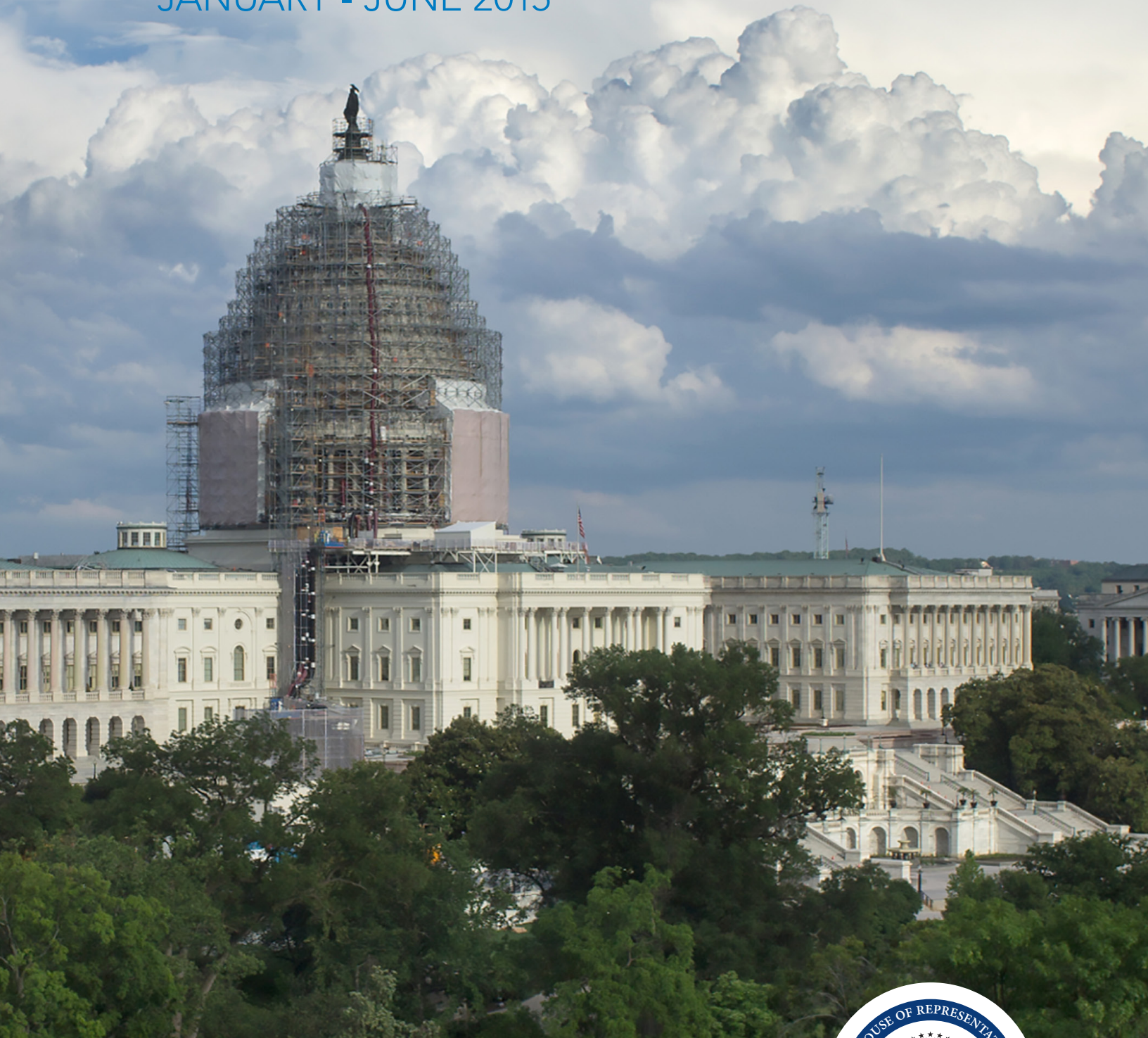


SEMIANNUAL REPORT

JANUARY - JUNE 2015



OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER



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Executive Summary

The award of a major food services contract and launch of a new initiative to gain new efficiencies marked the first six months of 2015 within the office of the Chief Administrative Officer (CAO).

The Asset Management and Inventory Control initiative in the CAO's Logistics and Support Department will capture all qualifying electronic assets in the CAO. Eventually, the scope of this project will encompass the entire House.

Cyber Security remains a top priority for the House and the CAO. The two massive breaches at the Office of Personnel Management have renewed focus on cyber security issues. Charged with securing the House network from those trying to compromise it is a 24/7 job. It includes not only the network itself, but securing thousands of desktop and mobile devices that connect to it.

Also, final testing is being done to the Hyperion budget and planning software module that will begin rolling out soon in the CAO and eventually to all House offices.

Supporting these projects is a dedicated CAO staff, including new leadership in the departments of Acquisitions Management and Logistics and Support.

We continue to enjoy close partnerships with other House organizations. The staff of the House Sergeant at Arms, the Office of the Clerk, and the Architect of the Capitol work with us daily to support the work of the House. We thank all of them.



Ed Cassidy
Chief Administrative Officer

Food Services

In June 2015, the CAO announced that Sodexo Government Services would assume operation of all ten cafeterias, carry outs, in-house catering services and vending machines in Cannon, Rayburn, Longworth, Ford and the House side of the Capitol.

Some of the changes staff will see in the coming year:

- The Rayburn Deli will be converted to a Subway shop.
- There will be a Dunkin' Donuts and Baskin-Robbins in the Longworth Building.
- Longer operating hours for Goodies and the carry outs in Ford and Cannon.
- Longworth Cafeteria will have new food options, including a high quality sub sandwich station, a wider selection of Asian foods, and sushi made fresh daily.
- The Members Dining Room in the Capitol will transition from traditional a la carte menu offerings to a high quality buffet while retaining table service for beverages.
- Jamba Juice smoothies will be available in Rayburn.
- The Capitol Market will have expanded grab-n-go offerings.

New technology will be offered such as:

- On-line ordering.
- Point of sale ordering kiosks and self-pay terminals.
- Sodexo's House web portal will provide real-time information on daily specials, value combos, and detailed nutritional information (in addition to clear labeling on many products themselves) so customers can make informed choices.

The Bidding Process

Sodexo was selected through a two-year, competitive procurement process featuring customer surveys, focus groups, and site visits to facilities operated by a number of the bidders seeking the House contract. For the first time, the panel reviewing and evaluating competitors' proposals included several individuals from outside the CAO – including a Member office staffer – to broaden the range of perspectives reflected in those deliberations.

Pricing

It's important to note that while prices on many items will increase when the new contract takes effect, no prices have increased in House food service facilities over the past six years. Bidders were required to propose pricing comparable to similar government and corporate food service facilities. The new contract limits any future increases to changes in a subset of the Producer Price Index, with a three percent annual cap.

SERVING THE HOUSE

January – June 2015

1,081,869 meals were purchased in the House eateries.

Asset Management

Keeping an up-to-date count of CAO assets is vital to an accurate financial statement and clean annual audit. The CAO is implementing a stronger system to track these items. This goes well beyond simply counting assets. It means tracking thousands of items throughout their lifecycle.

Equipment Inventory Cycle



The Logistics and Support team is creating a centralized receiving for all equipment needs. By consolidating the receiving process, Logistics and Support can easier track each piece of equipment that

is delivered to the CAO and eventually to all House offices.

Another significant change is the designation of Business Unit Accountable Inventory Specialists (BIS) in each CAO department. These department representatives will assist with all phases of the asset lifecycle for their group. They will track their department's equipment and any transfers to other employees, locations, or business units.

The renewed emphasis on inventory controls is part of a nearly two-year effort led by the CAO in partnership with the U.S. House Inspector General and the Committee on House Administration.



Staff in Logistics and Support inventory items as part of the CAO's Asset Management program.

OPM Breach, Personally Identifiable Information

Thousands of current and former Members and House staff were affected by recent breaches of Office of Personnel Management (OPM) computer systems.

The first breach, announced in June, affected some four million current and former federal workers. Information taken from OPM files included such Personally Identifiable Information (PII) as names, dates and places of birth, and addresses.

A second breach involved the records of 21 million people who had gone through background records

check or were listed on background check applications. OPM has said it will offer credit monitoring and other security monitoring checks to those affected, including many current and former House employees.

The CAO created a Privacy Office in 2014 to ensure the protection of PII. The director is assessing the handling of PII by the organization's units, to make sure the CAO is employing best practices to safeguard the information.

Office of Finance

Accounting, budget, financial counseling, payroll and benefit services are the responsibility of the Office of Finance. This team produces the quarterly Statement of Disbursements, which accounts for all expenditures by House Members and staff.

Annual Audit

For the 17th consecutive year the House received a clean opinion on its financial statements. The audit was conducted by an independent certified public accounting firm and then released by the House's Office of the Inspector General (OIG).

With the assistance of the OIG, the CAO continues to scrutinize systems and procedures to ensure all financial statements are presented fairly, and in conformity with U.S. generally accepted accounting principles (GAAP).

Hyperion

Staff who handle finances in House offices will have a powerful new tool to help them. Hyperion software is a faster and more efficient way to plan office budgets with real-time numbers that can easily be adjusted to offices' changing needs.

The Office of Finance is currently testing the system. It is scheduled to go live with phase 1 of the project on October 1, 2015. The system will launch with the Office of Budget Policy and Planning (BPP) along with all House Fiscal Year Offices. Phase 2 will be an expanded rollout for Member, Committee and Leadership (MCL) offices and other non-CAO offices for the replacement of the Congressional Accounting and Personnel System (CAPS) budgeting functionality.

Acquisitions

Lisa P. Grant joined the Chief Administrative Office as Chief Procurement Officer in May. Ms. Grant joined the CAO from the General Services Administration (GSA) where she served as Deputy Assistant Commissioner and Acting Assistant Commissioner for the Federal Acquisition Service. As CPO, Ms. Grant directs all strategic and operational efforts in acquisitions, purchasing, and contracting.

During the first half of 2015, the Acquisitions organization devoted considerable time and effort to awarding the House food services contract. Detailed earlier in this report, the contract was awarded to Sodexo Government Services which will operate all cafeterias, carry outs, in-house catering services and vending machines.

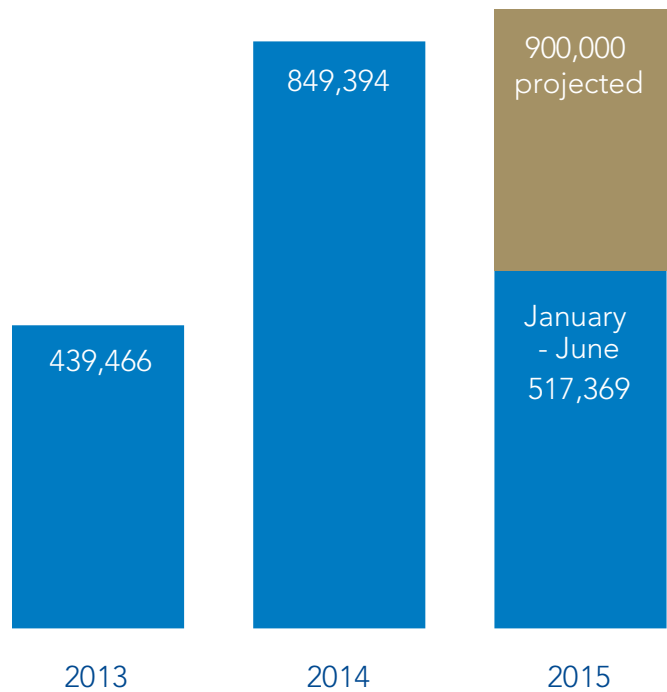
Contract Management

Acquisitions Management works with hundreds of organizations on solicitations and contract awards every year. Processing those procurements will become more efficient with new software purchased this year. Instead of manually tracking each solicitation through its lifecycle, the Contract Lifecycle Management Systems (CLMS) which will automate the contract solicitation, evaluation and award process within the enterprise financial program, PeopleSoft.

Mail / Digital Mail

The House Digital Mail program is growing at a steady pace. The Digital Mail system scans physical mail and delivers electronic images directly to each Member's correspondence management system. This results in faster delivery to Member offices and improves the safety of mail handling.

Digital Mail Pieces



SERVING THE HOUSE

January – June 2015

The CAO's Administrative Counsel approved more than 800 District office leases for Members.

SERVING THE HOUSE

January – June 2015

During the first six month of 2015, First Call staff answered 27,686 phone calls, an increase of 9% from the same time last year.

House Information Resources

The House Information Resources (HIR) team keep the House network running and safe. In addition, staff in HIR provide technical support, cyber security and telecommunications support for the House.

Risk Management

Nearly every minute of every day attackers are trying to poke holes in the House's cyber security defenses. The CAO's Information Security (InfoSec) team works proactively across critical information systems. Using an approach called Risk Management Framework, the InfoSec engineers assess, manage, and reduce IT risk in a systematic way by conducting intensive, in-depth reviews of the effectiveness of security.

Identity and Access Management

Additionally, to enhance the House's cybersecurity, House Information Resources has initiated an Identity and Access Management (IAM) project to assess who, how, when, and why individuals access House IT systems and information today and provide strategies to better leverage IAM technologies and business processes in the future.

Media Sanitization

Before they are disposed of, electronic hardware such as computer hard drives and photocopiers must be erased to thwart potential misuse of data from these mediums. An Enterprise Media Sanitization Policy provides correct methods and appropriate disposal of media schedule for surplus or redistribution.

Transition

When the freshman Members of the 114th Congress were sworn in to office on January 6, 2015, HIR staff had their House websites ready to go. HIR designers, coders, and technicians completed 60 websites which were ready to launch as soon as the new Members took the oath of office.

Staff also migrated hundreds of websites, software systems, and applications to updated servers and transitioned dozens of websites to more secure https technology.

Enterprise Applications

The House's Remedy application is the backbone for ordering and tracking goods and services needed by House staff. The Remedy team is putting the final touches on an upgrade to the system that will improve reporting and mobile capabilities.

Business Continuity / Disaster Recovery

The BC/DR team worked with House partners to improve emergency communications by developing a web portal "House Alert 2.0." This enables all House staff to update and/or add emergency communications information, which can be correlated among multiple House databases and used in emergency situations.

Additionally, CAO BC/DR worked with House partners to retire legacy emergency communications and migrate to a single system with more capability.



Logistics and Support

The second half of 2015 will begin with new leadership for the Logistics and Support team. Longtime CAO employee Tom Coyne transitions from the Office of Finance where he served as the Assistant Chief Administrative Officer of Finance. Mr. Coyne will implement an overhaul of the asset management processes with the CAO and across the House.

Cannon Renewal Support

The Cannon House Office Building (CHOB) is undergoing a complete renewal. The 10-year project spearheaded by the Architect of the Capitol (AOC) will update infrastructure systems and make repairs to the exterior stone façade.

As part of this project, hundreds of staff are relocating to other House Office Buildings and to the Thomas P. O'Neill, Jr. Federal Building.

To support the project during this phase, the Logistics team has moved thousands of pieces of furniture and equipment. This process required constant scheduling and participation for many groups including the Renovation Team, Furnishing Team, and Workflow Management.

Since January, the AOC and the CAO have:

- Relocated over 200 staffers to various locations on the House campus including the O'Neill Federal Building and the Ford House Office Building.
- Worked to set up the O'Neill Health Unit and Mother's Room.
- Provided preliminary technical infrastructure, furnishings, and equipment for the newly constructed Member offices in support of the renewal project.

SERVING THE HOUSE

January – June 2015

The CAO logistics team moved and/or processed over 2,000 pieces of furniture as well as 1,000 pieces of equipment to support the CHOB renewal project.

House Floor Reupholstering Project

The Furnishings Upholstery team began rebuilding all of the seating on the House Floor. After nearly six decades of use and patching, upholstery shop workers are replacing the springs, filling, and leather on the more than 400 seats. It will also lead to a more uniform look, as patching the chairs has resulted in more than twenty different shades of brown leather.

The project will take more than a year, with a completion date scheduled for November 2016.





Skilled craftsmen in the CAO upholstery shop rebuild the seats for the House Floor.

House Recording Studio

Renovations of audio visual systems in committee hearing rooms continued during the first half of 2015. The new digital systems replace analog systems that date back 10 years. Because the digital systems use less bandwidth than the old hardware, they also allow more simultaneous broadcasts.

SERVING THE HOUSE

January – June 2015

HRS has broadcast, webcast, and archived over 900 Committee Hearings and special events.

Photography

In addition to its daily responsibilities of taking pictures at House events and for Members and Leadership, photographers are working to support long term retrieval of archival photographs. Every 10-12 years pictures need to be resaved on current mediums to ensure they are readable in the future. To date, 116,076 images from 2002 until 2004 have been downloaded from more than 2,100 discs.

SERVING THE HOUSE

January – June 2015

The CAO team of photographers took 43,100 images to support Members, Leadership, and House events.

First Call

First Call is a comprehensive customer service center that delivers assistance to the Members, staff, and the House Community. In addition to answering general

questions for staffers, First Call assists with scheduling room, setting up events, and placing service order requests.

SERVING THE HOUSE

January – June 2015

CAO's First Call staff scheduled 2,720 events, up 8% from the same time in 2014.

Additionally, Member Offices submit mailing lists for First Call to update. In the first six months of 2015, Mailing Services in First Call processed 77 million addresses and adjusted/deleted over 10 million old records that yielded a postal savings of over 2 million dollars, as well as a \$2 million dollar savings in production costs.

Human Resources

Safety

The safety of staff is of important to everyone in the CAO. To ensure the organization is maintaining proper workplace safety procedures, the organization has launched the CAO Safety Program.

Currently, Human Resources is developing:

- A comprehensive CAO Safety Policy Manual and Hazardous Material Communications policy.
- Face-to-face training for staff within our high risk safety areas.
- General safety awareness for all CAO staff.

Already completed are inspections of Member offices in the Longworth House Office Building. These inspections are to prepare offices for comprehensive Office of Compliance inspections.

The CAO Safety Program will increase commitment from all levels of CAO staff and management, creating a safety culture that is driven towards providing a safe place for everyone to work.

Office of Employee Assistance

Counselors in the Office of Assistance offer help to House staff facing professional and personal challenges. During the first half of 2015, the OEA worked with the House Learning Center to update some of its training materials from classroom to an online format. They also adapted several individual and team development programs to shorter formats, more in line with workforce development training trends.

Wounded Warrior

The Wounded Warrior Program (WWP) provides fellowships for disabled veterans. The two-year fellowships, usually in Members' District offices, often lead to full-time employment with the Member.

Since the program's inception in February, 2008, 144 veterans have been hired into fellowships with 11 coming on board since January, 2015. Of the 115 warriors who have transitioned through the program, 17 have been retained in congressional staff positions while the others have moved on to opportunities with the federal government, veterans' advocacy groups, and law enforcement.

SERVING THE HOUSE

January – June 2015

The CAO's Graphics team produced 102 custom graphic designs, 581 layouts and revisions, 388 specialty prints, 513 photo prints, five banners, 515 posters, and 390 poster mounts.

SERVING THE HOUSE

January – June 2015

The Office of Financial Counseling processed 65,895 vouchers within an average of 2.3 days.

Charts

FY 2015 CAO Staffing Chart (as of 6/30/15)

	Current FTEs	Vacancies	Total FTEs
Acquisitions	18	4	22
CAO Immediate Office and Galleries	34	8	42
Finance	85	16	101
House Information Resources	254	41	295
House Recording Studio	44	21	65
Human Resources	20	6	26
Logistics and Support	140	23	163
TOTAL CAO	595	119	714

Charts

FY 2014 Budget to Actual Report (as of 6/30/2015)

	Adjusted FY'14 Budget	YTD Actuals	Available Balance	% of Budget Remaining
Chief Administrative Officer				
Single-Year Funds				
Personnel	\$ 55,193,569	\$ 55,193,569	\$ -	0.0%
Non-Personnel	\$ 56,325,381	\$ 55,896,951	\$ 428,430	0.8%
Total Single-Year Funds	\$ 111,518,950	\$ 111,090,520	\$ 428,430	0.4%
No-Year Funds	\$ 6,200,000	\$ 6,200,000	\$ -	0.0%
Total CAO Budget	\$ 117,718,950	\$ 117,290,520	\$ 428,430	0.4%

BCDR

Single Year Funds	\$ 11,217,008	\$ 9,929,050	\$ 1,287,958	11.5%
No Year Funds	\$ 5,000,000	\$ 5,000,000	\$ -	0.0%
Total BCDR Budget	\$ 16,217,008	\$ 14,929,050	\$ 1,287,958	7.9%

FY 2015 Budget to Actual Report (as of 6/30/2015)

	Adjusted FY'15 Budget	YTD Actuals	Available Balance	% of Budget Remaining
Chief Administrative Officer				
Single-Year Funds				
Personnel	\$ 62,084,000	\$ 42,280,172	\$ 19,803,828	31.9%
Non-Personnel	\$ 49,734,801	\$ 30,118,177	\$ 19,616,625	39.4%
Total Single-Year Funds	\$ 111,818,801	\$ 72,398,349	\$ 39,420,452	35.3%
No-Year Funds	\$ 4,000,000	\$ 125,806	\$ 3,874,194	96.9%
Total CAO Budget	\$ 115,818,801	\$ 72,524,155	\$ 43,294,646	37.4%

BCDR

Single Year Funds	\$ 11,217,008	\$ 6,396,607	\$ 4,820,401	43.0%
No Year Funds	\$ 5,000,000	\$ -	\$ 5,000,000	100.0%
Total BCDR Budget	\$ 16,217,008	\$ 6,396,607	\$ 9,820,401	60.6%

