Appendix B

Performance Evaluation Measurement Plan

Appendix B

Introduction

Special FY05 Appraisal Period Agreement Due to Contract Competition.

This Appendix contains the components of the performance-based management system that the University and DOE will utilize for Laboratory oversight as described by Part I, Section H, Clause H.14 – Standards of Contractor Performance Evaluation, and as referenced in Part II, Section I, Clause I.82 – Total Available Fee: Base Fee Amount and Performance Fee Amount, of the contract.

In recognition of the decision of the Department of Energy to compete the contract for management of the Lawrence Berkeley National Laboratory, the following special process will be in effect for Fiscal Year 2005.

The basis for the performance appraisal will be subject to annual review and may be modified by the agreement of the Parties. It is understood that changes in the performance criteria and appraisal process may be proposed based on cost/risk/benefit analysis. For the Laboratory Leadership and Operations functions, the DOE and UC rating processes will give primary emphasis and consideration to the Contractor's self-assessment against Appendix B. Consistent with Clause H.14, DOE will validate the Contractor's self-assessment for integrity of the process and will utilize the self-assessment and other pertinent information in formulating DOE's appraisal and evaluation of Contractor performance. For the Science and Technology (S&T) portion of the appraisal, major DOE program sponsors of Laboratory work will provide performance assessment input based on the criteria in Section B below. The S&T program ratings will be weighted by their relative annual funding (operating and equipment, but not construction) and aggregated into an overall S&T rating. Other pertinent information to arrive at the annual rating of Laboratory performance may include for example, Science and Technology program reviews, peer reviews, project reviews, significant mission disruption, major functional performance issues, results from external reviews including IG and GAO, and operational awareness.

This Appendix contains a description of the process to be used by the University and DOE to evaluate the Contractor's performance of administration and operations and by DOE-SC to evaluate the science and technology performance at the Laboratory.

For the Operations and Administrative portion of the annual appraisal process, detailed performance criteria and measures will not be developed for this special period and there will not be a formal UC/Laboratory Self-Assessment Report. However, performance data will be presented to support evaluation of each Performance Objective using the balanced scorecard approach developed during the previous Contract DE-AC02-76SF00098. The relative weighting of each functional area will remain the same as was used for FY04, except that 15 of the 60

points that had been weighted to Financial Management are applied to Information Technology Management / Cybersecurity for FY05.

In lieu of the traditional formal UC/Laboratory Self-Assessment Report A, a streamlined process involving UC/Laboratory presentations and data will be provided. The DOE annual appraisal will be based primarily on this performance information and DOE will develop a brief summary level report with ratings to support determination of fee.

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Appendix B

Section A - Laboratory Leadership

Performance Objective

1.0 Laboratory Leadership
Laboratory leadership activities enable successful planning and implementation of research programs for DOE missions and ensure the stewardship and long-term viability of the institution. These leadership activities include: strategic planning and direction consistent with DOE and SC missions and strategic plans, institutional stewardship of and accountability for operations, effective resource management, internal and external communications, educational and community outreach, and diversity leadership.

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Section B – Science and Technology

The DOE Office of Science will perform and document an appraisal of the Science and Technology performance of the Laboratory. The appraisal will use, but not be limited to, the Science and Technology Assessment Criteria outlined below. The Contractor will continue to use external peer reviews to provide advice to internal management on the overall quality of the technical work, the effectiveness of Laboratory management in fostering an atmosphere conducive to scientific inquiry, and other aspects affecting the ability of the Laboratory to continue to respond effectively to the DOE's mission.

Criteria for Science & Technology Performance Assessment

- Quality of Science - Recognized indicators of excellence, including impact of scientific contributions, leadership in the scientific community, innovation, and sustained achievement will be assessed as appropriate. As appropriate, other performance measures such as publications, citations, and awards may be considered. This criterion is to be applied to all aspects of technical work, including science, engineering, and technical development

- Relevance to National Needs and Agency Mission - The impact of Laboratory research and development on the mission needs of the Department of Energy and the nation will be assessed in the reviews. Such considerations include energy policy, economic competitiveness, and national environmental goals, as well as the goals of DOE and the nation in advancing fundamental science and strengthening science education. The impact of Laboratory programs on industrial competitiveness and national technology needs will be assessed. The assessment will include characteristics that are not easily measured, including relevance of research programs to national technology needs and effectiveness of outreach efforts to industry. As appropriate, they may also consider such performance measures as licenses and patents, collaborative agreements with industry, and the value of commercial spin-offs.

- Performance in the Technical Development and Operation of Major Research Facilities and User Resources-Performance measures include success in meeting scientific and technical objectives, technical performance specifications, and user availability goals. Other considerations may include the quality of user science performed, extent of user participation and user satisfaction, operational reliability and efficiency, and effectiveness of planning for future improvements, recognizing that DOE programmatic needs are considered to be primary when balanced against user goals and user satisfaction

- Program Management and Planning-The assessment should focus on broad programmatic goals, including meeting established technical milestones, carrying out work within budget

and on schedule, satisfying the sponsors, providing cost-effective performance, planning for orderly completion or continuation of the programs, and appropriate publication and dissemination of scientific and technical information. In assessing the effectiveness of programmatic and strategic planning, the reviewers may consider the ability to execute projects in concert with overall mission objectives, programmatic responsiveness to changes in scope or technical perspective, and strategic responsiveness to new research missions and emerging national needs. In the evaluation of the effectiveness of program management, considerations include morale, quality of leadership, innovation in providing for interdisciplinary approaches to achieving scientific breakthroughs, effectiveness in managing scientific resources (including effectiveness in mobilizing interdisciplinary teams), efforts to maintain and enhance the laboratory's key competencies, effectiveness of organization, employee morale, and efficiency of facility operations."

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Section C - Performance Objectives, Criteria And Measures

Environment, Safety, And Health

Performance Objective
Effective ES&H Performance

The Laboratory uses ISM, best practices, certification, and validation of ES&H Management Systems to integrate ES&H into Lab work processes at all levels so those missions are accomplished while protecting the worker, the public and the environment. Special emphasis will be placed on progress towards meeting the FY05 DOE-SC goals for Total Recordable Cases (TRC) and Days Away/Restricted Time (DART). The Laboratory will support and document its assessment against established criteria in the Environment, Safety, and Health ISM Performance Assessment Model**,** which is incorporated in this Appendix by reference.

Project/Facilities and Construction Management

Performance Objective
Effective Project/Facilities and Construction Management

The Laboratory uses Physical Assets Planning and Real Property, Construction Project Management, and Facilities and Infrastructure Management to achieve excellence in the management of the Facilities at LBNL. Special emphasis will be placed on identifying, prioritizing and reducing the Laboratory's deferred maintenance backlog, and achieving the FY05 targets set for the Maintenance Investment Initiative (MII), Asset Condition Index (ACI) and Asset Utilization Index (AUI) by the DOE Office of Science. The Laboratory will support and document its assessment against established criteria contained in the Project/Facilities and Construction Management Performance Assessment Model, which is incorporated in this Appendix by reference.

Financial Management

Performance Objective
Effective Financial Management

The Laboratory will implement effective financial management practices in accordance with DOE policies, procedures and requirements and provide quality customer service that supports the mission of the Laboratory. The Laboratory will support and document its assessment against established criteria contained in the Financial Management Performance Assessment Model, which is incorporated in this Appendix by reference.

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Human Resources

Performance Objective
Effectiveness of HR Operations

Human Resources programs, services and processes support the operational needs and scientific mission of the Laboratory. The Laboratory will support and document its assessment against established criteria contained in the Human Resources Performance Assessment Model, which is incorporated in this Appendix by reference.

Procurement

Performance Objective
Procurement Excellence

The Laboratory will maintain a procurement system that ensures Procurement programs incorporate best practices as applicable, promotes customer service, and operates in accordance with policies and procedures approved by DOE and the requirements of the Prime Contract. The Laboratory will support and document its assessment against established criteria contained in the Procurement Assessment Model (PROAM), which is incorporated in this Appendix by reference.

Property Management

Performance Objective
Personal Property Excellence

The Laboratory will maintain a personal property system that ensures Property programs incorporate best practices as applicable, promotes customer service, and operates in accordance with policies and procedures approved by DOE and the requirements of the Prime Contract. The Laboratory will support and document its assessment against established criteria contained in the **FY05 Property Management Balanced Scorecard which serves as the Property Management** Assessment Model, **and** is incorporated in this Appendix by reference.

Information Technology Management / Cybersecurity

Performance Objective
The Laboratory will provide a well managed information technology infrastructure that ensures the availability and security of information systems compatible with customer needs and consistent with the DOE certification and authorization requirements. The Laboratory will support and document its assessment against established criteria contained in the Information Technology Management/Cybersecurity Assessment Model (ITM/CSAM), which is incorporated in this Appendix by reference.

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Section D - Assessment And Appraisal

Part 1 - UC Self-Assessment and Rating Process

The UC Management team evaluates Laboratory Leadership and operations and administration systems for each functional area (Environment, Safety & Health, Facilities Management, Financial Management, Human Resources, Procurement, Property Management, and Information Technology Management/Cybersecurity) on the basis of established performance objectives.

Weighting of points for each area is established at the beginning of each annual evaluation cycle. Numerical scores expressed as percentages are assigned to each functional area based upon the performance assessment ratings listed below. These percentages multiplied by the maximum points allocated for each functional area result in the total points for that area. UC will provide ratings for Laboratory Leadership and for Operations and Administration Systems.

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Part 1 – UC Evaluation and Appraisal

Evaluation of Laboratory Leadership 60 pts

Evaluation of Operations and Administration Systems 240 pts

Environment, Safety and Health	60 pts
Project/Facilities/Construction Mgt	30 pts
Financial Management	45 pts
Human Resources	30 pts
Procurement	30 pts
Property Management	30 pts
Info Tech Mgmt/Cybersecurity	15 pts

Evaluation of Laboratory Management + **Evaluation of Operations & Administration Systems**

Total 60 points Total 240 Points

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Part 2 - DOE Evaluation and Appraisal

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Evaluation of Laboratory Management
60 pts

Evaluation of Operations and Administration Systems 240 pts		Evaluation of Science and Technology 700 pts
Environment, Safety and Health	60 pts	700 points
Project/Facilities/Construction Mgt	30 pts	
Financial Management	45 pts	
Human Resources	30 pts	
Procurement	30 pts	
Property Management	30 pts	
Info Tech Mgmt/Cybersecurity	15 pts	

Evaluation of Laboratory Management	+	Evaluation of Operations & Administration Systems	+	Evaluation of S&T
Total 60 points		Total 240 Points		Total 700 Points

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Part 3 - Performance Appraisal

Example

	Rating (*See Table 1)	% x	Max pts =	Pt Score
Laboratory Management	Excellent	85% x	60 =	51 pts
Total of Laboratory Management				51 pts
Science & Technology	Excellent	85% x	700 =	595 pts
Total of Science and Technology				646 pts
Operations & Administration Systems				
Environment, Safety & Health	Good	75% x	60 =	45 pts
Project/Facilities/Construction Mgt	Good	75% x	30 =	22.5 pts
Financial Management	Good	75% x	45 =	33.75 pts
Human Resources	Excellent	85% x	30 =	22.5 pts
Procurement	Outstanding	95% x	30 =	28.5 pts
Property Management	Good	75% x	30 =	25.5 pts
Info Tech Mgmt/Cybersecurity	Outstanding	95% x	15 =	14.25 pts
Total of Operations and Administration Systems				192 pts
Total of Laboratory Management, Science & Technology and Operations & Administration Systems				841 pts

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Table 1 - Adjectival Rating/Points Conversion

Adjectival Rating	Total Points
Outstanding	900 - 1000 points
Excellent	800 - 899 points
Good	700 - 799 points
Marginal	600 - 699 points
Unsatisfactory	0 - 599 points

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Table 2 - DOE - UC Rating Adjectives

Percentage	Adjectival Description	Definition
< 60	Unsatisfactory	Significantly below the standard of performance; deficiencies are serious, and may affect overall results, immediate senior management attention, and prompt corrective action is required.
69- 60	Marginal	Below the standard of performance; deficiencies are such that management attention and corrective action are required.
79 - 70	Good	Meets the standard of performance; assigned tasks are carried out in an acceptable manner - timely, efficiently, and economically. Deficiencies do not substantively affect performance.
89-80	Excellent	Exceeds the standard of performance; although there may be room for improvement in some elements, better performance in all other elements offset this
100-90	Outstanding	Significantly exceeds the standard of performance; achieves noteworthy results; accomplishes very difficult tasks in a timely manner

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