



COMDTINST 5297.1

22 JUN 1989

COMMANDANT INSTRUCTION 5297.1

Subj: Productivity Improvement Fund

1. PURPOSE. This instruction provides guidelines for financing projects from the Productivity Improvement Fund (PIF).
2. BACKGROUND.
 - a. Executive Order 12637 dated 27 April 1988 continued a previously established Productivity Improvement Program for the Federal Government. The goal of the program is to improve the quality and timeliness of service to the public and to achieve a 3 percent annual productivity improvement in program functions which produce measurable outputs.
 - b. OMB Circular A-132, "Federal Productivity and Quality Improvement in Service Delivery," dated 22 April 1988, provides guidelines for the development and implementation of a productivity and quality improvement process in executive departments and agencies. The head of each executive department and agency is responsible for setting forth the agency's productivity goals and objectives and for submitting a productivity plan annually to the Office of Management and Budget.
 - c. The PIF is an integral part of the Coast Guard's Productivity Improvement Program. The PIF provides current budget year financing for expediting projects which can improve productivity in the Coast Guard.
3. POLICY.
 - a. The PIF is an avenue outside the normal budget process that enables projects to compete for current budget year funds. Projects compete for Operating Expense (OE) dollars only.

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 - b. Proposed productivity projects must demonstrate a potential to generate actual dollar and/or personnel savings for the Coast Guard. Projects that would produce intangible savings only will not normally be approved for financing from the PIF.
 - c. The dollar and/or personnel billet savings which result from the implementation of a PIF financed project will be shared. One-half (50%) of the net savings will be retained by the program and one-half (50%) will be returned to the PIF.
 - d. Approved projects will be tracked for savings by Commandant (G-CPE) for up to 5 years. If project savings are recurring, fiscal budget allocations will be adjusted annually by Commandant (G-CBU).
4. DEFINITIONS.
 - a. Outputs are products or services delivered.
 - b. Inputs are costs of resources used to produce outputs.
 - c. Quality is the degree to which products or services meet user needs or requirements.
 - d. Productivity (output/input) is the efficiency with which resources are used to provide a service or product at specified levels of quality and timeliness.
 - e. Productivity Improvement is an increase in the efficiency with which resources are used while maintaining specified levels of quality and timeliness. Increases in efficiency can be realized by increasing outputs, decreasing inputs, or by changing both outputs and inputs appropriately.
5. CRITERIA. The following criteria will be used to evaluate projects for PIF financing:
 - a. Net Return on Investment (40%): The higher the net return on the amount of funds invested into the project, the higher the value.
 - b. Transferability of Benefits (30%): The greater the potential applicability of the proposed project to other areas of the Coast Guard where similar types of savings may be obtainable, the higher the value.
 - c. Measurable Inputs and Outputs (15%): The greater the clarity with which measurable inputs and outputs are defined, the higher the value.
 - d. Cost Sharing (15%): The higher the proportion of costs paid by the project originator, the higher the value.

6. PROCEDURES.
 - a. To compete for financing from the PIF field, organizations shall forward enclosure (1) when completed through their chain of command to the appropriate Headquarters program director. The responsible program director shall perform a preliminary evaluation of the project proposal and then forward three copies to Commandant (G-CRC) for final review.
 - b. Enclosure (2) provides instructions related to the information required in enclosure (1). Enclosure (3) is a sample of the information required in enclosure (1). Questions about the PIF shall be directed to Commandant (G-CPE).
7. ACTION. Area and district commanders; commanders of maintenance and logistics commands; unit commanding officers; Commander, Coast Guard Activities Europe; and Chiefs of offices and special staff divisions at Headquarters shall ensure that the contents of this instruction are widely disseminated.
8. FORM AVAILABILITY. Enclosure (1) will be reproduced locally.

M. E. GILBERT
Acting Chief of Staff

- Encl: (1) Productivity Project Proposal Form
(2) Instructions for Project Proposal Form
(3) Sample Completed Productivity Project Proposal Form (CG-5515)

UNITED STATES COAST GUARD
PRODUCTIVITY PROJECT PROPOSAL FORM

PROJECT TITLE: _____

PROJECT ORIGINATOR(S) (NAME, UNIT, LOCATION, PHONE):

DEVELOPMENT TIME: _____ IMPLEMENTATION TIME: _____

PROJECT FUNDING REQUIREMENTS

YEAR	1
PIF FUNDS	\$ _____
OTHER FUNDS	\$ _____
TOTAL COSTS	\$ _____

PROJECTED SAVINGS BY YEAR

YEAR	1	2	3	4	5	TOTAL
ANNUAL SAVINGS \$	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
NET ANNUAL SAVINGS	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

PROJECT SUMMARY: (continue on another page if necessary)

APPROVAL OF PROGRAM MANAGER (DIVISION, NAME, TITLE, SIGNATURE, DATE):

APPROVAL OF PROGRAM DIRECTOR (OFFICE, NAME, TITLE, SIGNATURE, DATE):

DEPT. OF TRANSP., USCG, CG-5515 (6-89)
LOCAL REPRO

INSTRUCTIONS FOR PRODUCTIVITY PROJECT PROPOSAL FORM

Project Title: Title should describe the essential character of the project.

Project Originator(s): Provide the name, location, and telephone number of the person(s) originating the project proposal.

Development Time: The amount of time required from the date funding is provided until implementation commences.

Implementation Time: The amount of time required from the commencement of project implementation until full implementation is achieved.

PIF Funds: The amount of funds requested from the Productivity Improvement Fund.

Other Funds: The amount of funds originating from sources other than the PIF.

Total Costs: The sum of PIF and other funds necessary to develop and implement the proposed productivity project. (Include all costs such as staff hours, computer time, travel, purchase or lease of equipment, contract services, temporary salaries, or space alterations, etc.)

Annual Savings: The amount of dollar savings anticipating annually by performing a service or producing a product at less cost per unit of output. If annual savings includes personnel savings, show the number or personnel savings in parenthesis after dollar amount (e.g., \$300K (4)).

Net Savings: The total savings minus the total costs of the project for each of the first 5 years of the project. (Net Savings may be negative early in the life of the project due to start-up costs.)

Project Summary: Briefly describe what the project will accomplish toward improving productivity, (identify outputs affected) and the actions required to develop and implement the project. Include in the description the number of FTEs involved during project development and implementation and after the project has been fully implemented.

Approval of Division: Provide name, title, signature, phone and date.

Approval of Office: Provide name, title, signature, phone and date.

PROJECT TITLE: AUTOMATION OF OG-56 AND ORDER ISSUING FUNCTION

PROJECT ORIGINATORS(S) (NAME, UNIT, LOCATION, PHONE):

LT T. G. Staffer, G-Pdt-1, 555-2462
DEVELOPMENT TIME: 01 Oct 1988 IMPLEMENTATION TIME: 30 June 1988

PROJECT FUNDING REQUIREMENTS

YEAR	1
PIF FUNDS	\$ <u>75,000</u>
OTHER FUNDS	\$ _____
TOTAL COSTS	\$ <u>75,000</u>

SAMPLE

PROJECTED SAVINGS BY YEAR

YEAR	1	2	3	4	5	TOTAL
ANNUAL SAVINGS \$	_____	\$60,976(2)	\$60,976(2)	\$60,976(2)	\$60,976(2)	\$ 243,904(2)
NET ANNUAL SAVINGS	\$ <u>-75,000</u>	\$ <u>60,976</u>	\$ <u>60,976</u>	\$ <u>60,976</u>	\$ <u>60,976</u>	\$ <u>168,904</u>

PROJECT SUMMARY: (continue on another page if necessary)

PRODUCTIVITY PROJECT PROPOSAL FORM

The OG-56 account currently uses a variety of data base systems to accomplish the required accounting functions. The original data base designs were not documented or coordinated; therefore, we have one group generating input data and passing it by hard copy to another group for entry into the accounting system. This proposal implements the data base design G-Pdt-1 paid for during FY88. The new data base design will streamline the system into one data generate/entry function. It will also automate the postgraduate school accounts which were not included in any of the past efforts. Savings from the project will be in the form of two enlisted billets. Depending on the effort required to maintain the data bases, more work force billets may also be saved once the design is implemented.

APPROVAL OF PROGRAM MANAGER (DIVISION, NAME, TITLE, SIGNATURE, DATE):

D.L Training, Capt., USCG G-PRF 9/1/88

APPROVAL OF PROGRAM DIRECTOR (OFFICE, NAME, TITLE, SIGNATURE, DATE)

T.T Personnel, RADM, USCG G-P 9/1/88