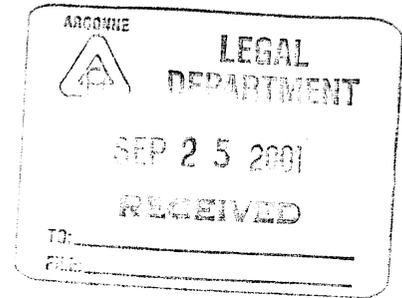




Department of Energy

Argonne Area Office
9800 South Cass Avenue
Argonne, Illinois 60439

SEP 21 2001



Mr. Robert J. Zimmer
Vice President for Research and Argonne National Laboratory
The University of Chicago
5801 South Ellis Avenue
Chicago, Illinois 60637

Dear Mr. Zimmer:

SUBJECT: CONTRACT NO. W-31-109-ENG-38 FOR OPERATION OF ARGONNE NATIONAL LABORATORY; MODIFICATION M375

Enclosed is a fully executed copy of Modification M375 which revises the following Prime Contract Appendices; Appendix A – Personnel; Appendix B – FY2001 Performance Criteria and Measures; Appendix F – Key Personnel; and Appendix I – DOE Directives.

Should you have any questions, please contact the undersigned (630) 252-2075.

Sincerely,



Sergio E. Martinez
Contracting Officer

Enclosure:
As Stated

cc: H. A. Grunder, Laboratory Director, ANL, w/encl.
M. Bartos, Chief Financial Officer, ANL, w/encl. (14 cys)
R. Bouie, Chief Operations Officer, ANL, w/encl.
J. R. LaFevers, Executive Director and Deputy to the Vice President
for ANL, w/encl.
D. M. Randel, President, University of Chicago, w/encl.
W. J. Hogan, Jr., Comptroller, University of Chicago, w/encl.
Y. Chang, Idaho, ANL-W, ATTN: Sharron Janning, w/encl.
M. Jones, ANL-LEG, w/encl.
B. Hartline, Deputy Lab Director, ANL, w/encl.
D. Schmitt, ANL, w/encl.

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE PAGE OF PAGES
1 | 2

2. AMENDMENT/MODIFICATION NO. M375	3. EFFECTIVE DATE 7/31/01	4. REQUISITION/PURCHASE REQ. NO. 02-01CHENG38.009	5. PROJECT NO. (If applicable) N/A
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6. ISSUED BY U.S. Department of Energy Chicago Operations Office/Argonne Area Office 9800 South Cass Avenue Argonne, IL 60439	7. ADMINISTERED BY (If other than Item 6) Code
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3. NAME AND ADDRESS OF CONTRACTOR (No. street, county, State and ZIP Code) The University of Chicago 5801 S. Ellis Avenue Chicago, IL 60637	(✓)	9.A. AMENDMENT OF SOLICITATION NO.
		9.B. DATED (SEE ITEM 11)
		10.A. MODIFICATION OF Contract/Order NO. W-31-109-ENG-38
		10.B. DATED (SEE ITEM 13) October 1, 1999

CODE N/A FACILITY CODE N/A

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning ___ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)
N/A

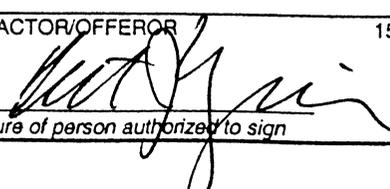
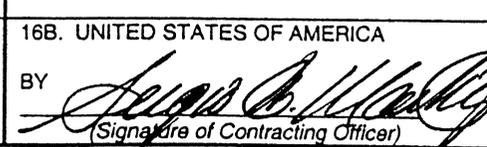
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(✓)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(B).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Mutual Agreement of the Parties
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not, is required to sign this document and return 4 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section heading, including solicitation/contract subject matter where feasible.)

See Page No. 2 of this Modification

15A. NAME AND TITLE OF SIGNER (Type or print) Robert J. Zimmer, Vice President for Research and Argonne National Laboratory	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Sergio E. Martinez, Contracting Officer
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED 9-7-01
16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	16C. DATE SIGNED 9/18/01

14. Description of Amendment/Modification:

Modification M375 provides for the following:

1. Updates the FY2001 Appendix B as follows:
 - a) Attachment 2 – Performance Areas; weights have been incorporated to the individual General Operations - System Assessment Measure Performance Areas.
 - b) Attachment 3 – Individual codes and weights have been added to individual Performance Measures and System Assessment Measures
 - c) General Operations, Section III.2 – Infrastructure; References to Spallation Neutron Source (SNS) have been removed. (SNS is now evaluated under the Science and Technology Performance Area.
 - d) Attached Safeguards and Security System Assessment Measures (Section III.3.J), dated 5/17/01, are substituted for the previous Safeguards and Security System Assessment Measures.
2. Appendix A is revised as follows:
 - a) Exhibit I. – GRADES AND RATE RANGES (page 37), First line, Schedule A is corrected to delete reference to “Non-exempt” Positions as follows - from; “Schedule A – Position Grades and Salary Ranges for all Non-union, Non-exempt Positions” to “Schedule A – Position Grades and Salary Ranges for Non-union Positions”.
 - b) Attached Schedule A, dated March 1, 2001 is substituted for the previous Schedule A, dated March 1, 1999.
3. Appendix F – Key Personnel, dated July 31, 2001 is substituted for the previous Appendix F – Key Personnel.
4. Appendix I – List B DOE Directives, dated July 26, 2001 is substituted for the previous Appendix I – List B DOE Directives.

END OF MODIFICATION

July 31, 2001
Modification No. M375
Contract No. W-31-109-ENG-38
October 1, 2000 - September 30, 2001

Appendix B

FY 2001

Performance Criteria and Measures

Performance Measures

PREAMBLE

This Appendix sets forth the procedure to be used in the evaluation of Argonne National Laboratory performance as required by Part I, Section H, Clause H.32 - Use of Objective Standards of Performance, Self Assessment and Performance Evaluation, and as referenced in Part II, Section I, Clause I.102 - Total Available Fee: Base Fee Amount and Performance Fee Amount, of the Contract. The procedure described in this Appendix utilizes, to the extent possible, a set of "objectives", "measures", and "expectations" against which Argonne National Laboratory's performance will be assessed for each area identified herein.

Guidelines on the use of the performance objectives, measures, and expectations are set forth in Attachment 1, Performance Based Management Guidelines.

For the period October 1, 2000, through September 30, 2001, the Parties have agreed to evaluate the Laboratory activities identified in Attachment 2, Performance Areas. Attachment 2 reflects the fact that the Contractor will be evaluated in three broad areas ("Performance Areas"), namely (I) Science and Technology (II) Critical Operations and (III) General Operations. The Performance Areas identified as Sections (I) Science and Technology and (II) Critical Operations consist of incentivized (fee bearing) Performance Measures, while the Performance Area identified as Section (III) (General Operations) consists of non-fee bearing System Assessment Measures (SAM's). Each Performance Area will receive its own evaluation and rating. Performance Areas will not be combined to determine a single overall rating either for the purpose of determining the Contractor's performance or determining the Contractor's fee earned in a given performance period. However, DOE reserves its rights specified elsewhere in this Contract, including those in Part I, Section H, Clause H.32 - Use of Objective Standards of Performance, Self Assessment and Performance Evaluation, and those in Part II, Section I, Clause I. 118 - Conditional Payment of Fee, Profit, or Incentives.

Attachment 3 lists the performance objectives, measures, and expectations for the Performance Measures in the Performance Areas of Science and Technology and Critical Operations and for the System Assessment Measures in the Performance Area of General Operations.

The schedule for performing the evaluation of the Laboratory is provided in Attachment 4. It is the intent of the parties to adhere to this schedule although either party may request to alter the proposed schedule.

Attachments 5 and 5a establish the maximum performance fee earnable by the Contractor, as well as the potential reductions to the performance fee, based on the individual ratings in the Performance Areas of Science and Technology and Critical Operations.

The Parties agree to work together to clarify and improve, when necessary, the process to be used to measure and validate the level of performance attained. In particular, the Parties agree to:

- check the validity of each respective performance objective, expectation and measure as an accurate and meaningful reflector of performance and to replace them with more appropriate performance objectives and measures, if necessary.
- consider adding to or subtracting from the compliment of performance objectives, expectations and measures in order to more meaningfully and accurately track performance objectives.
- consider adding or subtracting performance measures as appropriate in response to the evolving requirements of DOE; in particular, the Parties undertake to replace requirements contained in DOE Directives whenever feasible by performance measures.

The Parties acknowledge that continued changes to Departmental Directives are occurring and that implementation of such directives may require changes to refine selected performance objectives, measures, and expectations, implement data collection and reporting mechanisms, and establish benchmarks against which to set targets for performance improvement and/or measurement.

The Parties recognize that the evaluation period will also be utilized to assure that systems and processes are implemented, tested, evaluated, and refined. The Department will use the results of these performance measures, the contractor's self-assessment of overall performance and other inputs, such as DOE's day-to-day operational awareness, DOE's annual business review, General Accounting Office or Inspector General reviews, or for-cause reviews, as appropriate to evaluate the Contractor's performance for each performance period.

Attachments:

1. Performance-Based Management Guidelines
2. Performance Areas
3. Performance Objectives, Measures, and Expectations for Performance Measures and System Assessment Measures
4. Evaluation Schedule
5. Performance Fee
- 5a. Critical Operations Fee Distribution

Performance-Based Management Guidelines:

1. The purpose of these Guidelines is to institutionalize a performance-based management system that encourages and rewards excellence, continuous improvement, cooperation and timely communication.
2. In keeping with the objectives set forth above, any performance-based management contract must begin with the establishment of contract performance objectives, measures, and expectations which may be linked to pre-established performance incentives that, if achieved, will:
 - a. enhance the Laboratory's ability to accomplish its mission for the Department.
 - b. drive cost-effective performance improvements, focusing on efficient system performance while maintaining appropriate internal controls;
 - c. when possible, allow for meaningful trend and rate of change analysis; and
 - d. encourage benchmarking initiatives as a means of incorporating industry business standard, and "best practices" that are meaningful, appropriate, and consistent with Departmental requirements and deemed to reflect overall successful operations. "Best practices" should include cost/risk/benefit analysis.
3. Performance Based Contract Measures (PBCMs) which include Performance Measures and System Assessment Measures should be constructed to drive improvements and focus on effectiveness of systems and maintaining the appropriate level of internal controls. They should incorporate "best practices" and reflect DOE's and the Contractor's judgment as to the key performance elements which will enhance fulfilling the Department's mission objectives. The Performance Measures for the Performance Areas of Science and Technology and Critical Operations and System Assessment Measures for the Performance Area of General Operations are incorporated into the Contract, Appendix B, Attachment 3. Performance Measures for the Performance Areas of Science and Technology and Critical Operations are tied directly to performance fee. System Assessment Measures for the Performance Area of General Operations are not tied to performance fee.
4. PBCMs are composed of three tiers:
 - Objective: Statements of desired outcomes for an organization or activity.
 - Measure: A quantitative or qualitative characterization of performance.

- **Expectation:** The desired conditions or target levels of performance for each measure.

5. **Adjectival Ratings** are as follows:

- Outstanding:** Significantly exceeds the standards of performance; achieves noteworthy results; accomplishes very difficult tasks in a timely manner.
- Excellent:** Exceeds the standard of performance, although there may be room for improvement in some elements; better performance in all other elements more than offsets this.
- Good:** Meets the standard of performance; assigned tasks are carried out in an acceptable manner -- timely, efficient and economical; deficiencies do not substantively affect performance.
- Marginal:** Below the standard of performance; deficiencies require management attention and corrective action.
- Unsatisfactory:** Significantly below the standard of performance; deficiencies are serious, may affect overall results, and urgently require senior management attention; prompt corrective action is required. Does not meet the minimal requirements established at the marginal level.

6. **Self Assessment:**

In addition to the development of specific contract Performance Measures directly tied to incentives, an effective Performance-Based Management system should also be established which institutionalizes an internal self-assessment program which fosters assessment of existing internal systems, policies, and procedures and encourages continuous improvement. The Contractor's self-assessment program shall be developed in formal agreement with the Contracting Officer and provide for the following:

- an assessment of performance against objectives, measures and expectations which have been identified under the category of "Critical Operations."
- an assessment of performance against objectives, measures and expectations which have been identified by mutual agreement of the parties as being measures of system performance. These System Assessment Measures are not directly linked to any contract performance incentive and are in addition to the contract Performance Measures identified in the Performance Areas specified as Sections I (Science and Technology) and II (Critical Operations) of Attachment 2 of this Appendix B.

- c. an assessment of overall operations for:
 - (1) compliance with the prime contract, law, or other DOE, Federal, and State requirements (such as regulations, directives, etc.) as may be applicable pursuant to the terms of the prime contract.
 - (2) the adequacy and the degree to which internal policies procedures and controls are implemented and are being met.
 - d. identification of improvement opportunities and improvement plans
7. PBCMs should reference industry standards, best practices, or other standards which are meaningful, appropriate, and consistent with DOE requirements rather than trying to arbitrarily develop standards. To this end, benchmarking initiatives are strongly encouraged. When establishing benchmarks and setting targets the parties should consider the return on the cost required to make further improvements.
8. The methodology for measuring each expectation shall be established by mutual agreement of the parties (except as may be otherwise specified in this contract) prior to the start of the performance period.
9. The Parties acknowledge that the performance levels achieved against the specific performance objectives, measures, and expectations established in the contract for the Performance Measures in the Performance Area of Critical Operations, and directly linked to contract fee, is the primary but not the sole criteria for determining the Contractor's final performance ratings and fee earned in any given performance period. With respect to determining the Contractor's final performance ratings and fee earned in any given performance period for the Performance Measures in the Performance Area of Critical Operations, the Contracting Officer shall also consider the Laboratory's performance in the General Operations set of SAM's and any other relevant information directly related to the Performance Measures in the Performance Area of Critical Operations which is deemed to have had an impact (either positive or negative) on the Contractor's performance. Other relevant information may become available from a number of different sources including but not limited to the Contractor's self-assessment, DOE's day-to-day operational awareness, annual business reviews, (if applicable) Inspector General reviews, General Accounting Office (GAO) audits, for cause reviews, etc., as well as Contractor cooperation, interaction, and responsiveness to DOE throughout the performance period. This does not impact DOE's rights under Part II, Section I, Clause I.118 - Conditional Payment of Fee, Profit, or Incentives.

With respect to determining the Contractor's final performance rating and fee earned in any given performance period for the Performance Measure in the Performance Area of Science and Technology, the parties acknowledge that the performance levels achieved against the

specific performance objectives, measures and expectations established in the contract for the Performance Measure in the Performance Area of Science and Technology, and directly linked to contract fee, is the primary criteria for determining the Contractor's final performance rating and fee. In determining the Contractor's final performance rating and fee earned in any given performance period for the Performance Measures in the Performance Area of Science and Technology, the Contracting Officer shall also consider any other relevant information directly related to the Performance Measures in the Performance Area of Science and Technology which is deemed to have had an impact (either positive or negative) on the Contractor's performance. Other relevant information may become available from a number of different sources including the Contractor's self-assessment, DOE's day-to-day operational awareness, annual business reviews, (if applicable) Inspector General reviews, General Accounting Office (GAO) audits, for cause reviews, etc., as well as Contractor cooperation, interaction, and responsiveness to DOE throughout the performance period. This does not impact DOE's rights under Part II, Section I, Clause I.118 - Conditional Payment of Fee, Profit, or Incentives.

Should the Contracting Officer contemplate considering other relevant information in establishing the final performance rating in either Science and Technology, Critical Operations or General Operations for the performance period, the Contracting Officer shall give the Contractor written notice specifying such information at the appropriate and reasonable time, the reasons for considering it relevant and significant, and the intended effect on the performance rating for the year. The Contractor will be given the opportunity to respond in writing and, if the Contractor requests, in a meeting to respond to the Contracting Officer's intended action.

The Contracting Officer will issue his/her written assessment along with the proposed performance ratings to the Contractor within ten (10) working days of the above written notice.

10. The Contracting Officer shall review, approve and periodically verify how the Contractor collects, compiles and scores its performance against the measures established annually and incorporated into the contract as Attachment 3 to this Appendix B.
11. PBCMs are to be developed in a team approach involving appropriate Argonne Group, Chicago Operations Office, HQ, along with University of Chicago and Argonne National Laboratory representatives.
12. Failure to include a specific objective and/or measure in the contract as part of Attachment 3 does not eliminate the need for the Contractor to comply with any contractual requirements, and failure to comply may result in the Contracting Officer modifying the performance rating achieved against a specific performance measure.

13. The Director of the Office of Science (SC-1) has the primary responsibility for evaluating Science and Technology performance, but input also will be sought from cognizant DOE Assistant Secretaries, Office Directors and Program Managers. The Contracting Officer has the primary responsibility for evaluating the Operational (Critical Operations and General Operations) performance in accordance with the objectives, measures, and expectations of Attachment 3 to this Appendix B. However, the Contracting Officer shall inform SC-1 of any issues or concerns that should be considered when evaluating the Contractor's performance in Science and Technology. This is especially important in those areas where operational performance could have a significant impact on the Contractor's ability to conduct successful research for the Department. The Contractor has primary responsibility to compile the data necessary to document its performance against all measures.
14. For reasons beyond the Contractor's control, certain data input may not be available to meet the appraisal schedules outlined in Attachment 4 to this Appendix. The evaluation shall proceed according to schedule for measures which have complete data. Final ratings shall not be determined until all ratings are completed. A final assessment report with final adjectival ratings will only be issued when sufficient data is available to evaluate the Contractor's performance against all measures. The Contracting Officer may, based upon the measures completed and the performance achieved, award a provisional portion of any performance incentive, pending the complete assessment of all measures, at which time the final incentives earned will be determined and awarded.
15. The Contractor and DOE agree to establish specific weights to the following Performance Areas: Section I (Science and Technology) and Section II (Critical Operations). In addition, within each of these areas, individual measures will have expectations established to gauge Laboratory performance. If the Parties cannot reach agreement on either, the specific weights for the evaluation criteria or the individual expectations, the Contracting Officer shall have the right to establish such weights and/or expectations.
16. In the event the Contracting Officer determines it necessary to exercise the right set forth in 15 above, the Contracting Officer will notify the Contractor in writing of the intended decision. The final weightings and/or expectations will be issued to the Contractor within 10 working days.
17. Subject to the paragraphs below, the Contractor shall have the ability to earn an annual performance fee as described in Attachments 5 and 5a of this Appendix.

If the Contractor's performance in any one Performance Area of Science and Technology or any Performance Measure in the Performance Area of Critical Operations, achieve a "marginal" or below rating (unsatisfactory), the Contractor will not be entitled to any performance fee.

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October 1, 2000 – September 30, 2001
Attachment 1

If the Contractor earns and receives any performance fee for its performance, the Contractor will devote \$375,000 from any such fee received each fiscal year of the contract, to Joint Research Projects between the Contractor and Laboratory scientists, as described in Part I, Section H, Clause 28 - Joint Research Projects, of this Contract.

Proposed Revision to Appendix B

PERFORMANCE AREAS

SECTION I – Science and Technology		
Section	Performance Area	Weight
I	Science and Technology	55%
SECTION II – Critical Operations Performance Measures		
Section	Performance Area	Weight
II.1	Leadership	8%
II.2	Environment, Safety and Health	20%
II.3	Infrastructure	17%
	Total:	45%
SECTION III – General Operations System Assessment Measures		
Section	Performance Area	Weight
III.1	Environment, Safety and Health	15%
III.2	Infrastructure	15%
III.3	Business Operations	
	a. Financial Management	4%
	b. Human Resources	4%
	c. Diversity	4%
	d. Procurement	4%
	e. Personal Property	8%
	f. Intellectual Property	4%
	g. General Law	4%
	h. Scientific & Technical Information	4%
	i. Information Management	4%
	j. Safeguards and Security	8%
	k. Counterintelligence	7%
III.4	Stakeholders Relations	
	a. Communications and Trust	5%
	b. Technology Transfer	5%
	c. Work for Others	5%
	TOTAL	100%

July 31, 2001
Modification No. M375
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October 1, 2000 - September 30, 2001
Attachment 3

Performance Objectives, Measures, and
Expectations for
Performance Measures and
System Assessment Measures

**PERFORMANCE MEASURES
ARGONNE NATIONAL LABORATORY
SECTION I. - SCIENCE AND TECHNOLOGY
(10/27)**

MEASURE 1: QUALITY OF RESEARCH

Reviewers will evaluate the overall quality of the research performed. Depending on the nature of the program, reviewers will consider the following.

SCIENCE: Success in producing original, creative scientific output that advances fundamental science and opens important new areas of inquiry; success in achieving sustained progress and impact on the field; and recognition from the scientific community, including awards, peer-reviewed publications, citations, and invited talks.

TECHNOLOGY: Whether there is a solid technical base for the work; the intrinsic technical innovativeness of the research; the importance of contributions made to the scientific and engineering knowledge base underpinning the technology program; and recognition from the technical community.

MEASURE 2: RELEVANCE TO DOE MISSIONS AND NATIONAL NEEDS

Reviewers will consider whether the research fits within and advances the missions of DOE; contributions to U.S. leadership in the international scientific and technical communities; contributions to the goals and objectives of the strategic plans of DOE and other national programs; and the extent of productive interaction with other science and technology programs. Depending on the nature of the program, reviewers will consider the following.

SCIENCE: The program's track record of success in making scientific discoveries of technological importance to DOE missions and U.S. industry; the degree of industrial interest in follow-on development of current research results; and the effective use of national research facilities that serve the needs of a wide variety of scientific users from industry, academia, and government laboratories.

TECHNOLOGY: The value of successfully developing precommercial technology, to DOE, other federal agencies, and the national economy; the extent to which expected benefits justify the program's risks and costs; and, where appropriate, the degree of industrial interest, participation, and support.

MEASURE 3: SUCCESS IN CONSTRUCTING AND OPERATING RESEARCH FACILITIES

Reviewers will consider whether the construction and commissioning of new facilities is on time and within budget; whether facility performance specifications and objectives are achieved; the reliability and safety of operations; adherence to planned schedules; and the cost-effectiveness of maintenance and facility improvements. **This Measure includes but is not necessarily limited to ANL's performance related to aspects of the Spallation Neutron Source (SNS) project, for which ANL is the responsible Laboratory.*

Reviewers of user facilities will also consider whether the user access program is effective, efficient, and user-friendly; the quality of the proposal evaluation process; the strength and diversity of user participation; the productivity of the research supported, both in science and technology; and the level of satisfaction among user groups.

MEASURE 4: EFFECTIVENESS AND EFFICIENCY OF RESEARCH PROGRAM MANAGEMENT

Reviewers will consider the quality of research plans; whether technical risks are adequately considered; whether use of personnel, facilities, and equipment is optimized; success in meeting budget projections and milestones; the effectiveness of decision-making in managing and redirecting projects; success in identifying and in avoiding or overcoming technical problems; the effectiveness with which technical results are communicated to maximize the value of the research results and to gain appropriate recognition for DOE and the Laboratory; effectiveness in developing, managing, and transferring to industry intellectual property and technical know-how associated with research discoveries; and, the degree to which customer and stakeholder expectations are consistently met.

Notes and Assumptions:

Cognizant DOE Assistant Secretaries and Office Directors have primary responsibility for evaluating the performance of Laboratory Science and Technology programs. In carrying out this responsibility, the Assistant Secretaries and Office Directors are likely to request assistance from the Program Managers under whose jurisdiction the various individual Laboratory programs fall.

In performing this evaluation, the Assistant Secretaries and Office Directors have available input from the following sources:

- *DOE Program Managers who carry out periodic reviews of the programs they fund.* These reviews may include use of independent technical experts. Written reviews can be used by the Program Managers as a basis for evaluating the quality of the science and technology performed by the Laboratory and its relevance to their programmatic goals.
- *The University of Chicago and the Science and Technology Advisory Committee of the Board of Governors for Argonne, which oversee reviews of technical programs at Argonne.* Each major Laboratory program is reviewed on a 12-18 month cycle by an independent review committee whose membership is drawn from the external scientific, engineering, and business communities. The Committees evaluate Laboratory divisions and programs with respect to the quality and performance of the staff, the quality and timeliness of the work, and the relevance of the programs to the goals of the Laboratory and of sponsoring agencies. Reviews include consideration of the performance measures described below in this Appendix. The Committees' written reports and the Laboratory's responses are made available to the University, to the Board of Governors for Argonne, DOE Contracting Officers, and to relevant DOE Program Managers.

In addition, input from the following sources may be used:

- Advisory committees reporting to the cognizant DOE Assistant Secretary or Office Director that are appointed formally through the Federal Advisory Committee Act.
- Reviews of relevant Laboratory activities requested for the Secretary of Energy or for cognizant Assistant Secretaries and Office Directors.
- Program Guidance: Specific Program milestones/deliverables are communicated to the Contractor through Program Guidance documents. Program Offices will evaluate Contractor's performance against Programmatic guidance provided during the evaluation period.

Summaries of recent documented reviews and ratings of Laboratory programs are provided to cognizant Assistant Secretaries and Office Directors and to Program Managers at DOE for their use in evaluating Laboratory performance.

The performance measures described in this Appendix will be used by cognizant DOE Assistant Secretaries, Office Directors and Program Managers to evaluate Laboratory performance. Listed under each performance measure are potentially significant considerations that may apply to a given program. For the program being evaluated, the cognizant Assistant Secretaries, Office Directors and DOE Program Managers are responsible for assigning a weighting factor for each included performance measure that reflects its relative importance. The weighting factors will then be used to develop a composite (overall) rating for the program.

Based on information obtained by the DOE Program Manager, the Contracting Officer will then develop an overall performance rating for the Laboratory's science and technology by weighting the overall rating for each program area by its total budget.

- * For the SNS performance, to be measured as part of measure 3, a standard project management cost and schedule variance analysis will be performed and included as part of the evaluation. The performance expectation will be the same as the one included under Section II.3.A. – Infrastructure (ANL-E).

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Modification No. M375
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October 1, 2000 - September 30, 2001
Attachment 3

Section II

Critical Operations (Performance Measures)

**PERFORMANCE MEASURES
ARGONNE NATIONAL LABORATORY
SECTION II.1. - LEADERSHIP**

OBJECTIVE: Both the Chicago Operations Office and the University of Chicago believe that corporate commitment is a critical success factor in the management of Argonne National Laboratory (ANL).

MEASURE: To demonstrate this corporate commitment, The University of Chicago will perform the following activities with regard to the management of ANL:

Assure that the Laboratory is led by individuals with the requisite skill to direct all its program and activities.

Require effective succession planning within ANL at the Associate Laboratory Director and lower key positions.

Assure development of generally accepted management systems and processes for enhancing ANL business operations.

Assure corporate involvement and support is demonstrated in the annual self-assessment process.

Utilizing the Board of Governors, review committees and other corporate resources, conduct management assessments in various areas of ANL operations. Through such resources and Laboratory staff, identify new initiatives to enhance the efficiency of the operations as well as cost savings initiatives.

Through the resources mentioned, provide strategic guidance to the science, technology and environmental, safety and health missions of ANL.

EXPECTATION: (LD1) The University of Chicago will perform a self-assessment each year that explicitly describes what it has done to address each of the above listed activities. The Chicago Operations Office Argonne Group (CH-ARG) will review and evaluate the University of Chicago self-assessment. If the CH-ARG evaluation of the University of Chicago self-assessment reaches different conclusions than those included in the University of Chicago self-assessment then the CH-ARG Manager and the University of Chicago Vice President for Argonne National Laboratory will discuss the differences. The CH-ARG Manager will make a final determination. Performance relative to each item will be determined as acceptable or unacceptable.

Performance related to the measure, as a whole, will be determined as follows:

Outstanding	all 6 activities determined acceptable
Excellent	5 of the 6 activities determined acceptable
Good	4 of the 6 activities determined acceptable
Marginal	3 of the 6 activities determined acceptable
Unsatisfactory	≤ 2 of the 6 activities determined acceptable
Weight: 100%	

PERFORMANCE MEASURES
ARGONNE NATIONAL LABORATORY
SECTION II.2. - ENVIRONMENT, SAFETY AND HEALTH
(10/17)

OBJECTIVE: Maintain an Argonne Integrated Safety Management System (ISMS) that implements DOE's objectives, guiding principles, and core functions of Integrated Safety Management. The goal of the ISMS is to prevent injuries and fatalities and incidents of illness by eliminating worker exposure to hazards and ensuring environmental quality.

MEASURE 1: Monitor long-term implementation of the ISM system

EXPECTATION 1: (CE1) Percentage resolution of individual opportunities for improvements and issues identified during the ISMS verification by May 31, 2001

Notes and Assumptions:

1. ARG Facility Representatives will validate the resolution of individual opportunities for improvement and issues represented by 15 corrective actions (Resolutions may include no action if appropriate)
2. Disputes over the adequacy of a resolution will be brought to the attention of Argonne Group Management for a decision

Performance Level	Corrective Action Resolution
Outstanding	14-15
Excellent	12-13
Good	11
Marginal	<11

Weight: 20%

EXPECTATION 2: (CE2) Establish a self-assessment system that ensures long-term performance monitoring of the ISMS by May 31, 2001

Notes and Assumptions:

1. ARG will review and comment on the performance monitoring system, results and proposed improvements. Achieving each expectation is based on resolution of ARG comments.

Performance Level	Metric
Outstanding	Incorporate performance monitoring system on or Before 5/31/01
Excellent	1-30 days beyond due date
Good	31-45 days beyond due date
Marginal	>45 days beyond due date

Weight: 20%

MEASURE 2: Prevent fatalities, injuries, incidents of illness, exposures and releases in excess of established limits

EXPECTATION 1: (CE3) Collective Laboratory-wide Total Effective Dose Equivalent (TEDE) to monitored individuals. (see expectation 2 for notes and assumptions and goals)

Weight: 10%

EXPECTATION 2: (CE4) Number of Radioactive Contaminations and Contaminated Individuals, expressed as Contamination Index.

(To be calculated based on FY 2001 Work Plans (see notes and assumptions)).

Notes and Assumptions for expectation 1 and 2:

1. Performance expectations 1 and 2 will be based on Total Effective Dose Equivalent (TEDE) and on an index combining the number of reportable external contamination events and the number of personnel contaminated on a fiscal year basis. The TEDE is a measure of the risk to the total population of radiation workers at ANL-E and ANL-W and includes dose assigned from internal deposition of radioactive material. The Contamination Index (CI) measures effectiveness of unconfined radioactive material control. A joint committee of Argonne Group (ARG) and ANL representatives appointed by the ARG Manager and the ANL RadCon Managers, respectively, will review the occupational radiation protection performance measures quarterly and agree on adjustments to performance expectations 1 and 2 performance levels as necessary to account for changes in scope of radiological work. The meeting will be held when results from processing the quarterly Thermal Luminescent Dosimeters (TLD) badges are available (currently approximately six weeks after the end of the quarter).
2. The collective TEDE performance expectation will be based on the combined ALARA goals for ANL-E and ANL-W, excluding Divisions whose goal is 0.5 person-rem or less and excluding dose received at the New Brunswick Laboratory.
3. The Contamination Index (CI) is determined by summing the number of external contamination events which are reportable through the ORPS system (as specified by DOE Order 232.1A) and the number of personnel contaminated during the contamination events and dividing by two. The Index emphasizes both early detection (number of personnel) and event prevention (number of contamination events) since contamination has typically delivered very low collective dose. The CI for ANL-E is (TBD) and the CI for ANL-W is (TBD). Adding gives a combined CI for ANL-E and ANL-W of for CY2001 of (TBD).
4. The ALARA goal is used as the boundary value between "Excellent" and "Good" performance in table. The ratings are then based on 10% changes in the TEDE and 10 units of change for the Contamination Index (due to the stochastic nature of contamination events under a set of contamination controls).

5. The goal of Expectation 1 is normally a straight addition of ANL-E and ANL-W goals. The goal of Expectation 2 is the sum of the number of reportable contamination events and the number of reportable personnel receiving external contamination divided by two. The ANL-E and ANL-W goals are added. Goals for successive fiscal year are to be established based on predicted operations for that year and will be established prior to the end of the first quarter of the fiscal year.

Fiscal Year 2001

TEDE: (TBD)

CI: (TBD)

(to be calculated)

Performance Level	Metric Collective TEDE (person-rem)	Metric Contamination Index
Outstanding		
Excellent		
Good		
Marginal		

Weight: 15%

EXPECTATION 3: (CE5) On a fiscal year basis, the percentage of employees Laboratory-wide who have completed specific training requirements.

Notes and Assumptions:

1. The Contractor will evaluate the overall effectiveness of Lab-wide training programs, and report the results in the Annual Self-Assessment (FY 2001).
2. The course listing for the included training requirements will be mutually agreed to by ARG and ANL on an annual basis, as being important to ES&H, meeting specific needs of employees, and being based on the requirements of work performed and hazards identified with the work.
3. The population included is all badged on-site ANL employees except for those in the "STA" category. The effectiveness of the Contractors training program for STA employees, students, subcontractors, etc., will be evaluated and reported in the Contractors Annual Self-Assessment.
4. The data used to calculate the performance expectation will be extracted from the ANL-E and ANL-W site's respective Training Management System (TMS). This will be done within plus or minus 2 working days of the last working day of the month.

5. The percentage achieved is calculated by dividing the total number of person-course requirements achieved by the total person-course requirements. A person-course requirement is the identification that an individual is required to take a specific course. When a previously trained individual goes beyond the expiration date (if there is one) of a specific course, then that person-training requirement reverts to an unfulfilled requirement until the required retraining is actually accomplished.
6. The quarterly averages are for months ending December '00, March '01, June '01, and September '01.

Performance Level	Percent Completion of Training Specified (4 Quarter Average)
Outstanding	>96
Excellent	91 to 96
Good	85 to 90
Marginal	<85

Weight: 15%

EXPECTATION 4: (CE6) Air and Water Effluent Limits

ANL air and water effluent limit exceedances are below EPA's criteria for significant non-compliance status.

Notes and Assumptions:

1. High, medium, and low significance exceedances as defined below are based on EPA enforcement policy criteria.

NPDES (water pollution control permit) exceedances by outfall:

Low significance – Fewer than four exceedances of monthly average permit limit for a pollutant in a six month period and no more than one exceedance exceeds 1.4 times the monthly average limit for Group I Pollutants or 1.2 times the monthly average limit for Group II Pollutants (see 40 CFR Section 123.45).

Medium significance – Four or five exceedances of monthly average limit for a pollutant in a six month period or two or three exceedances for a pollutant in a six month period exceed 1.4 times the monthly average limit for Group I Pollutants or 1.2 times the monthly average limit for Group II Pollutants.

High significance – Six exceedances of monthly average limit for a pollutant in a six month period or four or more exceedances for a pollutant in a six month period exceed 1.4 times the monthly average limit for Group I Pollutants or 1.2 times the monthly average limit for Group II Pollutants.

2. Air pollution control permit exceedances (this is for Boiler #5, which burns coal and is equipped with continuous emission monitors for opacity and SO₂).

Definitions:

Low significance – Emissions exceed limit less than 5% of operating time in a quarter.

Medium significance – Emissions exceed limit more than 5% of operating time in a quarter.

High significance – Emissions exceed limit more than 5% of operating time for two consecutive quarters

3. ANL assessment of performance under this measure will include a description of proactive management strategy to reduce or minimize releases.

Performance Level	Metrics
Outstanding	No exceedances occur; or only low significance exceedances occur and a proactive management strategy is in place to reduce or minimize releases.
Excellent	Only low significance NPDES or air pollution control permit exceedances occur during the performance period and no proactive management strategy is in place to reduce or minimize releases.
Good	Medium significance NPDES or air pollution control permit exceedances occur during the performance period.
Marginal	High significance NPDES or air pollution control permit exceedances occur during the performance period.

Weight: 20%

PERFORMANCE MEASURES
ARGONNE NATIONAL LABORATORY
SECTION II.3.A. – INFRASTRUCTURE (ANL-E)
(10/26)

This Core Operation includes the construction, upgrades, and maintenance of facilities and infrastructure, as well as, environmental and other projects. The construction, maintenance, and environmental activities are managed as projects with an approved scope, cost, and schedule baseline. These projects directly support the ANL mission.

Consistent with the objective of DOE Order 430.1A, Life Cycle Asset Management and Draft Order O 413.X, Program and Project Management For The Acquisition Of Capital Assets, the intent of these performance expectations is to ensure that facilities, facility improvements, or other projects are managed in an effective manner to maximize their value to DOE. Four different types of projects are assessed. These are categorized by their funding source and/or end purpose:

- 1) Multiprogram Energy Laboratories - Facilities Support (MEL-FS) - Line Item Projects
- 2) General Plant Projects (GPP)
- 3) Environmental Management Projects

OBJECTIVE: Projects shall be managed efficiently and within DOE approved baselines.

MEASURE: All approved projects are completed on time, within budget, and meet baseline scope requirements.

EXPECTATION: The performance indicator for projects examines compliance with the approved project baselines.

A. Project Schedule Compliance (CI1a)

This performance expectation is intended to encourage project schedule implementation in accordance with the approved baselines.

Description of Method:

$$\text{Project Schedule Compliance} = \frac{\text{Sum of BCWP}}{\text{Sum of BCWS}}$$

<u>Performance Level</u>	<u>Metrics</u>
Outstanding	0.97 and above
Excellent	0.93 to 0.96
Good	0.89 to 0.92
Marginal	0.85 to 0.88

Weight: 33%

B. Project Cost Compliance (C11b)

This performance expectation is intended to encourage project compliance within the approved cost baselines.

Description of Method:

$$\text{Project Cost Compliance} = \frac{\text{Sum of BCWP}}{\text{Sum of ACWP}}$$

<u>Performance Level</u>	<u>Metrics</u>
Outstanding	0.97 and above
Excellent	0.93 to 0.96
Good	0.89 to 0.92
Marginal	0.85 to 0.88

Weight: 50%

Notes and Assumptions:

1. ANL and CH-ARG to reach agreement on the scope, schedule and cost baselines prior to project funding. Not all projects are approved at the beginning of the evaluation period.
2. A project shall be considered complete upon beneficial occupancy/use of the facility/system/equipment, as appropriate, provided that the remaining construction activities are limited to minor punch list items, and that such occupancy/use can be conducted in a safe manner and without interruptions by the remaining construction activities.
3. Only those projects that are completed during the performance period will be eligible for this measure. However, EM projects will be measured annually. In either case, the performance will be based upon cumulative scope, schedule, and cost.
4. The total of all GPP funded projects completed in a single fiscal year will be treated as a separate funded line item project.

5. Any project Baseline Change Requests submitted by ANL will be approved or disapproved by CH-ARG, within 30 calendar days.
6. All performance measurement values shall be based, on the Earned Value System (EVS).

EVS Legend: BCWS = Budgeted Cost of Work Scheduled
 BCWP = Budgeted Cost of Work Performed
 ACWP = Actual Cost of Work Performed

C. Waste Minimization and Pollution Prevention Performance (CI1c)

This performance expectation is to support DOE pollution prevention goals.

Description of Method:

Waste Minimization and Pollution Prevention Performance = Number of Tasks Successfully Completed

- 1) Track and provide current status of progress toward each Secretarial goal for waste reduction and affirmative procurement for FY2000 using the calendar year 1993 as the baseline. The definition of 'waste from routine operations' is described in DOE's "Pollution Prevention Program Plan – 1996" and in the "Notes and Assumptions" section below.
- 2) During FY01, demonstrate continuous improvement in reducing waste generation rates for the waste streams identified in the overall DOE pollution prevention goals by maintaining waste generation rates below the linear track between the base year and the FY2005 goals for hazardous, mixed, radioactive, and solid waste streams.
- 3) Based on guidance provided by DOE, complete in FY01 the waste minimization and pollution prevention plan. This is a three-year plan, and will be updated to reflect current year requirements during the off-year cycles. The plan is subject to ARG approval and shall address specific reduction goals for each of the four following waste streams: hazardous, mixed, radioactive, and solid waste.
- 4) For ANL-E, implement actions related to waste minimization and pollution prevention as outlined in the Waste Operations Transition Plan.
- 5) Conduct Pollution Prevention Opportunity Assessments (PPOAs), Process Waste Assessments (PWAs), experimental reviews, and other assessment methodologies to identify and document cost effective methods to improve the process.
- 6) Develop formal procedures for incorporating pollution prevention into all experimental reviews and design activities, including assessments and alternative reviews for waste generation from new research projects prior to project initiation.

- 7) Demonstrate that the operations and research organizations are implementing practices outlined in the procedures developed under Item 6.
- 8) For ANL-E, continue the efforts with the waste minimization and pollution prevention advisory committee and formalize representation from each Associate Laboratory Directorships and the Chief Operations Office.
- 9) Ensure all waste minimization and pollution prevention efforts are centrally coordinated to secure an effective program that addresses all aspects of the Lab's activities, to include but not limited to operations and program research work.

Expectation for Pollution Prevention Performance

<u>Performance Level</u>	<u>Completed Tasks</u>
Outstanding	7
Excellent	6*
Good	5*
Marginal	4

*Must complete tasks 2, 3, 4 and 8

Weight: 17%

Notes and Assumptions:

- 1. All measures apply to both ANL-E and W, except paragraphs 4 and 8, which apply only to ANL-E.
- 2. Waste generated from environmental restoration, new construction, major rehabilitation, and legacy waste are not considered 'waste from routine operations' for the purposes of this performance measure.
- 3. A less than linear reduction rate for these goals requires proper justification in order to be deemed sufficient.
- 4. The U.S. Department of Energy's Secretarial goals for waste reduction and affirmative procurement are listed below.

Pollution prevention and affirmative procurement goals:

- Reduce waste from routine operations by 2005, using a 1993 baseline, for these waste types:

Hazardous	90 percent
Low Level Radioactive	80 percent
Low Level-Mixed Radioactive	80 percent
Transuranic (TRU)	80 percent

- Reduce releases of toxic chemicals subject to Toxic Chemical Release Inventory reporting by 90 percent by 2005, using a 1993 baseline.
 - Reduce sanitary waste from routine operations by 75 percent by 2005 and 80 percent by 2010, using a 1993 baseline.
 - Recycle 45 percent of sanitary wastes from all operations by 2005 and 50 percent by 2010.
 - Reduce waste resulting from cleanup, stabilization, and decommissioning activities by 10 percent on an annual basis.
 - Increase purchases of EPA-designated items with recycled content to 100 percent, except when not available competitively at reasonable price or that do not meet performance standards.
5. If significant changes are required, due to circumstances beyond ANL's control, such as overall funding reductions, then a request for baseline change should be prepared by ANL and approved by CH-ARG.
 6. Waste generated from new processes supporting operations, may form a basis for adjustment of the base year value for this performance measure.

**PERFORMANCE MEASURES
ARGONNE NATIONAL LABORATORY
SECTION II.3.B. – INFRASTRUCTURE (ANL-W)
(10/27)**

This Core Operation includes the Office of Nuclear Energy, Science and Technology (NE) work performed at Argonne-West. The majority of the NE work at ANL-W has been projectized. This means that we are using project management techniques to manage these programs. Consistent with the objective of DOE Order 430.1A, Life Cycle Asset Management and Draft Order O 413.X, Program and Project Management For The Acquisition Of Capital Assets, the intent of these performance expectations is to ensure that the work at ANL-W is managed in an effective manner to maximize their value to DOE.

Three programs have been identified that include all of the NE work at ANL-W. These three programs are:

1. Spent Fuel Treatment
2. EBR-II Plant Closure
3. Infrastructure (to be monitored only in FY-01; not to be rated in FY-01)

OBJECTIVE: ANL-W work shall be managed efficiently and within DOE approved baselines.

MEASURE: All approved ANL-W work is completed on time, within budget, and meet baseline scope requirements.

EXPECTATION: The performance indicator for ANL-W work examines compliance with the approved project baselines.

A. Schedule Compliance (CIW1a)

This performance expectation is intended to encourage schedule implementation in accordance with the approved baselines.

Description of Method:

$$\text{Schedule Compliance} = \frac{\text{Sum of BCWP}}{\text{Sum of BCWS}}$$

Topical areas to be assessed this year include the following:	Topical areas to be assessed this year include the following:	Topical areas to be assessed this year include the following:
<ul style="list-style-type: none"> - SAI Travel Costs - Management of Indirect Costs - Payables - * Functional Costs 	<ul style="list-style-type: none"> - SAI Travel Costs - ⁴ Management of Indirect Costs (Focus Areas: Divisional Overheads, ALD's) - Internal Audit - Budget Process - * Functional Costs 	<ul style="list-style-type: none"> - SAI Travel Costs - ⁴ Management of Indirect Costs (Focus Areas: TBD) - Payroll - Cash Management - * Functional Costs

- * 1. Describe how the Functional Accounting data are collected to meet the DOE-HQ Functional Accounting reporting requirement.
- * 2. As part of the process description, describe how the data are validated.
- * 3. At year-end add explanations for any support functional area that has greater than plus or minus 5% or \$100K variance whichever is greater.
- 4. Assessment should place a specific emphasis on the Laboratory's program at aggressive overhead control.

The assessment of the above topical areas should address how effective systems are working at a minimum; the assessment should answer the following questions:

- Are the existing system internal controls adequate?
- Are the existing written procedures being followed?
- How does performance compare with last years, other DOE Labs or industry?
- Do you feel that the current system is working well or could improvements be made?

What is the basis for determining effectiveness of the system and/or practices? Same as Year 1. Same as Years 1 and 2.

Identify opportunities for improvement and/or notable practices. Same as Year 1. Same as Years 1 and 2.

Report:

Report year-end report on the level of performance achieved against the above system measures (Self-Assessment Scope). Provide self assessment results as required by 3. above in the year end self assessment report.

DOE Operational Awareness:

DOE interaction on an as need basis. Will review the year end self-assessment report and determine the need for an on-site validation.

<u>Performance Level</u>	<u>Metrics</u>
Outstanding (4)	0.97 and above
Excellent (3)	0.90 to .96
Good (2)	0.83 to 0.89
Marginal (1)	0.75 to 0.82

Weight: 42.5%

A cumulative rating for schedule compliance will be based on the annual funding for the three programs. A rating for each program will be provided on an annual basis. A calculation for the Cumulative Rating for the Schedule Compliance will be determined from:

Cumulative Rating for the Schedule Compliance = (Rating for Program 1 x FY budget for Program #1 + Rating for Program 2 x FY budget for Program #2) / (sum of the annual ANL-W budgets, for that fiscal year, that are assigned to the two programs)

While this formula will be in effect every year, the fiscal year budgets for each program will vary from year-to-year.

B. Cost Compliance (CIW1b)

This performance expectation is intended to encourage compliance within the approved cost baselines.

Description of Method:

$$\text{Cost Compliance} = \frac{\text{Sum of BCWP}}{\text{Sum of ACWP}}$$

<u>Performance Level</u>	<u>Metrics</u>
Outstanding (4)	0.97 and above
Excellent (3)	0.90 to 0.96
Good (2)	0.83 to 0.89
Marginal (1)	0.75 to 0.82

Weight: 42.5%

A cumulative rating for the program cost compliance will be based on the annual funding for the three projects. A calculation for the Cumulative Rating for the Schedule Compliance will be determined from:

Cumulative Rating for the Program Cost Compliance = (Rating for Program 1 x FY budget for Program #1 + Rating for Program 2 x FY budget for Program #2) / (sum of the annual ANL-W budgets, for that fiscal year, that are assigned to the two programs)

While this formula will be in effect every year, the fiscal year budgets for each program will vary from year-to-year.

C. Management (CIW1c)

This performance expectation is intended to assure high quality management by the Laboratory. It includes the Laboratory's responses to new initiatives and assistance to NE in responding to stakeholders. It also includes other work activities not directly captured in performance expectations covered under the cost and schedule variances above. For those FY-01 tasks and activities designated to be evaluated under this metric, the following standard applies:

Outstanding – significantly exceeds the standards of performance (as documented in the guidance or direction letter); achieves noteworthy results; accomplishes very difficult tasks in a timely manner.

Excellent – exceeds the standard of performance, although there may be room for improvement in some elements; better performance in all other elements more than offsets this.

Good – meets the standard of performance; assigned tasks are carried out in an acceptable manner – timely, efficient and economical; deficiencies do not substantially affect performance

Marginal – below the standard of performance; deficiencies require management attention and corrective action.

Weight: 15%

D. Final Cumulative Rating

Unless designated otherwise, the cost variance rating and the schedule variance rating will each have 42.5% weighted value in determining a final cumulative rating. The management rating will have a 15% weighted value in determining a final cumulative rating. The final cumulative rating will be used to determine fee.

Notes and Assumptions:

1. ANL prepares an Implementation Plan (IP) for each of the three ANL-W programs. Approval of the scope, cost, and schedule baselines occurs with the approval of the IP. Performance measurements are against the approved baselines.
2. Each IP will include a description of the following project management system for that project:
 - a. earned value system for measuring performance
 - b. reporting system for reporting performance and issues
 - c. change control system to control and approve changes
3. A major milestone shall be considered complete when the scope for the major milestone has been completed. Typically, completion can include a limited number of punch list items or equivalent. The significance of the punch list items or equivalent and time required to resolve them will be factored into a judgment on their significance.

4. Cost and schedule performance will be judged at the end of each performance period (fiscal year). Performance will be based upon cumulative scope, schedule, and cost performance.
5. Any Baseline Change Requests submitted by ANL will be approved or disapproved by CH-ARG, or the Program Sponsor, as appropriate, within 30 calendar days.
6. All performance measurement values shall be based, on the earned value system in the IP for that project.

Where: BCWS = Budgeted Cost of Work Scheduled
 BCWP = Budgeted Cost of Work Performed (earned value)
 ACWP = Actual Cost of Work Performed

7. The performance metrics are based on the cancelled DOE Order 4700.1 Project Management Systems that defines the significance of variances as:
 - 0 to 10% variance - acceptable (Excellent and above performance)
 - 10% to 25% variance – minor concern (Marginal to Good performance)
 - greater than 25% variance – major concern (unsatisfactory performance)
8. A separate scope performance measurement does not add any additional value. The schedule variance and the scope variance both measure the amount of work accomplished compared to the amount of work planned to be accomplished (BCWP/BCWS). In determining the earned value for accomplished work, some judgment will be needed to determine if the delivered scope meets the requirements of the proposed scope. If the accomplished work does not meet requirements then full credit for the deliverable can not be obtained. The earned value system does allow partial credit for work.
9. Unless specifically identified otherwise, the weighting system for the three programs will be based on the annual funding for each program. For example, if the FY funding for one program is twice the value for the other two programs then it will be weighted twice as much.
10. For the calculations of the Cumulative Rating for the Cost and Schedule Compliance, the end of year budget numbers will be used. This will allow the effect of any baseline changes to be considered in the calculation.
11. For FY-01, the Infrastructure Program will be monitored, but not evaluated under the Expectations. If a meaningful measuring system can be developed for future performance periods, this assumption will be eliminated.

PERFORMANCE MEASURES
ARGONNE NATIONAL LABORATORY
SECTION II.3.C. – INFRASTRUCTURE – CYBER SECURITY
(12/22)

This Core Operation includes the protection of the ANL computer systems and the data maintained by the ANL computer systems from unauthorized sources and actions while providing an environment that is open for authorized interaction to effectively conduct the Laboratory's business.

OBJECTIVE: Continue to implement and improve the cyber security program at ANL that is consistent with DOE directives and guidelines.

MEASURE: Ensure that ANL develops and implements the elements of a sound cyber security program that establishes appropriate protection for the ANL computer systems and data while maintaining the environment necessary to effectively conduct the Laboratory's business.

EXPECTATION 1: (CS1) ANL will perform a Cyber Security Risk and Vulnerability Assessment of the ANL computer network systems taking into account reasonable threats and vulnerabilities. The Risk Assessment will follow current DOE guidelines. The Risk Assessment will include a Vulnerability Assessment and should identify what constitutes high, medium, and low levels of risk and what risks are acceptable for the ANL computer network systems. ANL will also discuss the use of intrusion detection in the Risk Assessment.

Risk Assessment completed by February 28, 2001 - Outstanding
Risk Assessment completed by March 31, 2001 - Excellent
Risk Assessment completed by April 30, 2001 - Good
Risk Assessment completed by May 31, 2001 - Marginal

Weight: 25%

EXPECTATION 2: (CS2) ANL will install a firewall for the ANL computer system networks. This is a three-phase process. Phase 3 will result in the completion of the entire firewall protected networks at ANL. The remaining computer systems not covered by the ANL firewall are those systems with very high processing and transmission speeds, such as the ANL Math and Computer Sciences High Performance Computing Center. Installation of the firewall means that the hardware is completed and testing has begun.

Complete installation of the ANL firewall by March 31, 2001 - Outstanding
Complete installation of the ANL firewall by April 30, 2001 - Excellent
Complete installation of the ANL firewall by May 31, 2001 - Good
Complete installation of the ANL firewall by June 30, 2001 - Marginal

Weight: 25%

EXPECTATION 3: (CS3) Starting in the first Quarter of FY-01, perform network vulnerability scans so that ½ of the network scans are completed each year and ensure that identified high and medium vulnerabilities are addressed through corrective actions or document the reasons for accepting the risk. New networks are scanned prior to being connected to the remaining ANL network. High vulnerabilities will be addressed within 40 business days of discovery and medium vulnerabilities will be addressed within 80 business days. Justified exceptions can be approved by CH-ARG. High and medium vulnerabilities will be defined in the ANL Cyber Security Risk Assessment Reporting will be based on the due date of the corrective action so that a high vulnerability discovered in August or a medium vulnerability discovered in June will be reported on in the following fiscal year.

97% - 100%	Vulnerabilities addressed within schedule - Outstanding
95% - 96%	Vulnerabilities addressed within schedule - Excellent
90% - 94%	Vulnerabilities addressed within schedule - Good
<90%	Vulnerabilities addressed within schedule - Marginal

Weight: 25%

EXPECTATION 4: (CS4) All network personnel responsible for cyber-security will be trained in their cyber security responsibilities during FY2001.

98% - 100%	Personnel Trained - Outstanding
96% - 97%	Personnel Trained - Excellent
94% - 95%	Personnel Trained - Good
<94%	Personnel Trained - Marginal

Weight: 15%

EXPECTATION 5: (CS5) Warning banners must be posted on or at all Departmental computer systems. ANL password protection policy will be checked for compliance with the DOE password policy. This expectation is for ANL to perform an internal review or inspection to ensure that ANL is complying with the DOE banner policy and password protection policy. The results of the review/inspection will be provided to DOE-CH/ARG.

Pass	– During FY-01 ANL performs an inspection/review of the ANL computer system for compliance with the DOE password protection policy and the banner policy.
Fail	– During FY-01 ANL does not perform an inspection/review of the ANL computer system for compliance with the DOE password protection policy and the banner policy.

Weight: 10%

Notes and Assumptions:

1. ANL has approximately 250 individual computer networks with over 6000 computers attached to those networks.

2. The ANL Cyber Security Protection Plan (CSPP) is completed in FY-00. The CSPP will be used to guide the development of the systems needed to protect the Laboratory's computers and data.
3. Both the GAO and OA reviews identified a number of deficiencies. These deficiencies should be considered as part of the network scans discussed in Expectation 4.
4. Regarding Expectation 3; assumes funding for firewall is received in October 2000.

July 31, 2001
Modification No. M375
Contract No. W-31-109-ENG-38
October 1, 2000 - September 30, 2001
Attachment 3

Section III

General Operations (System Assessment Measures)

**SYSTEM ASSESSMENT MEASURES
 ARGONNE NATIONAL LABORATORY
 GENERAL OPERATIONS
 SECTION III.1. - ENVIRONMENT, SAFETY AND HEALTH
 (10/12)**

OBJECTIVE: Maintain an Argonne Integrated Safety Management System (ISMS) that implements DOE's objectives, guiding principles, and core functions of Integrated Safety Management. The goal of the ISMS is ultimately to prevent injuries and fatalities and incidents of illness by eliminating worker exposures to hazards and improving environmental quality.

MEASURE 1: Achieve an improved safety culture.

EXPECTATION 1: (EH1) The Laboratory will establish a configuration control process to address issues with informal design review processes, informal experiment review and hazard analysis processes, indeterminate chemical inventories, lack of "as-built" drawings, and informal configuration management as identified in the ISMS verification.

Notes and Assumptions:

1. ANL will provide evidence of implementation of configuration control process for validation of implementation. ARG Facility Representatives will verify implementation.

Performance Level	Configuration Control Process Metric
Outstanding	Process developed and fully implemented Laboratory wide by end of FY01
Excellent	Process developed and partially implemented (>50% of divisions) by end of FY 01
Good	Process developed and partially implemented (<50% of divisions) by end of FY01.
Marginal	Process not completely developed by end of FY01.

Weight: 10%

EXPECTATION 2: (EH2) Percent of Inspections Required per Lab Manual.

The performance levels are based on the percent of inspections performed on a fiscal year basis as required by the Laboratory's ES&H Manual.

Notes and Assumptions:

1. The measure includes current inspections required in the areas of fire protection, industrial safety, and environmental compliance.
2. It specifically includes the ANL-E monthly life safety inspections required in all major occupied buildings and the twice a year facility inspections required of line management. At ANL-W it will include the scheduled inspections.

Performance Level	Percent Inspections Completed Metrics
Outstanding	>96%
Excellent	91-96%
Good	85-90%
Marginal	<85%

Weight: 12%

EXPECTATION 3: (EH3) The Laboratory will improve the effectiveness of the Environment, Safety, & Health and Infrastructure (ESH&I) Planning process to ensure that ESH&I needs are systematically prioritized and brought to Laboratory and DOE management attention for resolution in a timely manner.

Notes and Assumptions:

1. Guidance refers to that provided to the Laboratory by the DOE Office of Environment, Safety and Health (EH).
2. The quarterly reports will consist of identifications of projects that have been funded and completion dates. In addition, the October 31 report will include details required by ARG for the annual affirmation letter.
3. It is agreed that dates are subject to renegotiations if later guidance is changed.

Performance Level	ESH&I Plan Metric
Outstanding	<ul style="list-style-type: none"> • Laboratory initiates the ESH&I Planning process by December 1, 2000. A detailed schedule with milestones from start to completion is provided to all key ANL and ARG contacts. Delivery of the plan to ARG is completed by March 31. (If no guidance is provided to the Laboratory, by January 2, 2001, the Lab will proceed using fiscal year 2000 guidance.) • Quarterly updates and progress reports are provided to ARG by October 31, January 31, April 30, and July 31. • Quarterly meetings are held with line management to discuss progress and changes in ESH&I prioritization. • Laboratory has fully established and implemented comprehensive change control process for ESH&I planning process.
Excellent	<ul style="list-style-type: none"> • Completed Plan is provided to ARG by the later of April 30 or within 75 days of receipt of EH guidance with a description of the quantitative and qualitative process used to integrate ESH priorities with infrastructure priorities. • Quarterly updates and progress reports are provided to ARG by October 31, January 31, April 30, and July 31.

	<ul style="list-style-type: none"> Quarterly meetings are held with line management to discuss changes in ESH&I prioritization. Laboratory has fully established and implemented comprehensive change control process for ESH&I planning process.
Good	<ul style="list-style-type: none"> Completed Plan is provided to ARG by the later of May 31 or within 105 days of receipt of EH guidance. Quarterly updates and progress reports are provided to ARG by October 31, January 31, April 30, and July 31. Quarterly meetings are held with line management to discuss changes in ESH&I prioritization. Laboratory has partially established and implemented comprehensive change control process.
Marginal	<ul style="list-style-type: none"> Completed Plan is provided to ARG by the later of June 30 or within 135 days of receipt of EH guidance. Quarterly updates and progress reports are not being provided to ARG by October 31, January 31, April 30, and July 31. Quarterly meetings with line management to discuss changes in ESH&I prioritization are not being conducted. Laboratory has not established and implemented comprehensive change control process.

Weight: 10%

MEASURE 2: Prevent fatalities, injuries, incidents of illness, exposures and releases in excess of established limits.

EXPECTATION 1: (EH4) Days Away from Work (DAW) Case Rate

Definition: The DAW Case Rate is calculated by dividing the total number of incidences of DAW as documented in columns (3) and (10) of the OSHA 200 Log by the "per 200,000 hours worked" recorded for ANL.

Notes and Assumptions:

1. Base on DAW of current fiscal year (FY2001).
2. Final data is due to the Argonne Group Office by January 1, 2002.
3. The performance expectation ratings are determined by the average of the previous three calendar years (CY97-99) less 5%. This value is defined as the midpoint of "excellent". The remaining goal levels are determined by adding or subtracting numerical values associated with a standard normal probability distribution curve, from the mean to the Z value, associated with a 0.5 and 1.5 standard deviation.
4. Goals will be based upon the combination of ANL-E and ANL-W injury statistics. However, data will be reported separately for ANL-E and ANL-W.

(need to calculate)

Performance Level	DAW Metric Incident Rate
Outstanding	< .
Excellent	≥
Good	> .
Marginal	>

Weight: 8%

EXPECTATION 2: (EH5) Lost Workday Case Rate – The number of lost workday cases X 200,000 (100 employees working 40 hours per week for 50 weeks per year) / the actual number of hours worked.

Notes and Assumptions:

1. Base LWCR on current fiscal year (FY2001)
2. Final data for previous fiscal year due to the Argonne Group by January 1, 2002.
3. Metrics will be based upon the combination of ANL-E and ANL-W injury statistics. However, all numbers will be reported separately for ANL-E and ANL-W.
4. The performance expectation ratings are determined by the average of the previous three calendar years (CY97-99) less 5%. This value is defined as the midpoint of "excellent". The remaining goal levels are determined by adding or subtracting numerical values associated with a standard normal probability distribution curve, from the mean to the Z value, associated with a 0.5 and 1.5 standard deviation.

(need to calculate)

Performance Level	LWCR
Outstanding	<
Excellent	>
Good	>
Marginal	>

Weight: 5%

EXPECTATION 3: (EH6) Characterize and minimize employee exposures to hazardous chemicals, physical agents (except ionizing radiation) and biological agents.

Data collected for this measure would be reported as percent of workplace monitoring analyses that exceed the limit combined with a qualitative assessment of the associated response actions. This will be evaluated quarterly on a fiscal year basis.

Notes and Assumptions:

1. Since both criteria of the metric (% Exceedances and Follow-up) are considered to be of equal importance, if the data results fall within two different performance levels, the lower performance level will be assigned.
2. Exposure measurements will be corrected by the protection factor of the personal protective equipment in use. Changes in hazard potential will be considered. The more conservative of the values for PEL or TLV will be utilized.

Performance Level	Metric
Outstanding	Exposure data showing <1% exceedances of PEL/TLV* or DOE prescribed workplace exposure standards with prompt and effective follow-up to correct conditions.
Excellent	Exposure data showing <2% exceedances of PEL/TLV* or DOE prescribed workplace exposure standards with prompt and effective follow-up to correct conditions
Good	Exposure data showing 2-5% exceedances of PEL/TLV* or DOE prescribed workplace exposure standards or exceedances with inadequate follow-up to correct conditions.
Marginal	Exposure data showing >5% exceedances of PEL/TLV* or DOE prescribed workplace exposure standards or exceedances with inadequate follow-up to correct conditions.

*OSHA PEL: Occupational Safety and Health Administration Permissible Exposure Limit
 ACGIH TLV: American Conference of Governmental Industrial Hygienists Threshold Limit Values

Weight: 10%

EXPECTATION 4: (EH7) Permit Conditions and Milestones

Number of permit conditions violated (including missed permit milestones) without prior notification to DOE shall be the basis of this performance measure. Environmental permit conditions for this measure are defined by air and water pollution control permit conditions (excluding effluent limits), and the RCRA Part A and Part B Hazardous Waste Management Permits. Alleged permit condition violations issued by a regulatory agency which are contested or disputed by DOE, or are the responsibility of DOE, will not count toward this expectation.

Notes and Assumptions:

1. The list of types permit conditions to be used for this measure will be jointly agreed to during FY01.
2. ANL self-assessment will describe the ANL process for identifying permit condition violations.

Performance Level	Metric
Outstanding	Significant permit condition violations are discovered by ANL. ANL notifies DOE of violations and implements corrective action plans acceptable to DOE and the appropriate regulatory agency. No permit condition violations are discovered by DOE or regulatory agency inspectors and no permit milestones are missed.
Excellent	One significant permit condition (including permit milestones) is violated and is discovered by DOE or the regulatory agency inspectors or one permit milestone is missed.
Good	The sum of significant permit condition violations discovered by DOE or regulatory agency inspectors and missed permit milestone is two to four, inclusive.
Marginal	The sum of significant permit condition violations discovered by DOE or regulatory agency inspectors and missed permit milestones is five or more.

Weight: 13%

MEASURE 3: The Laboratory will implement changes to strengthen the sites Feedback and Improvement processes.

EXPECTATION 1: (EH8) Investigation of Incidents for Improvement Opportunities

The Laboratory will conduct 1) formal investigations of significant events, 2) formal assessments of compliance with Laboratory Policy and 3) formal evaluations of ESH Program (functional area) requirements.

Notes and Assumptions:

Significant events will be ORPS reportable and/or PAAA issues.

Performance Level	Number of Investigations/Assessments Completed
Outstanding	> 15
Excellent	12 – 15
Good	9 – 11
Marginal	< 8

Weight: 10%

EXPECTATION 2: (EH9) Accident/Incident Reporting

The Laboratory will complete accident/incident investigations in accordance with the ANL-E ESH Manual Chapter 1-7, Incident Reporting and Analysis, and ANL-E ES&H Manual Chapter 1-8, Occurance Reporting and ANL-W ES&H Manual Section 4.1N (Reporting Injury and Illness) and Argonne-West Procedure Manual Section 3.1 (Occurrence Reporting and Processing). This includes aspects such as timeliness, accuracy, completeness and corrective actions of reports as determined by Laboratory review.

Notes and Assumptions:

1. Incidents to be reviewed by the Laboratory will be OSHA recordable injuries and illnesses and ORPS reportable occurrences.
2. At ANL-E the timeliness of reporting shall apply to the transmittal date of the ANL Form 240 (Incident Reporting and Analysis) to ESH and EQO. For ANL-W the timeliness reporting shall apply to the transmittal date of the first written report of injury/illness to RPS. ORPS timeliness shall be as recorded in the ORPS database.

Performance Level	% of Reports Meeting Review Requirements
Outstanding	> 96
Excellent	91-96
Good	85-90
Marginal	< 85

Weight: 7%

EXPECTATION 3: (EH10) Timely completion of corrective actions resulting from December 1, 1999 ANL Criticality Safety Self-Assessment.

Performance Level	% of Corrective Actions implemented by March 1, 2001
Outstanding	100
Excellent	90
Good	85
Marginal	<85 or revised date not agreed to by both ANL and DOE

Weight: 10%

EXPECTATION 4: (EH11) Establishment and conduct of an annual review of the ANL Criticality Safety Program on implementation of NSPM requirements for training and qualification of Nuclear Criticality Safety staff/representatives and for criticality safety postings

Performance Level	Metric
Outstanding	Need for an annual review of the ANL Criticality Safety Program is captured in a Tier II document and the FY01 review completed by June 29, 2001.
Excellent	Need for an annual review of the ANL Criticality Safety Program is captured in a Tier II documents and the FY01 review completed by July 30, 2001.
Good	Need for an annual review of the ANL Criticality Safety Program is captured in a Tier II document and the FY 01 review completed by August 30, 2001.
Marginal	Need for an annual review of the ANL Criticality Safety Program is captured in a Tier II document and the FY01 review completed by September 29, 2001.

Weight: 5%

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
GENERAL OPERATIONS
SECTION III.2. – INFRASTRUCTURE**

System Assessment Measures:

A. Project Management Milestone Schedule Performance:

OBJECTIVE: ANL projects shall be completed within approved scheduled baselines. Major milestones are required to be completed on schedule. Key milestones will be determined at the beginning of the performance period or after baselines are approved. Some of these milestones may be identified as "Critical." Completion criteria for the milestones will also be determined during this process.

MEASURE: Key milestones will be selected from the following project areas: Environmental Management (EM) and MEL-FS, GPP. All major milestones to be completed for the performance period are negotiated between ANL and CH-ARG in the current year baseline or analogous document. An official milestone list is to be developed prior to the first quarter of the performance-rating period.

EXPECTATION: (IN1) The performance measurement for projects is intended to encourage project completion within the approved baselines.

Description of Method:

$$\text{Milestone Schedule Performance} = \frac{\text{Sum of Planned Durations}}{\text{Sum of Actual Durations}}$$

<u>Performance Level</u>	<u>Metrics</u>
Outstanding*	0.97 and above
Excellent	0.93 to 0.96
Good	0.89 to 0.92
Marginal	0.85 to 0.88

*Must complete milestones identified as "Critical."

Weight: 30%

Notes and Assumptions:

1. A milestone shall be considered complete upon beneficial occupancy inspection/use of the facility/system/equipment, as appropriate, provided that the remaining construction activities are limited to minor punch list items, and that such occupancy/use can be conducted in a safe manner and without interruptions by the remaining construction activities. If the above criteria is not an adequate measure of completion for a designated milestone, completion criteria must be determined prior to added the milestone to the official list.
2. Milestone dates can only be changed by mutual agreement. CH-ARG will approve or disapprove (with basis) ANL request for changes to the official list within 10 days.

B. Maintenance

OBJECTIVE 1: Facility operations and maintenance shall be efficiently and effectively managed consistent with mission, risks and cost. The facilities at the ANL site shall be managed to ensure that real property usage is maximized and facilities are adequately maintained.

MEASURE 1: Facilities are adequately maintained and operated to minimize life-cycle costs. The net effect is to ensure that the stewardship of the physical assets shall be accomplished in a cost effective manner. The measure of this objective is the ratio of funding spent on maintenance to funding planned to be spent.

EXPECTATION: (IN2) ANL is required to have a program for the operation and maintenance of its physical assets. This includes identifying the condition of the physical assets; establishing maintenance requirements; and establishing budgets to maintain the physical assets; implementing preventive, predictive, or corrective maintenance to ensure the assets are available for use. It is the intent of this performance expectation to ensure that facilities assets do not become liabilities. The price of a poor maintenance program is damage to facilities that could be avoided; disruption of normal activities within buildings; and threats to health and safety of building occupants.

$$\text{Maintenance Program} = \frac{\text{Funding spent on maintenance activities}}{\text{Funding planned to be allocated to maintenance}}$$

<u>Performance Level</u>	<u>Metrics</u>
Outstanding	.95 and above
Excellent	.89 to .94
Good	.80 to .88
Marginal	.87 and below

Weight: 30%

Notes and Assumptions:

1. An annual maintenance plan will be developed by ANL and agreed to by CH-ARG, prior to the start of each fiscal year. This plan will include the funding levels allocated for maintenance activities, the rationale or basis for that funding level and a list of the significant maintenance activities to be performed during the evaluation period. This plan will be baselined.
2. If significant changes are required to the plan, due to circumstances beyond ANL's control, such as overall funding reductions, then a request for baseline change should be prepared by ANL and approved by CH-ARG.
3. The maintenance plan and rationale for the proposed funding level should take into account, the backlog of deferred maintenance activities, trends and projections, the assessment surveys, and maintenance funding as a percentage of total operating funds.
4. Maintenance is defined as below (including operating funded projects) consisting of the following types of activities:
 - building maintenance
 - utility systems maintenance
 - preventive and corrective maintenance
 - custodial maintenance
 - paved area maintenance
 - ground maintenance

OBJECTIVE 2: Manage the stewardship of facility assets in a cost-effective manner that ensures their safe and reliable operation and that is consistent with program missions. Facility operations and maintenance shall be efficiently and effectively managed consistent with mission, risks and cost.

MEASURE 1: The intent is to measure the effectiveness and timeliness of the Laboratory's facility maintenance program. Percent of scheduled preventive *building* maintenance (PM) activities completed within 30 days of scheduled date.

EXPECTATION: (IN3) ANL's is required to have and implement a program for the operation and maintenance of its physical assets. This includes identifying the condition of the physical assets; establishing maintenance requirements; and establishing budgets to maintain the physical assets; implementing preventive, predictive, or corrective maintenance to ensure the assets are available for use. It is the intent of this performance expectation to ensure that facilities assets do not become liabilities. The price of a poor maintenance program is damage to facilities that could be avoided; disruption of normal activities within buildings; and threats to health and safety of building occupants.

<u>Performance Level</u>	<u>Metrics</u>
Outstanding	95% or Higher
Excellent	85% - 94%
Good	75% - 84%
Marginal	74% or Less

Weight: 20%

C. Decrease in Energy Usage:

EXPECTATION 2: (IN4) A decrease in total Laboratory energy consumption is the goal consistent with plans to incorporate new facilities on the site and overall site population. Federal energy management goals (which are used to establish annual targets) have been established and are the standard for measurement.

$$\text{Decrease in Energy Usage} = \frac{\text{Cumulative target energy usage since baseline year}}{\text{Cumulative actual energy usage since baseline year}}$$

<u>Performance Level</u>	<u>Metrics</u>
Outstanding	1.00 or more
Excellent	0.97 to 0.99
Good	0.94 to 0.96
Marginal	0.92 to 0.93

Weight: 20%

Notes and Assumptions:

1. Buildings used to calculate this measure will be consistent with those reported in the Quarterly Energy Conservation Performance Report and as reported in the EMS3 System under the Buildings category.
2. The calculation will involve cumulative data. The comparison of energy usage will be against a linear curve, consistent with reduction planned over the period through 2005.
3. Some adjustments will need to be made to accommodate budget driven energy usage (in general, more funding results in higher utilization of facilities and higher electrical usage). Baseline energy consumption will also reflect the changing use of Laboratory facilities. For example, increases and decreases in current site population and the increase in computer usage will directly impact energy usage. In addition, new experiments or the elimination of existing experiments will also affect energy usage.
4. A key factor in reducing energy consumption is the availability to perform surveys and studies. These surveys and studies result in identification of energy conserving opportunities (ECO) and development of funding proposals for implementing these ECO's. The amount of funds requested to perform ECO's will be used to determine the baseline percent reduction in energy usage.

Compliance Items:

N/A

Self Assessment Scope:

N/A

Report:

N/A

DOE Operational Awareness:

N/A

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
BUSINESS OPERATIONS
SECTION III.3.a. - FINANCIAL MANAGEMENT**

System Assessment Measures:

OVERALL OBJECTIVE: The Laboratory shall ensure that its financial system is sound, responsive, and has economical financial management programs to assure the safeguarding of DOE financial assets. The Laboratory's financial system shall support an aggressive laboratory-wide overhead management program.

OBJECTIVE 1: Effective cash and debt management practices.

MEASURE 1a: Vendors are paid on time.

EXPECTATION: (FM1) Vendor invoices are paid on time.

<u>Performance Level</u>	<u>Metrics</u>
Outstanding	97 - 100%
Excellent	93 - 96%
Good	89 - 92%
Marginal	85 - 88%

Weight: 15%

Notes and Assumptions:

For purposes of this measure, vendor invoices subject to measurement include: AMPS POs, manual PO's, PARIS PO's, AMOS, gas credit cards, subcontracts, WTP and telephone.

MEASURE 1b: Accounts are managed to prevent delinquent accounts receivable.

EXPECTATION: Accounts Receivable exceeding 180 days are monitored.

A. Number of Accounts (FM2)

Average percentage of accounts receivable >180 days and >\$2000.

<u>Performance Level</u>	<u>Metrics</u>
Outstanding	≤ 0.7%
Excellent	0.8% - 1.6%
Good	1.7% - 2.6%
Marginal	2.7% - 3.5%

Weight: 10.5%

B. Dollar Value of Accounts (FM3)

Dollar value of accounts receivable >180 days.

<u>Performance Level</u>	<u>Metrics</u>
Outstanding	0 - 50K
Excellent	50,001 - 100K
Good	100,001 - 200K
Marginal	200,001 - 300K

Weight: 10.5%

Notes and Assumptions:

1. Performance Measures 1a and 1b exclude bankruptcies from the calculation.
2. Performance Measure 1bB – Any single account receivable >180 days, in excess of \$200K, shall be discussed between DOE and ANL for purposes of providing further consideration to inclusion/exclusion from base.

MEASURE 1c: Letter of Credit is properly managed.

EXPECTATION: (FM4) Daily cash balances.

<u>Performance Level</u>	<u>Metrics</u>
Outstanding	0 - \$300K
Excellent	\$301K - \$600K
Good	\$601K - \$700K
Marginal	\$701K - \$800K

Weight: 9%

Notes and Assumptions:

Average daily balance is used in the calculation of Performance Measure 4.

MEASURE 1d: Reimbursable Work-For-Others activities are well managed.

EXPECTATION 1: (FM5) Average monthly number of accounts >\$1000 requiring University of Chicago funding.

<u>Performance Level</u>	<u>Metrics</u>
Outstanding	0 - 3.0%
Excellent	3.1% - 4.5%
Good	4.6% - 5.5%
Marginal	5.6% - 6.5%

Weight: 13%

Notes and Assumptions:

The calculation will include all OFAs and ACK orders.

OBJECTIVE 2: Adequacy and Effectiveness of Internal Management Controls

MEASURE: Contractor's internal management control programs maintain accuracy of business management data, safeguards DOE, ANL and other assets, and prevents fraud, waste and abuse.

EXPECTATION: (FM6) Number of audit findings contained in the following documents, issued as noted below, which state recommendations for ANL's business and management control structure for which ANL management acknowledges corrective action should be taken but has: (1) not initiated corrective action within forty-five (45) days of receipt or (2) failed to complete implementation action within ANL management defined time.

- * Contractor internal audit Department reports issued to Laboratory management
- * DOE-OIG audit reports issued to the Laboratory Director
- * GAO audit reports issued to the Laboratory Director
- * Contractor's external independent auditor reports issues to the Laboratory Director

The Contractor's Board of Governors Audit Committee will annually issue a letter to DOE that provides an assessment of the above measure.

<u>Performance Level</u>	<u>Metrics</u>
Outstanding	0 - 2
Excellent	3 - 5
Good	6 - 8
Marginal	9 - 11

Weight: 24%

OBJECTIVE 3: Control Uncosted Balances

MEASURE: The measure will address fiscal year end program funding balances for programs funded through the Office of Science (SC) and Office of Nuclear Energy (NE).

Operating Obligation Control Levels (OCL's)

The number of OCL uncosted balances in excess of \$1.0M and greater than 13% of the Total Available to Cost (TAC).

Equipment Obligation Control Levels

The number of OCL unencumbered balances in excess of \$1.0M and greater than 50% of the (TAC).

EXPECTATION: (FM7) DOE program funds will be monitored and tracked to insure that such funds are costed and encumbered as planned. This measure will be rated as follows:

Percentage of OCLs in (SC) and (NE) are within the defined measures for operating and equipment and the uncosted percentage for operating and unencumbered percentage for equipment are maintained or reduced in future fiscal years.

<u>Performance Level</u>	<u>Metrics</u>
Outstanding	90 - 100%
Excellent	85 - 89%
Good	80 - 84%
Marginal	< 80%

Weight: 18%

Exclusions:

Program funding that is:

- Authorized by DOE in a particular fiscal year that is intended to cover future fiscal year expenditures as directed by DOE program sponsor and/or as defined in the work authorization/program guidance.
- Received at a point in the fiscal year that does not allow sufficient time to complete the program objectives as originally established and defined in the program proposal scope of work.
- Reconciling Transfers

Compliance Items:

- A. Contractor's cost accounting system is in compliance with CAS and the Disclosure Statement is current, accurate and complete.
- B. Internal audit review for unallowables.

Self Assessment Scope:

Year 1 (FY 2000)	Year 2 (FY 2001)	Year 3 (FY 2002)
Report on opportunities for improvement identified in last year's assessment, if any.	Same as Year 1.	Same as Years 1 and 2.
Address any changes in system procedures or practices? Reason for change? Expected improvements?	Same as Year 1.	Same as Years 1 and 2.

Topical areas to be assessed this year include the following: Topical areas to be assessed this year include the following: Topical areas to be assessed this year include the following:

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> - SAI Travel Costs - Management of Indirect Costs - Payables - * Functional Costs | <ul style="list-style-type: none"> - SAI Travel Costs - ⁴ Management of Indirect Costs (Focus Areas: Divisional Overheads, ALD's) - Internal Audit - Budget Process - * Functional Costs | <ul style="list-style-type: none"> - SAI Travel Costs - ⁴ Management of Indirect Costs (Focus Areas: TBD) - Payroll - Cash Management - * Functional Costs |
|--|--|--|

- * 1. Describe how the Functional Accounting data are collected to meet the DOE-HQ Functional Accounting reporting requirement.
- * 2. As part of the process description, describe how the data are validated.
- * 3. At year-end add explanations for any support functional area that has greater than plus or minus 5% or \$100K variance whichever is greater.
- 4. Assessment should place a specific emphasis on the Laboratory's program at aggressive overhead control.

The assessment of the above topical areas should address how effective systems are working at a minimum; the assessment should answer the following questions:

- Are the existing system internal controls adequate?
- Are the existing written procedures being followed?
- How does performance compare with last years, other DOE Labs or industry?
- Do you feel that the current system is working well or could improvements be made?

What is the basis for determining effectiveness of the system and/or practices? Same as Year 1. Same as Years 1 and 2.

Identify opportunities for improvement and/or notable practices. Same as Year 1. Same as Years 1 and 2.

Report:

Report year-end report on the level of performance achieved against the above system measures (Self-Assessment Scope). Provide self assessment results as required by 3. above in the year end self assessment report.

DOE Operational Awareness:

DOE interaction on an as need basis. Will review the year end self-assessment report and determine the need for an on-site validation.

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
BUSINESS OPERATIONS
SECTION III.3.b. - HUMAN RESOURCES
(12/22)**

System Assessment Measures:

OBJECTIVE 1: Develop HR programs in the areas of employee learning and growth, internal business processes, customer satisfaction, and prudent financial management to meet the needs derived from the FY2000 Balanced Scorecard.

MEASURE: In FY2001, ANL will collect data and information to establish baselines for measures developed, in agreement with DOE, under the FY 2000 balanced scorecard. ANL will use baselines to set targets for use in FY 2002.

EXPECTATION: (HR1)

Outstanding

12 or more measures: Data is collected and reported on and FY 2002 targets are established by 06/30/01.

Excellent

10-11 measures: Data is collected and reported on and FY 2002 targets are established by 06/30/01.

Good

8-9 measures: Data is collected and reported on and FY 2002 targets are established by 06/30/01.

Marginal

Fewer than 8 measures: Data is collected and reported on and FY 2002 targets are established by 06/30/01.

Weight: 50%

Notes and Assumptions:

1. Data collection/reporting should include at least 2 measures for each of the following perspectives: Financial, Internal Business Processes, Customer, Learning and Growth.
2. Targets established for use in FY 2002 will be set with agreement of DOE.

OBJECTIVE 2: ANL will focus on benchmarking employee satisfaction with pay, benefits, employee supervision and management practices to ascertain that recruitment and retention of Argonne employees is not negatively impacted by these issues.

MEASURE: ANL will develop an action plan with specific objectives, that are in agreement with DOE, identified through the FY 2000 ANL customer survey and other data. ANL will evaluate progress toward accomplishing targeted improvement objectives identified as critical during the FY 2001 performance period. ANL will do a follow up survey, in future years, to measure changes in employee opinion.

EXPECTATION: (HR2)

Outstanding

ANL has developed an action plan and progress is made toward correcting 80%* or more of HR identified critical areas. (* percent subject to adjustment once survey results are available).

Excellent

ANL has developed an action plan and progress is made toward correcting 65% to 79%* of HR identified critical areas. (* percentages subject to adjustment once survey results are available).

Good

ANL has developed an action plan and progress is made toward correcting 50% to 64%* of HR identified critical areas. (* percentages subject to adjustment once survey results are available).

Marginal

ANL has developed an action plan and progress is made toward correcting less than 50%* of HR identified critical areas. (* percent subject to adjustment once survey results are available).

Weight: 50%

Compliance Items:

N/A

Self Assessment Scope:

YEAR 1 – 2001	YEAR 2 – 2002	YEAR 3 – 2003
Report on opportunities for improvement identified in last year's assessment, if any	Same as Year 1	Same as Years 1 and 2
Identify new opportunities for improvement	Same as Year 1	Same as Years 1 and 2
Address any changes in system procedures or practices. Reason for change? Expected improvements?	Same as Year 1	Same as Years 1 and 2
Topical areas to be Assessed this year:	Topical areas to be Assessed this year:	Topical areas to be Assessed this year:
HR Information Systems Employment & Recruitment Employee Benefits	Employee Relations Risk Management & Liability Labor Relations	Compensation *Labor Standards Training & Development

Assessment of the topical areas should address in sufficient detail:

- How effective are systems working?
- What is target performance?
- Are existing system internal controls adequate?
- Do written procedures exist and are they being followed?
- What problems have been identified?
- What improvement(s) could/will be made?

* A description of the system used to maintain accurate and complete Davis-Bacon Act payrolls for 3 years from completion of contract for on-site construction work.

Describe basis for determining effectiveness and any notable practices.

Report:

Provide DOE with a quarterly report summarizing the data collected on each measure pursuant to Objective 1 and the status of specific steps taken to develop action plans and progress made pursuant to Objective 2.

The Laboratory is required to submit a mid-year summary self-assessment to the Argonne Group by May 15, 2001. The Laboratory is required to submit a FY 2001 Year-End comprehensive Self-Assessment Report to the Argonne Group by November 15, 2001.

DOE Operational Awareness:

- Periodic meetings to discuss initiatives, problems and issues.
- Review and analysis of Personnel Reports required by DOE Order 350.1.
- Review of monthly performance measure reports posted to the ANL Home Page
- Review of year-end self-assessment.

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
BUSINESS OPERATIONS
SECTION III.3.c. – DIVERSITY
(10/20)**

System Assessment Measures:

OBJECTIVE: Strengthen commitment and accountability to Equal Employment Opportunity and affirmative action and maintain a diverse workforce.

MEASURE: A diverse workforce is more effective and successful. Aggressive efforts to improve diversity in the workplace is critical to the success of the laboratory. Maintains a systematic approach to the recruiting and retention of new talent from diverse populations and continual attention to training and self-renewal.

EXPECTATION 1: (DV1) Where opportunities exist, create a more diverse workforce at ANL by maintaining and/or increasing representation of females in the professional job categories as follows:

<u>Performance Level</u>	<u>Metrics</u>
Outstanding	Women represent 21.75% or more
Excellent	Women represent 21.00% to 21.74%
Good	Women represent 20.5% to 20.99%
Marginal	Women represent 20.00% to 20.49%

9/30/00 representation = $303/1468 = 20.6\%$

Weight: 50%

EXPECTATION 2: (DV2) Where opportunities exist, create a more diverse workforce at ANL by maintaining and/or increasing representation of underrepresented minorities (American Indian, Black, Hispanic) in the professional job categories as follows:

<u>Performance Level</u>	<u>Metrics</u>
Outstanding	Minorities represent 4.0% or more
Excellent	Minorities represent 3.65% to 3.99%
Good	Minorities represent 3.5% to 3.64%
Marginal	Minorities represent 3.00% to 3.49%

9/30/00 representation = $58/1468 = 4.0\%$

Weight: 50%

Compliance Items:

None

Self Assessment Scope:

Report on opportunities for improvement identified in prior years' self-assessment, if any.

Address any changes in system procedures or practices, including the reason for the change, and expected outcomes.

Describe effectiveness and outcomes of outreach/recruitment activities.

Describe implementation of Strategic Plan for Diversity.

Describe effectiveness of partnering with minority-serving institutions.

How does performance compare with past years?

Identify opportunities for improvement and/or notable practices.

What is the basis for determining effectiveness of the system and for practices.

Report:

Provide a year-end self assessment report on the level of performance achieved against the System Assessment Measures in Section 1, any specific compliance areas in Section 2, and the scope in Section 3.

DOE Operational Awareness:

DOE interactions on an as-needed basis.

Periodic meetings and communications between DOE and contractor staff.

Review and analysis of required reports.

Will assess the year-end Self-Assessment report and determine the need for on-site validation.

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
BUSINESS OPERATIONS
SECTION III.3.d. - PROCUREMENT
(12/22)**

Objective: To establish and maintain an ANL program for self-assessment of delivery of the best value products/services to ANL Procurement department customers consistent with applicable laws, regulations, and contract terms and conditions.

System Assessment Measure:

See the FY 2001 Procurement Balanced ScoreCard (BSC) Self-Assessment Plan

Compliance Items:

Consistent with Appendix A of the Prime Contract, Chapter III. Labor Standards (paragraph B. Job Site Audit and Payroll Validation), to ensure compliance with labor standard requirements; provide the number and a description of investigations conducted of contracts covered by Davis-Bacon Act in accordance with the requirements of FAR 22.406-7 (c).

See IP-1 of FY 2001 BSC Plan (Effective Internal Controls)

Self Assessment Scope:

In performing the FY 2001 self-assessment, the contractor should:

Assess the topical areas that are identified in the Balanced ScoreCard Performance Measurement and Performance Management Program for Federal Procurement and Contractor Purchasing Systems (Acquisition Letter 98-10, dated December 8, 1998), including reporting on opportunities for improvement identified in the FY 2000 self-assessment report and identification of notable practices and opportunities for improvement during FY 2001.

Report:

The contractor is required to submit a mid-year summary of BSC activity along with any other significant issues affecting the ANL Procurement System to the Argonne Group by May 15th, 2001. The contractor is required to submit a FY 2001 Year-End Self-Assessment Report to the Argonne Group by November 15th, 2001. The Year-End Self-Assessment report shall follow the format prescribed in Acquisition Letter 98-10. The Year-End Self-Assessment Report shall also include a comprehensive discussion of the results of any compliance reviews conducted during FY 2001.

DOE Operational Awareness:

DOE interaction on an as need basis to include the following:

Periodic meetings and communication between the Argonne Group and Laboratory management staff.

Review the annual BSC self assessment results and determine the need, as appropriate, for further analysis.

Performance Ratings:

A rating of Pass or Fail will be used when evaluating the results of the contractor's performance.

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
BUSINESS OPERATIONS
SECTION III.3.e. - PERSONAL PROPERTY
(10/17)**

System Assessment Measures:

OVERALL OBJECTIVE: To assure that ANL maintains a viable personal property management system that meets DOE requirements and that assessments of business processes are well documented.

OBJECTIVE 1: To provide assurance that the Laboratory's Balanced Scorecard (BSC) Plan is submitted and describes the depth and the scope of the four perspectives of the BSC Performance Measurement Program.

MEASURE: The Laboratory (ANL East and West) shall develop a DOE approved comprehensive FY 2001 Balanced Scorecard Plan in accordance with the DOE Balanced Scorecard Performance Measurement and Management Program, dated December 18, 1997.

EXPECTATION: (PP1)

Outstanding	=	Balanced Scorecard Plan approved by 12/31/00
Excellent	=	Balanced Scorecard Plan approved by 01/15/01
Good	=	Balanced Scorecard Plan approved by 01/31/01
Marginal	=	Balanced Scorecard Plan approved by 02/15/01

Weight: 40%

NOTES AND ASSUMPTIONS:

1. The Laboratory shall receive DOE's written comments no later than 15 working days upon DOE's receipt of the Balanced Scorecard Plan.
2. ANL's FY 00 Balanced Scorecard represents an acceptable example based on the level of detail, associated content, and compliance with the DOE Balanced Scorecard Performance Measurement and Management Program.

OBJECTIVE 2: The Laboratory will develop, implement, and maintain a high-risk personal property program, procedures, and systems to protect against the premature or unintentional release of Government-owned high-risk personal property.

MEASURE: The Laboratory's (ANL East and West) high-risk personal property management policies and procedures and systems provide adequate control of high-risk personal property throughout its life cycle.

EXPECTATION: (PP2) The Laboratory will implement high-risk personal property management policies and procedures by 07/01/01.

Weight: 60%

NOTES AND ASSUMPTIONS:

1. Implementation includes completion of training for all applicable personnel.
2. Meeting the expectation date of 07/01/01 will allow for DOE validation within the fourth quarter of FY 01.

Compliance Items:

In accordance with the DOE Property Management Regulations, DOE's approval of the Laboratory's Property Management System is required by December 31, 2000.

Self Assessment Scope:

In performing the FY 2001 self-assessment, the Laboratory shall:

- Prepare a Balanced Scorecard self-assessment plan.
- Report on opportunities for improvement identified in the FY 2000 self-assessment report.
- Address any changes in system procedures or practices, including reason(s) for change and expected improvements.

Report:

Overview: The Laboratory is required to submit a mid-year summary and a year-end self assessment report on all activities stated under the System Assessment Measures (Balanced Scorecard Activity), Compliance Items, Self Assessment Scope, and any DOE Operational Awareness items which support or may effect the overall rating.

Format:

Balanced Scorecard Plan: The balanced scorecard plan will be a comprehensive document that is presented in sufficient detail to assess the Laboratory's performance of each BSC objective and core measure and to determine: (1) target performance, (2) system effectiveness and (3) problem analyses and improvement planning. The plan shall follow the guidelines of Part 4 of the DOE Balanced Scorecard Performance Measurement and Management Program, dated December 18, 1997.

Year-end Self Assessment Report: The year-end self-assessment report shall be prepared following the guidelines of Part 5, Section A of the DOE Balanced Scorecard Performance Measurement and Management Program, dated December 18, 1997. In addition, when preparing the year-end self-assessment report, the format provided in the FY 2001 Balanced Scorecard Self-Assessment Summary Form, shall be used to assess the Laboratory's Performance of each BSC objective and core measure.

DOE Operational Awareness:

- Periodic meetings and communication to discuss initiatives, BSC assessments and other problems and issues.
- Review of Personal Property Management and Security reports.
- Review of monthly performance measure report as posted to the web.
- Participation in Laboratory property walk-throughs.
- Verification of the BSC assessment.
- Periodic observation of physical inventories.

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
BUSINESS OPERATIONS
SECTION III.3.f. - INTELLECTUAL PROPERTY**

System Assessment Measures:

OBJECTIVE: Promote the protection and utilization of inventions and data in support of the Laboratory's science and technology transfer missions.

MEASURE 1: Invention Administration

- Submission of disclosure
- Election of title
- Filing
- Confirmatory licenses

EXPECTATIONS: (IP1)

1. The Laboratory requires its employees to disclose promptly to the Laboratory Patent Counsel subject inventions made under the Contract.
2. The Laboratory will comply with the Prime Contract requirement for timely election of title, or obtain appropriate extensions from DOE Patent Counsel.
3. The Laboratory agrees to file patent applications and responses to office actions in a timely fashion, and will furnish DOE a copy of the patent application, a serial number, patent number and issue date for any subject invention.
4. The Laboratory in an expeditious manner will execute or have executed and promptly deliver to DOE Patent Counsel all instruments necessary to:
 - a) Establish or confirm the rights the Government has throughout the world in those inventions which the Laboratory retains title and,
 - b) Convey title to DOE on subject inventions not elected by the Laboratory to enable the Government to obtain patent protection on that subject invention.

Weight: 40%

MEASURE 2: The Laboratory will utilize appropriate mechanisms to protect Laboratory generated data (i.e. trademarks, copyrights and CRADA data protection) and will conduct periodic meetings and communicate with DOE Patent Counsel regarding pertinent Intellectual Property (IP) data rights issues.

EXPECTATIONS: (IP2)

1. The Laboratory will request permission of DOE to assert copyright subsisting in works other than scientific and technical articles, including software manuals and books.
2. For computer software, the Laboratory shall identify within its request for permission the appropriate duration for a limited U.S. Government license, and if appropriate, provide justification for durations beyond five (5) years.
3. The Laboratory will inform its employees of practices for protecting CRADA data, and, when appropriate and with DOE permission, extend protection under 10 CFR 1004 to commercially valuable data generated at the Laboratory.

Weight: 10%

MEASURE 3: The Laboratory will incorporate appropriate Intellectual Property (IP) provisions into procurement and technology transfer instruments.

EXPECTATION: (IP3)

The Laboratory will review subcontract actions in which Intellectual Property may be developed or utilized and, based upon the status of the subcontractor, will assign the appropriate IP provision to ensure that the Government's rights in any IP are protected.

Weight: 10%

MEASURE 4: Information will be provided for DOE review of WFO contracts and appropriate evaluation of Intellectual Property rights.

EXPECTATION: (IP4)

The Laboratory will review all WFO contracts and assign appropriate IP provisions to the work which is to be performed. A memo or a copy of a memo will be forwarded to DOE Patent Counsel for review. Where necessary, DOE Patent Counsel authorization will be secured before implementation.

Weight: 40%

Compliance Items:

Prime Contract Requirements

Self Assessment Scope:

1. Grade the Laboratory on a scale of "Outstanding", "Excellent", "Good" and "Marginal".
2. Report on opportunities for improvement in prior year's assessment, if any.
3. Address any changes in system procedures or practices, including reason(s) for change and expected improvements.
4. Assess methods used to monitor and review the quality of patent prosecution efforts.
5. Assess record-keeping efforts.

Report:

Year-end Report due September 30

DOE Operational Awareness:

1. DOE interaction on an as needed basis.
2. Periodic meetings and communication between the DOE staff and the Laboratory and Contractor staff to discuss Intellectual Property matters.
3. Review and analysis of required Intellectual Property reports.

**SYSTEM ASSESSMENT MEASURES
 ARGONNE NATIONAL LABORATORY
 BUSINESS OPERATIONS
 SECTION III.3.g. – GENERAL LAW**

System Assessment Measures:

OBJECTIVE 1: Quality, timely, and cost effective legal services.

MEASURE 1: Number of non-compliances with Contractor's DOE-approved litigation management procedures.

EXPECTATIONS: (GL1)

Measure	Outstanding	Excellent	Good	Marginal	
12.1	0 – 10	11-20	21 – 30	31-40	Minor or
	0	1	2	3	Major

Weight: 15%

Notes and Assumptions:

1. "Minor" generally involves non-compliances relating to invoices;
2. "Major" generally involves non-compliances relating to the contractor/law firm relationship, including documents other than invoices and documentation supporting disbursements.

MEASURE 2: Number of cases to which Contractor can demonstrate that it gave thoughtful consideration of the advantages of ADR techniques.

EXPECTATIONS: (GL2)

Measure	Outstanding	Excellent	Good	Marginal
12.2	All	All but 1	All but 2	All but 3

Weight: 10%

Notes and Assumptions:

1. "Thoughtful consideration" can be demonstrated by a memorandum-to-file reflecting, at a minimum, timely evaluation of relevant case factors, and consultation with the DOE ADR Liaison, and shall explain any decision not to engage the services of an internal or external third party "neutral".
2. "Timely" means as appropriate during the litigation process, and at a minimum, should be undertaken in conjunction with case/settlement evaluations at the close of pleadings and at the close of discovery, in accordance with the Contractor's DOE-approved litigation management procedures.

MEASURE 3: For cases settled during the rating period, percentage of costs avoided through use of mediation.

EXPECTATIONS: (GL3)

Measure	Outstanding	Excellent	Good	Marginal
12.3	> 50 %	40 – 50%	30 – 39%	< 30%

Weight: 10%

Notes and Assumptions:

1. Consider only cases for which settlement during the rating period can be attributed to mediation, irrespective of when mediation occurred. (If no cases were settled during the rating period, this measure does not apply.)
2. Include cases even if mediation was abandoned or initially considered unsuccessful, if (judgment call), mediation significantly contributed to the parties later ability to agree.
3. Cost savings = "Total *estimated* resolution cost" *minus* "Total *actual* resolution cost."
4. "Total estimated resolution cost" = remaining litigation costs estimated but not yet incurred at the time of first session before mediator (e.g., through post-trial briefs).
5. "Total actual resolution cost" = mediation costs *plus* post-mediation costs through case closure.
6. "Cost of mediation" = DOE-reimbursed share of mediator + cost of outside counsel attributed to time in mediation, *plus (if identifiable) any* outside counsel preparation time that would not have been incurred but for the decision to attempt mediation;
7. "Cost savings" *does not take into consideration* amount of settlement or amount at risk.
8. Include matters which would have been litigated but for the mediation (judgment call);
9. "Cost savings" *does not take into consideration* other party's attorneys' fees.

MEASURE 4: Number and significance of innovative improvements to Laboratory's litigation management program (such as law firm selection, evaluation and incentiviation), based on a survey of best industry practices.

EXPECTATION: (GL4) This measure will be evaluated in a subjective manner, considering, for example:

1. Activities undertaken to identify practices employed by industry clients of law firms and benchmarking organizations and others;
2. innovative measures incorporated by the Contractor to manage the cost and performance of outside counsel;
3. effectiveness of such innovations.

Weight: 10%

OBJECTIVE 2: Work products submitted by the Contractor for DOE approval or use are supported by timely, sound/thoroughly research legal advice.

MEASURE 1: Pursuant to Laboratory policy and procedures, the Legal Department provides sound analysis and counsel on issues requiring legal attention.

EXPECTATION: (GL5) The measure will be evaluated in a subjective manner, considering, for example:

1. Proactiveness and timeliness of identification by the Legal Department of legal issues for review;
2. Timeliness of work products;
3. The results obtained by the work products;
4. The level of satisfaction expressed by the Contractor management and staff.

Weight: 35%

MEASURE 2: Percentage of on-time responses to DOE-requested legal work products.

EXPECTATION: (GL6)

Measure	Outstanding	Excellent	Good	Marginal
13.2	95-100%	90-94%	85-89%	< 85%

Weight: 20%

Notes & Assumptions:

1. Timeliness takes into consideration the amount of advance notice and the availability of prerequisite documents and other inputs.
2. Work products include, but are not limited to:
 - FOIA requests
 - Discovery requests
 - Contingent Liabilities Opinions
 - Quarterly Litigation Status Reports
 - Annual Self-assessment Report

Compliance Items:

None

Self Assessment Scope:

TOPICAL AREAS: Litigation Management and General Legal Services

METHODOLOGY:

- Evaluate performance against measures, using, as appropriate: invoice reviews, DOE reviews, customer surveys and other feedback, documentation tracking (timeliness and satisfaction), benchmarking, and other relevant information.
- Explain on what basis rating was made, including citations to relevant documentation.
- Identify significant achievements and opportunities for improvement.

Report:

In the prescribed format, provide mid-year and year-end self-assessment report on the level of performance achieved and an assessment against the above system measures and self-assessment scope.

DOE Operational Awareness:

- Periodic meetings and communication between CH-LGL and Laboratory Legal Office staff.
- Review of mid-year and year-end self-assessment reports.
- Invoice Reviews
- Quarterly Status Report Reviews
- Reviews of procedural documents (notifications, requests for settlement authority, case analyses, ADR evaluations, budgets, staffing & resource plans, etc.) and other submittals (pleadings, motions, opinions, discovery requests, etc.)
- Litigation file reviews on an as-needed basis to verify compliance with Contractor's DOE-approved litigation management procedures.

**SYSTEM ASSESSMENT MEASURES
 ARGONNE NATIONAL LABORATORY
 BUSINESS OPERATIONS
 SECTION III.3.h. – SCIENTIFIC AND TECHNICAL INFORMATION**

System Assessment Measures:

OBJECTIVE: ANL's unlimited-distribution technical reports are publicly available on the DOE Office of Scientific and Technical Information (OSTI) web-based InfoBridge.

MEASURE: An increasing percentage of the unlimited-distribution technical reports issued annually by ANL are available to DOE-OSTI in full-text electronic form.

EXPECTATION: (ST1) The percentage of unlimited-distribution technical reports published by ANL in FY00 that are available to DOE-OSTI InfoBridge in full-text electronic form:

<u>Performance Level</u>	<u>FY01 Metric</u>	<u>FY02 Metric</u>	<u>FY03 Metric</u>
Outstanding	60%	80%	100%
Excellent	55%	75%	95%
Good	50%	70%	90%
Marginal	45%	65%	85%

Weight: 100%

Compliance Items:

Comply with DOE O 241.1.

Self Assessment Scope:

Document compliance with DOE O 241.1.

Compare ANL practices to the recommendations in DOE G 241.1.

Describe improvements made, or planned, in system procedures or practices.

Establish current baseline information for cycle time in making completed technical publications available to OSTI, specifically the elapsed time between (a) clearance release of technical reports and (b) announcement of those reports to DOE-OSTI.

Report:

Mid-Year Assessment
 Year-End

DOE Operational Awareness:

DOE interaction on an as need basis to include the following:

- Periodic meetings and communication between the Argonne Group and Laboratory management staff.
- Review the year-end self-assessment report and determine the need for an on-site validation.

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
BUSINESS OPERATIONS
SECTION III.3.i. - INFORMATION MANAGEMENT**

System Assessment Measures:

Expectation Code: IM1

Weight: 100%

Compliance Items:

None

Self Assessment Scope:

Information Technology (IT) Investment Management within the Chief Operations Office. Information Technology within the Chief Operations Office for the purpose of this measure encompasses IT project investments that include telecommunications and networks, new server platforms purchased with GPE funds, operating systems and software, business systems, continued support and operations of existing infrastructure.

OBJECTIVE: The lab should develop and maintain a sound IT investment management approach. IT investment management approach is defined (by GAO) as "...an analytical framework for linking IT investment decisions to an organization's strategic objectives and business plans. The investment management approach consists of three phases—select, control and evaluate. Among other things, this management approach requires discipline, executive management involvement, accountability, and a focus on risks and returns using quantifiable measures."¹ IT investments are expenditures for projects "...representing investments in telecommunications and networks, new operating systems and software, continued support and operations of existing infrastructure, and data centers- [these projects] directly affect agencies' abilities to achieve improvements in mission performance, management decision-making and oversight, and operational efficiencies. The centrality of IT to mission performance, especially in today's growing interconnected and digital age, makes it important for agencies to develop decision-making processes to assure that funds are invested and managed to achieve high value outcomes at acceptable costs."²

¹ United States General Accounting Office, *Assessing Risks and Returns: A Guide for Evaluating Federal Agencies' IT Investment Decision-making*, February 1997, Version 1 (GAO/AIMD-10.1.13)

² United States General Accounting Office, *Information Technology Investment Management: An Overview of GAO's Assessment Framework – Exposure Draft*, May 2000 (GAO/AIMD-00-155)

METHODOLOGY: Describe the decision-making processes that ensure that funds are invested and managed to achieve high value outcomes at acceptable costs. Address the three phases of investment management:

- Selection of projects;
- Control of projects; and
- Evaluation of implemented projects

Explain the organizational structure (who does what). Describe how the responsibility, accountability and authority of the IT investment process are distributed. Provide a list of current IT investments/projects.

Report:

- Provide mid-year self-assessment report on the level of performance achieved and an assessment against the above self-assessment scope.

Provide year-end self-assessment report on the level of performance achieved and an assessment against the above self-assessment scope.

DOE Operational Awareness:

DOE interaction on an as need basis to include the following:

Periodic meetings and communication between the Argonne Group, CH-Matrix Staff and Laboratory management staff.

CH Matrix Staff and Argonne Group review the year-end self-assessment report and determine the need for an on-site validation.

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
BUSINESS OPERATIONS
SECTION III.3.j. – SAFEGUARDS & SECURITY
(5/17/01)**

System Assessment Measures:

ANL EAST OBJECTIVES:

OBJECTIVE: Implement a Safeguards and Security Program at the Argonne – Illinois site that ensures compliance and performance to protect special nuclear materials, classified matter, and property against theft, diversion, or destruction; to prevent radiological, toxicological, and other malevolent acts that may have adverse impacts on National Security, the site or employees, and; to protect the occupants of the site and Laboratory facilities.

MEASURE 1: Physical Protection Protective Forces – The Laboratory will implement a Physical Protection Protective Forces Program contract by April 1, 2001.

EXPECTATION: (SS1)

OUTSTANDING	January 4, 2001 Contract Award and April 1, 2001 transition completed.
EXCELLENT	February 1, 2001 Contract Award and April 1, 2001 transition completed.
GOOD	March 1, 2001 Contract Award and April 1, 2001 transition completed.
MARGINAL	April 1, 2001 Contract Award and Implementation.
UNSATISFACTORY	Transition extended past April 1, 2001

Weight: 5%

MEASURE 2: Physical Security Protection Systems – The Laboratory will maintain a Physical Security Protection Program, including procedures and systems, to ensure protection of DOE and Argonne-Illinois Site assets via detection and assessment technologies, including the Alarm Communication and Appraisal System (ACAS), site-wide card/badge reader entry/access technologies, and the specification, procurement, installation, maintenance and control of all locking devices, locks, keys, etc.

EXPECTATION: (SS2)

- ACAS operates in accordance with DOE requirements. Alarm points used to protect classified matter are maintained at a 95% level of continued service or compensatory measures implemented immediately upon loss of protection for any limited area.

OUTSTANDING	95% or greater level of service.
EXCELLENT	90% to 94% level of service or compensatory measures implemented within 4 hours of failure.
GOOD	80% to 89% level of service or compensatory measures implemented within 4 hours of failure.
MARGINAL	70% to 79% level of service or compensatory measures implemented within 4 hours of failure.
UNSATISFACTORY	Less than 70% level of service or compensatory measures not implemented within 4 hours of failure.

Weight: 7.5%

MEASURE 3: Information Security – The Laboratory will maintain an Information Security Program, including procedures and systems, that identify and protect classified and defined sensitive unclassified information including, UCNI, NNPI, Classified Matter Protection and Control, Classification, Technical Surveillance Countermeasures, Operations Security (OPSEC), and Critical Infrastructure.

EXPECTATION: (SS3)

- Submission of a revised and updated ANL East OPSEC Master Plan by July 15, 2001.
- Response, modification and resubmission of ANL East OPSEC Master Plan within 30 working days of receipt of written comments from DOE-CH.

OUTSTANDING	No compromise of classified documents. All OPSEC milestones met.
EXCELLENT	No more than one (1) IMI-4 Incidents of Security Concern regarding Information Security. All OPSEC milestones met.
GOOD	Less than two (2) IMI-3 Incidents of Security Concern regarding Information Security (not resulting in confirmation of compromise, loss, or unauthorized disclosure of classified information) or six (6) IMI-4 Incidents of Security Concern. Cumulative OPSEC milestone slippage of less than two months.
MARGINAL	Less than two (2) IMI-1 incidents, three (3) IMI-2 or four (4) IMI-3 Incidents of Security Concern regarding Information Security (not resulting in confirmation of compromise, loss, or unauthorized disclosure of classified information). Cumulative OPSEC milestone slippage of less than three months.
UNSATISFACTORY	One occurrence of an Incident of Security Concern (any IMI) regarding Information Security resulting in confirmation of public compromise, loss, or

	unauthorized disclosure of classified information. Cumulative OPSEC milestone slippage greater than three months.
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Weight: 10%

MEASURE 4: Personnel Security – The Laboratory will maintain a Personnel Security Program, including procedures and systems, that ensure only authorized individuals access classified matter or information and that access to security areas containing classified mater or special nuclear material is consistent with DOE policy.

EXPECTATION: (SS4)

- Notification to DOE-CH of terminated clearances and/or administrative actions resulting in suspension of an individual’s access to classified information/matter within timeframes specified by DOE orders.
- Completion of annual security refresher briefings for DOE Access Authorization Employees (DOE Order 470.1) by February 15, 2001.
- Clearance reinvestigation efforts are completed within the timeframes specified by DOE orders.
- Notification to DOE-CH of employee reported information with time frames specified by DOE order.

OUTSTANDING	93% of all actions completed within specified time frames.
EXCELLENT	83% of all actions completed within specified time frames.
GOOD	73% of all actions completed within specified time frames.
MARGINAL	63% of all actions completed within specified time frames.
UNSATISFACTORY	Less than 63% of all actions completed within specified time frames.

Weight: 10%

MEASURE 5: Material Control and Accountability - The Laboratory will establish a graded nuclear material control and accountability program, procedures, and systems to ensure that nuclear materials are in authorized locations; protection measures are in place; unauthorized activities, material flows, and material transfers are detected; protective measures are in place for transfers of nuclear materials; and anomalies are reported, investigated and resolved.

EXPECTATION: (SS5)

- Prepare annual MC&A plan/schedule for physical inventories/audits of all MBA and ONM accounts by February 15, 2001. Conduct physical inventories on schedule.

- Submission to DOE-CH/SSS of Quarterly Status Reports on inventories performed and any deviations from the plan within 10 working days of the end of each quarter.
- Submission of LANMAS Quarterly Accountability Reports (Material Balance Reports) summarizing transactions affecting the site-wide inventory including loss and gain, transfers of material between custodians, and receipts from outside sources, within 10 working days of the end of each quarter.
- Submission of NMMSS Monthly and Quarterly Accountability Reports and Reconciliation summarizing transactions involving receipts from outside sources and shipments offsite, within 10 working days of the end of each quarter. Reduce data submission error rate detected by NMMSS to below 3%.
- Completion of required annual training of OSS-SPM personnel, divisional Nuclear Material Contacts, and MBA/ONM custodians by September 30, 2001.

OUTSTANDING	All milestones met and NMMSS error rate below 2%.
EXCELLENT	Cumulative milestone slippage less than one month and NMMSS error rate greater than 2%, but less than 3%.
GOOD	Cumulative milestone slippage less than two months and NMMSS error rate greater than 3%, but less than 5%.
MARGINAL	Cumulative milestone slippage less than three months and NMMSS error rate greater than 5%, but less than 7%.
UNSATISFACTORY	Cumulative milestone slippage greater than three months and NMMSS error rate greater than 7%.

Weight: 10%

MEASURE 6: Program Management – The Laboratory will develop, implement and maintain a Site Security Plan and Safeguards and Security management systems for meeting protection objectives in the context of risk and probable consequences.

EXPECTATION: (SS6)

- Submission of a revised and updated Argonne Illinois Site Security Plan (AIS-SSP) by May 30, 2001.
- Response and modification of Argonne Illinois Site Security Plan within 30 working days of receipt of written comments from DOE-CH.
- Development and submission of a Safeguards and Security Self-Assessment Plan by July 15, 2001.
- Revise Property Protection area definition in conjunction with the revision and update of the Site Security Plan and perform an overall review of existing Property Protection Areas as well as a review of the APS Control Room security interests and potential protection needs as a Property Protection Area by May 30, 2001.

OUTSTANDING	All milestones met.
EXCELLENT	Cumulative milestone slippage less than one month.
GOOD	Cumulative milestone slippage less than two months.
MARGINAL	Cumulative milestone slippage less than three months.
UNSATISFACTORY	Cumulative milestone slippage greater than three months.

Weight: 5%

MEASURE 7: Foreign Visits and Assignments – The Laboratory will develop, implement and maintain a Foreign Visits and Assignments vetting process, procedures and systems to ensure timely review and approvals of individual visits and approvals of individual visits and assignments by export control, security, technology transfer and counterintelligence officials at ANL-E, consistent with DOE N 142.1.

EXPECTATION: (SS7)

- 95% or more of foreign visits and assignments associated with sensitive countries have documented export control, security, and counter intelligence review and approval (includes counter intelligence conditional/exception recommendations for approval) prior to start of visit or assignment.

OUTSTANDING	95% or greater
EXCELLENT	90% to 94%
GOOD	85% to 89%
MARGINAL	80% to 84%
UNSATISFACTORY	75% to 79%

Weight: 2.5%

ANL WEST OBJECTIVES:

OBJECTIVE: Complete construction and complete hardware installation to upgrade PIDAS around ZPPR and FMF to meet DOE requirements. The PIDAS will include appropriate lighting, assessment cameras, a complimentary alarm system, and adequate utilities to support the systems.

MEASURE 1: ANL-W will submit an acceptable Conceptual Design Report by October 1, 2000.

EXPECTATION: (SS8)

OUTSTANDING	Acceptable Conceptual Design Report submitted prior to October 1, 2000.
EXCELLENT	Acceptable Conceptual Design Report submitted prior to November 1, 2000
GOOD	Acceptable Conceptual Design Report submitted prior to December 1, 2000
MARGINAL	Acceptable Conceptual Design Report submitted prior to January 1, 2001
UNSATISFACTORY	Acceptable Conceptual Design Report submitted after January 1, 2001

Weight: 10%

MEASURE 2: ANL-W will complete Title II of the PIDAS upgrades project by March 31, 2001.

EXPECTATION: (SS9)

OUTSTANDING	Title II of the PIDAS upgrades complete prior to March 31, 2001.
EXCELLENT	Title II of the PIDAS upgrades complete prior to April 30, 2001.
GOOD	Title II of the PIDAS upgrades complete prior to May 31, 2001.
MARGINAL	Title II of the PIDAS upgrades completed prior to June 30, 2001.
UNSATISFACTORY	Title II of the PIDAS upgrades completed after June 30, 2001.

Weight: 20%

MEASURE 3: ANL-W will complete installation of the ZPPR/FMF Protected Area PIDAS upgrade hardware by September 30, 2001, as identified in the security upgrade project management plan.

EXPECTATION: (SS10)

- All upgrade hardware will be completely installed by September 30, 2001. The adjectival rating of this measure will be accomplished upon completion of a formal walk-through, acceptance testing, and validation of the final "punch list" by DOE-CH SSS. An Outstanding, Excellent, Good, Marginal or Unsatisfactory rating for this measure will be assigned based on the number and relative importance of incomplete or missing "punch list" items, and the length of time required to resolve incomplete or missing items.

Weight: 20%

Compliance Items:

Prime Contract Clause I.61 - DEAR 952.204-2, Security (SEP 97); Federal, state, and local laws; and all DOE Orders applicable to Safeguards and Security.

Self-Assessment Scope:

The scope of the self-assessment is identified in Chapter X of DOE Order 470.1. The Laboratory will resume oversight of the protective force function at the Argonne-Illinois site on April 1, 2001. It is DOE's expectation that the transfer and assumption of this function will be conducted in accordance with the direction provided by Timothy S. Crawford to Dr. Yoon I. Chang via letter dated May 30, 2000.

Report:

A mid-year status report and a final annual report are required per the terms of Appendix B of the contract. Supporting documentation should be referenced and available for review as determined necessary by ARG.

DOE Operational Awareness:

Periodic visits by the DOE-CH Safeguards and Security Services (SSS) group to ANL-W and regular interaction by the DOE-SSS group with ANL-E.

**SYSTEM ASSESSMENT MEASURES
 ARGONNE NATIONAL LABORATORY
 BUSINESS OPERATIONS
 SECTION III.3.k. – COUNTERINTELLIGENCE PROGRAM
 (12/20)**

System Assessment Measures:

As a basis for assessment of the Laboratory's performance of this function, DOE-CH conducts an annual or biennial inspection of the ANL Counterintelligence (CI) Program to derive an appraisal rating. If an inspection is not conducted during the current assessment period, the appraisal rating for the previous assessment period will be used. Should the Laboratory receive an appraisal rating of less than satisfactory, annual DOE inspections will then be conducted. The Laboratory is required by DOE Order 470.1 to perform a self-assessment of its Safeguards and Security operations in the interviewing year between DOE appraisals.

OBJECTIVE: ANL will conduct CI operations to ensure effective protection of national security interests, proprietary information, personnel, property, and the general public.

MEASURE: An effective CI Program will ensure cost-effective compliance with all applicable Federal, state, and local laws, and all DOE Orders applicable to CI.

EXPECTATION: (CI1) Appraisal Ratings – the weighted average of all DOE-CH and DOE Headquarters-assigned ratings by topical area during the review period.

	Points (PTS)	
	<u>East</u>	<u>West</u>
Program Planning and Management (PPM)	15.0	5.0
Foreign Visits and Assignments	15.0	5.0
Investigations	10.0	5.0
CI Cyber Security	10.0	5.0
Personnel Security	5.0	
Analysis/Threat Assessment	5.0	5.0
CI Awareness	<u>10.0</u>	<u>5.0</u>
	70.0	30.0

<u>Appraisal Ratings (AR)</u>	<u>Performance Level</u>	<u>Metrics</u>
Unsatisfactory 0%	Outstanding	96-100
Marginal 50%	Excellent	91-95
Satisfactory 100%	Good	81-90
	Marginal	<80

Weight: 100%

Notes and Assumptions:

1. The Laboratory shall report to the CH CI Program Manager of the local FBI any contacts or elicitation attempts with people of any nationality who seek classified or sensitive unclassified information (i.e., proprietary or CRADA information) without proper authorization by any means. This includes any compromising situation or other inconsistencies associated with foreign travel or a visit or assignment.
2. Appraisals result in the following ratings, which are translated into a numeric value that can be used to establish metric values and then derive the adjectival rating.

Appraisal Ratings (AR)

Unsatisfactory	0%
Marginal	50%
Satisfactory	100%

Formula for Calculating Actual Scores

$$AR\% \times PTS = AS$$

Compliance Items:

- PDD-6 (C/NSI), February 11, 1998
- DOE CI Implementation Plan (S/NF), March 1999
- Atomic Energy Act of 1954, as amended
- Intelligence Authorization Act of 1995
- Federal, state, and local laws; and all DOE Orders applicable to CI.

Self Assessment Scope:

The scope of the self-assessment is identified in Chapter X of DOE Order 470.1.

Report:

A mid-year status report and a final report are required per the terms of the contract. Supporting documentation should be referenced and available for review as determined necessary by ARG.

DOE Operational Awareness:

Periodic visits by the DOE-CH CI Program Manager to ANL-W and weekly interaction by the DOE-CH CI Program Manager with ANL-E.

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
STAKEHOLDERS RELATIONS
SECTION III.4.a. - COMMUNICATIONS & TRUST
(10/26)**

System Assessment Measures:

GOAL: The DOE and its contractors must deal honestly and fairly with the public they serve, to increase knowledge and understanding of the mission and related activities. To this end, the Contractor shall develop and implement a systematic approach to informing stakeholders and involving the community in key decisions about appropriate aspects of laboratory operations. The Contractor's ability to develop and implement an effective community involvement program as well as progress toward improved public understanding and stakeholder relations will be measured. To accomplish this, the Contractor will develop and maintain effective Communications and Community Involvement Programs.

OBJECTIVE: Development and implementation of an effective Communications and Community Involvement Plan.

MEASURE: Achievement of significant goals and/or milestones as identified in the DOE-approved Communications and Community Involvement Plan for the performance period.

EXPECTATION: (CT1) The number of missed or late FY milestones will be subtracted from the total number of FY planned milestones. The difference will be divided by the total number of FY milestones and multiplied by 100 to determine the percentage of milestones achieved.

Rating Levels	Performance
Outstanding	8 – 9 Goals Successfully Met
Excellent	5 – 7 Goals Successfully Met
Good	3 – 4 Goals Successfully Met
Marginal	0 – 2 Goals Successfully Met

Weight: 100%

1. DOE will approve an annual Communications and Community Involvement Plan. The plan will include a list of significant milestones.
2. DOE-directed work scope and/or schedule changes will require a reevaluation of milestones.

3. Plans will be written or revised annually to reflect changing priorities and initiatives and prior year performance.
4. Communication and Community Involvement Plans shall be developed to document goals, strategies, and actions that will be undertaken each year.

Compliance Items:

N/A

Self Assessment Scope:

Scope will encompass contractor performance against the DOE approved Communications and Community Involvement Plan.

Report:

A report on the annual assessment will be prepared and provided to DOE. An assessment of the completion of milestones in the Communications and Community Involvement Plan will be provided.

DOE Operational Awareness:

Informal periodic reports.
Daily interaction with the Contractor.

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
STAKEHOLDERS RELATIONS
SECTION III.4.b. - TECHNOLOGY TRANSFER**

System Assessment Measures:

OBJECTIVE: To support DOE's missions through partnerships having the potential to benefit the nation through support of national policy objectives, or to contribute to the national economic and scientific base. This will be accomplished through resource-shared R&D initiatives between the Laboratory and other organizations. Technology/ideas are to be transferred from the Laboratory to the private/public sector, to help the partner accomplish its goals.

MEASURE: Effectiveness of agreements and outreach.

EXPECTATION 1: (TT1) The effectiveness of agreements will be evaluated by DOE using the Laboratory's annual self assessment which will include, as available, assessments performed by programmatic review teams (where applicable), the contractor's Technology Transfer Visiting Committee (when available), and/ or customer feedback.

Weight: 60%

EXPECTATION 2: (TT2) The effectiveness of outreach will be evaluated by DOE using the Laboratory's annual self assessment, considering such things as marketing of laboratory capabilities and intellectual property, and responsiveness to inquiries, etc.

Weight: 40%

Notes and Assumptions:

1. The Contractor will use a Technology Transfer Visiting Committee to evaluate performance under the Objective. If available, the results of their review will be a part of the contractor's evaluation of Laboratory technology transfer performance. It is expected that the Technology Transfer's Visiting Committee will review the Laboratory's program at least every other year.
2. It is recognized that the Technology Transfer Program is dependent upon available DOE funding to enter into partnership agreements.
3. Effectiveness of technology transfer by User Facilities will be evaluated by the respective scientific review committees.

Compliance Items:

N/A

Self Assessment Scope:

- Organizational structure of the Office of Technology Transfer (OTT), and how it interfaces with other organizations within the Laboratory
 - Are the existing system controls adequate to ensure that partnerships are formed in a fair and open manner
- Education and training of staff
- How does performance compare with last year's performance and/or other DOE laboratories?
 - Results of customer surveys
 - Statistics on CRADAs, HTSCs, Non-Federal WFO Contract values, and current year funding summaries
 - Intellectual Property generation and licensing activities
 - Outreach activities
- Opportunities for improvement - Do you feel that the current system is working well or could improvements be made?
- Identify significant achievements and actions taken for improvements
- Rationale for overall assessment rating - On what basis was the determination of the rating made?

Report:

Provide year-end self-assessment report on the level of performance achieved and an assessment against the above system measures and self-assessment scope.

DOE Operational Awareness:

Operational awareness is maintained through daily interactions, transactional reviews, quarterly meetings with the OTT, and attendance at the University of Chicago Visiting Committee reviews. DOE will review the year-end self-assessment report and determine the need for an on-site validation.

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
STAKEHOLDERS RELATIONS
SECTION III.4.c. - WORK FOR OTHERS**

System Assessment Measures:

OBJECTIVE: To support DOE's missions through partnerships having the potential to benefit the nation through support of national policy objectives, or to contribute to the national economic and scientific base. This will be accomplished through a Work-for-Others program which has a high level of DOE and sponsor satisfaction.

MEASURE 1: Other Federal agency funding and close out agreements are processed in an effective and timely fashion. Weight – 40%

EXPECTATION 1: (WF1) Processing of Other Federal Agency funding agreements is timely.

<u>Performance Level</u>	<u>Metrics Average Cycle Time (Working Days)</u>
Outstanding	5 days or less
Excellent	6 – 10 days
Good	11 – 15 days
Marginal	16 or greater

Weight: 20%

Notes and Assumptions:

1. It is ANL's responsibility to review OFA agreements for consistency with scope of work, and funding requested. Cycle time is measured from the day ANL's WFO Office receives the OFA agreement from DOE-ARG, until the date DOE-ARG receives ANL's letter recommending DOE accept the Interagency Agreement.
2. Year-end score will be the total average for the year.

EXPECTATION 2: (WF2) Processing time for responses to other Federal Agency requests for close-out/deobligation, or funds status, is timely.

<u>Performance Level</u>	<u>Metrics Average Cycle Time (Working Days)</u>
Outstanding	22
Excellent	23 – 27
Good	28 – 32
Marginal	33 or greater

Weight: 20%

Notes and Assumptions:

1. Processing time is the period between the date of receipt in ANL's WFO Office until date of notification to Argonne Group of project status, or funds available for deobligation.
2. For FY00, closeouts in direct response to a customer's request will be counted. Other close-out actions will be tracked by ANL, but will not be counted under this measure.

MEASURE 2: Quality and timeliness of work performed meets the sponsor's needs. Weight – 60%

EXPECTATION: (WF3) The level of sponsor satisfaction, as revealed in sponsor surveys, indicates the quality and timeliness of research, and the quality and timeliness of administration.

<u>Performance Level</u>	<u>Metrics</u>	<u>Definition</u>
Outstanding	4.30 – 5.00	Among the Very Best
Excellent	3.50 – 4.29	Exceeds Expectations
Good	2.50 – 3.49	Meets Expected Levels
Marginal	1.50 – 2.49	Less Than Expected Levels
Unsatisfactory	0.00 – 1.49	Less Than Acceptable Levels

Weight: 60%

Notes and Assumptions:

1. For FY01, each sponsor will be surveyed upon closeout, by hard copy, electronically, or by telephone. A statistical sampling of active WFO will be conducted monthly. Average scores for surveys done by hard copy, electronically, and by phone survey will each be computed separately and reported to DOE at year end.
2. The metric is an average of all sponsor responses to the survey for all close outs plus randomly sampled active programs.
3. A monthly data display will be presented for the programmatic part of this survey and another display will be presented for the administration part of the survey. Both surveys will be brought together, as has been the practice in the past, to form a cumulative data display.

Compliance Items:

Consistency with DOE prime contract requirements.

July 31, 2001
Modification No. M375
Contract No. W-31-109-ENG-38
October 1, 2000 - September 30, 2001
Attachment 4

Evaluation Schedule

<u>DATE</u>	<u>ACTIVITY</u>
10/1/00	Performance/Evaluation period starts.
5/15/01	ANL submits mid-year status report to DOE.
9/30/01	Performance/Evaluation period ends.
11/15/01	ANL submits self assessment report to DOE Argonne Group Manager.
12/31/01	DOE develops draft report and transmits to ANL.
1/15/02	ANL comments on draft report due.
2/1/02	DOE transmits final report with fee determination to ANL.

Performance Fee

	Rating	(FY00) Science 70%	(FY00) Critical Operations 30%	Total Available Fee
FY 2000	Outstanding	\$1,925,000	\$825,000	\$2,750,000
	Excellent	\$1,750,000	\$750,000	
	Good	\$700,000	\$300,000	
	Marginal	\$0	\$0	
	Rating	(FY01-04) Science & Technology 55%	(FY01-04) Critical Operations 45%	Total Available Fee
FY 2001	Outstanding	\$1,557,875	\$1,274,625	\$2,832,500
	Excellent	\$1,417,666	\$1,159,909	
	Good	\$567,066	\$463,964	
	Marginal	\$0	\$0	
FY 2002	Outstanding	\$1,603,250	\$1,311,750	\$2,915,000
	Excellent	\$1,458,958	\$1,193,693	
	Good	\$583,583	\$477,477	
	Marginal	\$0	\$0	
FY 2003	Outstanding	\$1,648,625	\$1,348,875	\$2,997,500
	Excellent	\$1,500,249	\$1,227,476	
	Good	\$600,100	\$490,990	
	Marginal	\$0	\$0	
FY 2004	Outstanding	\$1,694,000	\$1,386,000	\$3,080,000
	Excellent	\$1,541,540	\$1,261,260	
	Good	\$616,616	\$504,504	
	Marginal	\$0	\$0	

**ANL
 Critical Operations Fee Distribution
 (FY2001)**

Rating	SCIENCE & TECHNOLOGY (55%)	Critical Operations (45%) *\$1,274,625				
		ES&H (20%)	INFRASTRUCTURE (17%)			LEADERSHIP (8%)
		ANL-E (5%)	ANL-W (10%)	Cyber (2%)		
Outstanding	\$1,557,875	\$141,625	\$283,250	\$56,650	\$226,600	
Excellent	\$1,417,666	\$128,879	\$257,758	\$51,551	\$206,206	
Good	\$ 567,066	\$ 51,552	\$103,103	\$20,621	\$ 82,482	
Marginal	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	

* Total Critical Operations fee attainable at an "Outstanding" level of performance.

July 31, 2001
Modification No. M375
Contract No. W-31-109-ENG-38
October 1, 2000 – September 30, 2001

Appendix A

Personnel Appendix

EXHIBIT I. - GRADES AND RATE RANGES

Schedule A - Position Grades and Salary Ranges for Non-union Positions.

Schedule B - Pay Schedule for Temporary Student Appointments.

Schedule C - Pay Schedule for Temporary Classifications.

Pages 99-103 have been deleted. Salary ranges are available from ANL Human Resources.

Appendix F

Key Personnel

The following personnel are identified as Key Personnel pursuant to Clause I.97, "Key Personnel":

<u>TITLE</u>	<u>NAME</u>
Laboratory Director	Hermann A. Grunder
Deputy Laboratory Director	Beverly K. Hartline
Chief Operations Officer	Rudolph Bouie
Chief Financial Officer	Michael E. Bartos
Associate Laboratory Directors	
Energy and Environmental Science and Technology	Harvey Drucker
Engineering Research	Yoon I. Chang
Physical, Biological, and Computing Sciences	Frank Y. Fradin
Advanced Photon Source	David E. Moncton (Acting)
Deputy Engineering Research	John I. Sackett
General Counsel	Mark L. Jones
Director Human Resources	Carol A. Quinn

Appendix I - List B

DOE Directives

ES&H

O 151.1A	11/01/00	Comprehensive Emergency Management System
N 153.1	02/26/01	Connectivity to Atmospheric Release Advisory Capability
O 225.1A	11/26/97	Accident Investigation
O 231.1*	09/30/95	Environment, Safety, and Health Reporting
Chg. 1	10/26/95	
Chg. 2	11/07/96	
O 232.1A	08/01/97	Occurrence Reporting and Processing of Operations Information
O 414.1A	09/29/99	Quality Assurance
Chg. 1	07/12/01	
O 420.1	10/13/95	Facility Safety
Chg. 1	11/16/95	
Chg. 2	10/24/96	
Chg. 3	11/22/00	
O 420.2A	01/08/01	Safety of Accelerator Facilities
O 425.1B	12/21/00	Startup and Restart of Nuclear Facilities
O 435.1	07/09/99	Radioactive Waste Management
O 440.1A	03/27/98	Worker Protection Management for DOE Federal and Contractor Employees
O 440.2	09/25/95	Aviation
Chg. 1	10/13/95	
Chg. 2	10/26/95	
Chg. 3	12/08/00	
N 450.4	02/05/01	Assignment of Responsibilities for Executive Order 13148, <i>Greening the Government Through Leadership in Environmental Management</i>
O 460.1A	10/02/96	Packaging and Transportation Safety

DOE Directives

O 460.2	09/27/95	Departmental Materials Transportation and Packaging Management
Chg. 1	10/26/95	
O 5400.1*	11/09/88	General Environmental Protection Program
Chg. 1	06/29/90	
O 5400.5*	02/08/90	Radiation Protection of the Public and the Environment
Chg. 1	06/05/90	
Chg. 2	01/07/93	
O 5480.4*	05/15/84	Environmental Protection, Safety, and Health Protection Standards
Chg. 1	05/16/88	
Chg. 2	05/16/89	
Chg. 3	09/20/91	
Chg. 4	01/07/93	
O 5480.19	07/09/90	Conduct of Operations Requirements for DOE Facilities
Chg. 1	05/18/92	
O 5480.20A	11/15/94	Personnel Selection, Qualification, and Training Requirements for DOE Nuclear Facilities
O 5480.21	12/24/91	Unreviewed Safety Questions
O 5480.22	02/25/92	Technical Safety Requirements
Chg. 1	09/15/92	
Chg. 2	01/23/96	
O 5480.23	04/10/92	Nuclear Safety Analysis Reports
Chg. 1	03/10/94	
O 5480.30	01/19/93	Nuclear Reactor Safety Design Criteria
Chg. 1	03/14/01	

SAFEGUARDS AND SECURITY

N 142.1	07/14/99	Unclassified Foreign Visits and Assignments (extended by DOE N 251.40)
N 203.1	10/02/00	Software Quality Assurance (extended by DOE N 251.40)

DOE Directives

N 205.1	07/26/99	Unclassified Cyber Security Program (extended by DOE N 251.40)
N 205.2	11/01/99	Foreign National Access to DOE Cyber Systems (extended by DOE N 251.40)
N 205.3	11/23/99	Password Generation, Protection, and Use (extended by DOE N 251.40)
O 461.1	09/29/00	Packaging and Transfer or Transportation of Materials of National Security Interest
O 470.1 Chg. 1	09/28/95 06/21/96	Safeguards and Security Program (extended by DOE N 251.40)
N 470.2	12/15/00	Reporting Unofficial Foreign Travel (extended by DOE N 251.40)
O 470.2A	03/01/00	Security and Emergency Management Independent Oversight and Performance Assurance Program
O 471.1A	06/30/00	Identification and Protection of Unclassified Controlled Nuclear Information
O 471.2A	03/27/97	Information Security Program (extended by DOE N 251.40)
N 471.3	04/13/01	Reporting Incidents of Security Concern
O 472.1B	03/24/97	Personnel Security Activities (extended by DOE N 251.40)
O 473.2	06/30/00	Protective Force Program
N 473.3	03/29/00	Standardization of Chemical Protective Forces and Special Agents (extended by DOE N 251.40)
N 473.4	05/26/00	Department of Energy Badges (extended by DOE N 251.40)
N 473.5	06/05/00	Security Area Vouching and Piggybacking (extended by DOE N 251.40)

DOE Directives

N 473.6	09/18/00	Security Conditions (extended by DOE N 251.40)
N 473.7	10/26/00	Explosive Detection Program (extended by DOE N 251.40)
O 474.1A	11/20/00	Control and Accountability of Nuclear Materials
O 551.1A	08/25/00	Official Foreign Travel
O 1270.2B	06/23/92	Safeguards Agreement with the International Atomic Energy Agency
O 5610.2 Chg. 1	08/01/80 09/02/86	Control of Weapon Data
O 5631.2C* Chg. 1 Chg. 2	09/15/92 06/07/93 02/17/94	Personnel Security Program
O 5632.1C	07/15/94	Protection and Control of Safeguards and Security Interests
O 5660.1B	05/26/94	Management of Nuclear Materials
O 5670.3	09/04/92	Counterintelligence Program

FINANCIAL MANAGEMENT

O 130.1	09/29/95	Budget Formulation Process
O 413.1	12/06/95	Management Control Program (extended by N 413.1)
O 433.1	06/01/01	Maintenance Management Program for DOE Nuclear Facilities
O 534.1A	07/05/01	Accounting
O 2100.8A	01/27/93	Cost Accounting, Cost Recovery, and Interagency Sharing of Information Technology Facilities
O 2110.1A Chg. 1 Chg. 2	07/14/88 10/05/88 05/18/92	Pricing of Departmental Materials and Services

DOE Directives

O 2300.1B	06/08/92	Audit Resolution and Followup
O 5560.1A	05/08/85	Priorities and Allocations Program
<u>OTHER</u>		
O 110.3	11/03/99	Conference Management
O 200.1	09/30/96	Information Management Program
O 221.1	03/22/01	Reporting Fraud, Waste, and Abuse to the Office of Inspector General
O 221.2	03/22/01	Cooperation with the Office of Inspector General
O 224.1	12/08/97	Contractor Performance-Based Business Management Process
O 241.1	08/17/98	Scientific and Technical Information Management
O 251.1A	01/30/98	Directives System
O 252.1	11/19/99	Technical Standards Program
O 350.1 Chg. 1	09/30/96 05/08/98	Contractor Human Resource Management Programs (Except as otherwise modified in Appendix A of this Contract)
O 350.2	07/12/01	Use of Facility Contractor Employees for Services to DOE in the Washington, D.C., Area
N 350.6	01/12/01	Acceptance of Valid Workers' Compensation Claims
O 412.1	04/20/99	Work Authorization System
O 413.2A	01/08/01	Laboratory Directed Research and Development
O 413.3	10/13/00	Program and Project Management of the Acquisition of Capital Assets
O 430.1A	10/14/98	Life Cycle Asset Management
O 430.2	06/13/96	In-House Energy Management (extended by DOE N 430.3)

DOE Directives

O 442.1A	06/06/01	Department of Energy Employee Concerns Program
O 443.1	05/15/00	Protection of Human Subjects
O 481.1A	01/03/01	Work for Others (Non-Department of Energy Funded Work)
O 482.1	01/12/01	DOE Facilities Technology Partnering Programs
O 483.1	01/12/01	DOE Cooperative Research and Development Agreements
O 1340.1B	01/07/93	Management of Public Communications, Publications, and Scientific, Technical, and Engineering Publications
O 1350.1 Chg. 1	10/28/81 03/26/84	Audiovisual and Exhibits Management
O 1450.4	11/12/92	Consensual Listening-In To or Recording Telephone/Radio Conversations
O 5530.1A	09/20/91	Accident Response Group
O 5530.3 Chg. 1	01/14/92 04/10/92	Radiological Assistance Program

* Parts canceled by new Orders