Appendix B

Performance Measures

for
Fermi National Accelerator Laboratory

FY2004

Section I: PREAMBLE

Performance Measures

PREAMBLE

This Appendix sets forth the procedure to be used in the evaluation of Fermi National Accelerator Laboratory performance as required by Part I, Section H, Clause H.14 - Use of Objective Standards of Performance, Self Assessment and Performance Evaluation, and as referenced in Part II, Section I, Clause I.81A - 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", "indicators", "measures", and “metrics" against which the Department of Energy (DOE) will assess Fermi National Accelerator Laboratory's performance for each area identified herein.

Section II of this Appendix, Performance Based Management Guidelines, sets forth guidelines on the use of the performance objectives, indicators, measures, and metrics.

For the period October 1, 2003, through September 30, 2004, the Parties have agreed to evaluate the Laboratory activities identified in Sections III and IV of this Appendix. These sections reflect that DOE will evaluate the Contractor in two broad areas ("Performance Areas"), namely Critical Outcomes (Performance Area 1) and Self-Assessment (Performance Area 2). The Critical Outcomes consist of incentivized (fee bearing) Performance Measures. The Self-Assessment consists of non-fee-bearing performance criteria and a plan for the laboratory to perform its self-assessment of management systems.

This Appendix organizes the four Critical Outcomes into two categories: Science Programs (A) and Operations Management (B-D). DOE will rate Science Programs and Operations Management separately for the purpose of determining the Contractor’s performance and determining fee earned by the Contractor. DOE will use the ratings received for Critical Outcomes to determine the Contractor’s fee earned in a given performance period. However, DOE reserves its rights specified elsewhere in this Contract, including those in Part I, Section H, Clause H.14 - Use of Objective Standards of Performance, Self Assessment and Performance Evaluation, and those in Part II, Section I, Clause I.81A – Total Available Fee: Base Fee Amount and Performance Fee Amount, and Clause I. 83 - Conditional Payment of Fee, Profit, or Incentives.

Section III lists the performance objectives, indicators, measures, and metrics for Performance Area 1, Critical Outcomes. Section IV presents the self-assessment criteria for Performance Area 2, Self-Assessment, as well as the laboratory self-assessment plan.

Attachment 1 provides the schedule for performing the evaluation of the Laboratory. The parties intend to adhere to this schedule although either party may request to alter the proposed schedule.

Attachments 2 and 2a establish the maximum performance fee earnable by the Contractor, as well as the potential reductions to the performance fee, based on the individual ratings in the Performance Area of Critical Outcomes.

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:

a. check the validity of each respective performance objective, indicator, measure, and metric as an accurate and meaningful reflector of performance and replace them with more appropriate performance objectives, indicators, measures, and metrics, if necessary;

b. consider adding to or subtracting from the complement of performance objectives, indicators, measures, and metrics in order to track performance objectives more meaningfully and accurately; and

c. consider adding or subtracting performance measures as appropriate in response to the evolving requirements of DOE; in particular, the Parties undertake to replace requirements contained in DOE Directives whenever feasible by performance measures.

The Parties acknowledge that continued changes in the Department's Directives system are occurring, and that implementation of this performance-based contract may require changes to: 1) refine selected performance objectives, indicators, measures, and metrics; 2) implement data collection and reporting mechanisms; and 3) establish benchmarks against which to set targets for performance improvement and/or measurement.

The Parties will use the evaluation period to assure the implementation, testing, and refining of systems and processes. The DOE 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, General Accounting Office or Inspector General reviews, or for-cause reviews, as appropriate to evaluate the Contractor's performance for each performance period.

Attachments:
Attachment 1: Typical Evaluation Schedule
Attachment 2: Performance Fee
Attachment 2a: Fermilab Critical Outcomes Fee Distribution

Section II: 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, indicators, measures, and metrics, which may be linked to pre-established performance incentives that, if achieved, will:

    a. enhance the Laboratory's ability to accomplish its mission for the Department;

    b. drive cost-effective performance improvements, focusing on efficient system performance while maintaining appropriate internal controls;

    c. allow for meaningful trend and rate of change analysis, when possible; and

    d. encourage benchmarking initiatives as a means of incorporating industry business standards, and "best practices" that are meaningful, appropriate, and consistent with Departmental requirements and deemed to reflect overall successful operations. "Best practices" should include cost/risk/benefit analysis.

3. Performance-Based Contract Measures (PBCMs) which include Critical Outcome and Self-Assessment measures should be constructed to:

    a. drive improvements;

    b. focus on effectiveness of systems; and

    c. maintain an appropriate level of internal controls.

    PBCMs should incorporate "best practices" and reflect the DOE's and the Contractor's judgment as to the key performance elements which will enhance the fulfillment of the Department's mission objectives. Each Division and Section of Fermilab shall participate in the development of performance measures. The Performance Measures for the Performance Areas of Critical Outcomes and the Self-Assessment are incorporated into Sections III and IV of this Appendix B. Performance Measures for Critical Outcomes are tied to performance fee. The quality of the self-assessment will be considered with the overall evaluation of the Contractor’s performance.

4. PBCMs are composed of five tiers for Critical Outcome measures:

    a. Critical Outcome: A long-term or constant area or activity that is mutually important to both the DOE and Fermilab, and which has high priority.

b. Objective: Statements of desired outcomes for an organization or activity.

c. Indicator: Areas of performance to be measured.

d. Measure: A quantitative or qualitative characterization of performance.

e. Metric: A result, output, or characteristic of the activity to be evaluated.

5. Adjectival Ratings are as follows:

a. Outstanding: Significantly exceeds the standards of performance; achieves noteworthy results.

b. 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.

c. Good: Meets the standard of performance; deficiencies do not substantively affect performance.

d. Marginal: Below the standard of performance; deficiencies are serious and may affect overall results; management attention and corrective action are required.

e. Unsatisfactory: Significantly below the standard of performance; deficiencies are serious, may affect overall results, and urgently require senior management attention.

6. PBCMs should reference industry standards, best practices, or other standards, which are meaningful, appropriate, and consistent with DOE requirements, rather than trying to develop standards arbitrarily. 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.

7. The methodology for measuring performance will 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.

8. The parties acknowledge that the performance levels achieved against the specific performance objectives, indicators, measures, and metrics, which are established in the contract for the Critical Outcomes and directly linked to contract fee, are the primary but not the sole criteria for determining the Contractor's final performance ratings and fee earned in any given performance period.

When determining the Contractor's final performance ratings and fee earned in any given performance period for the Performance Measures in the Critical Outcomes, the Contracting Officer also will consider:

1) Laboratory performance in the Self-Assessment; and

2) any other relevant information directly related to the Performance Measures in the Critical Outcomes that is deemed to have had an impact (either positive or negative) on the Contractor's performance. The Contracting Officer also will consider relevant information available from other 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. The Contracting Officer also will consider the Contractor cooperation, interaction, and responsiveness to DOE throughout the performance period. This evaluation process does not impact DOE's rights under Part II, Section I, Clause I.83 - Conditional Payment of Fee, Profit, or Incentives.

Should the Contracting Officer contemplate considering other relevant information in establishing the final performance rating for either the Critical Outcomes or Self-Assessment for the performance period, the Contracting Officer will 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 receive the opportunity to respond in writing to the Contracting Officer's intended action and, if the Contractor requests, in a meeting with the Contracting Officer.

9. The Contracting Officer will 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 Section III of this Appendix.

10. PBCMs are to be developed in a team approach involving appropriate representatives from the Fermi Area Office, Chicago Office, DOE Headquarters, Universities Research Association, Inc., and Fermi National Accelerator Laboratory.

11. Failure to include a specific objective and/or measure in the contract in Section III 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.

12. The Director of the Office of Science (SC-1) has the primary responsibility for evaluating Science Programs' performance, but input also will be sought from cognizant DOE Assistant Secretaries, Office Directors and Program Managers. The Contracting Officer has the primary responsibility for evaluating the Operations Management performance in accordance with the objectives, indicators, measures, and metrics of Performance Area 1, Operations Management, B through D, and Performance Area 2, Self-Assessment. 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 Programs. 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.

13. If, for reasons beyond the Contractor's control, certain data input may not be available to meet the appraisal schedules outlined in Attachment 1 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 are available to evaluate the Contractor's performance against all measures.

14. The Contractor and DOE have agreed to specific weights for the Performance Areas of Science Programs and Operations Management (75% and 25%, respectively). In addition, within each of these areas, individual measures will have metrics established to gauge Laboratory performance. If the Parties cannot reach agreement on either the individual metrics or the specific weights for the evaluation criteria, the Contracting Officer shall have the right to establish such weights and/or metrics.

15. In the event the Contracting Officer determines it necessary to exercise the right set forth in 14 above, the Contracting Officer will notify the Contractor in writing of the intended decision. The final weightings and/or metrics will be issued to the Contractor within 10 working days of the aforementioned written notice.

16. The Contractor shall have the ability to earn an annual performance fee as described in Attachments 2 and 2a of this Appendix.

Section III: PERFORMANCE AREA 1 - CRITICAL OUTCOMES

PERFORMANCE AREA 1: CRITICAL OUTCOMES		
	I. Science Programs	**Weight**
A	Science	**75%**
A.1	Quality of Research	30%
A.2	Success in Constructing and Operating Research Facilities	25%
A.3	Effectiveness and Efficiency of Research Program Management	15%
A.4	Relevance to DOE Missions and National Needs	5%
	II. Operations Management	**25%**
B	Leadership	7%
C	Mission Support	9%
D	Self Assessment	9%
	Total	**100%**

I. Science Programs – 75%

A. Science

CRITICAL OUTCOME: Advance the understanding of the fundamental nature of matter and energy by conducting research at the frontier of high-energy physics and related disciplines.

Objective A .1 Quality of Research - Advancement in the understanding of the fundamental nature of matter and energy.

Indicator A.1.1 Success in producing original, creative scientific output that advances fundamental science and opens important new areas of inquiry.

Measure A.1.1.1 Results of program peer reviews reveal sustained progress.

Metric A.1.1.1.1 Office of Science evaluation with input from the URA Visiting Committee(s).

Indicator A.1.2 Success in achieving sustained progress and positive impact on the field.

Measure A.1.2.1 The results of reviews and evaluations indicate the laboratory programs have a sustained impact on the scientific field.

Metric A.1.2.1.1 Office of Science evaluation with input from the URA Visiting Committee(s).

Indicator A.1.3 Recognition from the scientific community, including awards, peer-reviewed publications, citations, and invited talks.

Measure A.1.3.1 Research output produced is recognized by the scientific community.

Metric A.1.3.1.1 Office of Science Evaluation.

Objective A.2 Successfully and safely construct and operate research facilities.

Indicator A.2.1 Construction and commissioning of new facilities on time and within budget; achievement of facility performance specifications and objectives.

Measure A.2.1.1 DOE approved project baselines are met.

Metric A.2.1.1.1 Performance against the following DOE-approved project baselines, as evaluated by the DOE Project Director using input from reviews and

assessments. The projects included are:

- NuMI construction project;
- Run IIb CDF and D-Zero Detector construction projects;
- U.S. LHC Accelerator construction project;
- U.S. LHC CMS Detector project.

Measure A.2.1.2 Meets the approved FY 2004 Run II Luminosity Upgrade Plan baselines.

Metric A.2.1.2.1 Office of Science evaluation with input from the Fermi Area Office.

Indicator A.2.2 Reliability of operations and adherence to planned schedules for accelerator run hours and delivered integrated and peak luminosity.

Measure A.2.2.1 Performance against DOE-approved goals for accelerator and experimental facilities operations.

Metric A.2.2.1.1 Number of Tevatron store hours during the fiscal year.

Outstanding	Excellent	Good	Marginal	Unsatisfactory
>2270	2270-1816	1815-1362	1361-908	<908

Metric A.2.2.1.2 Average of CDF and DZero delivered integrated luminosity as reported by the Accelerator Division during the fiscal year.

Outstanding	Excellent	Good	Marginal	Unsatisfactory
>230	230-184	183-138	137-92	<92

Metric A.2.2.1.3 Average of CDF and DZero delivered integrated luminosity for seven contiguous days during the fiscal year.

Outstanding	Excellent	Good	Marginal	Unsatisfactory
>13	13-10.4	10.3-7.8	7.7-5.2	<5.2

Objective A.3 Provide for effective, efficient and safe program management for a world class research program.

Indicator A.3.1 The extent to which effective management programs safely support the research program.

Measure A.3.1.1 Optimal use of personnel, facilities and equipment.

Metric A.3.1.1.1 Office of Science evaluation.

Measure A.3.1.2 Effectiveness of communicating technical results to maximize the value of research results and gain appropriate recognition for DOE and the Laboratory.

Metric A.3.1.2.1 Office of Science and FAO evaluation.

Measure A.3.1.3 Planning for future physics program.

Metric A.3.1.3.1 Office of Science and FAO evaluation.

Indicator A.3.2 Protect the safety and health of the Fermilab workforce, subcontractors, the community, and the environment in all SC program activities. Sustain excellence in safety, health and environmental protection. Performance against agreed upon metrics, as set forth below.

Measure A.3.2.1 Combined Total Recordable Case Rate (TRCR) for Fermilab employees and subcontractor workers for the performance period (October 1, 2003 – September 30, 2004).[1]

Metric A.3.2.1.1

Outstanding	Excellent	Good	Marginal	Unsatisfactory
<2.0	2.0-3.0	>3.0-3.9	>3.9-4.5	>4.5

Measure A.3.2.2 Combined Days Away, Restricted, Transferred (DART) for Fermilab employees and subcontractor workers for the performance period (October 1, 2003 – September 30, 2004).[2]

Metric A.3.2.2.1

Outstanding	Excellent	Good	Marginal	Unsatisfactory
<0.9	0.9-1.5	>1.5-2.2	>2.2-2.6	>2.6

Measure A.3.2.3 Effectively manage the control of radioactive materials and exposures to ionizing radiation.

[1] The TRCR goal for "Outstanding" in FY2004 is set to be consistent with the downward trend established by Fermilab over the past six years. The downward trend line supports achievement of a 2004 goal of <2.0 with a 2005 goal of 1.1 consistent with the SC 25th percentile goal taken from private industry.

[2] The DART goal for "Outstanding" in FY2004 is set to be consistent with the downward trend established by Fermilab over the past six years. The downward trend line supports achievement of a 2004 goal of <0.9 with a 2005 goal of 0.5 consistent with the SC 25th percentile goal taken from private industry.

Metric A.3.2.3.1

Reportable occurrences of Fermilab-based occupational external radiation doses, unplanned radiation exposures, intakes of radioactivity, skin contamination, or the uncontrolled release of radioactive materials as defined in the Work Smart Standard, FESHM Chapter 3010.

Outstanding	Excellent	Good	Marginal	Unsatisfactory
0-1	2-3	4	5	>5

Metric A.3.2.3.2

Reviews that result in innovations or improvements that can credibly improve the control of radiation exposures. (For each review conducted, one point will be credited. An additional point will be awarded for each significant action identified and implemented.)

Outstanding	Excellent	Good	Marginal	Unsatisfactory
>12	11-12	9-10	7-8	<7

Objective A.4 Establish relevance to DOE missions and national needs.

Indicator A.4.1 The laboratory successfully contributes to DOE missions and programs of national importance.

Measure A.4.1.1 Contributions to the goals and objectives of the strategic plans of DOE and other national programs.

Metric A.4.1.1.1 Office of Science evaluation.

Measure A.4.1.2 Productive interaction with other scientific programs.

Metric A.4.1.2.1 Office of Science evaluation.

Measure A.4.1.3 Effective use of research facilities that serve the needs of the users.

Metric A.4.1.3.1 Office of Science evaluation with input from the URA Visiting Committee(s).

Weightings for Science	
Measure	**Weight, %**
A.1 Quality of Research	**30**
A.2 Success in Constructing and Operating Research Facilities	**25**
A.3 Effective, Efficient and Safe Research Program Management	**15**
A.4 Relevance to DOE Missions and National Needs	**5**
Total	**75**

II. Operations Management – 25%

B. Leadership

CRITICAL OUTCOME: Provide the leadership to ensure operational excellence and foster responsible stewardship of the DOE resource.

Objective B.1 URA provides the integrated management and leadership necessary to enhance the operations and management processes that are necessary to ensure execution of the Fermilab mission in a safe, effective, and efficient manner.

Indicator B.1.1 URA directs management reviews that result in an overall assessment of key Fermilab operations functions and management systems.

Measure B.1.1.1 Management systems and processes, including a review of each operational area are accomplished at least once every three years.

Metric B.1.1.1.1 DOE evaluation with input from reviews done within the performance period, such as peer reviews for operations, projects, and programs.

Measure B.1.1.2 Management effectively resolves important issues arising during the year.

Metric B.1.1.2.1 DOE evaluation, with input from reviews done within the performance period and from operational awareness activities.

Indicator B.1.2 URA management promotes flow down and implementation of Integrated Safety Management System (ISMS) principles to all levels; and promotes operational and management system excellence.

Measure B.1.2.1 Management proactively identifies and addresses opportunities for improvement.

Metric B.1.2.1.1 DOE evaluation, with input from reviews done within the performance period and from operational awareness activities.

Measure B.1.2.2 Management responds appropriately to recommendations made by review teams.

Metric B.1.2.2.1 DOE evaluation, with input from reviews done within the performance period and from operational awareness activities.

Weightings for Leadership	
Indicator	**Weight, %**
B.1.1	**3.5**
B.1.2	**3.5**
Total	**7**

C. Mission Support

CRITICAL OUTCOME: Manage and enhance business and management systems, work processes, and facility support to provide an effective and efficient work environment that enables the execution of Fermilab's mission.

Objective C.1 Establish and maintain a dependable facilities base from which particle physics and other Fermilab programs can be safely accomplished without interruption.

Indicator C.1.1 The infrastructure is maintained to support operations in a safe, environmentally responsible, and cost-effective manner.

Measure C.1.1.1 Maintenance is performed as scheduled.

Metric C.1.1.1.1 Scheduled hours vs. total hours, measured as a percentage.

Outstanding	Excellent	Good	Marginal	Unsatisfactory
> 80%	80 - 70%	<70 - 60%	<60 - 55%	< 55%

Measure C.1.1.2 Initiate Whitestone's Maintenance and Repair System (MARS) Program in at least eight buildings by 9/30/04.

Metric C.1.1.2.1 Number of buildings placed on the MARS program.

Outstanding	Excellent	Good	Marginal	Unsatisfactory
>10	9	8	7	<7

Indicator C.1.2 Infrastructure project milestones, as approved in Construction Directives, are completed as scheduled for the following categories of projects:

Measure C.1.2.1 General Plant Projects (GPP);
In-House Energy Management (IHEM);
Accelerator Improvement Projects (AIP).

Metric C.1.2.1.1 For the performance period (October 1, 2003 through September 30, 2004) the percentage of milestones completed (number of milestones completed/number of milestones planned), as documented in Construction Directives.

Outstanding	Excellent	Good	Marginal	Unsatisfactory
> 90%	90 - 81%	<81 - 71%	<71 - 60%	< 60%

Objective C.2 Insure that the subcontracting function at the Laboratory supports the mission of the laboratory by acquiring necessary goods and services in the most effective and efficient manner.

Indicator C.2.1 Construction subcontracts are placed with high performing vendors that aid in the furtherance of the laboratory's procurement goals and accomplishment of the lab's mission at the lowest life cycle cost.

Measure C.2.1.1 Evaluation of construction subcontractor performance in accordance with DOE-approved criteria for all contracts with a value greater than $100K.

Metric C.2.1.1.1 Percent of contracts evaluated in accordance with DOE-approved criteria.

Outstanding	Excellent	Good	Unsatisfactory
100%	97%	95%	<95%

Objective C.3 The procurement department awards subcontracts to appropriate businesses to achieve the laboratory's socioeconomic goals.

Indicator C.3.1 The laboratory achieves its goals in awarding contracts to appropriate businesses.

Measure C.3.1.1 The percentage of contracts placed with vendors that further the laboratory's goals.

Metric C.3.1.1.1 Percent of contracts placed with small businesses.

Outstanding	Excellent	Good	Unsatisfactory
>50%	50-48%	<48-45%	<45%

Metric C.3.1.1.2 Percent of contracts placed with veteran-owned small businesses.

Outstanding	Excellent	Good	Unsatisfactory
>1.5%	1.5-1.4%	<1.4-1.2%	<1.2%

Metric C.3.1.1.3 Percent of contracts placed with service-disabled/veteran-owned small businesses.

Outstanding	Excellent	Good	Unsatisfactory
>1.5%	1.5-1.4%	<1.4-1.2%	<1.2%

Metric C.3.1.1.4 Percent of contracts placed with HUBZone small businesses.

Outstanding	Excellent	Good	Unsatisfactory
>2.5%	2.5-2.0%	<2.0-1.5%	<1.5%

Metric C.3.1.1.5 Percent of contracts placed with small disadvantaged businesses.

Outstanding	Excellent	Good	Unsatisfactory
>5.0%	5.0-4.0%	<4.0-3.0%	<3.0%

Metric C.3.1.1.6 Percent of contracts placed with women-owned small businesses.

Outstanding	Excellent	Good	Unsatisfactory
>5.0%	5.0-4.0%	<4.0-3.0%	<3.0%

Objective C.4 Fermilab computing systems support the accelerator and the CDF/Dzero experiments.

Indicator C.4.1 The cyber security program assures that computer systems are continuously available to support operations.

Measure C.4.1.1 Any downtime attributable to successful outside attacks on the Fermilab computing systems is minimized.

Metric C.4.1.1.1 Amount of time that the Tevatron does not run as scheduled or CDF/Dzero experiments cannot take data that is attributable to a successful cyber attack.

Outstanding	Excellent*	Good	Unsatisfactory
0hrs	<20hrs	≤ 40hrs	>40hrs

*<20 hours represents less than 1% of scheduled runtime for 2004 (2270 hours)

Indicator C.4.2 The cyber security program assures that data recorded by experiments are not destroyed.

Measure C.4.2.1 Any irrecoverable loss of experiment data attributable to successful outside attacks on the Fermilab computing systems is minimized.

Metric C.4.2.1.1 Amount of experiment data that is irrecoverably lost attributable to a successful cyber attack.

Outstanding	Excellent	Good	Unsatisfactory
0 TB[3]	<1 TB	≤ 2 TB	>2 TB

Weightings for Mission Support		
Objective	**Indicator**	**Weight, %**
C.1	**C.1.1**	**2**
	C.1.2	**1**
C.2	**C.2.1**	**1**
C.3	**C.3.1**	**1**
C.4	**C.4.1**	**2**
	C.4.2	**2**
Total		**9**

[3] Terabyte (TB)

D. Self-Assessment

CRITICAL OUTCOME: The management system self-assessment process will evaluate Fermilab's ability to meet critical outcomes and meet performance objectives, measures and expectations, and to control its processes.

Objective D.1 Self-assessment is utilized as a management tool in the operation of the laboratory.

Indicator D.1.1 A management system self-assessment utilizing peer reviews as an assessment tool is undertaken for all laboratory organizational elements.

Measure D.1.1.1 All Divisions and Sections perform a credible annual self-assessment.

Metric D.1.1.1.1 DOE evaluation of the Self-Assessment against the following criteria:

- Description of the program/project/activity and its status;
- Basis for determining performance, e.g., procedures, business systems, records, tracking/trending, performance reviews, statistics, etc.;
- Identification of successes;
- Identification of weaknesses and needs for improvement; and
- Identification of the path forward (e.g., plan, schedule) to address needs.

Weightings for Self-Assessment		
Objective	**Indicator**	**Weight, %**
D.1	**D.1.1**	**9**
Total		**9**

Section IV: PERFORMANCE AREA 2 - SELF-ASSESSMENT

Self-Assessment Criteria

Preamble

An effective performance-based management system should be established which: 1) institutionalizes an internal Self-Assessment Program; 2) fosters assessment of existing internal systems, policies, and procedures; and 3) encourages continuous improvement. This Self-Assessment is in addition to the development of specific contract performance measures directly tied to incentives. The laboratory will accomplish a management systems assessment every year. These assessments will be accomplished by the Divisions/Sections and must be fully documented with supporting data and the results forwarded to the person responsible for completing the lab-wide management system Self-Assessment Report at the end of the reporting period. In the case of Divisions/Sections that also have metrics related to the assessment, the results for these metrics must be included as part of the assessment for the reporting period. The management systems to be assessed for the reporting period will be identified at the beginning of the reporting period and the resultant list submitted to DOE by letter.

Each Division and Section of the laboratory will monitor continuously the agreed-upon performance measures and produce both a mid-year progress report with narrative comment on each measure by the responsible party and a year-end self-assessment of performance with detailed narrative on each measure assessed by the responsible party. The mid-year and year-end submittals to DOE will be a consolidated report for each of the areas to be assessed. The Contractor's Self-Assessment Program shall be developed in formal agreement with the Contracting Officer and provide for the following:

1. An assessment of performance against objectives, indicators, measures and metrics which have been identified under the category of "Critical Outcomes";

2. An assessment of performance of management systems identified within this Appendix B, addressing the following general elements:

    a. Description of relevant programs/projects/activities and their status;
    b. Basis for determining performance, e.g., procedures, business systems, records, tracking/trending, performance reviews, statistics, etc.;
    c. Identification of successes;
    d. Identification of weaknesses and needs for improvement; and
    e. Identification of the path forward (e.g., plan, schedule) to address needs;

3. An assessment of overall operations for:

a. 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;

b. The adequacy and the degree to which internal policies, procedures, and controls are implemented and are being met;

4. Identification of improvement opportunities and improvement plans. As a result of the year-end assessment, a list of opportunities for improvement will be identified and actions for implementation scheduled for the next reporting period. Achievement of all implementation actions will automatically become a metric for the subsequent reporting period;

   Assessment of the overall program once per year using the Administrative Peer Review process. The process shall consist of the following elements:

   1) The Sections will present their year-end Functional Assessment to the Administrative Peer Review Committee;

   2) The Committee will evaluate the presentations and feed back to the Sections;

   3) The Committee will split into sub-committees to investigate areas they select based on the Sections' presentations;

   4) The goal of the sub-committees will be to evaluate the functions of the Divisions and Sections each year;

   5) The Administrative Peer Review Committee will include its report in the year-end report to DOE;

   6) The Divisions will continue to utilize their long-standing system of peer review for all significant projects and operations;

   7) Divisions and Sections will assess indicators and metrics listed in the categories "Contractual Performance Indicators" as appropriate in addition to their functional assessment.

Self-Assessment Plan

FERMILAB MANAGEMENT SYSTEMS TO BE ASSESSED

Human Resources
- Compensation
- Benefits
- Employment
- Equal Opportunity/Counseling
- Diversity

Procurement

Property

Management Information Systems (MIS)
- Business Computing Systems

Financial Systems
- Budget
- Accounting

Support Services Systems
- Legal
- Fleet Management and Maintenance
- Telecommunications
- Visual Media
- Distribution
- Warehousing

ES&H

Emergency Management Systems

Security
- Foreign Visits & Assignments
- Safeguards
- Property Protection

Project Management Systems

Infrastructure
- Land Management
- Architecture and Engineering (Facilities Engineering Services Section)
- Routine Maintenance
- Energy Conservation

Programmatic Operations and Maintenance
- Accelerator Operations/Maintenance
- Detector Operations/Maintenance
- Engineering (accelerators/detectors)
- Magnet Design, Construction & Testing

User Support Systems
- Accommodations
- Visas

Scientific Computing
- Hardware Management
- Software Management
- Network Management

Stakeholder Communications

Balanced Scorecards
- Human Resources
- Property
- Procurement

Attachment 1

TYPICAL EVALUATION SCHEDULE

7/1/2003	Functional area experts from both DOE and the Contractor develop proposed version of PBCMs.
9/1/2003	Proposed PBCMs due to the Fermi Area Office Manager.
10/1/2003	DOE transmits final PBCMs to the Contractor and the evaluation period starts.
5/15/2003	The Contractor reports to DOE on mid-year status.
9/30/2004	The evaluation period ends.
10/1/2004	The Contractor initiates the tabulation process.
11/15/2004	The Contractor submits to DOE its Self-Assessment based on the PBCMs.
1/31/2005	DOE develops a draft report and transmits it to the Contractor.
2/15/2005	The Contractor submits comments on the draft report to DOE.
3/15/2005	DOE transmits the final report to the Contractor.

Attachment 2

Performance Fee

	Rating	Science 70%	Critical Operations* 30%	Total Available Fee
FY 2002 (1/1/02-9/30/02)	Outstanding	$746,900	$320,100	$1,067,000
	Excellent	$560,175	$240,075	
	Good	$373,450	$160,050	
	Marginal	0	0	
FY 2003	Outstanding	$949,200	$406,800	$1,356,000
	Excellent	$711,900	$305,100	
	Good	$474,600	$203,400	
	Marginal	0	0	
	Rating	**Science 75%**	**Operations Management* 25%**	**Total Available Fee**
FY 2004	Outstanding	$1,017,000	$339,000	$1,356,000
	Excellent	$762,750	$254,250	
	Good	$508,500	$169,500	
	Marginal	0	0	
FY 2005	Outstanding	$1,017,000	$339,000	$1,356,000
	Excellent	$762,750	$254,250	
	Good	$508,500	$169,500	
	Marginal	0	0	
FY 2006	Outstanding	$1,017,000	$339,000	$1,356,000
	Excellent	$762,750	$254,250	
	Good	$508,500	$169,500	
	Marginal	0	0	
FY 2007	Outstanding	$254,250	$84,750	$339,000
(10/1/06-12/31/06)	Excellent	$190,688	$63,563	
	Good	$127,125	$42,375	
	Marginal	0	0	

*** Critical Outcomes Fee distribution shall be developed by the Contracting Officer on an annual basis for each performance period and will be identified in Attachment 2a.**

Attachment 2a

FERMILAB
Critical Outcomes Fee Distribution
(FY2004 - October 1, 2003 - September 30, 2004)

	Science (75%)	Operations Management * $339,000		
		Leadership (7%)	Mission Support (9%)	Self-Assessment (9%)
Outstanding	$1,017,000	$94,920	$122,040	$122,040
Excellent	$762,750	$71,190	$91,530	$91,530
Good	$508,500	$47,460	$61,020	$61,020
Marginal	0	0	0	0

***** Total Operations Management Fee attainable at an "Outstanding" level of performance.