

**HUMAN CAPITAL STRATEGY AND WORKFORCE  
PLAN  
OFFICE OF INTELLIGENCE and  
COUNTERINTELLIGENCE  
SEPTEMBER 8, 2006**

**SUMMARY**

Several significant changes have taken place during this fiscal year that have driven changes in the human capital arena. A new director for the Office of Intelligence came on board in November of 2005. On March 9, 2006, the Deputy Secretary approved the consolidation of the Office of Intelligence with the Office of Counterintelligence to form the new Office of Intelligence and Counterintelligence. This initiative more than doubled the size of the former Office of Intelligence and brought intelligence operations in the Department into conformity with organization trends in the rest of the Intelligence Community. The consolidation placed all intelligence oversight in the Department under one senior intelligence officer (SIO) with direct accountability to the Secretary and provided both intelligence and counterintelligence offices better access to information and opportunities for synergistic cooperation in reducing the threat to Departmental infrastructure and technology from hostile foreign entities. The consolidation created three directorates: foreign intelligence (IN-10), counterintelligence (IN-20), and management (IN-30). Deputy Directors to lead each directorate are now in place. The new organization has streamlined internal management and oversight along mission lines and further consolidated all support functions in the management directorate thus achieving significant gains in efficiency and effectiveness.

Organization consolidation also brought a complete re-evaluation of the Office strategic plan and resulting changes in human capital management objectives. Several major new initiatives have been assumed. The Office has been designated by the Director for National Intelligence as the Intelligence Community lead in organizing Community actions against the threat from improvised nuclear devices (INDs). The President tasked the Office to establish and manage a national nuclear materials information program (NMIP) that will catalog, track, assess, and prevent foreign fissile materials from falling into hostile hands. The Office has also initiated a new data collection and analysis strategy that holds great promise for capturing and focusing information resident at the National Laboratories against remaining intelligence hard targets and national security concerns.

In the coming year, the Office will refine the many changes put in place. We will work within the Department's President's Management Agenda (PMA) process to accommodate the changes mandated by the Congress to reform the Intelligence

Community and the DOE role in future national intelligence structures and processes. We will continue to refine staffing levels and skill mix issues that remain incomplete or are required by new initiatives. The Office will begin to reap the benefits of successful planning and new resources as we continue to bring on-line a greatly expanded and enhanced suite of business technologies, including additional secure bandwidth to the DOE complex, softcopy imagery dissemination to major imagery exploitation centers in the Laboratories, standardized and consistently implemented intelligence community security practices, e-business technologies, and other capabilities and technologies to leverage the successful changes of the past year. We are confident that these changes will progressively yield an organization that has the correct skill mix to meet the needs of today and the succession plans and leadership skills to face the challenges of tomorrow.

# **Office of Intelligence and Counterintelligence PMA Human Capital Management Plan - FY 2006, Quarter 4**

## **HCM Strategy Linked to DOE Mission and Goals**

In Fiscal Year 2006, the Office of Intelligence and Counterintelligence made significant progress in aligning organizational activities with the DOE mission and goals and the President's Management Agenda (PMA). In particular, the Office focused new emphasis on providing Departmental policy makers with high-impact intelligence on global energy issues to increase our national energy options and reduce dependence on foreign oil. Several new initiatives hold great promise for preventing the acquisition of nuclear and radiological materials by terrorists for use in weapons of mass destruction. Renewed emphasis on science and technology intelligence is directly aimed at preventing foreign technology surprise and mobilizing the DOE technology base to better support US intelligence activities. The Office has taken major steps to institute an integrated business management approach with clear roles and responsibilities and accountability to include effective line management oversight by both Federal and contractor organizations. Further, refined strategic planning will ensure that the Office workforce is capable of meeting the challenges of the 21st Century by attracting, motivating, and retaining a highly skilled and diverse workforce commensurate with the intelligence tasks ahead. In particular, the Office accomplished the following broad agenda items in FY 06:

- Consolidated the Office of Intelligence with the Office of Counterintelligence to better meet DOE intelligence objectives, reduce redundancies, and improve effectiveness of mission accomplishment;
- Initiated legislation to bring the Office of Defense Nuclear Counterintelligence under the oversight of the senior intelligence officer and into a collective partnership with the Office of Intelligence and Counterintelligence to better secure Departmental assets from penetration by foreign intelligence organizations;
- Placed all Departmental intelligence activities under one senior intelligence officer (SIO) who is directly responsible to the Secretary and the Director of National Intelligence, effectively de-layering responsibilities for intelligence and streamlining Departmental intelligence activities to the benefit of efficiency and effectiveness of mission accomplishment;
- Established three directorates in the Office, one focused on foreign intelligence (IN-10), a counterintelligence directorate (IN-20), and a management directorate (IN-30). The management directorate consolidates all organization responsibilities for human capital management, facilities management, budget functions, security, and information technology activities. This approach allows staff to fully focus on their key functions whether mission activities or

support tasks. The effect is better oversight and improved management efficiencies as functions are more rationally grouped, resourced, and executed;

- Completed new staffing plans looking out through Fiscal Year 2008 that will provide the Office with a rejuvenated and motivated Federal staff complete with the skills to meet the needs of today and the challenges of tomorrow. Also expanded the use and effectiveness of contractor support;
- Revised our strategic plan road map to better integrate Office activities with the Intelligence Community, Departmental needs, and to better leverage the technology base of the National Laboratories;
- Developed individual training strategies linked to strategic goals with strong accountability for both employees and management;
- Completed significant parts of our information technology enhancement program, including implementation of new e-business capabilities and embracing technology to improve the security of the DOE complex, implemented expanded secure bandwidth to the National Laboratories to improve interaction with the Intelligence Community in real-time, and met most milestone attached to providing the National Laboratories with access to soft copy imagery, a major achievement that will progressively bring the Laboratories into real-time communication and cooperation with the Intelligence Community on sensitive imagery intelligence analysis activities against nuclear proliferation targets;
- Strategically aligned human capital to emphasize recruitment, retention, training, and location of employees, throughout the program, to provide the maximum flexibility for management and employees to ensure accomplishment of the Counterintelligence mission;
- To properly align staff and management, care has been given to selecting employees of the highest technical skills. When possible, provided technical and/or management training to meet specific programmatic issues;
- Utilized the “excepted service” series as well as the “civil service” to maximize our ability to bring on highly skilled staff and managers; and
- Inculcated Performance Management system principles.

Remaining challenges:

- The Office will evaluate the progress of the past year and set new goals for FY 07. This is an annual review conducted each October;
- Refine the organizational structure in light of FY 06 progress and new contingencies. To be completed by April 2007;
- Evaluate our remaining recruiting needs to improve diversity and fill skill gaps on a priority basis, with a focus on making greater use of contractor support;

- Standup the nuclear materials intelligence program (NMIP) per the President's tasking and make major inroads toward mapping and assessing foreign fissile material inventories, security, and closing avenues for access to such materials by terrorist groups;
- Establish the Office as an effective and aggressive leader of the Intelligence Community's Improvised Nuclear Device (IND) Leadership Council;
- Provide effective leadership and become a custodian of the technological expertise of the DOE Laboratories on behalf of the Intelligence Community with the goal of matching Community technology needs with the expertise of the National Laboratories;
- Standup a robust information exchange program with the National Laboratories that will allow resident knowledge of the DOE complex to be tapped, organized, and directed against emerging intelligence priorities; and
- Work with the Office of the Director of National Intelligence and the Congress to address resourcing initiatives for current and future Office activities.

### **Improvement in Meeting Hiring Goals**

The consolidation of the Office of Intelligence with the Office of Counterintelligence combined with new organization tasks, especially our new counterterrorism initiatives, have placed greater demands on accurately mapping and efficiently meeting our staffing goals. In particular, consolidating all support and resource functions of the organization into the management directorate (IN-30) has achieved several important goals, most notably the creation of an Office Human Resources Staff. This staff is charged with establishing accurate staffing goals, recruitment targets and strategies, and working with the Department's Office of Human Resources to reduce timelines for hiring Federal staff. Moreover, all activities related to obtaining contractor support have been consolidated in the Office Human Resources Staff making for a complete and focused Office human capital management component. This is particularly significant because prior to forming the Human Resources Staff, both former Offices relied heavily on individual program managers to effect their hiring plans. Consolidating human capital management activities thus provides economies of scale in executing such tasks and places authority and responsibility for human resources management under one line manager for the entire Office of some 450 Federal and contractor officers. Over the past year a number of major accomplishments have been achieved that built on the solid progress in Fiscal Year 2006:

- The Office of Intelligence and Counterintelligence has been working very closely with Intelligence Community Chief Human Capital Officer (IC CHCO) on a wide variety of human resource issues ranging from Pay Modernization to recruitment and retention;

- The Office obtained a new Director who has aggressively moved to redirect organization priorities in line with Departmental and national intelligence priorities;
- Two staff members were placed with the National Counterterrorism Center on rotational assignments, meeting Departmental and Director of National Intelligence requirements to support this important Intelligence Community function;
- We advanced the cause of maintaining specialized skills, expertise, and capabilities within the Laboratory-complex that are critical to meeting Intelligence Community needs and meeting national security objectives through greater integration of Laboratory intelligence managers into Office strategic planning processes; and
- A determination was made that all of Counterintelligence federal technical and information management positions are inherently government functions. To meet this staffing need the Office is effectively using the Direct-Hire Authority system to provide the maximum resources needed to bring highly skilled federal technical personnel to the program. Plans are to continue this practice to help in the hiring and recruiting process and ensure that we reach highly skilled employees from the private sector.

In Fiscal Year 2007, the Office will build on previous successes by:

- Refining our comprehensive map of Office staffing needs that indicates staff qualifications, hiring priorities, and timeframes for acquiring specific expertise through Fiscal Year 2008. These plans are aligned with Office mission priorities and will be linked to Office budget preparation and facilities management activities;
- Assessing staffing priorities for the best combination of contractor staff to compliment our Federal staff capabilities with a strict eye on separating inherently Federal staffing needs from those that can be more effectively accomplished by contractor support;
- Aggressively working with the Department's Office of Human Resources to establish hiring priorities, establish strict guidelines for all hiring documentation to ensure accurate and effective recruiting statements and to reduce hiring timelines, and establish effective candidate evaluation mechanisms to ensure that the best staff is obtained in the shortest time possible;
- Refining established processes that track the flow of recruitment documentation to address problems in a timely fashion and provide for an audit trail for accountability, highlighting remaining process deficiencies, and further reductions in recruiting time from the current six months to no more than three months by the end of Fiscal Year 2007;

- Fostering the development of a competent and dedicated cadre of human resource experts in the Office Human Resources Staff who will more fully accommodate Office recruitment needs, reduce recruiting time and cost, and improve the targeting and success of Office recruiting efforts; and
- Consolidating in the Office Human Resource Staff by the end of Fiscal Year 2007 all contracting activities, for both support services and equipment, into several Office-owned and managed contract vehicles that will produce more timely contract support, better contract oversight, and up to \$500,000 in savings in annual contract operating costs.

### **Reduce Skill Gaps**

The consolidation of the Office of Intelligence and Counterintelligence has resulted in a significant reduction in the anticipated numbers of staff requiring specialized skills in contract management and information technology management. At this point, through consolidation and rationalization of functions across our two organizations, the new Office of Intelligence and Counterintelligence:

- Is sufficient in contract and information technology managers who are fully certified and sufficiently skilled to meet organization needs. This fact is documented on the accompanying *critical skills gap analysis*;
- Realignment of mission and support activities in the new organization has especially reduced the need for support specialists while creating clear career development paths and opportunities for upward mobility for existing staff. This in itself has created a more appealing work environment due to increased size of the organization allowing for greater internal movement, clearer mission and career paths, and mission components on the cutting edge of US intelligence activities;
- As part of our workforce planning and deployment employees are encouraged to use the Department's Employees Self Service Skills Assessment Tool. Position Descriptions have been rewritten to clearly call out supervisory positions. As we identify supervisory positions, we are planning to have our supervisors initiate the Program Guidance for DOE Skills Assessment tool available for Leadership and Managerial staff. This will provide guidance for the employee to help him or her self assess the correct competencies; and
- In addition, IDP's are being modified to include a mix of training opportunities and professional skill enhancement opportunities, extending out over multiple years, for each employee in a leadership position.

The new priorities of the organization, however, have placed greater emphasis on obtaining skill sets that are already in short supply in the national workforce and in high demand across the US Intelligence Community. The requirement that Office

staff all qualify for both a DOE Top Secret “Q” clearance and an Intelligence Community special compartment information (SCI) access makes our recruiting task all the harder. In particular, as indicated on the accompanying “*critical skills gap analysis*”, the Office has a priority need for intelligence research specialist. Several security specialists are also urgently needed. To fill these gaps the:

- Office Human Resources Staff is implementing aggressive strategies in close cooperation with the DOE Office of Human Resources to close timelines for hiring Federal staff by devising specialized hiring documentation that will precisely comply with Office of Human Resources needs;
- Office has petitioned the US Office of Personnel Management for direct hire authority for these and several other categories of staff needs to help expedite filling skill gaps;
- Office posts outstanding vacancies on both the US Jobs recruiting system and with the Office of the Director of National Intelligence for posting on unique Intelligence Community job sites as a means of broadening our recruiting audience;
- Office will institute new training and advertising initiatives over the next year directed at retaining skilled staff and better highlighting career opportunities in an effort to attract necessary expertise to the organization;
- Office, in cooperation with the DOE Office of Human Resources and the Office of the Director of National Intelligence, will continue to work constructively with the Intelligence Community on modern remuneration strategies, awards, direct hire processes, and other mechanisms that will collectively help the Intelligence Community better recruit, train, and retain the specialized skills necessary to keep the nation safe;
- Office obtained VERA/VSIP authority covering eleven positions. This authority will greatly assist the organization in upgrading and reorienting the skill mix to accurately reflect mission needs over the next six months; and
- Office, through these and other means, fully anticipates closing the outstanding skill gaps by the end of the third quarter of Fiscal Year 2007.

### **Succession Strategies and Plans**

Prior succession planning assessments completed in Fiscal Year 2004 and 2005 provided a strong foundation for updating Office succession plans in light of our new mission priorities. Beginning in late winter 2006, the Office re-evaluated our hiring needs over the next two years in light of revised strategic plans and new national tasking directed at the Office. All program managers were required to conduct a zero-based review of their areas of responsibility against current skill sets, new priority assignments, and emerging skills gaps in the years ahead. This process continued to be enlightened by Office participation in the Analytic Resources Catalogue (ARC) project conducted by the Intelligence Community that

assesses critical skills in the Community and areas in need of immediate attention. As a result of the revised Office mission and new priorities a number of succession support activities did not materialize as planned or were placed on hold. In particular, over the past year the Office:

- Placed only one candidate in the Executive Potential Program and placed no candidates in the Federal Executive Institute Leadership for a Democratic Society program;
- Was unsuccessful in placing a candidate in the Senator Pat Roberts Intelligence Scholarship Program that is designed to train and build a capable intelligence cadre for tomorrow; but the Office did
- Work constructively with the Office of the Director for National Intelligence to expand training opportunities and rotational assignments with other Intelligence Community members for Office staff. Specifically, the Office placed two staff members on rotational assignments with the National Counterterrorism Center; and
- Work proactively with the Department's Office of Personnel. Conducting weekly reviews of all position vacancies, continuously update on Subject Matter Expert reviews (SME's), and receive status data on pending certifications. In addition, we have established a comprehensive matrix identifying vacancies during current fiscal year, the upcoming budget year, and budget year plus 1. This gives us a solid basis for reviewing potential skill gaps as well as shifts in personnel assignments.

In FY 07, the Office plans to:

- Re-evaluate opportunities for enrolling one candidate in the Senator Pat Roberts Intelligence Scholarship Program;
- Continue to work with the Intelligence Community Human Capital Officer to improve training opportunities for our senior analysts and managers in intelligence activities;
- Enroll at least one candidate in the Executive Potential Program;
- Enroll at least one candidate in the Federal Executive Institute program and similar courses designed to improve management capabilities and broaden the experience of current staff;
- Ensure that current and new supervisors complete all DOE-recommended training for supervisors to ensure a foundation of management skills in the organization. Planning for this contingency will be documented in the individual development plans of all supervisors;
- Work to expand and streamline rotational assignments for staff with other components of the Intelligence Community to improve corporate

understanding and prepare them for senior management assignments in the Office and the Intelligence Community;

- Require all managers to prepare and implement active, focused Individual Development Plans for their staff that are matched to missions and priorities and designed to ensure properly skill staff are available to meet future contingencies; and
- Provide new training courses for the National Intelligence University in our areas of technical competence that will help build a reservoir of talent elsewhere in the Community that will help sustain skill sets that may become necessary to the Office in the future, especially in counter proliferation areas.

### **Knowledge Management Activities**

The Office has been especially successful in implementing effective knowledge management and document retrieval capabilities in the organization. In the past year the Office has:

- Implemented a modern, computer-based Office correspondence tracking and archiving system to replace manual mechanisms use previously to track and respond to official correspondence. All significant Office action items/correspondence/records, are now scanned into an electronic system that assigns responsibility, tracks progress, and ultimately ensures that action items/accountable records are placed in an Office retrievable archive called SINAPS;
- Completed work on a new security data base system that accurately tracks and updates security clearances across the DOE complex;
- Continued to populate our shared Intelligence Library that is progressively securing in an electronic data base all finished DOE and selected Community intelligence products from the past 40 years. This resource is available to the DOE Laboratories, is being jointly populated by the intelligence components at the Laboratories, and is selectively available to other components of the Intelligence Community. Full availability to the Intelligence Community awaits completion of Community accepted protocols to allow the sharing of various compartmented intelligence. This aspect of e-business is currently being actively worked by the Office of Intelligence with Intelligence Community counterparts. The Office of Intelligence is engaged with the Community, and reform efforts in Congress, directed at broadening information sharing across the Intelligence Community;
- Continued to represent the Department to the Information Sharing Environment, a President-mandated effort to improve the sharing of intelligence on terrorist issues across the Federal Government;

- Implemented phase I in April 2006 of a basic architecture to establish imagery dissemination at high bandwidth capacity to the DOE Laboratories in cooperation with the National Geospatial-Intelligence Agency (NGA); and
- Started phase II to extend soft copy imagery capability beyond the initial several Laboratories. Funding for this project will be provided by the National Geospatial-Intelligence Agency; Continued full participation in the Intelligence Community's Analytic Resources Catalogue (ARC) project that provides the Community with a more complete view of DOE Laboratory expertise and capabilities. Selected Laboratory staffs were also included in the ARC for the first time. A complete accounting for Laboratory expertise in the ARC remains a goal for the future.

Moreover, in the Counterintelligence Directorate, program elements are intra-dependent within their directorate and inter-dependent within the Intelligence Community. The program's seven major elements (analysis, evaluations, investigations, training, cyber, polygraph and inspections) are reflective of this integration of knowledge and information. For example, the investigative program collects information, and then relies on the analysis program to disseminate that information so that it is useful to DOE and the Intelligence Community. Counterintelligence's knowledge base is continuously changing as events unfold worldwide; therefore, they are in a continuous learning mode and that mode encourages and motivates employees to request training, as well as management requesting them to take certain training. Their knowledge base is displayed as part of their highly respected and envied CARDS and IMAC information management programs:

- Much of the program information is documented through automated systems, and is available regardless of who comes or goes in the organization. (These databases are classified and available only within IN-20). This is a critical issue since the program mission includes detection and deterrence of foreign entities before they do harm to our National Security;
- There is a technical knowledge-based program that is shared complex-wide to counterintelligence staff through the internal Plans, Policy, Training and Awareness division of the Department. This type of technical training is offered to all organizations within DOE/NNSA;
- The program has issued a Procedural Guide for daily operational activities. Key to all of Counterintelligence's management knowledge are "processes" that provide each individual a specific set of guidelines that will serve in cross over of staff duties; and
- The program is heavily dependent on support services contractors, Counterintelligence administrative and technical subjects/issues training is offered to both federal and contract employees.

In the coming fiscal year several new initiatives will be launched and other initiatives will be brought to full operating capability. In particular:

- The former Office of Intelligence and Office of Counterintelligence computer systems will be merged to allow the fullest communication, sharing of information, and synergy between the two organizations;
- A system wide, modern storage protocol will be applied across both our unclassified and classified systems that will ensure complete, automatic backup of files and placement of these records in our reserve system at Sandia National Laboratory;
- The Office, based on our improved storage protocol, will expand and make more complete our continuity of operations (COOP) plans, processes, and facilities to ensure that current Office functions and support capabilities are available in a crisis;
- The Office will implement a "collaborative" secure work environment that will allow analysts from across the DOE complex and in the Intelligence Community to work on joint projects more completely with common access to information and computer tool;
- Secure bandwidth upgrades will be completed to most of the National Laboratories that will facilitate the full up participation of intelligence components at the Laboratories with all components of the Intelligence Community, thus broadening access to the great reservoir of expertise resident in the DOE complex;
- Implementation of a variety of e-business capabilities will allow for encryption of unclassified e-mail correspondence, improved firewall protection of our unclassified systems, and more accurate accountability for travel, training, time and attendance, and related functions; and
- Creation of Office "data warehouses" that place commonly used data in easily accessible form and locations will improve efficiency in the Office and facilitate implementation of accurate and flexible tools for managing staff resources, equipment, budget resources, program activities, etc.

### **Strategies to Address Diversity**

Diversity is given high priority in Office of Intelligence hiring practices and goals. The organization will continue to actively engage with Departmental and other personnel resources to improve our access to minority and female human resources. We have been successful in improving both the gender and racial mix of our workforce over the past year. The Office has:

- Placed a minority female at the Senior Intelligence Service (SIS)-level as Director of Security with responsibility for ensuring proper and consistent intelligence security practices across the DOE complex;

- Placed a female staff member as Chief of Staff in the Office with day-to-day responsibility for managing staff activities and ensuring appropriate integration of strategic initiatives;
- Established the Chief of Plans position, staffed by a female staff member, responsible for coordination of Office-wide actions, policy, and planning;
- Established and promoted a female staff member to be Budget Director for the entire organization;
- Established a minority female staff member as Procurement Manager for the entire organization with responsibility for all support services and equipment contracting activities;
- Placed one minority female staff person in the Executive Potential Program to provide management training and establish a clear path for upward mobility in the organization;
- Added several female and minority staff to the organization over the past year, thus improving our overall diversity complexion; and
- Filled the Counterintelligence Directorate Director's SES position, Director of Evaluation Division, Deputy Director of Analysis Division, Deputy Director for Operations and Investigations Division, and Deputy Director for the Cyber Division. These positions were advertised nation-wide, with a request for minority applicants strongly worded in the announcement. However, the candidate pool did not surface any qualified minority applicants.

In the coming year, the Office plans to:

- Renew efforts to take advantage of, and apply specifically to female and minority candidates, mechanisms available to the Intelligence Community to recruit and offer college benefits to promising new hires to build a cadre of hard to find skills, including the Senator Pat Roberts Intelligence Scholarship Program, the Federal Executive Institute management training program, and the Federal Executive Potential Program (EPP);
- Develop an electronic personnel file for each Federal staff member that will accurately reflect a variety of personnel actions, training, and career development information useful in managing Office human resources, including diversity;
- Continue to implement a variety of human resource tracking and assessment tools to better measure trends in diversity, attrition, training, awards, and evaluations;
- Ensure that all staff meet Departmental requirements for diversity sensitivity training, sexual harassment prevention training, etc. to sensitive the overall workforce to diversity issues;
- Expand our outreach to minority universities and other organizations dedicated to women and minorities through directed recruiting, focused advertising, and

participation in Intelligence Community and Departmental recruiting campaigns targeting disadvantaged groups;

- Use our VERA/VSIP authority through March 2007 to open new opportunities at senior stations in the organization to disadvantaged groups. We anticipate that seven to eleven senior staff members will ultimately execute their VERA/VSIP option; and
- Continue to advertise to the broadest candidate pool in order to reach as many minority applicants as possible. The Counterintelligence Directorate is considering the development of an intern program that would be offered to Historically Black Colleges/Universities nationwide.

### **Analyze and Optimize Organizational Structures for Service & Cost**

The consolidation of the Office of Intelligence with the Office of Counterintelligence and subsequent reorganization of tasks in the organization has had a primary impact on streamlining business functions, improving management oversight, reducing inefficiencies, and ultimately paving the way for significant annual dollar and time cost saving. Specifically, consolidation brought about three new management directorates in the Office as previously described. (*The attached organization diagram provides a clear representation of the new streamlined organization structure.*) Henceforth, the mission components, IN-10 and IN-20, will be relieved of all support activities such as budget, personnel, information technology services and facilities concerns to focus exclusively on their analytic and investigative priorities. The real achievement of the consolidation lies in the placement of all support activities in one management directorate (IN-30). This action provides for a common pool of support skills and services for the total organization. It allows staff in IN-30 to focus their total attention on improving human resource services, managing contract activities, planning for facility improvements, etc. In so doing, these critical functions are now provided the resources, training, and priority necessary to meet the total organization goals more efficiently and in a cost effective manner. Improvements in Fiscal Year 2006 included:

- All information technology services for the consolidated organization are now combined, providing for economies of scale, elimination of redundancies in service across the organization, common computer access and protocols across the Office, and potential elimination of several contractor support staff with no compromise of service;
- All security functions are now under the Director of Security, providing for common security protocols, delayering of the security chain of command across the intelligence activities of the Department, and a more synergistic approach to preventing infiltration or penetration of DOE facilities and computer systems by foreign intelligence organizations;

- Consolidation of all facilities management activities into one team has already resulted in better property management across the organization and a tighter focus on developing a unified accounting protocol for all property. This action also has allow for a more coherent and rational approach to space management in the Office, which faces serious problems accommodating anticipated staff increases over the next two years;
- Creation of a dedicated Human Resources staff centralizes personnel management activities for the entire organization with one team that is charged with moving the Office to complete compliance with PMA and other human capital improvement goals. This one act promises to reap great benefits in shortening the timelines associated with obtaining new Federal and contractor staff, ensuring that strategic plans are developed, maintained, and executed, and ensuring that diversity, training, and awards are properly addressed to the benefit of the organization; and
- Consolidation of all contracting activities in the organization ensures that appropriate training and attention is given to this vital service with the added benefit of considerable annual cost savings.

In Fiscal Year 2007, the Office anticipates significant improvement across a broad spectrum of management and support service activities with commensurate improvement in cost savings, management oversight and efficiency, and ultimately more effective mission accomplishment. Goals for next fiscal year include:

- Clear accountability for all Departmental intelligence activities consolidated in the Senior Intelligence Officer who has direct reporting access and responsibility to the Secretary of Energy and the Director for National Intelligence;
- Clear and unfettered focus on mission objectives in IN-10 and IN-20, including the stand up of the NMIP program, full operational status of the IND Leadership Council, new initiatives in science and technology intelligence analysis, and improvement of Office support on fossil energy issues;
- Achieving \$500,000 or more in savings from improved contract management and oversight;
- Faster and better recruiting of new staff, especially Federal staff, with an anticipated 50-percent reduction in the time it take to hire new staff by the end of the fiscal year;
- Complete and accurate accountability for all equipment in the organization with improved means for allocating scarce space resources;
- Reduction in the time necessary to provide staff with security clearances, timely resolution/elimination of pending security clearance requests, and a comprehensive strategy to ensure Departmental facilities and electronic systems are safe from hostile foreign penetration;

- Rationalization and consolidation of all contracting activities under several Office owned and managed contracting vehicles. Currently the Office uses numerous contracting vehicles that we do not own or manage. Movement to this new operating strategy will cut annual contracting costs by \$500,000 while providing better management oversight, fewer contract vehicles and associated inefficiencies, and greater access to the best contractor resources available; and
- Consolidation of all budget functions in a central budget staff will allow economies of scale in budget development and presentation, and greatly improve the Office's ability to effectively present, defend, and compete for scarce budget resources within the Department, the Intelligence Community and with the Congress.

### **Performance Appraisal Plans/Awards Linked to DOE Mission and Goals**

All Office SES performance appraisals for Fiscal Year 2007 will be linked to DOE mission and PMA objectives. This has been a standard operating procedure for the former Office of Intelligence since the beginning of Fiscal Year 2004. Moreover, under the new consolidated Office organization, SES performance standards will include elements for joint responsibility for accomplishing mission priorities and for ensuring complete consolidation of organization activities. Over the past reporting period, the Office implemented a number of steps to ensure that all staff elements and their performance objectives are tied to Office, Department, and Intelligence Community priorities. Specifically, in Fiscal Year 2006:

- All staff (SES, GS, and contractor) appraisals were directly linked to the DOE mission and PMA goals; and
- All managers were directed to file Individual Development Plans (IDPS) with their staff members that reflect DOE, Office, and PMA goals. While the number of staff covered by active IDPs and related training executed increased considerably compared to previous performance periods, complete adoption of linked IDPs for all staff remains a goal to be achieved in the new fiscal year;

In the upcoming performance period, several steps will be implemented or continue to be refined to ensure that PMA goals, DOE mission priorities, and Office performance standards are in complete harmony and accurately documented in staff performance plans. Specifically, in the upcoming performance period:

- Appraisals of all SES and line managers will contain explicit standards holding them responsible for training, supporting the DOE/Office/PMA goals and missions, and effectively counseling their employees;
- The Office will continue to implement available assessment tools for leadership/management competencies of supervisors, managers, and executives. Related metrics and standards will be integrated into performance plans for all Office managers;

- New auditing and evaluation mechanisms will be developed in the coming performance period to more accurately track performance reviews, establish performance evaluation standards and techniques across the Office, and more closely correlate performance awards with actual performance; and
- The Office will also establish a new plan of action to more effectively utilize awards as a motivator of outstanding performance and to encourage best business practices.

### **Office Program Plans and FY 08 Budget Linked to HCM Plan**

The Office Strategic Budget for Fiscal Year 2007 is in compliance with OMB guidance and accord with our PMA goals. The Office Fiscal Year 2008 Strategic Budget also integrates all of the changes noted in previous PMA quarterly reports regarding new Office initiatives in counter proliferation, security, and information technology improvements and enhancements, new hiring plans, training needs, space expansion and remodeling, and other organization changes previously described that have been necessary to reorient the organization into compliance with DOE mission guidelines and PMA objectives.

In 2007, the Office continued to work with Department and Intelligence Community components to develop performance metrics that are quantifiable, meaningful, and useful in advancing the effectiveness of the organization at the lowest cost. In particular, the Office has:

- Worked with the Senior Planning Group of the Intelligence Community to develop quantifiable performance metrics for the Intelligence Community, including the former Office of Intelligence for 2008. This is an ongoing process in which the Office of Intelligence is an active participant;
- Developed objective, quantifiable performance metrics based on the IC performance metrics that have been included in our budget submission for Fiscal Year 2008;
- Divided executive management functions between three Directorate Deputies as described previously. This arrangement has greatly improved management command, control, oversight, and effectiveness;
- Consolidated all security functions under one Director of Security;
- Likewise, all IT functions have been consolidated under one Director of IT Support;
- Placed all human resource management and facilities management responsibilities into specialized, dedicated teams;
- Organized financial management functions under a single Office budget manager to improve efficiency, financial oversight, conformance with

Departmental and Congressional direction, and ensure the effective use of limited organization funding; and

- Refined the use of our video teleconferencing (VTC) capability to build bridges to the National Laboratory intelligence components. Weekly security and IT VTCs and monthly VTCs with the Directors of the Field Intelligence Elements at the Laboratories are just a few of the ways that technology is being used to reduce the cost of staying in contact with the DOE complex, reducing the need for travel, while greatly increasing the continuity of operations across the organization mission spectrum.

Several initiatives in fiscal 2007 will help meld the many organization and mission changes of the past year into a coherent and cohesive whole. In the coming year, the Office will:

- Explore additional expansion plans to accommodate up to 60 new Federal and contractor staff to accomplish new mission priorities in the intelligence and counterintelligence arenas;
- Begin planning for the rehabilitation and remodeling of existing office space to accommodate staff and revised business priorities;
- Integrate functions within the management directorate (IN-30) such that all support functions are synergistically planned, funded, and executed to achieve the ultimate efficiency from our new organization structure. Henceforth, budget functions will be intimately informed by human resources planning and facilities and IT activities and vice versa. The effect will be even greater gains in space efficiencies, use of IT resources, precise recruiting and succession plans that will all be accurately reflected in budget presentations; and
- Implement the necessary tools, protocols, and practices that will provide program managers throughout the Office with the essential mechanisms to plan, project, and execute their mission objectives in complete integration with Office objectives, goals, and mission priorities.