 pm

**Adjourn**



**Fall 2016 Recommendations from the Business and Operations Advisory Committee**

Title	Meeting Date	Recommendation	Date of Mtg	NSF Contact	Status	Explanation/Outcome	Fiscal Year	Theme
NSF Relocation	Fall 2016	Keep up with the Townhall Meetings to update staff on Relocation.	2016 Fall	Tornow;McDonald	Completed	NRO will continue convening monthly Townhall meetings until the relocation begins. Additionally, staff are invited to attend an orientation on their first day of work in the new building.	FY 17	Advice on Relocation;Change Management
NSF Relocation	Fall 2016	Have a SWAT team available to address emerging issues/concerns that were not anticipated in advance. In addition, NSF should have a top 10 list of challenges/complaints related to the new building and how they will address them.	2016 Fall	Tornow;McDonald	In Progress	Staff from NRO, DAS, and DI will meet daily during the relocation (and shortly thereafter) until all issues are resolved.	FY 17	Advice on Relocation;Change Management
NSF Relocation	Fall 2016	Lessons learned exercise should be done after things have settled in the new building, say a year after the move.	2016 Fall	Tornow;McDonald	In Progress	NRO will prepare a lessons learned document with input from all groups that worked on the relocation. Because NRO will "sunset" before the end of CY 2017, the initial draft will be presented shortly after the relocation is complete.	FY 17	Advice on Relocation;Change Management
Strategic Plan	Fall 2016	The strategic planning process (due at OMB May/June 2017) should be integrated with other management related initiatives/activities such as: a) NSF annual strategic review (due in spring/early summer 2017) b) Submission of NSF's first enterprise risk management profiles (due in June 2017). c) Link to NSF's annual performance plan for FY 2018.	2016 Fall	Steve Meacham	In Progress	The strategic plan is still under development. This recommendation is consistent with guidance from OMB that we are following.	FY 17	Advice on Strategic Plan
Strategic Plan	Fall 2016	NSF's Strategic Plan "Excel as a Federal Science Agency" should remain as a strategic goal. The strategic goal should have directionality; it should reflect the science policy that NSF would like to embody.	2016 Fall	Steve Meacham	In Progress	The strategic plan is still under development. The writing team recognizes the value of this advice. The text of the draft of the new plan will be shared after it has been reviewed with OMB.	FY 17	Advice on Strategic Plan
Report of the Subcommittee on NAPA implementation of the National Science Foundation's Business and Operations Advisory Committee,	Spring 2017 (Virtual Meeting)	Subcommittee had been charged with providing options for agency-wide oversight for the OD on four tasks. The subcommittee would put forth a report at the Spring 2017 Virtual Meeting.	2016 Fall	Charisse Carney-Nunes	Completed	After the presentation of the report, the attending BOAC members accepted the results of the report. Currently, the report is being reviewed and under consideration by NSF leadership	FY 17	BOAC Subcommittees
BOAC and Operations of SC - Guidance Document	Fall 2016	Committee recommended adoption of the Guidance document while offered minor revisions to the Guidance document. Once revisions are made, document will be shared by email with the members.	2016 Fall	Charisse Carney-Nunes	Completed	Recommendations were accepted	FY 17	BOAC Subcommittees
Lessons Learned on MREFC projects	Fall 2016	Committee recommends investing in conditions to make community of practices successful with recognition of the critical success factors for building sustainable communities of practice, understanding that this is a pull not a push knowledge sharing model.	2016 Fall	Rebecca Yasky	In Progress	NSF staff participates in various communities of practice (CoPs) with the recommended sharing model. LFO is in the process of documenting these CoPs	FY 17	Advice on best practices
Lessons Learned on MREFC projects	Fall 2016	The Committee supports the recommendation from NAPA and recognizes a formalized Lessons Learned program is an appropriate addition to the requirements of project management for all MREFC projects. The Committee further noted that such a program should be understood as a required component of the alternatives analysis and risk management processes for standard professional project management.	2016 Fall	Rebecca Yasky	In Progress	A preliminary concept for a NSF Lessons Learned program has been developed by LFO. Feedback is being solicited from Recipients and Program Officers.	FY 17	Advice on best practices



FEVS Results	Fall 2016	There are two items from FEVS results that employees were concerned about: security and workload management. Steps should be taken by management to address both of these concerns. In regards to security, issue should be lessened with the move due to enhanced security measures in the new headquarters building.	2016 Fall	Joanne Tornow	Completed	We have started to do planned emergency preparedness drills (shelter-in-place, evacuation), which will continue in the new building. As noted, the new building has a stronger security posture, all of which will be communicated to staff during their orientation to the new facility. Re: workload, we have made this one of the agency-wide focus areas in our NSF employee engagement plan, encouraging each organization to address issues most pressing to them. We also took advantage of the agency-specific questions in the new FEVS to get insight into how employees view their workload, and the stresses associated with it. We are also using the Agency Reform activity to identify ideas that could streamline and simplify processes to reduce workload.	FY 17	Human Resources; Change and Workload Management
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FEVS Results	Fall 2016	NSF should continue to invest in training and resources for supervisors since a strong relationship between employee and supervisor has a strong correlation to employee retention.	2016 Fall	Joanne Tornow	Completed	We are continuing our current investment in training and support for supervisors, which is extensive. In addition, as part of the Agency Reform activity, all agencies are required to develop a plan to maximize employee performance, which focuses heavily on training and empowering managers and supervisors. This offers another opportunity to enhance and highlight our focus on ensuring we have strong and talented supervisors.	FY 17	Human Resources; Change management
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**CFO Update**  
**B&O Advisory Committee Meeting (Spring 2017)**

➤ **BFA Senior Staff Changes**

- Division of Acquisitions and Contract Support (DACS): In October 2016, Ms. Theresa Garnes joined the Foundation as the Contracts Branch Chief, DACS, replacing Greg Steigerwald. Prior to arriving at NSF, Theresa was the Assistant Director in the Office of the Undersecretary of the Navy and comes to us with over 23 years of Federal contracting experience. She holds a Bachelor's degree in Business Administration and a Master's degree in Public Administration. Ms. Garnes is also a graduate of the Federal Executive Institute, and is a Level III certified acquisition professional in Contracting and Level I in Program Management.
- DACS: In December 2016, Keith Boyea replaced Greg Smith as the Deputy Contract Branch Chief. Keith joined the Contracts Branch from the Federal Railroad Administration. He has served as a supervisory contracting officer and has a number of years leading/motivating team members.
- Division of Grants and Agreements (DGA): Denise Martin and Joe Kittle became DGA Branch Chiefs in January, 2017. Denise has a thirty-year career at NSF in positions of increasing responsibility. She has most recently served as a Team Lead in DGA for nine years. Joe has held several positions in DGA during his tenure at NSF. He was most recently a Staff Associate, and also served as a Grant Management Specialist and Administrative Officer.
- Division of Institution and Award Support: The Deputy Division Director became vacant in February and will remain so until we have clearance to fill the position. Ms. Erica Rissi, the former Deputy Division Director, moved to the Division of Human Resource Management/OIRM as an advisor.

➤ **American Innovation and Competitiveness Act (AICA) of 2017 (P.L. 114-329)**

- Signed into law on January 6, 2017, AICA replaces the America COMPETES Act and is a policy bill; it does not authorize funding levels or have an authorization period. The bill is an affirmation of NSF's long-standing peer review process, and addresses the Foundation's implementation of particular issues of importance like increased transparency and accountability, and management of multi-user facilities, among other things. While maximizing research and education opportunities that help create the innovations that fuel our economy and create jobs, AICA also promotes NSF's commitment to diversity in STEM fields, and incentivizes NSF programs which encourage private-sector involvement, while re-affirming NSF's continued commitment to entrepreneurship and commercialization. The full text is available [here](#), and an OLPA presentation with highlights from the bill is [here](#).
- Section 201 of the AICA establishes an interagency working group for the purpose of reducing administrative burdens on federally funded researchers. This could impact NSF operations. There is a similar provision in the [21<sup>st</sup> Century Cures Act](#) that calls for a Research Policy Board; the Director of NSF would be a member.

➤ **NSF Financial Statement Audit**

- The Office of Inspector General (OIG) issued the [FY 2016 Financial Statement Audit Report](#) on January 13, 2017. The OIG's audit contractor, Kearney & Company (Kearney), issued an unmodified opinion on the agency's FY 2016 financial statements. The auditors did not identify

any material weaknesses. The significant deficiency on construction-type cooperative agreements that the auditors had reported in prior years' audit reports was closed. The auditors included a related lower level finding in their Management Letter.

- The auditors reported a new significant deficiency related to information technology access control and monitoring processes. Although management does not agree with the severity of this finding, on March 8, 2017, NSF issued a Corrective Action Plan to the OIG that addressed the findings and recommendations of the significant deficiency. The OIG agreed that NSF's actions resolved the findings and recommendations. NSF is working with the auditors to implement all the agreed upon corrective actions with the goal of closing the significant deficiency.
- On April 26, 2017, Kearney held an entrance conference to kick-off the FY 2017 financial statement audit. Management is working with Kearney to develop an audit timeline that will culminate with the projected issuance of the final audit report by November 15, 2017.

➤ **FY 2016 Improper Payments Elimination and Recovery Act of 2010 (IPERA) Compliance**

- On May 16, 2017 the OIG released the final report for the [Inspection of National Science Foundation's Compliance with the Improper Payments Elimination and Recovery Act of 2010](#). The OIG determined that NSF complied with IPERA reporting requirements for FY 2016 and that NSF has demonstrated strong progress in working toward its next full IPERA risk assessment in FY 2018. There were no findings nor recommendations. Management emphasized its commitment to continue to collaborate with the OIG to implement and document a strong risk assessment in FY 2018.

➤ **Enterprise Risk Management (ERM)**

- In response to the updated [Circular A-123](#), Management's Responsibility for Enterprise Risk Management and Internal Control, NSF has developed a preliminary risk profile.
- NSF's goal is to have meaningful discussions about risk topics that are important to leadership. During March and April 2017, BFA facilitated initial discussions to identify specific risks and group them by risk categories, such as strategic, operational, compliance, and reporting. NSF senior leadership, including the NSF Director, met on April 20<sup>th</sup> to discuss NSF's ERM efforts and their perspectives on ERM priorities. Going forward, NSF will continue to expand its discussions about risk across the agency with the goal of making ERM part of our strategic planning, budget formulation, performance assessment, and quality control improvements.

➤ **Digital Accountability and Transparency Act (DATA Act)**

- On Friday, April 28, 2017, NSF certified data required by the DATA Act, culminating a two-year coordinated government-wide implementation initiative. Certification kicks off a new era of access to government-wide award and financial data for which NSF and other agencies are in the earliest of stages of imagining a use case. Though NSF successfully met the DATA Act's implementation deadline of May 2017, outstanding work and challenges remain. The DATA Act team is actively working with the NSF Internal Controls team to finalize SOPs, which is a key priority now that the DATA Act audit has formally commenced.
- On Thursday, May 25, 2017 the OIG's audit contractor, Kearney, held an entrance conference to kick-off the FY 2017 DATA Act audit. The [DATA Act](#) statute requires the Inspector General of each federal agency to review a sample of the financial data submitted by the agency and report on the completeness, timeliness, quality, and accuracy, as well as the implementation and use of consistent data standards by each agency. The review must be completed by November 2017 and will be published as part of the Agency Financial Report.



➤ **Budget Update: FY 2017 Appropriation**

**FY 2017 Funding Comparison**

(dollars in millions)

		Change over FY 2016 Enacted		Change over FY 2017 Request (Discretionary)	
		Amount	Percent	Amount	Percent
FY 2016 Enacted	\$7,463	-	-	-	-
FY 2017 Request (Discretionary)	\$7,564	\$101	1.3%	-	-
FY 2017 Enacted	\$7,472	\$9	0.1%	-\$92	-1.2%

**National Science Foundation**

by Account

Account	FY 2016 Enacted	FY 2017 Enacted	Change over FY 2016 Enacted
R&RA	\$6,034	\$6,034	-
EHR	880	880	-
MREFC	200	209	9
AOAM	330	330	-
NSB	4	4	-
OIG	15	15	0
<b>TOTAL</b>	<b>\$7,463</b>	<b>\$7,472</b>	<b>\$9</b>

Totals may not add due to rounding.

- On May 5, 2017, the President signed the [Consolidated Appropriations Act 2017](#) including FY 2017 appropriations for NSF of \$7.47 billion. This is the latest NSF has ever received its appropriation. It has created workload pressures given the accelerated critical dates associated with the move.
- Of note, within the MREFC account, the construction of three Regional Class Research Vessels are funded. NSF had requested funds to build two ships.
- As we faced last year, the appropriation for AOAM was less than requested. That means that the agency will, again, utilize its transfer authority to fully cover the costs associated with the relocation to Alexandria.

➤ **FY 2018 Budget Request to Congress**

**National Science Foundation**  
 FY 2018 Request by Account  
 (Dollars in Millions)

<b>Account</b>	<b>FY 2017 Enacted</b>	<b>FY 2018 Request</b>	<b>Change over FY 2017 Enacted</b>	<b>Percent Change</b>
R&RA	\$6,034	\$5,362	-\$672	-11%
EHR	880	761	-119	-14%
MREFC	209	183	-26	-13%
AOAM	330	329	-1	0%
NSB	4	4	-	-
OIG	15	15	-	-
<b>TOTAL</b>	<b>\$7,472</b>	<b>\$6,653</b>	<b>-\$819</b>	<b>-11%</b>

Totals may not add due to rounding.

- On May 23rd, the President’s FY 2018 budget request was delivered to Congress. This budget included \$6.65 billion for NSF, which is an 11 percent decrease from the FY 2017 Enacted funding level. With this proposal, NSF expects to evaluate about 42,100 research grant proposals through a competitive merit review process and make approximately 8,000 research grant awards, with a funding rate of 19 percent.
- While tough choices had to be made, funding will continue to allow NSF to selectively invest in fundamental research and bring together researchers who make the innovative discoveries that will transform our future.
- [NSF’s budget proposal](#) supports underlying investments in basic research and education in areas of national priority, such as cybersecurity and advanced manufacturing. It fully funds construction of three major research equipment and facilities projects (Daniel K. Inouye Solar Telescope, Large Synoptic Survey Telescope, and Regional Class Research Vessels). It also funds a variety of activities related to the Big Ideas that (1) continue the investment in developing the research foundations, including piloting select new programs; (2) build capacity in the research community, and (3) support the community-wide visioning and planning that will be crucial for effective implementation in the future.
- [NSF’s budget hearing](#) before the House Appropriations Subcommittee took place on Capitol Hill on June 7th.

➤ **Issuance of NSF’s FY 2016 Accountability Reports**

- The [FY 2016 Agency Financial Report \(AFR\)](#), focuses on financial management and accountability and was published in January 2017.
- The [FY 2016 Annual Performance Report \(APR\)](#) provides information on the progress NSF has made toward achieving its goals and objectives as described in the agency’s strategic plan and Annual Performance Plan, including the strategic objectives, performance goals, and Agency Priority Goals. The APR was published in May 2017 and is part of NSF’s *FY 2018 Budget Request to Congress*.
- NSF’s [FY 2016 Performance and Financial Highlights](#) report was published in May 2016 and summarizes key financial and performance information from the AFR and APR.

**OIRM Update**  
**for the B&O Advisory Committee Meeting (Spring 2017)**

**OIRM Senior Staff Changes**

- It is with sadness that I inform you that Ms. Amy Northcutt, NSF's Chief Information Officer (CIO), died suddenly on Saturday, May 6, following a brief illness. Dorothy Aronson, Division Director for the Division of Information Systems and Deputy Chief Information Officer, has stepped up to fulfill the CIO responsibilities in the interim.
- In January 2017, our former Deputy Division Director for Human Resource Management, Gerri Ratliff, left NSF. Sanya Spencer, Branch Chief in HRM's Executive Services, is currently acting in that capacity. A vacancy announcement to recruit for a permanent Deputy Division Director is currently posted.

**Federal Hiring Freeze**

- The federal hiring freeze imposed in January 2017 has been lifted, and NSF has restarted hiring. All offices have provided their priority hiring needs to HRM, and they are very busy working with offices to draft and post vacancy announcements.
- NSF will continuously evaluate hiring requests to ensure alignment with NSF's agency reform plans, which are currently under development. The agency reform process will be the topic of a significant part of this meeting's agenda.

**Relocation Update**

- Since our last meeting, the relocation project has moved forward swiftly! Later in the agenda, we'll discuss the relocation, so I will only briefly touch on it here. The project remains on schedule and we will begin the 6-week move of NSF staff on August 24<sup>th</sup>.
- We have completed the last of the 3 phases of relocation negotiations with our Union, AFGE Local 3403, and reached agreement on two key areas during this last phase: impact on employees during the physical move and parking at the new building. We are now working very diligently to develop additional guidance and processes for employees on both issues.
- Exterior construction is complete, and the build-out of the interior space has advanced, with furniture installation already completed on several floors.
- NSF's public space build-out on floors 2 and 3 is progressing, and one feature we are very proud of is our new full-service cafeteria on the 2<sup>nd</sup> floor. The cafeteria will be for use by staff and visitors, and is not open to the public. A variety of food and beverages will be available, to include five different food stations. The cafeteria will also offer take-home dinners, cakes or desserts for special events, as well as catering/light refreshments for NSF meetings/events.
- We began employee tours in April and will offer them through August. As of June 9, 20 tours have been conducted, and 334 employees have participated.

## **FEVS 2017**

- As you may know, the 2017 Federal Employee Viewpoint Survey (FEVS) opened the week of May 8<sup>th</sup>, and will close today (June 20, 2017).
- Last year NSF moved up in ranking to 8<sup>th</sup> among 37 large agencies in both Employee Engagement and Global Satisfaction Indices). Among the 24 CHCO agencies, NSF ranks 4<sup>th</sup> on Employee Engagement (behind only NASA, OMB, and NRC). NSF also improved its ranking in the Best Places to Work lists, moving up to #10 overall among medium-size agencies.
- Like previous years, the survey is again open to all employees who have been onboard since October 31, 2016. NSF again requested a supplemental survey to include IPAs, VSEEs, and temporary employees who were on board as of that date as well.
- NSF has consistently achieved a response rate higher than the government-wide response rate. As of June 14, 62% of NSF staff had responded to the FEVS, keeping the same pace as the last few years. Both OIRM and BFA have some of NSF's highest response rates among Directorates/Offices.
- We anticipate receiving the initial high-level results in the late summer, with agency-specific results expected in the Fall.

## **Employee Engagement**

- NSF has developed and is now implementing an agency-wide *Plan for Engaging the Workforce*. The plan establishes a framework for engagement that will serve as a foundation for agency-wide and directorate action planning.
- The plan focuses on four key areas: career development, performance and recognition, workload, and diversity and inclusion. Executive champions have been established for each of the four focus areas, who will help drive knowledge sharing of promising practices, broader actions for their focus groups, and keeping leadership attention on employee engagement.
- Directorates/Offices completed employee engagement action plans based on 2016 FEVS results. Each organization developed their plan based on the unique needs of their organization, but were asked to include one action or set of actions to strengthen the supervisor-employee relationship. This is a key element of engagement that NSF has been developing through such activities as the Federal Supervisor training course and a revamping of the supervisor onboarding process which is in development.

## **IT Modernization**

- In updates in IT, we have been fully focused on resourcing the relocation to the NSF headquarters in Alexandria, including ensuring that staff will continue to be able to access the IT services they need to do their work during the physical move. As part of this, we are preparing for a "forklift" move of our data center the weekend of July 4. Much of the data center equipment will be moved from Arlington to Alexandria during this time and certain IT services will be unavailable. We have been broadly communicating with staff and the external community about the planned system outages.

- In light of budget constraints in FY 18, NSF is focused on preserving secure, reliable day-to-day operations of our IT systems and services. We also plan to slow, but not stop, IT modernization efforts, while also starting new and emerging efforts at a low level in FY18. We worked with our IT governance bodies and investment stakeholders to determine the IT modernization priorities for FY18, which will focus on reducing the administrative burden to the research community and NSF staff associated with the proposal and award lifecycle.
- We are engaged in continuous, incremental modernization of the systems that support the merit review process. This initiative currently involves over 150 internal stakeholders. The initiative also engages thousands of external stakeholders from a cross section of institutions and roles through various formats. For example, in 2015, NSF surveyed over 115,000 members of the research community with 17,000 responding. This survey was used by NSF to prioritize what should be addressed in the new proposal submission system. In 2016 and 2017, NSF hosted virtual forums to collaborate with the research community with the most recent engaging nearly 1,000 participants. During these forums, NSF is getting specific feedback about the system design of the new proposal submission system which is scheduled to be piloted in Spring 2018.
- We are partnering with NSF's Evaluation and Assessment Capability office to build out NSF's analytics capabilities. We are continuing to treat data as a major Foundation asset and as an important investment area for IT.

### **Green Out 500K Challenge**

- Previously the Division of Administrative Services reported on a new sustainability initiative – the DAS Green Out 500K Challenge. It began as an aggressive goal of disposing of 500,000 pounds of materials before we moved to the new building. We are doing this by scanning and retiring documents, as well as recycling, excessing equipment/furniture and disposing of trash. As of last month, we had disposed of over 247,425 pounds.

### **PrintWise**

- With our move to the new building, NSF is changing the way we print!
- PrintWise is an NSF organizational change campaign designed to help NSF employees and staff print less and make cost-cutting print decisions through simple behavior changes.
- When implemented, NSF will improve upon current printing behaviors, such as more double-sided printing and default to black/white; and eliminate most our personal desktop printers (which is an industry best practice and cost cutting measure) by deploying a 15:1 employee to print device ratio.

**Backgrounder: Spring 2017**  
*NSF Advisory Committee for Business and Operations*

**Nature of Agenda Item:** NSF Headquarters Relocation- Project Update

**Presentation:**

After showing a video tour of NSF's new headquarters, The NSF Relocation Office will update the Committee on the status of the relocation project. The presentation will touch on several topics, including those of interest to the Committee at previous meetings.

- Project Status
  - Buildout
  - Union
- Physical Move
  - Schedule and Logistics
- Strategic Communications
- Employee Engagement
- Post-Move Activities

**Committee Action/Feedback**

None

**Contact Person:**

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National Science Foundation  
OFFICE OF INFORMATION & RESOURCE MANAGEMENT

# Business and Operations Advisory Committee

## Relocation Project Update

Brian MacDonald, OIRM/NRO Relocation Project Manager

People | Place | Technology  
Your Success is Our Success!

Administrative Services  
Human Resource Management  
Information Systems  
Chief Information Officer



# Agenda

- Project Status
- Move Logistics
- Strategic Communications and Employee Engagement
- Staff Support During the Move



National Science Foundation  
OFFICE OF INFORMATION & RESOURCE MANAGEMENT

# Video Tour

[Welcome to NSF!](#)

People | Place | Technology  
Your Success is Our Success!

Administrative Services  
Human Resource Management  
Information Systems  
Chief Information Officer



## Exterior construction of NSF's new is HQ complete!



Office of Information & Resource Management  
**Your Success is Our Success!**

Administrative Services  
Human Resource Management  
Information Systems  
Chief Information Officer



## Project Status

- Interior buildout on budget and slightly ahead of schedule
- Data Center Relocation is 95% complete, with the fork lift move of equipment over July 4<sup>th</sup> weekend
- All phases of Union relocation negotiations are complete
- Six-week move of staff begins on August 24, 2017





# Move Logistics

- Pre-moves for operational readiness begin June 29
- Physical Move of staff begins August 24, according to the six-week schedule
- Staff pack workspace by Thursday, 3 pm, of move week
- Staff report to new building on the following Monday





# Panel/Conference Center Hiatus



Monday, August 28 – Monday, September 4

Office of Information & Resource Management  
**Your Success is Our Success!**

Administrative Services  
Human Resource Management  
Information Systems  
Chief Information Officer



***How are we communicating and  
engaging staff?***

Office of Information & Resource Management  
**Your Success is Our Success!**

Administrative Services  
Human Resource Management  
Information Systems  
Chief Information Officer



# To ensure a successful relocation ...

- NSF Internal Communications
  - Weekly Wire articles, NRO Website updates (videos, photos, info)
- Directorate branding effort
- Town Halls and Directorate Liaison meetings
- Special Events: Vendor Fair, DAS Commuter Fair, Grand Opening Ceremony
- Employee training (both in Arlington and Alexandria):
  - Orientation; DAS Security exercises; job aids; handouts, etc.
- Ongoing employee tours of new HQ
- Developing an NSF Information Guide – desktop reference



# Supporting staff during the move ...

- Move Command Center
  - Coordinated effort among OIRM resources; partnering with NSF offices & representatives
- Daily “Hot Washes”
  - AM & PM meetings for critical support staff to address issues associated with the relocation
  - Assessment of what’s working/what’s not
  - Ideas about how to approach particular issues
  - Timeline for addressing issues
  - Opportunity for incremental improvement with each succeeding move





# Q & A



Office of Information & Resource Management  
**Your Success is Our Success!**

Administrative Services  
Human Resource Management  
Information Systems  
Chief Information Officer

**Backgrounder: Spring 2017**  
*NSF Advisory Committee for Business and Operations*

**Nature of Agenda Item:** Reforming the Federal Government

**Presentation:**

On April 12, 2017, the Office of Management & Budget (OMB) released a memorandum (M-17-22) for all executive departments and agencies called the “Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce.” The memorandum instructs agencies to submit an Agency Reform Plan to OMB as part of the agency’s FY 2019 budget submission, with an initial high-level draft due June 30, 2017. In developing these plans, agencies are to consider fundamental scoping questions about the agency’s role and responsibilities, what activities it should perform, and how to improve existing business processes.

In a memo to staff, Dr. Córdoba emphasized that this is an important opportunity to think deeply and critically about how we as an organization could transform to support and sustain NSF’s long-term research agenda. Dr. Córdoba established the Steering Committee for Agency Reform, co-chaired by Marty Rubenstein and Joanne Tornow, as the primary body charged overseeing the development of the Agency Reform Plan.

The Steering Committee began its work by conducting NSF-wide brainstorming sessions with staff to explore suggestions for agency reform areas for the initial June 30 draft. Those suggestions have been compiled, grouped, and refined into about 20 potential reform areas for consideration by senior leadership.

**Committee Action/Feedback**

The Steering Committee for Agency Reform seeks advice and perspective on how to ensure that NSF moves forward effectively on meaningful reforms.

Reforming the Federal Government – What Does Reform Mean for NSF?

- How do we overcome barriers to change in light of NSF’s decentralized nature and “change-fatigue?”
- What can we learn from past successful change efforts in other federal and non-federal contexts?
- How can we build commitment across all levels of the organization?

Reforming the Federal Government – Reform Implementation?

- How do we engender necessary fundamental change over a sustained period when the perception is that the current effort is driven by crisis?
- How will NSF’s highly collaborative environment help and hurt our efforts to implement reform, and how can we leverage the positive aspects of collaboration and mitigate the difficulties?
- What are the research community’s expectations for involvement, and what mechanisms are most effective?

**Contact Person(s):**

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- Joanne Tornow, 703-292-8100, [jtornow@nsf.gov](mailto:jtornow@nsf.gov)



# Reforming the Federal Government

Overview of Presidential Memo M-17-22,  
“Comprehensive Plan for Reforming the Federal Government  
and Reducing the Civilian Workforce”

ADVISORY COMMITTEE FOR BUSINESS AND OPERATIONS  
SPRING 2017 MEETING

NATIONAL SCIENCE FOUNDATION

# OMB M-17-22: COMPREHENSIVE PLAN FOR REFORMING THE FEDERAL GOVERNMENT AND REDUCING THE FEDERAL CIVILIAN WORKFORCE

## Purpose (from Appendix 4)

"...To identify how [the head of each agency] proposes to improve the efficiency, effectiveness, and accountability of her/his respective agencies. As part of their planning efforts, agencies should focus on fundamental scoping questions (i.e. analyzing whether activities should or should not be performed by the agency), but also on improvements to existing business processes (i.e. proposals to improve the efficiency and effectiveness of agency operations and services through administrative mechanisms)."

## Key Dates:

- June 30, 2017 – High-level draft submission to OMB. Identifies "preliminary areas" for Agency Reform Plan.
- July 2017 – Discussions with OMB: "high-level summary of initial areas where they are developing reform proposals."
- September 2017 – Agency Reform Plan submitted to OMB as part of FY 2019 Budget Submission.
- February 2018 – Release of President's FY 2019 Budget and Government-wide Reform Plan.

# Agency Reform Plan

Proposals to improve effectiveness, efficiency, and accountability

## Human Capital Management

- Plan to Maximize Employee Performance
- Human Capital Operating Plan
- Workforce structure

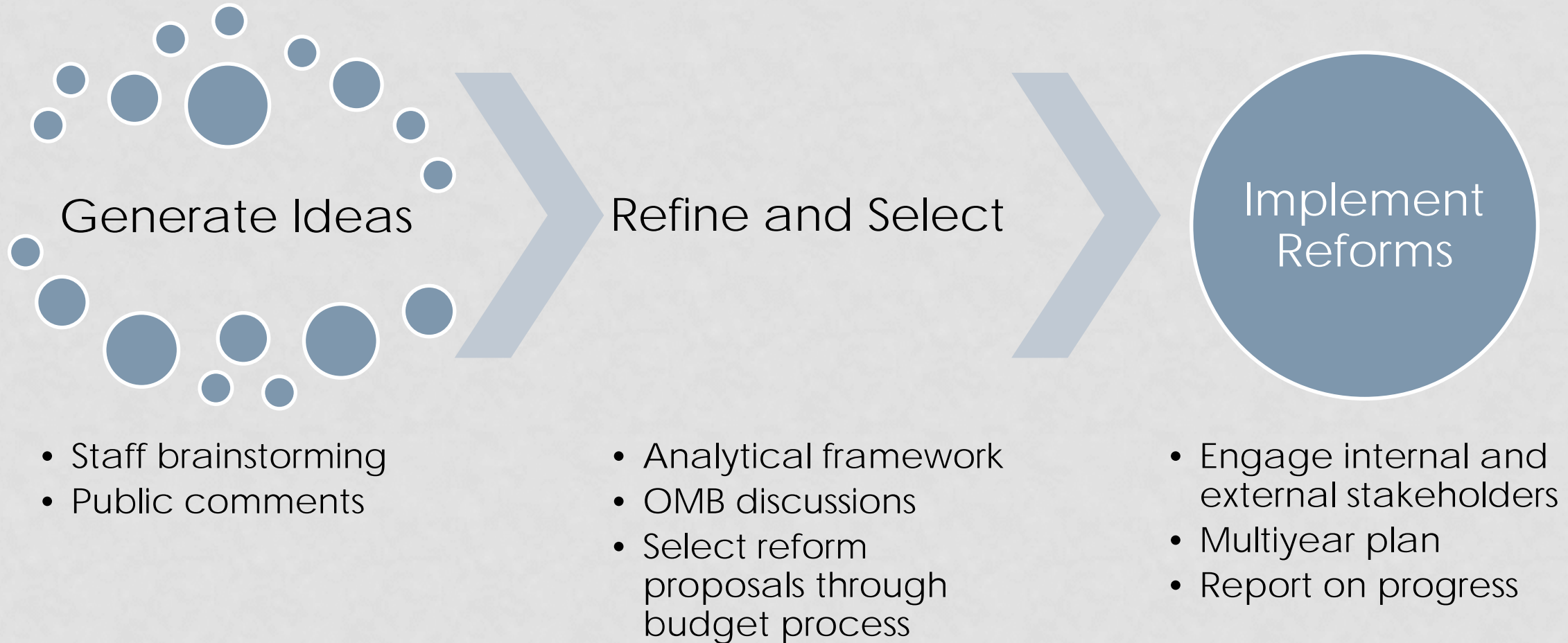
## Budget Process

- FY 2018: President's Budget establishes priorities
- FY 2019: Agency OMB submissions to be aligned with reform plans

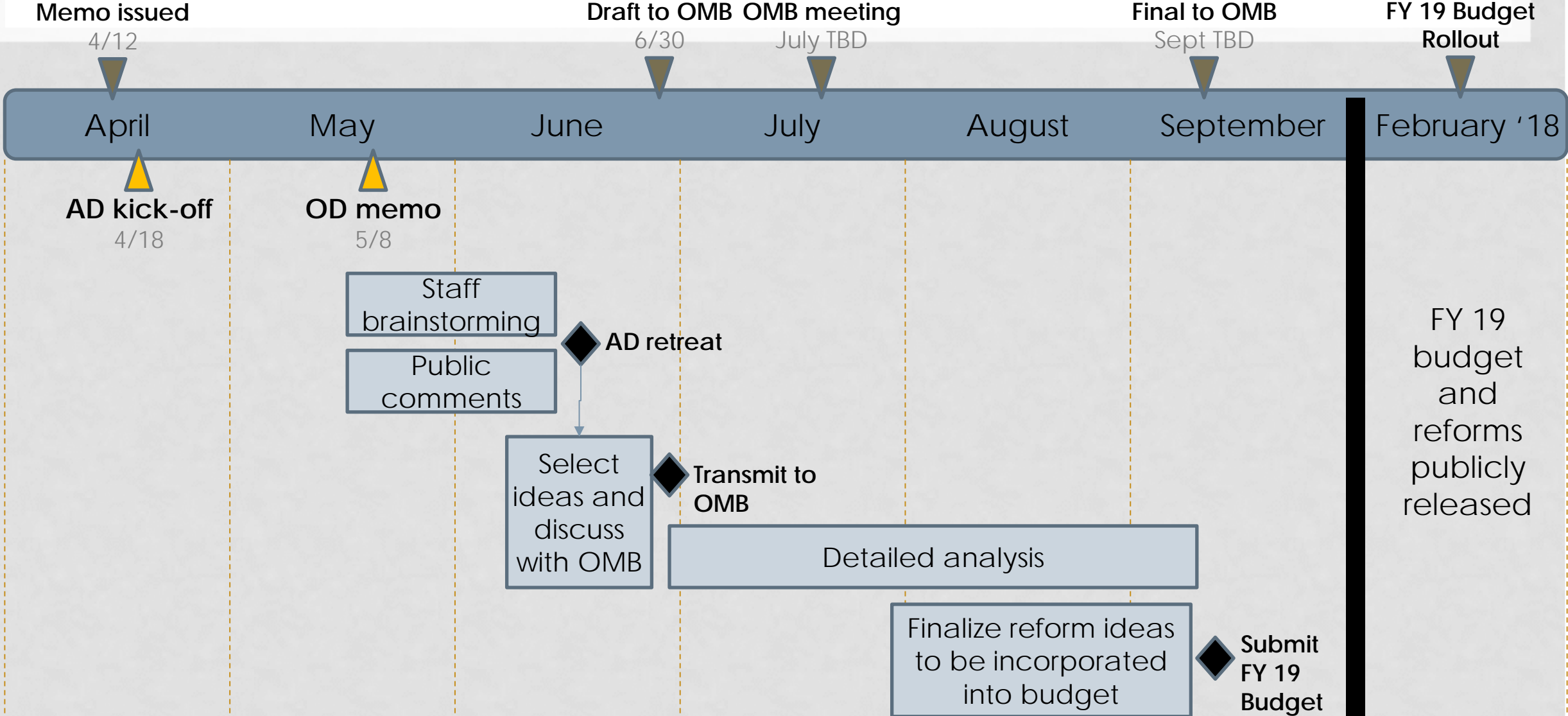
## Strategic Planning and Performance

- GPRA Activities
- Strategic Plan
- Agencies expected to track reforms via performance goals

# NSF APPROACH



# TIMELINE





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

THE DIRECTOR

April 12, 2017

M-17-22

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Mick Mulvaney  
Director

SUBJECT: Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce

**I. Purpose and Scope**

Despite growing citizen dissatisfaction with the cost and performance of the Federal government, Washington often crafts costly solutions in search of a problem. Too often the focus has been on creating new programs instead of eliminating or reforming programs which are no longer operating effectively. The result has been too many overlapping and outdated programs, rules, and processes, and too many Federal employees stuck in a system that is not working for the American people. Through the actions described below, President Trump aims to make government lean, accountable, and more efficient.

To begin addressing this challenge, on January 23, 2017, the President issued a Memorandum (Hiring Freeze PM) imposing a Federal "Hiring Freeze." This ensured immediate action was taken to halt the growth of the Federal workforce until a "long-term plan to reduce the size of the Federal Government's workforce" is put in place. On March 16, 2017, the President submitted his Budget Blueprint to Congress proposing to eliminate funding for programs that are unnecessary, outdated, or not working. Additionally, on March 13, 2017, the President issued an Executive Order (Reorganization EO) directing the Office of Management and Budget (OMB) to submit a comprehensive plan to reorganize Executive Branch departments and agencies.

This memorandum provides agencies guidance on fulfilling the requirements of the Hiring Freeze PM and the Reorganization EO while aligning those initiatives with the Federal budget and performance planning processes. It requires all agencies to:

- Begin taking immediate actions to achieve near-term workforce reductions and cost savings, including planning for funding levels in the President's Fiscal Year (FY) 2018 Budget Blueprint;
- Develop a plan to maximize employee performance by June 30, 2017; and
- Submit an Agency Reform Plan to OMB in September 2017 as part of the agency's FY 2019 Budget submission to OMB that includes long-term workforce reductions. An initial, high-level draft of the Agency Reform Plan is due to OMB by June 30, 2017.

This memorandum also outlines the steps that OMB will take to formulate a comprehensive Government-wide Reform Plan for publication in the President's FY 2019 Budget, including both legislative proposals and administrative actions. This plan will rely on three primary sources of input: Agency Reform Plans, OMB-coordinated crosscutting proposals, and public input.

When implemented, these reform efforts should accomplish the following objectives:

- Create a lean, accountable, more efficient government that works for the American people;
- Focus the Federal government on effectively and efficiently delivering those programs that are the highest needs to citizens and where there is a unique Federal role rather than assuming current programs are optimally designed or even needed;
- Align the Federal workforce to meet the needs of today and the future rather than the requirements of the past; and
- Strengthen agencies by removing barriers that hinder front-line employees from delivering results.

Moreover, this guidance fulfills the requirement in the Hiring Freeze PM for OMB to prepare a long-term plan to reduce the size of the Federal workforce. As a result, the government-wide hiring freeze is lifted upon issuance of this guidance. In place of the hiring freeze, agencies should adhere to the principles, requirements, and actions laid out in this memorandum to inform workforce planning and personnel actions.

## II. Overview & Process

This memorandum focuses primarily on providing guidance that agencies need to develop their Agency Reform Plans. OMB, in coordination with other offices within the Executive Office of the President, will separately manage the development of key crosscutting proposals and solicit input from the public. For planning purposes, this memorandum also provides agencies guidance on aligning actions to develop the Government-wide Reform Plan with the development of the President's FY 2019 Budget and the performance planning requirements of the Government Performance and Results Act (GPRA) Modernization Act of 2010. In developing the Government-wide Reform Plan, the Administration will also work with key stakeholders, including Congress, to develop proposals and ultimately implementation.

Key actions and deliverables are outlined below and Figure 1 provides a graphic of the timeline for these initiatives. A more detailed timeline and other resources are available to Executive branch agencies at <https://go.max.gov/omb/govreform>.

1. **Immediate Actions.** All agencies<sup>1</sup>, in consultation with OMB, will identify and begin taking actions, including developing:
  - a. A plan to maximize employee performance (see section III.D for more detail); and
  - b. An Agency Reform Plan (see section III for more detail).

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<sup>1</sup> For purposes of this guidance, "agency" is defined by section 551(1) of title 5, United States Code, consistent with the definition in the Reorganization EO. All agencies, boards, and commissions must submit Agency Reform Plans in September 2017, unless OMB has granted an exception. Limited exceptions will be granted on a case-by-case basis. OMB will meet in July with CFO Act agencies and a limited number of other agencies.



2. **Planning Aligned with the President's FY 2018 Budget.** The President's FY 2018 Budget request to Congress will propose decreasing or eliminating funding for many programs across the Federal government, and in some cases redefining agency missions. The President's FY 2018 Budget should drive agencies' planning for workforce reductions and inform their Agency Reform Plans, consistent with final 2017 appropriations and current applicable legal requirements. OMB and the Office of Personnel Management (OPM) will work with agencies to facilitate reductions in the size of their workforce and monitor progress.
3. **OMB/Agency Reform Plan Meetings.** By June 30, 2017, agencies will provide OMB:
  - a. A high-level draft of their Agency Reform Plan that includes the Areas the agency is developing for their reforms;
  - b. Progress on near-term workforce reduction actions; and
  - c. A plan to maximize employee performance.

In July 2017, in lieu of the FedStat and Strategic Reviews that normally occur during the summer, OMB will meet with Chief Financial Officers (CFO) Act agencies (list of agencies available on the MAX site) and a limited number of other agencies to discuss these items. These discussions will serve as a forum for OMB to provide feedback, which agencies can incorporate into their draft Agency Reform Plans due in September to OMB. During these meetings, agencies and OMB will also identify actions that can be implemented immediately.

To frame the discussion, agencies should provide a high-level draft strategic plan (i.e., draft strategic goals and objectives areas). Agencies should consult with OMB Resource Management Offices (RMOs) on the necessary level of detail to appropriately frame the Reform Plan meetings, and agencies may discuss with OMB an alternate submission timeline of the draft strategic plan where needed (additional detail available on the MAX site). Following the release of this memorandum, OMB may also provide agency-specific guidance on areas agencies should be prepared to discuss in July. OMB will also coordinate public input as required by the Reorganization EO and share the public feedback with agencies as appropriate for their consideration.

4. **Additional Actions.** Following the meetings in July, agencies will take actions to implement agreed-upon reforms, while continuing to assess reform options for inclusion in the Agency Reform Plan and the FY 2019 Budget. This will include near-term actions to reduce the cost and size of the Federal Civilian workforce (see section III).
5. **Crosscutting Reform Proposals.** In addition to agency-specific reform proposals, OMB will work with agencies and key stakeholders to develop reform proposals that involve multiple agencies. Examples of crosscutting reforms may include areas where market or technology changes allow a service to be delivered more efficiently, such as by a shared service provider, or where multiple Federal agencies interact in fragmented or duplicative ways with State, local, and Tribal governments or other stakeholders. These actions could

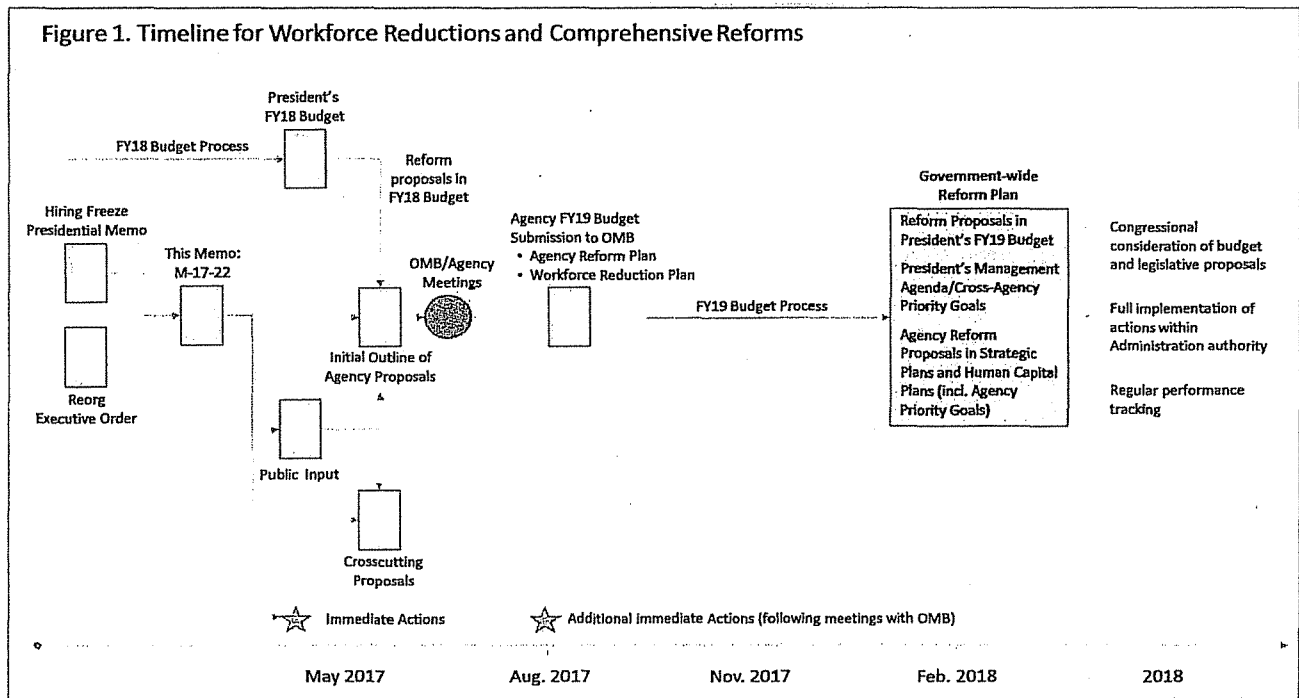


also include merging agencies, components, programs, or activities that have similar missions.

6. **Submission of Agency Reform Plans to OMB.** As part of their FY 2019 Budget submissions to OMB in fall 2017, agencies will submit their proposed Agency Reform Plans to OMB. The Agency Reform Plans must include proposals for the agency's long-term workforce reduction plan (section III.D for more detail) and be aligned with the draft agency strategic plan. When developing their Agency Reform Plan in coordination with OMB, agencies should consult with key stakeholders including their workforce. OMB will work with agencies to finalize these plans as part of the development of the President's FY 2019 Budget.
7. **Finalization of the Government-wide Reform Plan.** OMB will release the final Government-wide Reform Plan as part of the President's FY 2019 Budget request to Congress. The Government-wide Reform Plan will encompass agency-specific reforms, the President's Management Agenda and Cross-Agency Priority Goals, and other crosscutting reforms. The final reforms included in the Government-wide Reform Plan and the President's FY 2019 Budget should be reflected in agency strategic plans, human capital operating plans, and IT strategic plan. Agencies will begin implementing some reforms immediately while others will require Congressional action.
8. **Performance Tracking and Accountability.** Starting in February 2018, OMB will begin tracking progress on the Government-wide Reform Plan. Sections of the Government-wide Reform Plan will be tracked through the Federal Performance Framework, including on Performance.gov. This will include periodic progress updates from agencies and oversight by the President's Management Council, as appropriate. This includes public reporting of workforce reductions in all major agencies.

Figure 1 provides agencies an overview of the process and timeline for developing and implementing reform actions.

Figure 1. Timeline for Workforce Reductions and Comprehensive Reforms



Agencies are encouraged to consult regularly with OMB during the development of these proposals to ensure they are aligned with Administration policy.

A detailed timeline is available to Executive Branch agencies on the MAX site.

### **III. Components of Agency Reform Plans & the Government-wide Reform Plan**

The purpose of the Agency Reform Plan is for the head of each agency to identify how she/he proposes to improve the efficiency, effectiveness, and accountability of her/his respective agencies. As part of their planning efforts, agencies should focus on fundamental scoping questions (i.e. analyzing whether activities should or should not be performed by the agency), and on improvements to existing business processes. Additional information on the format of the Agency Reform Plan is available on the MAX site.

**Analysis:** Agencies should develop an analytical framework that looks at the alignment of agency activities with the mission and role of the agency and the performance of individual functions. This framework should result in appropriate proposals in four categories: eliminate activities, restructure or merge, improve organizational efficiency and effectiveness, and workforce management. An example of a simplified analytical framework is available to Executive Branch agencies on the MAX site.

Agencies should consider a number of factors when conducting analysis, including:

<b>Factor</b>	<b>If...</b>	<b>Then explore options to...</b>
<b>Duplicative</b>	Some or all of the mission functions or administrative capabilities of an agency, component, or program are needlessly redundant with those of another agency, component, or program	Eliminate or merge
<b>Non-Essential</b>	The service, activity or function is not core to the agency's mission or obsolete	Eliminate
<b>Federalism (Appropriate Federal role)</b>	Some or all of the services, activities or functions could be better performed by another entity, such as State/local/Tribal government or the private sector	Eliminate or restructure
<b>Cost-Benefit</b>	The costs of continuing to operate an agency, a component, or a program are not justified by the unique public benefits it provides	Eliminate, merge, restructure, improve efficiency and effectiveness

Factor	If...	Then explore options to...
	The long-term savings from shutting down or merging agencies, components, or programs - including the costs of addressing the equities of affected agency staff - are greater than the expected costs	Eliminate or merge, improve efficiency and effectiveness
<b>Efficiency and Effectiveness</b>	The agency, component, or program – based on the available body of evidence and historical performance data – is ineffective or inefficient (e.g. struggles to make decisions and execute)	Eliminate, restructure, improve efficiency and effectiveness, improve workforce performance/ accountability, or enhance evidence-building
<b>Customer Service</b>	The agency, component, or program can be redesigned to better meet the needs of the public and partners in service delivery in a more accessible and effective manner	Restructure, improve efficiency and effectiveness

When justifying proposals to OMB, agencies should be prepared to discuss how they conducted their analysis and provide relevant evidence. For instance, agencies should consider multiple sources of information such as GAO annual report on Government Efficiency and Effectiveness, IG reports, and evaluations. A more detailed list of possible data sources are available on the MAX site. Agencies should also review decisions and policy proposals included in the FY 2018 Budget and be consistent with forthcoming OMB guidance on the FY 2019 Budget.

The following sections provide additional guidance on each category of reform proposals to be included in Agency Reform Plans. In each of these categories, agencies should consider reforms that require legislation as well as those that can be accomplished through administrative action.

#### **A. Eliminate activities**

##### Eliminate an agency, programs, or activities through legislative changes or executive action.

Agencies should identify areas to eliminate activities that are not core to the agency's primary mission and/or are needlessly redundant. When developing reform proposals Agencies should leverage the FY 2018 President's Budget as well as consider areas beyond those included in the budget. Consideration should be given to activities that are no longer necessary in today's society, or where there is another entity that may more appropriately fulfill part or all of the role, such as the private sector, another Federal program, or another level of government. Proposals can include changes to current law, regulations, Executive Order, Presidential Memoranda, government-wide guidance, agency Secretarial Order, or other agency guidance or directive.

Reporting Burden Reduction. As agencies develop their Agency Reform Plan, OMB will also look for opportunities to eliminate or streamline agency reporting burden. Specifically:

- Each government-wide management council (CXO) Council will identify additional policy and regulatory reporting requirements that are low-value, duplicative or no longer necessary for their management function for submission to OMB.<sup>2</sup>
- Within 60 days of this memorandum, OMB – in coordination with agencies that place reporting and compliance requirements on other agencies – will identify initial reporting activities that can be immediately stopped or modified to reduce reporting and compliance burden.
- In accordance with the GPRA Modernization Act of 2010, agencies should also include with their FY 2019 Budget submission a list of statutorily required reports they believe should be eliminated or modified by Congress.

## **B. Restructure and merge activities**

While some activities may be eliminated, agencies should also assess what activities can be restructured, streamlined, and merged to:

- Align the agency organizational structure with the agency core mission and strategic plans;
- Improve the efficiency, timeliness, and quality of services;
- Improve organizational decision making;
- Improve coordination and information sharing across existing silos, (including identifying statutory barriers to data sharing);
- Reduce duplication of activities or functions across multiple parts of the organization;
- Eliminate unnecessarily redundant levels of management or administrative support; and
- Provide managers greater freedom to manage administrative tasks efficiently.

Restructure and merge agencies, components, programs or activities through legislative changes or executive action. Agencies should assess activities within or across agencies to identify areas where merging or relocating agency activities may lead to cost savings, improved service delivery and outcomes, and/or better customer experience. This can include changes to current law, regulations, Executive Orders, Presidential Memoranda, government-wide guidance, agency Secretarial Orders, or other agency guidance or directives.

## **C. Improve organizational efficiency and effectiveness**

When developing their Agency Reform Plan, agencies should consider proposals in the following categories, as appropriate:

- Better leverage technology and improve underlying business processes. Agencies should identify opportunities where adopting new technology will automate processes and result in increased efficiency and budgetary savings.

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<sup>2</sup> The CXO councils include the President's Management Council (PMC), Chief Acquisition Officers (CAO) Council, Chief Financial Officers (CFO) Council, Chief Information Officers (CIO) Council, Chief Human Capital Officers (CHCO) Council, and the Performance Improvement Officers (PIO) Council. For more information on these councils, please see: <https://www.gsa.gov/portal/category/101095>.

- Streamline and eliminate processes. Agencies should explore opportunities to redesign processes to serve customers more effectively and/or to eliminate unnecessary steps that do not add value.
- Shift to alternative service delivery models. Agencies should rethink how the Federal government can deliver services to its customers, and evaluate options on both cost and quality dimensions. Options include, but are not limited to:
  - Delegating responsibilities to State, local, and Tribal governments and/or increase flexibility for other levels of government;
  - Implementing requirements in a less burdensome way;
  - Providing online service delivery;
  - Aligning complementary processes and functions across agencies, such as field staffing and technical assistance; and/or
  - Co-locating offices either intra-agency or inter-agency to save administrative and facilities costs.
- Streamline mission-support functions. In areas such as IT, acquisition, financial management, human resources, and real estate, agencies should look for greater efficiency while maintaining or improving quality.

Agencies should consider leveraging:

- Intra- and inter-agency shared services/centers of expertise;
  - Lines of Business or shared IT infrastructure;
  - External service providers, including those providers on best-in-class contracts as part of the category management effort; and
  - Outsourcing to the private sector when the total cost would be lower or insourcing a function to government where a contract can be eliminated or scaled back.
- Leverage Existing Solutions for Common Requirements: Agencies should consider government-wide contracts for common goods and services to save money, avoid wasteful and redundant contracting actions, and free-up acquisition staff to accelerate procurements for high-priority mission work. To the maximum extent practicable, especially for the acquisition of common goods and services, agencies shall use existing contract solutions such as:
    - Federal Supply Schedules;
    - Government-wide acquisition contracts;
    - Multi-agency contracts; and
    - Any other procurement instruments intended for use by multiple agencies, including “Best in Class” (BIC).

In addition, agencies should control spending by better managing demand and consumption. For example, this can be done by consolidating information technology infrastructure requirements, purchasing standard configurations for common requirements, participating in volume buying events, and applying best commercial buying practices.

- Build and use a portfolio of evidence to improve effectiveness. Agencies should propose strategies to use limited resources as smartly as possible by asking: what works, for whom, and under what conditions; whether programs are being implemented effectively; and how programs can be improved to produce better results. Evidence may include results from program monitoring and evaluations, performance measures, statistics, and other forms of research and analysis. More detail and examples is available to agencies on the MAX site.

**D. Workforce management: Improve performance, increase accountability, and reduce costs**

As noted earlier, this memo requires agencies to take near-term and long-term steps to reduce the size and cost of the Federal workforce. Specifically, agencies must:

- i. Begin planning for FY 2018 budget reductions where applicable;
- ii. Develop a long-term workforce reduction plan as part of their FY 2019 Budget submission to OMB; and
- iii. Develop a plan to improve the agency's ability to maximize employee performance for submission to OMB by June 30, 2017.

This section provides additional detail on these requirements.

**i. Plan to implement the FY 2018 President's Budget.**

To support the goals of the FY 2018 President's Budget Proposal, OMB directs agencies to identify workforce reductions over a four-year period (FY 2018 through 2022) consistent with discretionary outyear levels included in the FY 2018 Budget this spring and forthcoming OMB guidance on FY 2019 Budget submissions. Agencies should begin planning for these reductions now, as achieving associated personnel reductions takes time to implement and realize savings.

To facilitate any necessary reductions, OPM will provide streamlined templates to agencies for requesting approval to offer Voluntary Early Retirement Authority and Voluntary Separation Incentive Payments (VERA/VSIP) and OPM will provide expedited reviews for most requests within 30 days. However, eliminating unnecessary vacant positions can begin immediately. Additionally, in a manner consistent with current law, agencies should undertake a review of all employees on administrative leave because of performance deficiencies or misconduct to determine whether those individuals should be returned to work and assigned alternative duties, or subjected to other appropriate action, up to and including removal. In addition, in cases where performance-deficient employees are reassigned or detailed to other duties, agencies should ensure that such assignments are contributing to the agency's ability to carry out its mission, and are not used simply as an alternative to avoid or delay holding an employee accountable. Please visit [www.opm.gov/reshaping](http://www.opm.gov/reshaping) for a detailed resource guide on workforce restructuring options.

**ii. Develop a long-term workforce reduction plan.**

As part of their Agency Reform Plan and FY 2019 Budget submission to OMB, agencies should identify long-term staffing plans by considering the following:

- Use agency data to determine appropriate FTE baselines. Agencies have the ability to use various data sources including career field benchmarking, time studies, etc., to determine the appropriate staffing levels for different programs to accomplish their objectives. Instead of relying on previous budget allocations that set FTE levels, agencies should better examine how many people are required to perform tasks at the level required.
- Examine the total personnel cost. Agencies need to examine the total cost of their personnel and not only the number of employees. Staffing levels may not present the full picture of whether an agency's workforce is optimally structured. For example, there are situations where it may be more efficient to restructure duties to enable additional lower-graded employees to do lower-level work previously assigned to higher-graded positions, and consolidate the higher-graded work into fewer positions. Employee-related costs include not only total salary and benefits, overtime, training, awards, career ladder progression, but also employee services, and office expenses.
- Review and revise (as needed) organizational design and position structures to ensure they are effective and efficient in supporting delivery of the organization's work and mission. Ensure that spans of control and delegations of authority are optimized to accomplish the work with the fewest amount of management layers needed to provide for appropriate risk management, oversight, and accountability. In particular, agencies should address deputy positions, lower level chief of staff positions, special projects, and management analysts that may duplicate the work performed in such areas as procurement, human resources, and senior management.
- Streamline policy creation by eliminating the common tendency to recraft/restate policy for a component or regional office. For example, many bureaus have staff in administrative functions such as human resources and financial management that customize agency-wide policies when it may be more efficient to use agency-wide policies as-is, while other agencies have staff in each field location write local policy on the same subjects even where unique local or regional expertise is not needed.
- Review positions as they become vacant to determine:
  - Whether the duties of the position, qualifications and skills requirements, or organizational placement of the duties reflects current mission needs;
  - Whether duties can be reassigned to lower organizational levels and replacement, if needed, at a lower grade; and
  - How any appropriate changes to the position can be accomplished in a timely and efficient manner.
- Keep positions current. Agencies should assess how technology may have changed or eliminated the need for some positions. Agencies should build in flexibility to adapt to ongoing technological advances while offering separation incentives as needed to create openings. Fields undergoing rapid transformation or availability of shared services, include but are not limited to:
  - Database administration;
  - Invoice processing;



- Human resources transactional services;
- Financial management; and
- Management analysts.

Agencies will work with their OMB RMO to develop their Agency Reform Plans, including workforce reshaping priorities, but the agency head retains approval authority for the final workforce plan and the workforce reshaping strategies that may be needed to implement the plan. Agencies may also consult with their OPM points of contact and subject-matter experts on workforce reshaping strategies and approaches, particularly in areas where OPM approval may be needed (e.g., use of VERA). Agencies are also encouraged to submit suggestions to OPM for specific statutory and/or regulatory reforms that may be helpful to addressing workforce challenges.

### **iii. Plan to maximize employee performance.**

As agencies are developing long-term plans for reducing the size of the workforce, they should also take near-term actions to ensure that the workforce they retain and hire is as effective as possible. Agencies should determine whether their current policies and practices are barriers to hiring and retaining the workforce necessary to execute their missions as well appropriately managing and, if necessary, removing poor performers.

Agencies should also ensure that performance expectations are appropriately rigorous, aligned to the work that needs to be done and the grade of the employee, and effectively communicated. Regular, ongoing performance feedback should be provided. Moreover, agencies should ensure that managers have the tools and support they need to manage performance effectively to achieve high-quality results for the American people. It is important that managers recognize high performers, help employees identify and address areas in need of improvement, and move quickly to address employees who are not meeting performance expectations.

By June 30, 2017, as an immediate and near-term government-wide workforce priority, all agencies must develop a plan to maximize employee performance by reviewing the systems and structures currently in place within their agencies to support managers in managing employee performance, and developing a timeline for improvement. At a minimum, agencies must address the timeline and implementation actions for agencies to accomplish the following five actions:

1. **Review and Update Formal Agency Policy.** Agency timelines must include a process for reviewing and updating (or creating, if one does not already exist) the agency's policy, procedures, and guidance on how to address poor performance and conduct. Agencies should specifically review whether their policies create unnecessary barriers for addressing poor performance. Agencies should remove steps not required in statute/regulation to streamline processes to the maximum extent. In addition, as required once the Administrative Leave Act implementing regulations are finalized, policies should incorporate expectations for limiting the use of unnecessary administrative leave and lay out alternatives (such as assigning other work). Agencies should also provide clear guidance on the use and requirements associated with performance improvement plans. If overarching policy cannot be created for an entire agency, it should be developed at the

highest major component level possible. Policies should be created and endorsed by the agency's Chief Human Capital Officer and General Counsel (or small agency equivalent), in consultation with the agency's Equal Employment/Civil Rights Office and Labor Relations Office.

2. Provide Transparency around the Performance Improvement Plan (PIP) Process. Agency submissions must include a timeline for providing all supervisors a copy of the rules and guidance regarding performance improvement plans (PIP) pursuant to 5 U.S.C. Chapter 43 (noting PIPs can be started at any point and not just at the end of the rating period) as well as guidance on how unacceptable performance can be addressed pursuant to 5 U.S.C. Chapter 75. Agencies will maintain data on PIPs, including the number of employees placed on them and the number who successfully improve performance.
3. Ensure Managers and Supporting HR Staff are Appropriately Trained. Agency submissions must include a timeline for all Senior Executive Service (SES) members, supervisors, managers, team leads, and any personnel involved in employee relations to complete training on managing employee performance and conduct. Please refer to OPM's website for current online courses, as well as reports from MSPB and GAO, and regulatory requirements for training and development of supervisors, managers, and executives at 5 C.F.R. 412.202.
4. Ensure Accountability in Manager Performance Plans. Agency submissions must include a timeline for how they will ensure that supervisors and managers are held accountable for managing employee performance and conduct, including reviewing and updating (if necessary) supervisors' and managers' performance plans.
5. Establish Real-Time Manager Support Mechanisms. Agency submissions must include a timeline for agencies to identify approaches and plans for providing accessible and "just-in-time" expert assistance and guidance to managers who are addressing performance/conduct issues. These mechanisms should include a real-time forum (e.g., dedicated contact support lines) for managers to receive guidance on addressing performance or conduct issues that require immediate action. Agencies ultimately have discretion to design these mechanisms. The following Manager Support Board structure would meet this requirement:
  - a. Establish a Manager Support Board comprised of internal experts on employee and labor relations, who may request policy guidance or technical assistance from OPM or other lead agencies if needed;
  - b. Have at least one non-HR senior management member with experience/expertise to help provide coaching/support on techniques and approaches for managing employee performance, even if not on the specific case;
  - c. Operate as close to the regional/division level as feasible;
  - d. Publicize points of contact where managers can go to receive prompt guidance or provide frequent and regular open-meeting times for any managers with questions to receive immediate guidance on appropriate next steps; and
  - e. Establish regular check-ins with managers currently working on a case to ensure either the employee is improving or steps are being taken towards an appropriate disciplinary action.

When developed and executed in concert, these five actions and others agencies may identify will provide supervisors with the policies, processes, and tools to be empowered, and held accountable, for managing employee performance such as by an improvement on the Federal Employee Viewpoint Survey (FEVS) questions on addressing employee performance. The guidance in this memorandum must be implemented consistent with requirements imposed by applicable current collective bargaining obligations.

In accordance with 5 C.F.R. Part 250, agencies will subsequently further develop the plan as needed and may incorporate it as a government-wide workforce priority into their Agency Strategic Plan and/or Human Capital Operating Plan, which will be published in February 2018. Of note, agencies must meet any lawful collective bargaining obligations related to their workforce accountability and performance management efforts.

For more information, Executive Branch agencies may visit the MAX site to view examples throughout government where departments/agencies are already successfully using these various strategy elements to positive effect.

#### **IV. Performance Tracking and Accountability.**

Once the Government-wide Reform Plan is finalized, OMB, in coordination with the President's Management Council, will establish a mechanism to track the progress of each reform. The tracking mechanism will leverage the existing Federal Performance Framework as established by the GPRA Modernization Act of 2010, such as the Cross-Agency Priority Goals, Agency Priority Goals, annual Strategic Reviews, and Performance.gov. More guidance on the specific tracking method is forthcoming.

# Steering Committee on Agency Reform

## Committee Members

### Co-Chairs

**Martha “Marty” Rubenstein** is Office Head, Office of Budget, Finance and Award Management (BFA) and Chief Financial Officer (CFO). Prior to becoming CFO she served as Office Head of the Budget Division, BFA, since September 1997. That tenure included a sabbatical at Stanford University in 2006-2007.

She began her Federal career at the Bureau of Labor Statistics, Department of Labor, responsible for budget analysis and management information systems development. She then served at the Office of Management and Budget, Executive Office of the President (OMB) and directed OMB's decision support system. She oversaw the system's design and enhancement and its use in supporting OMB's government-wide budget exercises. She was also OMB's fiscal liaison to Vice President Gore's National Performance Review.

Ms. Rubenstein earned a BSBA in Finance and Economics at The American University and a MBA in Information Systems Management at the George Washington University. She was also honored by President Bush in 2002 as a recipient of the Presidential Rank Award for Meritorious Executive.

**Joanne Tornow** joined the National Science Foundation (NSF) in September 1999 as a Program Director in the Division of Molecular and Cellular Biosciences (MCB), Directorate for Biological Sciences (BIO). Since joining NSF, Dr. Tornow has served with distinction in multiple program and leadership positions, including Program Director in BIO/MCB, Staff Associate in the Office of the Director, Senior Advisor to the Assistant Director in BIO, Acting Division Director in BIO/MCB, Acting Executive Officer in BIO, Deputy Assistant Director for Social, Behavioral and Economic Sciences (SBE), and Acting Assistant Director for SBE.

In December 2014, Dr. Tornow was appointed as NSF's Chief Human Capital Officer and Head of the Office of Information and Resource Management, overseeing information technology, human resource management, and administrative services for the agency.

Prior to joining NSF, Dr. Tornow served as Associate Professor of Biological Sciences at the University of Southern Mississippi, spent a year in the U.S. Senate and a year at the White House Office of Science and Technology Policy on an American Association for the Advancement of Science (AAAS) Science and Technology Policy Fellowship. She has a BA in Biology from Rutgers University and a Ph.D. in Genetics from Yale University.

## Members

**Scott Borg** is the Section Head for Antarctic Infrastructure and Logistics (AIL) within the National Science Foundation Division of Polar Programs. A member of the Senior Executive Service, he coordinates the management and oversight of the transportation, logistics, infrastructure and facilities of the United States Antarctic Program (USAP) in support of NSF's role as lead agency for the U.S. presence in Antarctica. He also currently manages NSF's single largest award, the contract with Leidos for the operation, maintenance and science support of the U.S. Antarctic Program (USAP).

Dr. Borg's awards include the Presidential Rank Award of Distinguished Senior Executive (2015), Samuel J. Heyman Service to America Medal Career Achievement Finalist (2014), NSF Director's Awards in program management (1997, 2000), NCAA Postgraduate Scholarship (1977), US Army ROTC Distinguished Military Graduate (Pomona College, 1977), and the Richard E. Strehle Geology Award (Pomona College, 1976).

Prior to his current role, Dr. Borg served at NSF as Head of Antarctic Sciences from 2003-2016 and as Program Director for Antarctic Earth Sciences from 1992 to 2003. Dr. Borg came to NSF from the US Department of Energy (DOE) where he managed activities associated with characterization of the Yucca Mountain site as a potential nuclear waste repository. Prior to DOE, Dr. Borg conducted research in isotope geochemistry and geology at the University of California to reveal the origin of granitic rocks in tectonically active continental margins. He also conducted studies in environmental geology as a staff scientist at Lawrence Berkeley Laboratory and as a consultant in private practice. His experience in Antarctic research spans more than 35 years. Dr. Borg earned a BA degree in Geology from Pomona College, and MS and Ph.D. degrees in Geology from Arizona State University. Dr. Borg holds licenses to practice geology in California and Oregon.

**Rhonda Davis** is the Head of the Office of Diversity & Inclusion. Prior to her appointment, she served as Acting Head and Senior Advisor. She joined NSF in 2010 from the US Department of Agriculture's Office of the Assistant Secretary for Civil Rights where she served in several positions including Acting Associate Assistant Secretary for Civil Rights, Director of Program Planning and Accountability, Chief of the Statute of Limitations Division, Senior Equal Opportunity Specialist, Agricultural Program Complaints Investigator and Examiner/Agricultural Economist. Her experience in establishing and managing nondiscrimination and diversity programs, both previously and at NSF, enables her to continue to make significant contributions to NSF's very important goal to excel as a federal science agency with a diverse, engaged and high-performing workforce.

She holds a MS in Agricultural Economics from North Carolina Agriculture and Technical State University and a BS in Agricultural Economics from the University of Arkansas at Pine Bluff.

**Judy Hayden** is the Directorate Operations Officer in the Office of the Assistant Director in the Directorate for Engineering. She has over 30 years of service at NSF. She has served in various administrative roles in several research directorates as well as the Office of Cyberinfrastructure and the Office of Legislative and Public Affairs.

**Sean L. Jones** is the Deputy Division Director for the Division of Materials research. Prior to being appointed the Deputy, Dr. Jones co-managed the National Facilities portfolio in the Division of Materials Research of the National Science Foundation (NSF), with primary programmatic responsibility for the newly developed Materials Innovation Platform (MIP) program. In addition, he co-managed the

National High Magnetic Field Laboratory (NHMFL) facility, the Cornell High Energy Synchrotron Source (CHESS) facility, the National Institute of Standards and Technology (NIST) Center for High Resolution Neutron Scattering (CHRNS), and the Division's Major Research Instrumentation (MRI) program. Prior to his assignment in the National Facilities and Instrumentation portfolio, Sean led the Materials Research Science and Engineering Centers (MRSEC) and Partnership for Research and Education in Materials (PREM) programs for 5 years. Additional NSF duties include co-managing the sustainable chemistry and materials (SusChEM) initiative, representing the Division and Directorate on Diversity and Broadening Participation working groups, serving as an NSF instructor for the Program Director Academy, and participating as the Directorate's representative for the NSF-wide NSF Research Traineeship (NRT) and the Innovation Corps (I-Corps) programs.

Dr. Jones also served on a 14 month detail as the Assistant Director for Physical Sciences and Engineering for the White House Office of Science and Technology (OSTP). His OSTP portfolio included graduate education reform, grant reform, aquaculture, plant genomics, and broadening participation of underrepresented groups in STEM. Prior to joining NSF, Dr. Jones has served as the Director of Engineering for Applied Plasmonics, Chair and Professor for both the optical and electronic engineering departments at Norfolk State University, and as Technical Manager and Distinguished Member of Technical Staff at Bell Laboratories of Lucent Technologies. He has authored numerous publications and has been awarded 9 U.S. patents. He is an industry-recognized expert in luminescent materials and the fabrication of optical waveguides. He is the co-inventor of high bandwidth multimode optical fibers used in today's Fiber-To-The-X (FTTX) applications such as FiOS cable television and Fiber-to-the-Home. His work led to the IEEE standards for 10G multimode optical fiber as well as the lasers and detectors employed in these systems. Dr. Jones received his B.S. in Ceramic Engineering (now Materials Science and Engineering) from Clemson University and his Ph.D. in Materials Science and Engineering from the University of Florida.

**Joydip "JD" Kundu** is the Deputy Division Director for Information and Intelligent Systems in the Directorate for Computer and Information Science and Engineering. He has also served as Acting Deputy Division Director for NSF's National Center for Science and Engineering Statistics. Before joining NSF, JD was a Program Examiner at the Office of Management and Budget. Over his years at OMB he covered NSF; various NASA programs; the Department of Energy's Science and ARPA-E programs; and other programs. Before his time at OMB, JD was a Research Associate investigating theoretical physics at the University of Maryland. He received an A.B. in physics and mathematics from Harvard University, and a Ph.D. in physics from the Massachusetts Institute of Technology.

**James Olds** is currently Assistant Director for Biological Sciences at the National Science Foundation. Dr. Olds is concurrently the Shelley Krasnow University Professor of molecular neuroscience. He is also editor-in-chief of The Biological Bulletin published by the Marine Biological Laboratory in Woods Hole.

Prior to his appointment at NSF, Dr. Olds spent 16 years as Chief Academic Unit Officer and Director of George Mason's Krasnow Institute for Advanced Study. Dr. Olds has served on numerous private and public boards and has played a central role in scientific public policy development at all levels, ranging from the White House to advising heads of ministries internationally. He spent eight years as chair of Sandia National Laboratory's External Cognitive Science Board. In the non-profit world, Dr. Olds was treasurer of Americans for Medical Progress. He has also served as a Virginia State Commissioner, appointed by Virginia Governors of both political parties.



Prior to taking the leadership role at Krasnow, Dr. Olds led one of the oldest and most prestigious scientific societies, The American Association of Anatomists as CEO. Dr. Olds received his undergraduate degree in chemistry from Amherst College and his doctorate in neuroscience from the University of Michigan in Ann Arbor. His postdoctoral research at the National Institutes of Health led to fundamental advances in understanding the molecular basis of learning and memory, for which he was awarded the NIH Merit Award in 1993.

**David Verardo** joined NSF in October 2000, where he has led the Paleoclimate Program, served as the Head of the Atmosphere Section in the Division of Atmospheric and Geospace Sciences, and has been involved in a number of cross-divisional and cross-directorate research activities at the NSF including, most recently, the annual competition in Paleo Perspectives on Climate Change (P2C2). Dr. Verardo has also served in the NSF Office of Equal Opportunity Programs (OEOP). In 2008, Dr. Verardo received the NSF Director's Award for Collaborative Integration.

Dr. Verardo joined the NSF after serving as deputy to Dr. Robert Watson, Chair of the United Nations Intergovernmental Panel on Climate Change (IPCC), for the Special Report on Land Use, Land Use Change, and Forestry. Dr. Verardo also served as a Congressional Science Fellow in the Office of U.S. Senator Ron Wyden of Oregon working on science-based carbon sequestration strategies and nuclear waste contamination and disposal issues. The fellowship was organized by the American Association for the Advancement of Science (AAAS) and sponsored by from the Geological Society of America (GSA) and the U.S. Geological Survey (USGS). Dr. Verardo has served on the faculties of the University of Virginia, Long Island University, and Hofstra University as well as the technical staff of the Lamont Doherty Earth Observatory of Columbia University. He served six years in the U.S. Coast Guard as a Boatswains Mate Third Class and Coxswain in charge of search and rescue vessels.

Dr. Verardo holds a Ph.D. in Earth and Environmental Sciences from the Graduate School and University Center of the City University of New York, J.D. from Concord Law School, and B.A. in Geology from C.W. Post College of Long Island University.

**Backgrounder: Spring 2017**  
*NSF Advisory Committee for Business and Operations*

**Nature of Agenda Item**

Discussion of NSF's Receipt and Consideration of Recommendations from the Report of the BOAC's Subcommittee on NAPA Implementation

**Discussion**

NSF has been reviewing and discussing the March 2017 Report from the BOAC's Subcommittee on NAPA Implementation. This Report provided recommendations for appropriate agency-wide oversight for the NSF Office of the Director (OD) for the following four tasks:

- Re-scope of the role, duties, and membership of the Major Research Equipment and Facilities Construction (MREFC) Panel to include status update reviews of projects in the development and construction phases focusing on cost, schedule, and performance. [NAPA Recommendation 6.2]
- Evaluate the potential value in extending the MREFC Panel's role to operating facilities, including divestment (i.e. full life-cycle).
- Evaluate the potential value in creating an internal agency "senior official" position in OD charged with reporting to the Director and Deputy Director/Chief Operating Officer on large facilities.
- Evaluate the potential value in creating a new Federal Advisory Committee Act (FACA) committee to provide the NSF Director with a sounding board for objective insight on large research projects. [NAPA Recommendation 6.4]

The BOAC will hear from Fae Korsmo, NSF Office of the Director, on the status of NSF's consideration of the Report. NSF will give general feedback and agency reactions to the report and will explain the process NSF is following to implement the report. NSF will identify any recommendations that may constitute "quick wins" will be easy to implement, and also any areas that may need further clarification from the BOAC.

**Committee Action/Feedback**

This agenda item is primarily a status report, but the agency seeks Committee discussion and advice on those recommendations that NSF identifies as potentially benefitting from clarification.

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**Backgrounder: Spring 2017**  
*NSF Advisory Committee for Business and Operations*

**Nature of Agenda Item:** Information on NSF End-to-End Cost Surveillance and Discussion of Draft Charge and Composition of a Proposed Subcommittee

**Presentation/Discussion:**

In January 2015, as part of the resolution of several of audit recommendations in connection with NSF's oversight of Large Facility Awards, the agency's Chief Operating Officer and Audit Resolution Follow-up Official noted that NSF has begun to strengthen cost estimating and cost monitoring oversight procedures and called for increased end-to-end cost surveillance policies and procedures. The COO committed the agency to inviting a qualified third-party organization, with in-depth knowledge of project management cost estimating and cost accounting, to evaluate the results once the strengthened policies were implemented.

NSF seeks to form a subcommittee of the BOAC that would to prepare a report for the Committee that would evaluate NSF's current cost surveillance policies and procedures to ensure that they are sufficient to ensure sound, end-to-end oversight of all NSF Large Facility construction and operations awards.

**Committee Action/Feedback**

Committee review and discussion of the Draft Charge, Structure, Timeline, and Proposed Composition of a new BOAC Subcommittee would be helpful.

**Contact Person(s):**

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**Charge from the Business and Operations Advisory Committee to  
the Subcommittee on NSF's Strengthened Oversight of Large Facility Cost Surveillance**

**Dated June 16, 2017**

The National Science Foundation (NSF) hereby initiates the formation and operation of an ad hoc Subcommittee of the NSF Business and Operations and Advisory Committee (the Committee) on End-to-End Cost Surveillance. The purpose of the Subcommittee is to issue a report to the Committee that fully evaluates NSF's strengthened "end-to-end cost surveillance policies and procedures" for Major Facility projects (i.e., Large Facilities). The report should specifically state whether or not the Subcommittee feels the strengthened policies and procedure are sufficient. The report may include recommendations to NSF for further improvement depending on the outcome. The review will pertain to both construction and operations awards.

**Context:**

On May 24, 2014, NSF's Office of Inspector General (OIG) issued an Escalation Memorandum in connection with five recommendations related to NSF's oversight of Large Facility Awards. As NSF's Audit Resolution Follow-up Official, NSF's Chief Operating Officer, Richard O. Buckius, provided detail of his review and conclusions regarding these recommendations in a memorandum entitled "*NSF's Management of Large Facilities Construction Project*," dated January 13, 2015, and addressed to Allison Lerner, Inspector General, and Marty Rubenstein, Chief Financial Officer (Attached).

One of the OIG's escalated recommendations stated, in part, the following:

*"NSF management, using a risk-based approach, develops end-to-end cost surveillance policies and procedures for its cooperative agreements to ensure adequate stewardship over federal funds."*

Dr. Buckius' response to this recommendation established NSF's commitment to completing the third-party analysis detailed in this document, as follows:

*"NSF has begun to strengthen cost estimating and cost monitoring oversight procedures, as outlined in the attached SOG 2014-2 (Attachment B). NSF will call for increased end-to-end cost surveillance policies and procedures. Once these are implemented, NSF will invite a qualified third-party organization to evaluate the results. The third-party expert needs to have in-depth knowledge of project management cost estimating and cost accounting." [Emphasis added.]*

**Charge to the Subcommittee:**

The Committee hereby charges the Subcommittee to prepare a report for the Committee in support of the Foundation's goal to ensure that its current cost surveillance policies and procedures are sufficient to ensure sound, end-to-end oversight of all NSF Large Facility construction and operations awards. Specifically, the Subcommittee should review and evaluate NSF's current oversight framework relating to Large Facility costs including the following: (1) proposal cost estimates; (2) NSF cost analysis of those estimates; and (3) post-award cost and performance monitoring.

With respect to the three areas of review delineated above, the Subcommittee's evaluation should include review of the following components of NSF's Large Facilities cost surveillance policies and procedures:

**Charge from the Business and Operations Advisory Committee to  
the Subcommittee on NSF's Strengthened Oversight of Large Facility Cost Surveillance**

**Dated June 16, 2017**

- **Proposal Cost Estimates:** Large Facilities Manual (LFM 17-066, dated March 2017), Sections 2.0: "Large Facility Life Cycle and the MREFC Process", and 4.2: "Cost Estimating and Analysis."
- **Cost Analysis of Proposal Estimates:**
  - Standard Operating Guidance (SOG) 16-4: "Standardized Cost Analysis Guidance." (DACS/CSB)
  - SOG 2017-XX: "Selection of Independent Cost Estimate Reviews" (LFO)
- **Post-Award Cost and Performance Monitoring:**
  - SOG LFO-2017-2: "Earned Value Management System (EVMS) Validation, Surveillance, and Acceptance"
  - SOG 2016-5: "Guidance on Pre and Post-award Cost Monitoring Procedures for Large Facility Construction and Operations Awards Administered by CSB."

At a minimum, the Committee recommends that the Subcommittee meet with the following:

- Program staff
- BFA staff including Division of Acquisition and Cooperative Support (DACS)/Cooperative Support Branch (CSB), Contracts Branch; Large Facilities Office (LFO); and Division of Institution and Award Support (DIAS)/Cost Analysis and Pre-award Branch (CAP)
- MREFC Panel discussants and Office of the Director (OD) support staff
- NSB discussants for recent projects authorized by the Board (See below)
- Representatives from other agencies with analogous facilities (as necessary)

The Committee requests that the Subcommittee focus on the following Large Facilities projects, which have moved forward under NSF's strengthened policies:

- Regional Class Research Vessel (RCRV) Cost Analysis #3 – Construction Award
- Antarctic Infrastructure Modernization for Science (AIMS) Cost Analysis #2 – Establishing the Total Project Cost and plans for an Independent Cost Estimate (ICE). This project is awarded through a FAR-based contract, but processes are analogous.
- National Ecological Observatory Network (NEON) – Supplement to the initial operations award
- Large Hadron Collider High Luminosity Up-Grades (LHC-HL) Cost Analysis #1 and plans for cost analysis #2 and ICE.
- Ocean Observatories Network (OOI) – Cost analysis of the operations proposals (re-competition)

The Subcommittee may collaborate with the Committee if the Subcommittee deems it necessary to do so.

**Subcommittee Membership:** The Subcommittee shall include:

- Subcommittee Liaison from the BOAC
- Independent, qualified individuals from outside NSF with an in-depth knowledge of project management, cost estimating and cost accounting

**Charge from the Business and Operations Advisory Committee to  
the Subcommittee on NSF's Strengthened Oversight of Large Facility Cost Surveillance**

**Dated June 16, 2017**

This may include other members from the BOAC or representatives from other federal agencies or organizations.

**Additional Background:**

- Summary status of cost-related National Academy of Public Administration (NAPA) recommendations to-date.
- Pertinent language from the American Innovation and Competitiveness Act (AICA) of 2017; Section 110.

**Activities of the Subcommittee:** The Subcommittee is requested to provide a written report to the Committee providing an assessment of its end-to-end review of NSF's strengthened cost surveillance policies and procedures. The Committee requests an update on Subcommittee activities at three-month intervals and a final report by June 30, 2018. NSF will organize and convene at least one in-person meeting at NSF, comprised of the Subcommittee, NSF staff cognizant of the projects and issues concerning the Subcommittee, and with the individuals mentioned above necessary to carry out this charge. Additional in-person meetings will be considered depending on need and budgetary resources. NSF will provide logistical and travel support for invited non-local participants. Participants will be invited to submit written materials to the Subcommittee for reference in their report preparation. The Subcommittee may organize additional meetings by conference call or other virtual technology as it deems necessary to do so. The Subcommittee chair will submit its written report to the Committee and provide a verbal presentation at a duly organized Committee meeting subsequent to submittal to NSF. The Subcommittee liaison to the Committee will facilitate this presentation, and will ensure that the report is discussed and deliberated at the meeting. The Committee will accept the report and make it publicly available. The Committee may also provide feedback to NSF and any additional comments it has to offer on the report by way of a cover letter to NSF. On or before the meeting where the Subcommittee's written report is discussed, the Committee's Designated Federal Officials may extend the Subcommittee's charge and activities as deemed necessary by NSF; otherwise, the Subcommittee will terminate upon completion of the activities set forth in the charge.