HHS Assistant Secretary for Financial Resources

Grants Quality Service Management Office (QSMO) Overview

September 12, 2019
What is a Quality Service Management Office (QSMO)?

With the release of the Office of Management and Budget (OMB) Memorandum M-19-16, *Centralized Mission Support Capabilities for the Federal Government*, OMB and the General Services Administration (GSA) have directed the creation of Quality Service Management Offices (QSMOs) for select mission-support functions. **HHS has been pre-designated as the Grants Management QSMO.**

**QSMO Role in Supporting Grants Management**

- Manage and sustain marketplaces of solutions and services needed by federal agencies, offered by service providers and used by the public
- Offer high-quality, competitive services and capabilities, employing best practices from both public and private sectors
- Maintain customer focus – prioritizing customer engagement and developing responsive solutions that address agency business needs and pain points

**Grants Management QSMO**

**Applicant/Recipient Community**

**Federal Grant-Making Agencies**

**Grants Management QSMO**

**Managed Catalog**

- Technology Solutions
- Specific Services (e.g., transaction processing)
- Fully-managed Services
- Advisory/Subect Matter Expertise

**Offered Through:**

- Federal Service Providers
- Commercial Vendors
- Shared Contract Vehicles

**Supporting Functions**

- Collaborative Governance
- Communications and Change Management
- Portfolio/Investment Management
- Strategy
- Performance Management and Continuous Improvement

Illustrative depiction of QSMO catalog/functions pending development of implementation plan and coordination with grants management stakeholders

(Discussion Draft)
In support of the President’s Management Agenda Cross-Agency Priority Goal 5, *Sharing Quality Services*, QSMOs are designed to:

- **Enhance customer satisfaction** in their given functional area
- **Modernize and automate** processes and supporting technology
- **Standardize** processes and data
- **Achieve efficiencies** in operations and maintenance

HHS envisions accomplishing these objectives by:

- **Addressing stakeholder pain points** through automation and service offerings
- Offering vehicles to **make it easier for agencies to acquire solutions and services**
- Facilitating agencies’ adoption of interoperable solutions and services that **meet their diverse business needs**
- **Championing and maintaining standards** within offerings

**Full designation as the Grants Management QSMO is contingent on HHS developing a 5-Year QSMO Plan and submitting it to OMB for review and approval**
Securing Grants QSMO Designation

As a pre-designated QSMO, HHS will develop an initial Grants QSMO Implementation Plan. Prior to issuing the full designation, OMB, in consultation with GSA, will review for alignment with published *QSMO Long-term Designation Criteria* and HHS will refine the Plan.

### Dates/Deliverables

- **Initial QSMO Cost Estimates**
  - Expected Start-Up and Run/Operate costs through FY 2022
  - Understood that estimates will evolve, are not static
- **Initial Implementation Plan**
  - Deadline set by OMB to begin review/revision/approval process
- **Final Implementation Plan**
  - HHS to incorporate OMB/GSA feedback and complete Plan based on proposed approach

### Key Takeaways

- Plan development and execution must consider implications across a broad spectrum of internal/external stakeholders, current pain points, business needs, technologies, processes, and capabilities
- As HHS is the largest grant-making agency in the federal government, the Department is both uniquely positioned to lead this effort, as well as to benefit from improvements in grants management effectiveness and efficiency

(Discussion Draft)
The Need for a Vision-Driven Strategy for QSMO

- Preparing HHS to be an effective government-wide QSMO is a complex, multi-faceted undertaking
- While significant milestones will be achieved along the way, true success will be measured in years, not months
- Federal shared service efforts have struggled by either focusing on immediate actions without a clear vision OR by developing a vision without an achievable, incremental roadmap for getting there
- HHS requires a vision-driven strategy that cascades throughout and aligns projects/actions.

**Strategy Without Vision**

<table>
<thead>
<tr>
<th>Maturity/Effectiveness</th>
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<tbody>
<tr>
<td>Where are we now?</td>
</tr>
<tr>
<td>Projects/actions taken in response to immediate drivers, opportunities, constraints, etc.</td>
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**Vision-Driven Strategy**

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<tr>
<td>Projects/actions informed by a strategic roadmap driven by vision</td>
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</tbody>
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**Result: Incrementalism**

Reactive planning, stagnant growth

**Result: Focus**

Proactive planning, dynamic growth

HHS’s success in becoming an effective Grants QSMO is predicated on developing a compelling vision

(Discussion Draft)
A Vision Grounded in Clear Understanding of Present will Become the Basis for Developing an Implementation Plan and Budget Request

- The proposed approach starts with a **current state analysis** ("As-Is") that will inform the Vision ("To-Be")
- **Strategy and Roadmap** set the course for addressing gaps between the established As-Is and To-Be states
- The Vision, Strategy, and Roadmap will become the **basis for developing an Implementation Plan and Budget Request**

A compelling QSMO Vision must be aspirational and inspiring, but also realistic and relatable. This Vision – along with the Strategy and Roadmap – is essential for developing an informed Implementation Plan and Budget Request

**Current State ("As-Is")**

- Federal Grants-Making Agencies
- Support Contracts/Contractors
- Systems and Technology
- Emerging Technologies
- Effective Processes
- Ineffective Processes
- Common Processes
- Unique Business Needs
- Data & Process Standards
- Policies
- Grant Types
- HHS Orgs, Capabilities, and Capacity
- Change Management and Training
- Communications

**Vision ("To-Be")**

- Federal Stakeholders
- Non-Federal Stakeholders
- Governance
- Standards/Standardization
- Policies
- Contracts
- Services
- Processes
- Systems and Technology
- HHS Organizational Capabilities and Capacity
- Change Management and Communications
- Financial Infrastructure/Funding Mechanism(s)
- QSMO Designation Criteria

**Strategy and Roadmap Bridges the Gap**

A compelling QSMO Vision must be aspirational and inspiring, but also realistic and relatable. This Vision – along with the Strategy and Roadmap – is essential for developing an informed Implementation Plan and Budget Request

(Discussion Draft)
Getting There: Planning Resources and Workstreams

- The QSMO Vision, Strategy, and Roadmap – and, subsequently, Implementation Plan and Budget Request – will be developed **across four workstreams**, supported by Federal and Contractor resources with oversight and direction from Executive Leadership and Advisors.
- Two Workgroups will provide subject matter input and validation from multiple perspectives.

### Executive Steering Committee

#### Executive Leadership
- Sheila Conley
- Deepak Bhargava

#### Executive Advisors

### Current State Analysis
- Lead As-Is **Analysis to inform Vision, Strategy, and Roadmap**
- Develop understanding of pain points and opportunities related to organizations, systems/technology, policies, business processes, etc. from multiple perspectives

### Vision, Strategy, and Roadmap
- Develop compelling **Vision**
- **Identify gaps** between As-Is & Vision
- Develop strategies to achieve Vision
- Establish **Short-, Medium-, and Long-Term projects/milestones** to address gaps
- Identify **high-level risks** and mitigation strategies

### Cost Estimation
- Based on projects identified in Roadmap **develop cost estimates**
- **Risk adjust estimates** to account for identified risks and assumptions
- **Identify complete costs** (systems, program management, federal/contract labor, facilities, equipment, etc.)

### Strategic Communication and Coordination
- Develop **communications strategy**
- Develop Implementation Plan and Budget Request
- **Socialize & get validation/buy-in** on key work products and deliverables
- Coordinate across teams to develop **targeted stakeholder messaging** (internal/external, executives, staff, etc.)

### Workgroups
- Federal workgroup (e.g., representatives from grants-making agencies)
- Non-Federal workgroup (e.g., major recipients)
- Provide subject matter expertise from a variety of perspectives
- Validate analyses and work products
- Serve as champions/representatives for respective organizations, communicating information and providing reach-back, as needed, into organizations as/if needs are identified

*(Discussion Draft)*
Alignment with Other Grants Management Initiatives:
PMA CAP Goal 8:

- CAP Goal 8 strategies and the Grants Management QSMO will mutually support a more mature and responsive end-to-end grants management environment for all stakeholders
- The relationship between these activities will become clearer throughout QSMO planning and development of the Vision, Strategy, Roadmap, and Implementation Plan
- Conceptually, the QSMO should facilitate operationalizing and institutionalizing CAP 8 efforts, as illustrated below

**CAP Goal 8: Results Oriented Accountability for Grants**

- Develop Data Standards, Process Standards, and Guidance
- Build Shared IT Infrastructure and Manage Risk (e.g., Single Audit Solution)
- Achieve Program Goals and Objectives (e.g., grants performance)

**Grants Management QSMO**

- Ensure solutions and services align with and support standards and guidance
- Support solution development, addition to marketplace catalog, and agency adoption
- Incorporate recommendations into QSMO planning and roadmap (e.g., future service offerings, necessary contracts for systems integration or targeted capabilities, etc.)

A more effective, more efficient, and modernized government-wide grants management environment that supports grant-making agencies in mission delivery and maximizes the value of grant funding