

FGIS Open Forum

April 12, 2007

Meeting Summary

Introductory Remarks Dave Shipman

Welcome to the first, and more appropriate “experimental”, open forum for FGIS employees. Effective communication is essential for any organization – and, unfortunately, is most difficult to achieve. The Organizational Assessment Survey and subsequent Action Teams highlighted a need for improved communication and offered a number of recommendations – this forum today being one of them.

So let’s get started – we have a lot to cover in the next 90 minutes.

Logistics: We have a number of folks here in the DC conference room and folks from around the country on a number of phone lines. I ask that those on speaker phones place them on mute so that others on the line are not disturbed by any background noise that may occur at your site. It will also prevent us from hearing any laughter that may result from an answer provided during the forum.

We have already received a number of questions that will be addressed either during the discussion items today or separately. You may also send in questions during the forum by simply emailing Dana.B.Stewart@usda.gov

A summary of today’s forum will be posted in *inGIPSA*.

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Let me start by thanking all of you for your continued dedication to the important work that we do for American agriculture. Thanks to each of you, the official inspection and weighing system provides over 3 million inspections annually and facilitating the marketing of more than \$65 billion of U.S. grain, oilseeds, rice, beans, and lentils around the world.

During the first 6 months of FY 2007, our folks at export worked more than 255,000 hours, 33% of which was overtime or holiday time, to inspect over 40 million metric tons of export grain. This is exceptional dedication that too often goes unrecognized.

This year has also brought great collaboration and coordination across the agency.

- We were able to successfully respond to the **rice industry** challenges with biotechnology only because of the collective effort of the field offices, the Technical Center, Field Management Division, and the Office of International Affairs. Our accomplishments have earned the notice of the industry and the Secretary.
- Likewise, our progress toward building our **enterprise-wide information technology architecture**, or what we affectionately call GAM, is directly due to the collective effort of many of you working with outside programmers and our customers. Those involved have brought program experience and knowledge, as well as the energy that is driving development of these complex and integrated information systems. Many more of you will be touched by this initiative in the upcoming year – and I'll discuss it more later.
- Our exceptional contributions to **keeping markets open** around the world are fueled by the tireless efforts of the Office of International Affairs, and those who travel overseas for FGIS, in some cases for extensive periods of time in Asia and the Middle East
- I especially want to thank you for your **resilience to changing market conditions, our changing workforce, and policy changes**. Consider the Toledo Field Office. First the office assumed responsibility for Montreal. Then, while serving as the key pilot test site for contracting with private firms to provide export inspection services, a huge undertaking in itself, the office staff assumed the lead role in working with the industry and the Minneapolis Field Office to provide export inspection services in the Port of Duluth after the State cancelled its delegation.

We operate in a global environment that is full of challenges and opportunities.

- **Grain exports are strong** – as you can see by our busy fall and winter workload. But, the growing ethanol market and uncertain global trade talks raise questions about whether the export market will remain strong. Several NOLA-area exporters predict that ethanol's demand for corn stocks may reduce the typical increase in export activity that we see every August and September. We will have to monitor the situation closely.
- The remarkable upswing in grain exports via **containers** has offered many official service providers at interior locations with new business opportunities thanks to the help of our field offices, and notably Cedar Rapids.
- Our foreign customers are increasingly interested in **food safety, phytosanitary, and biotechnology issues**. In some cases, these issues appear to be used as non-tariff trade barriers – but they have affected and will continue to impact our operations. The Office of International Affairs spends considerable time addressing these issues; the Technical Services Division brings additional mycotoxin tests to the field; we continue to expand the scope of our pesticide residue testing; and we are working on multiple fronts on biotech issues.
- Finally, there are inherent challenges in meeting our customers' needs. For example, after sampling, grading, testing and weighing grain for our customers,

we need to deliver **certificates quickly**. More and more of our customers want certified results both in hard copy and electronically so that they can efficiently complete their sales transactions. The new IT systems being rolled out accomplish just that.

FGIS Responses to OAS Action Team Recommendations Dave Shipman

April's *GIPSA News* includes a complete run-down on the recommendations of the OAS Action Team and the actions being taken in response to them. First, thank you to those who volunteered to participate on the team. Here are a few of the key steps being taken to address the team's recommendations:

Communication was the major theme of the Team's recommendations. We need:

- **better communication between Washington and the field** – *smarten up headquarters and listen to us in the field,*
- **better communication between employee and supervisor** – *make sure there are clear expectations and feedback on performance,* and
- **better communication among peers.**

So what are we doing, besides today's Forum? We are re-engineering *inGIPSA* – our internal website. We want *inGIPSA* to be the preferred method of communicating within GIPSA. Two of your colleagues, Margaret Cummings and Joel Menking are helping on this effort. I'd like to see the *inGIPSA* web site open on a computer at every worksite, providing those who do not use a computer on a regular basis at work immediate access to Agency information. You would have the latest job announcements, messages from management, the financial status of the agency, workload data, training opportunities, special projects or requests for volunteers, and a number of other points of interest at your fingertips. The *inGIPSA* site will be your site – tell Joel and Margaret what you want included and they will work to make it happen.

We are also developing a training session for all supervisors on how they can better communicate performance expectations and results, and play a more active role in employees' development. I expect each and every supervisor to be responsible for the development of the employees they work with and to be their advocate – it is their job. I also strongly believe that each and every one of us is responsible for our own development. Many of you have taken on this responsibility. I commend you and encourage others to do the same.

I have also established a confidential e-mail address for those of you that would like to communicate directly with me. I thank those that have used the address, your thoughts and comments have been constructive and very helpful. You can find the confidential e-mail address on the front page of *inGIPSA*.

Management will follow through on the OAS recommendations. And, we will set up more Action Teams to address other issues raised by the OAS survey.

Future Direction

Now let's talk about our future plans. To be a successful organization in the future, FGIS must remain customer focused and stay abreast of market trends and technological advances (whether they are information technology, testing technology, or new agricultural technologies such as biotechnology). We also must maintain a highly skilled and knowledgeable workforce.

Our employees are the best at sampling, grading, and weighing grain. We need to maintain such a capable workforce, especially as many of you retire over the coming years. In 2006, 35 percent of our inspectors were legible to retire – 14 percent decided to do so. Over the next 3 years the level of retirement-eligible inspectors raises to 79%. We anticipate actual retirements to be around 40%, still a major impact on the workforce.

We have several initiatives underway to address this attrition rate.

- The Leadership Development Program is underway to help develop the future leaders of the agency.
- An ACG development program is ongoing in the NOLA and Portland offices. League City will offer a similar program in the future.
- We are reevaluating the ACT job series, which may result in a career ladder going from the GS-4 to the GS-6 level, based on special skills and knowledge achieved by individuals.
- We have expanded our recruitment efforts and will be hiring into the ACG series.
- We have expanded our internship programs and will bring more students on board – some of whom we hope will join the FGIS team.
- We plan to expand our partnerships with private industry where it is proven to improve operations without compromising the integrity of our system. I know many of you have heard that we are going to contract out every job. This is not the case. We will talk later today about a pilot project underway to determine how we may better use private inspectors to deliver service. Keep in mind that the official system already has nearly 2,000 licensed inspectors and technicians working for private firms who do a remarkable job serving the grain industry.
- Expansion of our presence in the Kansas City area is also key to future hiring and retention goals. As we experience attrition in Washington, positions responsible for operational procedures, quality assurance, and oversight will be refilled in Kansas City. Washington will concentrate on policy development and international activities. This change will strengthen our ability to hire and retain highly qualified individuals with agricultural experience.
- Finally, we are changing some of our business practices to improve the efficiency of oversight – better information available and new requirements placed on official agencies.

John Giler and John Sharpe will talk more about contracting with private entities, quality management systems, and centralizing oversight activities. Let me set the stage for these discussions with two comments:

- The new requirement for official agencies to develop and maintain quality management systems is consistent with a majority of today's successful business. We expect our partners to adopt these management practices to ensure they provide quality service. For example, we require official personnel to install updated calibrations for moisture meters when issued by FGIS. What internal controls does an official agency have to ensure the correct calibrations are installed in their meters? They need to have written policies and procedures and periodically review their own internal operations to ensure they are following their own policies. If a company does not maintain this very basic level of internal management control, they should not expect to be part of the official inspection system.
- Centralizing the processing of monitoring samples combined with our new information management systems will improve our internal efficiency and provided official agencies with more timely performance feedback. The success of an official agency, in part, relies on their ability to be aligned with the national references (subjective and objective).

Management has considered these changes essential for our future for more than 10 years, but has waited to initiate the transition until our improved information management system was available and it aligned with the pending attrition in FGIS.

Centralization of Oversight, Field Operations, and Kansas City Facility
John Giler

FGIS first initiated discussion about centralizing oversight and monitoring functions, or the central lab concept, more than 10 years ago. Then, as now, the forces driving centralization include establishing direct links to national standards; improving the efficiency of operations; reducing costs; and addressing field office employee attrition due to retirements. The centralization concept was further supported by a 2002 study by Dr. John Surak, Clemson University, entitled "Quality Assurance/Quality Control and Oversight Study," which is on the *in*GIPSA web site at: <http://archive.gipsa.usda.gov/oversight/surakreport.pdf>. While the need for centralization was clear, we did not start initiating any changes until the attrition we foresaw a decade ago started to happen in earnest. With retirements depleting our domestic field office staffing levels, now is the time to set the change in motion.

The centralization of oversight functions will require a number of changes including securing a new facility in the Kansas City area in which to centralize oversight, and all

other regional FGIS operations; information technology upgrades, including the deployment of FGIS*online* business applications; modified business practices; and appropriate staffing for the new organization.

A new FGIS facility in the Kansas City area will be ready for occupancy by the summer of 2008. The facility will allow FGIS to collocate all Kansas City-area personnel who are currently located at the Technical Center, the Beacon facility, and remote locations into a single building.

New technology will make the centralization of oversight functions possible. FGIS*online*, formerly called GAM, is bringing our business functions to our desktops in a new way. Dave Shipman will further discuss these applications a little later, but in a nutshell, the applications we need for centralization are the inspection data warehouse, which is currently being deployed and will be fully used by the official inspection system in 2008; and new licensing program to allow for centralizing of the licensing process, which will be deployed in 2008; and a quality control application, which also will be deployed in 2008.

Our centralized staff will include a new organizational structure at our Kansas City facility.

The Technical Services Division will house a Grading Services Laboratory (GSL), which will provide expanded grading and testing services to support the Field Management Division's Quality Assurance and Control Staff (QACS) and Field Operations and Support Staff (FOSS). We are currently building the nucleus of the GSL with diverse graders at the Beacon Facility in Kansas City. Five agricultural commodity graders have been hired and currently report to Ken Critchfield, manager, Wichita Field Office. These individuals are now providing grading and testing services to monitor 39 percent of the official inspections performed. When the new facility is ready, they will be reassigned to the Technical Services Division's GSL.

The QACS will measure the quality of service delivered by official service providers – export field offices, domestic AMA service delivery field offices, official agencies, cooperators, and contractors. The staff will provide analysis and quality information to official service providers, support staff, and management. The staff will include approximately 4 staff years, with positions filled by reassignments or vacancy announcements.

FOSS will (1) supervise and work with official agencies, providing procedural and policy guidance to ensure their successful operation; (2) manage new web-based program applications related to service delivery; and (3) provide administrative and program support to all field offices. FOSS will be comprised of approximately 5 staff years in Kansas City, plus 3 resident agents in the domestic market, with positions filled by reassignments or vacancy announcements.

Quality Management Systems for Official Service Providers John Sharpe

I would like to provide you with information about the Quality Management Standard (QMS) that GIPSA is requiring of its official service providers (OSP). I will talk about what a QMS is, why we are requiring it, who will be doing what, and when all this will be done.

All of this information is on the GIPSA web site. From the home page, you can click on the browse by audience pull down menu and select “Official Service Providers,” then click on “Quality Management Standard” on the right side of the page. The direct link is: <http://www.gipsa.usda.gov/GIPSA/webapp?area=home&subject=osp&topic=qms>. This page includes the standard, training materials that are available to OSPs, a list of upcoming training locations and dates for OSPs, and some frequently asked questions. I will use the question-and-answer section as the basis for our discussion here today.

What is a QMS? A QMS requires an organization to document, in a quality manual, how it operates its business, including its quality objectives. Specifically, the standard covers the work the organization carries out, who is responsible for doing these activities, how they are to be done, and how the organization checks to see that these activities are done properly.

GIPSA’s QMS was developed by a team of individuals from every division. The standard includes the legal requirements in the United States Grain Standards Act and some of the requirements in the ISO 9001-2000 Quality Management Standards. GIPSA’s standard might be considered an ISO “lite” standard because we have removed some of the ISO requirements.

Why is GIPSA requiring a QMS? As you have heard today, our presence in the domestic field offices is shrinking rapidly and most functions performed at these field offices will be consolidated at the Kansas City facility. Our domestic offices coach and help OSPs, and ensure that OSPs carry out all GIPSA requirements. We realized several years ago that the oncoming attrition and centralization would require that we revise how we ensure that OSPs fulfill all the GIPSA requirements. In the past, field office personnel would visit official agencies during their 3-year designation, and especially before a compliance review, to help them prepare for the review. In recent years, due to domestic field office attrition, the field offices have not been able to perform these activities as frequently or, in some cases, at all. This has been evident in many compliance reviews. To resolve this issue, GIPSA is implementing the QMS, which will require that OSPs take responsibility for ensuring that they have procedures in place to guarantee they fulfill GIPSA requirements and to check themselves to ensure their procedures are being followed. These internal OSP checks will not replace Compliance Division reviews.

An example of an OSP procedure might be how they checktest their equipment. GIPSA provides very detailed procedures for equipment checktesting, but it is the OSPs responsibility to carry out the procedures once GIPSA samples arrive and to ensure that all the equipment is tested. We are asking that they document and verify performance of these types of procedures. The procedures may differ from one OSP to another because one agency may have most of its equipment in one location, another may have multiple sites, another may have seasonal laboratories that are not constantly in use, and others may have more than one person responsible for this activity. The QMS ensures GIPSA that procedures are in place to carry our required processes, and will allow GIPSA to audit these processes.

Who in GIPSA is responsible for Quality Management activities? As John Giler mentioned earlier, the Field Management Division is continuing its role as coach to the OSPs. Beth Hayden, Field Management Division, is providing the necessary training and guidance to the OSPs. Beth has already held two training sessions for OSPs and will conduct four more around the country.

The Compliance Division will perform audits once the OSPs' programs are operational. Compliance Division also will help Beth, as necessary, in reviewing the initial quality manuals submitted by the OSPs. Members of the Compliance Division's Review Branch are receiving ISO Lead Auditor training to prepare themselves for these types of audits.

When will the QMSs be in place? OSPs must submit their quality manual within 6 months after they have attended QMS training, or 6 months after the last training session, if they choose not to attend training. The first training session was held in February 2007 and the last will be held in June 2007. Quality manuals will be arriving at GIPSA between August and December of this year.

In calendar year 2007, the Compliance Division will start reviewing the OSPs' QMS activities as part of our regular review process. During 2008, we will use these reviews to help the OSPs comply with the QMS requirement. Beginning in 2009, the Compliance Division will include the QMS as part of scheduled reviews and will begin migrating from our traditional compliance reviews to ISO type reviews of OSPs.

Contracting Pilot Status
John Giler

In 2005, FGIS was reauthorized, without amendment, through 2015. This action was in keeping with USDA's proposed reauthorization language that was submitted to Congress on March 22, 2005. Based on an industry proposal, during the reauthorization process, both the House and the Senate had seriously considered two identical bills that would

have reauthorized the Act for 5 years, and provided authority to use private entities to perform official export inspections under direct Federal oversight.

While Congress ultimately reauthorized the Act for 10 years with no privatization provisions, the Congressional Record cited the industry proposal to privatize at export as well as expected GIPSA attrition, and asked GIPSA to explore its current authority to contract with private persons to perform export inspection and weighing services.

The Chairman of the Senate Committee on Agriculture, Nutrition and Forestry said, in the Congressional Record, “I fully expect USDA to use this [contracting] authority in a manner that improves competitiveness of the U.S. grain industry, that maintains the integrity of the Federal grain inspection system, and that provides benefits to employees who may be impacted.”

In response to this Congressional direction, GIPSA initiated a pilot study in 2006 to gather data on the impact of contracting for export service on cost to customers, including oversight costs, and the integrity of the official system. The pilot includes contracts for full inspection and weighing export vessel services under direct GIPSA oversight, and contracts for personnel to supplement our retiring workforce, where needed. The pilot does not reflect an automatic transition of our workforce to contractors.

We have been running the export pilots in California, Milwaukee, and the Toledo circuit (Albany-Toledo and Chicago-Portage); and labor contracts in Corpus Christi. There is no export activity in California; Milwaukee loaded 25 vessels in the 2006 shipping season; and the Toledo and Chicago pilots get underway at the start of the 2007 shipping season. We currently are re-announcing the availability of the Milwaukee/Chicago and Corpus Christi contracts.

The pilots will wrap up at the end of the shipping season in 2008, at which time we will evaluate contract implementation in terms of:

- Cost of service to the grain industry as compared to cost of Federal Service,
- Accuracy of inspection results,
- Service delivery and customer service, including the ability and availability of qualified staff to provide service; and
- The impartiality of results.

To date, FGIS has learned several lessons: the contract process takes time; contractors need time to adequately staff and prepare to provide service; and open communication among FGIS, the contractor, and the exporter is essential.

Dave Shipman added that the results of the contracting pilot based on the above criteria had been less than impressive to date.

FGISonline (GAM) Rollout
Dave Shipman

For the past several years we have been working to develop integrated information systems within FGIS that can share information with each other and our customers so that they can directly access their results from FGIS. Like many organizations, we have some great systems, such as CuSum and the licensing program, but they rarely talk to one another. Such systems are what IT folks call “stove piped” and are keeping us from becoming more efficient.

Under the new system, all of our information will be integrated. Private providers will send information that automatically will be used for quality control activities, licensing, and user-fee assessment. Single key entry of data and immediately accessible performance data will be the norm. For example, an auditor auditing a private provider will have access on his or her personal laptop to inspector and equipment performance data, workload statistics, and past audit findings. Results entered into the CuSum application will flow directly to our certification, billing, and quality control applications. Customers will have immediate and direct access to their results and be able to forward them on to their customers or others to complete sales transactions or clear customs. The databases we maintain will interface with other government computer systems to improve our enforcement of USGSA and AMA requirements. For example, exporters are registering with us using an online application, which will, in turn, eventually interface with the Commerce Department to verify that those exporting grain from the United States are registered with FGIS and obtaining required inspection and weighing services.

Also online is an application that allows official agencies to apply for their designations electronically. More than a dozen already have used the system!

A new certification application that covers all services offered by the official system is already being used by some field offices. The system feeds a central database called the Inspection Data Warehouse. Customers will be able to receive their inspection results from the warehouse and forward them to their customers or others. For example, if a unit train is at the Mexican border and Mexican custom officials questions the authenticity of the official certificate, which happens more than we would like, the exporter can give the customs official the certificate number, identity of the train, and date of inspection; the customs official can go to a GIPSA web site and verify the authenticity of the certificate and prevent unnecessary trade delays.

The warehouse will also be used to pull information on the performance of official agencies and enable us to target our oversight.

It will be another 12 to 18 months before all the new applications are deployed, but collectively they will improve our customer service and improve the efficiency of our oversight of the performance of the official system.

Questions and Answers

Before and during the Forum, employees submitted several questions for response. The questions were addressed during the Forum, but the responses are aggregated below:

1. As a QAS Assistant in the New Orleans Field Office, what kind of job promotion will become available for me in my field in the Kansas City area?

As John Giler discussed, the centralization of monitoring functions and Kansas City facility staffing will result in some opportunities in the Kansas City area. Dave Shipman noted that as vacancies occur in Washington, DC, FGIS will assess whether those functions can be transferred to Kansas City as well.

2. With all of the money that the agency will be spending on renovating and re-locating personnel to Kansas City, what bearing or impact will that have on writing new position descriptions and career advancement opportunities for existing employees? Will there be budgetary constraints (as in the past) and will the agency have money in the budget to allow for travel by GS-11 employees to conferences? What about an employee that is on a career track to be promoted from a GS7 to a GS9? Will all the money that we are spending prevent promoting current employees to a higher grade?

The funding for the Kansas City center renovation or relocation has already been allocated and will not affect our operational or personnel funding. Despite the upfront costs, in the long-term, we will see savings in rent and overhead. Likewise, the cost of any reassignments will not impact operational funding or promotions.

3. What sections of the country will resident agents be located at? How many will be hired? What will their pay grade be? When will they be hired? When will you close the Cedar Rapids Field Office?

The Cedar Rapids and other domestic field offices will close when attrition makes the staffing levels too low for the office to function. The resident agent concept will be explored or pilot tested over the next year. Conceptually, the agent will provide a local presence to improve FGIS response time. The specific duties and grade level of the resident agent will be determined over the next 12 months.

4. (a) I would like to know the future status of the Regional IT personnel who are now in the Grain Export offices. The Packers IT Operations people are being eliminated in their Regional offices, and we remaining Regional IT people in the Operations Branch would like to know where we will fit in with the new FGIS.

(b) I have a question for the forum on Thursday. Recently PSP eliminated two IT Specialists Positions in their Regional Offices and moved a third position to TSD in Kansas City. Are there plans to do the same for the field offices in FGIS or at TSD?

Dave Shipman responded that he will continue to voice support for the IT personnel at TSD and the key FGIS offices. As we deploy more of the FGIS *online* (GAM) applications, there will be an opportunity to centralize some of the support, but not to eliminate onsite support at TSD and the larger export offices. In addition, the new Kansas City facility will also be the Continuity of Operations (COOP) site for the agency and its information technology functions.

5. Will Management contract out any FGIS positions in the New Orleans Field Office? Does FGIS Management still favor privatization of the inspection and weighing services? Will you again lobby Congress to achieve this?

Dave Shipman responded that to date, the contracting pilot has not shown impressive results or apparent cost savings. The pilot will conclude in 2008, analysis will be completed by 2009, meaning no change would even be contemplated before 2009-2010. Any decision will be performance driven, and will benefit the official inspection system and our customers.

Dave Shipman acknowledged the employee's concern about contracting and emphasized that the actions being taken by the agency, e.g., the pilot test, are consistent with Administration policy. To further clarify, he explained that in 2006, FGIS underwent a Program Assessment Rating Tool, or PART, administered by the White House's Office of Management and Budget. The PART was implemented by the Administration to "assess and improve program performance so that the Federal government can achieve better results. A PART review helps identify a program's strengths and weaknesses to inform funding and management decisions aimed at making the program more effective." More plainly, the process assesses whether a Government program is still needed. The PART's improvement plan for FGIS called for the Agency to "delegat[e] official inspection services to private sector companies on a port-by-port basis." Our pilot will provide us with the data to assess whether that recommendation is in the best interest of the official inspection system and our customers.

6. With the creation of the central lab, will the QAS department in the New Orleans Field Office continue to exist?

Yes. We expect each and every entity that provides official inspection services (FGIS field offices, States, and private companies) to have their own quality assurance

program. Each field office providing original inspections will maintain a quality assurance program onsite.

7. Why were no employees hired during the peak season in the New Orleans Field Office? Permanent employees were required to work 60 plus hours of overtime per pay period and were drafted on a regular basis in area 2. No one in upper management in the NOFO or employees in specialized positions were required to work any of this overtime even when we were short-handed in the field. Why? Why is FGIS only hiring temporary employees and not permanent employees in the NOFO? The hiring of the temporary employees occurred near the end of the peak season. Why did it not happen prior to the peak season? Why aren't retiring permanent employees being replaced with permanent new-hire employees?

Dave Shipman explained that FGIS managers strive to maintain a staffing profile that best meets the local workload demand. This is not an easy task. We must have adequate staffing to provide service in busy times and not have excessive (non-revenue producing) staffing in slower work periods. John Giler agreed to work with each office individually to reach the right mix of those volunteering for and those being drafted to work overtime.

8. FGIS has recently promoted many employees in support positions. Does management support up-grading the ACG position at export locations and if not, why?

Dave Shipman explained that functions and responsibilities dictate job classification, including the level at which a position is classified. FGIS has requested multiple reviews of ACG positions at export, which have been carried out by APHIS and the Office of Personnel Management. All audits found that the ACG-9 positions were properly classified. Only a change in ACG-9 duties and responsibilities could result in a grade change.