

- 1 **Please identify DDOE's three biggest administrative challenges related to agency function. Please explain why improvement is needed.**
 - **Please also explain how DDOE addressed the challenges it identified last year.**

Grants Management and Sequestration

The threat of lost funding from reduced federal grant programs is a recurring threat. And although it is not a challenge yet, DDOE is preparing for the very real possibility of sequestration. Sequestration could result in significant loss of federal funding. There is no data or clear guidance available about the magnitude of sequestration's impact. However, all DDOE grant funded programs prepared a contingency plan for a potential cut of 10% across the board from federal grant funds. Also, the Grants and Contract Management division created and implemented a process of identifying public and private grant opportunities to fund projects that align with the mission of the agency. The grants team continues to actively seek funding opportunities and work with program managers to compete for available funding streams. DDOE will continue to leverage programs offered through federal agencies, such as the Department of Energy, Interior, and the Environmental Protection Agency.

Enforcement Records Management

In a continuing effort from last fiscal year, DDOE is planning to convert agency documents to an electronic format that can be securely stored. OCTO is assisting DDOE in assessing options for a document management system that stores paper/electronic documents in electronic format for historical index referencing. The document conversion process will involve the entire agency, but will start with the enforcement programs; the initial enforcement record conversion will be coordinated by the Office of Enforcement and Environmental Justice's Records Management Team. Electronic storage and retrieval of documents within DDOE will increase efficiency and agency responsiveness while reducing costs associated with document storage.

Certified Business Enterprise Compliance

This is a continuing administrative challenge from last year. In FY12, DDOE came short of meeting its CBE requirement to spent at least 50% of the expendable budget with CBEs. DDOE spent a total of \$697,885 with CBEs, which was short of our target of \$2,572,344. DDOE's inability to meet our target is in large part due to the availability of CBE vendors who provide the highly specialized products and services that our agency often utilizes. A few examples of these products and services are: stream restoration, floodplain management and the installation of bio-retention cells, rain barrels and green roofs. Identification of CBEs who can serve this specialized field would greatly assist in our agency's effort to meet our annual CBE target. DDOE plans to meet the 50% requirement for FY13. DDOE has implemented a number of measures to ensure that all staff is aware of our agency's annual CBE goal. DDOE has provided training to all staff involved with contracts and procurement about the process and importance of identifying CBEs for a requested good or service. Secondly, our CBE compliance officer will conduct quarterly assessments to ensure that programs within the agency are meeting their plans to expend funds with CBEs. Lastly, DDOE has already engaged DSLBD in an effort to identify and establish CBE vendors who provide the unique products and services that DDOE seeks.