Flagstaff District, Grand Canyon Region

U.S. Water Resource Agency (USWRA)
Department of Renewable Resources (DoRR)

2006 Application

The Malcolm Baldrige National Quality Award

The Flagstaff District, Grand Canyon Region Case Study was prepared by an independent writing team, composed of current and former Baldrige National Quality Program (BNQP) Examiners, to illustrate what an application might look like for a nonprofit, government organization applying for the Malcolm Baldrige National Quality Award. The team prepared this case study in anticipation of the addition in 2007 of a nonprofit category competition to the Award. This case study has not been sponsored or edited by BNQP staff. It is published on the BNQP Web site as an example of a nonprofit application and as a resource; it is not meant to be an example of a role model organization.

The Flagstaff District, Grand Canyon Region Case Study describes a fictitious government organization. There is no connection between the fictitious Flagstaff District and any other organization, either named Flagstaff District or otherwise. Other organizations cited in the case study also are fictitious, with the exception of several national organizations. Based on the 2005 Criteria for Performance Excellence, The Flagstaff District, Grand Canyon Region Case Study was developed for educational use and to help readers appreciate the possible content of an actual nonprofit Baldrige application. There are areas in the case study where Criteria requirements have intentionally not been addressed, as happens in actual Baldrige Award applications.

The Malcolm Baldrige National Quality Award

2006 Application—Flagstaff District, Grand Canyon Region (USWRA, DoRR)

Contents

Category 7.0—Organizational Performance Results

2006 Eligibility Certification Form

Malcolm Baldrige National Quality Award

OMB Clearance #0693-0006
Expiration Date: January 31, 2007

1. Applicant

Official Name Flagstaff District
U.S. Water Resource Agency
Department of Renewable Resources

Headquarters Address 1234 River Gultch

Flagstaff, AZ 12345

Has the applicant self-certified for eligibility in a prior year(s)?
☐ Yes ☒ No ☐ Do Not Know

If "yes," indicate the year(s) in which the applicant submitted the Eligibility Certification Package and the name(s) of the applicant at that time, if different.
Year(s)
Name(s) of Applicant

2. Highest-Ranking Official

☒ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.

Name Col. James Tortorici
Title Commander
Telephone No.
E-Mail

Address Same as above

Fax No.

3. Eligibility Contact Point

☐ Mr. ☐ Mrs. ☒ Ms. ☐ Dr.

Name Sandy Jones
Title Deputy Director
Telephone No. (555) 543-3201
Fax No. (555) 543-3202
E-Mail SJ@uswra.gov

Address Same as above

Overnight Mailing Address (Do not use a P.O. Box number.)
Same as above

4. Alternate Eligibility Contact Point

☒ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.
Name Col. Tortorici
Telephone No. (555) 543-3201
Fax No. (555) 543-3202

5. Applicant Status

a. Has the applicant officially or legally existed for at least one year, or prior to April 11, 2005? *(Check one.)*
☒ Yes ☐ No

If you are unable to respond to any item,
please contact the Baldrige National Quality Program Office at (800) 898-4506 before submitting your form.

Malcolm Baldrige National Quality Award

5. Applicant Status—continued

b. Has your organization ever been a Malcolm Baldrige National Quality Award recipient? *(Check one.)*

☐ Yes ☒ No

If you checked "No," proceed to item 6.

c. If yes, was your organization an Award recipient in 2000 or earlier? *(Check one.)*

☐ Yes ☐ No

If you checked "No," your organization is not eligible to reapply this year for the Award or for feedback (please contact the Baldrige National Quality Program Office at 800-898-4506 if you have any questions). If you checked "Yes," please choose one of the following options:

☐ Applying for feedback only ☒ Applying for the Malcolm Baldrige National Quality Award

6. Award Category and For-Profit/Nonprofit Designation *(Check as appropriate.)*

☐ Manufacturing (For-Profit Only) ☐ Education (For-Profit) ☐ Health Care (For-Profit)

☐ Service (For-Profit Only) ☐ Education (Nonprofit) ☐ Health Care (Nonprofit)

☐ Small Business (For-Profit Only)

☒ Nonprofit

Criteria being used: *(Check one.)*

☒ *Criteria for Performance Excellence*

☐ *Education Criteria for Performance Excellence*

☐ *Health Care Criteria for Performance Excellence*

Note: For-profit education and health care organizations may choose to use the Criteria for Performance Excellence *and apply in the service or small business categories. However, they probably will find their sector-specific Criteria* (Education Criteria for Performance Excellence *or* Health Care Criteria for Performance Excellence) *more appropriate.*

7. Industrial Classification

List up to three of the most descriptive three- or four-digit NAICS codes. (*See page 24 of the PDF version of the* Baldrige Award Application Forms *at* www.baldrige.nist.gov/Award_Application.htm.*)*

a. 237 b. 924 c. 928

8. Size and Location of Applicant

a. Total number of
- employees (business/nonprofit) 1,207
- faculty/staff (education)
- staff (health care)

b. For the preceding fiscal year,
- check one financial descriptor: ☐ Sales ☐ Revenues ☒ Budgets
- check amount: ☐ 0–$1M ☐ $1M–$10M ☐ $10M–$100M ☒ $100M–$500M ☐ $500M–$1B ☐ More than $1B

8. Size and Location of Applicant—continued

c. Number of sites: U.S./Territories 32 Outside U.S./Territories

d. Percentage of employees: U.S./Territories 100% Outside U.S./Territories

e. Percentage of physical assets: U.S./Territories 100% Outside U.S./Territories

f. Operational practices associated with all major organizational functions must be accessible for examination in the United States. If some activities are performed outside the applicant's organization (e.g., by a component of the applicant that is outside the United States or its territories, the parent organization, or its other subunits), will the applicant, if selected for a site visit, make available in the United States sufficient personnel, documentation, and facilities to allow full examination of its operational practices for all major functions of its worldwide operations?

☒ Yes ☐ No ☐ Not Applicable

g. In the event the applicant receives an Award, can the applicant make available sufficient personnel and documentation to share its practices at The Quest for Excellence Conference and at its U.S. facilities?

☒ Yes ☐ No

h. Attach a line and box organization chart for the applicant. In each box, include the name of the unit or division and its head.

9. Subunits *(If the applicant is not a subunit as defined on pages 7–8, please proceed to question 10.)*

a. Is the applicant ________ a larger parent or system? *(Check all that apply.)*

☒ a subsidiary of ☐ controlled by ☐ administered by ☐ owned by
☐ a division of ☐ a unit of ☐ a school of

b. Parent Organization ("Parent" means the highest organizational level eligible to apply for the Award.)

Name U.S. Water Resource Agency	Highest-Ranking Official
Address 100 Congress Avenue	Name Zip Jurn
Washington, DC 98765	Title Director

Number of worldwide employees of the parent 51,000

c. Is the applicant the only subunit of the parent organization intending to apply? *(Check one.)*

☒ Yes ☐ No *(Briefly explain)* ☐ Do Not Know

d. Briefly describe the major functions provided to the applicant by the parent or by other subunits of the parent. Examples of such functions include but are not limited to strategic planning, business acquisition, research and development, data gathering and analysis, human resources, legal services, finance or accounting, sales/marketing, supply chain management, global expansion, information and knowledge management, education/training programs, information systems and technology services, curriculum and instruction, and academic program coordination/development.

9. Subunits—continued

e. Is the applicant self-sufficient enough to respond to all seven Baldrige Criteria Categories?

☒ Yes ☐ No *(Briefly explain)*

f. Provide the name and date of the official document (e.g., annual report, organization literature, press release) supporting the subunit designation. Attach relevant portions of the document showing clear definition of the applicant as a discrete entity.

Note: Applicants supplying a Web site as documentation must print the relevant pages and include these with the application.

Name of the document Federal Law 56-9099 Date July 22, 1902

g. Briefly describe the organizational structure and relationship to the parent.
Direct reporting relationship within a government structure

Attach a line and box organization chart(s) showing the relationship of the applicant to the highest management level of the parent, including all intervening levels. Each box within the chart should include the name of the head of the unit or division.

h. Is the applicant's product or service unique within the parent organization? *(Check one.)*

☐ Yes ☒ No

If "No," do other units within the parent provide the same products or services to a different customer base? *(Check one.)*

☒ Yes ☐ No

If neither of the "Yes" boxes in "h" is checked, complete 1, 2, and 3 below.

(1) Provide a brief description of how the market and product(s) or service(s) are similar.
USWRA has 41 districts. Each disrtict performs functions similar to the Flagstaff Districe for different parts of the United States.

(2) Indicate the organizational relationships of all units that provide similar or identical products or services, including the approximate sales, revenues, or budgets for each.
All 41 districts report up through 7 regions to USWRA

(3) Describe how the applicant is different from its parent and the other subunits of the organization (e.g., differences in market, location, or name).
The location is the 45,000 square mile area which includes the drainage basin for 311 miles of the Colorado River.

9. Subunits—continued

i. **Manufacturing and service subunits of parents with >500 employees, only.**

- Are more than 50 percent of the applicant's products or services sold or provided directly to customers outside the applicant's organization, the parent organization, and organizations controlled by the applicant or the parent? *(Check one.)*

  ☐ Yes ☒ No

- Does the applicant have more than 500 employees? *(Check one.)*

  ☒ Yes ☐ No

- Do the applicant's employees make up more than 25 percent of the worldwide employees of the parent? (Check one.)

  ☐ Yes ☒ No

j. **All business subunits, regardless of parent size.**

- Was the applicant independent prior to being acquired, and does it continue to operate independently under its own identity? (Check one.)

  ☐ Yes ☐ No ☒ Not Applicable

Note: If self-certification is based on the subunit being independent prior to being acquired and continuing to operate independently under its own identity, attach relevant portions of an official document to support this response.

- Is the applicant separately incorporated and distinct from other subunits of the parent? (Check one.)

  ☐ Yes ☒ No

Note: If self-certification is based on the subunit being separately incorporated and distinct from other subunits of the parent, attach relevant portions of an official document (e.g., articles of incorporation) to support this response.

Note: If all answers to "i" and "j" are "No," contact the Baldrige Office at (800) 898-4506 before submitting your form.

10. Supplemental Sections *(Check one.)*

☒ The applicant has (a) a single performance system that supports all of its product and/or service lines and (b) products or services that are essentially similar in terms of customers/users, technology, types of employees, and planning.

☐ The applicant has (a) multiple performance systems that support all of its product and/or service lines and/or (b) products or services that are not essentially similar in terms of customers/users, technology, types of employees, and planning.

If you checked the second option, please describe briefly the differences among the multiple performance systems of your organization in terms of customers, types of employees, technology, planning, and quality systems.

Note: The applicant's Eligibility Contact Point will be contacted if the second option is checked. Applicants may have two or more diverse product and/or service lines (i.e., in different NAICS codes) with customers, types of employees, technology, planning, and quality systems that are so different that the application report alone does not allow sufficient detail for a fair examination. Such applicants may submit one or more supplemental sections in addition to the application report. The use of supplemental sections must be approved during the eligibility certification process and is mandatory once approved.

11. Application Format

If your organization applies for the 2006 Award, in which format would you submit the Application Package? *(Check one.)*

☒ 25 paper copies (due date May 25, 2006) ☐ CD (due date May 11, 2006)

12. Confidentiality Considerations

Baldrige Examiners are authorized to use cell phones, cordless phones, and VoIP to discuss your application.

☒ Yes ☐ No

13. Self-Certification Statement, Signature of the Highest-Ranking Official

I state and attest that

(1) I have reviewed the information provided by my organization in this Eligibility Certification Package.

(2) to the best of my knowledge,

- no untrue statement of a material fact is contained in this Eligibility Certification Package, and
- no omission of a material fact has been made in this package.

(3) based on the information herein and the current eligibility requirements for the Malcolm Baldrige National Quality Award, my organization is eligible to apply.

(4) I understand that at any time during the 2006 Award Process cycle, if the information is found not to support eligibility, my organization will no longer receive consideration for the Award and will receive only a feedback report.

January 25, 2006

Signature of Highest-Ranking Official | Date

Col. James Tortorici

Printed Name

14. Eligibility Certification Filing Fee

Enclose a $150 nonrefundable fee to cover the cost of the eligibility certification filing process. Make the check or money order payable to

Malcolm Baldrige National Quality Award.

You also may pay by VISA, MasterCard, or American Express. Please indicate the method of payment below:

☒ Check or money order (enclosed) ☐ VISA ☐ MasterCard ☐ American Express

Credit Card Number

Authorized Signature

Expiration Date

Printed Name

Billing Address for Credit Card

Today's Date

If you are unable to respond to any item,
please contact the Baldrige National Quality Program Office at (800) 898-4506 before submitting your form.

Malcolm Baldrige National Quality Award

15. Nomination to the Board of Examiners

One senior member from each organization whose Eligibility Certification Package is **postmarked on or before March 10, 2006**, may become a member of the 2006 Board of Examiners. The opportunity to learn and the required commitment of time are substantial. The time commitment is a minimum of 110 hours between April and December (including approximately 40 hours in April/May to complete prework for the Examiner Preparation Course, 4 days in May to attend the Examiner Preparation Course, and another 35–50 hours in June to complete a Stage 1, Independent Review). If requested by the Program, Examiners also are expected to participate in the Stage 2, Consensus Review (approximately 25 hours) and Stage 3, Site Visit Review (approximately 9 days).

Nominees must be citizens or permanent residents of the United States and be located in the United States or its territories.

from our organization will serve on the 2006 Board of Examiners.

Name of Senior Member Nominee*

*Please, no substitutions after April 11, 2006.

Nominee's contact information:

☐ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.

Nominee's Title None Requested

Name of Nominee's Organization

Nominee's Home Address

Nominee's Work Address

Note: Place an asterisk next to your preferred phone number, fax number, and e-mail address.

Work Phone

Home Phone

Work Fax

Home Fax

Work E-mail Address

Home E-mail Address

2006 Additional Information Needed Form

Malcolm Baldrige National Quality Award

Key Business/Organization Factors

List, briefly describe, or identify the following key organization factors. Be as specific as possible to help us avoid real or perceived conflicts of interest when assigning Examiners to evaluate your application. “Key” means those organizations that constitute 5 percent or more of the applicant’s competitors, customers/users, or suppliers.

A. List of key competitors

As a Government agency, FD “competes” in three major ways: (1) with private companies for projects or portions of projects; (2) with other districts for reimbursable work; and (3) through outsourcing studies that determine whether work will continue to be accomplished by Government employees or will be contracted to private companies (these are designated as “A-76” studies). In addition to these forms of competition, FD uses comparative data from other districts and private companies to determine relative performance, establish benchmarks, and set stretch goals.

B. List of key customers/users

Except for those agencies participating in the Reimbursable Work for Others Program, the Flagstaff District’s markets are prescribed by executive or legislative authorizations—largely on the basis of geographic boundaries. The District markets its services to customers within designated geographic boundaries, or brokers them through other districts if prospective customers are located outside designated boundaries. Key customer segments include the navigation industry; Federal, State, and local government entities; cost-sharing partners; individual and commercial developers; recreation users; and special-interest groups. Their requirements are shown in Figure OP-3. These segments are defined by governing executive and legislative authorization, and serve as the basis for the eight categories of information routinely reported to higher headquarters—both at the GCR and HQUSWRA levels. Markets are categorized in terms of product lines of goods and services.

C. List of key suppliers/partners

The District uses a wide range of suppliers. A systematic contracting process (FARs) defines requirements in terms that ensure that efforts will be supportive of the District’s deliverables to its external and internal customers and their requirements.

D. Description of the applicant’s major markets (local, regional, national, and international)

E. The Flagstaff District's geographic boundaries. The 45,000-square-mile area includes the drainage basin for 311 miles of the Colorado River.

F.

G. The Flagstaff District provides six major product lines of goods and services: (1) the development of new infrastructure and projects; (2) management of the operation and maintenance of existing infrastructure; (3) the performance of reimbursable work for others; (4) administration of regulatory requirements; (5) provision of emergency response and recovery; and (6) the delivery of defense, environmental, and restoration programs.

H. The overall design process—designated the Project Management Process (Figure OP-2)—begins with a project’s conceptualization and continues through construction and operation, depending on the specific project and associated customer requirements. The following are the District’s key production and delivery processes (and associated purposes): (1) planning (develop the strategy); (2) engineering (design); (3) real estate (acquire); (4) construction (implement); and (5) operation (sustain). Typically, the first three processes are performed in the offices, and the fourth and fifth are performed at the location of the infrastructure that’s being developed or managed.

I. The name of the organization’s financial auditor

Earnest and Howe

J. The applicant’s fiscal year (e.g., October 1–September 30)

October 1–September 30

2006 Application Form

Malcolm Baldrige National Quality Award

Provide all information requested. A copy of page 1 of this 2006 Application Form must be included in each of the 25 paper copies of the application report (or, alternatively, in the PDF version on a CD).

1. Applicant (Fields will expand as you type)

Applicant Name Flagstaff District

U.S. Water Resource Agency

Department of Renewable Resources

Mailing Address 1234 River Gultch

Flagstaff, AZ 12345

2. Award Category (*Check one.*)

☐ Manufacturing ☐ Service ☐ Small Business
☐ Education ☐ Health Care

For small businesses, indicate whether the larger percentage of sales is in service or manufacturing. (*Check one.*)

☐ Manufacturing ☐ Service

Criteria being used (*Check one.*)

☒ Business ☐ Education ☐ Health Care

3. Official Contact Point

☐ Mr. ☐ Mrs. ☒ Ms. ☐ Dr.

Name Sandy Jones

Title Deputy Director

Mailing Address 1234 River Gultch

Flagstaff, AZ 12345

Overnight Mailing Address
(Do not use P.O. Box number.)
1234 River Gultch

Flagstaff, AZ 12345

Telephone No. (555) 543-3201
Fax No. (555) 543-3202

4. Alternate Official Contact Point

☒ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.

Name Col. Tortorici

Telephone No. (555) 543-3201

Fax No. (555) 543-3202

5. Release and Ethics Statements

a. Release Statement

We understand that this application will be reviewed by members of the Board of Examiners.

Should our organization be selected for a site visit, we agree to host the site visit and to facilitate an open and unbiased examination. We understand that our organization must pay reasonable costs associated with a site visit. The site visit fees range from $1,500 to $35,000, depending on the type of applicant. (The fees are shown on page 4 of the PDF version of the *Baldrige Award Application Forms* document *at* www.baldrige.nist.gov/Award_Application.htm.)

If our organization is selected to receive an Award, we agree to share nonproprietary information on our successful performance excellence strategies with other U.S. organizations.

b. Ethics Statement and Signature of the Highest-Ranking Official

I state and attest that

(1) I have reviewed the information provided by my organization in this Application Package.

(2) to the best of my knowledge,

- no untrue statement of a material fact is contained in this Application Package, and
- no omission of a material fact that I am legally permitted to disclose and that affects my organization's ethical and legal practices has been made. This includes but is not limited to sanctions and ethical breaches.

Date January 25, 2006

Signature________________________________

☒ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.

Printed Name Col. Tortorici

Title Commander

Applicant Name Flagstaff District

U.S. Water Resource Agency

Department of Renewable Resources

Mailing Address 1234 River Gultch

Flagstaff, AZ 12345

Telephone No. (555) 543-3201

Fax No. (555) 543-3202

Malcolm Baldrige National Quality Award

6. Confidential Information

Please note: To help ensure the confidentiality of the information requested, submission requirements for this page (page 2) of your Application Form differ from those for page 1 of the form and for the application report. Whether you submit 25 paper copies or a CD of your application report, one completed **paper** copy of page 2 may be submitted with your Award Application Package, or the information may be telephoned to ASQ at (414) 298-8789, extension 7205. *Do **not** include this page (page 2) in the 25 copies of your application report*.

a. Social Security Number and Date of Birth of the Highest-Ranking Official

If your application is selected for Stage 3 review, this information will be used in the process for determining role model organizations (See pages 3–4 of the PDF version of the *Baldrige Award Application Forms* document at www.baldrige.nist.gov/Award_Application.htm.)

Name Col. Tortorici

Social Security Number 123-45-6789

Date of Birth December 6, 1949

b. Application Fees (see page 30 for instructions)

Enclosed is $1,500 to cover one application report and supplemental sections.

Note: An additional $1,250 is required if you are submitting the application report on a CD.

Make the check or money order payable to

Malcolm Baldrige National Quality Award

You also may pay by VISA, MasterCard, or American Express. Please indicate your method of payment below:

☒ Check or money order (enclosed)

☐ VISA ☐ MasterCard ☐ American Express

Credit Card Number

Expiration Date

Today's Date

Billing Address for Credit Card

Authorized Signature______________________________

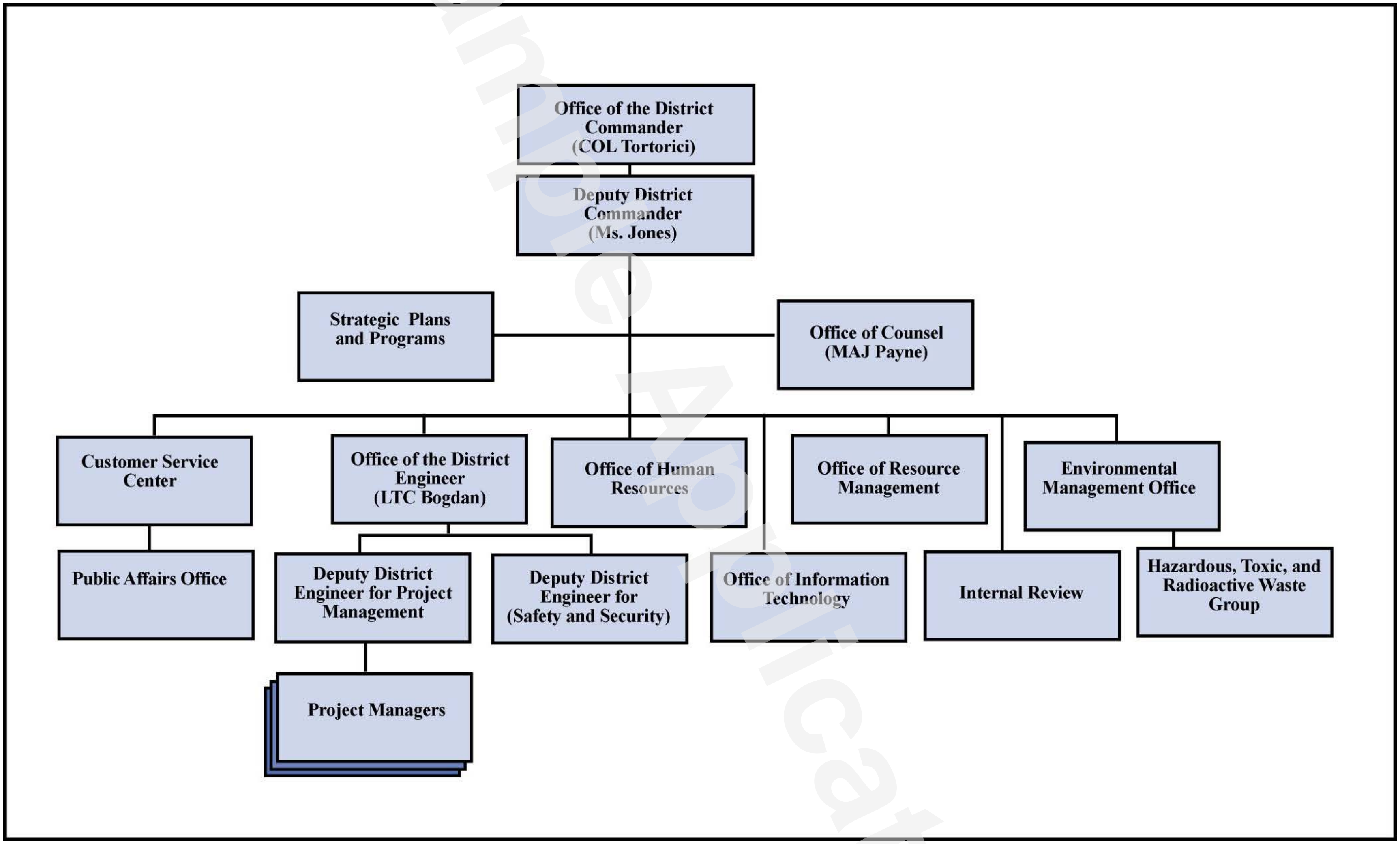
Printed Name

7. Submission

The complete Award Application Package must be postmarked or consigned to an overnight delivery service no later than May 25, 2006 (May 11, 2006, if submitting on a CD) for delivery to

Malcolm Baldrige National Quality Award
c/o ASQ—Baldrige Award Administration
600 North Plankinton Avenue
Milwaukee, WI 53203
(414) 298-8789, extension 7205

OMB Clearance #0693-0006
Expiration Date: January 31, 2007



Organization Chart, Flagstaff District—*Grand Canyon Region (USWRA, DoRR).*

Glossary of Terms, Abbreviations, and Acronyms

A-76	OMB Circular A-76 governing contract outsourcing of Federal Government activities
AE	Architectural Engineering
AIS	Automated Information System
AT	Action Team
AT2	Action Team #2
AT4	Action Team #4
BCO	Biddability, Constructability, Operability
BIA	Bureau of Indian Affairs
BOP	Bureau of Prisons
CAC	Common Access Cards
CAD	Computer-Aided Design
CAG	Consolidated Agency Guidance
CFBC	Customer Focus Business Center
CFC	Combined Federal Campaign
CIS	Continuous Improvement Structure
CMR	Command Management Review
CO-OP	Co-Operative
CRD	Colorado River District
CSC	Customer Service Center
DCPDS	District Civilian Personnel Database System
DIM	Data and Information Management
DOE	Department of Energy
DoRR	Department of Renewable Resources
E&D	Engineering and Design
EDI	Employment Development Index
EPA	Environmental Protection Agency
ERGO	Environmental Reference Guide for Operations
ESC	Executive Steering Committee
FBP	Federal Bureau of Prisons
FD	Flagstaff District
FEMA	Federal Emergency Management Agency
G&A	General & Administrative Costs
GCD	Grand Canyon Division
GFD	Grand Canyon – Flagstaff District
GIS	Geographic Information System
GSA	Government Services Agency
GWOT	Global War on Terrorism
HQUSWRA	Headquarters, USWRA
IA	Information Analysts
IAW	In Accordance With
IDP	Individual Development Plan
ILDC	Intern Leadership Development Course
IMSC	Information Management Steering Committee

KM	Knowledge Management
KSDB	Knowledge Sharing Database
LCPM	Life Cycle Project Management
LEAD	Leadership Education and Development
MBNQA	Malcolm Baldrige National Quality Award
NASA	National Aeronautical and Space Administration
NETL	National Energy Technology Laboratory, Department of Energy
NPS	National Park Service
NOC	Network Operations Center
O&M	Operation & Maintenance
OC	Office of Counsel
OSHA	Office of Safety and Health Administration
PALT	Procurement Action Lead Time
PAT	Process Action Team
PBAC	Program Budget Allocation Committee
PCs	Personal computers
PD	Planning Division
PD^2	Contracting data
PM	Project Manager or Assistant Project Manager
PMBP	Project Management Business Process
PMP	Project Management Process
PMT	Project Management Tool
POC	Partner of Choice
PQA	Presidential Quality Award
PRB	Project Review Board
PRISM	Project and Resource Information System for Management
PROMIS	Programs and Project Management Information System
PST	Problem-Solving Team
QMB	Quality Management Board
RBC	Regional Business Center
REMIS	Real-estate Management Information System
RMB	Regional Management Board
ROI	Return On Investment
RWFO	Reimbursable Work done For Others
SAN	Storage Area Network
SBP	Strategic Business Plan(ning)
SMB	Senior Management Board
SMR	Strategic Management Review
SPBAC	Senior PBAC
SWRGE	Southwest Water Resources Government Employees
TAPES	Total Organizational Personnel Evaluation system
TAQ	Total Agency Quality
TQM	Total Quality Management
USCG	United States Coast Guard
USFS	United States Forest Service
USFWS	United States Fish and Wildlife Service

USPS	United States Postal Service
USWRA	United States Water Resource Agency
VE	Value Engineering
WAN	Wide-area Network
WBI	Well-being Index
WDT	Workforce Development Team
WES	Waterways Experiment Station
WPRB	Working Project Review Board
WRFMS	Water Resources Financial Management Systems

P. Organizational Profile

P.1 Organizational Description

The Flagstaff District (FD) is one of 41 districts within the U.S. Water Resource Agency (USWRA—an Agency in the Department of Renewable Resources—DoRR) charged with the responsibility to develop, protect and administer water resources within the United States. The 41 districts are divided into seven regions, with FD as one of three districts that together form the Grand Canyon Region (GCR). See Figure OP-1.

P.1a Organizational Environment

P.1a(1) The Flagstaff District provides six major product lines of goods and services: (1) the development of new infrastructure and projects; (2) management of the operation and maintenance of existing infrastructure; (3) the performance of reimbursable work for others; (4) administration of regulatory requirements; (5) provision of emergency response and recovery; and (6) the delivery of defense, environmental, and restoration programs.

The overall design process—designated the Project Management Process (Figure OP-2)—begins with a project's conceptualization and continues through construction and operation, depending on the specific project and associated customer requirements. The following are the District's key production and delivery processes (and associated purposes): (1) planning (develop the strategy); (2) engineering (design); (3) real estate (acquire); (4) construction (implement); and (5) operation (sustain). Typically, the first three processes are performed in the offices, and the fourth and fifth are performed at the location of the infrastructure that's being developed or managed.

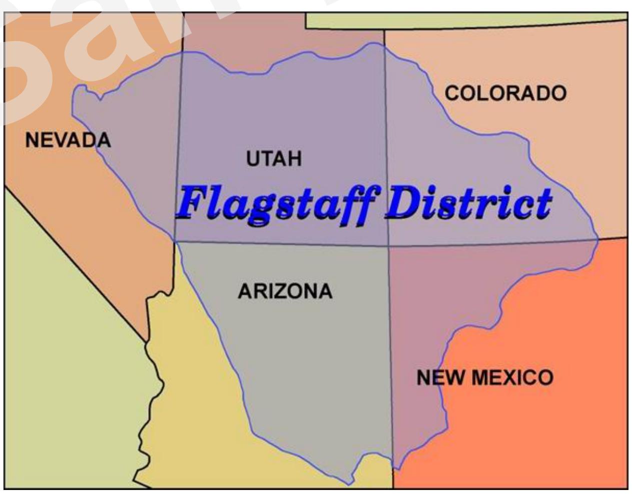


Figure OP-1 The Flagstaff District's geographic boundaries. The 45,000-square-mile area includes the drainage basin for 311 miles of the Colorado River.

P.1a(2) Following are the Flagstaff District's purpose, vision, mission, values, and quality principles:

Purpose—to be effective stewards of the public trust

Vision—The Flagstaff District embraces the Agency's vision as its own. This vision can be summed up in terms of our commitment to protect and promote our nation's water resources to be second to none.

Mission—to ensure and protect water resources for economic and recreation benefit to the nation, partner states, and local governments. FD's principal mission areas include

- development and management of projects and programs to provide for inland navigation, flood-damage reduction, environmental protection, recreation, water supply, and other public benefits
- protection of the region's waterways and wetlands
- support for emergency preparedness, natural-disaster relief, and recovery work worldwide
- provision of a broad range of engineering and technical support for other organizations

Values—The District achieves its mission by means of five core values that serve as the foundation of the organization's overall operations and the behavior of every employee.

- Honor and Respect
- Integrity
- Working Safely
- Selfless Service and Courage
- Sharing Knowledge

Quality Principles—Total Agency Quality (TAQ) provides the Flagstaff District's leadership with a framework for achieving performance excellence. The District is committed to integrating TAQ throughout the entire operation. In this regard, the prevailing rate of change, both inside and outside the District, continues to accelerate and pose a special challenge and opportunity to the organization and its work force.

P.1a(3) Of the total workforce, approximately half is located throughout our 30 lake and lock-and-dam project sites in parts of five states—Arizona, New Mexico, Nevada, Utah, and Colorado—a total area of 45,000 square miles. The other half is located in the main office building—the District Office—in downtown Flagstaff, Arizona. The Flagstaff District's current work force is made up of three active-duty military officers and 1,204 civilians. Employees are represented by a bargaining unit—Southwest Water Resources Government Employees (SWRGE) Local 1818, which represents 354 field employees and 102 office employees, including

- 977 full-time; 96 seasonal; 134 temporary, part-time, or student
- 603 high-school (50%), 157 associate/technical (13%), 351 bachelor's (29%), 96 postgraduate (8%)
- 497 female, 710 male

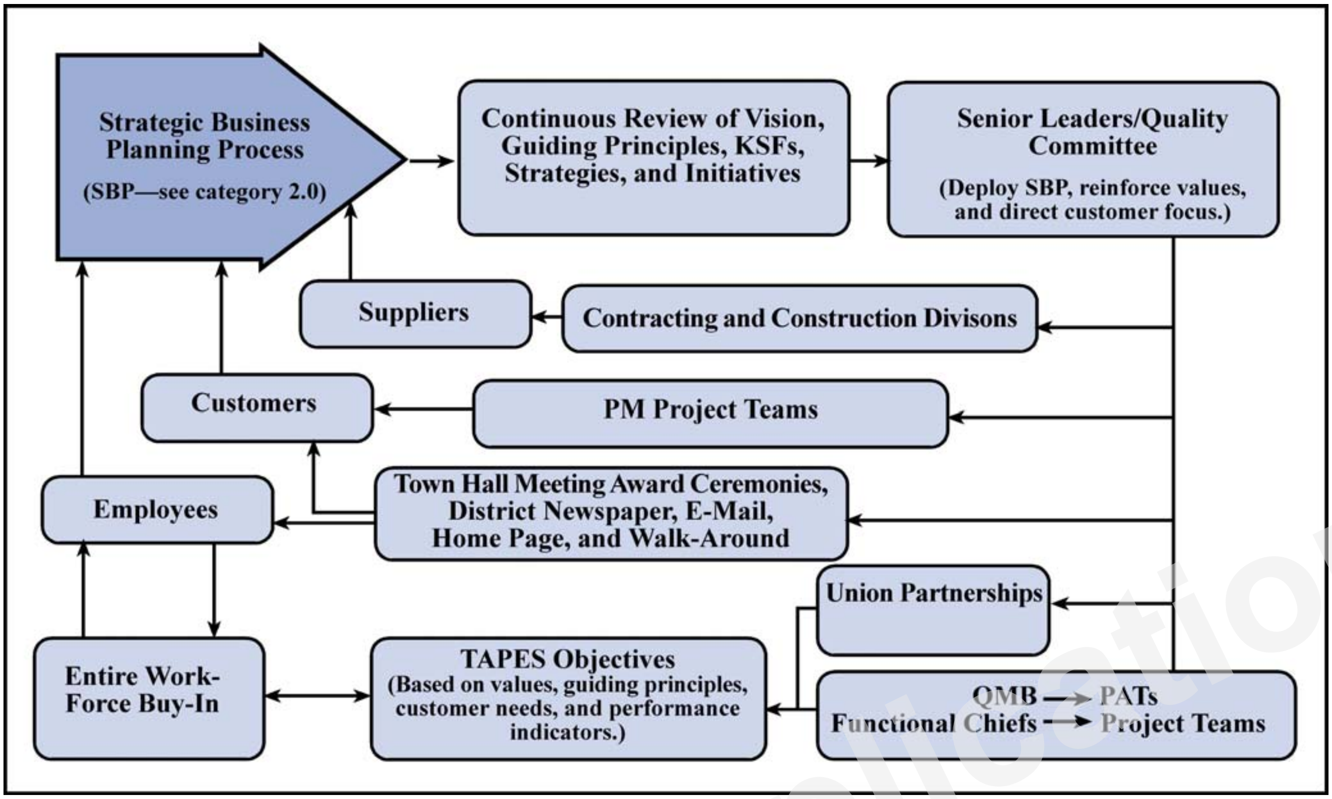


Figure OP-2 The Flagstaff District's Project Management Process (PMP)

- 36 African American, 106 Hispanic, 247 American Indian/Alaskan Native, 3 Asian/Pacific Islander, 815 white

P.1a(4) Field employees operate 24 multi-purpose dam projects and six lock-and-dam complexes, an equipment-repair station, and a fleet of maintenance vessels. Field offices are connected to the District Office by a radio network and Wide Area Network, or WAN. Computer-Aided Design (CAD) is used in all design projects, as well as Global Positioning System techniques and, most recently, Tele-engineering. Tele-engineering is a critically important advance in state-of-the-art engineering practices in that many projects support international efforts, such as mapping the hydrology of Iraq in just two weeks using a simultaneous combination of U.S.-based and on-site engineering capabilities.

P.1a(5) Like all Department of Renewable Resources agencies, the District operates in accordance with both unique and more commonplace regulations, laws, policies, and directives (such as those provided by EPA and OSHA). The most significant of these include the Federal Acquisition Regulations (FARs), which govern all procurements; regulations issued by the Office of Personnel Management that govern all civilian personnel actions, pay rates, and benefits; and Defense Finance regulations, which govern fiscal governance. Additional regulations governing operations include U.S. Coast Guard (USCG) requirements for waterways and navigation; The Endangered Species Act, which significantly affects our design and construction processes; Bureau of Indian Affairs laws and requirements; and the Water Protection Act of 1998.

P.1a(6) Regarding all its operations and activities, the District ensures that its workforce at all levels is fully informed concerning, and adheres strictly to, all governing safety regulations.

P.1b Organizational Relationships

P.1b(1) DoRR leads the U.S. Water Resource Agency (USWRA—seven regions, 41 districts), USWRA in turn leads the Grand Canyon Region, and the Grand Canyon Region leads the Flagstaff District. Headquarters USWRA (HQUSWRA) provides policy guidance that dictates many requirements for business processes, and assigns performance measures that it uses to evaluate the organization. DoRR requires that FD use other DoRR agencies for most of its finance and accounting, payroll, information-technology, and personnel-management services.

P.1b(2) Except for those agencies participating in the Reimbursable Work for Others Program, the Flagstaff District's markets are prescribed by executive or legislative authorizations—largely on the basis of geographic boundaries. The District markets its services to customers within designated geographic boundaries, or brokers them through other districts if prospective customers are located outside designated boundaries. Key customer segments include the navigation industry; Federal, State, and local government entities; cost-sharing partners; individual and commercial developers; recreation users; and special-interest groups. Their requirements are shown in Figure OP-3. These segments are defined by governing executive and legislative authorization, and serve as the basis for the eight categories of information routinely reported to higher headquarters—both at the GCR and HQUSWRA levels. Markets are categorized in terms of product lines of goods and services.

P.1b(3) The District uses a wide range of suppliers, as noted in Figure OP-3. A systematic contracting process (FARs) defines requirements in terms that ensure that efforts will be supportive of the District's deliverables to its external and internal customers and their requirements.

P.1b(4) Types of key suppliers and partners are identified in Figure OP-3. Currently, key suppliers provide goods and services by means of 932 contracts valued at $82 million. The District uses formal partnering procedures for all major contracts to involve them from the outset of key work processes to encourage an atmosphere of cooperation.

P.2 Organizational Challenges

P.2a One of the hardest concepts to translate from the private sector into the public sector is that of "competition." In many cases, the services provided to the public by an agency of the Federal Government can be obtained from only that Government agency. Historically, this has led to the unfortunate perception that Government service providers are "the only game in town," lessening the concern for, or need to understand, customer needs, desires, or drivers of satisfaction. In recent years, however, nothing could be further from reality. This realization has served to strengthen the USWRA commitment to providing exceptional value for its customers and continuously improving every aspect of its business.

P.2a(1) Among the Grand Canyon Region's 41 districts, Flagstaff is ranked tenth in geographic area. The District's 30 lake and lock-and-dam operations place it fifteenth with regard to size, and the eleventh largest in terms of number of employees. Designs are begun for an average of two new projects each year, comparing favorably with the Region's average of 0.6 new projects per District each year.

As a Government agency, FD "competes" in three major ways: (1) with private companies for projects or portions of projects; (2) with other districts for reimbursable work; and (3) through outsourcing studies that determine whether work will continue to be accomplished by Government employees or will be contracted to private companies (these are designated as "A-76" studies). In addition to these forms of competition, FD uses comparative data from other districts and private companies to determine relative performance, establish benchmarks, and set stretch goals. Figure OP-4 shows top competitors and "comparators" in FD's most important areas.

P.2a(2) Success factors and key changes to the competitive situation: to compete or compare favorably on any project, FD must be

- *On Time*—within the customer's time frame
- *On Target*—providing desired outcomes to the customer
- *On Budget*—within the budgetary constraints of the customer or of available funding.

A project for which these factors are being met is said to be "OT-OT-OB," meaning everything is going well.

P.2a(2) In A-76 studies, which are mandated by law, certain areas of the organization are studied and advertised for bids to determine if they can be more efficiently accomplished by private contractors. The Government organization is also given the opportunity to study its own operations and "bid" on the work against private contractors.

P.2a(2a) The District's most significant new direction is represented by the newly established Customer Focus Business Center (CFBC), which will provide continuing support for the District's customer-relations and outreach programs. The CFBC will gather, analyze, and evaluate agency data and information pertinent to improving our processes that are directly concerned with identifying and satisfying customer needs and with improving our overall planning process. Another significant new direction is represented by our Regional Headquarters' (GCR) assumption of resourcing responsibilities in the management of regional outreach and project activities for the Region's seven districts.

The Flagstaff District has initiated cross-district "virtual teaming" that makes use of highly effective Groupware information systems. The District is also developing a new alliance or especially close working relationship with the National Aeronautical and Space Administration (NASA), a key customer with whom FD hopes to continue working in the future.

P.2a(2b) The District developed a strategic alliance with its region's Colorado River District (CRD). Recognizing how much is shared in terms of mission requirements, customers and markets, and operational capabilities, discussions began in FY 2003. An agreement was quickly reached regarding the advantages of identifying shared strategic goals, aligning respective resources and business practices with these goals, and sharing lessons learned, pertinent feedback, and ideas for innovation and performance breakthroughs. It was quickly recognized that this agreement also was based on shared interests in continuous performance improvement and a "One Agency" approach to problem solving.

Customer Segment (Product Line)	**Products (Goods and Services)**	**Customer**	**Customer Requirements**	**Suppliers**
Develop new infrastructure and projects.	**navigation improvements**	**navigation industry**	**1 - reduced waiting times**	construction and AE firms
	local protection projects	**communities**	**2 - affordability, input**	security and police services groups
	flood-damage reduction for individual buildings	communities, property owners	affordability, fast response	construction and AE firms
	flood-warning systems	communities	timeliness, reliability	electronics suppliers
Manage existing infrastructure.	**lock and dam operation and maintenance**	**navigation industry**	**1 - minimal schedule disruptions, 2 - quick lock-cycle times**	**service and support contractors**
	channel maintenance	**navigation industry**	**3 – fewer accidents and groundings**	**dredging firms**
	dam and reservoir operation	communities	water availability, reduced flooding	service and support contractors
Pursue reimbursable work for others.	**project oversight, management, and technical expertise**	**NASA, NETL, BOP, USFS, NPS, USFWS, EPA**	**1 - on schedule, 2 - involvement**	**AE firms**
	environmental compliance and management	EPA, special interest groups	coordination, involvement	environmental Audit Firms
	real-estate services	DOE, EPA	fast response, expertise	legal firms
Regulatory Program	Permits	Public	strict compliance, integrity, confidence	local, state and federal agencies
		individual and commercial developers	efficiency, fairness, consistency, professionalism, informative response	construction subcontractors
Emergency Management Services	planning assistance	state/local governments	training and expertise, relationship building	consulting and training firms
	emergency response	FEMA, WV, and OH	timeliness, involvement, ready availability of people and equipment, input	construction firms
	temporary housing	FEMA/public		construction firms
Defense Environmental Restoration	**environmental restoration**	**military installations**	**1 - on schedule, 2 - involvement**	**AE firms**

Figure OP-3 *Flagstaff District Customer Segments and Requirements (Bold indicates key requirements.)*

P.2a(3) The main source of competitive and comparative data within the industry comes from 40 sister USWRA districts. From a variety of reports and surveys, the District can determine benchmark, best-in-class, or national averages in a number of areas. FD's ability to capture competitive and comparative data is limited in four main ways. First, private companies are often reluctant to share performance data due to the proprietary nature of their products, services, and processes. This is especially true since FD sometimes competes against these firms for projects or portions of projects. Second, the agency has become more reluctant to share its information as the District approaches the "Next Wave" of competition for its own jobs (A-76 studies), and making information public is seen as strengthening the ability of potential contractors to compete successfully. Third, many sister districts are less sophisticated in their

Area of Competition	Competitor/Comparator	Rationale
projects/ portions of projects	design firms • Zurn-Ovations • Vinyard Designs	expertise in design
other USWRA districts for reimbursable work	Morris-Meyer District Robin Hills District	similar design capabilities real estate acquisitions expertise
outsourcing studies	Halford Omni-Industries	mandated by Federal Law A-76
USWRA comparators	Morris-Meyer District Jones District Mojave District	benchmark for design-process measures benchmark for real-estate acquisition measures similar lock-and-dam operations

Figure OP-4 *Competitors/"Comparators" (organizations warranting critical comparison)*

data-collection efforts, as Flagstaff District has led the way in the overall Agency's improvement efforts. Fourth, the traditional governmental culture is suspicious of sharing some information, particularly financial data. Due to the way the budgetary processes are designed, organizations are judged and rewarded on their ability to spend ("execute") the funding provided to them. Some agencies and individuals fear not only that money saved is money lost in the current fiscal year, but this will be money lost in the following year as well. This fear is based on the facts of a long-standing budgetary process that in many respects is at odds with the efficient and effective management of resources.

P.2b Flagstaff District currently faces six key strategic challenges**:**

(1) *Increased customer pressure for value*—the need to balance increased customer value and organizational performance in the face of ongoing funding pressure (the District's Business Strategic Challenge)

(2) *Threats that can disrupt operations*—the need to ensure continuity of operations under every condition (the District's Operational Strategic Challenge)

(3) *Increased fiscal oversight*—the need to remain fiscally responsible to "those who pay our bills" and those who have oversight of our District (the Business Strategic Challenge)

(4) Turnover at all levels (the Human-Resource Strategic Challenge)

(5) *Funding constraints* (the Business Strategic Challenge)

(6) *Increased accountability for governance* (the Business Strategic Challenge).

P.2c The District uses its Process Management Tool (PMT—Figure OP-5) to maintain an organizational focus on improving performance. This tool helps to define, measure, stabilize, and improve processes, starting with the definition of the steps and measuring them together with the overall process output. Once performance is determined, systematic tools are used to ensure that the process is in control. Once the process is stable, new goals for improvement are set, an improvement plan is developed and implemented, and the improved performance is validated. This approach is used to both document new processes and systematically improve existing processes.

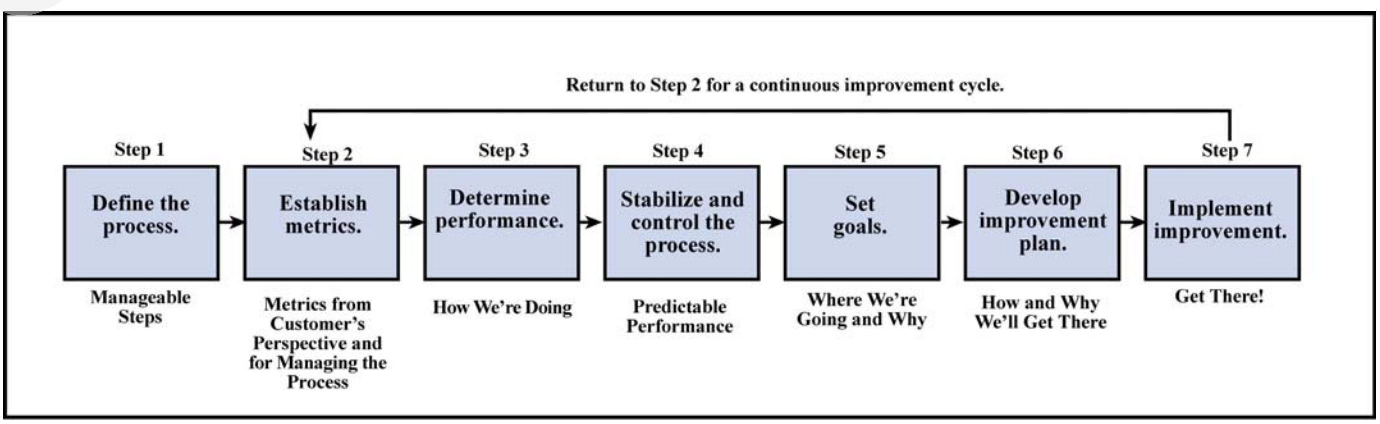


Figure OP-5 *Overall Process Management Tool*

1.0 Leadership

1.1 Senior Leadership

Under the leadership of Colonel Peter Tortorici, the Flagstaff District's senior leaders provide the District with systematic, value-based direction. The Strategic Business Plan, with its guiding principles and strategic objectives, provides a sound basis for satisfying customer requirements through continuous organizational performance improvement. Colonel Tortorici's leadership resulted in an organizationally significant shift in emphasis regarding the District's participation in the Malcolm Baldrige National Quality Award—from a dominant concern with outside assessment and winning the competition to one of informed and committed self-assessment, continuous learning, and self-improvement.

1.1a Vision and Values

1.1a(1) District senior leaders first began to codify and emphasize the organization's direction statements during strategic planning efforts in 1999. Since then, the organization's Purpose, Vision, Mission, and Values have been refined and reinforced regularly as a part of the ongoing Strategic Planning Process. These direction statements are reviewed at the opening of every performance review forum and at most recurring meetings at all levels of the organization. While newcomers sometimes find this redundant, as they become a part of the Flagstaff culture they come to expect this step to frame and focus each discussion of strategy, operations, and performance, keeping the organizational direction clearly at the forefront of each person's mind.

We use our Leadership Review Structure (Figure 1.1-1) to guide leaders at all levels in understanding their responsibilities. Leaders must set the direction (using the guidance from higher headquarters), planning and organizing and aligning resources to better ensure that the group they lead can perform according to plan. Once the group is performing according to plan, the leaders must develop and recognize team members. Finally, leaders in FD must learn and improve. The activities identified (in text) in Figure 1.1-1 are those that all leaders must support. The actions (shown in the connectors) are those personal behaviors that every leader must personally embody.

Performance expectations are communicated in the form of strategic objectives, long- and short-term action plans at all levels, and individual performance plans, which are cascaded and linked (see Figures 2.1-3 and 2.2-1, in Category 2). By constantly making organizational directions a part of virtually every discussion and communication forum, employees understand them and the part they play in achieving them. This imbedded-communication approach is supplemented by a number of other communication methods shown in Figure 1.1-2.

A 30-minute video, titled "Streams of Change"—conceived by Colonel Tortorici and produced in-house at his direction—presents a discussion of key issues concerning the change process by means of some thirty interviewed employees. Most of the participants are members of the operational staff (non-managers) and present a forceful operational view of the District's strengths, weaknesses, threats, and opportunities regarding its capacity for adaptive change. This video is shown at every new-employee orientation and is an important

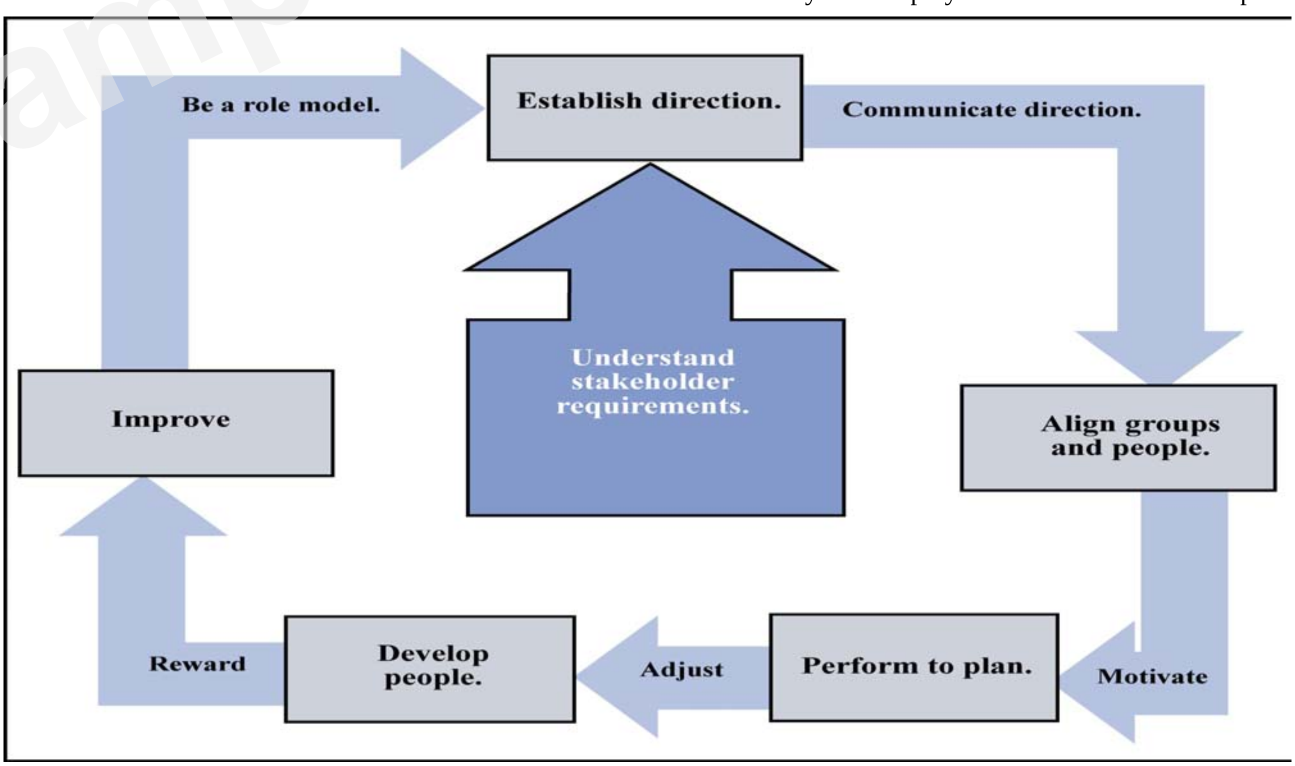


Figure 1.1-1 Leadership System

step in introducing new employees to the organization's culture.

Flagstaff District's ESC (Executive Steering Committee), which consists of the District's "Leadership Triad" *(District Commander, Deputy District Commander, and Deputy District Engineer for Project Management)*, leaders of key functional elements (technical and support elements), including the Chief CSC (Customer Service Center), and Quality Management Board Chair, serves as a vehicle through which senior leadership addresses ongoing issues of quality improvement. The Project Review Board (PRB), which is focused on operational aspects of the District, is another leadership vehicle. The ESC (focused on quality) and PRB (focused on operations) together make up our District Corporate Board (see Figure 1.1-3).

Creating and balancing value for customers has become an organizational focus through the development of the Outreach Team and the Customer Service Center (CSC). The District's senior leadership has directed the Outreach Team to actively seek future business opportunities for the District. Accordingly, senior leaders meet with representatives of the U.S. Forest Service (USFS), National Park Service (NPS), National Aeronautical and Space Administration (NASA), Federal Bureau of Prisons (FBP), and United States Postal Service (USPS), among others. Through these contacts and others, new work for the District has increased significantly in both traditional and non-traditional areas. Traditional work in other districts is also actively sought through outreach efforts, intra-agency contacts, and the initiatives of senior leaders in making others aware of the District's capabilities. Late in FY 2000, the ESC approved the establishment of a Customer Service Center to better address customer issues on a continuing basis and from a corporate perspective. ESC approval was based on recommendations provided in third-party feedback as part of recent quality-criteria assessments (Baldrige Award competitions), and on recommendations provided to Action Team 2 [AT2], charged with identifying ways and means of improving relations with external customers. AT2 deliberations profited from the substantial involvement of external customers.

1.1a(2) Senior leaders promote an environment that fosters and requires legal and ethical behavior by adhering to the high ethical and legal standards mandated by governing regulations. The Office of Government Ethics has established Standards of Conduct that apply to all employees of the Federal Government. Within the DoRR, of which the USWRA is a part, these Standards of Conduct are implemented by the Joint Ethics Regulation, DOD 55.7-R. But more than simply following the regulations, the District's leaders uphold a high legal and ethical standard realizing that they are subject to higher authority within their chain-of-command. Periodic audits by higher headquarters and various regulatory agencies reinforce the importance of upholding high legal and ethical standards. Our governance system also provides the means for senior leaders to support and foster an environment of legal and ethical behavior.

Method	**Purpose**	**Participants**	**Frequency**
Mesa Comments newsletter	general news stories	Distributed to all	monthly
*performance reviews	review performance	All at various levels	quarterly
*individual performance review	review of individual contributions	All	semi-annually
*staff meetings	ESC, QMB, work units	Varies	weekly

Figure 1.1-2 *Communication methods. The asterisk (*) denotes two-way communication methods.*

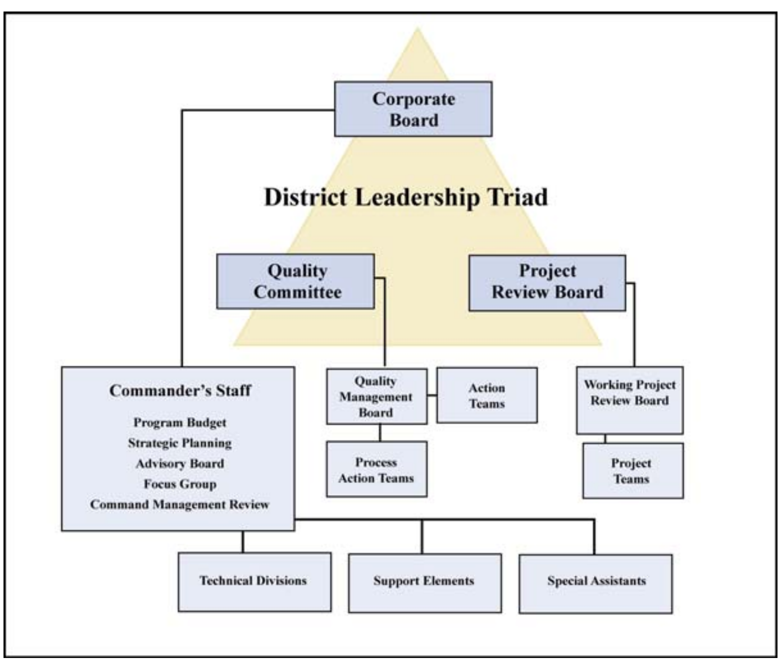


Figure 1.1-3 *Our leadership review structure*

1.1a(3) The District fosters a sustainable organization primarily through its realistic planning (Category 2), process management (Category 6), and a team-based approach. The District removed one layer of supervision in 2002 when Flagstaff District's Operational Managers (OMs) assumed branch-level functions and delegated other responsibilities and authority to the work-unit level. Throughout the organization since 2002, most work is accomplished through teams. These teams may be standing work groups, standing cross-functional teams, or ad-hoc, time-limited teams chartered for a specific purpose or project. Team leaders encourage their team members to find effective and efficient ways to successfully cope with significant and continuing increases in workload. To facilitate this and respond to staffing needs, employees were given opportunities to cross-train and improve their knowledge and skills through rotational assignments in higher-graded positions, temporary exchanges of employees between and among functional elements to build bench strength, and participation on special teams. Tactical planning and process flow-charting by every work unit in the District in 1999 encouraged employees to be innovative in improving their work processes. Coaching, mentoring, and shadowing opportunities are offered, and participation is strongly encouraged.

In addition, the ESC revitalized the Quality Management Board (QMB)—the ESC's "working arm," charged with ensuring the continuous improvement of business processes and overall performance throughout the District. The QMB sets up and oversees Process Action Teams (PATs), which investigate improvements and innovations in business processes. The ESC establishes problem-solving Action Teams (ATs) to address initiatives resulting from continuing reviews of the District-level Strategic Business Plan. Taking action on feedback, the ESC recently directed the QMB to assume operational management of the ATs. In response, the QMB developed, and the ESC has approved, a new approach that is reflected in the QMB's charter. This approach calls on ATs to focus on strategic improvement by means of strategic quality-management initiatives. It calls on PATs to focus on improving existing processes, and on PST (Problem-Solving Teams) to focus on immediate District issues and problems. These assignments and teams, assembled from a cross-section of the District, and the Project Management Process (PMP), promote District-wide and cross-functional learning, problem identification, and the provision of recommendations for problem solving.

1.1b Communication and Organizational Performance

1.1b(1) Senior leaders use a variety of methods to communicate, empower, and motivate employees throughout the District and encourage frank, two-way communication. The primary means of accomplishing this is through the District's teams. First, leaders see to it that goals and

Review Forum	Senior Leaders' Primary Role	Purpose of Review
Command Management Review (CMR) of Consolidated Command Guidance	Reward goal accomplishment, redirect efforts as appropriate to ensure that goals are met, set overall direction for prioritization, and ensure effectiveness of organization.	Compare a variety of financial, human-resource, and project-performance measures to allow for setting improvement goals (quarterly).
Project Review Board (PRB) and Working PRB (WPRB)	Assist Project Manager (PM) and Project Teams with challenges; reprioritize groups of projects.	Manage resources and schedules, prioritize various project efforts, and provide overview of all significant projects (monthly).
Commander's Staff Meetings (weekly) and Periodic Staff Off-Sites	Facilitate discussion of issues, assist in decision making, set direction for support system and review overall organization.	Discuss projects, logistical issues, and District trends and concerns. Also communicate expectations to all organizational levels (weekly).
Executive Steering Committee (ESC)	Ensure deployment of Quality Criteria; set quality goals; emphasize team awards.	Oversee quality-criteria implementation (weekly).
Strategic Business Planning (SBP) Focus Group	Oversee entire process; direct situation analysis; determine strengths, weaknesses, opportunities, and threats; and set goals for leadership development.	Develop Strategic Business Plan, determine capabilities and areas for improvement, and review overall organizational structure (semi-annually).
Customer and Employee Feedback and Partnering	Ensure communication, set improvement goals, and provide feedback to and from customer.	Ensure that customer needs and expectations are met (ongoing).
ESC/PRB Reviews of Corporate Performance measures	Ensure corporate oversight of customer satisfaction, program execution, and the evaluation of high-performing organizations and benchmarks.	Make adjustments that enhance performance (ongoing).

Figure 1.1-4 *Significant Organizational Performance Reviews*

objectives are cascaded from the various components of the leadership structure down throughout the District's organizational structure and processes. Teams and individuals are asked to provide feedback through a variety of means (surveys, focus groups, suggestions, and "Ask the Boss" anonymous queries) throughout the team's or the individual's project or process. Leaders must respond within 3 work days. Additionally, empowerment is reinforced by leaders through a formal pledge to seek and listen to the workforce. The pledge is strategically posted in administrative and maintenance areas throughout the District. Finally, leaders make a point of getting out of their offices and walking around administrative and maintenance areas as well as making scheduled and unscheduled visits to project sites solely for the purpose of soliciting employee viewpoints and ideas.

Realizing the importance of both team and individual employee efforts to the success of District quality-management initiatives, an innovative process was recently devised to better recognize team efforts through team awards. In the District Office lobby, a continuing series of large photos and video-monitor displays showing the various teams and their members celebrates achievement and encourages team participation, learning, and innovation. Additionally, in early 2001, senior leadership began actively emphasizing the suggestion program and making a concerted effort to improve that program's performance in order to maintain and reinforce an environment that encourages risk-taking, creativity, and innovation. As a result, ideas submitted through the recent review findings and associated actions are shown in Figure 1.1-5. By continually monitoring the District's overall performance senior leaders demonstrate their commitment to achieving the strategic goals and objectives of the District.

1.2 Governance and Social Responsibilities

1.2a Organizational Governance

1.2a(1) Flagstaff District's governance system focuses on four key factors:
- •management accountability for organizational actions
- •fiscal accountability
- •independence in internal and external audits
- •protection of stakeholder interests

Management accountability is ensured through a complex system of checks and balances that includes the accountability to the President and Congress. A great number of the laws, regulations, and policies that guide actions are aimed at ensuring that the Government business is conducted in a manner that protects and promotes the public interest. These approaches are sometimes at odds with "efficiency," but it is the role of a Government agency to put the public trust before expediency. Fiscal accountability is ensured through both internal and external audits conducted by internal Resource Management, the Program Budget Advisory Committee, Internal Review, the Inspector General, and a system of Management Controls plans and reviews. External fiscal by the Office of Management and Budget, the General Accounting Office, and others. Independence of internal audits is accomplished by presenting findings to the District Commander. External audit results are presented through higher headquarter's commands and provided to the District Commander for validation and any required corrective action. Independent technical reviews of our operations are conducted by other District offices or higher headquarters, and, many times, in conjunction with our customers and suppliers to ensure protection of stakeholder interests.

Measure	Review Forum	Significant Finding	Action Taken
Public Concern Report	weekly staff meeting	public concern over tree removal on land surrounding Lake Toona, Ala.	provided media press kits to local radio, TV, newspapers on the purpose, scope, and outcome of tree-removal operations

Figure 1.1-5 *Recent Review Findings*

1.1b(2) The District's senior leadership uses its topmost reviews/forums, the Command Management Review (CMR) and Project Review Board (PRB) to create and maintain focus on organization-wide objectives, to balance value for all stakeholders, and to improve overall performance. The CMR and PRB are the District's primary review forums for its senior leaders, but are not all-inclusive. To thoroughly review the performance of an organization as large and complex as the Flagstaff District, leaders at all levels must review performance at the various levels. Figure 1.1-4 summarizes the major review forums. Each review forum reviews the strategic objectives assigned to that review process, using the measures that apply. In addition, all measures shown in Figure 1.1-4 are regularly reviewed, though the frequency and level of review varies among the measures. Most are reviewed on either a monthly or quarterly basis. Some of the

1.2a(2) Flagstaff District uses four main methods of assessment to evaluate the performance of senior leaders: (1) the internal Baldrige-based feedback process; (2) organizational performance results; (3) leadership questions on the employee survey; and (4) analysis of these and other indicators by an outside leadership consulting company. Twice each year, senior leaders convene for the express purpose of assessing the leadership system and group. During these meetings, the consultant presents an analysis of findings from the other three sources, supplemented by other information deemed appropriate. The leadership group applies the process improvement model to the leadership system and plans appropriate improvements. Individual leadership performance is assessed twice yearly through the Total Organizational Performance Evaluation (TOPES).

1.2b Legal and Ethical Behavior

1.2b(1) Promoting and protecting the public interest is one of the District's guiding principles because of its primary importance to its role as an agency of the Federal Government and the importance of operations for the public welfare. District performance in designing, building, operating, and maintaining flood-damage-reduction and navigation structures is a key measure of effectiveness in this area of responsibility, given the magnitude of possible damage associated with the failure of a floodwall, lock, or dam—or a mistake in operating or maintaining such structures. Although, in the history of the District, none of these types of structures has failed, the District's recurring training in dam operations and associated maintenance procedures emphasizes strict vigilance regarding all monitoring activities. The District's flood-damage-reduction and navigation structures are currently undergoing modernization, rehabilitation, or risk-and-reliability assessment to ensure continued operability, safety, and durability. Expertise in engineering and water-resources is proactively applied to ensure the safety of all public facilities. Operational field projects conduct monthly Public Use Area Safety Surveys, for example, as one means of systematically and routinely addressing issues of recreational-visitor safety. Two examples of proactive monitoring to reduce risks to the public include Dam Safety Assurance and Periodic Inspection programs (Figure 1.2-1) and a Navigation Planning Center, which analyzes data on navigation efficiency, operational targets, and goals for improvement.

Flagstaff District also devotes special attention to two other key mission areas concerned with protecting the public—(1) the prevention of environmental hazards and (2) emergency preparedness. This led to the creation of a Hazardous, Toxic, and Radioactive Waste Group to better anticipate and prevent environmental hazards in all work, and to implement remediation in conjunction with the District's Reimbursable Work for Others (RWFO) mission. In combination with the environmental planning, analysis, and evaluation performed for new infrastructure, the District addresses potential impacts at all stages of project development. This process includes public forums that provide opportunities for citizens to express concerns regarding societal, environmental, and economic impacts resulting from new products. The process also includes an Environmental Reference Guide for Operations program, which ensures environmental compliance regarding existing infrastructure through monitoring, identifying potential problems, and assisting with corrective actions. The District cooperates with Federal, State, and local disaster- and emergency-service offices in emergency-preparedness and emergency-response and recovery efforts. The rapid deployment of resources to protect the public is planned for in cooperation with the Federal Emergency Management Agency (FEMA). In this role the District has responded to hurricanes, earthquakes, snow, and other emergencies—including, especially, floods.

The District proactively anticipates and identifies concerns regarding current and future business processes and practices through partnering relationships and communication with key customers, communities, and other stakeholders. This

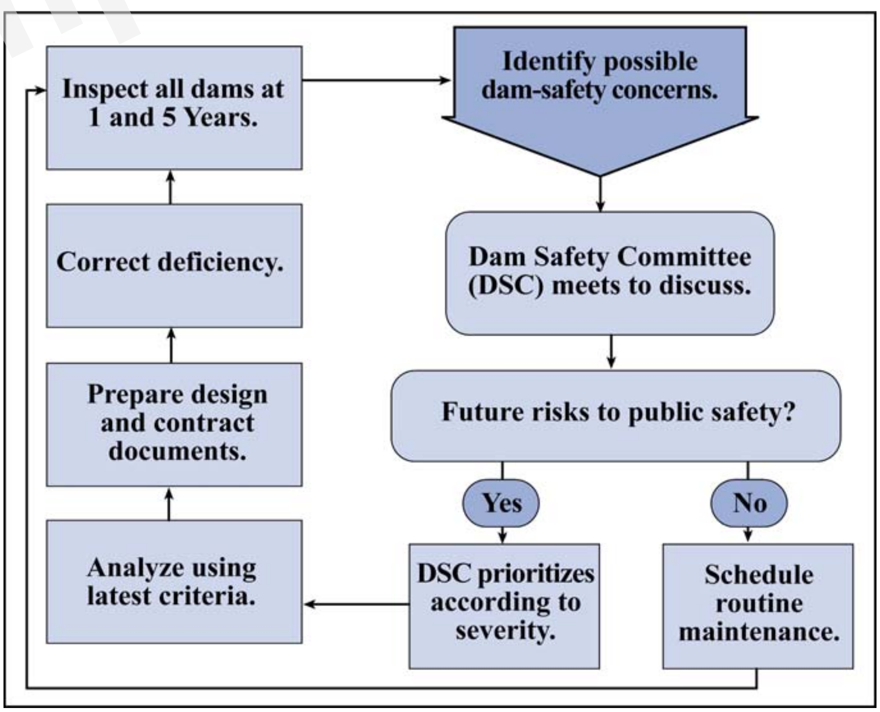


Figure 1.2-1 *Dam-Safety Prioritization, Flagstaff District*

proactive process uses a seven-step tool developed by DoRR and given to FD.

As a result of recommendations from the most recent Baldrige-based process, a Customer Service Center (CSC) was established to focus on the needs of customers —including the general public. The Public Affairs Office (PAO) is the official "voice of the District" in matters dealing with the media, and, as such, fields questions from the public regarding operations. Concerns voiced through the PAO are captured and forwarded to the CSC for inclusion in the monthly "Public Concern Report." These reports are used to categorize, track, and trend the nature, frequency, and intensity of public concern about various issues. Senior leaders review the findings of the report in the weekly staff meeting, ensuring timely and proactive response before a concern reaches the point of becoming a major issue.

1.2b(2) The District Commander ensures that ethical standards are met with regard to requirements for annual ethics training and signature of commitment for adherence to these standards by his senior leaders and those employees having direct contractual contact with suppliers and customers. As set forth in the Federal Government's Code of Ethics, ethical conduct is a leadership value expected of the entire workforce, and the District Commander serves as the leading model and "standard bearer" in this regard. Rules and regulations are communicated to every employee and enforced. Periodic reviews serve to better ensure compliance. The District's Ethics Program, as put forth by the Office of Counsel (OC), ensures that those within the organization whose duties inherently raise potential ethical or procurement issues are kept informed concerning shared responsibilities in this regard. Senior leaders and other employees in specified positions must fill out an annual financial disclosure statement to guard against even the appearance of benefiting financially from District, Region, or Agency operations. Senior leaders encourage and provide opportunities for employees to obtain professional registration and other forms of certification and mandatory training, and they promote adherence to the ethical standards of conduct expected of a registered professional in their various fields. An OC representative participates as a member in all Project Review Board meetings, Commander's staff meetings, ESC meetings, and other forums to provide early identification of, and recommendations regarding, potential legal and ethical concerns. OC also certifies all interagency agreements to ensure legal and ethical adherence in these areas. The Commander's Hotline is available to all our employees to confidentially report suspected unethical behavior or any other issue of concern.

1.2c Flagstaff District has identified four key "communities" to support: (1) the geographical communities in which it operates; (2) geographic communities "downstream" of FD operations that benefit by or could be harmed by FD operations; (3) the professional community that includes engineering, design, construction, real estate, etc., and (4) communities, organizations, and "causes" that are of interest to District employees. As an organization that, by design and purpose, operates in the public interest, the line between FD's "business" and its "social responsibility" is happily blurred. To determine how the District will specifically select community projects for emphasis and involvement, senior leaders developed the Community Outreach Team to seek ideas for, prioritize, and select projects. The main team is at the District HQ, but each operational site has a mini-team to carry out the same purposes, coordinate efforts where appropriate, and capture the impact of District efforts. Criteria for deciding what efforts to support include (1) alignment with District Purpose, Vision, Mission, and Values; (2) value to the District in building and maintaining community support of District operations; and (3) potential positive impact on the community. Examples of community projects are shown in Figure 1.2-3.

District employees at all levels participate in a variety of public-service activities throughout the District. This includes participation with local universities in the development of degree programs in Environmental Science and Technology Management. Both provide District employees with additional opportunities for continuing education while enhancing Flagstaff University's educational capabilities. District employees are members of the Arizona Jobs and Infrastructure Council, the Arizona Rural Development Council, and the board for the Community Learning and Interactive Technology Center, for example. These activities help serve as an important source of improvement for the organization, enhancing relationships with the local community and enhancing employee satisfaction as a result of the roles employees play in improving the communities affected by their work.

In their own conduct and performance, members of the Corporate Board model and actively support employee participation in activities that strengthen relationships with one of the District's greatest assets—its surrounding communities. Many Corporate Board members are themselves members of boards of trustees for various local civic and religious organizations. The Performance Excellence Assessment Team developed a community-support process to systematically evaluate and improve support for key communities. The process, approved by the ESC, requires further coordination before it can be deployed.

One example of key-community support is workforce support of the Combined Federal Campaign, which is the only authorized solicitation of Federal Government employees on behalf of charitable agencies. The District's annual contribution to the CFC is the largest of any Federal agency in the community with a continuing 30 percent contribution over the last 4 years. Two senior leaders from the District support the Local Federal Coordinating Committee in leading the CFC's campaign, thereby indicating senior-leader contribution and overall District support.

Project	Key Community#	Decision Criteria Used*
Summer Intern Program (for students in technical and academic colleges and universities)	1, 2, 3	1, 2
Combined Federal Campaign	4	3 (Employees contribute to registered charities through payroll deduction—similar to United Way procedure.)

Figure 1.2-2 *Support of Key Communities. Octothorp (#) refers to the four key communities as numbered above at 1.2c. Asterisk (*) refers to three decision criteria as numbered above at 1.2c.)*

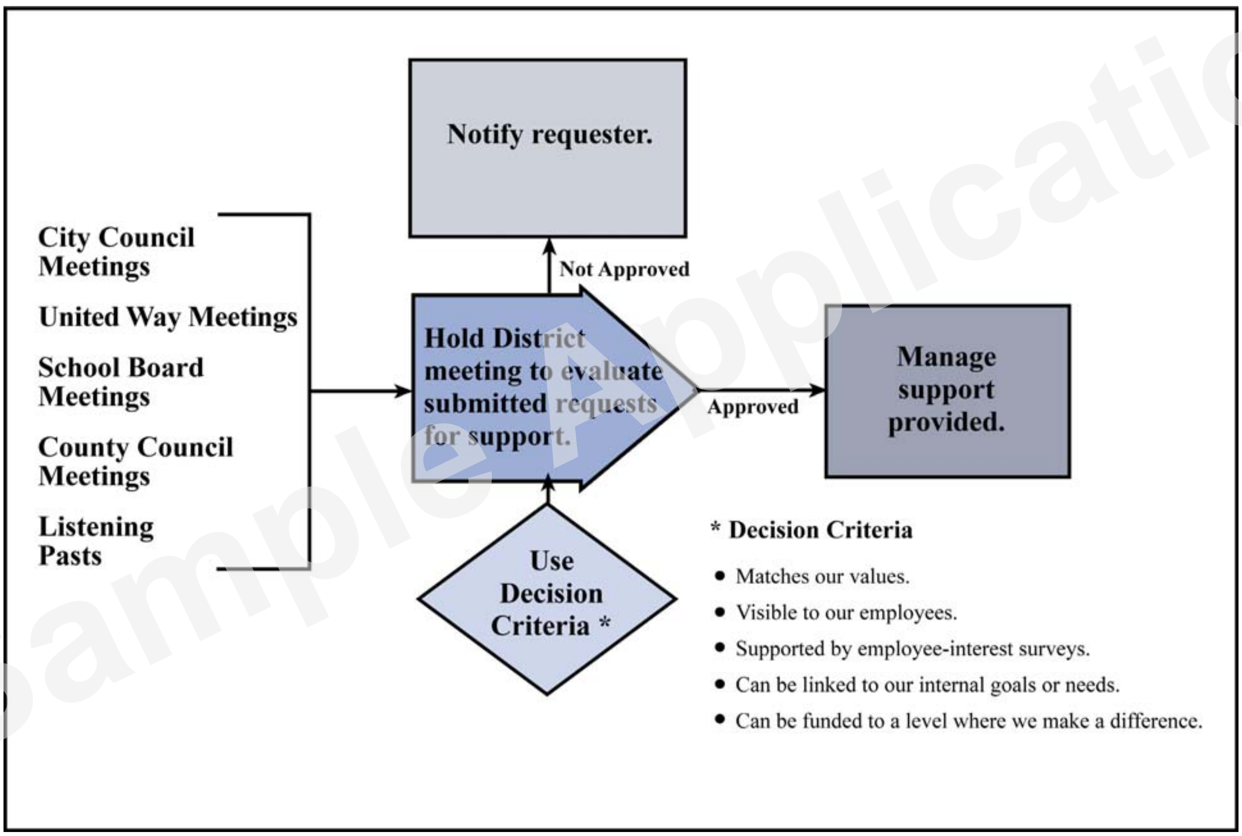


Figure 1.2-3 *Community Support System*

2.0 Strategic Planning

2.1 Strategy Development

2.1a Strategy Development Process

2.1a(1) The Flagstaff District (FD) began planning strategically in 1999, with an annual off-site conference. Over the next 2 years, the District realized that planning once a year was not sufficient, and moved to an annual off-site with quarterly updates that coincided with quarterly performance reviews. The planning process is essentially the same for the annual off-site session and the quarterly updates. The process used for the annual session, however, is more in-depth, and addresses issues that may have been outside the scope of the quarterly updates, or may require more comprehensive revisions of the plan than the course corrections addressed quarterly.

The steps of the planning process (Figure 2.1-1) include

(1) Review and revalidate the vision, mission, and values of the organization. (These are not changed significantly each year, but the leadership revalidates them and makes the necessary additions/revisions.)

(2) Review current performance against goals, and review strategic planning inputs from the various sources shown in Figure 2.1-2, Strategic Planning Inputs. (This is particularly important when performance has deviated significantly, in either a favorable or unfavorable direction, from the planned levels.)

(3) Reevaluate the gaps between the current state and the vision. (The gaps are verified, and the cause of each gap is explained.)

(4) Plan to close the gaps. (This plan contains both necessary longer-term and shorter-term actions, responsibilities, and the timing of each action.)

(5) Implement the plan. (The implementation steps are executed, tracked, and reported against. Where necessary, course corrections are made and the implementation plan is revised.)

(6) Review and improve the strategic-planning process using the improvement process shown in P.2c. (This is the "process to improve the planning process.")

Participants in the strategic-planning process are also shown in Figure 2.1-1. Course corrections and major strategic changes are handled in much the same way: the leadership group considers whether to assign responsibility for developing an action or improvement plan to an existing group or team or to charter a special, time-limited team based on defined decision criteria. In either case, the action is recorded and tracked by the Strategic Business Planning Group and the leadership team receives periodic updates from the responsible implementation team.

Actions are divided into long- (greater than one year) and short-term (one year or less). Short-term actions constitute our Annual Strategic Business Plan. These timelines were chosen to coincide with our fiscal year (FY), which runs from 1 October of one calendar year until 30 September of the next calendar year.

2.1a(2) The main inputs to the strategic-planning process include performance results reviewed in Figure 1.1-3 (in category 1), Organizational Performance Reviews, and sources shown in Figure 2.1-2, Inputs to the Strategic Planning Process.

2.1b Strategic Objectives

2.1b(1) Figure 2.1-3 shows key strategic objectives, the measures and goals the District set for itself, and the timetable for completing them. Short-term plans are those the District is currently working on and executing in the current budget

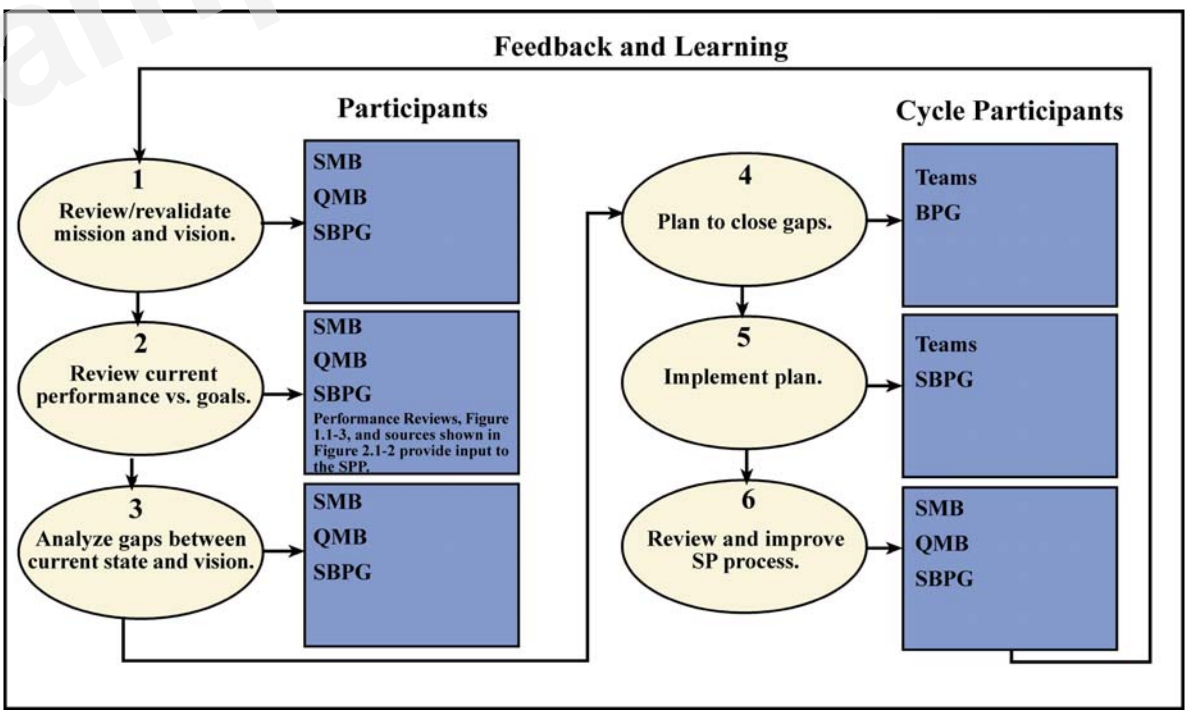


Figure 2.1-1 *The Strategic Planning Process*

Type of Input	Source and Type of Data	Responsibility
Strengths and Weaknesses:		
Human Resources	3-year operating budget, 5-year workload projections and manpower requirements of each	PBAC
	anticipated change in workload type & volume; changes in skill set needed to meet future workload	PD, Outreach Team
	demographic assessments provided to rebalance workforce	PBAC
	disaster scenario planning	Disaster Preparedness Team
	employee and supervisory survey data, Employee Satisfaction Index, Employee Well-Being Index (WBI)	Quality of Work Life Committee,
Other Resources	3-year operating budgets and 5-year workload projections	PBAC
	Cost of Doing Business report, real-time data regarding six critical indices	CEFMS
	Baldrige-based self assessments to identify + and - in business approaches	QC
	input on overall financial health	Budget Officer
Technology and Innovation		
	Research and recommend actions regarding new technologies required for future projects	Planning Division (PD) Outreach Teams
	assessments of current and new technology while planning new projects introduction of New Technology Process (Figure 6.1-4)	PMBP
	participation in professional activities: review of literature, industry organizations, conferences, trade shows, continuing professional education, partnerships with institutions of higher learning	all
Competition		
	information on other providers of services gleaned from working with new, potential, and existing customers	Outreach Team
	comparisons with sister districts on district capability to provide out-of-district projects	USWRA
	information on other providers of services gleaned from working with new, potential, and existing customers	Outreach Team
Customer and Market		
	information on new/potential customers (Figure 3.1-1)	Outreach Team
	listening and learning process (Figure 3.1-2), current, former, & potential customers annual customer survey, Web site comments, complaint data, customer measures, comment cards from recreational users, advisory boards (e.g. navigation interests), “Open House” events, input on customer processes	CSC
	Customer input from project planning, features and value to customer; Provided input beyond specific project that can be generalized to other projects and planning	PMBP
	interface with CEOs of customer organizations and other agencies	senior leaders
	public inquiries and requests for information	Public Affairs Office
Opportunities to Redirect Resources		
	PBAC and SPBAC	PBAC
Risks		
	financial risks	Budget Officer
	threat assessments and warnings	Dept of Hmlnd Security
	ethical and regulatory updates and risks	Legal
Changes to Economy		
	input from political leaders concerning economic issues on planned projects	PD
Unique Factors		
	supplier input	Procurement Enabling Process, Logistics

Figure 2.1-2 *Inputs to the Strategic Planning Process*

(fiscal) year. Longer-term plans begin in the next FY, and continue out indefinitely to include long-term construction projects, which can take up to 5 years or more to plan, design, and fund, with actual construction timelines beyond that.

2.1b(2) Also depicted in Figure 2.1-3 are the strategic challenges addressed by each of the strategic objectives. Relating challenges to objectives provides a constant reminder to the District regarding the "why" (external challenges) behind the "what" (internal actions) and "how" (techniques). Placing the full spectrum of timelines on this one tracking document also allows each participant to be mindful of how short-term actions add up to long-term accomplishments and ensures that the organization is "on track" in accomplishing what it set out to do. The quarterly review process, which includes steps to update and adjust District objectives, goals, actions, and measures, as needed, provides a way to ensure that the organization is always working on the highest-priority actions, and that actions are building to desired long-term outcomes. This quarterly review-and-improve step also allows the District to closely monitor the overall process by means of inputs reviewed in Figure 2.1-2 regarding the needs and requirements of all stakeholders, and to balance those with organizational needs.

2.2 Strategy Deployment

2.2a Action Plan Development and Deployment

2.2a(1) Action planning, like strategic planning, is an on-going, cyclic process. Every manager—supervisory and non-supervisory—has been trained in her or his role in strategic planning. Every manager has also been trained in how to take higher-level plans and translate them into more detailed action plans. This training is a required part of the supervisor training course. After the yearly planning offsite, the key strategic objectives, measures, and goals are assigned to a number of teams and/or assigned to a specific leader to develop annual action plans. As the year progresses, these same teams or leaders follow the changes to the Strategic Plan with appropriate changes and adjustments to the Action Plans. The entire strategic-and action-planning process is therefore ongoing and updated quarterly. Constant feedback between strategic planning and action planning ensures the two levels of planning are always aligned and synchronized.

2.2a(2) Deployment of Strategic Plans and Action Plans is done through a series of meetings and updates on the websites. Just as the plans are cascaded, so are the communication and deployment of the plans. Each level of leadership, starting with the senior-leader level, ensures that the latest updates to the plan are communicated through standing meetings, and, if necessary, special communication sessions. As each level of the plan is completed, it is then communicated downward. This continues, with appropriate level of detail, to the individual level. To ensure that the plan is fully deployed and that individual employees fully understand their respective roles in accomplishing the plans, individual performance and development plans are based on and aligned with the overall plan—see Figure 2.2-1. An "upward cascade" of performance information is rolled up from one level to the next, beginning with individual accomplishments, which contribute to team accomplishments, to SMB, QMB, and so forth throughout the organization and its performance reviews.

The key mechanism for allocating resources involves both the Program and Budget Allocation Committee (PBAC) and the Senior PBAC (SPBAC). Made up of the members of the QMB, the PBAC is a standing committee that meets for the express purpose of allocating resources and building the resource requirements for the upcoming budget years. The SPBAC is the Executive Leadership Team, but SPBAC meetings focus on reviewing and approving or reallocating the resource decisions recommended by the PBAC. The PBAC meets quarterly to discuss budget execution (those funds that have been spent), budget obligations (those funds that have been set aside for specific purposes), and funds remaining to execute in the remainder of the fiscal year. The PBAC also discusses and builds future budgets. The SPBAC meets semi-annually for mid-year review of current year execution, to discuss, change, and approve future year budgets. Each PBAC participant brings to the discussion lists of programs and projects they desire to have funded, but the entire PBAC body recommends specific funding levels based on direct impact on prioritized strategic objectives and action plans. Funding levels are then presented to the SPBAC and defended based on the same criteria. The SPBAC is under no legal or regulatory obligation to honor PBAC recommendations. However, because of the shared understanding of and reliance on the strategic-planning process, disagreements with PBAC recommendations are rare and are usually based on an urgent change to the organization's environment or stakeholder requirements that have not yet become common knowledge below the ESC/SPBAC level. This provides the District with an approach to resource allocation that is grounded in and aligned with the overall planning process, but is flexible enough to address rapidly changing organizational and stakeholder needs.

2.2a(3) Our key action plans are shown in Figure 2.1-3 along with the strategic objectives and goals they support. The key changes to USWRA's operations are the increasing role the agency plays in Homeland Security and the Global War on Terrorism (GWOT). Our role entails (1) protecting national water resources from potential acts of terrorism; (2) securing waterways as transportation for military materials, equipment, and personnel; and (3) serving as a global resource in our national efforts to rebuild the infrastructure of war-torn countries such as Martigistan and Freedonia.

2.2a(4) Key human-resource plans are also shown in Figure 2.1-3 along with the strategic objectives and goals they support. These approaches are also more fully described in category 5.

2.2a(5) Performance measures for key action plans are also shown in Figure 2.1-3. Using this chart to show key linkages between strategic challenges, objectives, action plans, and measures serves as a constant reminder of the actual linkages in everyday activities, short-term and long-term goals, and individual contributions, and aligns the organization to accomplish them.

2.2b Performance Projection

As a part of most performance metrics and their graphic representations, the District includes a statistical projection of the trend line for that measure. This helps answer the question, "If we keep doing what we're doing, will we get where we want to go?" and helps identify where course corrections are needed. Each measure also shows either a benchmark or goal, as appropriate and available. Past performance, projections, benchmarks, and goals can be seen in the charts in Category 7.

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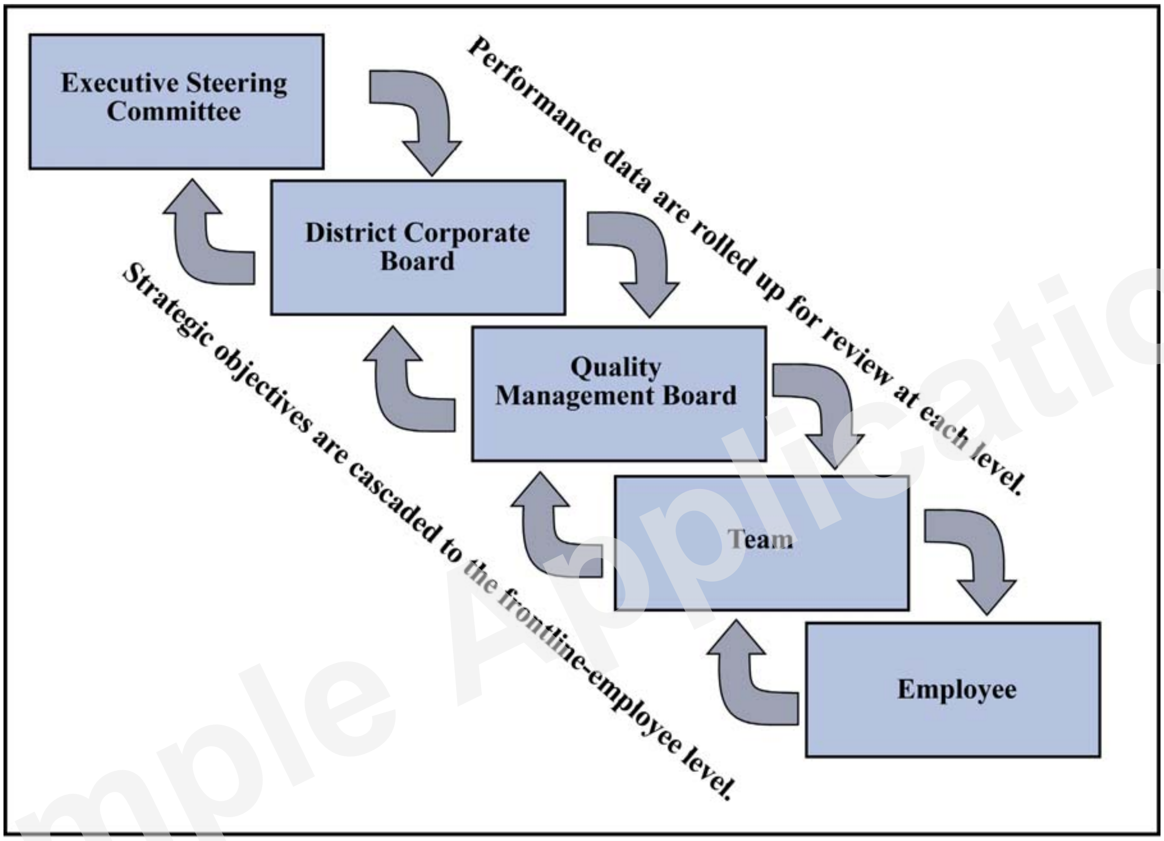

Figure 2.2-1 Deploying the Plan. "Catchball" process (feedback/feed-forward) for collation of strategic goal with objectives and performance data for effective alignment.

3.0 Customer and Market Focus

3.1 Customer and Market Knowledge

3.1a(1) The District's customers and potential customers are grouped in six business segments—(1) develop new infrastructure and projects; (2) manage existing infrastructure; (3) pursue reimbursable work for others (RWFO); (4) manage regulatory program; (5) provide emergency-management services; and (6) provide for defense and environmental restoration. Most of the District's customer base is located within a designated geographic area and is characterized largely by few repeat customers owing to the specific nature of the business. Work beyond our geographic boundaries is undertaken under certain conditions. Frequently, districts obtain needed resources from one another and from WRUSA research facilities, form cross-District work teams, and serve as inter-District brokers for shared projects. This approach allows for serving customers while drawing on worldwide resources.

The process to determine customer and market segments, shown in Figure 3.1-1, starts with listening and learning inputs from external sources. Next, current and new segments are identified and verified, and the requirements then compared with the identified segments. Goals are then aligned with the inputs to ensure organizational alignment and measurement.

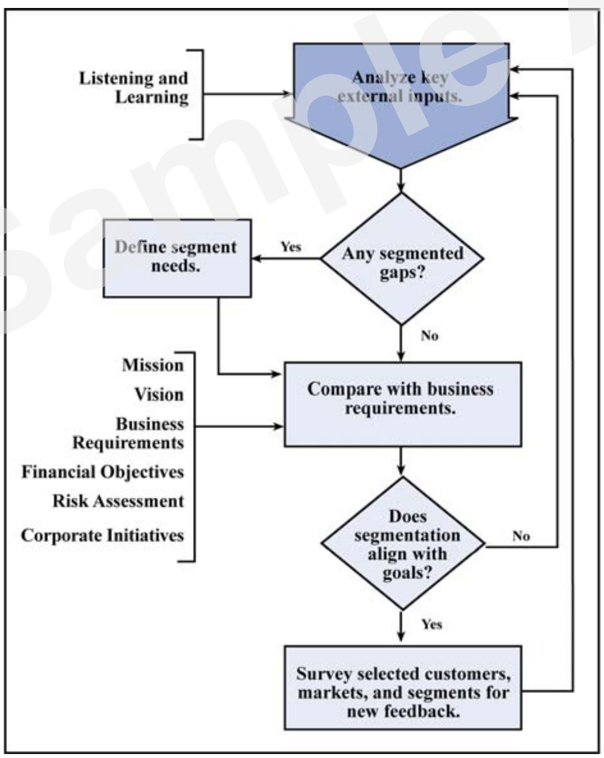

__Figure 3.1-1__ Determination of customer and market segments and capabilities.

The District provides engineering and technical products and services through its RWFO program (Reimbursable Work for Others). Although most of the supported agencies have internal engineering and construction resources, additional resources and capabilities are provided by serving as a "multiplier" in areas of relevant competence. In alignment with its role, the District's Outreach Team is concerned with attracting new customers, expanding the customer base, and communicating readiness to provide needed resources and capabilities.

3.1a(2) The District uses its listening-and-learning process (Figure 3.1-2) to identify and update key requirements and decision drivers with regard to current, former, and potential customers and to involve the customer from a project's planning stages to its completion. The formal customer survey is used with all customers. In addition, Figure 3.1-3 shows a representative sample of the other "listening posts" used. Within the RWFO segment, new and changing customer requirements are identified and feedback is gathered from an annual customer survey. The District uses this information to update databases, evaluate trends, review and change policy and procedure, and make budget decisions.

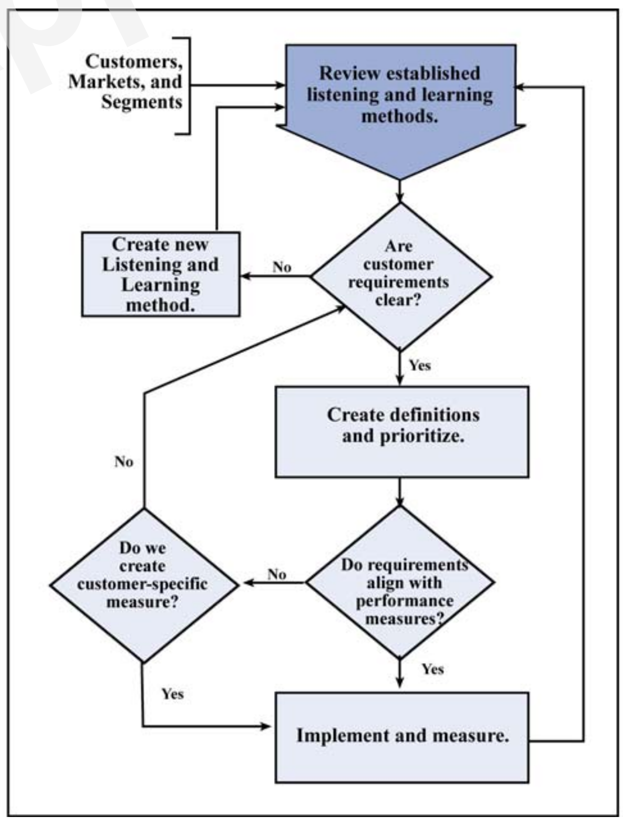

__Figure 3.1-2__ Using the listening-and-learning process to identify customer requirements.

Customer Group	Listening Approach	Customer Group	Listening Approach
Navigation Industry	Navigational Records	Communities	Town Council Meetings
Developers	Complaints/Land Records	Property Owners	Property Records And Complaints
Special Interest Groups	Petitions For Consideration	Federal Govt. Agencies	Official Channel Contacts
State Govt. Agencies	Official Channel Contacts	Public	Town Council Meetings
		Military	Official Channel Contacts

Figure 3.1-3 *Customer "Listening Posts" (Representative sample—not a complete listing)*

Research identified the Bureau of Prisons, National Park Service, and Forest Service as agencies with reduced in-house engineering capability. The District is now working for these agencies because we listened to their concerns as potential customers and streamlined our way of doing business to meet their price, quality, and time requirements.

The Outreach Team obtains needed feedback by means of a listening-and-learning approach to identify key product features and their value to current and potential customers. Regulatory interests, for example, coordinate through monthly advisory board meetings with District and Coast Guard representatives. These meetings support a systematic review with a standard agenda and decision process. Through partnering, the District considers water safety and operation and maintenance of existing locks and dams, together with other projects proposed for development. In the area of managing existing infrastructure, the District ensures that key products fully satisfy current customer requirements through the analysis and evaluation of feedback obtained from customer surveys and comment sheets and by way of "Open House" events.

To keep up with or anticipate changing business needs and directions, the District is increasingly concerned with making the most of opportunities for extensive, comprehensive, and continuing customer contact (Figure 3.1-4). In this way the District seeks to enhance market knowledge, identify, and update customer requirements, and develop and update outreach strategies and listening-and-learning methods. In response to customer feedback during a public meeting, for example, the District reevaluated site-access alternatives for Cobble Stone Lake in Colorado. As a result, an additional alternative involving a temporary access bridge across the Cobble Stone Lake stilling basin was developed and implemented that was far more effective in meeting both originally identified needs and broader public needs.

3.1a(3) The District conducts annual reviews of market and customer data-collection and analysis processes using the process development tool (PDT). Findings with key directions from our strategic plans are analyzed against requirements to determine if process gaps exist. When gaps are identified, or required processes change, processes are improved through PDT. An example of a recent improvement can be seen in the revision of the District's customer partnering process. A "Partner of Choice" (POC) method is now used that drives clear articulation of customer needs, requirements, and key indicators. All processes are reviewed against these attributes and measures bi-annually.

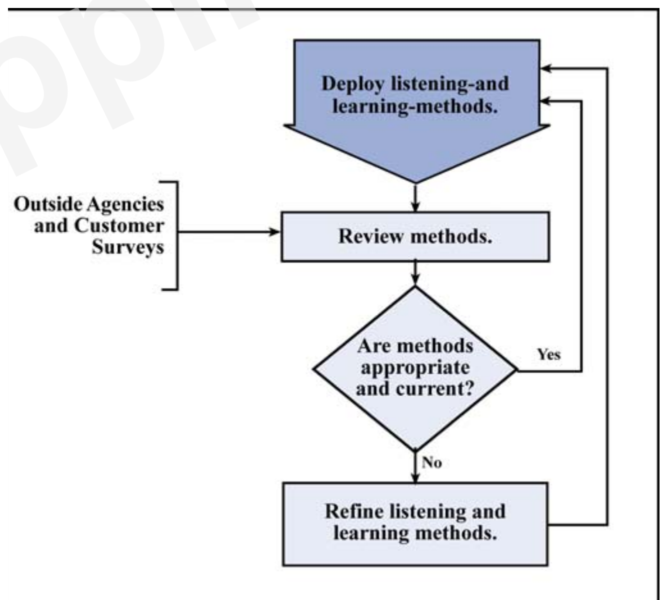

Figure 3.1-4 *Keeping listening-and-learning methods current*

3.2 Customer Relationships and Satisfaction

3.2a Customer Relationship Building

The District's Program and Project Management Business Process, or PMBP (Figure 3.2-1), serves as a forum by means of which planners, project managers, and account managers provide key-customer access. Each appropriate employee is trained in ensuring customers have the access they need, and in assessing the effectiveness of the relationship. In addition, the District's website complements the customer-outreach process by inviting customer comments, and provides employees with direct and easy access to its resources, including information about the District and its capabilities. The Customer Service Center (CSC) was implemented as a cycle of improvement 9 months ago and is a major enhancement of the overall process for providing customers with effective access to information and the resolution of complaints. The District Commander plays a key role in this process, communicating systematically and routinely with chief executives of the organizations and agencies served. The Public Affairs Office receives and responds to the complaints of external customers—including those of the general public—both directly and indirectly.

The District provides a number of points of contact providing informed responses to complaints (Figure 3.2-2). In addition to the Customer Service Center, project managers—throughout the District at field sites and the District Office—work with customers to solve problems and avoid potential complaints. Monthly and occasional quarterly meetings of the project-coordination team are held with members and customers who work together to address problems and concerns. As new projects are developed and existing projects are modified (involving physical changes, operational changes, or both), public meetings are held to obtain positive feedback and identify and explore opportunities for improvement. Every complaint logged is effectively closed. The only reason a complaint is not valid is if it is not in our scope (as legally mandated to the agency) or control, and the customer is notified of this fact. The only reason we do not respond to the customer is if the customer is not identified on the complaint and we do not know how to contact them.

The District's regulatory process is another formal process by means of which it obtains feedback and hears complaints from members of the public (Figure 3.2-2). The districts regulate the placement of fill material in waters of the United States and all work undertaken in the navigable waters of the United States. Individuals and groups have the opportunity to comment on all permit applications in writing and to make public comments on more controversial applications that warrant public meetings. Individuals can also write to members of Congress and provide formal input regarding WRUSA activities. Such correspondence is routinely forwarded to the District for information and prompt response. Complaints by recreation visitors are typically received at the lake or lock-and-dam sites, and most are resolved at the project level. One key means by which recreation areas obtain such feedback is through the use of customer survey cards.

For the most part, except for defense and RWFO work, the organization builds relationships with civil-works customers who—because of the nature of the work (large projects that are not repeated)—have little opportunity to become repeat customers within any reasonable timeframe. For example, once a floodwall is built for a community, it is unlikely that the community will need similar services within a short time frame. However, these customers are often a source of positive referrals, which can pay significant dividends in

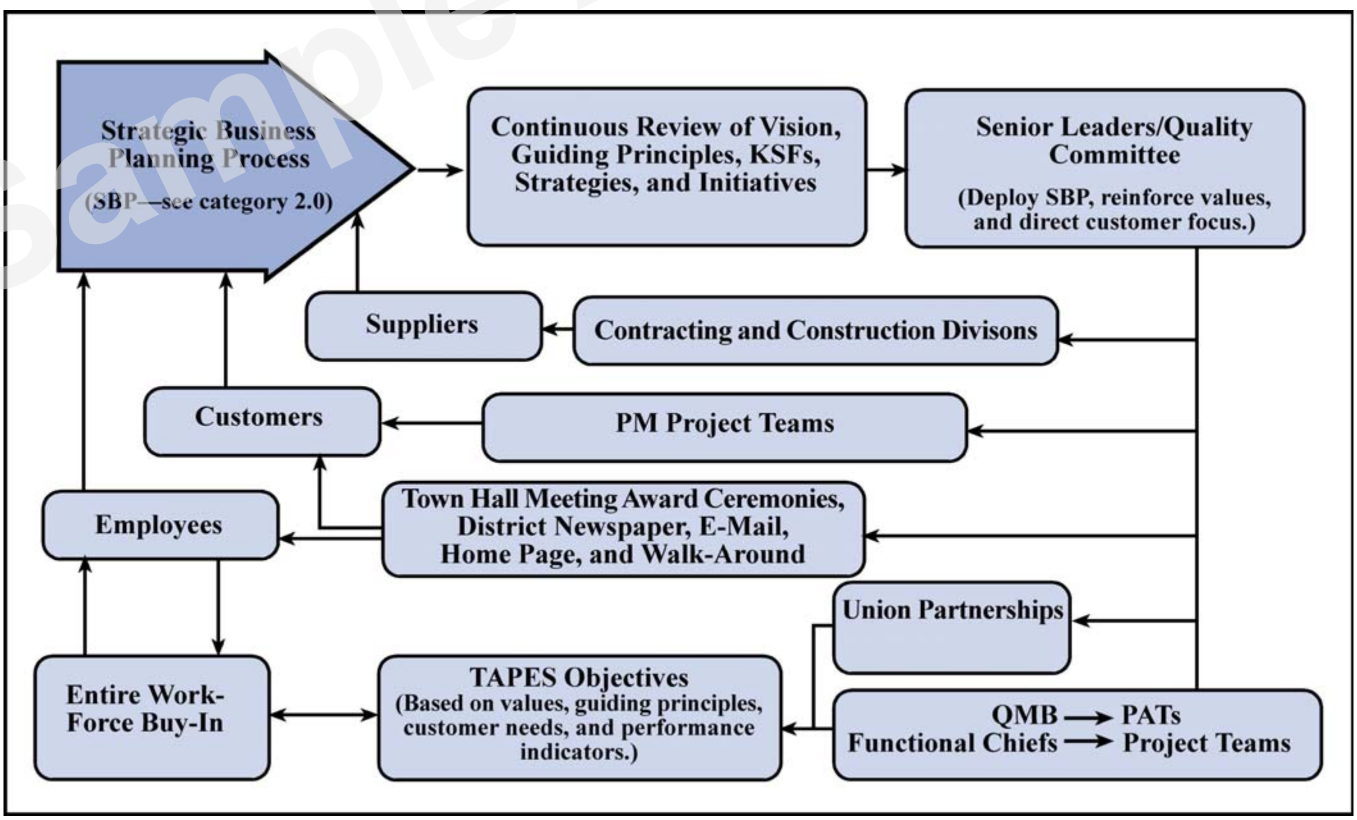

Figure 3.2-1 *Program and Project Management Business Process (PMBP) for building customer relationships*

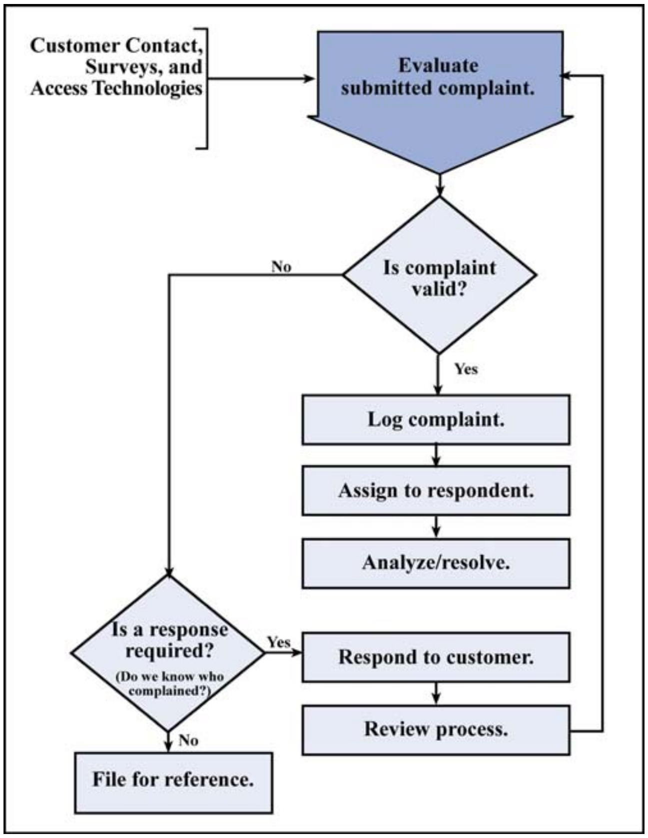

Figure 3.2-2 Complaint-Management Process

terms of the relationships formed with individual communities and members of Congress.

Within the RWFO market, relationships that produce repeat business, and referrals are critically important to this program's success. NASA, for example, recently committed itself to giving the District oversight responsibilities in connection with a $160 million construction project involving the decommissioning of a nuclear reactor.

The process for determining customer requirements links identified key customers, their requirements, and those of the organization's products that have attracted customer interest. Keeping our approaches to issues of customer access and customer relations current regarding changing business needs and directions depends on continued feedback from customers. This contact is an important part of the PMBP process, which calls for customer involvement in the beginning planning stages of projects through completion. Public meetings and other forums concerned with the planning process can provide critically important information for purposes of informed project development.

3.2b Customer Satisfaction Determination

In 2003 and 2004 the District surveyed its major market segments regarding customer satisfaction with key product lines. To effectively evaluate and learn from such data, the QC has taken responsibility for establishing a comprehensive system of metrics for District-wide application and use.

FD's Customer Service Center undertakes corporate oversight of such surveys and metrics and their outcomes and applications and the reporting of results to the QC. The RWFO survey reveals a level of satisfaction that trended downward in 2000 and 2001, a period that also saw reduced recreation budgets and the problematic implementation of the computer-based WRUSA Financial Management System (WRFMS). Lake Resource Managers were concerned that they lacked sufficient funding to meet all of the associated requirements. As a result, managers reduced the level of services provided, such as the maintenance and mowing work at comfort-station sites. As these managers have become more familiar with WRFMS, they have returned to pre-WRFMS levels of maintenance, and customer satisfaction rates are rising. The District developed a customer-satisfaction index (CSI) that is calculated quarterly and reported on the Balanced Score Card. This result is tracked, and action items are required if the measure falls below the established goal.

3.2b(1) The process for generating actionable improvements from customer-satisfaction data is shown in Figure 3.2-3. The inputs to this process are received through the listening and learning methods shown in Figure 3.1-3. Specific surveys for the purpose of collecting customer satisfaction data are used for each segment

The process to determine Customer Satisfaction, shown in Figure 3.2-4, asks the question "Is the Customer satisfied?" The decision criteria here concern not only the CSI value, but also the results from all surveys as well as market share and market position. Position is considered the most significant form of positive referral.

3.2b(2) The District receives prompt and actionable feedback concerning its range of products (goods and services) through its listening and learning methods (Figure 3.1-3). The customer-contact advocates provide daily contact with customers from all market segments and act as a direct channel for prompt, after-the-sale feedback. Surveys are also used to obtain feedback. Feedback in the form of a complaint is input into the complaint-management process (Figure 3.2-2). On-the-job training, mentoring, and seminars are examples of tools used to ensure that customer-contact advocates develop the appropriate skills to obtain actionable feedback.

3.2b(3) The most visible way the District compares levels of customer satisfaction with those of competitors is by market share, which is measured regionally and globally. Market share information is updated monthly. Additional information is collected through various surveys. All surveys request feedback relative to competitors. Customers using competitive products are asked to rate their respective suppliers in terms of customer-satisfaction attributes. Comparative data gathered are also used in a report that compares the top-performing districts in terms of various objectivity and validity attributes. To ensure, the results of both independent and District comparisons are reviewed during the strategic-planning process (see Figure 2.1-1).

3.2b(4) The District's approaches to determine satisfaction and dissatisfaction are kept current using the process shown in Figure 3.2-4. Outside agencies and customer surveys are used to provide objective feedback to ensure that the District keeps its customer and market processes current. Additional feedback is obtained from outside agencies. Customer input comes from surveys, 360° customer reviews, and steering committees. These approaches are evaluated both in the annual profit-plan and strategic-planning processes.

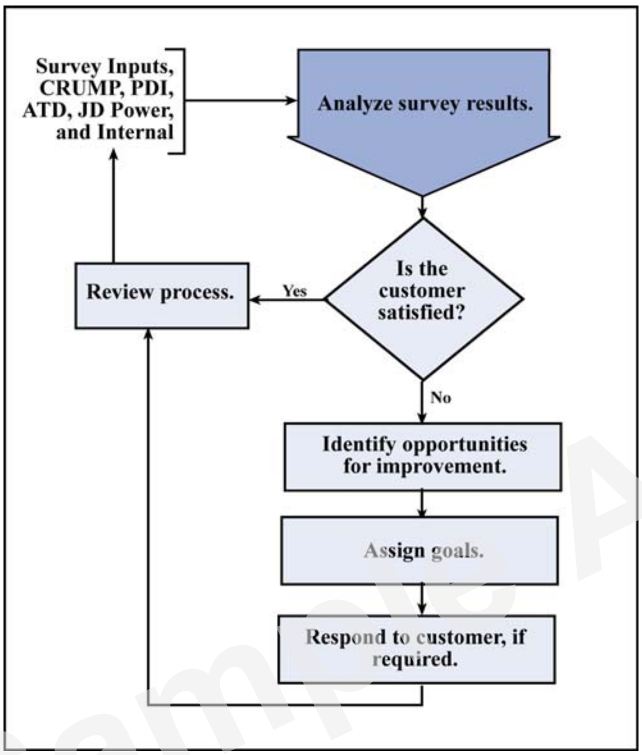

Figure 3.2-3 Process for Analyzing Customer Satisfaction

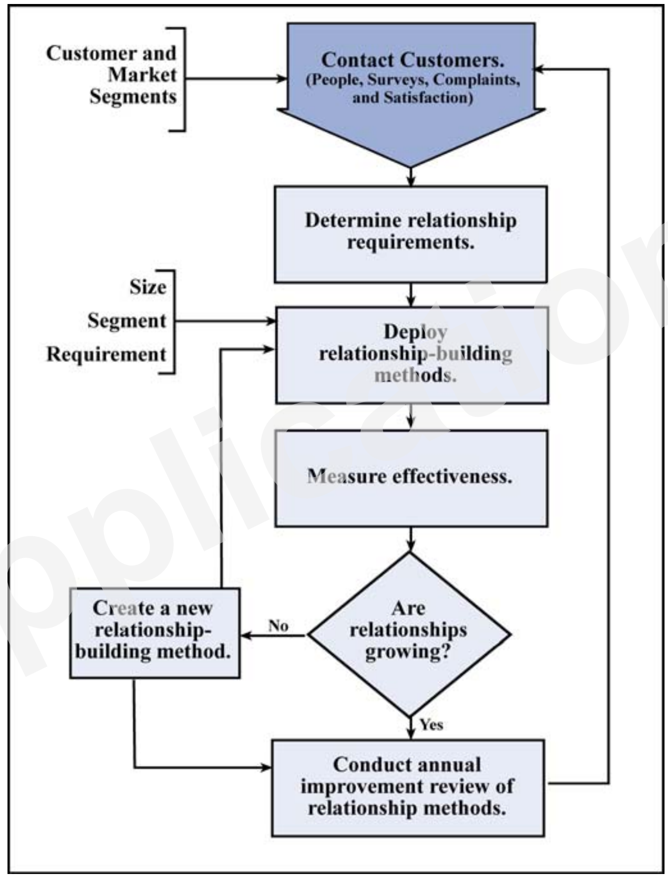

***Figure 3.2-4** Customer Survey Process*

4.0 Measurement, Analysis, and Knowledge Management

4.1 Measurement, Analysis, and Review of Organizational Performance

4.1a Performance Measurement

4.1a(1) The performance-measurement system incorporates performance metrics in a customer-focused and results-oriented manner. The senior leaders select performance measures based on specific criteria. The potential measure must (1) be relevant to managers, stakeholders, or customers; (2) identify opportunities; and (3) track progress. Senior leaders use input from all levels of the organization to select the strategic measures for each of the six major product lines of goods and services. This "strategic focus" is based on five essential elements of success applicable to each product line: (1) customer/stakeholder benefits or impacts; (2) process management excellence; (3) financial performance; (4) workforce learning and growth; and (5) resource-management excellence. The resulting measures are depicted as the District's overall "scorecard," which tells whether it has achieved success and to what degree for each product line.

The District also uses the HQUSWRA Strategic Management Review process (SMR) as a source of data. Although SMR has been in place for several years, District leadership has enhanced its usefulness by expanding its range of concerns. Much of the data collection is mandated by higher authority by way of the SMR process and provides the Region and Corporate headquarters offices (GCR and HQUSWRA) with the measures they need to assess the District's performance from their perspective. The District responds to the resulting directives by making every attempt to attain and retain the best possible performance rating (a simulated "best in class" rating), routinely placing more stringent expectations on itself than these directives require. The District also finds many of these measures useful in checking its organizational health in terms of District-level goals and initiatives, and therefore incorporates them in the District's performance-measurement system. These SMR-established measures include labor multipliers (indicating overhead use and efficiency), obligation and expenditure rates (indicating work progress), operating budgets (indicating the cost of running the organization), safety measures (to ensure protection of customers, contractors, and employees), and Human Resource and Equal Employment Opportunity measures (to maintain and enhance a diverse workforce). To these, the District added other measures it finds essential in evaluating our performance in the key areas of quality, timeliness (using project schedules), technical expertise (using professional-certification standards), and responsiveness (using customer surveys, direct contact, and other means of feedback). To help guide the District beyond CMR goals, the Customer Focus Business Center (CFBC) performs trend analyses and solicits input from customers to help identify current business needs and future direction.

The District aligns the measures for tracking its strategic focus and daily operations by means of Balanced Scorecards. Figure 4.1-1 shows the CMR scorecard for one of the product lines—"Developing new infrastructure and products." The overall District scorecard is a rollup of our Command Management Review (CMR) and the individual product-line scorecards. The scorecards align data required within the Strategic Plan and subordinate operational plans and the CMR into the five elements of success previously mentioned. The District's scorecard demonstrates how each successive level of the organization directly supports the different requirements of the Strategic Plan and ensures alignment throughout the organization.

District CMR measures are adopted from the objective measurements in the Agency's Strategic Plan and the District's Strategic Business Plan along with CMR data. The measures in the CMR scorecards were further refined by the Planning Division in conjunction with the value-creation process owners. Both groups worked together, using the performance-measure selection criteria to determine which elements to include in the CMR. Value-creation process measures and standards were assigned numerical values in order to apply weighted importance in the scorecard algorithm. Weights were assigned in concert with criticality of the item as compared to the District's mission accomplishment. In order to reduce the sheer quantity of measures reviewed by the District's senior leaders (serving on both the Executive Steering Committee and the Project Review Board), only those measures that provide decision support information at the District level were adopted for the CMR. However, other measures are still monitored at the most appropriate levels throughout the organization.

The District's branches and sections, through the deployment of their respective action plans, develop the operational measures for CMR data. As these plans cascade down through the organization, additional measures are added at each level, and finally reflected in individual employee performance standards to ensure accomplishment of the strategic objectives. These reviews at even the lowest levels provide opportunities for every member of the organization to provide input regarding ideas for process improvement.

The 3-year operating budgets (current fiscal year and 2 years out) that project overhead and general operating expense and manpower requirements are based on anticipated workload. These projections address strategies regarding cost effectiveness and staffing requirements, enabling the District to better position itself for the near future. Coupled with this is the 5-year workload projection and manpower requirement. This 5-year projection takes into account political and

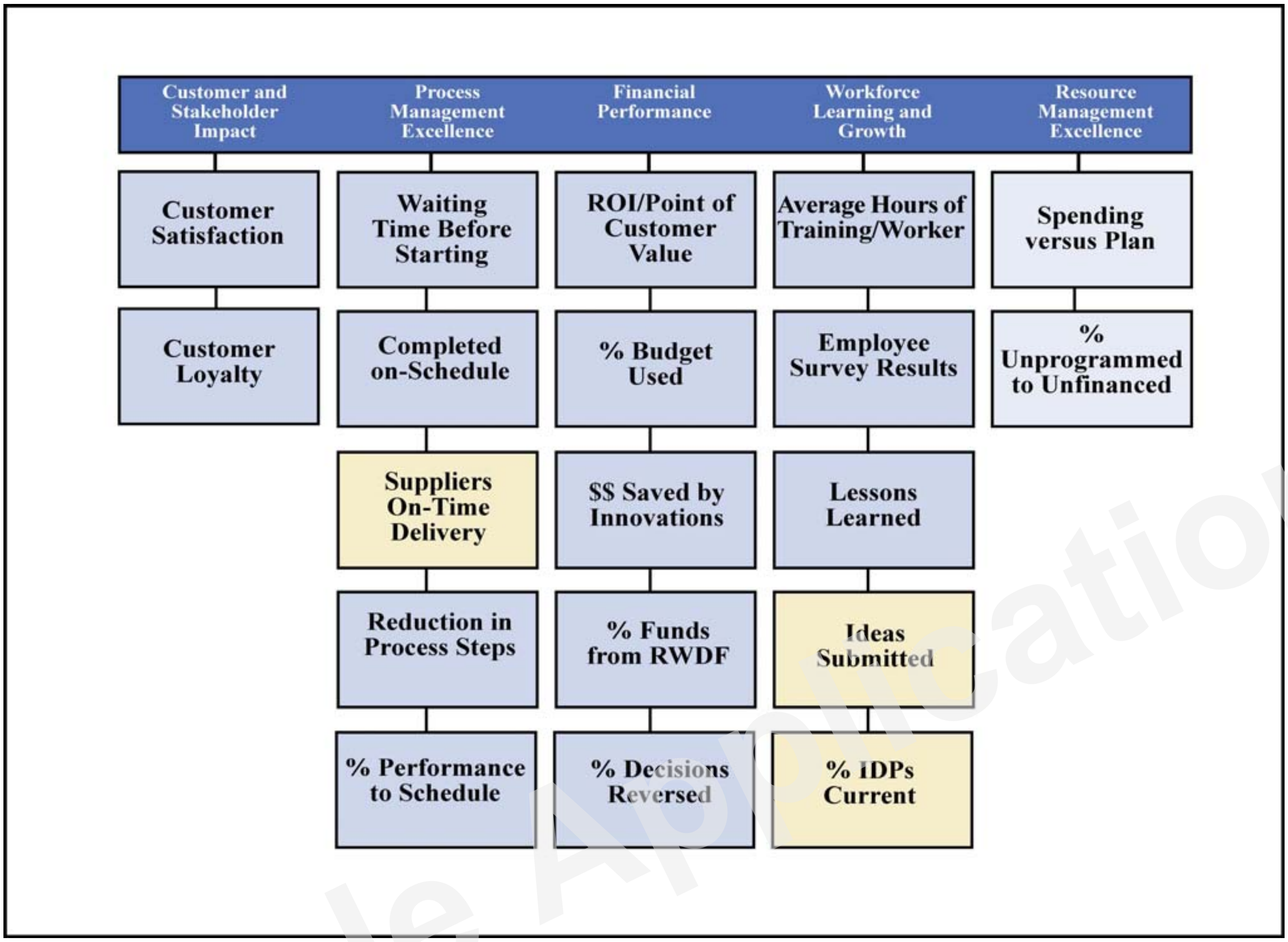

Figure 4.1-1 *Flagstaff District's Balanced Scorecard*

economic factors and, although it is neither as detailed nor dependable as the 3-year operating budgets, it does provide a foundation for general decision-making in the strategic-planning process.

Other projection data we use for planning purposes are generated in the financial management system's (WRFMS) Cost of Doing Business report. This report provides real-time data regarding six critical indices useful for short-term financial planning—the Civil Design, Planning, Construction, and Operations Total Labor Multipliers; Civil Design Chargeability Rate; Construction Supervision and Administration Rate; and Private-Sector Architectural-Engineering (AE) Contracting Percentage. All but the last of these indices are used for measuring overhead efficiency and labor productivity. The last measures the percentage of engineering work provided to private-sector AE firms.

Other data projections that support planning and are non-financial in nature are addressed by the District's Planning Division (PD) and Outreach Team (see 1.1a, in Category 1). PD personnel are responsible for interacting with political leaders and dealing with economic issues concerning future work in the District's geographic area. The Outreach Team, established to serve as a clearinghouse for all marketing initiatives, is composed of employees who serve 3-year terms. This team initiates contacts with potential new customers, monitors new customer accounts, educates the workforce in marketing matters, and develops appropriate tools and performance measures to ensure success in this effort.

PD and Outreach Team projections indicate a changing workload in terms of both type and volume, and a need to tailor human and other resources to accommodate these changes. The District addresses these issues in the strategic-planning process.

Senior leaders review the Strategic Business Plan (SBP) quarterly and update it no less than annually to reflect the future direction of the organization. By scheduling staff off-sites, senior leaders afford themselves an opportunity to focus more closely on the organization's current state and future direction. The Program Logic Model was selected as the prototype for the District's new performance-measurement system, and has been used to achieve the goal of developing forward-looking customer-focused and results-oriented measures.

4.1a(2) The District relies on four components of an integrated strategy to select, prioritize, and effectively use comparative data. First, key financial and non-financial performance indicators provided within the Region Headquarters' (GCR) annual Consolidated Agency Guidance (CAG) are analyzed. The CAG links District-level mission execution to the parent organization's vision resulting in the Agency SMR. The SMR contains each District's key financial and non-financial performance indicators. The SMR is therefore a ready source of highly useful comparative data at the District level. Second, the District actively solicits comparative data through the strategic-planning process. The process helps in identifying organizations most useful for performance comparison and benchmarking. These organizations are mainly other Agency Regions with districts whose size, missions, and markets are similar to those of the Flagstaff District. The third component is the selection of best-in-class performers, from both private-industry (engineering-and-design and construction firms) and other government agencies (Forest Service, National Park service) who either have processes similar to Flagstaff's or processes that Flagstaff District should emulate based on prior analysis. Finally, the District seeks and selects comparative data from world-class or more generally high-performance organizations outside its mission that may have processes or process features the District could learn from in the interest of continuous performance improvement.

4.1a(3) Regular reviews and the continuous use of performance measures at every level of the District help maintain the focus on the integrity and adequacy of performance measures. Moreover, because the performance-measurement system is integrated with other automated systems, Flagstaff District keeps the performance-measurement system current by having it tied to an area of the organization familiar with continuous changes and the importance of data and information integrity and reliability. Consequently, the Data and Information Management (DIM) business center's key responsibility is to gather and be responsible for overall management of data and information relative to organizational performance assessment and improvement. Because of the functionally diverse character of the District, having a central location for collecting and analyzing data and information streamlines performance measurement and helps ensure data integrity.

Several of the District's databases are directly linked, where appropriate, and provide information that would otherwise be difficult and time-consuming to obtain. The automated information systems use software links to share data, thereby standardizing applications and computer-based reports and eliminating non-functional redundancy. These automated systems include real-time financial data (WRFMS), real-estate data (REMIS), project-management scheduling data (PROMIS), a database for Congressionally appropriated funds (PRISM), contracting data (PD-2), personnel data (DCPDS), a CAD library with engineering and design data, and a GIS library with geographic data. The PROMIS database, for example, maintains project schedules at detailed task and organizational levels and integrates the corresponding financial data from WRFMS at just about any level of detail required. This sharing of real-time data streamlines data-maintenance processes, enhances data integrity, and provides information instantly.

To further ensure an organization-wide performance-measurement system that is current, the District Database Administrator functions as a centralized means of ensuring reliability and integrity throughout the corporate database. A single proponent or primary advocate for each database within the automated information system provides an interface not only for the Database Administrator but also for the customer Focus Business Center when questions or concerns are raised regarding these data and their use in performance assessment and measurement. To ensure flexibility and sensitivity to changes, we rely heavily on our quality-based self-assessments (1.1a, 2.1a), review trend analyses, and input obtained from staff members and customers to guide us on a path of continuous performance improvement (7.2a, 7.5a). This has helped us ensure that the metrics are evaluated and continuously improved, thereby keeping the performance-measurement system up to date and oriented toward the future (4.2).

In addition, improvements to measures result from the efforts of the many teams active throughout the District. As teams and individuals work with and review performance measures, they consider their continued validity and usefulness. Teams and individual District employees frequently submit suggestions for needed improvements that will enhance the usefulness of measures or bring to the leadership's attention the need to retire outdated measures or outdated data.

4.1b Performance Analysis and Review

4.1b(1) The Command Management Review (CMR) and Project Review Board (PRB) are the District's primary review forums but are not all-inclusive. To thoroughly review the performance of an organization as large and complex as the Flagstaff District, leaders at all levels must review performance at the various levels. Figure 1.1-3 (in Category 1) summarizes the major review forums. Each review forum reviews the Strategic Objectives that are assigned to that review process, using the measures that apply—see Figure 2.1-3, Strategic Challenges and Objectives (in category 2). All measures shown in Figure 2.1-3 are regularly reviewed, though the frequency and level of review varies among the measures. Most are reviewed on either a monthly or quarterly basis. Some of the recent review findings and associated actions are shown in Figure 1.1-4 (in Category 1).

The metrics the senior leaders view during monthly and quarterly performance-review meetings (CMR and ESC meetings) reflect District-wide work progress, labor efficiency, overhead use, and safety issues. The District Budget Officer assesses the overall financial health of the organization. The leaders within each technical division assess non-financial organizational health from both their own individual organizational perspectives and a shared corporate perspective. Behind the scenes and throughout the organization in every major office, analysts within the technical Regions retrieve data from the various databases, analyze these data for trends and correlations, and communicate findings with recommended actions as data-summary reports to the Region's leader. Seeing a need for improved data-retrieval mechanisms or reports to help them assess the data in less time and with less difficulty than some of the systems allow, analysts routinely organize informal teams with co-workers whose expertise may lie in computer programming or systems engineering. Working together, team members devise new and enhanced methods of data retrieval, sorting, and reporting. As a cross check, the Planning Division also performs independent analysis and provides the leadership team with this independent view to further assist leaders.

With the goal in view of continuously improving organizational performance, senior leaders rely on the analyses provided in data-summary reports and the Planning Region's analysis to make decisions that affect the everyday work lives of all the employees (5.3c, 7.1a, 7.5a). Currently, the Deployment Team and Data-base Team are gathering information about the performance measures the senior leaders selected in developing a more customer-focused performance-measurement system (3.2a). We measure work progress in the form of fiscal execution each month. Lead engineers, project managers, and program analysts track these data and report on them monthly. They work on cross-functional teams to evaluate work progress and potential problem areas and report monthly to the senior leaders, who use these reports—like the data and analyses provided by District Analysts—to assess organizational health.

4.1b(2) Review findings and actions required to respond to the findings are monitored by the participants in the responsible review forum. Significant findings are sent to the next higher level of the organization for further review, and if coordination is required outside the participants of the responsible review forum, that is also coordinated through this "reporting up" process. All review forums use the same general criteria for prioritizing improvement projects: (1) findings which indicate a threat to safety or an impending disruption of ongoing key operations; (2) findings which have significant fiscal implications such as a cost overrun on a project or an unexpected funding constraint imposed by higher headquarters; (3) process improvements that directly and significantly impact customers; (4) high potential improvement efforts that can save time, money, or effort; and (5) projects that represent "nice to have" changes. Since all Strategic Objectives and related action plans objectives are reviewed in the various review forums, improvement projects are systematically related to FD's strategic challenges and direction.

The results of organizational-level analyses are shared with teams and functional level operations through two primary methods. First, in the process, data analysis leads to decisions that lead in turn to functional-level results (2.1a, 2.2b). For example, where data indicate lagging performance on a particular project, this is reported at the CMR and the PRB meetings in terms of delayed fiscal execution, and senior staff members decide on an appropriate course of action. The Project Manager or Lead Engineer takes this information back to one or more teams or functional areas for implementation. This implementation is effected throughout the organization, involving all those who have a role in the project.

A second example of how our data analyses link to functional-level operations can be seen in the operating-budget process (6.2-1). This process requires intensive analyses of projected overhead use, payroll, training, awards, contracts, communication, and automation, together with all the anticipated expenditures associated with running the organization and serving as responsible stewards of the tax-payers' money. This task requires close scrutiny on the part of the leaders and often results in decisions that change the way we do business. We have given up office and warehouse space, for example, and set caps on CO-OP students' tuition reimbursement to reduce training budgets. We have spread large purchases over 2 or more fiscal years to lessen the financial burden. And we have cross-trained employees to enhance organizational flexibility making better use of their knowledge, skills, and abilities and better preparing them for future work. Nearly every organizational forum we use for reviewing data and making decisions is open to all those interested in attending. This open atmosphere promotes a general awareness of the issues facing the organization and the lines of reasoning leading to specific decisions.

We use several systems, automated and non-automated, to obtain data and information for analyzing performance. The PRISM system, for example, used in conjunction with the Project Review Board, the Working Project Review Board, and the Master Project Schedule from another automated system (PROMIS) tracks and projects the progress of individual projects in terms of monthly schedules, budgets, and obligations and expenditures. Rates of progress are readily apparent in monthly review forums and provide us with data and information needed to assess this progress at the work-unit level and to identify and resolve problems that may require staff-level attention.

We use our tactical plans (2.2a) to tie processes at the work-unit level to the overall strategic plan and to ensure that processes at both levels, strategic and tactical, are properly aligned and directly involve work-unit personnel in focusing on how they fit in with regard to the overall strategic plan. The organizational-level performance metrics are then an effective follow-up to this level of employee involvement and show promise in terms of overall employee awareness and understanding (1.1b).

The Flagstaff District continues to use these quality-based criteria as its main tool for overall organizational assessment and continuous improvement. We continue to show significant progress since the first assessment in 1995, particularly in the areas of strategic planning and overall performance measurement (Figures 7.1-1, 7.1-2, 7.1-3).

4.2 Information and Knowledge Management

4.2a Data and Information Availability

The District uses both internal and external resources to ensure that it provides reliable and secure data and information for employees, customers, suppliers, and partners.

4.2a(1) Data and information within the District are made available in a range of media. We use various communication forums and listening posts as well as printed material, e-mail, Internet and Intranet web sites, and local radio and television stations.

We continue to expand on the Storage Area Network (SAN) that provides password-protected, easy access to the GCR knowledge and concepts database. Each division has its own portion of the server, called a "share," that provides a total solution for data storage, access to leading information, and security from within and from the outside the organization. Flagstaff Division's share is incorporated in its FLAGSTAFF FORUM database, a truly flexible solution that supports data analysis and ready information retrieval by all authorized users. Information is captured from a variety of sources—for example, CMR, ESC and PRB minutes, Commander's Staff Meeting minutes, team minutes, trip reports, lessons-learned memos, Regional and branch-managers' meetings, and individual employee "lessons-learned file cabinets." Information is further categorized using themes, subjects, and key words to more easily facilitate data searches across various types of data. As an additional security measure, only holders of Federal Government Common Access Cards (CAC) are able to fully access the District's network and e-mail accounts. The card also provides digitized authentication within all official e-mail.

Suppliers, partners, and other stakeholders are allowed access to the public Internet website. Additionally, suppliers and partners are allowed limited access to protected, partitioned segments of the GCR knowledge-and-concepts database and the District's FORUM on a case-by-case basis. These users register and are assigned passwords that allow them to legitimately access the appropriate database. In some cases suppliers and partners can also add information by first obtaining clearance from the District Database Administrator.

4.2.a(2) In addition to the access card, we employ a variety of mechanisms to better ensure that the hardware and software are reliable and secure. Appointed Regional and branch Information Analysts (IAs) provide onsite automation help. Moreover, the Data and Information Management (DIM) business center operates the Network Operations Center (NOC) help desk to assist users. Audit software also helps to reduce any automation vulnerabilities, especially during the data-collection process. The audit software scans all computers and PCs connected by whatever means to the SAN and reports intrusion vulnerabilities to the DIM. Detected issues, repairs, and updates are posted on the District Intranet. Active virus-detection software is installed on all servers to catch viruses. We update virus software automatically to all networked computers so individuals no longer have to remember when to update their virus scanners. Only crypto-secure password users are allowed access to upload information to the District's Intranet and Internet websites to ensure the validity of information posted. DIM also maintains a CISCO Pix Firewall module that provides a secure barrier to both GCR and FD and provides confidence that organizational data, information, and knowledge are safe from the outside intrusion. This barrier also acts as a deterrent to inside customers to prevent access to unauthorized Internet sites. Finally, the GCR and FD networks are also monitored for intrusion 24/7 by the agency's Data and Information Operations Center at HQUSWRA.

To keep software and hardware current, the DIM has developed baseline standards for all software and hardware purchases. These standards address when and how systems and software are to be researched and purchased. Hardware replacement is based on a 5-year life cycle.

In the interest of national security, the DIM established a disaster recovery site. This site has four servers running the same software as the main servers. If the main site for GCR or FD networks were to fail, therefore, the Disaster Recovery site would take over. No loss in Internet access, Intranet services and data sharing, or e-mail capability would occur.

4.2a(3) The network's audit software supports our automation-requirements data-collection process. This software scans the computers and reports on, for example, individual software-version data, hardware specifications, and system location to our DIM business center. We use the agency-directed standard for software to ensure that prepared documentation is compatible within organizations, across the District, and throughout the agency.

In addition to the methods mentioned, and as a cross check, we use an independent third-party Data and Information Systems benchmarking consultant to monitor our data- and information-management practices and compare them with current and leading-edge industry practices. We compare the report prepared by the consultant with comparative data obtained throughout the agency to keep abreast of changes in the data- and information-management arena.

4.2b Organizational Knowledge Management

4.2.b(1) The District uses FLAGSTAFF FORUM to collect and share internal and external new business approaches and best practices. FLAGSTAFF FORUM is located on the GCR Intranet under Planning Region's lessons-learned links. The database is maintained by an analyst in Planning Region. Typical information posted includes new business initiatives from the HQUSWRA, the District's Executive Steering Committee, General Accounting Office reports, after-action reports from team initiatives, trip reports from individual employees from training or conference experiences, locally approved suggestions, senior-leadership guidance and goals, ideas from the private sector, and ongoing GCR initiatives for performance excellence and productivity improvement. External data are updated and purged monthly. Internal data are updated daily on an as-needed basis.

We use our Internet website to collect and transfer relevant knowledge from and to customers, suppliers, and partners.

4.2.b(2) While the District's DIM is responsible for ensuring that information systems provide accurate, timely, and secure data, everyone who interacts with the data and information is responsible for helping to keep the databases (GCR's knowledge and information database and the FLAGSTAFF FORUM) at the highest level of integrity, currency, and accuracy. For example, if a user, in reviewing the results of a data query, has reason to know or suspect that the information or related links are no longer valid, the user is expected to enter a correction or update and identify the source. The user is asked on exiting to verify that the information is still current and accurate. If it is not, the user is given the opportunity to initiate a correction for the information. The user completes and submits the correction to the DIM team. On receiving the correction, the DIM team validates the source and notifies the user that the change either is or is not valid. If the change is valid, the database is updated and all related links to the information are flagged and changed appropriately.

In addition, the DIM continuously scans the database for seldom-used records. If a record has not been accessed or updated, the originating organization or user is queried by e-mail to determine if the information is still relevant, accurate, and useful.

Security and confidentiality are addressed in item 4.2a(1), above.

5.0 Human Resource Focus

5.1 Work Systems

The Flagstaff District reinforces its core value of knowledge sharing through its focus on teamwork to facilitate employee collaboration, cooperation, and high performance throughout the organization. Teams contribute to District mission accomplishment, identify customer requirements, manage projects and programs, and improve processes using the Project Delivery Team concept (PDT) that leads to individual and team empowerment, innovation, and a cooperative work environment. Consideration in this regard is ensured by means of appropriate, systematic procedures.

5.1a Organization and Management of Work

5.1a(1) Flagstaff District's product lines of goods and services and associated support are provided by a broad range of cross-functional teams configured from both technical elements, located at field projects and in the District Office, and support elements located in the District Office. For example, field-project teams operate throughout the District to operate and maintain navigation locks and dams and flood-control lakes and reservoirs as well as within Engineering-Construction and Real Estate divisions based on current mission requirements. Teams are selected, organized, and managed through the Project Management Process (PMP) that is currently being used for 66 ongoing District projects. Each PMP has a Project Manager (PM) and representatives from each technical division. The PM and cross-functional team coordinate closely with the project's local sponsor from a project's planning stages to completion. Each team is assigned a "change agent" from the cross-functional Quality Management Board (QMB) who is trained to systematically promote cooperation, ensure consistent continuous improvement of business processes and organizational performance, and capture and share information from across the organization. The QMB establishes and formalizes Process Action Teams (PATs) to investigate improvements and innovations in business processes. Agility, cooperation, initiative, empowerment and innovation are the key drivers keeping FD competitive in the face of potential outsourcing through the Government's A-76 process. In order to ensure that the District has the most efficient in-house organization, teams focus on core capabilities needed to support key mission deliverables in terms of competitive technical, operational, and project-management expertise.

5.1a(2) The project-team selection process includes a systematic consideration of diversity in thinking and cultural background relative to the diversity of the communities in which a given project takes place. For example, the Mesa Verde dam project, located on an Indian reservation, has a project manager or community liaison who is a Native American.

5.1a(3) The Flagstaff District uses a variety of formal and informal organizational processes and supporting technologies to ensure effective communication across work units, teams, functions, and geographic locations. KNOWLEDGE SHARE, the District's web-based knowledge-management system, is used to capture and share key lessons learned so they can be easily accessible by teams concerned with capturing best practices. For example, to meet the many and varied needs of customer groups, Project Managers work within the PMP to identify and communicate customer requirements and expectations to functional organizations. All ongoing projects are reviewed and monitored by the Project Review Board from the perspectives of scheduling (involving the balanced-scorecard concept, for example), resources, and cost. Information is made available to all employees by means of the Intranet and through extensive use of electronic mail, video teleconferencing, chat rooms, electronic bulletin boards, and KNOWLEDGE SHARE.

5.1b Employee Performance Management System

5.1b Civilian-employee and team performance is managed through the Total Organization Performance Evaluation System (TOPES) to support, evaluate, and improve performance. Under this system, employees, teams, and team and project leaders work together to establish individual and team performance goals and objectives aligned with Flagstaff District's seven Strategic Objectives. In addition, team measurements are set and agreed to based on internal metrics (project performance against schedule) and external metrics (quality, timeliness, and cost). Individual Development Plans (IDPs) are discussed and updated at the beginning of the performance rating cycle to reflect individual contributions and align with customer requirements, team assignments, and organizational needs. Civilian team members are evaluated annually through stakeholder review using a 360-Degree Feedback process. Feedback is based on contributions related to behaviors associated with core values and Flagstaff's seven strategic objectives and is obtained from co-workers, customers, project and process leaders, and subordinates, as appropriate. Feedback is gathered from a team leader from an unrelated team to better ensure objectivity and is shared with the supervisor or team leader and the employee as input to the IDP process. Supervisors and project leaders conduct mid-point reviews with team members to check progress against identified measures and objectives and to make course corrections, if required. Individual and team-based performance ratings drive compensation

incentives for civilians by means of goal-sharing and individual incentive awards. These are quantitatively linked to higher-level goals.
The Flagstaff District recognizes high-performing individuals and teams throughout the year at award ceremonies and publicizes employee accomplishments via its Intranet and electronic newsletter, "Celebrate Success." The three military officers assigned to the District are centrally managed by the Department of the Army and rated by the Commander, Grand Canyon Division, in accordance with military personnel guidelines.

5.1c Hiring and Career Progression

5.1c(1) Required knowledge, skills, and abilities needed for potential civilian employees are identified for each position in the District by the requesting supervisor or team leader based on specified customer and organizational requirements, strategies, and goals. These are refined in collaboration with Human Resources staff and are incorporated in each civilian position's associated job description. Key attributes of the position are then incorporated in the vacancy announcement to attract high-performing applicants. Human Resources staff members are key players in the organization's strategy to attract the talent needed to effectively develop needed capabilities in alignment with the changing character and direction of Flagstaff's business processes.

5.1c(2) The District's hiring process is a collaborative effort involving supervisors or team leaders on the one hand and Human Resources staff on the other. During the strategy discussion, the supervisor conducts a demographic assessment to ensure that the composition of the team or work group reflects not only a diverse cross-section of ideas, cultures, and thinking, but that the diversity of the group is representative of the communities served. This assessment becomes input for determining the target area for advertising, and to what extent recruitment incentives, such as bonuses or relocation expenses, will be offered. To offset the high turnover among the District's minority employees, and the challenge of an aging workforce (42 percent of whom are retirement eligible over the next 5 years), a variety of special employment programs is used to attract local young people. For example, FD has developed partnerships with local community colleges and technical schools, conducts "Get to Know the Agency" sessions for local high-school students considering career options, and pays for schooling for selected hard-to-fill-and-retain engineering and technical positions. For each year of schooling the District pays for, the student incurs a 3-year debt of service to the organization.

5.1c(3) All civilian leadership positions, including those for key project managers, are tied to a set of technical and "soft skills" success attributes used for recruitment and succession planning. These attributes are included in the Individual Development Plans for mid-level employees in order to position leaders of the future from within the existing workforce. Career opportunities, along with their requirements and success attributes, are made available on the Intranet for all positions within the District. Career progression from within the District is encouraged in order to provide incentive to stay and grow with the organization. Although the senior military leadership positions are managed through the centralized Army military personnel system, the civilian deputy position better ensures continuity of operations despite turnover of the senior military leader every 18 to 24 months.

5.2 Employee Learning and Motivation

5.2a Employee Education, Training, and Development

5.2a(1) On an annual basis, the Workforce Development Team conducts a training-needs assessment with input from each organization in the District and develops a prioritized training plan and core curriculum to facilitate high performance based on such factors as alignment against the organization's long-term objectives and shorter-term action plans. For example, FD's strategic objective calling for uncompromising integrity in all transactions is aligned with such core courses as Balanced Scorecard, Benchmarking Techniques, Intermediate Analysis, Ethics in Government, and Project Management (Figure 5.2-1). Individual training needs are recommended and approved based on alignment with the training plan that reflects organizational priorities, including succession planning.

Strategic Objective	Long-Term Plan	Action	Core Curriculum
7. Deliver uncompromising integrity in all transactions that invite scrutiny.	7.2 Promulgate ethics as a condition of business.	7.2.2 Benchmark and appropriately use leading ideas from organizations in ethical practices.	Balanced Scorecard Benchmarking Techniques Intermediate Analysis Ethics in Government Project Management

Figure 5.2-1 *Training-Needs-to-Curriculum "Crosswalk"*

One of the guidelines for training is 1.5 percent of base salary for tuition costs. Flagstaff District's FY 10 training process is shown in Figure 5.2-2. The Workforce Development Team is currently implementing two ongoing initiatives concerned with issues of training design.

Orientation	Diversity	Ethics	Safety	Leadership
New Directions (first day)	The Prevention of Sexual Harassment	Basic Ethics	Back Injury Prevention	Basic Supervision
One-on-one (first week)	Breaking the Age Barrier	Ethics for Credit Card Holders	Defensive Driving	Leadership Education and Development (LEAD)
Orientation (first month)	Spanish as a Second Language	Timekeeping	Safety on the Job	Management Development

Figure 5.2-2 *The range of programs tailored to the employees of Flagstaff needs.*

5.2a(2) A programmed approach ensures that requirements are met for training and development in the areas of new-employee orientation, diversity, ethics, leadership, and safety. Each employee is required to attend at least 40 hours of training or development each year. All new employees attend a "New Directions" orientation on their first work day for an overview of the District's values, vision, mission, and objectives, together with basic policies and employee rights and responsibilities. The first week on the job, each employee receives one-on-one instruction from his or her immediate supervisor on specific job and team requirements. During the first month, each employee attends an in-depth orientation covering the organization's objectives, performance measures, process-improvement approach, team building, and annual requirements. Annual employee training requirements include sessions on diversity, ethics, and safety. These are conducted each month so employees can attend on their anniversary date. Each supervisor is responsible for completing basic courses related to basic supervision within 6 months of his or her appointment to a supervisory position. Once in a supervisory position for 1 year, employees are required to attend Leadership Education and Development (LEAD), an experiential process that focuses on leadership styles, dealing with conflict, and building communication and trust.

5.2a(3) The Workforce Development Team uses an Employee Development Index (EDI) to provide comparative data regarding the "employee education" base. The team calculates the EDI by summing the percentage of full-time employees with, for example, more than 2 years of college, or the percent of engineers with a Professional Engineer license. Input from supervisors and employees by means of Individual and Team Development Plans is aggregated into an annual training-needs assessment. Intellectual capital from across the organization is tied into workforce development through a variety of sources. For example, a course on benchmarking techniques taps into KNOWLEDGE SHARE for specific examples of District processes that have been improved using the Overall Process Development and Improvement Tool.

5.2a(4) The District provides training through a variety of delivery methods using in-house and contract resources, both on-site and off-site—including universities—and emphasizes on-site or local training for its associated cost savings. To optimize on intellectual capital and reduce costs associated with training, a cadre of internal experts is tapped as adjunct instructors in a wide variety of technical and non-technical courses that are offered throughout the year. In addition, computer-based training is available on KNOWLEDGE SHARE for a wide range of courses, including mandatory annual requirements. The effectiveness of delivery is included in the evaluation process.

5.2a(5) The annual and semi-annual performance-review process is used to evaluate and reinforce the use of new knowledge and skills on the job through mentoring discussions with the first-line supervisor. On-the-job training and work projects to reinforce and advance the skills and general development of civilian employees are employed to optimize educational opportunities.

5.2a(6) Formal processes are in place for providing feedback concerning the adequacy of educational and training resources (Figure 5.2-3). One such process is incorporated in the electronic knowledge-management system by means of which employees complete a feedback survey concerned with training quality and training's applicability to employee and organizational needs. Supervisors complete companion surveys, identifying organizational benefits and employee-development issues. Most training classes conclude with the conventional written training survey or evaluation form. In addition, a post-training survey is administered to the employee and supervisor 60 to 90 days after completion to assess the training's value to the working environment.

5.2b Motivation and Career Development

5.2b The District proactively strives to help all of its employees recognize and develop to their full potential. Employees are asked during their annual performance review to discuss with their supervisor their personal career goals. These goals are considered by the supervisor in making assignments to teams or recommending the employee for career-broadening projects. Employees are also encouraged to aspire to leadership. Promoting leadership development through a variety of training options includes a Leadership Intern Program in partnership with Colby University. In this program, as many as three separate groups of 15 District employees with strong leadership potential, as determined from their performance on individual projects and teams, are selected to participate in a 12-month program of leadership development. The third round of this annual leadership training was completed this FY, and a fourth round of three groups of 15 is currently participating in the program. All interns are required to complete the Intern Leadership Development Course (ILDC) within the first year of their appointment. The Action Officer Development Course, added as a training requirement for all interns, must also be completed before graduation or promotion to targeted journey level (full performance) positions. For the past 5 years, the District has also been participating in the Emerging Leaders Program sponsored by the Corps Headquarters. District nominations are made each year, identifying potential leaders for inclusion in a Corps-wide pool. Those selected receive training for up to 3 years and are provided with special developmental assignments. For those employees who choose not to aspire to leadership, alternative career options are continually identified for them by their supervisors and through various information-sharing outlets (including bulletin boards, newsletters, and intranet websites, for example) to make certain they are aware of significant career options.

5.3 Employee Well-Being and Satisfaction

5.3a Work Environment

5.3a(1) The District Safety Program actively seeks ways to improve health, safety, and security conditions in the workplace in both the District Office and field environments. Teams from across the District are formed to analyze situations and recommend solutions to problems identified in the after-action reports of investigations and exercises. The overall excellence of the District's safety program is attested to by its having won the Division Safety Award for the past 4 years. The District monitors the effectiveness of its safety and occupational-health programs through its Command Management Review (CMR) process and directly involves employees in these programs through rotation in the Occupational Safety and Health Committee. The Committee members advise the Commander on a monthly basis concerning all aspects of the program, including numbers and status of occupational health cases, causes, and recommended countermeasures to prevent future occurrences. The committee is made up of members from field sites and office locations representing both management and labor, including representatives from each of the District's two labor unions. All District project teams have appointed a collateral-duty Safety Officer, who provides monthly input to the Occupational Safety and Health Committee.

5.3a(2) Plans and actions related to the strategic challenge to "ensure continuity of operations under every condition" (Figure 5.3-1) are how the District is sure it is prepared for emergencies and disasters. The Disaster Preparedness Team reviews scenarios and develops contingency plans that cover a wide range of natural and man-made threats to (1) people, (2) operations, and (3) infrastructure. District-wide disaster drills covering a broad range of situations are conducted twice each year and evaluated by the Disaster Preparedness Team in our after-action review process to identify problems and make improvements. Selected customer representatives participate in disaster drills to provide input and to assist in evaluating—from their own perspectives—the effectiveness of the drills.

	Improvement	**Performance measures or targets**	**Employee Segments**
Health	annual health screenings	100% of employees screened	all
	health-hazard assessments	100% of assessments conducted annually	field Engineers wage Employees
Safety	accident investigation and after - action reports	Reduce accidents by x%	all
	safety awards and recognition	Increased recognition and awards for Safety by 10% from previous FY	all
	Command Management Review	Zero adverse findings	all
Security	annual cyber security assessment	Zero security violations	all
	risk management exercises	Zero adverse findings	engineers technicians admin Staff
Ergonomics	inspections	Reduced on-the-job injuries by x%	all
	awareness classes	100% of employees trained	all

Figure 5.3-1 *Programs to Promote Employee Well-Being*

5.3b Employee Support and Satisfaction

5.3b(2) The District draws on a broad range of flexible programs, services, and benefits to meet the needs of a diverse workforce in the areas of work-life quality, career enhancement, work issues, wellness and physical fitness, general services, and recreation (Figure 5.3-1). These programs and services were determined as key factors in affecting employee well-being, satisfaction, and motivation through our annual employee survey of the organizational climate. An importance/performance analysis ranks the importance of programs and services and rates current performance to identify areas for improvement. For example, the survey identified the need for a program to improve the communication of English-speaking supervisors of Spanish-speaking workers. Instead of creating a program of English as a Second Language for a workforce that represents a high-turnover population, a program for Spanish as a Second Language was created to facilitate communication skills and interviewing abilities of the supervisory staff as well as embrace the cultural vitality of the region. While the climate survey's chief purpose is to identify the specific needs of different categories and types of employee in our workforce, and the Spanish as a Second Language program was established to embrace our cultural diversity, the results of the survey had little application to other types of services or benefits that might be offered to our highly segmented workforce.

5.3b(3) The District monitors employee satisfaction and well-being through information presented in CMR charts and supporting data, and in annual District-wide surveys of employees and supervisors. The Quality of Work Life Committee provides a channel for employee feedback, the Commander's Hotline is available for the resolution of problems, and the Civilian Personnel Advisory Center has initiated a self-assessment program. The Commander conducts monthly "town hall" meetings and "sensing sessions" with every field and District Office element for purposes of identifying prevailing levels of employee well-being and satisfaction. Data are tracked and reported monthly through an Employee Satisfaction Index and Employee Well-Being Index that represents how well the organization maintains a supportive work environment and climate (external and internal situation, respectively). The indices are based on several factors including annual employee survey results and turnover rate, sick-leave use, and on-the-job injuries.

5.3b(4) The Quality of Work Life Committee analyzes data compiled in these indices each month, segmented by occupation, to evaluate and improve work-environment and employee support policies to improve the well-being and increase the satisfaction of our employees. In alignment with the District's strategic goal of minimizing the impact of turnover, it has partnered with the labor union that represents the District's field-site personnel. Under this partnership, formed in FY 02, representatives from the union and management meet quarterly to present and settle issues of concern to one or both parties before such issues become significant problems. This forum is another of the District's means of gathering information concerning current levels of employee satisfaction, well-being, and motivation and developing and prioritizing improvement initiatives to enhance the working environment of the District.

6.0 Process Management

6.1 Value Creation Processes

6.1a Value Creation Processes

6.1a(1) The organization determines its key "value creation" processes by mapping the path used to provide the products and services requested by external customers. If the process is one an external customer would value (or in private sector terms, "would pay extra for"), then it is considered a value-creation process. In addition, The District considers the processes that strongly drive competitiveness and effectiveness to be value-creation processes. The value-creation processes include

- Planning
  - Strategic Planning
  - Project Planning
- Engineering
- Real Estate
- Construction
- Operations
- Operational Improvements
- Performance Excellence

The Project Management Process (PMP—Figure 6.1-1) serves as the design process for providing products (goods and services) to customers. In Figure 6.1-1, (1) work is identified when customers request new products or services through contact with senior leaders or PMP or Legislative representatives.

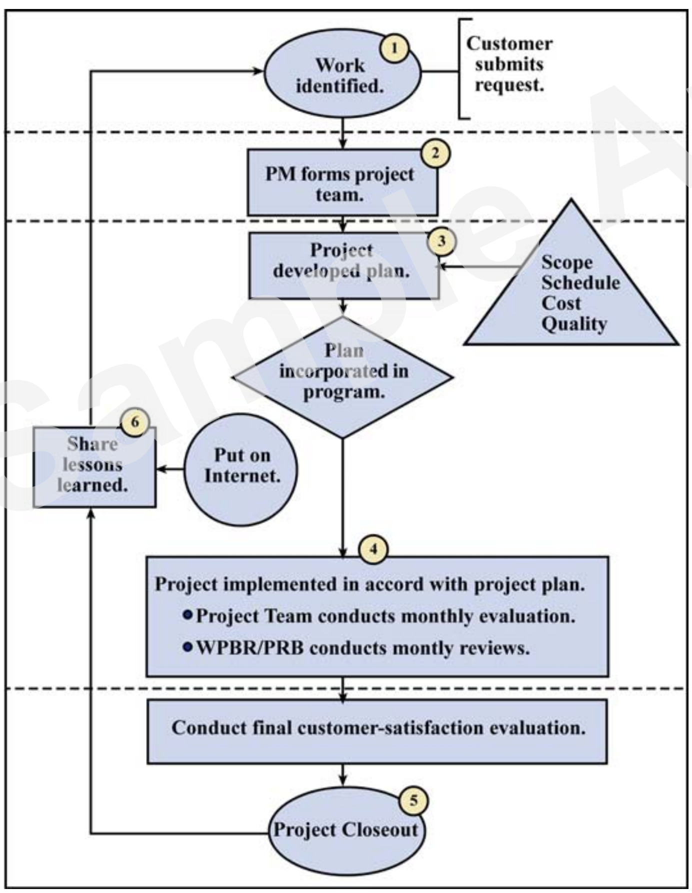

Figure 6.1-1 *Project Management Process (PMP). (Dashed horizontal lines indicate omitted alternative decision paths and details of staffing and administrative process.)*

Customer requirements are the focus of process-design work. The cross-functional design groups systematically include diverse interests throughout project formulation—including input from customers, construction representatives, operations field-project personnel, contract specialists, and legal representatives, as appropriate. The District also seeks improvement through feedback from key suppliers and the Executive Steering Committee (ESC). Biddability (Are the specifications clear enough to bid on?) Constructability - Operability reviews are held to systematically assess the key methods of work. (2) Once a new product is requested, a cross-functional team is formed, led by a Project Manager (PM), to systematically identify and address requirements. They use a systematic nine-step process that includes two cycles of verification that the approach matches the customer's requirements. These steps include:

(1) Receive the requirements.
(2) Document the requirements in the input process.
(3) Verify requirements vs. standards for achievability.
(4) Estimate initial difficulty, cost, and time.
(5) VERIFY WITH EXTERNAL CUSTOMER.
(6) Revise requirements.
(7) Plan project (macro).
(8) VERIFY WITH EXTERNAL CUSTOMER.
(9) Make final revisions to the work scope.

The key production-and-delivery processes derive from the key functions of planning, engineering, real estate, construction, and operations activities. These functional groups have mapped each of their processes, and use a systematic approach to define and manage any new customer or work requirement. If it does not match the existing processes, the new requirement is mapped (in step 4, above) before a firm commitment is made to the customer. (3) A Detailed Project Plan is put in place, specifying project objectives and timetables. It identifies the scope, schedule, cost, and quality of the work to be performed. (4) Customers review designs and concepts during public meetings, Project Review Board (PRB) and Working Project Review Board (WPRB) meetings, and various review conferences, and by means of Project Executive Summaries. The District comprehensively reviews, evaluates, and redesigns the key business processes to ensure flexibility, quality, and timely response through a variety of means.

Feedback regarding mission-related requirements is obtained by way of various forums, including the SBP focus groups, PRB, WPRB, ESC, and cross-functional teams. Based on these reviews it is determined whether or not more specific process analysis is needed, and identified actions are prioritized. These processes provide a basis and starting point for the continuing efforts to incorporate changing customer, market, and mission-related requirements into product designs, production-and-delivery systems, and processes that fully satisfy the customers. (5) After the product or service is delivered, a follow-up is conducted to verify that the approach meets the customer's requirements. This is a six-step process:

(1) Review the performance against the requirements.
(2) Understand how this product or service contributed to the customer's success.
(3) Document gaps (if any).
(4) Establish a closure plan for gaps.
(5) Understand the customer's level of satisfaction.
(6) Document lessons learned.

(6) Lessons learned are logged into the data base and are used by all future project teams (using this data base is a formal step in establishing a new team). Part of the Final Customer Satisfaction Evaluation is to fully understand how the product or service contributes to the profitability and/or business success of the customer organization. In performing this step systematically, the District has learned how to ensure that it partners with customers in their future endeavors. In some cases they have been able to guide customers to modify requirements based on the lessons learned from past projects.

6.1a(2) The District's key value-creation process requirements are determined based on what the customer values. This uses input from customers, suppliers and partners, lessons learned, and knowledge of the capabilities of internal product and service processes. Figure 6.1-2 shows the value-creation process and its key requirements.

6.1a(3) As shown in Figure 6.1-1, a systematic process to define the requirements of the value-creation process is used. This starts with the customer's requirements as shown in the nine-step process above. New technology is matched to current needs and incorporated in the design of these processes using the systematic process shown in Figure 6.1-3. This process also maximizes the use of organizational knowledge.

The need for new technology is typically driven by the customer's need for improved cycle time, or an internal need for productivity, cost control, and/or other efficiency and effectiveness factors. Since these are the driving factors around the nine-step "matches" of the customer's requirements process, they are imbedded in every step of that process.

The process for introducing new products (goods and services) is depicted in Figure 6.1-4. The PM provides continuity and ensures effective communication throughout implementation:

(1) Cost-share partners actively contribute to technical aspects of design features as members of cross-functional teams, including representatives of appropriate technical disciplines, support staff, customers, and suppliers.

(2) Together risk-based evaluations are conducted of individual features. Accountability is therefore shared in considering the significant costs and risks associated with the incorporation of new technology.

(3) Innovative designs often require extensive testing at various experiment stations or university sites. This procedure ensures the quality and trouble-free introduction and delivery of products to customers. It also provides the facts required to determine whether time-tested designs are acceptable, or if customized whether innovative products are needed.
(The District is a past recipient of two Hammer Awards for this innovation from the Vice President of the United States.)

6.1a(4) The key performance measures used for the control and improvement of the value-creation process are shown in Figure 6.1-2. These are measured on a short-interval basis to better ensure effective control of the process. Through the process of effectively meeting customer requirements, the District verifies that customer needs are met and that supplier data are used in managing processes.

6.1a(5) The District minimizes the overall cost associated with inspections, tests, and process control by using in-process measures on all processes (as described in 6.1a(2), above). When new products are designed, the risk factors the cost-sharing that customers are willing to accept are identified. The technical specialists and consultants proactively research professional publications and internet sites and consult with the Waterways Experiment Station (WES) and university experts for operationally enhancing applications of computer-based technologies. The long-standing Value Engineering (VE) program is used as a vehicle for implementing new technology, and many members serve together with WES on teams concerned with the application of new technologies.

The Executive Steering Committee directed that an Action Team investigate risk management. The District has subsequently used the process to reassess past practices to see if improvements in cost and cycle time can be achieved. The District continuously improves the design and production processes through a streamlined internal quality-review and evaluation system. The system includes revision of technical specifications in repetitive-contract procurement documents for construction. It ensures effectiveness through reviews of all product features. Internal quality checks on all work ensures that analysis and methods are evaluated. In addition, the quality-control process ensures that ESC members in pertinent technical disciplines are assigned to give an overall review of the design process.

An automated program is maintained to track cycle time according to approved schedules. New ideas and lessons learned are shared during these review processes. The prototype for an automated program called "Dr. Checks," which serves as a design-review and checking system for review and feedback regarding project-related documents, has also been implemented.

Process	Key Second-Level Processes	Operational Requirements	Management & Performance Measures	Major Improvement Goals
Item 6.1 Value Creation Processes				
Strategic Planning	Plan Deployment	Plan Clarity	Plan Completion	Establish.
Project Planning	Operating budget Finance and accounting	Accurate, timely, reliable, cost-effective, quality	CMR, PRB, WPRB, [Figures 7.2-1 through -5; 7.2-7 through -14; 7.3-9; 7.5-1 through -3]	Establish customer feedback loop.
Engineering	Information systems Communication	Reliable, cost-effective, responsive, flexibility, quality	CMR, ESC	Improve customer satisfaction.
Real Estate	Supplier procurement Contract management	Accurate, reliable, responsive, flexible, cost-effective, quality	CMR, PRB, BCO*, PALT* [Figures 7.4-1 through -5; 7.5-8 through -10; 7.5-14]	Increase small business utilization.
Construction	Transportation and supply management	Reliable, timely, responsive, flexible, cost-effective	CMR, Internal Review, surveys [Figure 7.5-11]	Improve customer satisfaction.
Operations	Contract review District representation	Responsive, timely, accurate, quality, reliable	Case Management Information System	Adopt Law Manager Reporting System.
Operational Improvements				
Performance Excellence	Staff Procurement Staff administration	Responsive, timely, reliable, quality	CMR, customer surveys [Figures 7.3-1, -4, -5, -8; 7.3-10 through -13; 7.5-15 through -17]	Develop HR business plan.
Item 6.2 Support Processes and Operational Planning				
Finance Support	Operating budget Finance and accounting	Accurate, timely, reliable, cost-effective, quality	CMR, PBAC, PRB, WPRB, [Figures 7.2-1 through -5; 7.2-7 through -14; 7.3-9; 7.5-1 through -3]	Establish customer feedback loop.
Information Management	Information systems Communication	Reliable, cost-effective, responsive, flexibility, quality	CMR, ESC, IM Steering Committee	Improve customer satisfaction.
Procurement	Supplier procurement Contract management	Accurate, reliable, responsive, flexible, cost-effective, quality	CMR, PRB, BCO*, PALT* [Figures 7.4-1 through -5; 7.5-8 through -10; 7.5-14]	Increase small business utilization.
Logistics Management	Transportation and supply management	Reliable, timely, responsive, flexible, cost-effective	CMR, Internal Review, surveys [Figure 7.5-11]	Improve customer satisfaction.
Legal Services	Contract review District representation	Responsive, timely, accurate, quality, reliable	Case Management Information System	Adopt Law Manager Reporting System.
Human Resources	Staff Procurement Staff administration	Responsive, timely, reliable, quality	CMR, customer surveys [Figures 7.3-1, -4, -5, -8; 7.3-10 through -13; 7.5-15 through -17]	Develop HR business plan.
***BCO** = Biddability, Constructability, Operability; **PALT** = Procurement Action Lead Time				

Figure 6.1-2 *Value-Creation and Support-Process Requirements, Measures, and Goals*

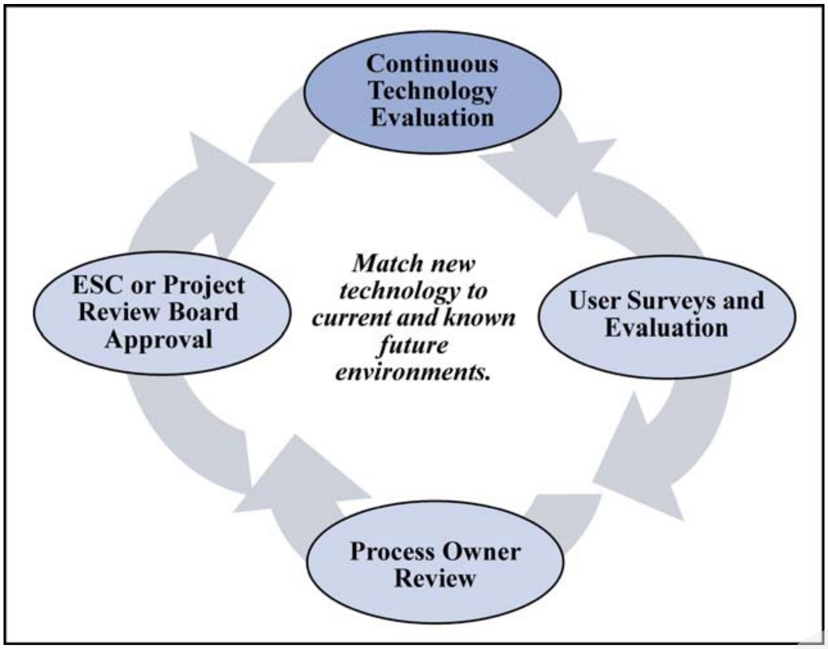

Figure 6.1-3 *Adoption of new technology*

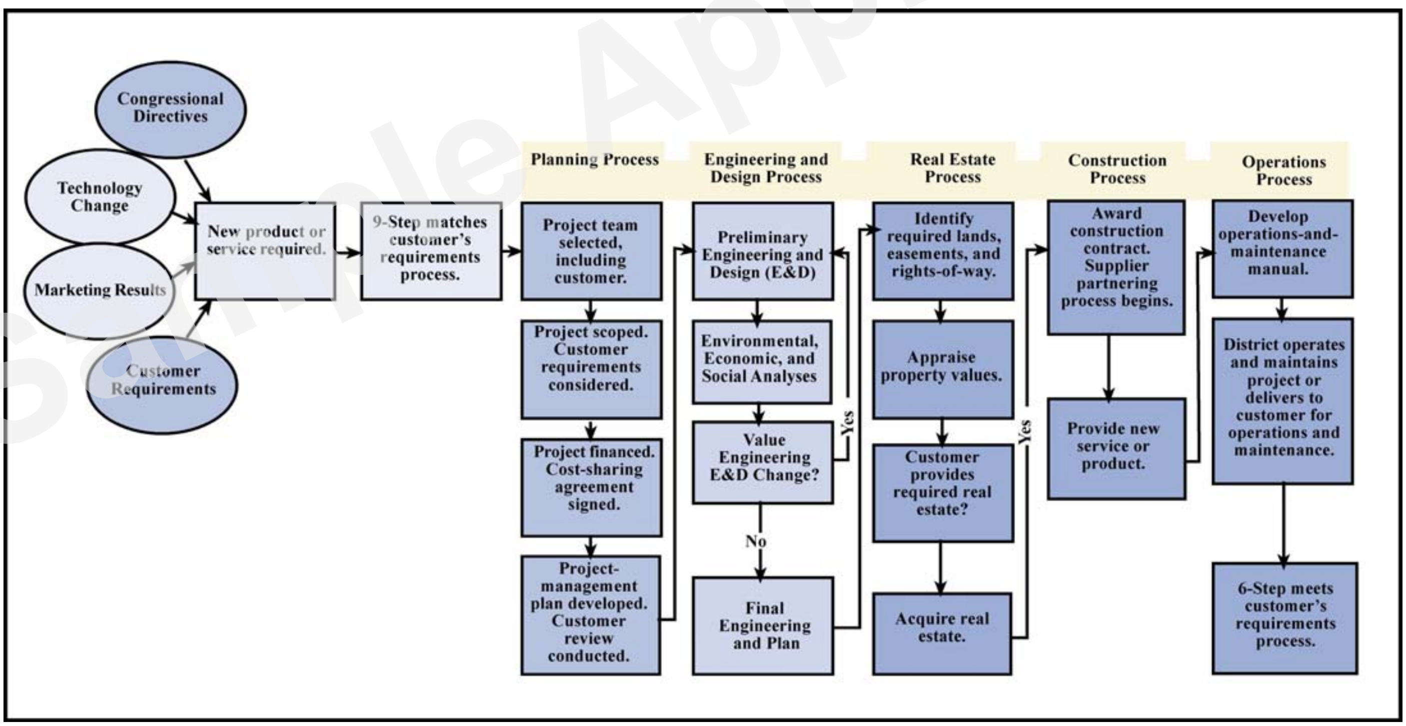

Figure 6.1-4 *Introduction of New Products or Services*

6.1a(6) All value-creation processes are improved using the process improvement approach described in P.2c(1) (above, Organizational Profile section). The District maintains data on labor costs in an automated program that allows process owners to control the work by controlling the approval process for all charges. Construction costs are maintained by having a clear definition of customer requirements. Through the VE and design processes, both design costs and actual construction costs are reduced. District team members support higher headquarters and the Laboratories through membership in task groups concerned with formulating regulations and guide specifications, and with new developments in technology.

To facilitate the sharing of information throughout the organization, a large-scale program of cross-training is used. This involves the reassignment of employees to other offices for 6 months to 1 year. The District also systematically exchanges information at periodic meetings with functional chiefs from other districts to improve cost-cutting methods.

In light of the organization's changing mission, and the need to be more flexible in fully satisfying customer requirements, the District performs monthly comprehensive reviews of key processes. From these reviews, and the consideration given during implementation of District-level Strategic Business Plan (SBP) initiatives, and from various comparative analyses, the District determined that the processes for designing and constructing civil-works projects could be significantly enhanced if the two functions were combined under one senior leader. Since combining these two functions and forming the present Engineering and Construction Region, extensive process review, restructuring, and streamlining have taken place.

6.2 Support Processes and Operational Planning

6.2a Support Processes

In the past, support processes were viewed as being different than value-creation processes. The District has matured, however, to the point where all processes are managed and improved the same. Every process is defined and has an owner, and each owner is responsible for continuous process improvement using the approach described in P.2c(1).

6.2a(1) If a process is not considered a value-creation process, the process is evaluated as to whether it is required to meet the mission of the organization. The District uses a four-step process with defined decision criteria to determine whether the process is needed. If it is needed, then it is considered a support process. The District calls these "enabling processes." This review is formally performed annually. The following are the enabling processes for supporting the value-creation processes:

(1) Finance Support
(2) Information Management
(3) Procurement
(4) Logistics Management
(5) Legal Services
(6) Human Resources

6.2a(2) The District's key support processes principal performance and operational requirements and associated performance measures are determined in the same manner described in Figure 6.1-1. The "customers" are internal and not external, but the overall process is the same. The key requirements, measures, and goals for these processes are shown in Figure 6.1-2.

6.2a(3) The owners of the value-creation processes' identify the requirements of internal and external customers by means of focus-group meetings, CMR analysis, feedback from cross-functional teams and steering committees, PRB participation, partnering interactions, and other forms of face-to-face discussion to ensure that all requirements are communicated effectively. The District analyzes, evaluates, prioritizes, and incorporates requirements as individual or overall process objectives. The process used to do this is the same as described in Figure 6.1-1 and in the nine-step "matches" of the customer's requirements process. The decision criteria address factors such as cycle time, productivity, cost control, efficiency and effectiveness measures, and improvements.

To implement the processes, each support group is required to develop tactical plans that identify customer requirements and define how these requirements will be met. This process is assigned to ensure that each employee is aware of her or his role in carrying out a larger, strategic commitment to satisfy customer requirements. Consistent with the District's commitment to continuous improvement, all processes concerning supplier and partner relationships and performance are subjected to the process to improve processes (P.2c(1)).

Owners of support processes attend the Commander's weekly staff meeting, and the other review forums to ensure that all requirements are effectively communicated. After external-customer objectives are identified, individual support elements reach agreement with internal customers concerning goals and then identify the resources required and available to achieve the goals. Support elements designate teams to set up objectives for achieving results, together with employee training plans to meet these objectives and maximize shared learning. The District also incorporates support activities in its project master schedules and the fiscal-execution system, which are managed through monthly WPRB and PRB meetings.

6.2a(4) The measures used to control and improve the support processes are shown in Figure 6.1-2. These are tracked on a day-to-day basis, and significant differences between plan and actual are communicated "up" the organization based on specific decision criteria. This can be as frequent as daily. This level of communication and visibility provides the ability to ensure that support processes are in control and truly enabling the value-creation processes and not holding them back. This level of tracking uses in-process measures to manage (and control) each process. Where appropriate, this level of data can flow from suppliers, or flow out to customers, depending on the defined communication thresholds.

6.2a(5) This level of process control significantly reduces the need for "inspection" since the processes are tracked and users are assured that they are in control. Where defects occur, the culture demands that they are identified, that corrective action is planned, that the defects are corrected, and that the policies, work instructions, or procedures are changed to ensure that the problem does not reoccur.

6.2a(6) All process owners have been trained in the use of the process owner's manual and to understand their respective responsibilities. This includes the nine-step "matching" and six-step "meeting" processes, among many others. These show process owners how to reduce variability, improve performance, and compare themselves with the best organizations.

The final step in the District's process-improvement technique is to implement the improvement throughout the organization wherever applicable. Applicability is determined by a review of the Flagstaff FORUM. The project manager is responsible for uploading information about the improvement into the FORUM within 14 days of its formal adoption. The PM also has to make a brief presentation to QMB and ESC members to make them aware of the improvement.

7.0 Business Results

7.1 Product and Service Outcomes

7.1a Product and Service Results

7.1a The performance against the Develop New Infrastructure and Projects segment requirements is shown in Figures 7.1-1 through 7.1-3.

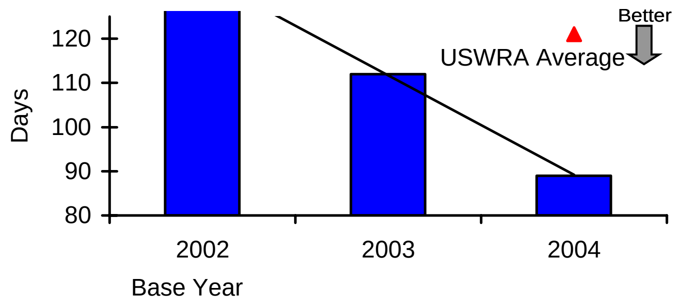

Figure 7.1-1 *Reduced Waiting Times Before Starting*

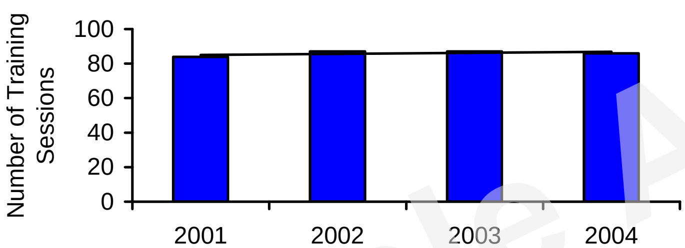

Figure 7.1-2 *Completed on Schedule*

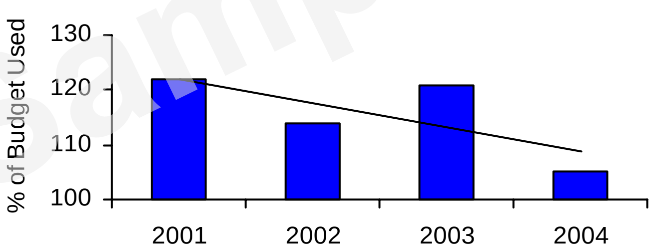

Figure 7.1-3 *Affordability*

Performance against the Manage Existing Infrastructure segment requirements is shown in Figures 7.1-4 and 7.1-5. A measure of schedule disruptions is the number incurred each quarter. These are shown in Figure 7.1-5. We developed an improvement in the calculation method used until 2001. This change was implemented in 2002, and the FD's results show continuous improvement before and after the metric change.

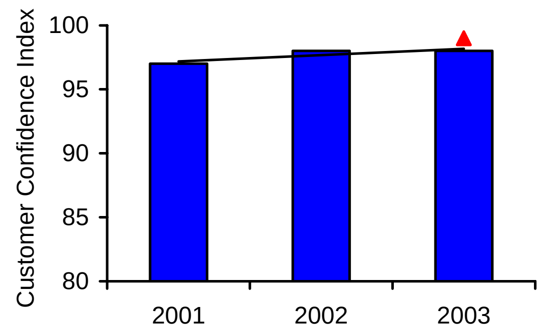

Figure 7.1-4 *Customer Satisfaction–Regulatory Program*

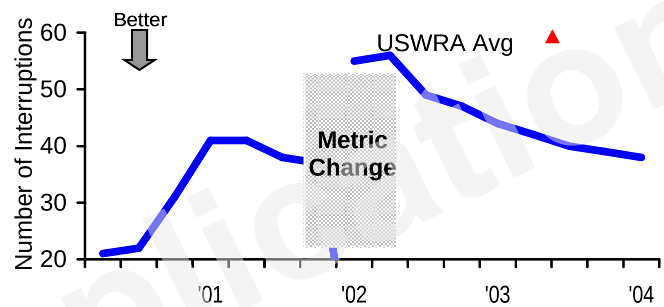

Figure 7.1-5 *Schedule Disruptions*

Performance against the Pursue Reimbursable Work for Others segment requirements is shown in Figures 7.1-6 through 7.1-8.

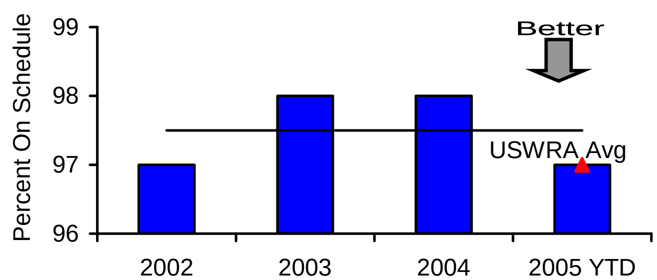

Figure 7.1-6 *On Schedule*

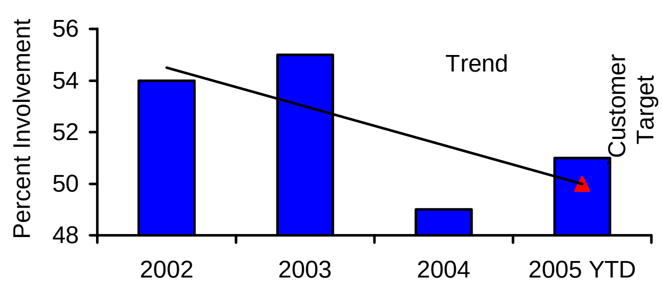

Figure 7.1-7 *% User Involvement*

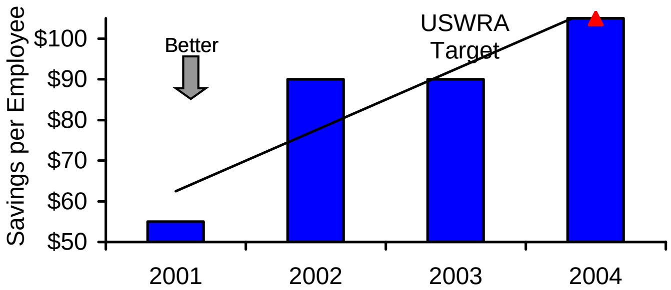

Figure 7.1-8 Value for the Taxpayer—Cost Reduction

Performance against the Regulatory Program segment requirements is shown in Figures 7.1-9 and 7.1-10.

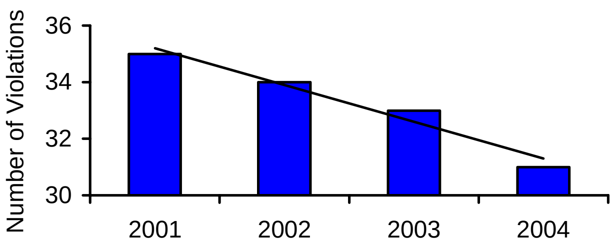

Figure 7.1-9 Strict Compliance—Number of Violations

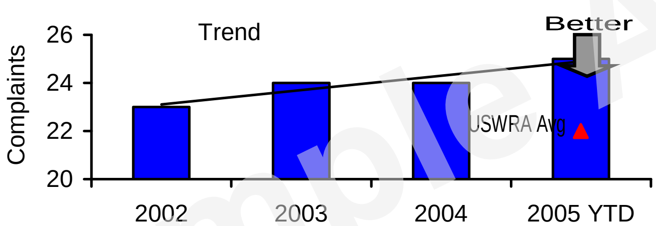

Figure 7.1-10 Confidence of Public

Performance against Emergency Management Services segment requirements is shown in Figures 7.1-11 through 7.1-13.

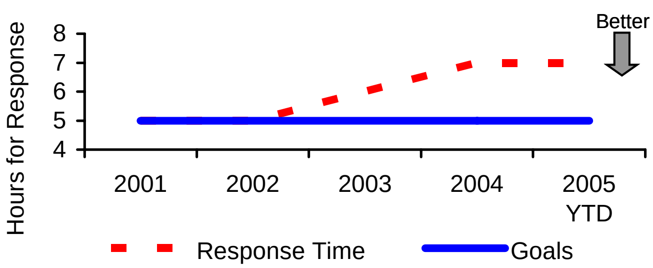

Figure 7.1-11 Response Time

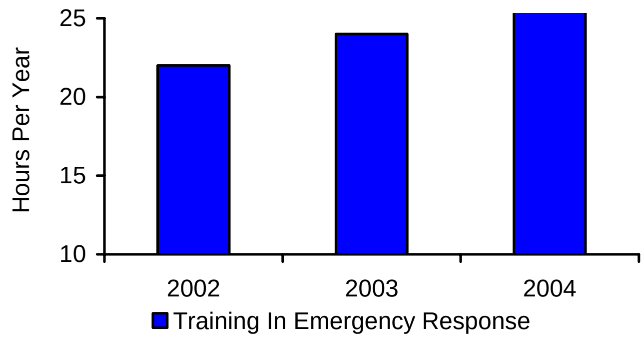

Figure 7.1-12 Training and Expertise

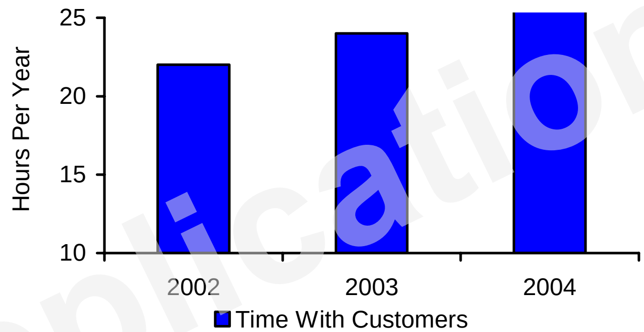

Figure 7.1-13 Relationship Building

Performance against the Defense Environmental Restoration segment requirements is shown in Figures 7.1-14 and 7.1-15.

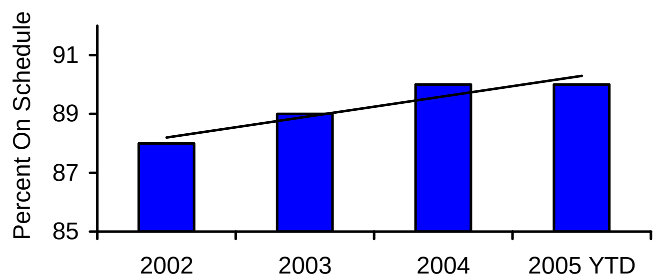

Figure 7.1-14 On Schedule

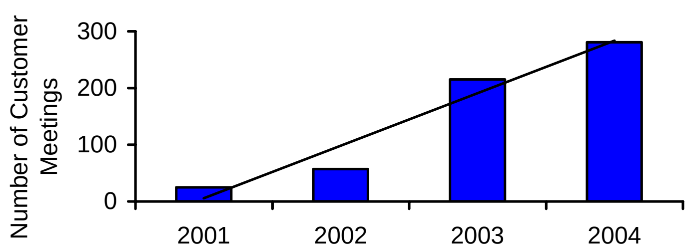

Figure 7.1-15 User Involvement

7.2 Customer-Focused Results

7.2a Customer-Focused Results

7.2a(1) The Flagstaff District (FD) serves customer segments that are quite distinct in their characteristics and requirements (Figure OP-3). Consequently, customer satisfaction in each of the segments the FD serves is measured using different surveys and methods. These are tailored to the individual segments to seek information on the FD's performance against the requirements of that segment. The customer service survey is administered by FD and measures customer satisfaction in each of the segments (Figures 7.2-1 through 7.2-6). Targeted quantities of surveys are determined during the Profit Plan (PP) process, assigned to the appropriate teams, and tracked by means of the team Balanced Scorecard. FD personnel are involved in these surveys and also have action-item responsibilities.

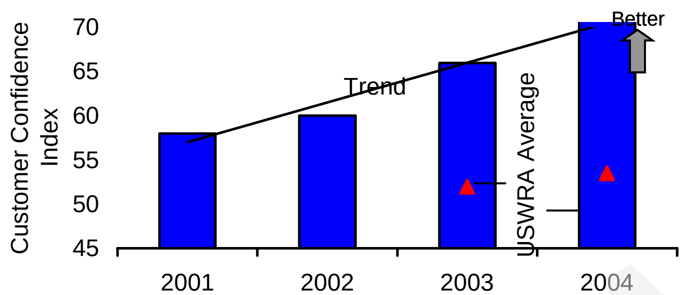

Figure 7.2-1 *Customer satisfaction—Development of New Infrastructure and Projects (Customer Segment)*

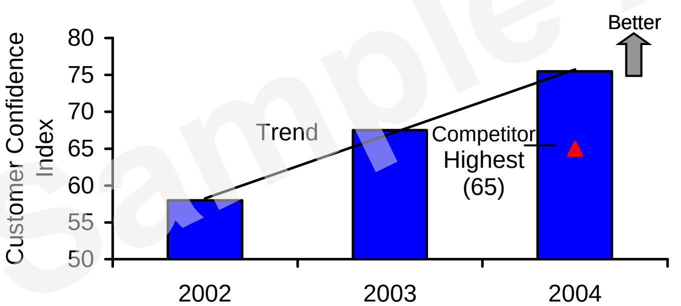

Figure 7.2-2 *Customer Satisfaction—Management of Existing Infrastructure*

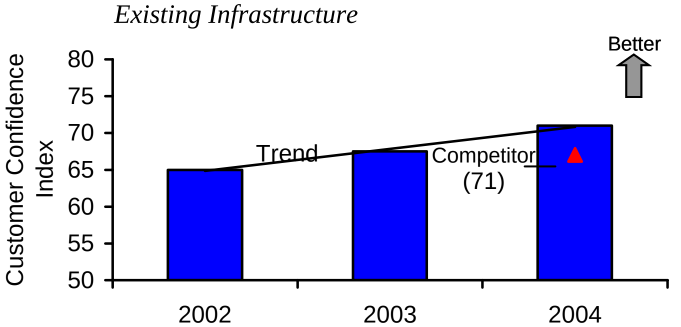

Figure 7.2-3 *Customer Satisfaction—Pursuit of Reimbursable Work for Others*

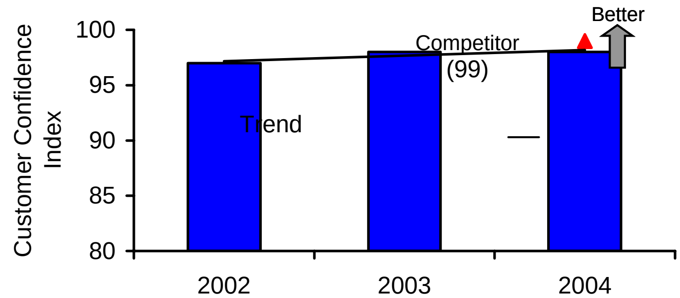

Figure 7.2-4 *Customer Satisfaction—Regulatory Program*

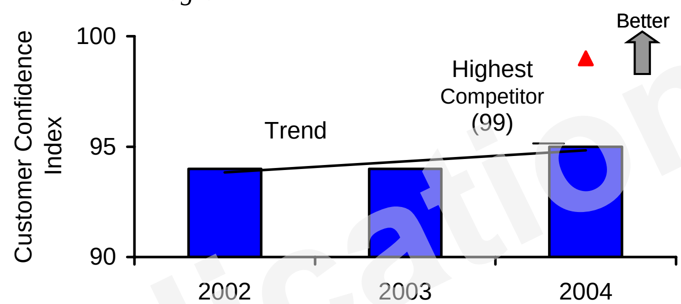

Figure 7.2-5 *Customer Satisfaction—Emergency-Management Services*

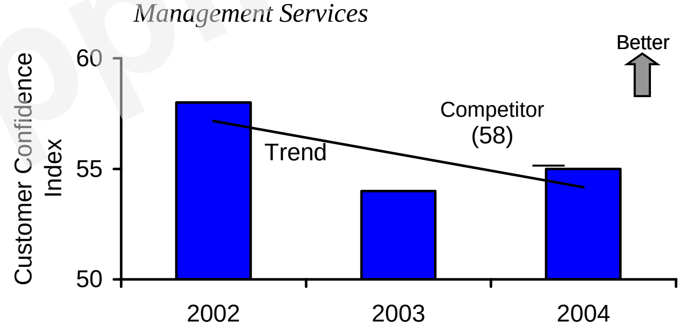

Figure 7.2-6 *Customer Satisfaction—Defense Environmental Restoration*

Figure 7.2-7 shows the percent of all customers of FD and the best competitors who complain. Because of the unique nature of the work, and the fact that many of our activities have never been performed before, the overall percentage is higher than for other industries.

Customer Segment	Customer Dissatisfaction	Best Competitor Dissatisfaction
Dev. New Inf. & Projects	**9% Complaints**	**11% Complaints**
Mng. Existng Inf.	**4% Complaints**	**3% Complaints**
Reimb Work	**7% Complaints**	**Not Available**
Reg. Program	**9% Complaints**	**9% Complaints**
Emerg. Mng Serv	**11% Complaints**	**Not Available**
Def. Env. Restor.	**3% Complaints**	**9% Complaints**

Figure 7.2-7 *Customer Dissatisfaction—All Segments*

Figures 7.2-8 through 7.2-13 show customer loyalty. These are generally the customers who answer in the "top box" of customer surveys.

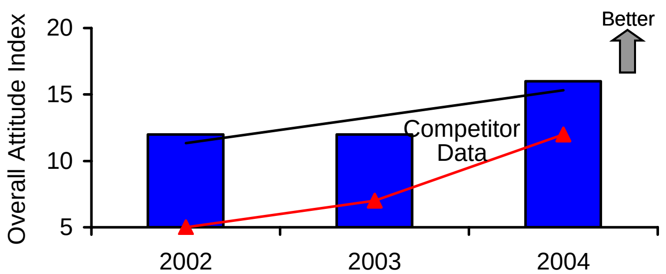

Figure 7.2-8 *Customer Loyalty—Development of New Infrastructure and Projects (Customer Segment)*

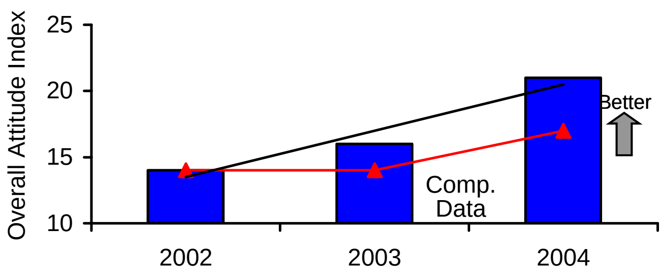

Figure 7.2-9 *Customer Loyalty—Management of Existing Infrastructure*

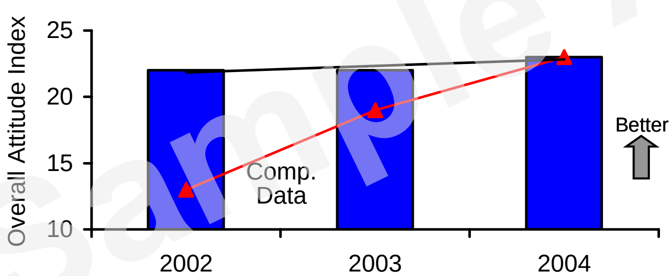

Figure 7.2-10 *Customer Loyalty—Pursuit of Reimbursable Work for Others*

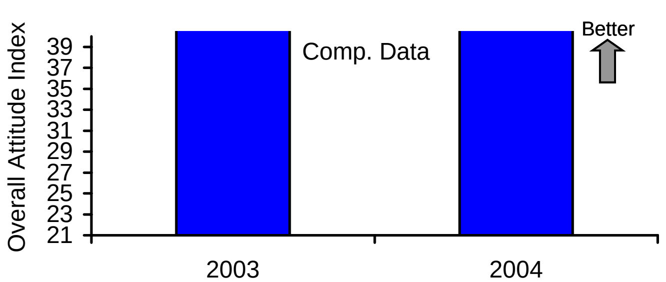

Figure 7.2-11 *Customer Loyalty—Regulatory Program*

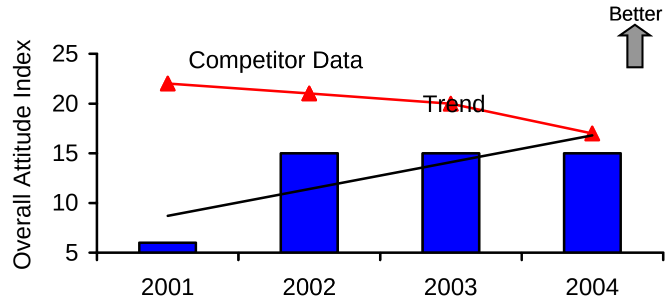

Figure 7.2-12 *Customer Loyalty—Emergency-Management Services*

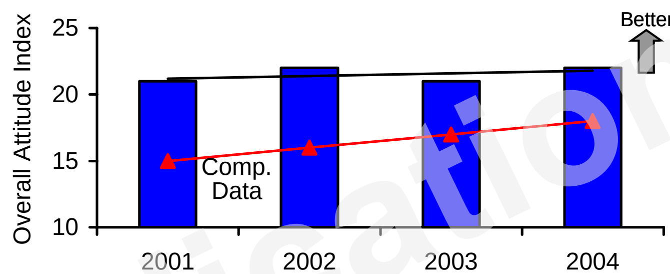

Figure 7.2-13 *Customer Loyalty—Defense Environmental Restoration*

7.3 Financial and Market Results

7.3 Financial and Market Results

Figure 7.3-1 shows the ROI/Point of Customer Value. This is one of our key measures since it tracks the value received by customers for every dollar spent on our services.

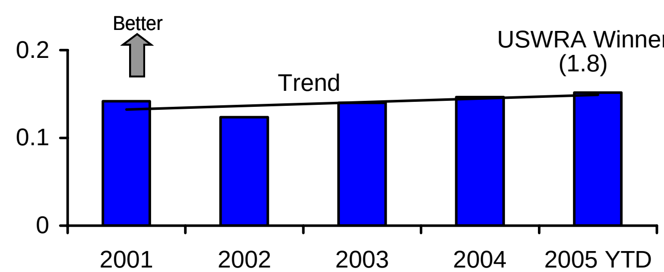

Figure 7.3-1 *ROI/Point of Customer Value*

The planned vs. actual procurement value is key to our overall ability to plan and to effectively execute the plan on time and on budget.

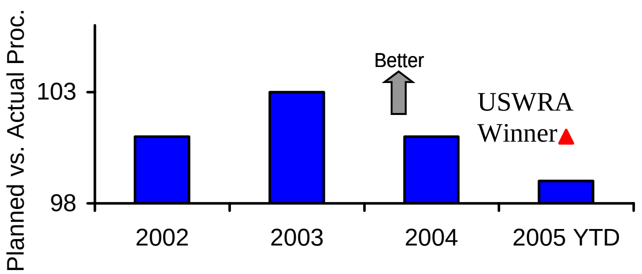

Figure 7.3-2 *Planned vs. Actual Procurement*

Percent of dollars moved to higher-priority projects tracks our ability to put a plan in place that doesn't require frequent changes.

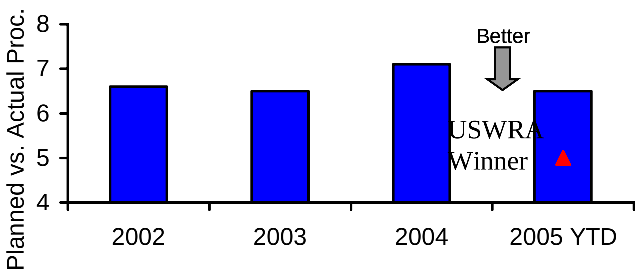

Figure 7.3-3 *% Dollars to Higher-Priority Projects*

Dollars saved through schedule advancement or innovations shows how we've been effective stewards of taxpayer dollars and have extended the use of technology or applied the innovative ideas of our employees.

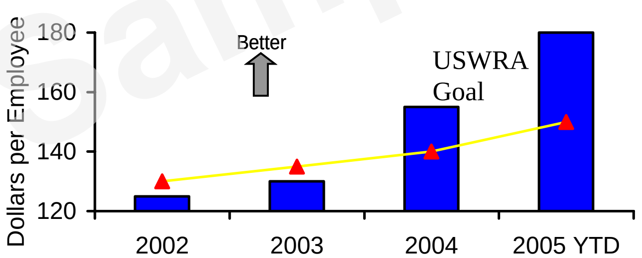

Figure 7.3-4 *Dollars Saved Through Schedule Advancement or Innovations*

Percent of funds over effective funds granted shows our ability to attract funds from organizations that are willing to pay for our services.

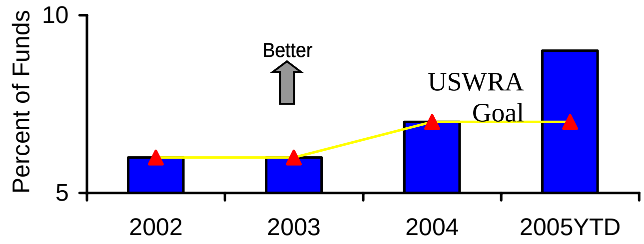

Figure 7.3-5 *% Funds Over Effective Funds Granted*

The effectiveness of our plans and how effectively we execute contracts can be evaluated based on how many of our decisions are reversed. We aren't reluctant to reverse decisions if it's the right thing to do. In such cases, however, we do perform a root-cause analysis to clearly understand whether potential lessons are to be learned from the reversal.

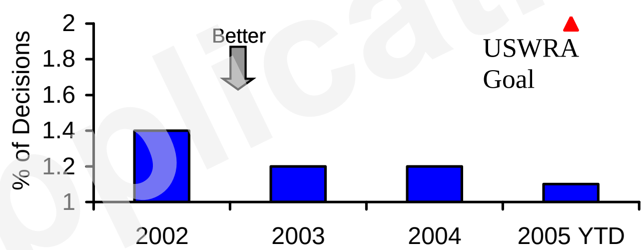

Figure 7.3-6 *% Decisions Reversed*

The terrorist threat directly impacts the expenditures in exposed operations. The higher the threat level the higher the cost. The Homeland Security Agency has set guidelines for 100 percent of what should be spent at any given threat level. In 2001 this guileline didn't exist.

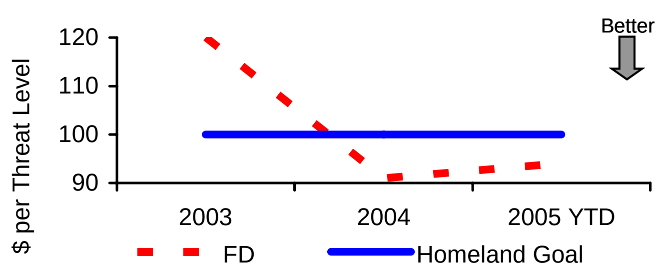

Figure 7.3-7 *Dollars Spent per Threat Level*

Our spending vs. plan segmented by customer type and project helps us track the actual performance of each of our project teams.

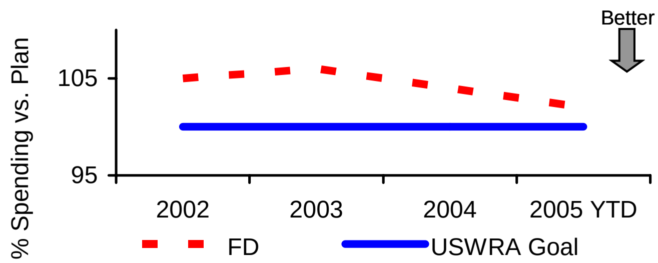

***Figure 7.3-8** Spending vs. Plan*

Percent of unprogrammed to unfinanced requirements through efficiencies helps us track the amount of savings that can be directly applied to requirements we have that have heretofore gone unfunded.

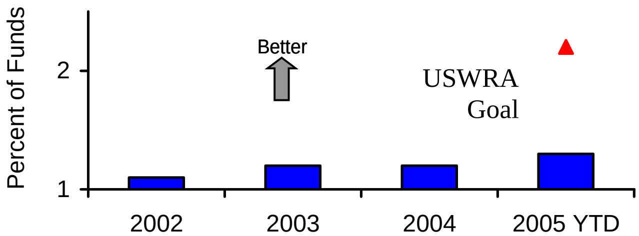

***Figure 7.3-9** % Unprogrammed to Unfinanced Requirements*

7.3a(2) We represent 2.1 percent of USWRA employees, and, in 2004, 1.95 percent of the funds spent. Although the concept of market share isn't directly applicable to many public-sector organizations, we're proud that the USWRA organization has continued to give us more funding each year as a percentage of total funds, as shown in Figure 7.3-10.

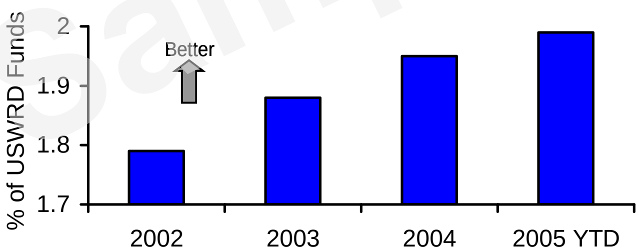

***Figure 7.3-10** % USWRA Funds Allocated to FD*

7.4 Human Resource Results

The FD has an annual goal of an average of 40 hours per employee per year of training, and it's evident that we continuously reach this goal (Figure 7.4-1). The FD feels that the most important component is not only the number of hours that employees are in training, but the quality and the relevance of the training. That's why training-effectiveness surveys and annual training-needs assessments are conducted to gauge the needs and the effectiveness of our training.

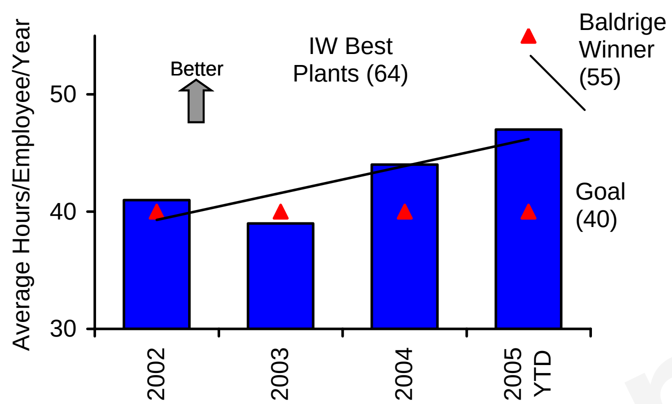

***Figure 7.4-1** Education*

The FD makes safety a top priority at every location. Year-on-year improvement in our lost-time accident rate for the last 4 years is clear evidence that creating and maintaining a safe work environment is everyone's job. New programs such as monthly safety training and the development of a new ergonomics team look at improving areas where issues have arisen over time.

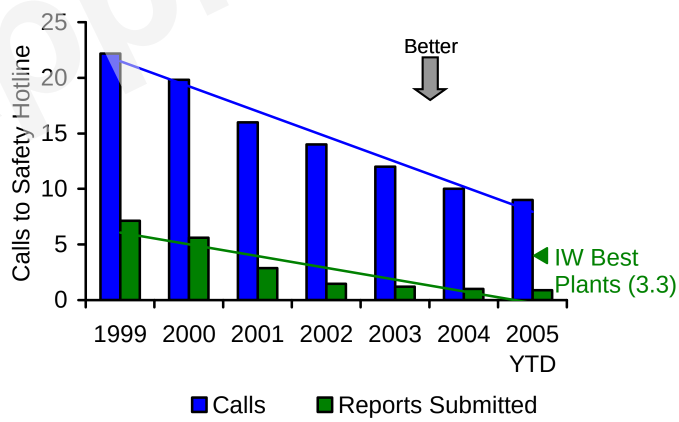

***Figure 7.4-2** Calls to Safety Hotline*

Absenteeism is a continuously improving trend, as noted in Figure 7.4-3. Attendance awards are used at each location as a way to celebrate and reward good attendance.

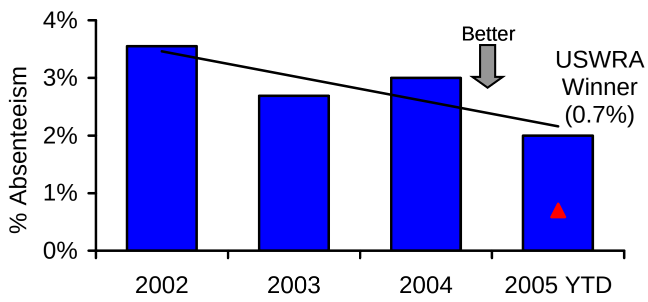

Figure 7.4-3 *Absenteeism*

FD employees have many avenues to participate in continuous improvement. The Suggestion Program is just one of those avenues (Figure 7.4-6).

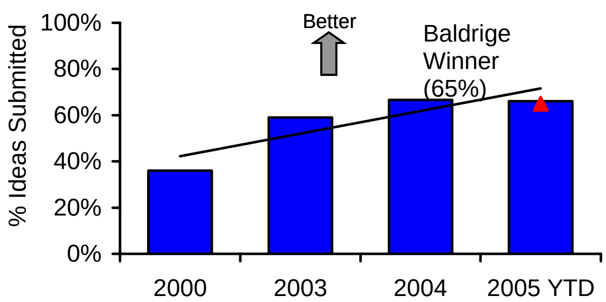

Figure 7.4-4 *Ideas Submitted*

In 2004, the FD participated in the USWRA-sponsored employee satisfaction survey. Figure 7.4-5 shows the results from that survey. Focus groups are formed to implement action items resulting from this survey.

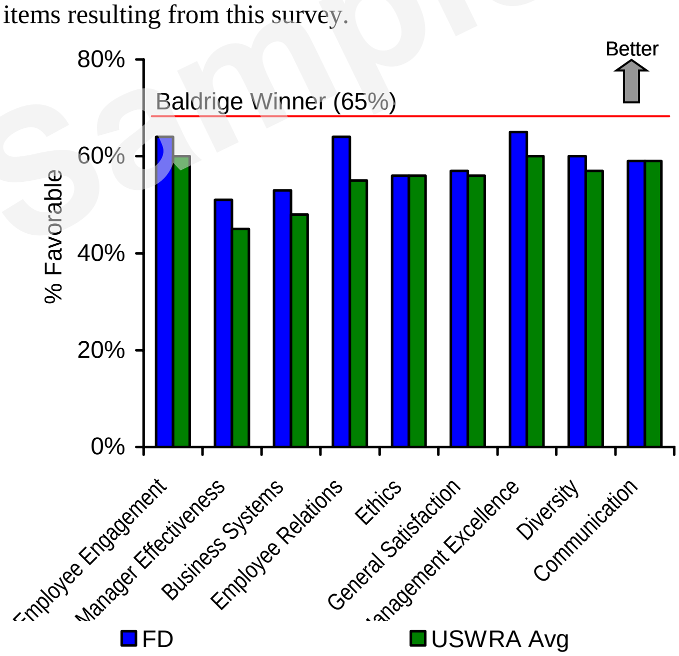

Figure 7.4-5 *Employee Survey Results—Year 2005*

The 2004 employee survey incorporated 70 questions to measure employee satisfaction indicators. Of those 70 questions, 28 have been repeated since the 1999 survey. These questions are focused on several categories, including quality, performance culture, employee relations, management excellence and the USWRA Philosophy. The last bar in Figure 7.4-6 represents these 28 questions in 1999 to 2004.

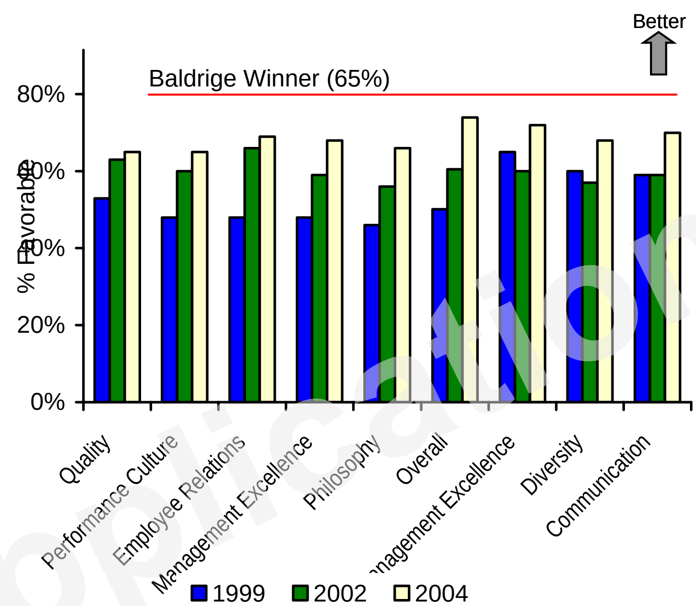

Figure 7.4-6 *Employee Survey Results—1999 to 2004*

The number of lessons learned transferred to other locations, or within our District is shown in Figure 7.4-7.

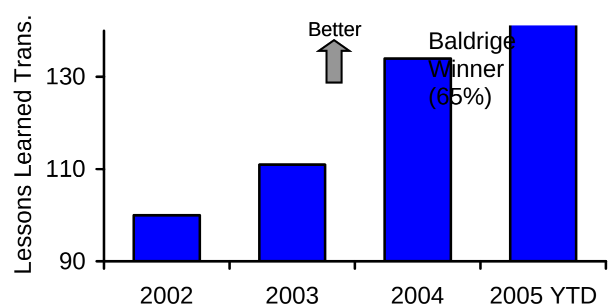

Figure 7.4-7 *Lessons Learned Transferred*

The number of key positions with double coverage (what we call "two in a box") allows us to assure employees and customers that they can always rely on that position for support. This takes into account the demands for many of our leaders to travel, and any one person may not be in his or her office.

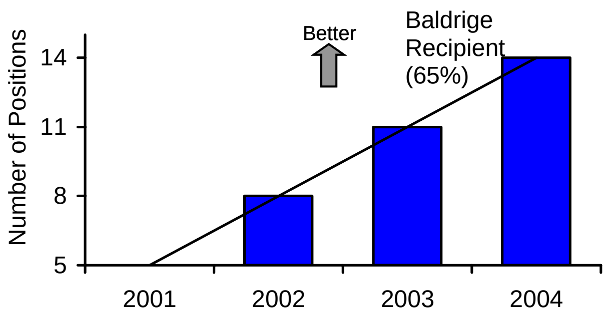

Figure 7.4-8 *Number of Positions With "Two in a Box"*

As we drive toward continuous improvement, we measure the number of ideas that come from our employees, suppliers, customers, and other partners. This has reached a level where we're the highest in USWRA, but not as high as some Baldrige recipients.

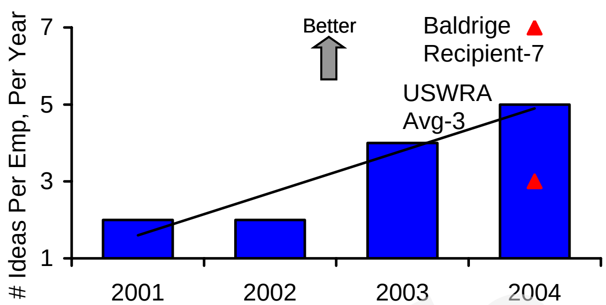

Figure 7.4-9 *Ideas Submitted*

The number of key positions that have succession plans in place is shown in Figure 7.4-10.

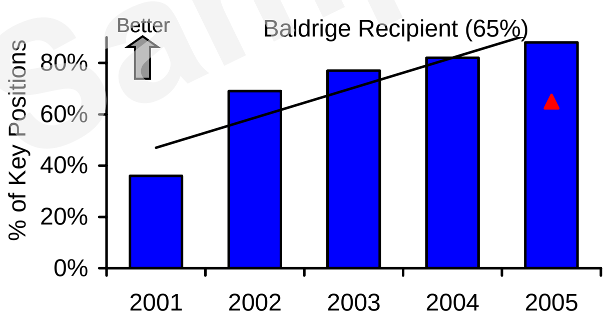

Figure 7.4-10 *% Key Positions With Succession Plans*

Our turnover (employees choosing to leave) has dramatically decreased in the last 2 years.

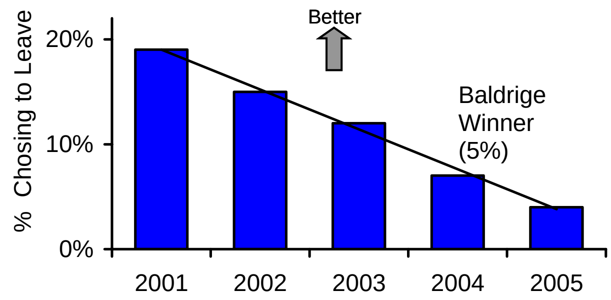

Figure 7.4-11 *Voluntary Turnover*

We've placed a major emphasis on keeping the IDPs current for key leaders. This is now approaching world-class levels.

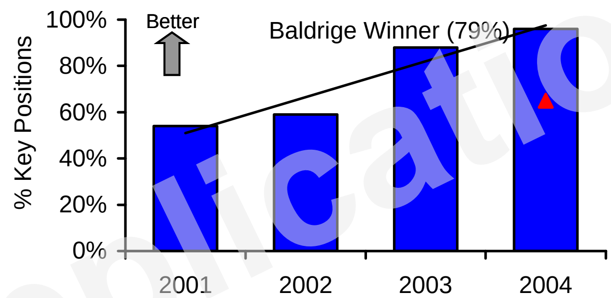

Figure 7.4-12 *Key Positions with IDP Current*

It's always difficult to effectively measure the impact of training. We have three ways to track this: (1) at the employee level, with each employee working with his or her supervisor to determine the training to be taken, and then (2) evaluating the impact of the training with their respective supervisors during performance evaluation; and (3) using a method for tracking the percent of Kirkpatrick level 3 evaluation on those trained, as shown in Figure 7.4-13.

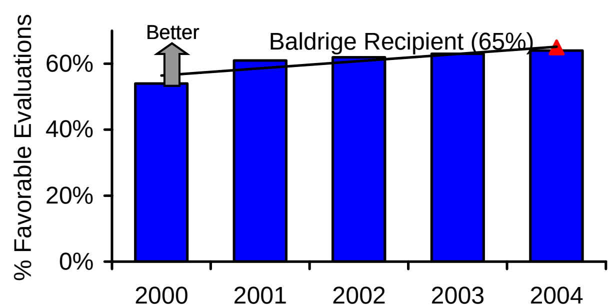

Figure 7.4-13 *Kirkpatrick Level 3 Evaluation on Those Trained*

Our full understanding of jobs that draw on our core capabilities is key to our ability to deliver what we promise to customers. If we have all our jobs mapped, we'll know what skills are needed. If we're staffed, we'll have the right employees. And if we then track the job performance, we'll know we're delivering the right results to our customers. The percent of core capabilities mapped and staffed/trained is shown in Figure 7.4-14.

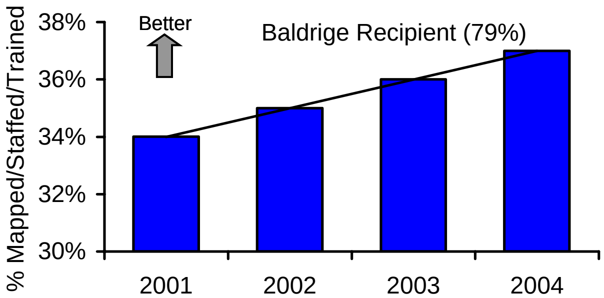

Figure 7.4-14 *% Core Capabilities Mapped and Staffed/Trained*

7.5 Organizational Effectiveness Results

The scorecard metric for accounts-receivable performance is days/sales outstanding (DSO), an indicator of how fast a business is able to collect payment for products sold from its customers. Most public-sector organizations don't have this metric, but we track this for the work we do for others (Figure 7.5-1).

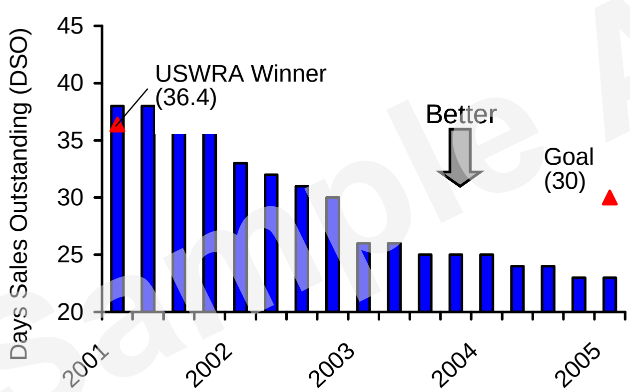

Figure 7.5-1 *Days/Sales Outstanding (DSO)*

Figure 7.5-2 displays FD inventory-management performance. Inventory days-on-hand shows a consistently improving trend despite the market cyclicality experienced as a downturn in the work done for others during 2000-2001.

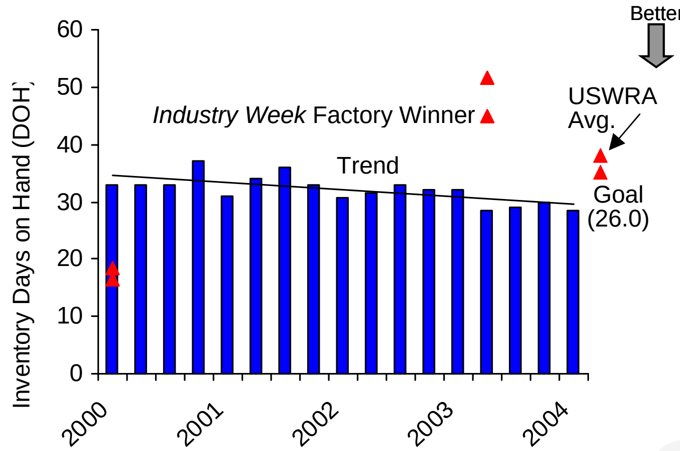

Figure 7.5-2 *Inventory—Days on Hand (DOH)*

The FD measures overall organizational readiness with a "Readiness Level" assessment. R1 (the lowest level) means the facility isn't ready for a major assault (such as a terrorist attack). R4 means all defined precautions and preparations have been taken. Our current goal calls for 33 percent R4 and 33 R3 levels of readiness.

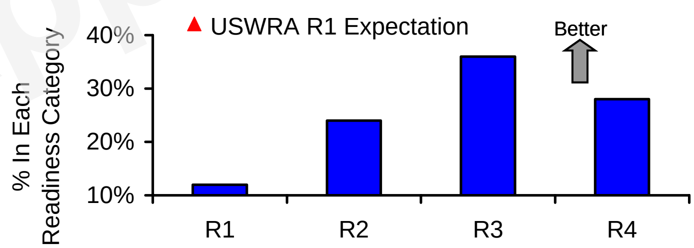

Figure 7.5-3 *Organization Readiness Score*

We own over $3 billion in assets. These have to be inventoried based on the Government schedule. Stationary assets, such as dams, only need to be inventoried (and valued) each decade. Other portable assets, such as spare parts, need to be inventoried annually. We track the level of overall assets and inventory on an annual basis.

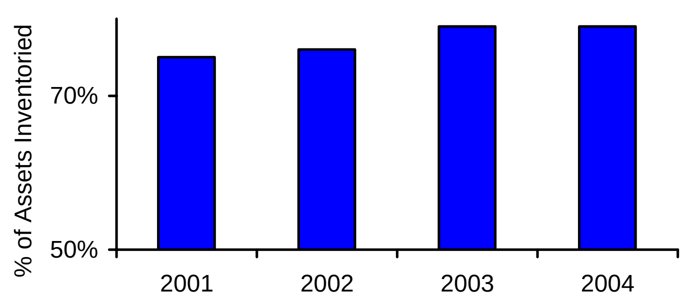

Figure 7.5-4a % Assets Inventoried

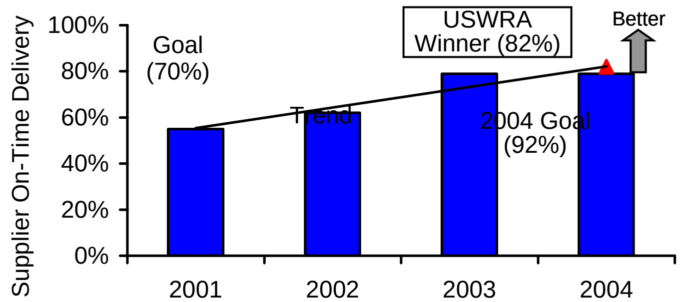

***Figure 7.5-4b** Supplier On-Time Delivery*

Supplier product schedule directly impacts the FD schedule quality (Figure 7.5-5). The portion of the FD's supply base that delivers product with defects of less than 100 parts per million has improved steadily and exceeded the 2004 goal and the performance of the comparative data cited. The goal has been increased for 2005.

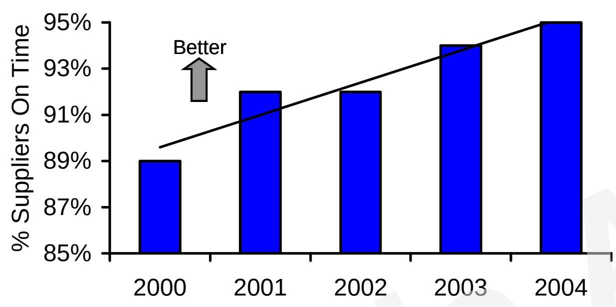

Figure 7.5-5 *Supplier On-Time*

As a part of the FD's Supplier Suggestion Program, suppliers are expected to submit ideas contributing to increased efficiency and reduced overall cost. The goal is for each supplier to submit ideas each year contributing to a cost reduction equating to 7 percent of the FD's purchases. Goal performance is communicated by means of the supplier scorecard. The cost reduction attained is tracked as a percentage of total purchases and reported on the scorecard. Results are shown in Figure 7.5-6 and show a favorable trend.

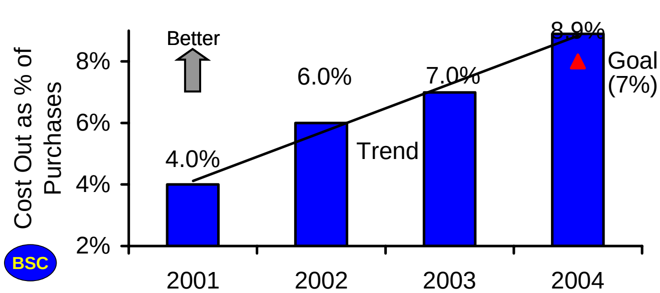

***Figure 7.5-6** Supplier Cost-Out*

The number of process steps removed helps the organization improve its throughput, while streamlining the overall cost base.

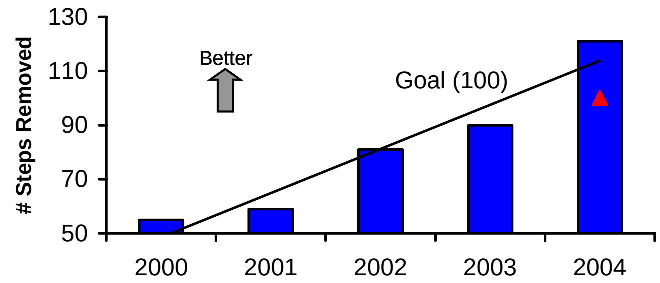

***Figure 7.5-7** Number of Process Steps Removed*

The FD also tracks the number of "vital few" processes or projects with teams assigned. This shows us that we're focused on the correct priorities. The percentage is shown in Figure 7.5-8, and the actual number of teams is shown in Figure 7.5-9. This Figure shows the Level 1 teams (beginning level of training and empowerment) through to the Level 4 teams (fully trained, high-performing teams).

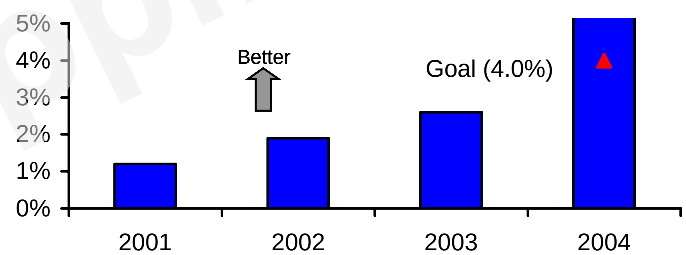

***Figure 7.5-8** "Vital few" Processes With Teams Assigned*

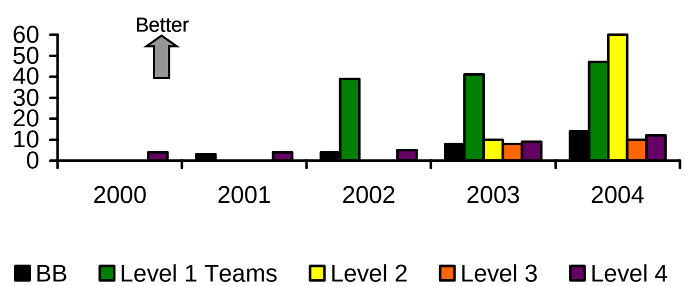

***Figure 7.5-9** No. of "Vital Few" Processes With Teams Assigned*

A large number of projects are underway at any one time. One of the key measures of planning accuracy and the ability to specify and build construction projects is the percent of project plans completed within the established timeframe, as shown in Figure 7.5-9.

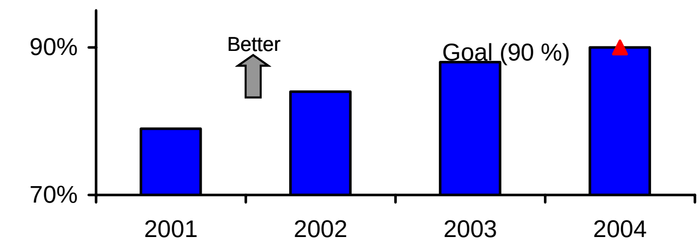

Figure 7.5-10 *% Project Plans Completed Within Established Timeframes*

Speed-to-market with new products is critically important for growing market share and sales. Figure 7.5-11 shows a continuing trend of performance against schedule (PAS).

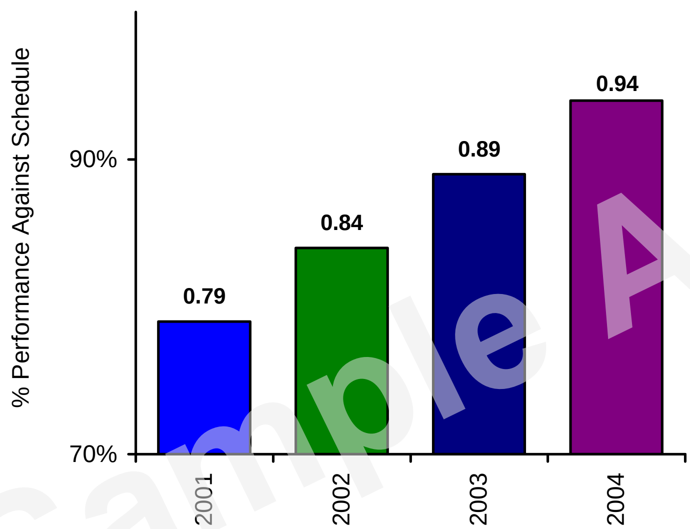

Figure 7.5-11 *% Performance Against Schedule*

A measure of our inventory accuracy-related processes is our inventory accuracy. As shown in Figure 7.5-12, this is favorable, and has a favorable trend.

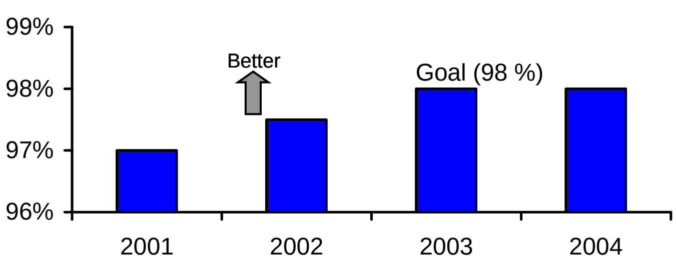

Figure 7.5-12 *Inventory Accuracy*

The USWRA Excellence Assessment (USEA), which is patterned after the Malcolm Baldrige process, consists of two components: the certification process, and the award process. All USWRA locations are eligible, but traditionally only 3 to 5 percent are using the Baldrige Business Criteria as a framework to improve their competitiveness.

The FD received the 2004 USEA Award. Three FD locations have scored within the top 5 percent of all USWRA locations plants (results are shown in Figure 7.5-13).

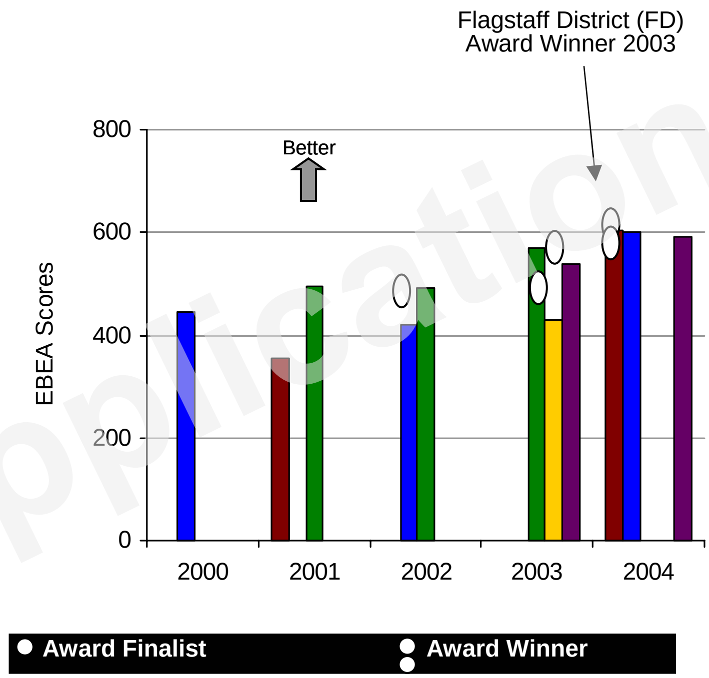

Figure 7.5-13 *Business Excellence Assessment Results*

7.6 Leadership and Social Responsibility Results

7.6 Leadership and Social Responsibility Results

The FD has three key processes for ensuring financial accountability—corporate internal audits, independent external audits, and letters of representation—and has an outstanding record of fiscal accountability. Figure 7.6-1 displays the results and trends in Government internal financial audits and independent external audits. A "recommendation" on an internal or external audit report is an auditor team finding, minor in nature, which the facility may consider as an opportunity for improving their financial system. No firm action is required on the facility's part on audit recommendations.

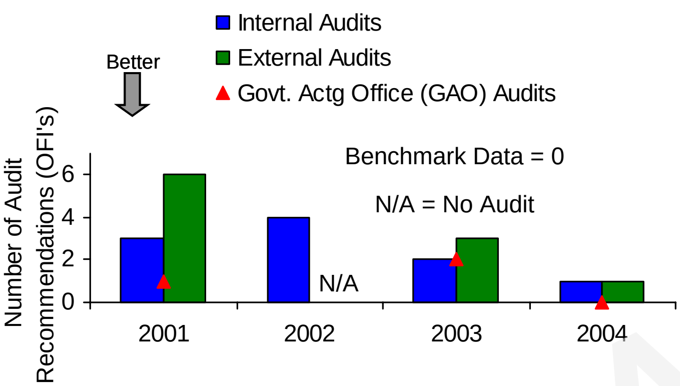

Figure 7.6-1 *Financial Audit Recommendations*

Figure 7.6-2 is a graph of the FD's corporate internal-audit and independent external-audit exceptions. An "exception" is a finding by the audit team, more serious in nature than a recommendation, which requires corrective action (with a corrective action timeline that must go through an approval chain of command) on the District's part. The audit team, either internal or external, subsequently reviews the corrective action for suitability. The FD has never had an exception on any internal audit or independent external audit.

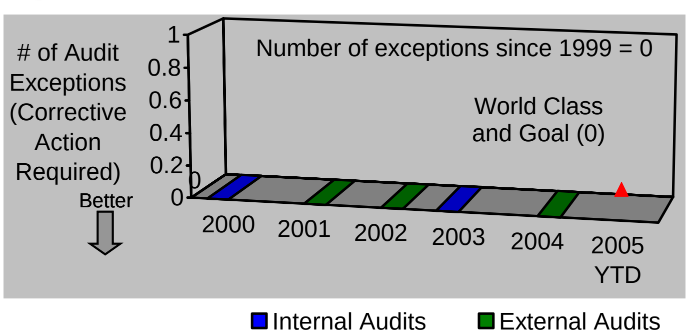

Figure 7.6-2 *Financial Audit Exceptions*

Figure 7.6-3 displays the results of the FD's threat audit findings. Each facility (location) must file a letter of threat assessment quarterly to the FD headquarters. The planning group compiles the letters and forwards them to the GAO and the UAWRA Headquarters offices for review. In the letter it's stated that the threat has been assessed, using national guidelines, and indicating that the subject site is in compliance with the 121 Homeland Security policies that apply to our facilities. Figure 7.6-3 shows that the FD is almost always in compliance with these guidelines. This performance has met USWRA and Homeland Security expectations, never needing to submit corrective-action plans.

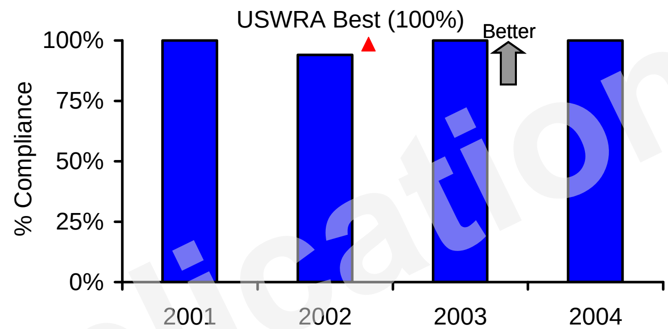

Figure 7.6-3 *Threat Assessment Compliance*

7.6a(2) Ethics is of utmost importance to the FD. Figure 7.6-4 reveals that this division has had no violations. In achieving this record, we've worked hard to *increase* the number of calls to the hotline. It's our feeling that the healthiest trend we can have is to have a high number of calls to the hotline and no violations. This means that it's on everyone's mind, is being talked about, and is a common topic of conversation. Each of the calls to the Ethics Hotline is taken seriously and investigated. On investigation it was determined that the FD has had *no* ethics violations in the last 5 years.

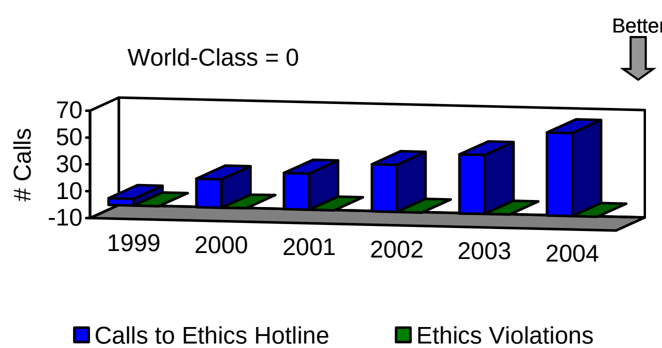

Figure 7.6-4 *Ethics Hotline Calls and Ethics Violations*

Every employee is trained in ethics and has signed our ethics statement. This has been at 100 percent for the last 4 years.

As a Federal agency, we're subject to investigation by numerous Federal agencies. Some of these investigations are as simple as a citizen calling his or her congressperson and asking that something be investigated. These "Congressional or Administrative" inquiries can address any aspect of FD, but are focused typically on some aspect of our operations. Figure 7.6-5 shows the number of inquiries and the number requiring corrective action. The inquiries seem to hold steady at about four a year. We've always been able to show the person initiating the inquiry that we're operating within the Federal guidelines for our operations.

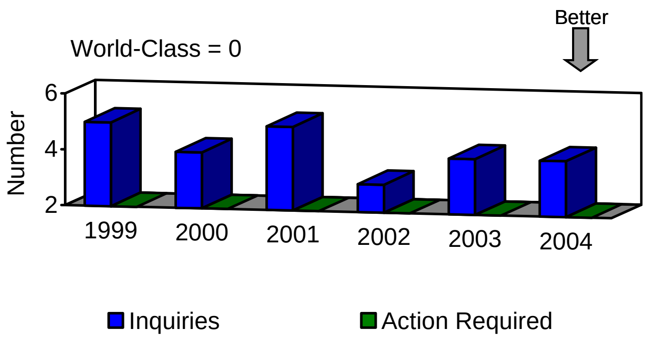

Figure 7.6-5 *Congressional or Administrative Inquiries and Actions Required*

7.6a(3) All FD facilities are ISO 14001 (environmental compliance) registered by a third-party audit body. This indicates that all facilities have documented environmental systems, procedures and work instructions that should lead to environmental compliance. The FD has demonstrated outstanding results in environmental compliance having had *no* State, local, or Federal environmental violations in the period starting 1 January 1998 (Figure 7.6-5).

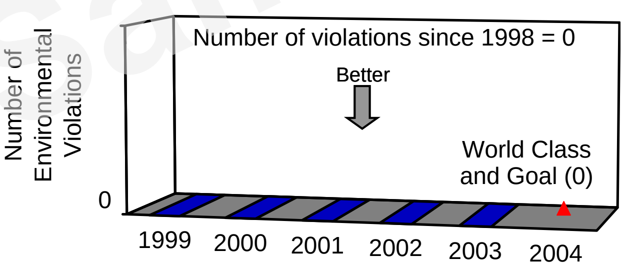

Figure 7.6-6a *State, Local, and Federal Environmental Violations*

Figure 7.6-7 displays a highly favorable trend in wastewater discharge violations, again, showing none since 1997.
The FD strives not only to minimize the environmental impact of our operational processes, but also to comply with the increasingly stricter regulations over the years. We're committed to serving as a role model for environmental compliance in the community.

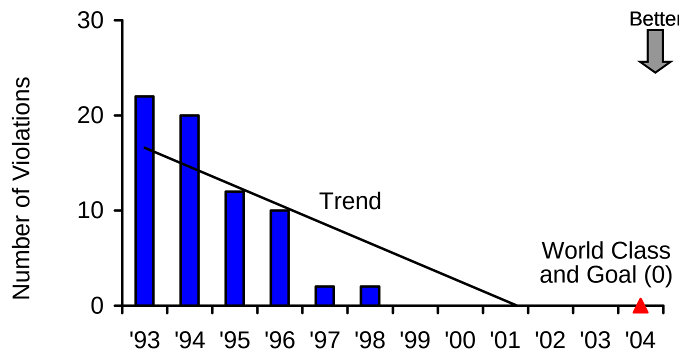

Figure 7.6-6b *Waste-Water Discharge Violations*

The ISO 14001 registration requires periodic surveillance audits of our environmental compliance systems. Figure 7.6-7 documents surveillance audits that have resulted in no major non-conformances. Facilities with multiple surveillance audits exhibit a favorable tend in the number of minor non-conformances.

Site or Group Audited	Type of NC	ISO 14001 Surveillance Audit No.					
		1	2	3	4	5	6
FD Total	Major	0	0	NA	NA	NA	NA
	Minor	1	1	NA	NA	NA	NA
Dams and Locks	Major	0	0	0	0	0	0
	Minor	0	5	6	1	2	0
Storage Facilities	Major	0	0	0	0	0	0
	Minor	0	0	0	0	0	0
Common Use Areas	Major	0	0	NA	NA	NA	NA
	Minor	3	5	NA	NA	NA	NA
Waterways	Major	0	0	0	NA	NA	NA
	Minor	3	3	4	NA	NA	NA
Facility Maintenance	Major	NA	NA	NA	NA	NA	NA
	Minor	NA	NA	NA	NA	NA	NA
Division Total	**Major**	**0**	**0**	**0**	**0**	**0**	**0**
	Minor	**7**	**14**	**10**	**1**	**2**	**0**

NC = Non-Compliance; NA = No Audit

Figure 7.6-7 *ISO-14001 Non-Conformance*

The FD has a very low number of legal issues and has never violated any law. In the two issues filed in 2004, the Equal Employment Opportunity Commission found no basis for the complaints and dismissed them in FD's favor. It's our sense that this validates the appropriateness of our practices. Nevertheless, and although our policies themselves are dictated by the Federal Government, we took this opportunity to hire an outside agency to review our practices to identify potential opportunities for improvement. The outside firm made a number of minor recommendations (all of which have been aggressively acted on), but no significant practice or procedural changes were recommended or made.

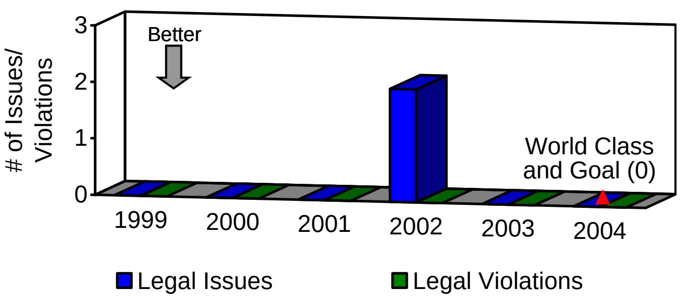

Figure 7.6-8 *Legal Issues and Violations*

7.6a(4) The FD and its employees contribute monetarily to support the local community (Figure 7.6-9). The flat trend correlates to a reduction in the overall employment level as the FD's markets have declined.

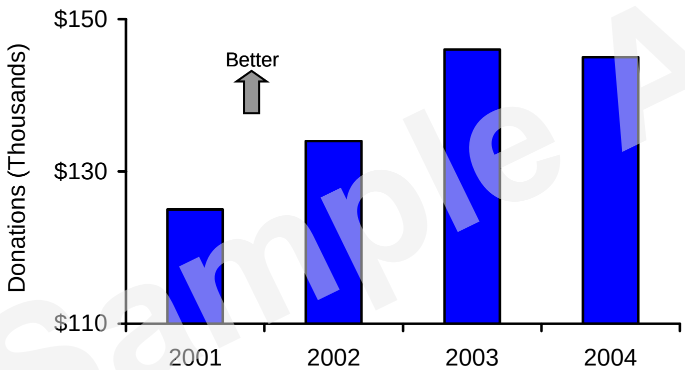

Figure 7.6-9 *Community-Support Contributions*

FD leaders (Division Staff) lead by example to demonstrate the importance of community involvement. *100 percent of FD leadership was personally involved in the community in 2004.* Future commitments for every leader have been planned, given (to the community group involved), planned on the leader's calendar, and scheduled.

The growth of this leading indicator (leadership actively serving as role models) is shown in Figure 7.6-10.

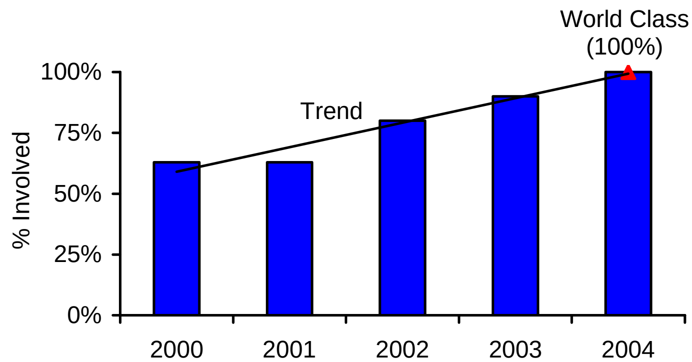

Figure 7.6-10 *Community Involvement by Leaders*

Many other FD employees volunteer their time to get involved in a wide variety of community activities. Figure 7.6-11 shows the percentage of all employees involved in community activities.

We're proud of this overall trend and level. It has even been maintained in foreign communities where the involvement in the local community isn't as common as it is in the United States. Nevertheless, this trend has continued to increase and is currently at levels above those of any company we've so far found that's appropriate for purposes of comparison.

We've benchmarked against five Baldrige winners who have a comparable site-location mix. The highest any of these companies shows for total employee participation in the community is 45 percent of all employees. We were at 61 percent in 2004 and 67 percent in 2004, and feel that this level of participation puts us significantly above these world-class organizations. Some individual locations in FD have even higher participation levels.

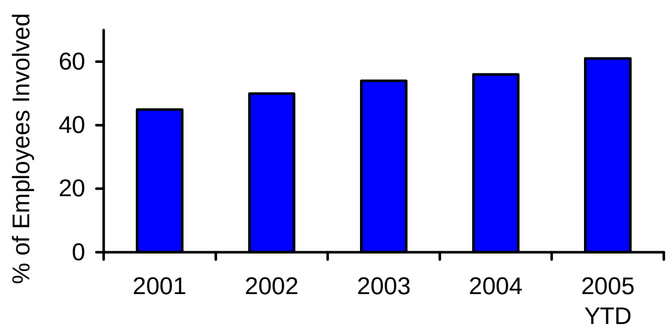

Figure 7.6-11 *Community Involvement by All Employees*