

ORGANIZATIONAL EXCELLENCE

Critical Acquisitions On Budget



Federal Aviation
Administration

FY 2009 Performance Target

"Make sure 90 percent of critical acquisition programs are within 10 percent of annual budget as reflected in the Capital Investment Plan (CIP)."

Flight Plan Objective and Performance Target

Objective 4: Make decisions based on reliable data to improve our overall performance and customer satisfaction.

Performance Target: By FY 2009, 90 percent of Major System Investments are within 10 percent variance of current baseline total budget estimate at completion.

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Target	80.00%	85.00%	87.50%	90.00%	90.00%
Actual	97.00%	100.00%	100.00%	96.08%	

Definition of Measure

Unit of Measure: Percentage of programs within a 10 percent variance of the investment's total established budget at the beginning of the fiscal year performance period.

Computation: Cost performance for each program is measured by comparing the total F&E budget-at-completion amount established in the January FAA Capital Investment Plan (CIP) against the projected budget-at-completion amount published in the August CIP. Any program with a total budget-at-completion variance of more than 10% is considered to not have met the established fiscal year cost performance goal.

Formula:
$$\frac{\text{January Budget at Completion Amount}}{\text{August Budget at Completion Projection}} \times 100$$

Scope of Measure: FAA's Air Traffic Organization (ATO) Service Units select specific programs that are determined to provide a capital asset to the NAS. For FY 2009, 40 acquisition programs will be tracked and monitored. Most of the programs selected are considered "major" and must submit an exhibit 300. Those that do not provide exhibit 300s are included because they contribute an asset to the NAS with a useful life of more than two years. The designation of "critical acquisition programs" in the title of this performance target expresses the critical value of the program to the NAS. The budget measure is set to the January 2009 CIP.

Why the FAA Chooses this Measure

The Critical Acquisitions on Budget target represents a progressive measure for each fiscal year of the performance of critical FAA acquisition programs. The performance measure began in FY 2003 and will continue each fiscal year through the acquisition of the selected programs. The performance target increased each year until it reached 90 percent in FY 2008. This progressive increase from 80 percent in FY 2003 to 90 percent in FY 2008 ensures that the FAA's Acquisition performance is consistent with targets set in *The Department of Transportation Strategic Plan 2006-2011*. Maintaining the 90 percent target reached in FY 2008 ensures that FAA performance goals meet the *Federal Acquisition Streamlining Act of 1994, Title V (FASA V)*. This Act requires agencies to establish cost and schedule performance goals for all major acquisition programs and to achieve 90 percent of those goals.

Source of the Data

ATO tracks and reports status of all schedule and cost performance targets using an automated database. ATO Service Units provide a monthly Red, Yellow, or Green assessment that indicates their confidence level in meeting their established milestones. Comments are provided monthly that detail problems, issues, and

corrective actions, ensure milestones and cost are maintained within the established performance target. The performance status is reported monthly to the ATO Executive Committee through the ATO Strategic Management Process (SMP) and to the FAA Administrator through FAA Flight Plan meetings.

Statistical Issues

The programs that are selected each fiscal year represent a cross section of programs within the ATO. They include programs that have an Exhibit 300 as well as what is referred to as "buy-by-the-pound" programs. The latter typically do not undergo a standard acquisition life cycle process.

Completeness

This measure is current with no missing data. Each DOT organization maintains its own quality control checks for cost, schedule, and technical performance data of each major systems acquisition in accordance with OMB Circulars A-11, A-109, and A-130, Federal Acquisition Regulations, and Departmental orders implementing those directives and regulations.

Reliability

Each DOT organization having major system acquisitions uses the data during periodic acquisition program reviews, for determining resource requests. They are also used during the annual budget preparation process, for reporting progress made in the President's budget and for making key program management decisions. The monthly status is reported through the SPIRE database and included in monthly high-level management reviews. Once the program is selected and approved for tracking purposes it is reported on with detailed commentary each month, and assigned a Red, Yellow, or Green Confidence indicator that the cost is within the 10% threshold. These detailed reports are reviewed at all levels of the appropriate Service Unit, Executive levels within the ATO, and the FAA Administrator.