

Grants Center of Excellence 2016 Strategic Plan

Administration for Children and Families

Grants Center of Excellence

2016 Strategic Plan

EXECUTIVE SUMMARY

The strategic objective of the Grants Center of Excellence (COE) since inception has been to achieve the following:

“Establish the Grants Center of Excellence’s services and solutions as the preferred means for the administration and management of federal grants across all federal organizations.”

To that end, the COE established 4 core principles which are:

- On board any federal department, agency or organization that wishes to use any or all of the services offered by the COE.
- Be flexible and able to incorporate agency business practices that differ from what the COE currently supports so long as they are consistent with federal policy.
- Provide quality services at the best price to value in order to grow our partner base.
- Drive down the overhead cost of grant administration and management, and invest to improve program outcomes across the federal government in order to provide the American taxpayer greater value.

In 2016 four critical strategic actions are necessary to ensure that the COE continues its trajectory of service, value, excellence and continuing growth. These actions are as follows:

- Re-establish the Grants Center of Excellence Board (CEB) to guide business and mission strategies for the organization;
- Create a fully Integrated COE service focused exclusively on providing grant and program management services to the 50 OpDiv partners served by the COE;
 - a. To accomplish this, ACF is evaluating the creation of an independent leadership team focused solely on ACF IT services so that the COE Director can focus solely on COE services.
- Integrate the COE Business Management Team in the unified leadership of the COE;
- Re-compete the primary COE contract vehicle based on what we have learned in the last five years in order to continue to substantially increase services each year without increasing costs.

The remainder of this strategic plan for 2016 will provide the context to better understand the importance of these critical actions and will discuss the individual components of the COE strategic plan.

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INTRODUCTION

The COE 2016 Strategic Plan is organized into five topical areas:

- Governance
- Funding
- Business Management
- System Services
- Partner Services and Marketing

To provide the historical context of the mission and accomplishments of the COE a brief background is first provided.

COE Background

The President's FY 2007 budget established the National Grants Center of Excellence (COE). In the past, over \$3.9B was spent annually on duplicative grants management systems. Agencies built independent systems to manage grants resulting in considerable overlap in system functionalities. Through a national competition, agencies submitted bids as shared service providers. As a result, the COE was selected as one of three shared service providers by OMB to provide grants management services to the federal government as part of the Grants Management Line of Business (GMLoB). The objective was to reduce costs, increase customer service, increase standardization, and streamline business processes and technologies.

The National Grants Center of Excellence provides services at 1/7 to 1/15 the cost of a typical grant agency while having substantially increased the breadth of provided services. The COE provides grants business and technology services to over 50 Federal partner OpDivs and 1200 programs. Managed by the Administration for Children and Families (ACF) within the U.S. Department of Health and Human Services (DHHS) in partnership with the Denali Commission, the COE provides comprehensive and cost-effective grants management solutions for grantors, grantees, and the public. Grants administration is made easier through electronic reporting and information access allowing grantees more time to focus on program goals. Readily adaptable business processes allow partners to streamline and otherwise improve financial and programmatic management. Most importantly, these services coupled with substantial cost savings allow agencies to do more for less.

The COE has experienced substantial success and growth. During the GS COE's eight years of operations, ACF went from serving one OpDiv to serving 50 OpDivs, to include 1200 programs in a number of departments and independent agencies. The COE achieved this by using an agile entrepreneurial service oriented model focused on the Partners' mission. By contrast the two competing national service providers used a more traditional bureaucratic model, continued to service their own agencies, and therefore have not experienced any growth with external customers. The tremendous success of the COE has garnered considerable attention from external stakeholders and is noted by the number of national and international awards the organization has received. This success resulted in a series of opportunities that the COE team is working to effectively address in order to sustain the organization's expansion. NIH has recognized the success

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of the model, recently hired a number of COE staff and is working to implement a similar service focused strategy.

GOVERNANCE

In 2014, the Grants Center Executive Board (CEB) was replaced by the Service and Supply Fund (SSF) Board. The SSF oversees and approves all investments by the Grants Center of Excellence and provides a single means for consolidating the financing and accounting of its operations. The SSF fund is a major step forward for the COE, but there is also a critical need to re-establish the Grants Center Executive Board (CEB) to serve as a Board of Directors of grant and program management experts to guide COE business and mission strategies. The CEB will be comprised of Senior Executives in HHS, partner departments to include the Department of State and the Department of Transportation, and independent agencies who partner with the COE.

A draft charter is under review by the Office of the Assistant Secretary for Financial Resources (ASFR). We continue to establish and enhance systems governance structures including actively engaging the COE Users Group which provides users a cross agency forum that serves the applicant, grantee, and grantor communities by providing for the exchange of information, ideas and experiences within the GrantSolutions (GS) ecosystem of services.

In support of improving governance and separation of duties, the COE is supporting individual departments and OPDIV partners' governance bodies, including the Department of State (DOS), the SAMS configuration control board and the HHS/ACF integrated product team.

FUNDING

HHS policy states that the business owner accepts responsibility to obtain funding for the business services required. Most business owners inherently understand this, but on occasion partners with requirements for new development assume that the COE has a congressionally mandated budget for building and subsequently funding the unique services they require.

Mandatory Grants

Mandatory grants processing was originally planned to transition from Grants Administration Tracking and Evaluation System (GATES) to GrantSolutions in 2015. This transition was being prioritized to avoid the ACF mandatory business owner paying an additional \$3M annual bill to keep the GATES system running, as ACF Mandatory is the sole remaining user. Shutting down the older GATES also eliminates the majority of financial risks/weaknesses ACF faces. Rather than prioritizing the shutdown of GATES, the Division of Mandatory Grants (DMG) requested a new system that will better meet the unique DMG and program office requirements. This will improve system capabilities, but this strategy has delayed the GATES shutdown. The business owner will need to obtain the additional Operations and Maintenance (O&M) and Development funding required for this new approach.

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Strategic Plan:

- Work in partnership with the DMG to:
 - Reduce the cost of ongoing O&M by eliminating any non-critical services;
 - Obtain funding for the projected \$2.723M annual DMG mandatory system O&M cost;
 - Obtain any additional funding necessary to develop the program office mandatory system and refocus the requirements upon the most critical requirements.
- Eliminate most CFO weaknesses
- Facilitate the current mandatory source selection to award a contract that results in an integrated collaborative solution that reduces costs, eliminates weaknesses, and increases functionality.

Program Solutions (PROs)

PROs is being designed to meet a core set of requirements shared by many partners. Recently the Department has requested confirmation that PROs will meet the specific needs of our partners in the Office of the Assistant Secretary for Preparedness and Response (ASPR) Hospital Preparedness Program (HPP) and the Centers for Disease Control and Prevention (CDC) Public Health Emergency Preparedness (PHEP). Ideally, the necessary funding to provide these ASFR and CDC specific needs will come from HHS/ASFR NEF, but if NEF is unavailable, HPP/PHEP as the business owners would need to take responsibility for funding their unique program support requirements.

Strategic Plan:

- Grants Solutions will build a performance/project module that works for all clients. The current proposed solicitation will be modified to include ASPR HPP/PHEP unique requirements. The GS COE PROs module will be developed to include CDC & ASPR HPP/PHEP capability and capacity requirements.

BUSINESS MANAGEMENT

At its inception, the ACF COE had a single partner paying \$0.2M annually. The organization has experienced success and growth of external partners and anticipates that growth to continue. This dynamic growth requires the constant review and enhancement of the business processes needed to manage the complexity of serving a growing number of grant programs with an expanding list of services. The COE today is a shared service provider with \$50M+ annual revenue serving 1200+ programs. Throughout this growth, the sophistication of the COE's business metrics and the cost of overhead has increased commensurate with the increase in the complexity of our business and the availability of federal business management resources.

Most of our near term business management challenges are associated with maximizing the value of the business operations investments of the last two years through better integration and alignment of those investments. There are however two major strategic elements that need to be addressed rapidly and effectively to ensure that the COE can sustain its current partner and service base and expand on that base. The first is ensuring the continuity of services during the re-compete of the primary COE contract vehicle and the second is completing the operational alignment of the COE as a shared service provider.

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Continuity of Services

The COE intends to ensure the continuity of services provided over the last ten years continues as it re-competes its primary contract. It was originally envisioned that the current contract would last through September 2017. However, due to the exceptional growth of the COE, the current service rate has contract capacity projected to be fully utilized in November 2016. The current procurement timeline based upon remaining activities envisions an award of the new contract late in Q1, FY17, but there is little capacity in the schedule for delays. Moreover, an overlap in the current contract and the new award is necessary to facilitate a smooth transition of COE services. The necessary steps need to be taken to expand the capacity of the existing contract and ensure that the current procurement schedule will be met or shortened.

Strategic Plan:

- Reallocate business team resources and priorities and conduct a careful review of the procurement plan immediately.
- Create strategies for reducing the consumption of and increasing the capacity of the existing contract.
 - Utilize a contract vehicle established by the COE co-managing partner the Denali Commission to provide some partner services, effectively creating up to a 6-week extension on the COE prime contract.
 - Provide OIS services from an OIS specific contract vehicle instead of the current COE contract creating up to a 4-week extension on the COE prime contract.
 - Obtain a 6-month contract capacity increase on the existing contract to provide a safeguard against possible procurement delays and provide a contract services transition period.

Shared Service Operational Alignment

The COE plans to enhance its service by completing the operational alignment as a focused shared service provider. There are two remaining actions necessary to complete this alignment. The first is to ensure the singularity of focus and transparency of COE operations and funding to its partners. The second is to ensure that the priorities of the business management team reflect the COE's overall needs and that they can help drive the process changes within the COE to address those priorities.

The COE is funded by and serves a partner base that includes most of the DHHS OpDivs and StaffDivs, as well as non DHHS Partners, including the Department of State, Treasury, Housing and Urban Development and the Department of Transportation. Managing OIS operations and funding with the shared service functions of the COE has led some Partners to address issues such as the allocation of costs and the priorities of the COE. To most effectively address this matter, OIS support activities must be separated from COE activities and independent management teams, budgets, and contract support vehicles must be created for both organizations.

Strategic Plan:

- Create a fully Integrated COE service focused exclusively on providing grant and program management services to the 50 OpDiv partners served by the COE.

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- Integrate the COE Business Management Team under the leadership of the COE Director to ensure the business management team can appropriately prioritize and drive process change throughout the COE.
- Move OIS services being provided on the COE contract to an OIS specific contract vehicle.

SYSTEMS SERVICES

Continued increases to the COE partner base have quadrupled the number of grant actions processed within the system in the past two years. Having recognized the potential for issues caused by this rapid expansion, the COE began implementing a series of process and architectural improvements to increase system performance, reliability and capacity. For example, over the past year, GrantSolutions has evolved from a number of stove-piped systems, hosted in different locations and managed separately, to a more holistic system called the GrantSolutions Ecosystem (GS Ecosystem).

GS Ecosystem

The GS ecosystem features an architecture that deploys a single entry point into all GS services via a portal view of the module-based functionality. This system is designed to deliver to our partners and users a solution that provides significantly improved, consistent and predictable behavior and will allow users to accomplish tasks using a substantially streamlined process. This new architecture will provide an evolution from the current stand-alone systems that were developed using different technologies, life-cycles, and commercial off-the-shelf (COTS) products to a completely new user experience with a consistent and integrated user interface.

Strategic Plan:

- Decrease the length of time to accomplish GS tasks
 - Implement the GS ecosystem portal “Task list” and “Award as-a-Service” to greatly streamline and optimize award processing and backend processing time.
 - Improve system availability
- Transition all GS Ecosystem applications and services to a single Amazon Web Service (AWS) Virtual Private Cloud (VPC); and
- Migrate to a DataBase (DB) enforced referential integrity.
- Improve Partner Experience
 - Migrate from a single approved browser to a GS supporting multiple modern browsers; and
 - Continue proactive partner communication and measurement of partner health indicators.
- Continue to implement strong two-factor authentication for newly added COE modules.

Infrastructure

The COE continues to take advantage of technology and service improvements to strengthen the technical infrastructure that supports its systems and reduce the operational costs of that infrastructure.

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Strategic Plan:

- Improve the availability, simplify the integration and reduce infrastructure operating costs by completing the migration of all system components to a virtual private cloud hosted by Amazon Web Services;
- Expand user access by increasing the number of major web browsers;
- Improve the discovery of defects early in the coding process by increasing the number of automated testing scenarios; and
- Identify and resolve issues before they begin to impact users by improving system monitoring technologies and processes.

Speed and Efficiency

In addition to the eco-system and infrastructure initiatives, the COE will emphasize other actions that will further improve processing and workflow speeds.

Strategic Plan:

- Reduce grant award processing validation, and increase the speed of uploading documents in GS;
- Improve user experience through the newly automated training navigation tool “Walk Me”;
- Allow users to instantly connect with technical support when needing assistance by implementing “Live Chat.”

PARTNER SERVICES AND MARKETING

The COE Partner Service and marketing strategy focuses on quality and value for cost. This strategy allows the organization to communicate its brand values, develop close working relationships with its Partners and identify the needs of its Partners more readily than its competitors. The result is an expansion in the number of external GS COE partners, including the Department of Housing and Urban Development (HUD) and the Environmental Protection Agency (EPA), as well as an expansion in the number of DHHS partners (e.g., CDC) .

Key components of the COE’s strategy for expanding its Partner base and services include leveraged collaborative surpluses, better integrated delivery and shared value initiatives with other shared service providers.

Growth through a Collaborative Surplus

To increase the taxpayer return on initiatives and investments by government, the COE has created institutional and technological partnerships with multiple agencies and organizations. These partnerships allow the organization to significantly expand those who can benefit from grants and program management services while minimizing further investments in capacity and functionality. The Growth through a Collaborative Surplus has allowed the COE to engage multiple partners in this effort.

Strategic Plan:

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- Provide grants and program management services to the smallest agencies and commissions who previously could not afford our offerings through our co-managing partner, Denali;
- Extend grants and program management services to the scientific programs in our existing partner base through a joint effort with NIH to offer the NIH scientific review capabilities as a total COE solution; and
- Provide a comprehensive grants and program management offering to those agencies who utilize the financial services provided by Treasury's Bureau of Fiscal Services by building our fourth financial interface, this one to the Treasury Administrative Resource Center (ARC) financial system.

Growth through Integrated Delivery

To assist our partners in their adoption of improved grants and program management practices we are improving the integration of our services. This improved integration has both a technical, component, which was discussed previously, and a delivery component. The delivery component focuses on better coordinating the delivery of services, simplifying the acquisition of these services and better communicating the collective value to our Partners.

Strategic Plan:

- Consolidate all websites, contract vehicles, marketing materials and presentation templates under a unified COE brand;
- Expand the role of the Partner Product Directors (PPDs) to coordinate the delivery of product and service offerings to their respective partners as a single point of contact to avoid redundancies.
- Empower the PPD to invest in discovery and analysis exercises focused upon the partner defined business problems to engender a spirit of thinking outside of existing processes and enable Partners to see the benefits of a change to the way they perform their work; and
- Expand partner bound COE communications including development priorities, product enhancements, new partner opportunities, shared knowledge bases, and year end results to articulate the specific mission value being provided.

Shared Value Initiative

The shared value initiative recognizes the value of coordinating amongst those agencies whose missions share common interests, business challenges, and policy needs. As a shared service provider the COE has a responsibility for providing high value service solutions and promoting dialogue and critical thinking about the organizational and policy challenges in grants and program management. These are the conversations that will enhance our understanding of the current and future needs of our partners.

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Strategic Plan:

- Continue to set a great example of how agencies can work together to accomplish their mission goals. Examples include our work with NIH, Treasury, Denali and many others;
- Increase the engagement of Federal COE leadership to provide technical expertise that supports our partner interests at IPTs, workgroups, and Councils, all of which are designed to inform policy, formulate guidance, and provide advice on changes to the Grants business;
- Work in partnership with our counterparts at Grants.Gov, OMB, NIH, etc. to measure our priorities and goals and work to align them where interests are common;
- Strengthen relationships within the grantor and grantee community, such as the National Grants Management Association (NGMA);
- Engage our partners at the COE Federal leadership level in conversations about the issues being addressed by national groups and the solutions that best address the needs of our partners; and
- Manage the quarterly User Group meetings to a ‘user first’ standard. Allow for a forum that encourages user to user conversations, shared best practices, common experiences and mission needs where the COE can offer and create solutions.