



USAID E-Government Update: FY 2006

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EXECUTIVE SUMMARY

The U.S. Agency for International Development (USAID), like many other federal agencies today, realizes that the demands on federal government information technology (IT) organizations have never been higher. The U.S. Legislative and Executive Branches have stressed how E-Government is critical to the success of realizing business objectives and strategies. Although USAID participates in activities on a global basis during unprecedented times of natural disasters, terrorism, and political unrest, we strive to create more internal efficiencies and improve the services that we deliver. As reflected in this report, USAID tries to achieve these goals through innovative use of information technology, strategic alignment of programs, and implementation of cost effective, value-driven solutions.

A primary example of this dedication to E-Government is the worldwide deployment of an integrated financial management system. The new core accounting system, Phoenix, was fully deployed to fifty-one Controller missions overseas by June 2006. The new system makes timely and accurate financial information available that facilitates program performance reporting, and enhances decision-making. USAID worked with the Department of State (State) to have Phoenix hosted in State's Charleston Financial Service Center as part of the cooperative activities of the Joint Financial Management Systems (JFMS) project, which will result in a reduction in the duplication of financial systems implementation activities and long-term cost savings for both organizations.

Beyond our dedication to the development and implementation of internal E-Government projects, USAID continues to expand the availability of electronic services through our participation in many of the original Quicksilver initiatives promoted as part of the President's Management Agenda (PMA) for E-Government. Our achievements in support of these E-Government initiatives include:

- **ePayroll** - For the past six years, we have outsourced our payroll function to the National Finance Center (NFC), one of four Federal payroll centers. Since inception, this ePayroll initiative has resulted in an estimated savings of \$1.8 Million.
- **eRecruitment** - For the fourth consecutive year, the Agency has employed a web tool for advertisement of positions that allows applicants to apply for jobs via the Internet. The eRecruitment initiative interfaces with OPM's USAJobs, which advertises openings across the entire federal government. As a result the hiring process has become streamlined, more efficient and faster.
- **eTravel** provides employees with a web-enabled travel management system. This tool enables staff to make travel reservations on-line via the Internet in a paperless, fast and efficient manner, with greatly reduced administrative costs. Full

implementation is expected to occur in FY 2007 when our legacy travel system will be retired.

- **eGrants** includes an on-line web tool located at www.Grants.gov that allows users to search and apply for Federal grants. In the past year we tested eGrants in Central America and Africa missions. Training has been very successful to date and full deployment is planned within FY 2007. When fully implemented, donors and recipients will be able to administer their respective grants remotely resulting in cost savings.

Internet Content & Management Policy

This section of the report highlights the process by which the USAID Bureau for Legislative and Public Affairs (LPA) determines the information to make available on the www.usaid.gov website and other communication vehicles used to disseminate public information. USAID consistently urges our website visitors to let us know when they are unable to locate information or when, for various reasons, information does not exist on the Agency's website. There is a webmaster e-mail address as well as a public inquiries e-mail address where such matters can be brought to our attention and tracked. USAID strives to make public information easy to understand and engaging since the agency supports a global audience, and many of the citizens served are not familiar with USAID. Furthermore, USAID is proud of this global reach and international heritage and has made the effort to translate the entire public website into Spanish <http://www.usaid.gov/espanol/>.

Freedom of Information Act (FOIA) Management Policy

Like all federal agencies, USAID is generally required under the FOIA to disclose records requested in writing by any person. However, agencies may withhold information pursuant to nine exemptions and three exclusions contained in the statute. Accordingly, this section of the report highlights the process by which USAID Information and Records Division (IRD) complies with applicable FOIA legislation.



SECTION 1: U.S. Agency for International Development E-Government Initiative Highlights

An Example of an Internal E-Government Initiative: Phoenix--Financial Management System

The United States Agency for International Development (USAID) initiated the Phoenix project to implement a single, global, and Agency-wide integrated core financial system, as part of a comprehensive business systems modernization program. Phoenix was developed to replace the legacy Mission Accounting and Control System (MACS) used overseas, which was considered to be non-compliant with the Office of Federal Financial Management (OFFM) requirements. Phoenix provides the Agency with a modern, comprehensive, and responsive financial management system.

Phoenix offers state-of-the-art technology for high performance, online transaction processing and high-volume, automated batch processing. Phoenix has helped reduce the number of erroneous payments and imposes a standard process for financial accounting that allows USAID staff to move from transaction processing and data entry functions to higher-level decision-making functions and financial services. Phoenix is compliant with the Office of Federal Financial Management (OFFM) and other Federal governance and audit control requirements and also provides controls to prevent Anti-Deficiency Act violations.



First deployed in December 2000 to USAID's Washington headquarters (USAID/W), the Phoenix deployment was completed to all fifty-one (51) Controller's missions in May 2006. Phoenix is now situated to provide an exclusive system for budget execution, accounting, and financial management of record for USAID of which all financial transactions are recorded in real-time.

Managers now have the ability to link budgets to performance indicators and ultimately enhance USAID performance management. This is in direct support of the President's Management Agenda (PMA) efforts to integrate budget and performance metrics and link these metrics to sound financial management practices.

Phoenix also enables USAID to align with the Department of State as part of a Joint Financial Management System (JFMS) which furthers each agency's ability to effectively conduct sound financial management and budget management activity. Furthermore, the successful

implementation of Phoenix has allowed USAID to assert compliance with the Federal Financial Management Improvement Act and has removed a major material weakness on USAID's financial statements since the legacy system previously used did not have a standard general ledger (SGL).

Keys to Finding Innovative Ways to Use Information Technology: Dialogue and Commitment

The USAID is committed to finding new and innovative ways to use information technology to improve the services offered. An example of this dialogue and commitment is through the efforts of the Phoenix project management staff and operations team. The project team internally reports progress to USAID's Business Transformation Executive Committee (BTEC), which provides Agency-wide leadership for initiatives and investments designed to transform USAID business systems and organizational performance. The project team also disseminates the "*Phoenix Flight*" newsletter and "*Phoenix Flash*" e-mail updates, maintains a website specific to the Phoenix project, produces guides and procedures, regularly distributes Phoenix notices, and responds to e-mails as part of a comprehensive communications program.

To further communicate the benefits and progress of Phoenix, USAID often conducts focus groups at many of the overseas missions to identify areas of improvement, especially related to innovative ways to use information technology to enhance the functionality of Phoenix. For example, in August 2006, representative subject matter experts from each mission gathered for a week in Cairo to participate in training and discussion on future Phoenix system initiatives.



Externally, USAID participates in multiple working groups and conferences for financial management, Momentum (the COTS software that underlies Phoenix), and overall government performance. USAID often solicits information from vendors and interested parties to find innovative ways to use information technology and implement best practices.

Success Comes Through Collaboration: Coordinated Public and Private Sector Support

Based on the recommendations from a joint Department of State / USAID study, USAID and State completed their financial systems collaboration and are now jointly operating from a common technical platform in Charleston, South Carolina. During the Phoenix overseas deployment, USAID collaborated with State to coordinate implementation schedules, leverage work accomplished to date, conduct testing, and provide user support. Furthermore, both

USAID and State participate in the Momentum multi-agency users group that includes multiple government agencies. The group meets regularly with the vendor to discuss current issues and provide input on the content of future Momentum releases.

Although both USAID and State maintain separate financial systems, they can expect to achieve savings and efficiencies by integrating infrastructure and coordinating deployment efforts. As a result of this integration with State, USAID has also established for the first time, a fully redundant disaster recovery site from Beltsville, Maryland.

Beyond the relationship between USAID and State, USAID coordinates with other agencies to improve overall financial management, too. USAID has cross-serviced its letter of credit (LOC) processing of grantee advances and liquidations to the U.S. Department of Health and Human Services (DHHS) Payment Management System. The DHHS system has an automated interface to Phoenix. USAID also coordinates requirements with the U.S. Treasury Department to standardize the format of existing payment files that are uploaded to the Electronic Certification System (ECS) for Treasury disbursement. Furthermore, there are three primary contractors that support the Phoenix initiative: IBM, CGI-AMS, and SRA.

Improved Performance: Improved Results

USAID took significant actions throughout FY 2006 as part of the Agency's commitment to the Financial Performance goals of the President's Management Agenda. USAID deployed its Phoenix Financial System to 51 overseas Controller Missions (officially retiring the old Mission Accounting System); received an unqualified opinion from the Inspector General on its 2005 Annual Financial Statements; briefed management on implementation of OMB Circular A-123; submitted the FY08 Phoenix 300; and is on schedule to meet the accelerated financial reporting deadline of Nov. 15, 2006 (45 days after the close of the fiscal year).

As result of the Phoenix overseas deployment this year, USAID successfully met agency objectives and strategic implementation goals including the following accomplishments:

- 51 of 51 designated Controller Missions use Phoenix as their financial management system of record.
- Approximately 3,100,000 transactions and 2,200,000 distinct documents have been migrated into Phoenix.
- All Controller Missions process transactions through Phoenix on a daily basis.
- Phoenix was successfully deployed to every bureau as scheduled and within budget.
- Phoenix users have been successfully trained by the Phoenix Training Team.



Implementing Phoenix worldwide has removed the major obstacle in achieving Federal Financial Management Improvement Act (FFMIA) compliance and “Getting to Green” requirements of the PMA since the legacy financial management system did not have a Standard General Ledger. The USAID Administrator self-asserted FFMIA compliance in March 2006. Accordingly, USAID has also continued its efforts to meet or exceed other milestones for this PMA initiative and strives to continue progress and improved performance.

Cost Savings and Cost Avoidance: Achieved Through Technology, Strategy, and Process

There are numerous benefits and potential cost savings as a result of the Phoenix implementation. Since Phoenix has been deployed to all Controller missions, there is a projected savings of \$200,000 this year alone that may result from the disposition of approximately 90 UNIX servers, which supported the legacy system at the missions, together with the related software licenses and hardware maintenance. In addition, because the legacy system is fully retired, the interface (MACS Auxiliary Ledger--MAL) and its related components can also be retired.

USAID determined that it could achieve cost savings and cost avoidance benefits in several areas such as:

- Increased systems savings due to elimination of system and process redundancy
- Reduced paper-based processes
- Increased rapid and efficient processing of financial payment
- Reallocation of staff to more mission-critical functions
- Improved automated payment and reconciliation processes
- Improved control over spending because enterprises can restrict users and can implement spending limits
- Reduced invoice processing costs due to automation of the process
- Increased use of standardized policies and procedures while realizing economies of scale by automating and consolidating transaction processing
- Elimination of the Mission Accounting and Control System (MACS) operating costs
- Elimination of the use of individual MS Excel and other non-system “cuff” applications that were deemed redundant and/or antiquated.

Example: USAID projects potential financial benefits to total over \$6.5 million, including \$2.2 million in collections and efficiency savings over the next few years. However, USAID does not expect to realize full savings from these improvements until full deployment of Phoenix is complete (deployment is still needed in select client missions and other offices within existing Controller missions) and all related legacy system components are retired. Additionally, since Phoenix interfaces with other planned web-based initiatives, such as vendor self-service, cost allocation, credit card, e-procurement catalogue, e-travel, and worldwide funds reconciliation, cost savings and/or cost avoidance will be realized through the use of Phoenix within other initiatives.

The USAID and State collaborative capital investment in an Agency-wide assistance system is referred to as the Joint Assistance Management System (JAMS). USAID has a separate project to replace the procurement aspect of Acquisition and Assistance (A&A) called the Global Acquisition System (GLAS). The new system is designed to replace the New Management System (NMS) legacy system for A&A, which is used only at USAID/W. However, more than

half of the Agency's procurement transactions are conducted overseas.

The field contracting staff operates in a paper-dependent process without a comprehensive contract management system to support planning, collaboration, tracking, and administering contract and grant awards. JAMS/GLAS plans call for a commercial-off-the-shelf (COTS) procurement system that will reduce procurement transaction cycle time, accelerate the delivery of foreign assistance where it is needed, and produce more timely and accurate business information. An accelerated schedule for a worldwide procurement system has been developed primarily to:

- Coordinate GLAS deployment activities with the integration of the USAID/State joint financial management system (JFMS) and procurement and grants functionality with State's Integrated Logistics Management System (ILMS)
- Meet the demands of supporting the Presidential initiative for HIV/AIDS and increased reconstruction activity in Iraq and Afghanistan.



The Mission Procurement Information Collection System (MPICS) is the manual procurement process used in the Missions. MPICS provides a data entry mechanism for USAID field Missions to enter their past and current award data into a single Washington database for reporting purposes. Phoenix will interface with the worldwide procurement system and eliminate legacy systems, subsequently generating cost savings and/or cost avoidance.

Further potential for USAID to realize cost savings and cost avoidance benefits comes from the procurement support systems that interface with Phoenix. Two systems, ProDoc and RegSearch, were deployed in Washington and the Missions to generate solicitations and awards as well as improve procurement reporting. USAID piloted a third-party software product for e-

procurement called Ariba in four of its offices. The pilot was very successful and USAID now awaits funding for implementation Agency-wide. Ariba is currently in production and has processed thousands of small purchase transactions. It is fully integrated with Phoenix.

The Field Support system (FS-AID) automates the field support process by linking the data in the field support database to USAID's Phoenix accounting system. As the FS-AID system goes through iterative releases, there are important improvements over the current process. These improvements include, but are not limited to the fact that:

- Data for commitments is electronically moved from the field support database to Phoenix, thus preventing the regional bureaus from having to manually re-enter the same data twice, and
- Manual reconciliation of Phoenix commitments to the field support database could potentially be eliminated.
- Accruals Reporting System (ARS), as of the fourth quarter in FY06, was integrated into Phoenix. Users no longer access ARS separately during the quarterly accruals cycle.

Phoenix will also contribute to cost savings through the e-Travel initiative. Currently, Travel Manager, a commercial software product, is being used agency-wide to provide travel management support. It is used either as a standalone application or operating as a shared application over a local area network. However, Travel Manager does not have an electronic interface with any Agency financial systems. In the future, Travel Manager will be replaced with a standard e-travel application, named "E2".

Therefore, in response to the PMA and OMB guidance, Phoenix will integrate with E-Travel, through E2. This interface is designed to improve the internal efficiency and effectiveness of the federal government. Still in the planning stages, E2 will integrate budgeting, procurement, and payment of travel services within Phoenix. Full implementation is expected by the end of FY 2008 when our legacy travel system will be shut down and cost savings will start accruing.

Phoenix will contribute to cost savings and cost avoidance activity through a correlation with USAID property management initiatives. For example, the Non-Expendable Property (NXP) program is USAID's custom-developed property management system. It is currently in use at many Missions around the world, but is planned for replacement. However, it was implemented in 1989 and is not compliant with the federal Joint Financial Management Improvement Program (JFMIP) requirements for a property

Example: If USAID maintained a projected level of travel each month of 1,000 bookings/month (assuming approved travel budgets) the agency would recognize a savings of approximately \$500K per year, just through reducing the cost per travel booking. By automating the process, USAID expects to further recognize cost savings from a reduction of resources required to process each travel voucher and from the business rules embedded into the application that sets very specific requirements and spending limits on travel. The projected cost savings, or cost avoidance, benefit from E-Travel could reach as high as \$1 million per year once fully implemented.

management system. NXP does not have an electronic interface with any Agency financial system. Once this interface with Phoenix occurs, USAID expects to realize further cost savings and cost avoidance benefits. USAID expects to further enhance these benefits through the use of the commercial software product, BAR/SCAN, for property management of nonexpendable property in Washington. BAR/SCAN is being implemented at field Missions and will eventually have a direct interface with Phoenix.

Ensuring Availability of Government Information and Services: Section 508 Compliance

The availability of information and services to internal and external stakeholders and persons interested in USAID is vital to the success of USAID's mission. Therefore, USAID is dedicated to ensuring Government information and services are available for those people without access to the Internet and for those with disabilities. The USAID Office of Acquisitions and Assistance (M/OAA) has issued a Contract Information Bulletin (CIB 01-21) providing USAID-specific guidance for implementing the FAR requirements regarding implementation of Section 508(a)(3) of the Rehabilitation Act of 1973 for all USAID contracts, delivery orders and task orders. Generally, the 508 requirements are aimed at ensuring that all information posted to Federal Government websites can be read through assistant devices that may be used by the visually impaired (i.e., text readers).

The guidelines outline for the Requestor and Contracting Officer the processes and procedures for identifying Section 508 requirements, processing exceptions, and acquiring Section 508 products when required. Section 508 compliance is ensured by inclusion and enforcement of the following items in the contracts associated with Phoenix rollout:

- An attached chart specifies the Electronic and Information Technology (EIT) to be furnished under this contract and indicates which product or service must comply with Section 508 Accessibility Standards (codified at 36 CFR 1194).
- If the Contracting Officer determines any furnished product or service is not in compliance with the contract, the Contracting Officer must promptly inform the contractor in writing.

USAID will help ensure that Momentum (and the Phoenix System) is Section 508 compliant by conducting periodic audits and reviews of the system using USAID's CIB 01-21 guidelines as its criteria. It will identify any major problems and report these to the vendor and M/OAA for remediation.

In addition to our efforts to help ensure Section 508 compliance for all initiatives such as Phoenix, USAID provides hard and softcopies of background information, training material, and/or content to those people without access to the Internet.



SECTION 2: Internet & Content Management Policy:

This section of the report highlights the process USAID has established for determining which information will be made available on the www.usaid.gov website and ancillary websites managed by the agency.

Content Management: Process and Access

USAID makes information available and accessible to the public in a timely fashion. The agency utilizes a series of subject matter experts across the broad range of agency activities to determine the materials of programmatic interest and necessary for agency transparency. Once material is identified to be released, the subject matter expert works with the appropriate team within the Bureau for Legislative and Public Affairs (LPA) to ensure editorial consistency and identify where the material falls within our existing schedule of priorities.

We strive to make the information easy to understand and engaging. LPA coordinates and maintains a technical and content review process to evaluate requests for new public information, including any technical requirements, either on the Internet or by other means, such as press releases and authorized reports.

Priorities and Schedules: Managing Expectations and Information

USAID first published an Information Dissemination, Information Inventories, Priorities and Schedule in 2005. In our public posting of this schedule, we urge members of the public to continue to contact the agency to suggest new information that might better inform the public or to comment on our Inventory and Priorities Schedule. The priorities and schedules for the Agency website are posted to <http://www.usaid.gov/policy/egov/inventory.html> and are accessible from a larger E-Government page available at: <http://www.usaid.gov/policy/egov/>. This page brings together into one location all USAID compliance information concerning both OMB M-05-04 and section 207(f) of the E-Government Act.

Though urgent information receives priority posting on the www.usaid.gov website, USAID aims to post updates to existing sites within 48 hours and no more than 72 hours. All new websites, and website content, must pass technical and content reviews before they are posted, and this process generally takes no longer than five business days. The following table represents the eleven (11) selection and evaluation categories, each prioritized with the appropriate target publication schedule.

Category	Priority	Target Publication
Agency news releases and other materials for the news media and often useful the general public	1	Within 1 working day of release by the Agency
Agency situational reports USAID responses to overseas humanitarian disasters	1	Within 1 working day of release by the Agency
Agency Congressional testimony, public speeches, transcripts of selected public events	2	Within 2 working days of release by the Agency.
Agency organizational information	2	Within 2 working days of release by the Agency.
Agency policy documents and other formal USAID program directives	2	Within 2 working days of release by the Agency.
Agency job listings and related employment opportunities	2	Within 2 working days of release by the Agency.
Feature stories describing USAID activities using clear and simple language	3	Within 5 working days of release by the Agency
Agency reports and public planning documents	3	Within 5 working days of release by the Agency
Agency budget requests and other detailed information on USAID budget	3	Within 5 working days of release by the agency (with the exception of the most current <i>Congressional Budget Justification</i> which will be posted within 60 days of delivery to Congress.)
Agency general information on USAID country programs and/or sector activities.	3	As developed and within 5 working days of release by the Agency.
Agency requests for proposals and requests for applications	--	These items are now required to be posted outside of the USAID domain.

Making Searches and Content Management Easier: Using Technology to Improve Satisfaction

USAID recognizes that customer satisfaction with a public agency's website, especially for an international organization like USAID, is especially important. This is why USAID has upgraded its search engine and requires that all metadata be complete on each page that is posted. The USAID Web Services office uses one of the leading technology companies in this area to provide an economical and effective way to search content on the USAID public website. The application is designed to meet the unique search requirements of governmental enterprises and provides an intuitive browser-based graphical-user-interface (GUI) that controls the entire search configuration process and enables centrally managed, distributed deployments.

Every night, USAID uses this application to automatically browse the entire public website. It starts analyzing content at the home page and then follows all active links that are accessible by the public. Any page that a member of the general public can reach is indexed and included in any appropriate search results. The user of the search function then has the ability to sort the results by relevancy, which is the default method, or by date.

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SECTION 3: Freedom of Information Act (FOIA) Operations in Coordination with Information Dissemination Activities

The USAID FOIA Program is a centralized operation. All FOIA and Privacy Act requests are processed by a team residing within the Management Bureau's Information and Records Division (IRD). The FOIA Team is comprised of five FOIA Specialists and an Administrative Operations Assistant. Periodically, additional processing assistance is provided by a contractor and Agency volunteers.

Many of USAID's ways of doing business dramatically impact the FOIA Program. USAID implements its programs through contractors and grantees. The FOIA Team thus is called upon to process many procurement documents. Requests for assistance award documents bring with them the need to undergo the lengthy "submitter notification" process. USAID is an international organization with some 80 overseas Missions. Searches for responsive documents often involve searches in both Washington and overseas units. Often the responsive documents are in a foreign language.

Some USAID Missions have small staffs and are located in dangerous areas subject to periodic staff reductions or evacuations. The direct-hire staffs are Foreign Service Officers who rotate out of the Missions on a regular basis. This practice impacts the "institutional memory" of the Mission staffs. These characteristics sometimes make the location of responsive documents time-consuming or unsuccessful. Under our FY2006 FOIA Improvement Plan (please see www.usaid.gov/about/foia/reports/foiaplan_2006.pdf), areas of improvement regarding the access and dissemination of information to the public are as follows:

- Establish more contact with requesters through notifications via e-mail and letters concerning the status of their requests.
- Purchase and install a FOIA system that would allow the public to track the status of their requests.
- Update the reference guide to USAID information.

USAID is specifically fulfilling responsibilities required under the three provisions of the Freedom of Information Act:*



1. Section 207(d) – Categorizing of Information:
Our webpage, www.usaid.gov/about/foia, lists various categories of information sites about USAID and provides links to these sites for public access.

2. Section 207(e) – Public Access to Electronic Information: On our FOIA webpage is a link to the Electronic Reading Room. This link provides access to several electronic information sites such as “Frequently Requested Documents.” The site also provides links to other relevant USAID sites for public access.
3. *Section 207(g) – Access to Federally Funded Research and Development: USAID does not fund Federal research and development activities and therefore does not provide access to Federally Funded Research and Development.

