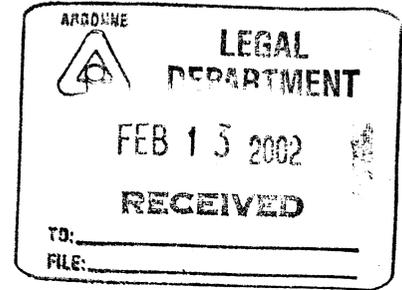




Department of Energy

Argonne Area Office
9800 South Cass Avenue
Argonne, Illinois 60439

FEB 1 2 2002



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 W-31-109-ENG-38 FOR OPERATION OF ARGONNE
NATIONAL LABORATORY: MODIFICATION M384**

Enclosed for your review and signature are five signed copies of the subject modification which revises Prime Contract Appendix B – FY2002 Performance Criteria and Measures. This version of M384 has minor revisions as agreed to with members of your staff. You may disregard previous modification M384 dated December 21, 2001.

Please sign four copies of the subject modification and return to this office. You may retain one copy for your records.

Should you have any questions, please contact me at (630) 252-2075.

Sincerely,


Sergio E. Martinez
Contracting Officer

Enclosure:
As Stated

cc: H. Grunder, ANL, w/encl.
B. Hartline, ANL, w/encl.
M. Jones, ANL, w/encl.
S. Golden, UofC, w/encl.
T. Crockett, UofC, w/encl.
D. Schmitt, ANL, w/encl.
R. Carder, UofC, w/encl.

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE PAGE OF PAGES
1 1

2. AMENDMENT/MODIFICATION NO. M384	3. EFFECTIVE DATE 10/1/01	4. REQUISITION/PURCHASE REQ. NO. 02-02CHENG38.005	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)
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8. 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
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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.)

Appendix B, FY2001 Performance Criteria and Measures, dated July 31, 2001, is hereby replaced with the attached Appendix B, FY2002 Performance Criteria and Measures, dated October 1, 2001.

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	15C. DATE SIGNED
16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	16C. DATE SIGNED 2/12/02

October 1, 2001
Modification No. M384
Contract No. W-31-109-ENG-38
October 1, 2001 - September 30, 2002

Appendix B

FY 2002

Performance Criteria and Measures

Performance Measures (2/6/02)

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.

The overarching performance goals are as follows:

Science and Technology: ANL will deliver innovative, forefront science and technology aimed with DOE strategic goals, and conceive, design, construct, and operate world-class user facilities, all in a safe, environmentally sound and efficient manner.

Contractor Management: The University of Chicago will provide leadership, guidance, and oversight that add value to the overall management of ANL

Operations: ANL will conduct all work and operate facilities cost effectively and with distinction, integrated with and supportive of its missions in science, technology, energy, and environment, while being fully protective of its workers, its users, the public, and the environment.

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, 2001, through September 30, 2002, 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 two broad areas ("Performance Areas"), namely (I) Mission Critical and (II) General Operations. The Performance Area identified as Mission Critical consists of incentivized (fee bearing) Performance Measures, while the Performance Area identified as General Operations consists of non-fee bearing System Assessment Measures (SAM's). Each Functional Area will receive its own evaluation and rating. With respect to the Contractor's overall rating and performance fee, 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 Section I - Mission Critical and Section II - General Operations Performance Areas.

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 Section I - Mission Critical Performance Areas.

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, Measure, and Expectation as an accurate and meaningful reflector of performance and to replace them with more appropriate Performance Objectives, Measures, and Expectations if necessary.
- consider adding to or subtracting from the complement of performance objectives, expectations and measures in order to more meaningfully and accurately track performance objectives.
- consider adding or subtracting Performance Objectives, Measures, and Expectations 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 and Functional Areas
3. Performance Objectives, Measures, and Expectations
4. Evaluation Schedule
5. Performance Fee
- 5a. Mission Critical 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. Contribute directly to or enhance the Laboratory's ability to accomplish its R&D mission for DOE and the Nation.
 - b. Drive performance by concentrating on desired outcomes.
 - c. Compel the Laboratory to focus on systems performance, cost effectiveness and continuous improvement of functions and services essential to the mission.
 - d. Allow for meaningful analysis of trends and rates of change.
 - e. Add commensurate value in the context of the Laboratory's mission and the entire performance plan.
 - f. Encourage benchmarking (incorporation of best practices).
 - g. Ensure accurate and meaningful reflection of performance.
 - h. Encourage self-assessment and proactive improvement.
 - i. Correct an important problem or resolve a significant issue.
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 fulfillment of the Department's mission objectives. Mission Critical Performance Measures are tied directly to performance fee. General Operations System Assessment Measures are not directly 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.
- 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. Deficiencies do not substantively affect performance.
- Marginal:** Below the standard of performance. Deficiencies are serious and may affect overall results; management attention and corrective action are required.
- Unsatisfactory:** Significantly below the standard of performance; deficiencies are serious, may affect overall results, and urgently require senior management attention.

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 "Mission Critical."
- 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 Mission Critical Performance Measures as specified in Attachment 2 of this Appendix B.
- 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 each of the Performance and Functional Areas are 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 each of the Functional Areas, the Contracting Officer shall also consider any other relevant information which is deemed to have had a significant 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.

Should the Contracting Officer contemplate considering other relevant information in establishing the final performance rating for any of the Performance or Functional Areas 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 Area Office, Chicago Operations Office, HQ, 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 for, but input also will be sought from cognizant DOE Assistant Secretaries, Office Directors and Program Managers. Primary input for ANL-W related work will be sought from the NE Program Office. The Contracting Officer has the primary responsibility for evaluating the Operational (Critical Operations and General Operations) performance in accordance with the Contractor Management, 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 for the Section I – Mission Critical Performance Measures and Section II – General Operations Systems Assessment Measures. 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 after written notification to the contractor.
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 of the Mission Critical Functional Areas identified in Attachment 2 achieves a "marginal" or below rating (unsatisfactory), the Contractor will not be entitled to any performance fee.

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.

Performance and Functional Areas

(11/30/01)

FY 02)

SECTION I – Mission Critical (Performance Measures)		
Séction	Functional Areas	Weight
I.1	Science and Technology	65%
I.2	Contractor Management	5%
I.3	Critical Operations Performance Measures	
	a. Integrated Safety Management	20%
	b. Infrastructure	10%
	TOTAL	100%
SECTION II – General Operations (System Assessment Measures)		
Section	Functional Areas	Weight
II.1	Business Management	
	a. Financial Management	10%
	b. Human Resources	10%
	c. Diversity	10%
	d. Procurement	10%
	e. Personal Property	10%
	f. Legal Management	8%
	g. Scientific & Technical Information	4%
	h. Information Management	4%
	i. Integrated Safeguards and Security Management	12%
	j. Counterintelligence	6%
II.2	Stakeholders Relations	
	a. Communications and Trust	8%
	b. Technology Transfer	8%
	TOTAL	100%

October 1, 2001
Modification No. M384
Contract No. W-31-109-ENG-38
October 1, 2001 - September 30, 2002
Attachment 3

Performance Objectives, Measures and Expectations

Section I

Mission Critical

(Performance Measures)

**PERFORMANCE MEASURES
ARGONNE NATIONAL LABORATORY
SECTION I.1 - SCIENCE AND TECHNOLOGY
PART I – ARGONNE EAST**

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.

(Total Weight for Part I Measures is 55%)

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 Secretaries or Office Directors 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 I.3.b. – Infrastructure (ANL-E).

**PERFORMANCE MEASURES
ARGONNE NATIONAL LABORATORY
SECTION I.1 - SCIENCE AND TECHNOLOGY
PART II – ARGONNE WEST
(11/26/01)**

OVERALL OBJECTIVE: 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 413.3, 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:

Spent Fuel Treatment/Disposition Technology
EBR-II Plant Shutdown
Infrastructure/Operations

1. Measures:

OBJECTIVE 1: Project Management Performance - ANL-W work shall be managed efficiently and within DOE approved baselines. All approved ANL-W work is completed on time, within budget, and meets baseline scope requirements. The following performance indicator for ANL-W work examines compliance with the approved project baselines.

MEASURE 1: Project Schedule Compliance - This performance expectation is intended to encourage schedule implementation in accordance with the approved baselines.

Description of Method:

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

EXPECTATION:

<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: 35%

A cumulative rating for schedule compliance will be based on the performance of the Spent Fuel Treatment/Disposition Technology and the EBR II Shutdown projects and adjusted by the weighting factors of 0.65 and 0.35, respectively. Schedule compliance rating for each project will be developed.

A calculation for the Cumulative Rating for the Schedule Compliance will be determined from:

Cumulative Rating for the Schedule Compliance = Spent Fuel Treatment/Disposition Technology rating x 0.65 + EBR II Shutdown rating x 0.35.

MEASURE 2: Project Cost Compliance - This performance expectation is intended to encourage compliance within the approved cost baselines.

Description of Method:

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

EXPECTATION:

<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: 35%

A cumulative rating for the program cost compliance will be based on the performance of the Spent Fuel Treatment/Disposition Technology and the EBR II Shutdown projects and adjusted by the weighting factors of 0.65 and 0.35, respectively. A cost compliance rating for each project will be developed.

A calculation for the Cumulative Rating for the Cost Compliance will be determined from:

Cumulative Rating for the Cost Compliance = Spent Fuel Treatment/Disposition Technology rating x 0.65 + EBR II Shutdown rating x 0.35.

OBJECTIVE 2: Infrastructure Management Performance - Departmental expectations are that its contractors manage the stewardship of facility assets in a cost-effective manner that ensures their safe and reliable operations consistent with and in support of program missions. This objective focuses on ensuring that the appropriate infrastructure/operations components exist to satisfy safety and environmental requirements; maintain facilities in a user ready status and provide support functions for ongoing program work. This also includes associated management

and administrative activities. It is the intent of this performance objective to ensure that facilities assets do not become liabilities and the necessary managerial and operational support exist to facilitate the accomplishment of program/project goals.

MEASURE 1: ANL-West Infrastructure Performance - This performance indicator is intended to assure high quality management of the Infrastructure Program to assure that important milestones are met in support of DOE goals.

Infrastructure Management Performance is measured by the number of level one (1) and two (2) baseline milestones successfully completed on schedule.

EXPECTATION:

<u>Performance Level</u>	<u>Milestones Completed on Schedule</u>
Outstanding (4)	16 of 16
Excellent (3)	14 of 16
Good (2)	13 of 16
Marginal (1)	12 of 16

Weight: 10%

MEASURE 2: ANL-West Infrastructure Level of Effort - This performance indicator is intended to measure the level of effort (expressed as cost compliance) expended in meeting the approved Infrastructure Implementation Plan baseline.

Level of Effort (expressed as Cost Compliance) is measured by BCWP (i.e. the planned level of effort described in the approved Implementation Plan) divided by the ACWP.

EXPECTATION:

<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: 10%

Cumulative Rating for Infrastructure Management Performance Objective = .75 (Measure 1 + .25 (Measure 2)

OBJECTIVE 3: ANL-West Management - Departmental expectations are that overall ANL-West management is effective in conduct and coordination of all ANL-W operations and activities in a cost-effective, safe and reliable manner consistent with and in support of program missions. This objective includes an expectation that the Laboratory will respond effectively to new initiatives and provide assistance to NE in responding to stakeholders. Additionally, this objective is intended to

enable evaluation of management factors not specifically captured in performance Objective 1 or 2.

MEASURE: Performance in meeting this objective is measured according to the following expectations.

EXPECTATIONS:

- Outstanding (4) - significantly exceeds average standards of performance; achieves noteworthy results; accomplishes very difficult tasks in a timely manner.
- Excellent (3) - exceeds average standards of performance, although there may be room for improvement in some elements; better performance in all other elements more than offsets this.
- Good (2) - meets average standards of performance; assigned tasks are carried out in an acceptable manner - timely, efficient and economical; deficiencies do not substantially affect performance.
- Marginal (1) - below average standard of performance; deficiencies require management attention and corrective action.

Weight: 10%

Final Cumulative Rating: Unless designated otherwise, the rating for Objective 1 will each have 70% weighted value in determining a final cumulative rating, Objective 2 will have a 20% weighted value in determining a final cumulative rating, and Objective 3 will have a 10% 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 systems 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-
AAO, 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 was considered but 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. 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.

2. Compliance Items:

DOE Order 430.1A, Life Cycle Asset Management and Draft Order 413.3, Program and Project
Management For The Acquisition Of Capital Assets

3. Reporting Requirements:

Monthly reporting in accordance with expectations defined in DOE program guidance and
approved implementation plans.

4. Self Assessment Scope/Other:

None

**PERFORMANCE MEASURES
ARGONNE NATIONAL LABORATORY
SECTION I.2 - CONTRACTOR MANAGEMENT
(2/5/02)**

OBJECTIVE: The University of Chicago will provide leadership, guidance, and oversight that add value to the overall management of Argonne National Laboratory (ANL).

MEASURE 1: Skilled and competent managers are in place at Associate Laboratory Director (ALD) levels and above, with staffing supported by succession plans and development opportunities to cultivate management talent for the future.

EXPECTATION:

The University of Chicago will:

1. Review the leadership of ANL on a regular basis (in mid-year/end of year assessment).
2. Ensure that effective succession plans are in place for all ANL Associate Laboratory Directors and above.
3. Ensure that acting or interim manager assignments will not exceed a reasonable duration under normal conditions, consistent with the national norm for positions of comparable level and specialty, and the acting managers will be supported sufficiently to provide effective stewardship for the interim period.

MEASURE 2: Strategic guidance provided by the University focuses on Argonne's science, engineering, and operations in serving DOE missions now and into the future, prevents or promptly resolves issues and problems, and enhances the overall quality of Argonne.

EXPECTATION:

The University of Chicago will:

1. Provide timely strategic guidance to ANL.
2. During the performance period identify and resolve strategic issues that impact the overall performance of the Laboratory.

MEASURE 3: The University of Chicago will conduct reviews and provide an overall assessment of key ANL programmatic areas, operations functions and management systems.

EXPECTATION:

The University of Chicago will:

1. Perform regular reviews of key ANL management systems; this includes peer review of each major programmatic (Science & Technology) and operations (Critical and General Operations) area at least once every three years.
2. Ensure the quality of the Laboratory's annual self-assessment.
3. Ensure the Laboratory effectively resolves important issues arising as a result of items 1 and 2 above.

ASSUMPTIONS:

1. Key personnel as identified in the Prime Contract (Appendix F) are considered to be part of the University's Contractor Management.
2. The year-end self-assessment will briefly summarize the results of University of Chicago reviews and resolution of important issues.
3. In the self-assessment, the University will provide evidence of success in meeting the eight Expectations for Contractor Management. The performance rating for Contractor Management will be determined as follows:

Outstanding	8 Expectations achieved
Excellent	7 Expectations achieved
Good	6 Expectations achieved
Marginal	5 Expectations achieved
Unsatisfactory	Less than 5 Expectations achieved

2. Compliance Items:

None

3. Reporting Requirements:

None

4. Assessment Scope/Other:

SA required bullet #2 under Measure 3 is a measure of overall SA quality.

**PERFORMANCE MEASURES
ARGONNE NATIONAL LABORATORY
SECTION I.3.a. - INTEGRATED SAFETY MANAGEMENT**

OVERALL OBJECTIVE: Manage and continuously improve the implementation of Integrated Safety Management to protect workers, users, the public, and the environment.

1. Measures:

OBJECTIVE 1: Promote improving the safety culture throughout Argonne through ISM systems and implementation.

MEASURE 1: Percentage of Laboratory employees who have completed mandatory training requirements.

EXPECTATION:

<u>Performance Level</u>	<u>% of employees</u>
Outstanding	96 %
Excellent	90 - 96 %
Good	85 - 90 %
Marginal	< 85 %

Weight: 10%

Notes:

1. Data will include all ANL-required training in ANL-East Training Management System, except those clearly not ES&H-related. For ANL-West, equivalent courses will be tracked and included in these data.
2. Argonne will monitor data for each Division and supply to AAO upon request.

MEASURE 2: Percentage of facility inspections performed, as required by Argonne ES&H Manuals.

EXPECTATION:

<u>Performance Level</u>	<u>% Inspections Performed</u>
Outstanding	96 %
Excellent	90 - 96 %
Good	85 - 90 %
Marginal	< 85 %

Weight: 10%

Notes:

Inspections include 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, inspections will include similar scheduled inspections.

MEASURE 3: Percentage of OSHA recordable and ORPS reportable incidents/occurrences where ANL meets ANL and DOE notification and reporting requirements.

EXPECTATION:

<u>Performance Level</u>	<u>% with Requirements Met</u>
Outstanding	96 %
Excellent	90 - 96 %
Good	85 – 90 %
Marginal	< 85 %

Weight: 10%

Notes:

1. Percentage for OSHA recordables will be based on the timeliness of both the immediate notification report and follow-up investigation report, if applicable, in accordance with the requirements in the ANL ES&H manuals.
2. Percentage for ORPS will be based on the timeliness of both the notification reports and final reports completed in accordance with the requirements in the ANL ES&H manuals.

OBJECTIVE 2: Improve Radiological Protection Program

MEASURE 1: Collective Laboratory-wide Total Effective Dose Equivalent (TEDE) to monitored individuals compared to ALARA goal.

EXPECTATION:

<u>Performance Level</u>	<u>% of ALARA Goal</u>
Outstanding	< 85 %
Excellent	< 90 %
Good	< 110 %
Marginal	> 110 %

Weight: 10%

Notes:

The performance expectation (ALARA goal) will be established in a joint ANL and AAO Radiological Performance Measures meeting in November. Thereafter, this same group will meet quarterly and agree to any adjustments as judged necessary and appropriate.

MEASURE 2: Number of Radioactive Contaminations and Contaminated Individuals, expressed as Contamination Index.

EXPECTATION:

<u>Performance Level</u>	<u>Contamination Index</u>
Outstanding	TBD from ALARA Goals
Excellent	
Good	
Marginal	

Weight: 10%

Notes:

1. The contamination index is determined by summing the number of external contamination events at both ANL-E and -W which are reportable through the ORPS system (per DOE Order 232.1A) and the number of personnel contaminated (above the ORPS threshold) during the contamination events and dividing by two.
2. The performance expectation is the sum of the ANL-E and ANL-W ALARA goals. The performance expectation is used as the boundary value between "Excellent" and "Good" in the table. The ratings are then based on 10 units differences.
3. The performance expectation (Contamination Index goal) will be established in a joint ANL and AAO Radiological Performance Measures meeting in November. Thereafter, this same group will meet quarterly and agree to any adjustments as judged necessary and appropriate.

OBJECTIVE 3: Improve worker safety performance

MEASURE: Lost Workday Case Rate.

EXPECTATION:

<u>Performance Level</u>	<u>LWCR</u>
Outstanding	< 1.14
Excellent	1.14 to 1.67
Good	1.68 to 2.03
Marginal	> 2.03

Weight: 15%

Notes:

The ratings will be determined by the average of the previous three calendar years, less 5%. This value will be the mid-point of Excellent. The remaining rating levels will be 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.

OBJECTIVE 4: Improve environmental protection performance

MEASURE 1: Timeliness in addressing requirements of Executive Order 13148 "Greening the Government Through Leadership in Environmental Management," DOE Notice 450.4, and DOE Policy 141.1 "Management of Cultural Resources".

EXPECTATION: Completion of the following items:

1. Argonne describes an Environmental Management System (EMS), consistent with its ISMS, that meets E.O. 13148 and DOE N 450.4 and provides a plan and implementation schedule that is acceptable to AAO.
2. Argonne completes and approves an ANL-E strategic plan for land management and habitat restoration as an initial component of an EMS.
3. Argonne completes a sitewide building survey and historical context document for ANL-E.
4. Argonne revises the Draft Cultural Resource Management Plan for ANL-E following AAO direction, which will be provided by November 15, 2001.
5. To prepare for full implementation of E.O. 13148, ANL will select a minimum of four hazardous/toxic chemicals now in use and develop an implementation methodology for reduction in future use.

Performance level points	Item 1 completed by	Item 2 completed by	Item 3 completed by	Item 4 completed by	Item 5 completed by
4	03/31/02	12/31/01	12/31/01	02/28/02	06/30/02
3	05/31/02	02/28/02	02/28/02	04/30/02	07/31/02
2	07/31/02	04/30/02	04/30/02	06/30/02	08/31/02
1	09/30/02	06/30/02	06/30/02	08/31/02	09/30/02

Points will be tallied using the above chart; the performance level will be determined by the following table:

<u>Performance Level</u>	<u>Points</u>
Outstanding	16 – 20
Excellent	11 – 15
Good	6 – 10
Marginal	< 6

Weight: 10%

MEASURE 2: Number of Air and Water Effluent Limits Exceedances at Argonne-East.

EXPECTATION: The numbers of high, medium, and low significance effluent exceedances at Argonne-East as defined below:

NPDES (water pollution control permit) exceedances in a six-month period, by outfall:

Low significance – Fewer than four exceedances of monthly average permit limit for a pollutant 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 or two or three exceedances for a pollutant 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 or four or more exceedances for a pollutant exceed 1.4 times the monthly average limit for Group I Pollutants or 1.2 times the monthly average limit for Group II Pollutants.

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

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

Performance Level	Metric
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: 15%

Notes:

For a pollutant with no monthly average permit limit, we will assume a monthly average is exceeded if the daily maximum is exceeded any time during the month.

MEASURE 3: Number of hazardous waste permit conditions violated at Argonne-West (including missed permit milestones) without prior notification to DOE.

EXPECTATION:

Performance Level	Metric
Outstanding	Hazardous waste 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 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 permit condition violations discovered by DOE or regulatory agency inspectors and missed permit milestone is two to four, inclusive.
Marginal	The sum of permit condition violations discovered by DOE or regulatory agency inspectors and missed permit milestones is five or more.

Weight: 10%

Notes:

ANL self-assessment will describe the ANL process for identifying permit condition violations at Argonne-West.

2. Compliance Items:

Objective 1: Promote improving safety culture through ISM systems and implementation

- Report progress on the validation of implementation of QA programs at ANL nuclear facilities.
- Report the number and percentage of facilities that have been reviewed by the Criticality Safety Committee, and the status of required Criticality Safety Engineer training completed by January 31, 2002.

Objective 2: Improve radiological protection program

- Report progress on triennial 10CFR835 reviews.

Objective 3: Improve worker safety performance

- For Chronic Beryllium Disease Prevention Program (10CFR850), report on completion of baseline inventories, initial and additional exposure monitoring (for current and historical use areas), and implementation of the Program (training, posting, etc.).

Objective 4: Improve environmental protection performance

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

3. Reporting Requirements

None

4. Assessment Scope/Other:

Objective 1: Promote improving safety culture through ISM systems and implementation

- Report on the number of Divisions that have adequately completed both the annual Management Assessment and participated in an ISMS independent assessment, conducted by EQO. Evaluate the quality of the Assessments performed and whether Laboratory expectations were met, and discuss any significant issues identified and how they were addressed.
- Report on self-assessment of the effectiveness of the experiment safety review process. Items reviewed should include independent assessments to determine whether 1) hazards are being adequately identified and controlled, 2) causes of incidents/occurrences (reportable and non-reportable) are linked to the experiment safety review, and 3) appropriate expertise is being included in the review process.
- Conduct a self assessment of the Laboratory's ESH&I process, and report on the results.
- Report expenditures for ES&H activities and projects as described in ESH&I Management Plan ADSs, and compare to previous three years.

Objective 2: Improve radiological protection program

- Report evaluation of effectiveness of RWP process, including accuracy of estimated dose.
- Report results of evaluation of percentage of actual dose to ALARA Goal, by Division.
- Report on evaluation of feasibility and progress toward implementing site-wide radioactive items inventory and accountability. Report should evaluate a broad range of types of radioactive, activated, and contaminated materials.

Objective 3: Improve worker safety performance

- Report on Total Recordable Cases (TRC), Days Away From Work (DAW), Cost Index, Worker Radiation Dose, Estimated Radiation Dose to Public
- Report on a self-assessment of Industrial Hygiene (IH) program, to include 1) the completion and timeliness of scheduled IH surveys, 2) IH follow-through on requests for assistance/surveys, and 3) performance of proactive workplace evaluations by IH.

Objective 4: Improve environmental protection performance

- Report progress toward completion of corrective actions to EH-24 inspection of environmental monitoring and surveillance program.
- Report land management and habitat restoration achievements at ANL-E.
- Report wetland restoration progress.
- Report air emissions reductions under the Clean Air Counts Campaign.

**CRITICAL OPERATIONS PERFORMANCE MEASURES
ARGONNE NATIONAL LABORATORY
SECTION I.3.b. - INFRASTRUCTURE**

OVERALL OBJECTIVE:

This Critical Operation includes both Project Management and Facility Management activities at the Laboratory.

Project Management

The Project Management objective is to be consistent with the objectives of DOE Order 430.1A, Life Cycle Asset Management, and DOE Order 413.3, 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. The construction, and environmental activities related to ANL-E Infrastructure are managed as projects with an approved scope, cost, and schedule baseline. These projects directly support the ANL mission. Types of projects to be assessed include:

- 1) Multiprogram Energy Laboratories - Facilities Support (MEL-FS) - Line Item Projects
- 2) General Plant Projects (GPP)
- 3) Environmental Management Projects
- 4) Any Other Selected Infrastructure Related Projects

Facility Management

The Facility Management objective is to ensure that facilities are adequately maintained and operated to minimize life-cycle costs. The net effect is to ensure that the stewardship of the physical assets is accomplished in a cost-effective manner. ANL 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 objective to ensure that facility 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 the health and safety of building occupants.

Overall Weight for Project Management Critical Operations Performance Objective 1: 60%

Overall Weight for Facility Management Critical Operations Performance Objective 2: 40%

1. Measures:

OBJECTIVE 1: Project Management - Projects shall be managed efficiently and within DOE approved baselines. All approved projects are completed on time, within budget, and meet baseline scope requirements. The performance indicator for projects examines compliance with the approved project baselines.

MEASURE 1: Project Schedule Compliance - This performance indicator is intended to encourage project schedule implementation in accordance with the approved baselines.

Description of Method:

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

EXPECTATION:

Measure	Outstanding	Excellent	Good	Marginal
1.3.b.1	>.97	>.93 <.96	>.89 <.93	<.88

Weight: 25%

MEASURE 2: Project Cost Compliance - This performance indicator is intended to encourage project compliance within the approved cost baselines.

Description of Method:

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

EXPECTATION:

Measure	Outstanding	Excellent	Good	Marginal
1.3.b.2	>.97	>.93 <.97	>.89 <.93	<.88

Weight: 35%

Notes and Assumptions for Critical Operations Performance Measures 1 and 2:

1. ANL and CH-AAO 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. An infrastructure construction 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. This measure will only measure those multi-year projects that are completed during the performance period, with the exception of ongoing EM projects. The performance will be based upon cumulative scope, schedule, and cost.
4. Performance for EM projects will be based upon annual fiscal scope, schedule and cost baselines and will be adjusted during the performance period to reflect DOE directed changes.
5. The total of all GPP funded projects completed in a single fiscal year will be treated as a separate funded line item project.
6. Any Project Baseline Change Requests submitted by ANL will be approved or disapproved by CH-AAO, within 30 calendar days.
7. 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

OBJECTIVE 2: Facilities Management - 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.

MEASURE 1: Adherence to Annual Maintenance Plan - The measure of this objective is the ratio of funding spent on maintenance to funding planned to be spent, as agreed in writing by CH-AAO.

Description of Method:

$$\text{Maintenance Program} = \frac{\text{Funding Spent on Maintenance Activities}}{\text{Funding Planned to be Allocated to Maintenance}}$$

EXPECTATION:

Measure	Outstanding	Excellent	Good	Marginal
1.3.b.3	>.96	>.95 <.89	>.88 <.80	<.80

Weight: 10%

MEASURE 2: Preventive Maintenance - This measure is intended to measure the effectiveness and timeliness of the Laboratory's facility maintenance program by monitoring the performance in the area of preventive maintenance.

Description of Method:

Percent of scheduled preventive *building* maintenance (PM) activities completed within 30 days of scheduled date.

$$\text{PM Program} = \frac{\text{No. of Bldg. PM's Completed Within 30 Days of Scheduled Date}}{\text{Number of Building PM's Scheduled}}$$

EXPECTATION:

Measure	Outstanding	Excellent	Good	Marginal
1.3.b.4	>.95	>.85 <.95	>.75 <.84	<.74

Weight: 10%

Notes and Assumptions for Facility Management Performance Measures 1 and 2:

1. An annual maintenance plan will be developed by ANL and agreed to by CH-AAO, 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-AAO.
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 Areas Maintenance
 - Grounds Maintenance

MEASURE 3: Electric Utility Reliability - This measure is intended to ensure reliable delivery of on-site Electricity Sources.

Description of Method:

$$\text{Electric Utility Reliability} = \frac{(\text{Total Customer Hours}) - (\text{Customer Hours of Unplanned Outages})}{\text{Total Customer Hours}}$$

EXPECTATION:

Measure	Outstanding	Excellent	Good	Marginal
1.3.b.5	>.9999	.99985-.9999	.99977-.99985	.99965-.99977

Weight: 10%

Notes and Assumptions for Facility Management Performance Measure 3:

1. ComEd supplies power to ANL facilities at 13.2kV or higher voltage. Outages are defined as disruption in utility service (13.2kV or higher includes substation within buildings) caused by an improperly maintained system. Not included are ComEd outages, outages caused by natural phenomena, and planned outages. Partial outages to a building will be proportioned.
2. ANL will maintain records of outages and buildings affected. Customer hours will be calculated. Calculations will be based on duration of outage and number of buildings affected.
3. Each building is defined as a customer.
4. The Performance metrics use a combination of two models or benchmarks. The first model was developed using ComEd data. The second model was obtained from the American Public Power Association through DOE-HQ. The metrics were developed by averaging these two models.
5. APS delivery to utility building only.

MEASURE 4: Waste Management, Waste Minimization and Pollution Prevention Performance
 - This performance indicator will measure performance to ensure the cost effective, environmentally compliant and safe management of waste generated during and in support of world class research and to foster the continuous reduction of environmental liabilities.

Description of Methodology:

Performance in this area is directly related to ANL's ability to successfully complete the tasks delineated below in support of DOE waste management and pollution prevention goals.

$$\text{Waste Management and Pollution Prevention Performance} = \frac{\text{Number of Tasks Successfully Completed}}{\text{Total Number of Tasks}}$$

EXPECTATION:

1. Track and provide current status of progress toward each Secretarial goal for waste reduction and affirmative procurement for FY02 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 FY02, 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 FY05 goals for hazardous, mixed, radioactive, and solid waste streams.
3. 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.
4. Implement actions related to waste management and pollution prevention as outlined in the Waste Operations Transition Plan.
5. Continue the efforts with the waste minimization and pollution prevention advisory committee.
6. Reduce stored "legacy" waste according to the "Old Waste Disposition Plan" schedule as submitted in FY01. ANL-E is to accelerate schedules for old waste disposition to achieve a 10 percent greater than forecasted volume disposition for FY02.

Measure	Outstanding	Excellent	Good	Marginal
1.3.b.7	*5	*4	*3	2

Weight: 10%

* Must Complete Tasks 2, 4, and 6.

Notes and Assumptions for Facility Management Performance Measure 4 :

1. All tasks apply to both ANL-E and West with the exception of Tasks #4, 5 and 6, which apply only to ANL-E. Tasks 4, 5 and 6 are covered under Part II Argonne West Performance Measures.
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.
 - Reduce 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 or safety 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-AAO.
6. Waste generated from new processes supporting operations, may form a basis for adjustment of the base year value for this performance measure.
7. Legacy waste for this performance measure includes waste that is defined as having a generation date (as recorded on the radioactive waste requisition) of prior to January 1, 2000.

2. Compliance Items

- Prime Contract Requirements

3. Reporting Requirements

None

4. Assessment Scope/Other:

- Report on opportunities for improvement identified in prior years' self-assessment, if any, and compare performance with past years.
- Describe the status of updating and populating the new FIMS requirements.
- Assess the status of the Laboratory's efforts to achieve the federal goals for energy conservation by 2005.

**CRITICAL OPERATIONS PERFORMANCE MEASURES
ARGONNE NATIONAL LABORATORY
SECTION I.3.b. – CYBER SECURITY**

OVERALL OBJECTIVE: 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.

1. Measures:

OBJECTIVE 1: Continue to implement and improve the cyber security program at ANL that is consistent with DOE directives and guidelines.

MEASURE 1: Implementation of tiered network architecture.

EXPECTATION 1:

Rating	Milestone
Outstanding	95-100% of all ANL subnets are completely segregated.
Excellent	90-94% of all ANL subnets are completely segregated.
Good	85-89% of all ANL subnets are completely segregated.
Marginal	80-84% of all ANL subnets are completely segregated.
Unsatisfactory	Less than 80% of all ANL subnets are completely segregated.

Weight: 33.4%

ASSUMPTIONS: The Laboratory implements a tiered network architecture that separates publicly available systems, limited availability systems, and completely internal systems. The architecture utilizes firewall technology to control access between the tiers and to control access from the Internet to the Laboratory network. An ANL subnet is considered to be "completely segregated" if no host on that subnet can be accessed from outside of that subnet's tier, except for those hosts that have explicitly been granted minimized access. Such access must be explicitly approved based on documented risk analysis and risk reduction procedures. Final percent of completion is to be evaluated at the end of FY02.

MEASURE 2: Implementation of a central intrusion detection system.

EXPECTATION 2:

Pass - Before the completion of FY02, ANL completes the installation of a centralized intrusion detection system that reacts to threats as described above.

Fail - ANL fails to install, before the end of FY02, a real-time intrusion detection system that reacts to threats as described above.

Weight: 33.3%

ASSUMPTIONS: The Laboratory will implement a central intrusion detection system that detects intrusion attempts, both from outside the ANL network and within the ANL network, in real-time. The intrusion detection will classify attacks and react by logging behavior, notifying appropriate personnel, and/or modifying Laboratory network protection mechanisms (i.e. firewalls, host protection schemes, router configurations) in real time in order to protect Laboratory network resources from threats.

MEASURE 3: Effective system of vulnerability scanning.

EXPECTATION 3:

Rating	Performance
Outstanding	95% - 100% of vulnerabilities addressed within schedule
Excellent	90% - 94% of vulnerabilities addressed within schedule
Good	85% - 89% of vulnerabilities addressed within schedule
Marginal	80% - 84% of vulnerabilities addressed within schedule
Unsatisfactory	Less than 80% of vulnerabilities addressed within schedule

Weight: 33.3%

ASSUMPTIONS: Perform network vulnerability scans so that all hosts are scanned each year and ensure that identified high and medium vulnerabilities are addressed through corrective actions or document the reasons for accepting the risk.

High vulnerabilities will be addressed within 30 business days of discovery.

Medium vulnerabilities will be addressed within 60 business days.

High and medium vulnerabilities will be determined as defined by Information Support Services (ISS).

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 July will be reported on in the following fiscal year.

2. Compliance Items:

None identified.

3. Reporting Requirements

None identified.

4. Self-Assessment Scope/Other:

ANL will include a discussion of FY2002 divisional self-assessments, including a comparison with the scores achieved in the FY2001 self-assessments.

ANL will include a discussion of reviews of divisional account creation procedures as they pertain to foreign national access to information systems.

October 1, 2001
Modification No. M384
Contract No. W-31-109-ENG-38
October 1, 2001 - September 30, 2002
Attachment 3

Performance Objectives, Measures and Expectations

Section II

General Operations

(System Assessment Measures)

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
BUSINESS MANAGEMENT
SECTION II.1.a. - FINANCIAL MANAGEMENT
(11/30/01)**

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.

1. Measures:

OBJECTIVE 1: Effective cash and debt management practices.

MEASURE 1: Vendors are paid on time.

EXPECTATION:

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

Weight: 17%

Notes and Assumptions:

1. For purposes of this measure, vendor invoices subject to measurement include: AMPS PO's, manual PO's, PARIS PO's, AMOS, gas credit cards, subcontracts, WTP and telephone.
2. Definition of "paid on time" is per the terms of individual purchase orders.

MEASURE 2: Accounts Receivable exceeding 180 days are monitored.

EXPECTATION 1: Number of Accounts

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: 12%

EXPECTATION 2: Dollar Value of Accounts

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: 12%

Notes and Assumptions:

1. Performance Expectations 1 and 2 exclude bankruptcies from the calculation.
2. Performance Measure – 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.
3. Accounts receivable are monitored on a monthly basis.

EXPECTATION 3: Daily cash balances.

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

Weight: 10%

Notes and Assumptions:

Average daily balance is used in the calculation of Expectation 3.

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.

Number of audit findings contained in the below stated documents 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 issued 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.

EXPECTATION: Number of Corrective Actions Not Implemented in a Timely Manner

<u>Performance Level</u>	<u>Number of Audit Findings</u>
Outstanding	0 - 2
Excellent	3 - 5
Good	6 - 8
Marginal	9 - 11

Weight: 28%

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).

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.

EXPECTATION: OCL Compliance Percentage

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

Weight: 21%

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

2. 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.

3. Reporting Requirements

Continue to submit quarterly indirect cost data and yearly functional cost data.

4. 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.

<p>Topical areas to be assessed this year include the following:</p> <ul style="list-style-type: none"> - SAI Travel Costs - Management of Indirect Costs - Payables - * Functional Costs 	<p>Topical areas to be assessed this year include the following:</p> <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 	<p>Topical areas to be assessed this year include the following:</p> <ul style="list-style-type: none"> - SAI Travel Costs - ⁴ Management of Indirect Costs - Payroll - Cash Management - * Functional Costs
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- * 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 system effectiveness, and 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 year's, other DOE Laboratories 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.
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Identify opportunities for improvement and/or notable practices.	Same as Year 1.	Same as Years 1 and 2.
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**SYSTEM ASSESSMENT MEASURES
 ARGONNE NATIONAL LABORATORY
 BUSINESS MANAGEMENT
 SECTION II.1.b. - HUMAN RESOURCES**

OVERALL OBJECTIVE: To assure that ANL maintains a viable human resource management system that meets DOE requirements.

1. Measures:

MEASURE: The Laboratory will analyze the FY 2002 Balanced Scorecard (BSC) Plan in the human resources area in order to show progress toward meeting the targets in the areas of employee learning and growth, internal business processes, customer satisfaction, and prudent financial management.

EXPECTATION: Below is the Expectation Matrix and Evaluation Scale for Assessment of Human Resources using the BSC.

Weight: 100%

Notes and Assumptions:

Need to include at least 2 measures for each of the following perspectives: Financial, Internal Business Processes, Customer, Learning and Growth.

**ASSESSMENT OF HUMAN RESOURCES FOR FY 2002
 AT ARGONNE NATIONAL LABORATORY**

MEASURE	TARGET
LEARNING AND GROWTH	
Attrition Rate of Top Performers	< 5%
Succession Planning for ANL Divisions	> 75%
Number of Supervisors Attending One Supervisory Course	> 25%
INTERNAL BUSINESS PROCESS	
Number of First Year Terminations	< 10%
HR Functional Areas Reviewed at Least One Policy or Process	100%
Self Audits Conducted Annually	> 15
CUSTOMER PERSPECTIVE	
Hits on HR Web Site	> 5%
Employee Satisfaction Based on Survey*	> 80%
Employee Benefit Value Index	< 5%
FINANCIAL PERSPECTIVE	
Cost of HR Services	Stay within + 6%
Hourly Rate Charged for TSPs	< avg local rates
Benefits as % of Payroll**	Track and report only

EVALUATION SCALE:	
9-10	Performance Targets Met = Outstanding
8	Performance Targets Met = Excellent
7	Performance Targets Met = Good
6	Performance Targets Met = Marginal
< 6	Performance Targets Met = Unsatisfactory

*Not measured in FY02; however, will be measured in FY03.

**Not measured in FY02; however, may be measured in FY03.

2. Compliance Items:

N/A

3. Reporting Requirements:

Provide DOE with a quarterly report summarizing the data collected on the measure.

4. Assessment Scope/Other

YEAR 1 – 2002	YEAR 2 – 2003	YEAR 3 – 2004
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: Employee Relations Risk Management & Liability Labor Relations	Topical areas to be Assessed this year: Compensation Training & Development	Topical areas to be Assessed this year: Employment & Recruitment Employee Benefits

Assessment of the topical areas should address in sufficient detail:

- Are systems effective?
- 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?

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
BUSINESS MANAGEMENT
SECTION II.1.c. - DIVERSITY
(11/30/01)**

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

1. Measures:

OBJECTIVE: A systematic and aggressive approach to the recruiting and retention of new talent from diverse populations and continual attention to training and self-renewal in order to maintain a diverse workforce which is more effective and successful.

MEASURE 1: # of women in Professionals job category*/total # of employees in Professionals job category.

EXPECTATION: Where opportunities exist, create a more diverse workforce at ANL by maintaining and/or increasing representation of females in the Professionals job category as follows:

<u>Performance Level</u>	<u>Metrics</u>
Outstanding	Women represent greater than 21.35%**
Excellent	Women represent 20.86% to 21.35%
Good	Women represent 20.36% to 20.85%
Marginal	Women represent 19.86% to 20.35%
Unsatisfactory	Women represent less than 19.86%

Weight: 50%

MEASURE 2: # of historically underrepresented minorities (American Indian, Black, Hispanic) in the Professionals job category/total # of employees in Professionals job category.

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

<u>Performance Level</u>	<u>Metrics</u>
Outstanding	Historically Underrepresented Minorities represent greater than 4.40%*
Excellent	Historically Underrepresented Minorities represent 3.91% to 4.40%
Good	Historically Underrepresented Minorities represent 3.41% to 3.90%
Marginal	Historically Underrepresented Minorities represent 2.91% to 3.40%
Unsatisfactory	Historically Underrepresented Minorities represent less than 2.91%

Weight: 50%

* EEO Category 2 Occupations

**Percentages derived by using actual data from the end of the third quarter of FY 2001 as the baseline. As of 6/30/01, the baseline for women in professional positions was 20.85% and for historically underrepresented minorities was 3.90%..

2. Compliance Items:

None

3. Reporting Requirements:

In addition to data provided for the System Assessment Measures, provide data for women and historically underrepresented minorities in the following job categories and/or level:

- number of women in the Professionals job category by each ALD level divided by the total # of employees in the Professionals job category for each corresponding ALD level
- number of historically underrepresented minorities in the Professionals job category by each ALD level divided by the total # of employees in the Professionals job category for each corresponding ALD level

4. Assessment Scope/Other:

Provide an assessment of the results of the number of women in the Officials and Managers job category divided by the total # of employees in the Officials and Managers job category.

Provide an assessment of the results of the number of historically underrepresented minorities in the Officials and Managers job category divided by the total # of employees in the Officials and Managers job category.

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 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?

DOE Operational Awareness consists of the following:

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 MANAGEMENT
SECTION II.1.d. - PROCUREMENT
(11/30/01)**

OVERALL 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.

1. Measures:

None

2. 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 standards requirements; provide the number and a description of investigations conducted of subcontracts covered by the Davis-Bacon Act in accordance with the requirements of FAR 22.406-7(c).

3. Reporting Requirements:

The Year-End Self-Assessment report shall follow the format prescribed in Acquisition Letter 98-10. The report shall be a comprehensive document that fully describes the method of assessment and results of the performance against the objective. The Year-End Self-Assessment Report shall also include a comprehensive discussion of the results of any procurement system compliance reviews conducted by ANL during FY2002.

4. Assessment Scope/Other:

The Laboratory will develop and submit a FY2002 Balanced Scorecard (BSC) Plan for DOE approval by September 30, 2001 (or as otherwise mutually agreed to by the Parties). The Laboratory will analyze the BSC Plan in order to show progress toward meeting the targets in the four perspectives of the BSC.

MEASURE	TARGET
CUSTOMER PERSPECTIVE	
CP-1 Customer Satisfaction	92%
INTERNAL BUSINESS PERSPECTIVE	
IP-1 Effective Internal Controls (Compliance Reviews)	95%
IP-2 Effective Supplier Management (On-Time Delivery)	83%
IP-3 Effective Utilization of Alternate Procurement Approaches/Decentralized Actions	50%
IP-4 Effective Utilization of Alternate Procurement Approaches/Rapid Purchasing Techniques	49%
IP-5 Acquisition Process (Procurement Lead Time)	9 – 12 days <=\$100,000 35 – 40 days >\$100,000 12 – 15 days overall
IP-6 Good Corporate Citizenship Through Purchasing (Socio-Economic Goals)	Small Business 48% Small Disadvantaged 5% Woman-Owned Small 5% HUBZone located 0.25% Service Disabled Vets 0.25%
LEARNING AND GROWTH PERSPECTIVE	
LG-1 Employee Satisfaction	75%
LG-2 Employee Alignment	97%
LG-3 Information Availability	90%
FINANCIAL PERSPECTIVE	
FP-1 Optimum Cost Efficiency of Purchasing Operations (Procurement Cost per Dollar)	<= \$0.025
FP-Option (1) Cost Savings as % of PRO Costs (Negotiated Cost Savings)	65%
FP-Option (2) Procurement Costs vs. Laboratory Revenue	<= 1%

EVALUATION SCALE	
Core Objectives Achieved	Performance Rating
10-11	Outstanding
9	Excellent
8	Good
7	Marginal
<7	Unsatisfactory
Optional Objectives Achieved	Achievement of 1 of the 2 optional performance objectives can be used to upgrade performance rating by one level

In performing the FY2002 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 Major Site and Facility Management Contractor Purchasing Systems (August 2001), including reporting on opportunities for improvement identified in the FY2001 self-assessment report and identification of notable practices and opportunities for improvement during FY2002.

To assist in assessment of overall effectiveness of ANL management of its' procurement operations/resources, DOE's interaction with ANL Procurement Management will, on as-needed basis, include the following:

- Periodic meetings and communication between the Argonne Area Office and Laboratory management staff.
- Review the annual BSC self-assessment results and determine the need, as appropriate, for further analysis.
- For the purposes of Appendix B, the Overall Performance Rating of ANL Procurement Management shall be based upon the Evaluation Scale included in Section 1. Measures (above), provided that the requirements specified in Section 2. Compliance Items, Section 3. Reporting Requirements, and Section 4. Assessment Scope/Other (above) have also been met.

In the event that any of the requirements specified in Section 2. Compliance Items, Section 3. Reporting Requirements, or Section 4. Assessment Scope/Other have not been accomplished, the DOE Argonne Area Office may reduce the Overall Performance Rating accordingly.

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
BUSINESS MANAGEMENT
SECTION II.1.e. - PERSONAL PROPERTY
(11/30/01)**

OVERALL OBJECTIVE: To establish and maintain an ANL program for delivery of the best value products/services to ANL Property Management customers consistent with applicable laws, regulations, and DOE directives and requirements.

1. Measure:

None

2. Compliance Items:

None

3. Reporting Requirements:

Balanced Scorecard (BSC) Self-Assessment (SA) Plan: The Laboratory will develop and submit a FY 2002 BSC SA Plan. The plan shall follow the guidelines of Part 4 of the DOE Balanced Scorecard Performance Measurement and Management Program, dated December 18, 1997. The Laboratory shall utilize the BSC SA Summary Form to describe the reviews and methodology that will be used in conducting the self-assessment.

Year-end Self-Assessment Report: The FY2002 BSC SA 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, the BSC SA Summary Form shall be used to report the results of the Laboratory's performance in accordance with the FY2002 BSC Plan.

4. Assessment Scope/Other:

In performing the FY 2002 self-assessment, the Laboratory shall:

- Report on opportunities for improvement identified in prior year BSCSA Report.
- Identify any significant changes in system procedures or practices, including reason(s) for change and expected improvements and/or outcomes.

DOE Operational Awareness may include the following activities:

- Periodic meetings and discussions on initiatives, BSC activities and any other significant issues.

- Review of reports, e.g., Laboratory prepared Personal Property Management reports and Security and Internal Audit reports.
- Periodic participation in Laboratory property walk-throughs.
- Validation of BSC SA Plan and verification of BSC SA Report.
- Periodic observation of physical inventories.
- Status/progress reports of corrective actions, BSC SA Plan, BSC SA Report, as necessary.
- Verification of corrective actions, as necessary.

NOTE: A satisfactory rating (good or above) shall not be attained for the Personal Property Functional Area without achievement of a DOE approved property management system.

**SYSTEM ASSESSMENT MEASURES
 ARGONNE NATIONAL LABORATORY
 BUSINESS MANAGEMENT
 SECTION II.1.f. – LEGAL MANAGEMENT**

OVERALL OBJECTIVE: The Laboratory shall ensure quality, timely, and cost effective legal services, and shall promote the protection and utilization of inventions and Laboratory-generated data, in support of its Research and Development (R&D) mission.

1. Measures:

OBJECTIVE 1: Management of legal services in an efficient and cost-effective manner that protects the interests of the Laboratory and the Government.

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

EXPECTATION: This measure will be evaluated using the following rating ranges; however, DOE reserves the discretion to factor in an excessive number of minor non-compliances if such non-compliances bring into question the validity of the system.

Measure	Outstanding	Excellent	Good	Marginal	
1	0	1	2	3	Major

Weight: 10%

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 to the advantages and disadvantages of ADR techniques.

EXPECTATION: This measure will be evaluated using the following rating ranges; however, if the number of cases for which consideration of ADR would be timely during the rating period is less than 3, the measure will be evaluated subjectively, considering, for example, reasonable opportunities for consideration of ADR, and appropriateness of factors considered.

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

Weight: 10%

ASSUMPTIONS:

1. "Thoughtful consideration" can be demonstrated by a memorandum to the 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: Number and significance of innovative improvements to the Laboratory's management of legal matters attributable to the efforts of the Legal Department.

EXPECTATION: 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 Laboratory to minimize legal costs through litigation avoidance/early dispute resolution mechanisms and through management of the cost and performance of outside counsel;
3. Effectiveness of such innovations.

Weight: 10%

MEASURE 4: 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.

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

1. The appropriateness and completeness of Laboratory requests for DOE permission to assert copyright in computer software.
2. The appropriateness of Laboratory-proposed duration of limited U.S. Government licenses, and, if appropriate, the justification provided for any duration beyond five (5) years.
3. The effectiveness of the Legal Department's instruction to Laboratory employees of practices for protecting CRADA and commercially valuable data, as demonstrated by the extent to which employees appropriately utilize such protections and request DOE permission to extend protection to commercially valuable data generated at the Laboratory.

Weight: 10%

OBJECTIVE 2: Work Products submitted by the Contractor for DOE approval or use are supported by timely, sound and thoroughly researched legal advice.

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

EXPECTATION: 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, as determined through customer surveys, client group meetings, and/or other feedback methods.

Weight: 35%

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

EXPECTATION:

Measure	Outstanding	Excellent	Good	Marginal
2	95-100%	90-94%	85-89%	< 85%

Weight: 25%

ASSUMPTIONS:

1. Timeliness takes into consideration the amount of advance notice and the availability of prerequisite documents and other inputs, as well as extensions granted by DOE.
2. Work products include, but are not limited to the reporting requirements in Section 3:

2. Compliance Items:

Compliance with 10 CFR Part 719 and Contractors Legal Management Plan

3. Reporting Requirements

Litigation Notifications

Legal Management Plan (including model engagement letter, retention letter, model invoice, etc., as appropriate)

Annual Legal Budget

Statements of Work for Outside Counsel (e.g., Basic Ordering Agreements, Work Plans, Litigation Plans, Staffing & Resource Plans)

Approved Updated Fee Schedules for Outside Counsel

Approved Staffing Changes for Outside Counsel
 Quarterly Litigation Status Reports (including insurance cases)
 Including Year-end IP Report
 FOIA request responses
 Discovery request responses
 Contingent Liabilities Opinions
 Invention Disclosures
 Confirmatory Licenses
 Title Elections
 Proposed WFO and CRADA IP Provisions
 Semi-Annual Statement Containing Subcontract Action-IP Provision Information
 Copies of Patent Applications Filed

4. Self-Assessment Scope/Other:

Year 1 (FY 2001)	Year 2 (FY 2002)	Year 3 (FY 2003)
Analysis of performance against DOE expectations.	Same as FY 2001	Same as FY 2002
Opportunities for improvement identified in last year's assessment, if any.	Same as FY 2001	Same as FY 2002
Effectiveness of routine interactions between ANL Legal Department and CH-OCC.	Same as FY 2001	Same as FY 2002
Results of other assessments.	Same as FY 2001	Same as FY 2002
Recognition by others of significant legal management achievements.	Same as FY 2001	Same as FY 2002
	Comparison of Estimated FY01 Legal Budget and actual expenses.	Comparison of Estimated FY02 Legal Budget and actual expenses.
Methods used to monitor and review the quality of patent prosecution efforts.	Same as FY 2001	Same as FY 2002
Record-keeping methods.	Same as FY 2001	Same as FY 2002

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
BUSINESS MANAGEMENT
SECTION II.1.g. – SCIENTIFIC AND TECHNICAL INFORMATION**

1. Measures:

OBJECTIVE: ANL's unlimited-distribution technical reports and conference papers 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 and conference papers issued annually by ANL are available to DOE-OSTI in full-text electronic form.

EXPECTATION: The percentage of unlimited-distribution technical reports and conference papers published by ANL in the indicated fiscal year that are available to DOE-OSTI InfoBridge in full-text electronic form:

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

Weight: 100%

2. Compliance Items:

Comply with DOE O 241.1.

3. Reporting Requirements

None

4. Self-Assessment Scope/Other:

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.

ANL and DOE interaction is expected on an as-needed basis, to include the following:

- Periodic meetings and communication between the Argonne Area Office and Laboratory management staff.
- DOE review of the year-end self-assessment report and determination of the need for an on-site validation.

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
BUSINESS MANAGEMENT
SECTION II.1.h. - INFORMATION MANAGEMENT**

OVERALL OBJECTIVE: For the Laboratory to attain the centrality of Information Technology (IT) to mission performance, especially in today's growing interconnected and digital age, making 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.

1. Measures:

None

2. Compliance Items:

None

3. Reporting Requirements:

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

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

4. Assessment Scope/Other:

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 Laboratory 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.

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)

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.

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

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

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

**SYSTEM ASSESSMENT MEASURES
 ARGONNE NATIONAL LABORATORY
 BUSINESS MANAGEMENT
 SECTION II.1.i – INTEGRATED SAFEGUARDS & SECURITY MANAGEMENT
 (12/14/01)**

1. Measures:

OBJECTIVE: Implement a Safeguards and Security Program at Argonne National Laboratory 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 public, facilities, or employees; and, to protect facility occupants.

MEASURE 1: Information Security – The Laboratory will maintain a Classified Matter Protection Control (CMPC) Program which includes procedures and systems to protect and control Classified Information, Unclassified Controlled Nuclear Information (UCNI), and Naval Nuclear Propulsion Information (NNPI), as well as the elements of Classification, Technical Surveillance Countermeasures, and Operations Security (OPSEC).

EXPECTATION:

OUTSTANDING	No compromise of classified documents.
EXCELLENT	No more than one (1) IMI-4 Incidents of Security Concern regarding Information Security.
GOOD	Less than two (2) IMI-3 or six (6) IMI-4 Incidents of Security Concern regarding Information Security
MARGINAL	Less than two (2) IMI-1, three (3) IMI-2 or four (4) IMI-3 Incidents of Security Concern regarding Information Security.
UNSATISFACTORY	Any IMI-1 occurrence of an Incident of Security Concern regarding Information Security resulting in confirmation of public compromise, loss, or unauthorized disclosure of classified information.

Weight: 20%

MEASURE 2: 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. The Laboratory will maintain a Foreign Visits and Assignments vetting process, procedures and systems to ensure review and approval of individual visits and assignments by export control, security, counterintelligence officials, and cyber security, as appropriate.

EXPECTATION 1:

- Completion of annual security refresher briefings for DOE Access Authorization Employees in accordance with DOE Order 470.1 by December 21, 2001.
- 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.
- Personnel Security Assurance Program is administered within the timeframes specified by DOE Orders and local ANL/INEEL General Site Contractor procedures.
- Revised/updated PSQ/QNSP forms (clearance reinvestigation) submitted within the timeframes specified by DOE-CH requirements.
- Notification to DOE-CH of employee reported information with time frames specified by DOE order.

OUTSTANDING	95% of all actions completed within specified time frames.
EXCELLENT	88% of all actions completed within specified time frames.
GOOD	80% of all actions completed within specified time frames.
MARGINAL	70% of all actions completed within specified time frames.
UNSATISFACTORY	Less than 70% of all actions completed within specified time frames.

Weight: 10%

EXPECTATION 2: Foreign visits and assignments associated with sensitive countries have documented export control, security, counterintelligence, and cyber security review and approval (where necessary and appropriate) prior to start of visit or assignment.

OUTSTANDING	99.5% or greater
EXCELLENT	99%
GOOD	98%
MARGINAL	97%
UNSATISFACTORY	< 97%

Weight: 10%

MEASURE 3: 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 1:

- Submission of Quarterly Status Reports on inventories performed to DOE-CH/SSS within 10 working days of the end of each quarter.
- Submission of Local Area Network Material Accounting System (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 Nuclear Materials Management and Safeguards System (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.

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: 10%

EXPECTATION 2: Maintain a cumulative (ANL-E and ANL-W) data submission error rate detected by NMMSS of less than 3%.

OUTSTANDING	NMMSS error rate of 3.00% or less.
EXCELLENT	NMMSS error rate > 3.01%, but < 4.00%.
GOOD	NMMSS error rate > 4.01%, but < 5.00%.
MARGINAL	NMMSS error rate > 5.01%, but < 6.00%.
UNSATISFACTORY	NMMSS error rate of 6.01% or more.

Weight: 10%

MEASURE 4: Program Management – The Laboratory will develop, implement and maintain appropriate security plans and supporting documents for meeting protection objectives in the context of risk and probable consequences.

EXPECTATION:

- Submission of a revised and updated Argonne Illinois Site Security Plan (AIS-SSP) by March 31, 2002.
- Development and submission of a revised Vulnerability Assessment Report that incorporates the ANL-W upgrades by August 31, 2002.

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: 15%

MEASURE 5: ANL-W will validate the performance of the upgraded Protected Area (PA) Perimeter Intrusion Detection and Assessment System (PIDAS) and complete operational deployment by December 31, 2001.

EXPECTATION:

OUTSTANDING	PIDAS operationally deployed prior to December 31, 2001.
EXCELLENT	PIDAS operationally deployed by December 31, 2001.
GOOD	PIDAS operationally deployed by January 31, 2002.
MARGINAL	PIDAS operationally deployed by February 28, 2002.
UNSATISFACTORY	PIDAS operationally deployed by March 31, 2002.

Weight: 10%

MEASURE 6: ANL-W will install required hardware upgrades; complete required software interfaces; and, operationally deploy the Central Alarm Station (CAS) by September 30, 2002.

EXPECTATION:

OUTSTANDING	Operationally deploy CAS prior to September 30, 2002.
EXCELLENT	Operationally deploy CAS by September 30, 2002.
GOOD	Operationally deploy CAS by October 31, 2002.
MARGINAL	Operationally deploy CAS by November 30, 2002.
UNSATISFACTORY	Operationally deploy CAS by December 31, 2002.

Weight: 15%

2. 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.

3. Reporting Requirements:

None

4. Self-Assessment Scope/Other:

The scope of the self-assessment is identified in Chapter X of DOE Order 470.1. Supporting documentation should be referenced and available for review as determined necessary by AAO.

**SYSTEM ASSESSMENT MEASURES
 ARGONNE NATIONAL LABORATORY
 BUSINESS MANAGEMENT
 SECTION II.1.j. – COUNTERINTELLIGENCE**

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

1. Measures:

OBJECTIVE: An effective Counterintelligence Program will ensure cost-effective compliance with all applicable Federal, state, and local laws, and implementation of all applicable DOE Orders.

MEASURE: Appraisal ratings – the weighted average of all DOE-CH and DOE Headquarters – assigned ratings by topical area during the review period.

EXPECTATION:

CI Function	Points	Points
	ANL-East	ANL-West
Program Planning and Management (PPM)	10	5
Foreign Visits and Assignments / Hosting	15	5
Investigations	10	5
CI Cyber Security	10	5
Foreign Travel - Briefing/DeBriefing (CARDS Entry)	10	
Analysis/Threat Assessment	5	5
CI Awareness/Training	10	5
Totals	70	30

<u>Appraisal Rating (AR)</u>	<u>Points Awarded</u>
Unsatisfactory	0% of points in table above
Marginal	50% of points in table above
Satisfactory	100% of points in table above

<u>Performance Rating</u>	<u>Total Points</u>
Outstanding	96-100
Excellent	91-95
Good	81-90
Marginal	<80

Weight: 100%

ASSUMPTIONS: No on-site inspection of the ANL Counterintelligence Program is scheduled for FY 02. During this reporting period, the ANL CI Program shall conduct a self-assessment to ensure internal monitoring of compliance and performance with all CI requirements. The results/findings of the above self-assessment, along with any corrective action plans resulting from the September 2001 re-inspection, will be used to calculate the rating as described under the Expectation section above.

2. Compliance Items:

- ✓ Public Law 106-65
- ✓ PDD-61 (C/NSI), February 11, 1998
- ✓ PDD/NSC-12, August 5, 1993
- ✓ DOE CI Implementation Plan (S/NF), March 1999
- ✓ Atomic Energy Act of 1954, as amended
- ✓ Defense Authorization Act of 2000-1
- ✓ Federal, state, and local laws; and all DOE Orders applicable to the CI Program
- ✓ DOE Counterintelligence Policy and Procedures

3. Reporting Requirements

The Laboratory shall report to the CH CI Program Manager all significant CI Administrative Inquiries, any contacts or elicitation attempts with the people of any nationality who seek classified or sensitive unclassified information (i.e., proprietary, export control, 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.

4. Self-Assessment Scope/Other:

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

The scope of the self-assessment is identified in Chapter X of DOE Order 470.1 and the CH Counterintelligence Self-Assessment Guide. Supporting documentation should be referenced and available for review as determined necessary by AAO.

**SYSTEM ASSESSMENT MEASURES
ARGONNE NATIONAL LABORATORY
STAKEHOLDERS RELATIONS
SECTION II.2.a. – COMMUNICATIONS AND TRUST
(12/19/01)**

1. Measures:

OVERALL OBJECTIVE: The objective of communications and stakeholder relations at Argonne is to provide coordinated and effective communications and outreach to the Laboratory's stakeholders that serve the Laboratory's needs. The communications program should reflect an understanding of the information and communication needs of external and internal audiences, including stakeholders, and the need to keep them adequately informed of Argonne's programs and activities, as well as, DOE sponsored programs that impact Argonne. A successful communications program should also help align Argonne's and DOE's institutional goals and programs with the needs and expectations of external customers, business partners, community leaders, and other stakeholders.

MEASURE: To be successful, Argonne's communications need to contain elements that are both proactive and reactive. Proactive issues are those activities planned by Argonne. To be successful, proactive communications activities need to be identified, planned, and successfully implemented. To be effective, reactive communications activities need to be timely, effective in responding to issues that are initiated or controlled by others, and consistent with DOE and ANL policies.

EXPECTATION: Development of Communications Plan

1. Timely development of Communications Plan
 - a. FY2002 Communications Plan to be approved by ANL by 3/29/2002.
 - b. Communication Plan updated for FY2003 by 9/30/2002.
2. Communication Plan to include the following components:
 - a. Description of planned "proactive" communication activities, both internal and external.
 - b. One of the FY2002 "proactive activities" will be the development of a methodology for assessing the effectiveness of the Laboratory's external communications. The outcome of this activity (i.e. performance measures) will be incorporated into the FY2003 Communications Plan and will be the basis for the Appendix B system assessment measures beginning in FY2003. DOE concurrence with these system assessment measures (or subset of these measures) will be required before incorporation in Appendix B for FY2003.
 - c. Milestone schedule for planned external communications activities
 - d. Description of alignment of external communication activities with DOE/ANL objectives
 - e. Description of system that ensures that communication activities are effectively coordinated and cost effective

<u>Expectation</u>	<u>Rating</u>
FY2002 Communication Plan completed by 3/29/2002. FY2003 update of Plan completed by 9/30/2002. and Plan includes all five components described above.	Outstanding
Same as Outstanding requirements, except Communication Plan contains 4 of the 5 required components - or completion date slips by 30 days or less, with all five elements covered.	Excellent
Same as Excellent requirements, except milestone dates for completing Communication Plans slip by 60 days or less	Good
Same as Good requirements, except Communication Plan contains only 3 of 5 required components	Marginal

2. Compliance Items:

None

3. Reporting Requirements

None

4. Assessment Scope/Other:

- a. Compare Argonne progress against the FY-02 Communications Plan.
- b. Identify impediments that impacted the effectiveness of the Argonne Communications Program.
- c. Discuss effectiveness of Argonne's reactive communications efforts.
- d. Discuss the impacts of unforeseen changes (significant events) in the FY-02 Communications Program.
- e. Discuss any improvements proposed for FY-03.

ANL may use, at its discretion, results of a peer review process in place of the annual self-assessment. The acceptance of the peer review will require agreement between ANL and AAO on the scope of the review and the review team.

**SYSTEM ASSESSMENT MEASURES
 ARGONNE NATIONAL LABORATORY
 STAKEHOLDERS RELATIONS
 SECTION II.2.b. – TECHNOLOGY TRANSFER**

1. Measures:

OBJECTIVE: The support of DOE's missions through partnerships having the potential to benefit the nation through support of national policy objectives, or contribution to the national economic and scientific base. This will be accomplished through technology characterization and marketing leading to Work for Others, Cooperative Research and Development Agreements, licensing and other contracts to facilitate efficient and expeditious development, transfer, and exploitation of Federally owned or originated technology.

MEASURE 1: Other Federal Agency (OFA) funding and close out agreements are processed in an effective and timely fashion.

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

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

Weight: 18%

Notes and Assumptions:

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

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

<u>Performance Level</u>	<u>Metrics (Avg. Cycle Time, Working Days)</u>
Outstanding	20
Excellent	22-25
Good	26-30
Marginal	31 or greater

Weight: 16%

Notes and Assumptions:

1. Processing time is the period between the date of receipt in ANL's Office of Technology Transfer until date of notification to AAO of project status, or funds available for deobligation.
2. Closeouts in direct response to a customer's requests will be counted. Other closeout actions will be tracked by ANL, but will not be counted under this measure.

MEASURE 2: Quality and timeliness of research and administration in support of WFO's and CRADA's meets sponsor's needs.

EXPECTATION 1: The level of sponsor satisfaction in response to ANL surveys, indicates 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: 16%

Notes and Assumptions:

1. Each contract sponsor will be surveyed upon closeout, by hard copy or electronically. Active agreements will be sampled monthly at a level sufficient to maintain a statistical confidence level of 95%.
2. The metric is an average of all sponsor responses to the survey for all closeouts plus randomly sampled active programs.
3. A combined monthly data display will be presented for WFO and CRADA surveys.

EXPECTATION 2: The level of sponsor satisfaction in response to ANL surveys indicates the quality and timeliness of research performed.

<u>Performance Level</u>	<u>Metrics</u>	<u>Definition</u>
Outstanding	4.00 - 5.00	Among the Very Best
Excellent	3.00 - 4.00	Exceeds Expectations
Good	2.50 - 3.00	Meets Expected Levels
Marginal	1.50 - 2.49	Less Than Expected Levels
Unsatisfactory	0.00 - 1.49	Less Than Acceptable Levels

Weight: 17%

Notes and Assumptions:

1. Each contract sponsor will be surveyed upon closeout, by hard copy or electronically. Active agreements will be sampled monthly at a level sufficient to maintain a statistical confidence level of 95%.
2. The metric is an average of all sponsor responses to the survey for all closeouts plus randomly sampled active programs.

A combined monthly data display will be presented for WFO and CRADA surveys.

MEASURE 3: Technology transfer is advanced through the development and execution of contracts with public and private organizations.

EXPECTATION: Laboratory patents and copyrights are characterized, appropriate potential technology transfer partners are identified, and focused marketing activities are initiated.

<u>Performance Level</u>	<u>% of Patents Characterized & Marketed during FY2002</u>
Outstanding	15 or greater
Excellent	10-14
Good	5-9
Marginal	0-4

Weight: 16%

Notes and Assumptions:

The total number of patents owned by the Laboratory on October 1, 2001 is the basis for the percent calculations.

MEASURE 4: Licensing with partners transfers Argonne technology to the commercial marketplace and adds value to DOE programs.

EXPECTATION: Laboratory technologies are licensed.

<u>Performance Level</u>	<u>Technologies Licensed Annually</u>
Outstanding	10 or greater
Excellent	8-9
Good	6-7
Marginal	4-5

Weight: 17%

Notes and Assumptions:

"Technologies" are defined as packages of one or more intellectual properties that are "bundled" together for licensing. The metrics indicated are being used to establish a baseline in FY02 and will be evaluated for appropriateness by DOE.

2. Compliance Items:

Consistency with DOE Prime Contract requirements.

3. Reporting Requirements:

None

4. Self-Assessment Scope/Other:

Self Assessment Scope

- Organizational structure of the Office of Technology Transfer (OTT) and how it interfaces with other organizations at the Laboratory
 - Are 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 (copy of blank customer survey form to be attached)
 - Statistical/graphical data on CRADAs, WFOs, licenses, etc. (funding summaries, intellectual property generation, processing times, etc.)
 - Marketing activities
- Opportunities for improvement: How well is the current system working 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?

Other

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.

Evaluation Schedule

<u>DATE</u>	<u>ACTIVITY</u>
10/1/01	Performance/Evaluation period starts.
5/15/02	ANL submits mid-year status report to DOE-AAO Manager.
9/30/02	Performance/Evaluation period ends.
11/30/02	ANL submits self-assessment report to DOE-AAO Manager.
1/15/03	DOE develops draft report and transmits to ANL.
1/31/03	ANL comments on draft report due.
2/15/03	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) Science & Technology 55%	(FY01) 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	
	Rating	(FY02-04) S&T 65%	(FY02-04) CM ISM Infrastructure 35%	Total Available Fee
FY 2002	Outstanding	\$1,894,750	\$1,020,250	\$2,915,000
	Excellent	\$1,705,275	\$918,225	
	Good	\$682,110	\$367,290	
	Marginal	\$0	\$0	
FY 2003	Outstanding	\$1,948,375	\$1,049,125	\$2,997,500
	Excellent	\$1,753,537	\$944,213	
	Good	\$701,415	\$377,685	
	Marginal	\$0	\$0	
FY 2004	Outstanding	\$2,002,000	\$1,078,000	\$3,080,000
	Excellent	\$1,801,800	\$970,200	
	Good	\$720,720	\$388,080	
	Marginal	\$0	\$0	

**ANL
 Mission Critical Fee Distribution
 (FY2002)**

(11/30/01)

Rating	SCIENCE & TECHNOLOGY (65%)**	Mission Critical (35%) *\$1,020,250			
		CONTRACTOR MANAGEMENT (5%)	ISM (20%)	INFRASTRUCTURE (10%)	
				ANL-E (5%)	CYBERSECURITY (5%)
Outstanding	\$1,894,750	\$145,750	\$583,000	\$145,750	\$145,750
Excellent	\$1,705,275	\$131,175	\$524,700	\$131,175	\$131,175
Good	\$ 682,110	\$ 52,470	\$209,880	\$ 52,470	\$ 52,470
Marginal	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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

** Science & Technology Fee Distribution consists of two parts. Part I consists of 55% of total fee. Part II (ANL-W) consists of 10% of total fee..