

**PROCUREMENT AND
PROPERTY MANAGEMENT DIVISION**

**PROCUREMENT
BALANCED SCORECARD PLAN
FISCAL YEAR 2003**

PROCUREMENT
BALANCED SCORE CARD (BSC)
SELF-EVALUATION PLAN, FY 2003

I. Introduction

This Balanced Scorecard (BSC) plan is the Procurement & Property Management Division's prescribed self-evaluation tool. It is in accordance with the Department of Energy (DOE) mandated model for procurement organizations and reflects the core measures identified by DOE as updated in September, 2001, as well as local measures agreed to by the Department of Energy-Brookhaven Area Office (DOE-BAO) and PPM.

This is PPM's fourth BSC self-evaluation plan. The BSC provides PPM opportunities to maintain closer contact with our customers, staff and contractors, identify areas for improvement and provides assurance that our work is performed in accordance with existing contractual and other requirements. It encourages us to cost effectively improve processes, products and services that are integral to our success, including ID/IQ contracts, credit cards, blanket orders, e-commerce and contract administration procedures. This is a continuous process which requires an additional level of commitment and effort. As the scope of the self-evaluation program is also continually improved, it results in overall performance improvements for PPM and the Laboratory.

This plan is part of the Laboratory's Integrated Assessment Program (IAP). This program is designed to facilitate continuous performance evaluation, identify differences between how the Laboratory should operate and operates in practice, and provide information to help resolve these differences. Although its format differs, this BSC plan addresses the elements identified in the IAP framework.

In accordance with its Mission, Vision and Values, the Procurement and Property Management Division seeks continuous improvement through self-assessment and strategic planning to maintain a model procurement program that uses best commercial practices and meets prime contract requirements. Self-assessment evaluates the Laboratory's progress in maintaining compliant systems, identifying weaknesses and implementing corrective actions. The strategic plan identifies objectives that enhance PPM's contribution to the overall Laboratory mission through process improvements. Taken together, this management approach balances continuous improvement in current performance requirements with proactive planning strategies.

II. Purpose and Scope

This plan is designed to implement strategic procurement initiatives in alignment with the Laboratory's Critical Outcomes, Objectives and Performance Measures, and provide feedback on the success of these strategies. Through its activities PPM supports all of the Critical Outcomes. In particular, it supports Critical Outcome 3.0, *Laboratory Management and Operation*.

All BSC objectives and measures are designed around the following *Mission, Vision, Strategy* and *Value* statements:

MISSION

Provide customers with timely, cost effective procurement and property management services integrated with and supporting the Laboratory's science, technology and cleanup missions in accordance with the prime contract and customer expectations. These services include procurement of quality supplies and services that meet customer requirements, identification and control of Government Property, maintaining an efficient stores operation, and expeditious shipping, receiving and delivery services.

VISION

PPM will use a qualified, well trained staff and state of the art technology to provide its customers with the supplies and services they require in carrying out the Laboratory's mission in a timely and cost effective manner. The majority of commercial items will be procured through Indefinite Delivery/Indefinite Quantity (ID/IQ) systems contracts available to requisitioners on the web for direct electronic release and payment. A small inventory base will be maintained on site with access through a web based catalog. Contract specialists will participate as team members with departments/divisions to facilitate timely procurement of all non-commercial supplies and services. Deliveries from outside sources will be received centrally and distributed to requisitioners within twenty-four hours of receipt. PPM will continue to maintain a Government Property System which effectively and efficiently meets DOE requirements. PPM seeks continuous improvement through self-assessment to maintain a model procurement and property management program that uses best commercial practices and meets prime contract requirements.

STRATEGY

To change and improve the present system's culture, management systems, and line processes consistent with the principles of quality management, in order to establish and maintain a customer focus, a sense of urgency, continuous and breakthrough process improvement, and an emphasis on results.

VALUES

The PPM Division's values are as follows:

- *Excellent Customer Service*
- *Clear, Timely Communication with Customers and Staff*
- *Maintenance of the Highest Ethical Standard*
- *Use of Best Commercial Practices*
- *Technically Skilled, Trained and Empowered Staff*
- *Employee Recognition and Involvement through Teamwork*
- *Diversity*

- *All Work Performed in a Safe and Environmentally Sound Manner*
- *Effective Use of Technology*
- *Innovation*
- *MBWA*
- *Continuous Improvement through Self-Assessment*

III. Roles and Responsibilities

Brookhaven Science Associates, LLC (BSA) operates Brookhaven National Laboratory under Prime Contract No. DE-AC02-98CH10886 with the DOE. The current BNL procurement system is approved by DOE, and BNL procurement processes are documented in the Procurement Operations Manual (POM). The current dollar threshold requiring DOE approval is \$10,000,000. Specific special approval categories are listed in Appendix G of the Prime Contract and in specific contract articles.

The Manager of the Procurement and Property Management Division (PPM), under the auspices of the Assistant Laboratory Director for Finance & Administration, is responsible for the Laboratory's performance under the BSC. The Manager is responsible for developing and implementing a self-assessment plan to ensure that BSC objectives are monitored and successfully accomplished, and that improvement actions are continuously identified and incorporated into PPM's processes. The Roles, Responsibilities, Accountabilities and Authorities (R2A2) process is utilized as a means to flow down these responsibilities and accountabilities within PPM.

The PPM Manager has designated A. J. Salvo, the PPM Deputy Manager for Procurement and Administration (631) 344-3194, as the Procurement BSC Self-Evaluation Coordinator . Under the Manager's direction, the Deputy Manager will manage and oversee all procurement self- assessment activities. The responsibilities include:

- Reexamining the BSC Plan annually for pertinence and effectiveness.
- Preparing the BSC Plan.
- Scheduling self- assessment activities as necessary.
- Coordinating resources by assigning selected PPM staff specific responsibilities consistent with their expertise.
- Identifying potential problem areas and developing corrective action plans.
- Monitoring corrective actions.
- Issuing the Final Report.

All PPM supervisors are responsible for conducting and supporting the PPM Procurement BSC program and are accountable for improvements to the performance of programs, activities, facilities, and operations under their purview. They have the ultimate accountability for ensuring that appropriate corrective action is taken commensurate with objectives and/or identified weaknesses.

DOE-BAO is the cognizant DOE office responsible for conducting surveillance, validation and verification of BSC information in accordance with DOE BSC guidelines. DOE personnel are also considered essential to the self-evaluation process and may provide information and assistance to

conduct assessments as they deem necessary for surveillance, validation and verification purposes. The point of contact at DOE-BAO is Robert P. Gordon, Acting Deputy Manager, (631) 344-3346.

IV. Schedule and Plan

The FY 02 self-assessment final report will contain corrective action plans. For FY 03, PPM will conduct corrective action activities accordingly.

The FY 03 self-evaluation report will be completed and submitted to the Assistant Director for Finance and Administration in October 2003.

V. Self-Evaluation Activities

PPM's self-evaluation activities will address the four BSC perspectives: customer satisfaction, internal business processes, learning and growth, and financial. Each perspective has an assigned weight, performance objective(s) (critical success factors), performance measure(s), performance result and performance target. The sub-weight of each performance objective is also identified, as well as any grading scales for compiling an overall score for each perspective. A total score will then be calculated for the entire BSC. Measures identified as "DCM" are DOE Core Measures, "OCM" are Optional DOE Core Measures and "BCM" are Brookhaven Core Measures. Any modified measures are noted as "MCM".

1. CUSTOMER PERSPECTIVE (CP) *Weight: 30 %*

This perspective provides PPM feedback on both our BNL and DOE customers' view of procurement operations at BNL. The primary objective is customer satisfaction. This is a principal measure of how well PPM is achieving its stated mission. PPM will conduct customer surveys of its internal customers (requisitioners) and external (DOE) customer.

Performance Objective CP-1: *Internal Customer Satisfaction* **Sub-weight: 15%**

Assesses the procurement system's effectiveness in providing quality materials and services which meet or exceed PPM customers' expectations in a timely and accurate manner.

Performance Objective CP-2: *DOE Customer Satisfaction* **Sub-weight: 15%**

Assesses PPM's effectiveness in meeting our DOE customer's expectations regarding prime contract compliance, communication and ethics.

Performance Measure: Customer Satisfaction Surveys (DCM)

PPM will conduct surveys of its internal and DOE customers. The internal survey will cover relevant areas such as quality of service, timeliness, accuracy, and communication. The DOE survey will cover relevant areas such as staff knowledge of procurement policy and procedures, contract administration requirements, communication, timeliness, ethics and implementation of "best commercial practices."

Responses to each question will be evaluated to determine the % satisfactory using the following formula:

$$\frac{\text{\# of satisfactory customer responses}}{\text{\# of total customer responses (excluding N/A or ? responses)}}$$

Performance Results: The results for each survey will be scored using the following scale.

95-100%	Satisfactory or better responses	=	15 points
85-94.9%	Satisfactory or better responses	=	10 – 14.9 points
75-84.9%	Satisfactory or better responses	=	5 – 9.9 points
< 75%	Satisfactory or better responses	=	0 - 4.9 points

Performance Target : Maintain an overall customer satisfaction rating in the 95-100% range.

2. INTERNAL BUSINESS PERSPECTIVE *Weight: 54 %*

This perspective assures that customer requirements and expectations are understood, and that the appropriate procurement processes are in place to support them. Key processes are monitored to ensure satisfactory outcomes.

Performance Objective IP-1: *Effective Internal Controls* **Sub-weight: 9%**

A key element in PPM’s continuing success is critical self-assessment of its operations and systems with special emphasis on areas which involve the greatest risk. Because our work is funded by the government under contract, we must emphasize the system’s integrity with respect to prime contract compliance, applicable laws, regulations, and ethics.

Performance Measure 1: % of Systems in Full Compliance with Stakeholder Requirements (DCM) (Sub-weight: 6%)

The areas to be reviewed for compliance in FY2003 are derived from the Procurement Operations Manual (POM), prime contract flowdown provisions, and ethics. PPM management reviews and updates the POM annually to ensure compliance with the prime contract and other legal requirements. Internal quarterly surveillance is conducted of orders placed by the buyers/contract specialists for compliance with the POM. For this measure, compliance will be determined by satisfaction of the requirements of the POM and flowdown of required prime contract clauses, as documented by independent oversight activities, internal audit reports (if any), the IG report entitled *Procurement Administration at Brookhaven National Laboratory* dated August 2002 and other reports or reviews done by external organizations such as DOE or the GAO. Ninety percent success in a critical area shall be considered full compliance. Success in meeting this measure will be determined by the following equation based on self assessment and subject to fatal flaw considerations:

$$\% = \frac{\text{Areas in Full Compliance}}{\text{All Areas Evaluated}}$$

Performance Results: $\geq 90\%$ = 6 points
Deduct .5 point for each % < 90%

Performance Target: To achieve and remain in the 90% or greater range.

Since the Credit Card Program involves delegation of procurement authority to non-procurement personnel, proper controls are essential to ensure that the program's integrity is maintained. Therefore, PPM, assisted by Internal Audit, will continue to conduct monthly oversight activities of credit card transactions to determine compliance with Laboratory policies and procedures. The three oversight activities are:

1. Reviewing all credit card transactions made by 5 different selected credit cardholders during the prior month.
2. Reviewing a statistical sample of credit card transactions from the prior month.
3. Reviewing a report of all transactions for the prior month sorted by vendor with a secondary sort by cardholder.

A report will be prepared and issued monthly documenting each of the above activities to supervisor, PPM manager, the ALD for Finance & Administration, and Internal Audit. "Lessons Learned" will be distributed to all cardholders, department/division administrators and Level II Managers. The PPM manager will take actions commensurate with acts of non-compliance, if any, in accordance with the Procurement Operations Manual.

Measure No. 2: Number of Credit Card Oversight Activities Conducted on a Monthly Basis (BCM) (Sub-weight: 3%)

Success in meeting this measure will be determined by the number of Oversight Activities accomplished.

<u>Performance Results:</u>	All 3 Oversight Activities Accomplished	3 Points
	No. 1 and One Other Accomplished	2 Points
	No. 1 Accomplished	1 Point
	0 Oversight Activities Accomplished	0 Points

Performance Target: To accomplish all three (3) Oversight Activities

Performance Objective IP-2: Effective Supplier Management

Sub-weight: 21%

A major purpose of this objective is to ascertain and choose suppliers who demonstrate that the Laboratory is a valued customer by delivering goods/services on time, in accordance with the specifications and terms and conditions of the order. Receipt of contract deliverables and performance is monitored, and invoices are approved for payment, by department/division contract administration representatives in conjunction with their technical representatives and PPM. This function has been bolstered during FY02, by the establishment of the new position of *Assistant Contract Administration Specialist*. This individual acts as a single point of contact to monitor procurements and interface with the contract specialist, technical representative and department contract administration representative as required to ensure that deliverables are received timely and a contractor's failure to perform timely is resolved and documented.

Performance Measure 1: % *Timely Delivery* (DCM) (Sub-weight: 5%)

PPM will use statistical data to determine this measure using the following formula:

$$\frac{\# \text{ of orders received/completed timely}}{\# \text{ of total orders received/completed}}$$

The orders to be included are materials/supplies purchased through PPM or by credit card holders using the E-Mall. This is justifiable since credit card orders through the E-Mall is BNL's equivalent to JIT which is allowable. Services and items purchased directly by the end user through a credit card from other than an E-Mall vendor will be excluded. An item is considered an order. Orders designated as 2 days late on the PeopleSoft data report will be considered on time due to the fact that at times material received may not be logged in on the system immediately.

<u>Performance Results:</u> $\geq 84\%$ on-time delivery	5 points
75 – 83.9%	4 points
70 - 74.9%	3 points
60 – 69.9%	2 points
55 – 59.9%	1 point
<55%	0 points

Performance Target: $\geq 84\%$ on-time delivery

For contracts, which involve performance elements and complex deliverables tied to payment, the success of PPM's contract administration reengineering efforts will be measured. PPM will continue to conduct surveillance of invoices approved by department/division contract administration representatives and quarterly field reviews of technical representatives to determine compliance with Laboratory requirements as presented in the Procurement Operations Manual (POM) and the Contract Administration Course Manual dated April 2000. PPM has developed a Compliance Checklist to ensure consistency of review. PPM will also conduct continuing education sessions so that contract administration representatives can maintain and increase their proficiency.

Measure No. 2: % of Contract Administration Areas in Full Compliance with Policy (BCM)
(Sub-weight: 8%)

Ninety percent success in an area shall be considered full compliance. Success in meeting this measure will be determined by the following equation:

$$\% = \frac{\text{Areas in Full Compliance}}{\text{All Areas Evaluated}}$$

<u>Performance Results:</u>	≥ 90%	8 Points
	85% to 89.9%	7 Points
	80% to 84.9%	6 Points
	75% to 79.9%	5 Points
	65% to 69.9%	4 Points
	55% to 59.9%	3 Points
	50% to 54.9%	2 Points
	45% to 49.9%	1 Point
	<45%	0 Points

Performance Target: To achieve and remain in the 90% or greater range.

Measure No. 3: % of Department/Division Contract Administration Representatives Who Have Completed ≥ 6CEUs in Contract Administration during FY03 (BCM)
(Sub-weight: 4%)

Maintaining and enhancing skills learned in the basic contract administration course is key to effective contract administration. PPM's continuous improvement plan includes offering seminars that cover specific topics in more depth than the basic course. As was done during FY01 and FY02, seminars of approximately two hours each will be offered monthly with one Continuing Education Unit (CEU) awarded for each hour. Individuals who have completed the basic course are required to obtain 24 CEUs over a three year period, with a minimum annual requirement of 6 CEUs, to maintain their designation as department/division contract administration representatives. Success in meeting this measure will be determined by the following equation:

$$\% = \frac{\text{\# of Contract Administration Reps. Meeting Requirements}}{\text{Total Number of Contract Administration Representatives}}$$

<u>Performance Results:</u>	≥ 90%	4 Points
	85% to 89.9%	3 Points
	80% to 84.9%	2 Points
	75% to 79.9%	1 Point
	Below 75%	0 Points

Performance Target: ≥ 90% meeting requirements

Measure No. 4: % of Department/Division Technical Representatives (TRs) Who Have Completed Technical Representative Training prior to being named as a TR in a contract(BCM)(Sub-weight: 6%)

For non-commercial procurements, it is necessary to name a technical representative in the contract who serves as the primary point of contact with the supplier after award for technical matters and is responsible in part for contract administration. A web-based module designed to educate technical representatives in their specific contract administration responsibilities is available. This training is mandatory for all technical representatives named or to be named in contracts. This individual may or may not be the requisitioner, but must have an intimate understanding of the work to be performed. The cognizant buyer/contract specialist is required to confirm that the technical representative named in the order has successfully taken the required training. Success in meeting this measure will be determined by the following equation:

$$\% = \frac{\# \text{ Tech Reps. Meeting Requirements}}{\text{Total Number of Contracts w/Tech Reps Reviewed}}$$

The random sampling must include a minimum of 60 orders.

<u>Performance Results:</u>	≥ 90%	6 Points
	85% to 89.9%	5 Points
	80% to 84.9%	4 Points
	75% to 79.9%	3 Points
	70% to 74.9%	2 Points
	65% to 69.9%	1 Point
	<65%	0 Points

Performance Target: ≥ 90% meeting requirements

Performance Objective IP-3: Effective Utilization of Alternate Procurement Approaches **Sub-weight: 10%**

To maximize efficiency and cost effectiveness, PPM should only provide procurement services which add value to the process. Traditional procurement activities such as ordering low dollar commodity items are better handled directly by the user organization through credit card purchases, e-commerce, releases against basic ordering agreements (BOAs), and other rapid procurement methods. Also, leveraged buying, through use of ICPT contracts, and other consortium contracts is an important means of reducing cost and procurement process time. Participation in ICPT activities also provides value added to the consortium.

Performance Measure 1: Volume of Decentralized Actions (DCM) (Sub-weight: 4%)

Decentralized Actions are defined as actions placed by users utilizing procurement devices such as BNL procurement cards and releases against BOAs. PPM will use statistical data to determine this measure using the following formula:

$$\frac{\# \text{ transactions placed by users}}{\# \text{ of total procurement transactions (including credit cards)}}$$

<u>Performance Results:</u> $\geq 60\%$	= 4 points
50 – 59.9%	= 3 - 3.9 points
40 – 49.9%	= 2 - 2.9 points
30 – 39.9%	= 1 - 1.9 points
< 30%	= 0 - 0.9 points

Performance Target: $\geq 60\%$ of transactions placed by users

Performance Measure 2: Volume of Actions Utilizing Rapid Purchasing Techniques (DCM) (Sub-weight: 4%)

Rapid Purchasing Techniques are defined as transactions placed through BNL procurement cards, e-commerce and ICPT agreements. PPM will use statistical data to determine this measure using the following formula:

$$\frac{\# \text{ transactions utilizing rapid purchasing techniques}}{\# \text{ of total procurement transactions (including rapid purchasing actions)}}$$

<u>Performance Results:</u> $\geq 40\%$	= 4 points
30 – 39.9%	= 3 - 3.9 points
20 - 29.9%	= 2 - 2.9 points
10 – 19.9%	= 1 – 1.9 points
< 10%	= 0 - 0.9 points

Performance Target: $\geq 40\%$ of transactions utilizing rapid purchasing techniques

Performance Measure 3: Participation in an Integrated Contractor Procurement Team (ICPT) Activity (BCM) (Sub-weight: 2%)

Participation in ICPT activities also provides value added to the DOE consortium. PPM will participate in a selected activity. The specific activity will be identified based on ICPT member input.

Performance Results: Participate in one ICPT activity = 2 points

Performance Target: Provide added value to the DOE consortium by participating in one ICPT sanctioned activity in FY2003.

Performance Objective (IP-4): Acquisition Excellence Sub-weight 6%

According to recent PPM customer surveys, timely acquisition support is the most critical aspect of our procurement services. Therefore, timeliness must be evaluated to ensure the most effective use of procurement personnel and efficient service to our customers.

Performance Measure: Average Cycle Time (DCM)

PPM will characterize this measure as follows:

- Average Cycle Time (\leq \$100K)
- Average Cycle Time ($>$ \$100K)
- Overall Average Cycle Time

Average cycle time for each category will be calculated using the following formula:

$$\frac{\text{\# of Days from Receipt of Requisition to Award}}{\text{Number of Awards}}$$

Credit card transactions are not included. Downtime during the period from requisition receipt to award outside the control of PPM will be excluded for transactions $>$ \$100K, e.g., waiting for additional funding from requisitioning department.

Performance Results:

<i>Awards \leq \$100K</i>	<i>Awards $>$ \$100K</i>	<i>Overall</i>
≤ 5 days = 2 points	≤ 40 days = 2 points	≤ 15 days = 2 points
≤ 9 days = 1 point	≤ 54 days = 1 point	≤ 22 days = 1 point
> 9 days = 0 points	> 54 days = 0 points	> 22 days = 0 points

Performance Target: ≤ 5 days for awards \leq \$100K
 ≤ 40 days for awards $>$ \$100K
 ≤ 15 days overall

Performance Objective IP-5: Good Corporate Citizenship Sub-weight 8%

Good corporate citizenship is a desirable business practice. PPM demonstrates this through the goals and activities described in the Laboratory's annual Subcontracting Plan, which is negotiated annually with DOE and incorporated into the prime contract.

Performance Measure 1: Meet or Exceed the Small Business, Small Disadvantaged Business, Women-Owned Small Businesses Goals, Veteran-Owned Small Business, Service Disabled Veteran-Owned Small Business and HUB Zone Small Business Goals as set forth in the Laboratory's Subcontracting Plan, Appendix H of the Prime Contract (DCM) (Sub-weight: 6%)

Performance Results:

Achieve the Goal for:

- Small Business *1.5 Points*
 - Small Disadvantaged Business *1.5 Points*
 - Women-Owned Small Businesses *1.5 Points*
 - Veteran-Owned Small Business *0.5 Points*
 - Service Disabled Veteran-Owned Small Business *0.5 Points*
 - HUB Zone Small Business *0.5 Points*
- 6.0 Points*

Performance Target: To meet or exceed the negotiated % goals for small business, small disadvantaged business, women owned small business, veteran owned small business, service disabled veteran small business and HUB Zone small business as stated in the FY2003 Subcontracting Plan.

Performance Measure 2: Demonstrate Outreach Program Results by Identifying and Successfully Incorporating New SDBs, WOSBs, HUB Zone Small Businesses and Veteran and Veteran Disabled Small Businesses into the Laboratory's Supplier Base. "Successfully Incorporating" means placing at least one order. (BCM) (Sub-weight: 2%)

Performance Results: Successfully Incorporates ≥ 2 New SDB/WOSBs/Hub/Vet 2 points
 Successfully Incorporates 1 New SDB/WOSB/Hubs/Vets 1 point
 Successfully Incorporates 0 New SDB/WOSBs/Hubs/Vets 0 points

Performance Target: Place orders with ≥ 2 New SDB/WOSBs/Hubs/Vets

3. LEARNING AND GROWTH PERSPECTIVE (LG) **Weight 11%**

The objectives established in the *Customer, Internal Business and Financial* perspectives identify where PPM must excel to achieve breakthrough performance. The objectives in this perspective provide the infrastructure for PPM to achieve the ambitious objectives in the other three perspectives. It looks to the future in setting objectives that, if achieved, will promote continuous improvement of the Division over time.

For the purposes of this perspective, the term "employee" is defined as division staff involved in the procurement process including buyers, contracts specialists, administrative staff, clerical support staff and all procurement section supervisors.

Objective LG-1: *Employee Satisfaction Index*

Sub-Weight 2%

Performance Measure: Employee Satisfaction Survey (DCM)

In FY2003, an Employee Survey will be conducted to measure employee satisfaction. Employee satisfaction will be measured using the following formula:

$$\frac{\text{Number of satisfactory employee responses}}{\text{Number of employee responses (excluding N/A or ? responses)}}$$

Performance Results:

≥80%	Satisfactory or better responses =	2.0 points
70 – 79.9%	Satisfactory or better responses =	1.5 points
60 – 69.9%	Satisfactory or better responses =	1.0 points
< 60%	Satisfactory or better responses =	0 points

Performance Target: ≥ 80% Favorable Responses

Performance Objective LG-2: *Employee Alignment*

Sub-weight 1%

To optimize performance and maintain continuous awareness of top-level Laboratory and PPM priorities, all staff levels within PPM should all have their objectives aligned with the Division's management and management aligns its objectives with employee concerns. Achieving alignment is a repetitive process which starts by developing PPM objectives that are aligned with the Laboratory's critical outcomes and their associated objectives. PPM management, in turn, determines internal objectives that are aligned with these objectives and incorporate employee concerns.

Evidence of alignment comes from a review of individual performance evaluations. When actual accomplishments or standards in support of top-level objectives are documented in an individual's performance appraisal, that employee is considered aligned. PPM will review and revise its performance appraisal format to ensure that it appropriately evaluates alignment with performance objectives at all levels.

Performance Measure: % of Aligned Employees (DCM)

The alignment measure is the ratio of aligned employees as documented in their performance appraisals to total employees appraised.

Performance Result: ≥ 97% alignment = 1 point
Subtract .1 point per 1% reduction in alignment

Performance Target: ≥ 97% alignment

Performance Objective LG-3:

Information Availability

Sub-weight 3%

To be effective in today's competitive environment, PPM personnel must have current, readily accessible information on the Laboratory's strategic goals and objectives, our customers, our suppliers, internal processes, and the financial consequences of their decisions. The most important consideration is having the right information in the right place at the right time. For FY03, PPM has identified the information items its staff needs and will make them available. These items are:

- PPM's Strategic Plan
- BNL's Critical Outcomes and Objectives
- Customer plans, schedules and forecasts for major projects and/or procurements
- Supplier evaluations
- Updated Procurement Operations Manual and the FAR/DEAR
- BSC Plan

Performance Measure: # of Information Items Available (MCM)

Performance Result: 1/2 point for each information item available up to a total of 3 points

Performance Target: Total information availability

Performance Objective LG-4:

Training and Education

Sub-weight 5%

A key element in professional growth is training and education. In order to maintain alignment with Division goals, all procurement personnel will have training and education goals placed in each of their personal **Employee Goal Planning and Performance Appraisal** for FY03. Each goal will be determined as the result of a mutual agreement between the employee and supervisor as to the specific educational measure most beneficial to the individual and the Division. It is important to measure whether these goals are met not only as individuals but also as a division in order to maintain and improve quality of service, personnel flexibility, career growth and succession planning at all levels.

Performance Measure: % of division procurement personnel who satisfy their training and education goal. Employee compliance will be measured using the following formula: (BCM)

$$\frac{\text{Number of employees meeting goal}}{\text{Number of employees}}$$

<u>Performance Results:</u>	$\geq 95\%$	Employees meeting goal = 5 points
	85 – 94.9%	Employees meeting goal = 4 points
	80 – 84.9%	Employees meeting goal = 3 points
	75 – 79.9%	Employees meeting goal = 2 points
	70 – 74.9%	Employees meeting goal = 1 points
	$< 70\%$	Employees meeting goal = 0 points

Performance Target: $\geq 95\%$ Goal Achievement

4. FINANCIAL PERSPECTIVE (FP): **Weight: 5%**

Unlike profit-seeking organizations operating in a purely commercial environment, BNL and DOE’s other M&O contractors primarily measure success by their effectiveness and efficiency in meeting their customers’ and stakeholders’ needs. Optimizing operational cost efficiency is important to maximize the funds available for achieving the Laboratory’s critical outcomes and objectives.

Performance Objective FP-1: Optimum Cost Efficiency of Procurement Operations **Sub-weight 5%**

Performance Measure: Cost to Spend Ratio (DCM)

Cost efficiency will be determined using the following formula:

$$\frac{\text{Procurement Operating Cost}}{\text{Purchasing Obligations}}$$

The procurement operating cost is defined as direct labor and fringe benefits of buyers, contracts specialists, administrative staff, clerical support staff, all section supervisors and that portion of management costs budgeted to procurement related activities. Also included are the indirect materials, communication, postage, travel, training and equipment acquisition, freight charges attributed to these individuals. Purchasing obligations is defined as dollars obligated including credit card purchases since PPM owns and administers the Laboratory’s credit card program using its own personnel resources.

<u>Performance Result:</u>	$\leq \$0.0155$	= 5 points
	$\leq \$0.0170$	= 4 points
	$\leq \$0.0185$	= 3 points
	$\leq \$0.0200$	= 2 points
	$\leq \$0.0215$	= 1 point
	$> \$0.0215$	= 0 points

Performance Target: $\leq \$0.0155$

VI. Results and Follow-up

The BSC results will be documented in a report that will be submitted to the Assistant Director for Finance and Administration. The possible total BSC score is 100 points. PPM's overall score will be evaluated as follows for the Laboratory's IAG:

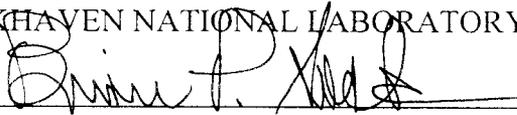
90 – 100 points	<i>Outstanding</i>
80 - 89.9 points	<i>Excellent</i>
70 – 79.9 points	<i>Good</i>
60 – 69.9 points	<i>Marginal</i>
< 60 points	<i>Poor</i>

A corrective action plan will be included in the report.

BNL and DOE will revise the BSC plan annually to maintain PPM's alignment with the Critical Outcomes, Objectives and Performance Indicators.

APPROVALS:

BROOKHAVEN SCIENCE ASSOCIATES, LLC
AS OPERATOR OF
BROOKHAVEN NATIONAL LABORATORY

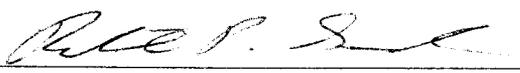
By 

Brian P. Sack

Title Assistant Director Finance
and Administration

Date 10/16/02

THE UNITED STATES
DEPARTMENT OF ENERGY

By 

Title **ROBERT P. GORDON
CONTRACTING OFFICER**

Date 4-24-03

PROCUREMENT AND PROPERTY MANAGEMENT

FY03 Procurement Balanced ScoreCard Plan Addendum

The following "Internal Business Processes" performance objectives will be addressed by PPM in addition to the objectives identified in the FY03 Procurement Self-Assessment Plan.

Performance Objective 1 -- Completion of Corrective Actions Resulting from the FY02 BSC Final Report, the Inspector General Report on Procurement Administration, and the FY02 Procurement Compliance Review

Approach: Develop a FY03 comprehensive corrective action implementation plan with a milestone schedule.

Deployment:

1. Assign tasks to cognizant managers/supervisors.
2. Implement measures.
3. Track results.

Results: Completion of corrective actions in accordance with the milestone schedule.

Performance Objective 2 -- Improve Procurement Planning to Ensure Timely Placement of Major Procurements in Accordance with the Prime Contract and PPM's Procurement Operations Manual

Approach: Establish two integrated procurement-planning teams to provide effective assistance, support and coordination for one department and one support division that have significant procurement activities.

Deployment:

1. Under the chairmanship of a procurement manager/supervisor, assign a buyer/contract specialist, the assistant contract administration specialist, procurement quality engineer and department/division representatives (technical and administrative) to identify, support, monitor and coordinate procurement activities.
2. Develop a comprehensive procurement strategy.
3. The buyer/contract specialist will assist technical team members in finalizing SOWs and will develop procurement milestones that support programmatic needs.
4. The Procurement Quality Engineer (PQE) will assist in the review of SOWs/Requisitions for quality requirements. The PQE will assist in the

development and qualification of potential suppliers with respect to specific quality requirements (e.g. review supplier capabilities and/or systems).

5. The Assistant Contract Administration Specialist will monitor contracts/purchase orders to ensure timely performance and receipt of deliverables and inform the other team members of a contractor's failure to perform.

Results: Conduct a satisfaction survey of team members to determine effectiveness of the process.

Performance Objective 3 -- Improve Procurement Quality by Providing More Effective Tools for the Procurement Staff

Approach: Develop standardized contract templates and improved checklists.

Deployment:

1. PPM supervisors will develop standardized contract templates for all contract types.
2. PPM supervisors will develop improved checklists.
3. Implement and provide instruction to Buyers/Contract Specialists.

Results: Improved quality as demonstrated in compliance reviews (Reference BSC Performance Objective IP-1, Measure 1).

Performance Objective 4 -- Effective Development and Implementation of a Supplier Qualification/Performance System

Approach: Improve existing supplier-related practices and procedures (as outlined in SBMS) including adding controls and developing new error-proof processes as required to reduce variability and mitigate risks in the selection, control and improvement of the supplier base. Utilize existing PeopleSoft capabilities and develop/implement web-based information systems as needed, to allow for lab-wide sharing of information and results to enhance decision-making.

Deployment:

Establish a formal Supplier Qualification and Performance-Monitoring System, commensurate with the importance of the purchased item or service, to ensure:

1. Performance and schedule capabilities of prospective suppliers are evaluated
2. The best-value supplier is selected (qualified)
3. The addition of new suppliers to the database is controlled and the socio-economic classification is accurate

4. Qualified supplier's performance is monitored, evaluated and reported periodically to ensure that supplied items or services are meeting quality, cost and schedule requirements.

Results: A rating system will be deployed lab-wide that will rank order major suppliers / subcontractors based on quality, cost and schedule performance.

Performance Objective 5 – Develop and Implement Phase II of the Contract Administration Improvement Plan.

Approach: Develop a plan to improve contract administration as performed by the department/division contract administration representatives, technical representatives and the buyers/contract specialists.

Deployment:

1. Implement PPM matrix authority over contract administration representatives in their progress surveillance, receipt of deliverable documentation, invoice approval and contract closeout activities.
2. Implement recertification training for technical representatives.
3. Implement periodic surveillance of Buyers/Contract Specialists contract administration responsibilities.

Results: Results of compliance reviews (Reference BSC Performance Objective IP-1, Measure 1 and IP-2, Measure 2).

Category	Objective	Type of Measure	Results		Value	Score
1. Customer Perspective						
	CP-1	DOE Core	89.70%	Internal Customer satisfaction	15 Points	12.35 Points
	CP-2	DOE Core	46.50%	External Customer satisfaction	15 Points	3.04 Points
Sub-Total					30 Points	15.39 Points
2. Internal Business Perspective						
	IP-1	A) DOE Core B) BNL Local	80.56% 100%	System Compliance Credit Card oversight	9 Points	4.28 Points
	IP-2	A) DOE Core B) BNL Local C) BNL Local	82.2% 78.6% 98.7%	% time delivery Contract Adm Comply Con Admin Training	15 Points	11.00 Points
	IP-3	A) DOE Core B) DOE Core	75.3% 74.2%	Vol Decentral Actions Rapid Purch techniqs	10 Points	10.00 Points
	IP-4	A) DOE Core B) DOE Core C) DOE Core	3.15 days 27.62 days 3.43 days	Avg Cyc Time < 100K Avg Cyc Time > 100K Overall Avg	6 Points	6.00 Points
	IP-5	A) DOE Core B) DOE Core C) DOE Core D) DOE Core E) DOE Core	55% 8% 8% 1% 4%	Small Business Small Disadv Business Women-Owned Bus HUB Zone Business Veteran-owned Small	12 Points	9.00 Points
Sub-Total					52 Points	40.28 Points
3. Learning & Growth Perspective						
	LG-1	DOE Core	86.50%	Employee Responses	4 Points	4.00 Points
	LG-2	DOE Core	100%	Employee Alignment	1 Point	1.00 Point
	LG-3	DOE Core	66%	Information Available	3 Points	2.00 Points
	LG-4	DOE Core	100%	Training & Education	5 Points	5.00 Points
Sub-Total					13 Points	12.00 Points
4. Financial Perspective						
	FP-1	DOE Core	\$0.011	Cost Efficiency	5 Points	5.00 Points