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	U· S· DEPARTMENT OF THE INTERIOR OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT DIRECTIVES SYSTEM	Subject Number: OPM-8 Transmittal Number: 172 Date: 5/11/83

Subject: OBJECTIVES MANAGEMENT SYSTEM (OMS)

Approval: J. P. Harris **Title:** Director, OSM

1. Purpose. This directive provides policy and procedural guidance to all Office of Surface Mining (OSM) employees in the implementation of the Objectives Management System (OMS) and provides procedures for establishing a standing OSM-wide Committee to assist the Director and Deputy Director in carrying out specific responsibilities of the OMS.

2. Definitions.

a. Objectives Management System. A management by objectives system whereby clearly defined objectives, tasks and measures are prepared to achieve OSM's overall goals, program accomplishment is monitored, and employee performance is evaluated to form the basis for future plans.

b. Objective. A clearly defined statement of results to be achieved.

c. National Objectives. OSM's approved list of objectives, which reflect all of the principal results expected agency wide by the Secretary of the Interior and the Director of OSM.

d. Key Objectives. Objectives selected by the Director from OSM's national objectives for monthly monitoring and reporting.

e. Task. A clearly defined action to accomplish a national objective.

f. Measure. A quantified indicator of effectiveness, e.g., a due date, a number of actions (inspections or evaluations), or a rate of accomplishment.

g. Local Task. A unit-specific task which managers at any level (Headquarters, Field Offices, and Technical Centers) may establish to support the roles, missions and objectives of their immediate superiors and, ultimately, the national objectives.

h. Critical Issue. An issue emanating from national objectives and identified by OSM management, the OMS Committee or the Division of Planning and Budget as having sufficient impact on OSM programs and future budget submissions as to warrant special analyses, or an issue arising as a result of interest expressed by Congress, OMB, or the Secretary of the Interior.

i. OMS Committee. A standing OSM-wide committee, appointed by the Director, to provide ongoing coordination of OMS functions and responsibilities between the Office of the Director, Assistant Directorates, Field Offices, Technical Centers and the Division of Planning and Budget. The Committee is comprised of a representative from the Office of the Director, one Division Chief or higher level official from each Directorate, one Field Office Director and one senior manager from either Technical Center.

j. Current Year. The fiscal year in progress.

k. Budget Year. One year following the Current Year.

l. Program Year. Two years following the Current Year.

m. OMS Progress Report. A report on the status of national objectives, tasks and measures. (See Appendix A - Report Form)

n. Program Strategy Paper. The Director's initial presentation of Program Year objectives and budget estimates.

o. Element. An employee action plan to accomplish an assigned task.

p. Standard. A performance indicator of employee effectiveness.

3. Policy/Procedures.

a. Concept. The OMS is designed to integrate the existing functions of planning, budgeting, and reviewing OSM programs and employee performance. It is a three-year system of events, integrated with the Department of the Interior MBO System, and conformed to the scheduling and planning requirements of the Office of Management and Budget and the Congress. A calendar of events reflecting month-by-month the activities which will be underway for each of the three years covered by the OMS is appended. (See Appendix B)

b. Application. Management is responsible for the application of OMS; the Branch of Planning is responsible for its overall support, working closely with the OMS Committee, the Branch of Budget and the Division of Personnel.

c. Responsibilities.

(1) The Director and Deputy Director

(a) Appoint OMS Committee members.

(b) Approve national objectives, tasks and measures and any subsequent proposed revisions thereof; establish and incorporate any additional objectives, tasks and measures deemed necessary to the effective operation of OSM.

(c) Select key objectives for monthly monitoring.

(d) Assign objectives to Assistant Directors and Director's staff officers responsible for their accomplishment.

(e) Prepare job elements and performance standards based on the approved Budget Year national objectives, tasks and measures; distribute them to Assistant Directors and Director's staff officers for preparing their job elements and standards and for developing subordinate managers' and employees' job elements and standards, in consultation with each subordinate manager and employee.

(f) Review monthly, quarterly, semi-annual and year-end analyses of OMS Progress Reports and take appropriate action including, making needed changes to objectives, tasks and measures.

(g) Conduct work progress reviews as necessary with Assistant Directors and Director's staff officers on accomplishment of job elements and standards; perform year-end appraisals and take appropriate action (training, award, promotion, disciplinary) including needed changes to job elements and standards.

(2) Assistant Directors and Heads of Director's Staff Offices.

(a) Recommend OMS Committee members.

(b) Propose to the Director and Deputy Director national objectives, tasks and measures to accomplish OSM's overall goals; and recommend key objectives for monthly monitoring.

(c) Establish internal procedures to support the OMS. These procedures may include development of local tasks and measures essential to the effective operation of each unit.

(d) Assign tasks and measures to subordinate managers responsible for their accomplishment.

(e) Prepare job elements and performance standards based on the Deputy Director's job elements and standards; distribute them to subordinate managers for preparing their job elements and standards, and for developing subordinate managers' and employees' job elements and standards, in consultation with each subordinate manager and employee.

(f) Propose for use in preparing the Program Strategy Paper program plans and budget estimates to accomplish all objectives and tasks.

(g) Recommend operating budgets to accomplish all objectives and tasks.

(h) Conduct monthly program reviews on accomplishment of assigned key objectives; quarterly program reviews on the accomplishment of assigned national objectives; and take appropriate action, including proposing to the Director and Deputy Director needed changes to objectives, tasks and measures.

(i) Submit monthly OMS reports on assigned key objectives; quarterly OMS reports on assigned national objectives; and report to the OMS Committee any reports required by other sources within OSM which duplicate the OMS reporting requirements.

(j) Conduct quarterly employee work progress reviews on accomplishment of job elements and standards; perform year-end appraisals; and take appropriate action (training, award, promotion, disciplinary), including needed changes to job elements and standards.

(k) Identify critical issues that will affect program plans and budgets.

(3) Field Office Directors, Technical Center Administrators and Headquarters Division Chiefs

(a) Recommend OMS Committee members.

(b) Propose to Assistant Directors national objectives, tasks and measures to accomplish OSM's overall goals.

(c) Establish internal procedures to support the OMS. These procedures may include development of local tasks and measures essential to the effective operation of each unit.

(d) Implement assigned tasks and measures to accomplish national objectives.

(e) Prepare job elements and performance standards, based on Assistant Directors' job elements and standards; distribute them to subordinate managers for preparing their job elements and standards, and for developing employee job elements and standards, in consultation with each employee.

(f) Propose for use in preparing the Program Strategy Paper program plans and budget estimates to accomplish all objectives and tasks.

(g) Recommend operating budgets to accomplish all objectives and tasks.

(h) Conduct monthly program reviews on accomplishment of assigned key objectives; quarterly program reviews on accomplishment of assigned national objectives; and take appropriate action, including proposing to Assistant Directors needed changes to objectives, tasks and measures.

(i) Submit monthly OMS reports on assigned key objectives; quarterly OMS reports on assigned national objectives; and report to the OMS Committee any reports required by other sources within OSM which duplicate the OMS reporting requirements.

(j) Conduct quarterly employee work progress reviews on accomplishment of job elements and standards, perform year-end appraisals; and take appropriate action (training, award, promotion, disciplinary), including needed changes to job elements and standards.

(k) Identify critical issues that will affect program plans and budgets.

(4) OMS Committee

(a) Formulate, for the Director's approval and issuance, objectives, tasks and measures to accomplish OSM's overall goals; and propose revisions as necessary.

(b) Propose to the Director key objectives for monthly monitoring.

(c) Provide advice to the Branch of Planning and recommend improvements to the OMS.

(d) Identify critical issues that will affect program plans and budgets.

(e) Identify and minimize duplicative reporting requirements where possible.

(5) Division of Planning and Budget

(a) Chief, Branch of Planning

Serve as Executive Director of the OMS Committee.

(b) Branch of Planning

1. Establish procedures to administer the overall OMS.

2. Manage the OMS process and recommend improvements as necessary.

3. Assist the OMS Committee in formulating proposed national objectives, tasks and measures and in proposing the necessary revisions thereto.

4. Consult and coordinate with the OMS Committee in carrying out OMS functions and responsibilities.

5. Provide technical assistance and OMS briefings to OSM employees in Headquarters and the field.

6. Perform monthly, quarterly, semi-annual (cumulative) and year end (cumulative) analyses of OMS Progress Reports and submit summary analyses and recommendations to OSM management.

7. Identify and analyze critical issues that will affect program plans and budgets.

8. Prepare Program Year Strategy Paper based on the Secretary of the Interior's guidance and all objectives, tasks and measures.

(c) Branch of Budget

1. Prepare budget estimates and justifications reflecting all objectives, tasks and measures and resource requirements estimates.

2. Prepare tentative allocations for the operating budget and recommend to the Director final allocations to accomplish all objectives and tasks.

3. Monitor and review obligations and expenditures; notify and make recommendations to the Director when fund utilization levels indicate the need for reconsideration of planned objectives accomplishment.

4. Prepare revisions such as budget amendments, supplemental requests, reprogrammings, or new budget allocations to support objectives accomplishment priorities.

(6) Division of Personnel

(a) Administer, evaluate and improve OSM's Performance Appraisal System.

(b) Advise and assist OSM employees in utilizing the Performance Appraisal System.

d. Procedures. This section describes sequentially the principal steps in the OMS and identifies the responsible individuals and/or organizational units.

(1) Establishment of the OMS Committee

(a) The Assistant Directors for Program Operations and Inspection, and Technical Services and Research, will nominate staff members from both Headquarters and the field; the Assistant Director, Budget and Administration, will nominate a staff member from Headquarters; and

(b) The Director/Deputy Director will approve the nominations, appoint a representative and convene and instruct the OMS Committee.

(2) Development of New Program Year Objectives, Tasks and Measures and Identification of Critical Issues

The OMS Committee, and the Branch of Planning, in consultation with managers at every level in Headquarters, Field Offices and Technical Centers, will:

(a) Develop a list of proposed Program Year objectives, tasks and measures;

(b) Ensure that OSM's national objectives, tasks and measures reflect all of the principal results expected agency wide by the Secretary of the Interior and the Director of OSM;

(c) Limit the list of National objectives, tasks and measures to a number that can reasonably be monitored within OSM's present data handling capability; thus, the Committee need not develop an objective for every action or activity undertaken or funded by OSM (e.g., the number of SF-52's each organizational unit prepares to be sent to the Division of Personnel);

(d) Ensure that objectives, tasks and measures are achievable within existing resources and compatible with OSM's budget structure;

(e) Eliminate, where possible, objectives which cut across organizational responsibilities and budget line items in order to avoid duplicative activities and dual accountability for achievement. Where this is not possible, the Director will designate a lead organization to be responsible for accomplishment and identify other organizations for supporting roles;

(f) Develop a proposed list of key objectives for monthly monitoring, in consultation with Assistant Directors; and

(g) Identify critical issues that will affect the Program Year plans and budget estimates.

The Branch of Planning will:

(h) Forward the proposed national objectives, tasks and measures and critical issues to the Director for approval.

(3) Preparation of Initial Plans and Budget Estimates for the Program Year

Upon receipt of the approved national Program Year objectives, tasks and measures and critical issues from the Director/Deputy Director, the Branch of Planning will:

(a) Prepare the Director's annual planning instructions for developing the initial Program Year plans and budget estimates; incorporate the Program Year national objectives, tasks and measures, and critical issues, and forward them to Assistant Directors and the Director's staff officers.

Assistant Directors will:

(b) Transmit the Director's planning instructions package and any Directorate guidance to Headquarters Division Chiefs, Field Office Directors and Technical Center Administrators;

(c) Assign tasks and measures to managers responsible for their accomplishment;

(d) Establish the "planned" (desired results which are compared to actual accomplishment) portion of the measures, in consultation with each responsible manager.

All managers may also:

(e) Establish and assign local tasks and measures essential to the effective operation of their organization units; local tasks and measures adopted must relate to and support the roles, missions and objectives of the manager's immediate superior and ultimately, the national objectives. Reporting on local tasks and measures should stop at the responsible manager's immediate superior (one level above); and

(f) Prepare initial program plans and budget estimates, preliminary analyses of critical issues; and forward them to Assistant Directors.

Assistant Directors will:

(g) Consolidate Directorate submissions upon receipt from all stations; and

(h) Forward the consolidated packages to the Branch of Planning.

(4) Preparation of the Program Strategy Paper.

The Branch of Planning will:

(a) Review and analyze Assistant Directors' initial budget proposals upon receipt;

(b) Write the Program Year Strategy Paper; and

(c) Submit recommendations for total Program Year budget to the Director.

The Director will:

(d) Transmit the approved Program Strategy Paper to the Secretary of the Interior.

(5) Revision of Budget Year* Objectives

The OMS Committee and the Branch of Planning will:

(a) Review and update Budget Year objectives, tasks and measures and ensure, in consultation with Assistant Directors, that the measures include appropriate quantifiable indicators (e.g., due dates or rates of accomplishment).

(b) Incorporate the Secretary of the Interior's assigned objectives; and

(c) Forward the revised Budget Year objectives, tasks and measures to the Director for approval.

(6) Approval, Selection and Assignment of Objectives

The Director will:

(a) Approve the revised Budget Year objectives, tasks and measures; incorporate into Budget Year objectives any additional objectives, tasks and measures essential to the effective operation of OSM (e.g., Correctly complete and submit the Conflict of Interest Statement, Form DI-212A by the due date).

(b) Approve key objectives for monthly monitoring; and

(c) Assign objectives, tasks and measures to Assistant Directors responsible for their accomplishment.

* This procedure begins in July to prepare for the next Fiscal Year. The Budget Year objectives, tasks and measures thus become the Current Year objectives, tasks and measures as of October 1 each year.

(7) Preparation of Employee Job Elements and Standards

The Division of Personnel will:

(a) Prepare, for the Director's approval, instructions for developing employee job elements and standards; and

(b) Forward the approved instructions to managers in Headquarters and the field for preparation of their employee job elements and standards.

(c) All Managers will:

Develop measurable and clearly defined job elements and standards, in consultation with each subordinate manager and employee. A job element (critical or required) will be developed for each task assigned under the national objectives. A job element (critical or required) may be developed for each local task assigned to accomplish a national objective. While one or more individuals in an organizational unit may be responsible for portions of a task, the entire task should be reflected in at least one individual's critical or required elements. Portions of such tasks may also be reflected in other responsible individuals' critical or required elements.

(8) Preparation for Executing New Fiscal Year (Current Year) Operating Budget

The Branch of Budget will:

(a) Prepare Current Year tentative allocations based on revised objectives and actual or expected appropriation levels;

(b) Ensure the timely submission of tentative allocations to all Field Office and Technical Center managers for review and submission of proposed operating budgets.

Managers in Headquarters, Field Offices and Technical Centers will:

(c) Prepare proposed operating budgets to carry out revised Current Year objectives; and

(d) Submit them to the Director through Assistant Directors and the Division of Planning and Budget;

(9) Preparation of Program Year Budget Estimates and Justifications

The Branch of Budget will:

(a) Prepare Program Year Budget Estimates based on approved Program Year objectives, tasks and measures;

(c) Submit Budget Estimates to OMB through the Secretary for review and approval;

(d) Prepare Program Year Budget Justifications following OMB review of the Program Year Budget Estimates; and

(e) Submit the Justifications to Congress through the Secretary of the Interior.

(10) Mid-Year Review

All managers will:

(a) Review accomplishment of their assigned tasks and measures and the financial status of their approved operating budgets and propose appropriate revisions to planned accomplishment of assigned tasks and budgets for the balance of the Fiscal Year.

The Branch of Budget, in conjunction with appropriate Headquarters program staff, will:

(b) Analyze allocations for the remainder of the year based on the quarterly and the monthly Financial Operating Reports, and make recommendations to the Director; and

(c) Inform Field Offices and Technical Centers of new allocations and revised plans for accomplishing assigned tasks for the remainder of the Fiscal Year, based on the Director's decisions.

(11) End of the Year Review

All managers will:

(a) Review program accomplishments, propose revisions to planned accomplishment of the assigned tasks and budgets, and recommend training needs, and resource adjustments for the next fiscal year; and

(b) Incorporate findings into the final performance appraisals and make recommendations for completing critical job elements and standards for the next fiscal year.

The Branch of Budget will:

(c) Analyze year-end submissions from all organizational units and make recommendations to the Director for consideration in preparing for the new fiscal year.

4. Reporting Requirements

(a) OMS Progress Reports

(1) Monthly Progress Reports on the Director's key objectives are due on the fifth working day following the reporting period.

(2) Quarterly reports on all National objectives are due five working days following the end of each Fiscal quarter.

Assistant Directors may establish earlier due dates for their responsible units to meet these due dates. (See Appendix A-Report Form).

5. Linkage to Performance Appraisal System. The Performance Appraisal System (PAS) is a part of OMS. It is a management tool whereby managers and employees participate in preparing job elements and standards. Employee performance is reviewed and appraised and appropriate personnel actions are taken by managers based on the work progress reviews and performance appraisals.

Detailed instructions on the PAS are included in the OMS Performance Appraisal System Directive.

Under the PAS, the rating period for all employees is October 1 through September 30. All managers are required annually to develop measurable and clearly defined job elements and standards, in consultation with each subordinate, based on the Budget Year tasks assigned under the national objectives and any assigned local tasks.

Each year in July the OMS Committee will convene to review and update the Budget Year objectives, tasks and measures. This set of objectives becomes the basis for preparing employee job elements and standards for the next Fiscal Year beginining October 1. Thus, each year in August the Branch of Planning will distribute an approved set of revised objectives to coincide with issuance by the Division of Personnel of the Director's instructions for preparation of employee job elements and standards for the next Fiscal Year. Employee job elements and standards will emanate from and directly support the priorities and due dates developed by top management.

6. References. Performance Appraisal System Directive

7. Effect on Other Documents. Supersedes the Program Management Reporting System Directive (OPM-6), dated March 15, 1982.

8. Effective Date. Upon issuance.

9. Contact. Division of Planning and Budget, Branch of Planning, (202) 343-4926 or Branch of Planning 343-4756.

Objectives Management System Requirements

Reports

Managers at all levels will prepare monthly and quarterly OMS Progress Reports covering the tasks and measures for which they are responsible under the national objectives. (See Reporting Requirements, p. 13, Section 4, for due dates).

Assistant Directors are responsible for summarizing reports by their Headquarters Divisions and field units and for reporting to the Director through the Chief, Division of Planning and Budget.

Analyses and Recommendations

The Branch of Planning will perform monthly, quarterly, semi-annual (cumulative) and year-end (cumulative) analyses of the OMS reports and provide summary reports and recommendations to OSM management.

Employee Work Progress Reviews and Performance Appraisals

Managers should evaluate their subordinates on achievement of the tasks assigned under the national objectives, and any assigned local tasks, conduct quarterly employee work progress reviews, and perform year-end performance appraisals.

OBJECTIVES MANAGEMENT SYSTEM MONTHLY AND QUARTERLY PROGRESS REPORT

DATE:

DIVISION:

CONTACT PERSON(S):

PROGRAM OBJECTIVE:

TASK:

MEASURE(S): **PLANNED** **ACTUAL**

OVERALL STATUS: / / On-schedule / / Off-schedule with minor problem
/ / On-schedule with problem / / Off-schedule with major problem

COMMENTS:

CALENDAR OF EVENTS

The OMS activities related to each of the three years involved in the cycle are carried out according to the schedule below. In some cases, these activities are performed simultaneously.

MONTH	PROGRAM YEAR	BUDGET YEAR	CURRENT YEAR	RESPONSIBILITIES
JANUARY	Develop new objectives		Update objectives.	OMS Committee
		Submit Budget Justifications.		Branch of Budget
FEBRUARY	Issue approved Program Year objectives and the Director's planning instructions.			Branch of Planning
MARCH	Prepare initial budget estimates for the Program Year to accomplish National Objectives.			HQ, TC's, FO's
APRIL	Develop additional and supporting local tasks and measures to accomplish National Objectives.			Branch of Planning
			Mid-year budget review.	Branch of Budget
			Mid-year performance review.	Division of Personne
	Consolidate submissions to develop the Program Strategy Paper (PSP).			Branch of Planning
MAY				
JUNE	Submit PSP to Department.			Branch of Planning
JULY			Revise Budget Year tasks and measures.	OMS Committee
		Issue Director's instructions for preparing employee critical job elements and standards.		Division of Personnel
AUGUST		Prepare new performance standards.		HQ, TC's, FO's
		Prepare new Program Year tentative allocations.		Branch of Budget
		Prepare proposed operating budget to carry out objectives.		HQ, TC's, FO's
	Prepare Budget Estimates for OMB review.			Branch of Budget
SEPTEMBER	Submit Budget Estimates to OMB.		End of Year Review.	Branch of Budget
OCTOBER		Respond to inquiries from OMB on program areas.	Execute new budget.	HQ, TC's, FO's
NOVEMBER		Coordinate data for Budget Justifications.		Branch of Budget
DECEMBER				