Self-Evaluation

FY2006 Contractor Performance Evaluation and Measurement Plan

For

Management and Operation of the

Stanford Linear Accelerator Center

Volume 2, Operations, Goals 4.0 – 8.0



SUBMITTED TO THE U.S. DEPARTMENT OF ENERGY

NOVEMBER 17, 2006

## Executive Summary

The Stanford Linear Accelerator Center is proud of its performance in goals 4 – 8 of the Appendix B Performance Evaluation Measurement Plan (PEMP). (Performance in goals 1 -3 was reported on separately in volume 1.) Providing excellent operations programs is as important as executing the scientific programs on which SLAC's reputation is based.

Overall goal scores are summarized in the table which follows. This year's performance resulted in objectives grades of four A/A-'s, five B+'s, and one B. Performance against the goals and objectives was below the B level in three areas:

- The SLAC DART and TRC rates were higher than the SC goals set in Objective 5.1 resulting in a B- rating.

- Two incidents of unauthorized work occurred resulting in a B-for Objective 5.2.

- The Information Technology cost analysis required by performance measure 6.4.d was not completed resulting in a B- rating for Objective 6.4.

- The maintenance investment index goals of 2% was not attained and resulted in a B- rating for Objective 7.1

- Certain emergency management system performance milestones were missed resulting in a B- rating for Objective 8.1.

SLAC is committed to improvement in these three areas in the coming year and the FY2007 PEMP has already established new levels of performance in each. The newly formed Office of Assurance and SLAC senior management will closely track performance in these areas.

**PERFORMANCE SUMMARY**

| Goal | Total Score |
|------|-------------|
| **4.0 PROVLDE SOUND AND COMPLETE LEADERSHIP AND STEWARDSHIP OF THE LABORATORY** | **3.54** |
| **5.0 SUSTAIN EXCELLENCE AND ENHANCE EFFECTIVENESS OF INTEGRATED SAFETY, HEALTH, AND ENVIRONMENTAL PROTECTION** | **2.66** |
| **6.0 DELIVER EFFICIENT, EFFECTIVE, AND RESPONSIVE BUSINESS SYSTEMS AND RESOURCES THAT ENABLE THE SUCCESSFUL ACHIEVEMENT OF THE LABORATORY MISSION(S)** | **3.40** |
| **7.0 SUSTAIN EXCELLENCE IN OPERATTNG, MAINTAINING, AND RENEWING THE FACILITITY AND INFRASTRUCTURE PORTFOLIO TO MEET LABORATORY NEEDS** | **3.00** |
| **8.0 SUSTAIN AND ENHANCE THE EFFEICTIVENESS OF INTEGRATED SAFEGUARDS AND SECURITY MANAGEMENT AND EMERGENCY MANAGEMENT SYSTEM** | **3.17** |

**Goal 4.0 PROVIDE SOUND AND COMPLETE LEADERSHIP AND STEWARDSHIP OF THE LABORATORY**

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Summary evaluation

| ELEMENT | Letter Grade | Numerical Score | Objective Weight | Total Points | Total Points |
|---|---|---|---|---|---|
| **4.0 PROVLDE SOUND AND COMPLETE LEADERSHIP AND STEWARDSHIP OF THE LABORATORY** | | | | | |
| 4.1 Provide a Distinctive Vision for the laboratory and an Effective Plan for Accomplishment of the Vision to Include Strong Partnerships Required to Carry Out Those Plans | A | 3.9 | 35% | 1.37 | |
| 4.2 Provide for Responsive and Accountable Leadership Throughout the Organization | B | 3.2 | 35% | 1.12 | |
| 4.3 Provide Efficient and Effective Corporate Office Support as Appropriate | B+ | 3.5 | 30% | 1.05 | |
| **Performance Goal 4.0 Total** | | | | | 3.54 |

**OBJECTIVE 4.1 – Provide a Distinctive Vision for the laboratory and an Effective Plan for Accomplishment of the Vision to Include Strong Partnerships Required to Carry Out Those Plans**

• SLAC is meeting milestones in an updated vision and strategic/work plan that reflect the distinctive characteristics of SLAC.
  – The 2005 Business Plan maps our strategic vision was well-received by SC at a time when the Laboratory is undergoing a significant change in focus from historical emphasis on high energy physics to basic energy sciences. Planning reflecting the new balance of HEP and BES by 2009 is in process and will contain analysis down through the department level.

- We are actively addressing human resources and technology challenges. The Laboratory continues its "one-deep" staffing challenges. We are identifying recruitment and retention targets for action in FY'07 and beyond.
  - » We will address how staffing and technology will be changing to meet our goals including skill mix, retraining requirements, and strategies for new hires. We'll rethink how we are doing business and meeting administrative support requirements. We will utilize and expand state-of-the-art administrative technologies (e.g. PeopleSoft, Data Warehouse, increased on-line self-service functions, electronic effort/time entry, etc.)
  - » Succession planning is a clear priority for SLAC – next generation of our science depends on this.
- We are leveraging DOE resources through strategic partnerships with Key Universities, other DOE Labs and Industry Groups –
  - The Keystone of SLAC's program is its intimate relationship to Stanford University. Examples include the fact that there are University buildings on-site (Guest House, Kavli), and that there are numerous joint faculty appointments (SSRL and photon science leading in this area). SLAC may lead SC in this relationship
  - LAT detector for GLAST just shipped – a unique DOE/NASA partnership
  - Diverse programs to increase public awareness, and to attract students to our science programs
    - » We heave held five SLAC Public Lecture series in FY06. The average audience was between 275 and 300. The trend is towards increased attendance by Stanford University, high school and middle school students. Additionally, we've conducted outreach through distribution of 200 posters to the community, and 650 e-mails to "SLAC Connections" and outreach to Historically Black Colleges and Universities and schools with high Hispanic enrollment.
  - The K - 12 Program is expanding and thriving. Each year, we conduct tours for 1,000 middle school and 1,000 high school students. SLAC also participates in the "DOE Science Bowl" for high school students and hosts an annual regional DOE science bowl for 24 teams, each with 4-5 students. The winning team goes to DOE's National Science Bowl in Washington, DC
    - » Our annual Kids' Day at SLAC event is very successful
      - ❖ 230 kids ages 9-16 for a daylong event on science and technology; hands-on activities, workshops and talks
    - » DOE LSTPD (Laboratory Science Teacher Professional Development) Program
      - ❖ SLAC has recently submitted a proposal to DOE to run a 4-week summer workshop for middle school science teachers.
      - ❖ This would start in Summer 2007 with 10 teachers participating.

**Objective 4.2 - Provide for Responsive and Accountable Leadership Throughout the Organization**

- Responsiveness for Opportunities for Continuous Improvement
  – SLAC is invigorating its QA program by the creation of the Office of Assurance. Responsiveness to opportunities for improvement will be a core responsibility of the new OA. This Office will document both the QA and Contractor Assurance Systems in a new Assurance Program Description.
- Level of leadership responding to issues is commensurate with levels of severity
  – Readily seen in response to ES&H incidents
- Leadership response is timely, immediate mitigation actions implemented
  – Successfully implemented "Argonne" model for site and SSO notification of incidents
  – Mitigation (if needed) and lessons-learned begins immediately
- Responsibility for accountability, cognizance of corrective action plans
  – The new Office of Assurance (OA) will oversee SLAC's issues management system "CATS." It is presently used for ES&H issues and our plan is to expand its use for assurance systems in other areas as well such as business operations, security, and emergency management. OA will track progress on closing out issues from all assessment activities including those which produce formal corrective action plans. It's also the purpose of OA to validate that corrective actions were in fact taken and to assess their effectiveness.

**OBJECTIVE 4.3 – Provide Efficient and Effective Corporate Office Support as Appropriate**

- University leadership in reviewing and establishing risk limits
  – ES&H
    » SLAC Policy Committee (SPC) set up committee exclusively devoted to ES&H risk
    » Performed assessment and reported out to most recent SPC meeting
  – As the new Office of Assurance develops a reinvigorated QA program, new standards for documentation (Policy, Lab-Wide Requirements, and Directorate-level Procedures) will be developed. OA will also develop Contractor Assurance Systems for five different support programs – ES&H, Emergency Management, Business Operations, Security, and Cyber Security. Through these systems, risks will be assessed and mitigated. It is our goal to have both the QA and CASs in place by the end of the fiscal year.
- University assesses management approaches and systems
  – Management and organization effectiveness is a part of every SPC review
- University leadership involvement in corrective actions
  – ESHAC review alone produced five pages of explicit areas of concern and four pages of areas in need of further investigation

**Goal 5.0 SUSTAIN EXCELLENCE AND ENHANCE EFFECTIVENESS OF INTEGRATED SAFETY, HEALTH, AND ENVIRONMENTAL PROTECTION**

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Summary Evaluation

| ELEMENT | Letter Grade | Numerical Score | Objective Weight | Total Points | Total Points |
|---|---|---|---|---|---|
| **5.0 Sustain Excellence and enhance Effectiveness of Integrated Safety, Health, and Environmental Protection** | | | | | |
| 5.1 Provide a Work Environment that Protects Workers and the Environment | B- | 2.7 | 20% | 0.54 | |
| 5.2 Provide Efficient and Effective Implementation of Integrated Safety;, Health, and Environment Management | B- | 2.5 | 70% | 1.75 | |
| 5.3 Provide Efficient and Effective Waste Management, Minimization, and Pollution Prevention | A- | 3.7 | 10% | 0.37 | |
| **Performance Goal 5.0 Total** | | | | | 2.66 |

**Objective 5.1 – Provide a Work Environment that Protects Workers**

- PM 5.1.a, Progress meeting SC FY07 safety goals for DART case rate: The target of 0.35 was not met. SLAC estimates its final DART case rate to be 0.65 with a total DART case count of 14.

- PM 5.1.b, Progress meeting SC FY07 safety goals for TRC case rate: The target of 0.87 was not met. SLAC estimates its final TRC case rate to be 1.11 with a total TRC case count of 24.

- PM 5.1.c, Reportable occurrences of releases to the environment: There were no reportable releases to the environment.

- PM 5.1.d, Instances of uncontrolled spread of radioactive contamination per DOE M 232.2-2: There were no instances of uncontrolled spread of radioactive contamination.

- PM 5.1.e, No overdue corrective actions and non-compliances are reported timely per DOE reporting criteria: There were no overdue corrective actions. SLAC has kept SSO apprised of progress on open action items through weekly meetings. All reports to DOE have met or exceeded reporting criteria.

**Objective 5.2 – Provide Efficient and Effective Implementation for Integrated Safety, Health, and Environment Management.**

- PM 5.2.a, Mandatory ES&H Training requirements are completed to a level of 90% per the SLAC Training Database Metrics Reporting System: SLAC completed 92.2% of mandatory training requirements. This number is the average of the four quarterly "snap shots" from the SLAC Training Database Metrics Reporting System.

- PM 5.2.b, Corrective Actions Resulting from ISM reviews, validations and assessment are completed in a timely manner or have DOE approval for plan to complete during FY06: DOE has been constantly apprised of progress on open corrective actions through weekly meetings. Some corrective actions have extended into FY07 though the large majority has been closed out.

- PM 5.2.c, No incidents of unauthorized work during FY06: There were two incidents of unauthorized work in FY06.  A Linac sector 20 excavation project, working with proper authorization, changed work scope without applying for an amended permit as is required.  In a second instance, two electricians working for a sub-contractor, failed to follow the LOTO authorization process and cut into a live 110 VAC line.  Neither incident caused any injury or environmental threat.

- PM 5.2.d, ISMS reviews performed in FY06 do not identify significant concerns or findings related to staff and line management understanding of ISMS:  Indeed, the October 2005 ISM review highlighted staff and management understanding and commitment to the SLAC ISEMS as a strength in addition to concluding that SLAC met all ISM performance objectives.

**Objective 5.3 - Provide Efficient and Effective Waste Management, Minimization, and Pollution Prevention**

- PM 5.3.a, SLAC recycles 53% of non-hazardous waste: SLAC has recycled 71% of its non-hazardous waste.

- PM 5.3.b,
  - ➢ SLAC establishes FY06 baseline for low-level waste generation from routine operations.  The baseline was created after the close of FY2006 as was necessary and submitted to the DOE SSO on October 25, 2006.

- ➢ SLAC reduces by 69% the generation of hazardous waste from routine operations by the end of FY06 relative to the 1993 baseline: SLAC has reduced by 74% its generation of hazardous waste from routine operations.

- PM 5.3.c, SLAC's CMS demonstrates "on plan" progress on reducing chemical inventories and improved chemical life cycle tracking from the initial FY05 inventory to the end of FY06: SLAC has successfully transferred from SLAC stores its inventory of chemicals to the Haas Gilroy hub successfully reducing the on-site inventory. It is also believed on-site inventories were further reduced by the ability of Haas to deliver chemicals and other hazardous materials within one business day, i.e. "just in time" ordering and inventory management.

**Goal 6.0 DELIVER EFFICIENT, EFFECTIVE, AND RESPONSIVE BUSINESS SYSTEMS AND RESOURCES THAT ENABLE THE SUCCESSFUL ACHIEVEMENT OF THE LABORATORY MISSION(S)**

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Summary evaluation

| ELEMENT | Letter Grade | Numerical Score | Objective Weight | Total Points | Total Points |
|---|---|---|---|---|---|
| **6.0 DELIVER EFFICIENT, EFFECTIVE, AND RESPONSIVE BUSINESS SYSTEMS AND RESOURCES THAT ENABLE THE SUCCESSFUL ACHIEVEMENT OF THE LABORATORY MISSION(S)** | | | | | |
| 6.1 Provide an Efficient, Effective, and Responsible Financial Management System | A- | 3.7 | 25% | 0.93 | |
| 6.2 Provide an Efficient, Effective, and Responsive Acquisition and Property Management System | B+ | 3.4 | 30% | 1.02 | |
| 6.3 Provide an Efficient, Effective, and Responsive Human Resources Organization | A | 3.9 | 20% | 0.78 | |
| 6.4 Provide an Efficient, Effective, and Responsive Management System for Internal Audit and Oversight' Quality, information management; and, other Administrative Support Services As Appropriate | B- | 2.7 | 25% | 0.68 | |
| 6.5 Demonstrate Effective Transfer of Technology and Commercialization of Intellectual Assets | N/A | N/A | 0% | 0 | |
| **Performance Goal 6.0 Total** | | | | | 3.40 |

**Objective 6.1 – Provide Efficient, Effective, and Responsible Financial Management System**

The overall performance (outcomes/results) of the following set of performance measures (tasks, activities, requirements, accomplishments, and/or milestones) shall be utilized by evaluators as the primary measure of the Contractor's success in meeting this Objective and for determining the numerical score awarded. The evaluation of this Objective may also consider other tasks, activities, requirements, accomplishments, and/or milestones not otherwise identified below but that provide evidence to the effectiveness/performance of the Contractor in meeting this Objective. The weight of this Objective is 25%.

Determination of the Contractor's provision of a sound, responsive, and economical financial management system(s) will be based upon the implementation of the directions, guidelines, and recommendations of OMB Circular A-123 by the Department of Energy (DOE), which assesses management responsibility in determining sound financial management systems and internal control performance. In measuring the performance of this Objective, the DOE evaluator(s) shall consider the following:

- Demonstration of efficient and effective financial management system(s) support through the establishment of a Senior Assessment Team by the Contractor;
- The overall assessment of the design and operation of internal controls over financial reporting;
- The continual improvement of financial management system(s) through the Contractor's evaluation of internal control at the Entity Level by its use of the five components of internal control;
- The degree of knowledge and appropriate utilization of established system processes/ procedures by Contractor management and staff, as displayed by the Contractor's evaluation of internal control at the process, transaction or application level; and
- A reliance on the work of others to accomplish assessments for the determination of the financial management system(s) effectiveness, as validated by internal and external audits and reviews.

**SLAC Self-Evaluation**: As soon as SLAC received the DOE guidance in mid-January 2006 on OMB Circular A-123 implementation, SLAC proceeded immediately to establish the Senior Assessment Team which includes the functional managers for Human Resources, Purchasing, Property, Business Systems, Budget, and Accounting; the senior financial manager of each of the SLAC Directorate; Director of Stanford University Internal Audit; and SLAC's Chief Financial Officer.

Led by the Senior Assessment Team, SLAC followed the DOE A-123 implementation guidance in evaluating the internal controls over financial reporting. The internal controls at the entity level were assessed by subcategory within each of the five areas which included control environment, control activities, information and communication, risk assessment, and monitoring. These entity controls were documented, assessed for

inherent risks, and evaluated for control design effectiveness. The financial system key processes and sub-processes were also assessed for their inherent risks, and the associated internal controls in place were also documented and evaluated for control design effectiveness. The assessment did not identify any entity control or sub-processes control to be requiring "Initial Remediation". The results were recorded in the A-123 Assessment and Reporting Tool (AART) spreadsheets and submitted to DOE-CH.

Stanford Internal Audit was responsible in the preparation of the "Testing Plan" and conducted the testing required under the DOE Guidance for A-123 Implementation. The testing of all high risk line-items was completed in FY06 before the Sep 1, 2006 milestone. In addition, Stanford Internal Audit completed testing of all of the medium and low risk line-items for the Enterprise Resource Management key processes and sub-processes, and many of the controls for Entity Control and the other processes. SLAC receive a "pass" rating for control effectiveness for all the internal control line-items tested.

6.1a  Demonstrate an effective financial management system through a reliance on the work of others to accomplish assessment, such as external reviews, surveys and inspections.

To meet the target level of performance for demonstrating an effective financial management system through a reliance on the work of others requires verifiable documentation from external reviews by the Inspector General (IG), Government Accountability Office (GAO), or other external audit/review organization. The review results must state that the Contractor's financial management system has been evaluated, and has no notable areas of diminished performance identified. General comments in the audit or letter report would be accepted in the definition of a clean audit result, provided that any financial management system weaknesses identified have little or no potential to adversely impact the mission of the Laboratory.

**SLAC Self-Evaluation**: During FY06, Stanford Internal Audit conducted the following reviews associated with the financial management system. All reviews have no notable areas of diminished performance, but some of them did identify opportunities for process improvement.

*FY05 Allowable Cost Review*
*FY05 OMB Circular A-133 Review*
*PeopleSoft Application Security Review*
*High Level Review of Internal Controls at SLAC*
*OMB CircularA-123 Testing of Internal Controls for Human Resources and Payroll (in progress)*
*Accounts Payable Review for A-123 (in progress)*

Although there were two other reviews, in progress in FY06, being conducted by the Defense Contract Audit Agency (DCAA) that involved SLAC, they were not specifically focused on internal controls.

6.1b    The Contractor's success in developing and completing corrective actions for reviews in accordance with approved Corrective Action Plans (CAPs) shall be determined by an evaluation of the Contractor's use of the OMB Circular A-123 five (5) components of Internal Control, i.e.:  (1) the Control Environment; (2) Risk Assessment; (3) Control Activities; (4) Information and Communication; and (5) Monitoring.

To meet the target level of performance for developing and completing corrective actions for reviews in accordance with approved Corrective Action Plans (CAPs) requires verifiable documentation that the Contractor has implemented OMB Circular A-123 recommended actions.

**SLAC Self-Evaluation**:  There was no Corrective Action Plan required for the OMB Circular A-123 testing of internal controls for financial reporting performed by Stanford Internal Audit.   All line-items reviewed received the "pass" rating.

6.1c    The Contractor's success in meeting financial management goals and expectations is determined by an overall assessment of the design and operation of internal controls over financial reporting.

To meet the target level of performance for financial management goals and expectations requires verifiable documentation that the Contractor has performed an overall assessment of the design and operation of internal controls over financial reporting, in accordance with DOE's Contractor requirements for A-123 implementation.

**SLAC Self-Evaluation**:  Stanford Internal Audit performed an overall assessment of the design and operation of internal controls over financial reporting.  As noted in Section 6.1a, six specific reviews were conducted in FY06.  All high-risk line items and some of the medium and low-risk items in the AART assessment spreadsheets for Entity Control (ECS-Assess) and Process Control (PCS-Assess) were tested.  In accordance to the DOE A-123 implementation guidance, Stanford Internal Audit recorded, in the AART testing spreadsheets for Entity Control (ECS-Test) and Process Control (PCS-Test), details of the testing, including test description, sample size,  criteria for sample used for testing/ result, and location of supporting documentation.

6.1d    Employee and Management awareness of financial management processes and procedures as displayed by the Contractor establishment and performance of a Senior Assessment Team.

To meet the target level of performance for employee and management awareness of financial management processes and procedures, the Contractor must provide verifiable documentation that the Contractor has implemented four (4) of the six (6) OMB Circular A-123 recommended actions for establishing a Senior Assessment Team, and that it has performed assessment work for the organization.

**SLAC Self-Evaluation**:  Following the DOE OMB Circular A-123 implementation guidance, the SLAC Director established the Senior Assessment Team (SAT).  To ensure that the assessment objectives are clearly communicated throughout the organization, the team includes the functional managers for Human Resources, Purchasing, Property, Business Systems, Budget, and Accounting, the senior financial manager of each of the SLAC Directorate, Director of Stanford University Internal Audit, and the Chief Financial Officer.  The team is also responsible for making the appropriate resources available to carry out the objectives.  SLAC staff performs the assessment and the Stanford Internal Audit Department provides the staffing for all testing.  The assessment was carried out in a thorough, effective, and timely manner following the DOE implementation guidelines and requirements.  The scope of the assessment follows the direction from DOE-CH who determined those financial reports covered by the assessment.  The SAT oversees the implementation of the assessment design and methodology as issued by DOE in the Quick Start Guides and the A-123 Assessment and Reporting Tool (AART).

In conclusion, SLAC's Senior Assessment Team has implemented all six of the OMB Circular A-123 recommended actions and has performed the required assessment work for SLAC.

6.1e    The success of the Contractor's management and reporting of Indirect costs will be measured by an evaluation of the Contractor's Direct-to-Indirect Ratio costs (1) as measured by Direct/Indirect cost  calculations; and (2) comparison with an industry standard (60 % Direct / 40% Indirect).

To meet the target level of performance for the Contractor's success in management and reporting of Indirect costs, the Contractor must provide verifiable documentation that Indirect data has been collected and applied in accordance with recommendations of the IG, GAO, and other independent review organizations, etc.;  that the Indirect data and performance has been evaluated by Contractor top management;  that Contractor management has implemented a plan for Indirect Ratio management toward a minimum Industry Standard Ratio of 60/40 percent; and that the Contractor has implemented the OMB Circular A-123 recommended actions for evaluation of internal control at the process, transaction or application level in order to guarantee accuracy and appropriate application of indirect rates.

**SLAC Self-Evaluation**:  The management of indirect costs is a high priority for the laboratory.  The Laboratory establishes budgets by organizational Directorate, by program including all indirect costs in a detailed manner. Budgets, both direct and indirect, for the year are submitted, reviewed and adjusted to meet the programmatic goals given the available funding for the fiscal year.

The indirect rates are pre-established based on forecasted costs for the fiscal year and are monitored throughout the fiscal year. If analysis of anticipated conditions discloses a material variance for the fiscal year, the pre- established rates will be revised to ensure that the anticipated variance is disposed of by allocating them to cost objectives in proportion to the costs previously allocated to these cost objectives.  SLAC's Chief Financial Officer (CFO) is responsible for evaluating the Indirect data and performance.  Changes on the pre-established rates are recommended by the CFO and approved by the SLAC Director.

As discussed above, SLAC has implemented the DOE guidance on OMB Circular A-123 for evaluation of internal control at the entity, process, and transaction level, and that the indirect rates have been applied appropriately and accurately.

For FY06 the following are the actual direct-to-indirect ratios for SLAC costs. SLAC is well below the "Industry Standard Ratio of 60/40 percent).

| ($ in Thousands) | Direct Costs | Indirect Costs | Direct/ Indirect Ratio % |
|---|---|---|---|
| DOE Operating Program | $156,789 | $44,224 | 78/22 |
| Total DOE Costs (including capital and construction) | $251,697 | $53,842 | 82/18 |

The Defense Contract Audit Agency (DCAA) has been requested by DOE-CH and COE/SSO to conduct a review of the SLAC Cost Accounting Disclosure Statement. The review is expected to be completed in early 2007.

**Objective 6.2 – Provide Efficient, Effective, and Responsive Acquisition and Property Management Systems**

**6.2.a, Demonstrate effective acquisition and property management systems through externals reviews, surveys, and inspections.**

Captured in section 6.2.b and c which follow

**6.2.b, Procurement Balanced Scorecard**



**Stanford Linear Accelerator Center**

**Performance-Based Management
Self-Assessment Report
October 2006**

**Functional Area:  *Procurement***

**1.  A.   BACKGROUND INFORMATION**

**Contractor**

**DOE Office**

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Office of Science

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**Submitted By:**                       Stanford University
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**Cognizant DOE Office:**               Office of Science
                                        Stanford Site Office


**Date of Last Self-Assessment:**       August 2006


**Status Of Purchasing System:**        Approved


**Effective Date Of Approval:**         March 29, 2004


**Thresholds For DOE Approval:**        FFP Competitive >$7M
                                        FFP Noncompetitive >$3M
                                        All Cost Type >$100K

**Assessment Team Members:**
Legal Advisor:                          Ms. Rachel Claus, SLAC Staff Counsel

Participants:                           R. Todaro, SLAC Purchasing Officer
                                        D. Pindroh, Deputy Purchasing Officer
                                        T. Murphy, Associate Purchasing Officer
                                        G. Scrimger, Contract Administrator, Group Lead


## *B. BALANCED SCORECARD SELF-ASSESSMENT PROGRAM*

### 1. General

The SLAC Purchasing Department Self-Assessment was conducted in accordance with the SLAC 2006 Balanced Scorecard Self-Assessment Plan, dated September 29, 2005.

### 2. Purchasing Organization

SLAC Purchasing is organized as depicted in the Organization Chart **(see Exhibit I).** Changes that occurred within the Purchasing Department during FY06 are as follows:

a)   In November 2005, the Deputy Purchasing Officer and a Senior Contract Administrator/Group Lead resigned their positions.

b)   In February 2006, Purchasing filled the Deputy Purchasing Officer position and Senior Contract Administrator/Group Lead positions. Both individuals had extensive electronic systems expertise which was a factor in their hiring preference.

c)   In March 2006, Purchasing eliminated its three (3) Expeditor positions, converting these positions into two (2) Buyer II/Construction Administrator

positions and one (1) Administrative Assistant position.  The two (2) Buyer II/Construction Administrator positions were designed to meet fluctuations in workload demands.  The administrative assistant position was created in order to implement a new central filing system.

d) The Purchasing Department hired three (3) summer students to perform various tasks as warranted throughout the department.  Two of the summer students were assigned to support specific projects such as a Purchase Card audit and Recycle Report validation. One summer student was assigned to the Stores and Accounts Payable group for various assignments.

e) A Temporary employee was hired in June to assist with the Balanced Scorecard Self Assessment. The assignments ranged from conducting all surveys and assessing the results, coordinating the various reports necessary for the file review, and collecting and assessing the data necessary for the Balanced Scorecard Report to be submitted to the DOE in October.

f) A Senior Contract Administrator resigned her position in August 2006. A replacement was hired effective October 8, 2006.

## 3. <u>Status of Open Items from the 2005 Self-Assessment Review</u>

Purchasing Procedures were determined to be in need of updating as a result of the FY05 Balanced Scorecard Self-Assessment Review.  Updates were not completed due to the departure of the Deputy Purchasing Officer in November 2005.  Lack of resources, time constraints, and other pressing matters up until August 2006 has delayed the completion of the procedures revision. We now anticipate updating all procedures by December 31, 2006.

## 4. <u>Participation In General</u>

From November 30-December 2, 2005 the SLAC Purchasing Officer attended the DOE Small Business Program Manager's Training Meeting in Washington, D.C.  The purpose of this meeting was to facilitate interactions and direct discussions between the DOE Headquarters' Small Business Office of Economic Impact and Diversity and the DOE Prime Contractor's Small Business Managers.  In addition, on November 16-18, 2005, the Purchasing Officer participated in the Annual Energy Research Laboratory Purchasing Managers Conference hosted by National Renewable Energy Lab (NREL). The group meets bi-annually to discuss common issues and exchange information.

## 5. <u>Training</u>

Training of personnel in FY06 continued to be aided by Stanford University's educational allowance of $800 per year.  This assistance helps defray the costs of training, conferences, workshops or seminars for every employee in order to further their education. The areas of training are as follows:

**5.a     Buyer Training**

During this fiscal year three (3) on-site training classes were presented to SLAC Buyers and Contract Administrators by Federal Publications Seminars, on the following topics:

1        "Effective Competitive Practices in Government Procurement" – January 2006

2    "Time Management and Organizational Skills" -  February 2006

3    "Controlling Construction Costs" – April 2006

The class entitled "Effective Competitive Practices in Government Procurement" provided our Buyers and Contract Administrators with a two-day workshop focusing on the following:

- The rules for awarding contracts and placing orders, as mandated by the Federal Acquisition Regulations (FAR) and the Government Accountability Office.
- Avoiding procedures that result in ineffective competition.
- Best practice for obtaining competition fairly, efficiently, and expeditiously.

This class emphasized the importance and necessity of competition in government contracting in order to obtain best value and provided Buyers/Contract Administrators with templates for designing effective competitive practices.

The course on "Time Management and Organizational Skills" was presented to the Buyers/Contract Administrators to increase their overall effectiveness as contract professionals.  The training session provided the Buyers/Contract Administrators with effective time management tools and organizational skills to create a custom time management plan, which promotes organization, productivity, and flexibility in the everyday workplace.

The Construction Contract Administrators attended a two-day training seminar entitled "Controlling Construction Costs" presented specifically for SLAC construction project staff.  This training provided Construction Contract Administrators with useful tools for effectively administrating construction contracts by building control considerations into bid documents and contract language.

All of these courses provided excellent reference materials for the SLAC Buyers/Contract Administrators to use in their day-to-day activities as procurement professionals.

### 5.b    Purchase Card Training

In May of 2006, the Purchasing Department conducted its mandatory annual training and review of the policies and procedures for the use of SLAC's Purchase Card involving all Cardholders and Approving Officials.  Topics addressed in the training session were: 1) How to document packages when receipts, etc., are incomplete; 2) Proof of delivery on will-calls and pick-ups; 3) Third party billing and internet auction sites; 4) Pre-approvals; 5) Cardholder and approver availability for review; 6) Error reports by email; 7) Books & miscellaneous publications; and 8) Use of the Telephone Order Log.  Upon completion of the training, Cardholders were required to sign a document verifying their attendance.

### 5.c    Ethics Training

The annual Purchasing Ethics Training session was held on August 16, 2006. This was a mandatory training session for all department professionals involved in the purchasing function. In addition to reminding buyers of the various University procedures covering code of conduct, a videotape entitled "E.I.: Ethics Inquiry" produced by the U. S. Office of Government Ethics was shown to the group because there have been several new buyers hired into the Department from the commercial sector. For those Purchasing Personnel who could not attend the first Ethics Training class, a make-up session was conducted on August 22, 2006.  A total of twenty-five (25) Buyers and Contract Administrators and other departmental staff attended the training.

### 5.d    Safeguards and Security Training

In order to emphasize SLAC'S commitment to performing work in a safe and effective manner, all laboratory personnel, including all of the Purchasing staff, attended mandatory training sessions on Safeguards and Security on September 7, 2006.

## C. BALANCED SCORECARD REVIEW AND ANALYSIS

### 1. Source of Data used in the Self-Assessment

The principal data generation source for the Four Perspectives was from the PeopleSoft and Business Information Systems.  System data was collected from the period October 1, 2005 through September 30, 2006. All other data was obtained through the use of checklists, questionnaires, and vendor-supplied reports as discussed later on in this report.

### 2. The Four Perspectives

The four perspectives discussed below were measured as part of the self-assessment process. Each measurement was rated using the Balanced Scorecard Summary Sheet format.

**1.** *CUSTOMER:* This perspective captures the ability of the organization to provide quality goods and services, effective delivery, and overall customer satisfaction.

**2.** *INTERNAL:* This perspective provides data regarding the internal business results against measures that lead to financial success and satisfied customers.

**3.** *LEARNING AND GROWTH:* This perspective captures the ability of employees, information systems, and organizational alignment to manage the business and adapt to change.

**4.** *FINANCIAL:* How effectively and efficiently SLAC meets the needs of its constituencies. This perspective captures cost efficiency, delivering maximum value to the customer for each dollar spent.

## 1.    CUSTOMER PERSPECTIVE

This perspective captures the ability of the organization to provide quality goods and services, effective delivery, and overall customer satisfaction.  The level of satisfaction will be rated by the percentage of customer satisfaction with the timeliness, quality, and level of communication provided by the Purchasing Department.

**1.1** **Customer Satisfaction Rating**

**1.1.a** **Transactional Customer Survey (10 Total Points Possible)**

SLAC obtained the measurement of this perspective from its' internal customers (Requestors). The Transactional Customer Satisfaction Survey was initiated via e-mail during the month of August 2006 to one hundred (100) customers. Requestors were able to respond via email, which facilitated a quicker, more convenient, method of response. Out of the hundred (100) individuals selected, fifty-one (51) individuals (51%) elected to participate. Each participant was asked to respond to a series of statements **(see Exhibit II)** pertaining to a specific purchase order. The statements were based upon the suggested core and optional questions of the "DOE Balanced Score Card for the Business Systems Performance Measurement and Management Program" guidebook. Areas assessed were timeliness, quality, communications, schedule, overall satisfaction, and performance. The population of participants for this survey was obtained by randomly selecting Requestors from the BIS data report that were associated with purchase orders that had been awarded within the past fiscal year.

| | |
|---|---|
| **Measure:** | **Transactional Customer Survey** |
| **Core Elements:** | **Timeliness** - Extent of customer satisfaction with timeliness of procurement processing, planning activities, and on-going communications. |
| | **Quality** - Extent of customer satisfaction with the quality of procurement services. |
| | **Communications -** Extent to which Purchasing communicates accurate information, which impacts the work of the organization. |
| | **Schedule** - Extent to which Purchasing is supportive of schedule requirements. |
| | **Performance** - Extent to which Purchasing is committed to certain standards. |
| | **Overall Satisfaction** - Extent of overall customer satisfaction with Purchasing. |
| **Target:** | **92% customer satisfaction** |
| **Results:** | A rating of **92% (10 points - BSC Measured Rating)** was assigned based upon an analysis of the internal customer questionnaire responses. There were fifty-one (51) respondents to the survey whose satisfaction level was calculated as follows: |

The transactional survey included six (6) statements that the customer was asked to respond to with a "yes" or "no", as follows:

1.    The Procurement was processed in a professional and ethical manner.

A total of fifty-one (51) out of fifty-one (51) Requestors responded "yes" to this statement. Of the Requestors who responded, this translates into a **100%** affirmative response for the procurement being processed in a professional and ethical manner.

2.    In general, you feel that you are treated as a professional by the Purchasing Department.

A total of fifty (50) out of fifty-one (51) Requestors responded "yes" to this statement. Of the Requestors who responded, this translates into a **98%** affirmative response for professional treatment of requestors.

3.    The Buyer/Subcontract Administrator was responsive to your needs.

A total of forty-seven (47) out of fifty (50) Requestors responded "yes" to this statement (one (1) Requestor elected not to respond to this question). Of the Requestors who responded, this translates into a **94%** affirmative response for buyer responsiveness.

4.    The Buyer/Subcontract Administrator completed the order in a timely manner.

A total of forty-five (45) out of fifty (50) Requestors responded "yes" to this statement (one (1) Requestor elected not to respond to this question). Of the Requestors who responded, this translates into a **90%** affirmative response for timely placement of orders.

5.    Your input was considered in selection of the vendor.

A total of forty-nine (49) out of fifty (50) requestors responded "yes" to this statement (one (1) Requestor elected not to respond to this question). Of the Requestors who responded, this translates into a **98%** affirmative response for consideration of requestor's input in vendor selection.

6.    The Buyer/Subcontract Administrator answered your questions courteously and knowledgeably.

A total of forty-six (46) out of forty-eight (48) requestors responded "yes" to this statement (three (3) Requestors elected not to respond to this question).  Of the Requestors who responded, this translates into a **96%** affirmative response for buyer courtesy and knowledge in communication with requestors.

**Summary**

| Survey Item | Total Affirmative Responses | Percent Affirmative Responses |
|---|---|---|
| 1 | 51 out of 51 | 100% |
| 2 | 50 out of 51 | 98% |
| 3 | 47out of 50 | 94% |
| 4 | 45 out of 50 | 90% |
| 5 | 49 out of 50 | 98% |
| 6 | 46 out of 48 | 96% |
| | Total | 576% |

Total Average of Affirmative Responses (576/6) = 96%

Additionally, the transactional survey included one (1) question in which the customer was asked to rate his or her overall satisfaction with the level of service to Requestors.  Each response was assigned a mathematical identity as follows:

5 points – Outstanding
4 points – Highly Satisfactory
3 points – Satisfactory
2 points – Below Average
1 point –   Poor

A total of forty-seven (47) satisfied respondents (i.e., a rating of 3 or above) were tallied and divided by the total number of respondents to arrive at the percentage gradient.

(47) Number of Satisfied Customers  = **92% Satisfaction Rating**
(51) Number of Customers Surveyed

1.1.b   BIS Operator Climate Survey (2 Total Points Possible)

This measure was established to determine the level of customer satisfaction concerning the Purchasing Department's level of service to Operators, or those

who are responsible for on-line entry of purchase requisitions. This review is performed annually by the completion of a satisfaction survey by the Operators. This survey, as shown in **Exhibit III**, was sent out to the fifty-four (54) Purchase Requisition Operators in July 2006. Out of the fifty-four (54) surveys sent out, twenty-three (23) recipients (43%) elected to respond. In the survey, the Operator was asked to rate their level of satisfaction, on a scale from 1 to 5, with 1 representing a response of "strongly disagree" to 5 representing a response of "strongly agree". A simple set of questions was devised and the Operators were asked to rate their level of satisfaction on the seven (7) different elements as identified below. An average rating of 3 or above was regarded as a satisfactory response. The survey statements are as follows:

1. You believe you are sufficiently trained by the Purchasing Department representative to efficiently perform your Operator duties.

2. When dealing with PeopleSoft Purchasing software, the Purchasing representative responds to your questions and/or problems in a timely manner.

3. Your questions are thoroughly answered and clearly explained.

4. You believe you are kept current on PeopleSoft upgrades and enhancements of the Purchasing software.

   5. The Purchasing representative responds to my voicemails and emails in a timely manner.

   6. You feel that you are treated as a professional by the Purchasing Representative.

   7. Overall, as an Operator you are satisfied with the customer service provided.

The average rating received by the Operators on each question is as follows:

1. 4.2
2. 4.2
3. 4.1
4. 4.1
5. 4.0
6. 4.3
7. 4.3

As demonstrated above, all questions identified in the survey received an average rating of 4 or greater indicating satisfaction from the Operators in regards to the customer service that the Purchasing Department provides. Furthermore, of the twenty-three (23) Operators that responded to the survey, twenty-two (22) were

satisfied (i.e., an average rating of 3 or above) with the level of service to Operators.

**Measure:**    **BIS Operator Climate Survey**

**Target:**     **92% Operator satisfaction**

$$\frac{\text{(22) Number of Satisfied Operators}}{\text{(23) Number of Operators Responded}} = \textbf{96\% Satisfaction Rating}$$

**Results:**    A rating of **96% (2 points – BSC Measured Rating)** was assigned based upon an analysis of the Operator questionnaire responses.

## 1.1.c   Purchase Cardholder Customer Survey (3 Total Points Possible)

In addition to the surveys identified above, SLAC's Purchasing Department also conducted a survey this fiscal year to determine the level of customer satisfaction concerning the Purchasing Department's level of service provided to our Purchase Cardholders.  The survey is shown in **Exhibit IV.**  Out of two hundred fifty-seven (257) total Purchase Cardholders, sixty-five (65) of those cardholders have an inactive status.  Therefore, in July 2006, the survey was sent to the one hundred ninety-two (192) active Purchase Cardholders.  Out of the one hundred ninety-two (192) surveys sent out, one hundred five (105) recipients (55%) responded.  In the survey, Purchase Cardholders were asked to rate their level of satisfaction, on a scale from 1 to 5, with 1 representing a response of "strongly disagree" to 5 representing a response of "strongly agree."  A set of questions was devised and the Purchase Cardholders were asked to rate their level of satisfaction on the seven (7) different elements as identified below.  An average rating of 3 or above was regarded as a satisfactory response. The survey statements are as follows:

1. You believe you are sufficiently trained by the Purchasing Department representative to efficiently understand your Purchase Card responsibilities.

2. When dealing with Purchase Card issues, the Purchasing representative responds to your questions and/or problems in a timely manner.

3. Your questions are thoroughly answered and clearly explained.

4. You believe you are kept current on Purchase Card requirements and policy changes.

5. The Purchasing representative responds to my voicemails and emails in timely manner.

6. You feel that you are treated as a professional by the Purchasing Representative.

7. Overall, as a Purchase Cardholder, you are satisfied with the customer service provided.

The average rating received by the Purchase Cardholders on each question is as follows:

1. 4.4
2. 4.6
3. 4.5
4. 4.4
5. 4.5
6. 4.4
7. 4.5

As demonstrated above, all questions identified in the survey received an average rating of 4 or greater thereby stating that the Purchase Cardholders "agree" or are satisfied that the Purchasing Department is providing good customer service in these specific areas.

**Measure:** **Purchase Cardholder Customer Survey**

**Target:** **92% Purchase Cardholder Satisfaction**

$$\frac{(105) \text{ Number of Satisfied PCard Holders}}{(105) \text{ Number of PCard Holders Surveyed}} = \textbf{100\% Satisfaction Rating}$$

**Results:** A rating of **100% (3 points - BSC Measured Rating)** was assigned based upon an analysis of the Purchase Cardholder questionnaire responses.

## 2. INTERNAL BUSINESS PROCESSES PERSPECTIVE

This perspective assures that customer requirements and expectations are understood and that appropriate procurement processes are in place to support customer needs. The self-assessment is the principal data generation or gathering source for this perspective. The core objectives and measures listed below were used by Purchasing to monitor its business processes and for the establishment of a baseline against which future performance will be compared.

### 2.1 Effective Internal Controls (5 Total Points Possible)

To ensure compliance with applicable laws, regulations, prime contract terms and conditions, and SLAC policies and procedures, Purchasing conducted its annual

review of procurement transactions during the period of August 1, 2006 through August 11, 2006.  The PeopleSoft system randomly generated 450 files to be reviewed in the self-assessment.  The 450 files were selected for review for the period of July 1, 2005 through June 30, 2006.  The team reviewed the following files using the Self-Assessment Checklists **(See Exhibit V and VI):**

Two Hundred (200) files from $0 -10,000; and

One Hundred Fifty (150) from $10,000 - $25,000; and

One Hundred (100) files from $25,000 - $100,000.

*Note: Files greater than or equal to $100K were not included in this review because these files are subject to review by the SLAC Internal Review Board.  See Section 2.8.

These 450 purchase orders represented $7,848,556, or 24.0% of the total value of $32,662,202 for all purchase orders awarded during this period. The calculation is as follows:

**a)**   **A.**   **SELECTED SAMPLE**

| | $0 - $10,000 | $10,000 - $25,000 | $25,000 and over |
|---|---|---|---|
| Total number of actions including modifications | 200 | 150 | 100 |
| Total Value | $7,848,556 | | |

**B.**   **UNIVERSE**

Total Number of actions in the review sample period was 6211.

Total Value of actions in the review sample period was $32,662,202.

**C.**   **PERCENTAGE**      (sample/universe)

Total Number        450/6,211 = 7.2%

Total Value        $7,848,556/$32,662,202 = 24.0%

The following areas were designated as a focus for the FY 2006 Self-Assessment Review process:

1.  Purchase requisition processed timely.

2.  Discount taken for prompt payment of invoice.

3. Pre-Work Hazard Analysis obtained for on-site work.

4. Adequacy of sole source justification documentation.

5. Price analysis adequacy.

6. EEO Certification properly completed.

7. Representations and Certifications properly completed.

8. Appropriate use of DOE-ICPT Agreements and other Blanket Order Agreements.

9. Accuracy of Conflict of Interest listing citation.

10. Correct Debarred Listing citation.

11. Determination of financial and technical responsibility.

12. Buy American Waiver completed.

13. Non-excessive verbiage in purchase order.

14. Correct optional clause(s) used.

15. Overall adequacy of file documentation.

**Measure:** % of systems in full compliance with stakeholder requirements (e.g. applicable laws, regulations, procedures, terms and conditions of contracts, ethics, etc.) based on self-assessment.

**Target:** **90% compliance**

**Results:** Of the Purchasing System actions reviewed for compliance with applicable laws, procurement regulations, SLAC Purchasing procedures, prime contract terms and conditions, and Government/University ethical provisions, an average of **83.3% (3 points - BSC Measured Rating)** were found to be compliant.

## Narrative

The findings are as follows:

| Review Topic | Total Found Compliant | Percent Compliant |
|---|---|---|
| 1. Purchasing Requisition processed timely | 331 of 450 | 74% |
| 2. Discount taken | 18 of 35 | 51% |
| 3. PWHA obtained | 83 of 88 | 94% |
| 4. Sole Source Justification | 41 of 56 | 73% |
| 5. Price Analysis | 208 of 249 | 84% |
| 6. EEO Certification properly completed | 150 of 168 | 89% |
| 7. Representations & Certifications complete | 88 of 101 | 87% |
| 8. Use of DOE-ICPT Agreements | 26 of 28 | 93% |
| 9. Accuracy of COI citation | 221 of 248 | 89% |
| 10. Debarred Listing citation | 229 of 248 | 92% |
| 11. Financial/Technical Responsibility | 204 of 248 | 82% |
| 12. Buy American Waiver | 6 of 9 | 67% |
| 13. Non-excessive verbiage | 197 of 201 | 98% |
| 14. Correct Optional Clauses (s) used | 128 of 143 | 90% |
| 15. Overall Adequacy of File Documentation | 392 of 450 | 87% |

Average of Actions Reviewed Found Compliant (1250/15) =    **83.3%**

**Summary of Findings**

One factor to consider when reviewing the results of our FY06 Self-Assessment Review is that the Purchasing Department has gone through a substantial change in buyers and subcontract administrators during FY06.  A total of approximately 50% of the buying force is new.  Most of these individuals have come from the commercial sector and were not readily familiar with government procurement requirements and practices. We believe this has been a major factor in the low results of compliance for this measure.

**Corrective Action 1**

It has been determined that more structured and definitive guidance is necessary to condition the Buyers and Contract Administrators to the requirements of SLAC Purchasing procedures and policies. Therefore, the creation of a new Buyer's Checklist and a standardized Memorandum-to-File format will be implemented in order to reinforce these requirements and require the buyers to adhere to mandatory policies and procedures.

**Target Completion Date:**                               **November 30, 2006**

**Corrective Action 2**

As a result of the Self-Assessment Review, two (2) buyers were found to have files which consistently lacked adequate completion of Memorandums-to-File and

Buyer's Checklists.  Consequently, these two (2) buyers have had their delegation of authority withdrawn for a period of 120 days during which all files in excess of $10,000 will be subjected to supervisor review.

**Target Completion Date:**                                    **September 26, 2006**

**2.2**     **Effective Supplier Management (5 Total Points Possible)**

This measurement will be obtained by dividing the number of line items delivered on time by the total line items due (or total like items received) for SLAC Key Suppliers.  The percentage of on-time deliveries of purchased goods from SLAC's Key Suppliers will be tracked and performance will be measured on a cumulative basis.  The following formula will be used:

**Measure:**     **Number of On-Time Deliveries by Key Suppliers (2,538)**
                **Total Number of Deliveries of Key Suppliers (3,423)**

Key suppliers are identified as commodity vendors within the last three (3) years who have been awarded a minimum of ten (10) orders equaling or exceeding $50,000 per year.

| **Target:** | **Unsatisfactory:** | **$\leq$ 54.0%** |
|---|---|---|
| | **Marginal:** | **54.1% - 64.0%** |
| | **Good:** | **64.1% - 74.0%** |
| | **Excellent:** | **74.1% - 84.0%** |
| | **Outstanding:** | **> 84%** |

**Results:**     Per the Narrative below, **74.1% (4 points - BSC Measured Rating)** of deliveries were on time for Key Suppliers

**Narrative**

Key Suppliers are defined as a commodity vendor that within the last three (3) years has been awarded a minimum of ten (10) orders that equal or exceed $50,000 per year. SLAC has a PeopleSoft query to capture the performance of our key suppliers by line item. On-time delivery is calculated to include those items delivered up to 3 days after the Purchase Order due date so as to accommodate internal processing of the delivered items.

In FY05, SLAC had sixty (60) key suppliers that had a total of 4,111 purchase order line items.  Out of these line items, 2,783 were delivered on-time resulting in a 67.6% rating.  In FY06, the number of key suppliers decreased to twenty-three (23). For these suppliers, a total of 3,423 purchase order line items were issued throughout the year.  Of this amount, 2,538 were delivered on-time resulting in a 74.1 % on-time delivery score for the fiscal year.  This is a 6.5 %

increase in performance from SLAC's FY05 achievement of 67.6% and is 9.9 % under the 84% target for FY 2006.

**Corrective Action**

For Fiscal Year 2007, we will continue to designate this area as a need for special attention by the Buyers.  In March 2006, three (3) Expeditor positions were eliminated.  Responsibility of expediting was transferred to the buyers in order to promote attention to supplier performance and on-time delivery. Purchasing has developed a new on-time delivery report sent to all Buyers each morning to notify them of overdue line items.  It is believed that buyer ownership will lead to more efficient expediting.

**Target Completion Date:**                                    **September 19, 2006**

**2.3**    **Effective Use of Competition (20 Total Points Possible)**

This measure applies to any dollars obligated during the fiscal year on a subcontract or purchase order that was awarded using effective competition and whose current dollar value exceeds $100,000.  Effective competition means, given the size and complexity of the requirement, a sufficient number of potential sources are solicited with the expectation of receiving competitive proposals to support the reasonableness of price or cost.  The placement of delivery orders, task orders, or releases against indefinite delivery, indefinite quantity, requirements-type or other similar contracts are considered competitive if the underlying contract was awarded using effective competition.

**Measure:**    The percentage of total dollars obligated on actions over $100,000 using effective competition **(20 Total Points Possible)**

The following formula shall be applied to measure the effective use of competition:

Total dollars obligated on competitive procurements over $100,000 **($42,477,668)**
Total dollars for all procurements over $100,000 awarded in FY06 **($48,463,263)**

**Target**:    **Unsatisfactory:**    **< 54.9%**
            **Marginal**    **55.0% – 59.9%**
            **Good**    **60.0 %– 64.9%**
            **Excellent**    **65.0% – 69.9%**
            **Outstanding**    **≥ 70.0%**

**Results:**    **87.6%** of SLAC's procurements over $100,000 were competed **(20 Points - BSC Measured Rating)**

**Narrative**

In FY05, only 66.1% of the $29,362,875 obligated on procurements exceeding $100,000 was competed. In FY06, SLAC competed $42,477,668 of the $48,463,263 obligated on procurements over $100K, equivalent to a rating of 87.6% for effective use of competition on procurements in excess of $100,000. This represents a 21.5% increase in performance from FY05.

**2.4**     **Effective Utilization of Alternate Procurement Approaches (10 Total Points Possible)**

This objective is measured in 3 areas: transactions placed by users outside of the Purchasing Department; transactions placed through Alternative/Rapid Purchasing Techniques (RPT), involving both Buyers and the user community; and lastly, transactions placed using e-commerce, including online ordering systems or paperless ordering techniques. The percentage of volume in these areas is determined by the total number of transactions placed by users, RPT, or e-commerce divided by the total number of actions awarded in FY06 (including Purchasing awards).

The total number of actions awarded in FY06 was calculated as follows:

| | | |
|---|---|---|
| PeopleSoft Transactions | = | 6,411 |

*includes the following:*

| | | |
|---|---|---|
|   ICPT Transactions | = 856 | |
|   GSA Transactions | = 85 | |
|   Dell Online Orders | = 583 | |
|   Office Supply Releases – non-electronic | = 178 | |
| Office Supply Releases – online | = | 3,187 |
| Haas Chemical Management – online | = | 2,626 |
| Grainger – online | = | 1,896 |
| *(a)* | *U.S. GPO Releases* | |
| | = | *70* |
| Blanket Order Releases | = | 1,009 |
| *(b)* | *Book Order Releases* | |
| | = | *72* |
| Fabrication Releases | = | 3 |
| Purchasing Card Transactions | = | 15,123 |
| Petty Cash Transactions | = | 1,230 |
| Total Number of Transactions | = | 31,627 |

**2.4.a**     **Percentage of Transactions Placed by Users (0 Total Points Possible**

This objective measures the transfer of traditional purchasing activities such as supplier selection, best value determination, and ordering and

receiving from the purchasing organization directly to the user organization. The percentage of this volume is determined by the total number of transactions (including Just In Time (JIT), Purchasing Authorization Card, Releases against Basic Ordering Agreements, etc.) placed directly by the user divided by the total number of actions awarded.

**Measure:** Percentage of transactions placed by users, including JIT, purchase cards, blanket order releases, etc.

The following formula shall be applied to measure the percentage of transactions places by users:

$$\frac{\text{Number of transactions placed by users } \textbf{(25,172)}}{\text{Total Number of Transactions } \textbf{(31,627)}} = \textbf{79.6\%}$$

**Target:  85% or greater of transactions placed through users**

**Results:**  Using the formula above, a rating of **79.6%** was obtained **(0 Points – BSC Measured Rating)**

**2.4.b**  **Percentage of Transactions Placed Through Alternative/Rapid Purchasing Techniques (10 Total Points Possible)**

**Measure:** Percentage of transactions placed through alternative and Rapid Purchasing Techniques (RPT), including purchase cards, long-term purchasing agreements, e-commerce, JIT, ICPT, oral purchase orders, strategic agreements and supplies programs.

The following formula shall be applied to measure the effective use of alternate procurement methods:

Percentage of transactions placed by Rapid Purchasing Techniques shall equal:

$$\frac{\text{Total number of RPT transactions placed } \textbf{(27,642)}}{\text{Total Number of Transactions } \textbf{(31,627)}} = \textbf{87.4\%}$$

**Target:  85% or greater of transactions placed through Rapid Purchasing Techniques.**

**Results:**  Using the formula above, a rating of **87.4%** was obtained **(10 Points - BSC Measured Rating)**

**2.4.c**  **Percentage of Transactions Placed through E-Commerce (0 Total Points Possible)**

**Measure:**  Percentage of transactions placed through electronic commerce.  For this measurement e-commerce is defined as transactions

for which all communication with the vendor(s) throughout the pre-award and award process is done by electronic means (i.e., paperless). E-commerce tools include the internet, use of CD-ROMs, e-catalogs, email, etc. (Use of fax machines is not included unless it is a paperless fax).

The following formula shall be applied to measure the effective use of e-commerce:

$$\frac{\text{Total Number of e-commerce transactions placed } (\textbf{11,055})}{\text{Total Number of Transactions } (\textbf{31,627})} = \textbf{35.0\%}$$

**Target**:      **Unsatisfactory:**      **$\leq$ 55.0% - 59.9%**
                                 **Marginal**                    **60.0% - 64.9%**
                                 **Good**                            **65.0% - 69.9%**
                                 **Excellent**                  **70.0% - 74.9%**
                                 **Outstanding**             **$\geq$ 75.0%**

**Results:**      Using the formula above, a rating of **35.0%** was obtained **(0 Points - BSC Measured Rating)**

**Narrative**

For FY06, only 35% of 31,627 total transactions were placed using e-commerce, which is significantly under the national target of 75%. This is attributed to the delay in implementation of the PeopleSoft upgrade to web-based version 8.8.

**Corrective Action**

Following the implementation of PeopleSoft version 8.8, Direct Connect (Business-to-Business) is now the next phase for e-commerce, which will allow SLAC to link up directly to its current online vendors.

**Target Completion Date:**                          **August 30, 2007**

**2.5**      **Acquisition Process (15 Total Points Possible)**

This objective measures the efficiency of the average cycle time (exclusive of Purchasing Authorization Card) acquisitions process by measuring the time between receipt of an approved purchase requisition and award of the purchase order.

**2.5.a**      **Average Cycle Time (Days) Transactions >$100,000 (15 Total Points Possible)**

The average cycle time will be determined by dividing the total of time between receipt of requisitions and award by the number of awards. Measurements will be calculated for all transactions.

**Measure:**     Average cycle time for all procurements (excluding Purchasing Authorization Card)

Average Cycle Time = Total Time between Receipt of Requisitions & Award
                                              Total Number of Awards

**Target:**     **27-32 days average cycle time for actions greater than $100,000**

**Results**:     **23.4 days** for actions greater than $100,000 **(15 points – BSC Measured Rating)**

**2.5.b**     **Average Cycle Time (Days), Transactions <$100,000 (0 Total Points Possible)**

The average cycle time will be determined by dividing the total of time between receipt of requisitions and award by the number of awards. Measurements will be calculated for all transactions.

**Measure:**     Average cycle time for all procurements (excluding Purchasing Authorization Card)

Average Cycle Time = Total Time Between Receipt of Requisitions &Award
                                              Total Number of Awards

**Target:**     **6-9 days average cycle time for actions less than or equal to $100,000**

**Results:**     **4.6 days** for actions less than or equal to $100, 000 **(0 Total Points Possible)**

**2.5.c**     **Average Cycle Time (Days), All Actions (0 Total Points Possible)**

The average cycle time will be determined by dividing the total of time between receipt of requisitions and award by the number of awards. Measurements will be calculated for all transactions.

**Measure:**     Average cycle time for all procurements (excluding Purchasing Authorization Card)

Average Cycle Time = Total Time Between Receipt of Requisitions & Award
                                              Total Number of Awards

**Target:** **9-12 days average cycle time for all actions**

**Results:** **5.0 days** for all actions **(0 Total Points Possible)**

**Narrative**

For Fiscal Year 2006, the average cycle time for BIS procurements less than or equal to $100,000 was 4.6 calendar days (6,568 transactions). For procurements over $100,000, the average cycle time was 23.4 calendar days (126 transactions). For all procurements, average cycle time was 5.0 calendar days (6,694 transactions). Transactions are defined as both Purchase Orders and Subcontracts. Processing time is not tracked for the remaining dollars, which are attributable to credit card purchases, blanket order releases, and modifications to existing purchase orders and subcontracts. Measured cycle time begins with the approval by Purchasing Management of the purchase requisition, and subsequent assignment to the buyer, and ends with the award of the purchase order or subcontract. It is important to note that efforts normally defined as pre-procurement planning are not represented in the information system calculations. Purchasing staff is oriented to the customer service process of initiating the request for proposal/bid package as early as possible, which often precedes receipt and approval of the purchase requisition from the requesting organization. This process is deemed to be more responsive to the customer's needs and supportive of SLAC's mission.

A comparison of fiscal year 2005 and fiscal year 2006 data is as follows:

| Transaction $ | FY 05 | Transactions | FY 06 | Transactions |
|---|---|---|---|---|
| Under $100K | 2.5 Days | 5,468 | 4.6 Days | 6,568 |
| Over $100K | 11.4 Days | 84 | 23.4 Days | 126 |
| All Actions | 2.6 Days | 5,552 | 5.0 Days | 6,694 |

As displayed in the chart above, when comparing the FY06 data with FY05, the purchase requisition processing time increased significantly for those transactions under and over $100K; however, SLAC's cycle time in all three categories remained under the national targets set forth by the DOE. It should be noted that several factors may have affected Purchasing's ability to process purchase requisitions in FY06. First of all, Purchasing faced the loss of several experienced buyers, who were relocated to LCLS to handle specific project demands. Therefore, Purchasing was required to hire and train several new buyers. Additionally, Purchasing upgraded to PeopleSoft version 8.8; this implementation required the training of all buyers and personnel involved with the purchasing function. These circumstances likely contributed to the exhibited increase in SLAC's cycle time for all transaction categories for FY06.

Both GLAST and LCLS continued to have an affect on the number of purchase requisitions processed by Purchasing.  Even though GLAST procurements were not as significant as they had been in previous years, due to the fact that the procurement phase of the project was winding down, Purchasing experienced several short periods of an influx of purchase requisitions.  Even with the unanticipated demands of GLAST and LCLS experienced by the Purchasing Department this fiscal year, Purchasing was still able to exceed  its' requisition processing time for all procurements.

2.6     **Good Corporate Citizenship through Purchasing (Socioeconomic Subcontracting (5 Total Points Possible)**

This objective measures the success in achieving business practice goals.  This will be measured by dividing the number of socio-economic goals achieved by the total number of goals.

**Objective**:     **Socio-Economic Subcontracting**

**Measure:**     % of subcontract dollars awarded in the following categories:
Small Business
Small Disadvantaged Business
Small Woman-Owned Business
8 (a) Pilot Program
Veteran-Owned
HubZone

**Target:**

| | | |
|---|---|---|
| **Small Business** | **41.3%** | **(3 Points Possible)** |
| **Small Disadvantaged Business** | **6.33%** | **(0.5 Points Possible)** |
| **Small Woman-Owned Business** | **5.76%** | **(0.5 Points Possible)** |
| **8 (a) Pilot Program** | **3.00%** | **(0 Points Possible)** |
| **Veteran-Owned** | **1.25%** | **(0.5 Points Possible)** |
| **HubZone** | **2.22%** | **(0.5 Points Possible)** |

**Results:**     As of September 30, 2006, the following percentages of subcontract dollars were awarded in the following categories (**3 Points - BSC Measured Rating**):

| | | |
|---|---|---|
| Small Business | **4.37%** | **(3 Points Assigned)** |
| Small Disadvantaged Business | **3.69%** | **(0 Points Assigned)** |
| Small Woman-Owned Business | **5.42%** | **(0 Points Assigned)** |
| 8 (a) Pilot Program | **3.56%** | **(0 Points Assigned)** |
| Veteran-Owned | **0.59%** | **(0 Points Assigned)** |
| HubZone | **1.89%** | **(0 Points Assigned)** |
| | | **(3 Points Total Assigned)** |

**Narrative**

During this fiscal year SLAC's actual reportable dollars for socioeconomic goal performance totaled $85,135,420. This is a $35,135,420 increase from our originally projected socioeconomic base of $60,000,000. Based upon this performance total, SLAC met and exceeded its socioeconomic goals in the categories for Small Business and the 8(a) Pilot Program. However, SLAC did not meet its socioeconomic goals in the other categories. SLAC's achievement in the Small Woman-Owned category fell merely 0.34% short of its goal of 5.76%, although SLAC exceeded the projected dollar goal for this category by $1,161,266. Additionally, SLAC achievement exceeded the projected dollars for the HubZone category by $863,044, falling only 0.33% short of the HubZone goal of 2.22%. SLAC's efforts in Fiscal Year 2006 are summarized as follows:

| FY 2006 | GOALS | | ACTUAL REPORTABLE | |
|---|---|---|---|---|
| TOTAL | $ 60,000,000 | | $ 85,135,420* | |
| Sm. Bus. | $ 24,780,000 | 41.3% | $ 37,231,874 | 43.7% |
| Sm. Disadv. Bus. | $ 3,798,000 | 6.33% | $ 3,138,330 | 3.69% |
| Sm. W/O | $ 3,456,000 | 5.76% | $ 4,617,266 | 5.42% |
| 8(a) Pilot | $ 1,800,000 | 3.00% | $ 3,029,374 | 3.56% |
| Veteran Owned | $ 1,213,200 | 1.25% | $ 499,916 | 0.59% |
| HubZone | $ 750,000 | 2.22% | $ 1,613,044 | 1.89% |

*Includes approximately $28.8M for LCLS Awards.

SLAC Purchase Card program continued to have a major impact on our socioeconomic results. In FY06, our purchase card usage was $5,072,883 which is $866,102 greater than our level of usage in FY 05 (approximately $4.2M). This increased level of purchase card usage in FY06 continues to eliminate a large portion of the procurement dollars from the reportable base that may have otherwise been made available for award to small businesses.

Another source of impact was the fact that many procurements for FY06 were awarded to large businesses for major projects such as the Linac Coherent Light Source (LCLS) due to the specific nature of such efforts.

The DOE Headquarters Integrated Contractor Purchasing Team (ICPT) initiative also contributed to a decrease in available dollars for the socio-economic goals. Although using ICPT agreements is a cost effective means of procuring goods and services and is an efficient way to achieve product standardization, the program has a substantial impact on the socio-economic program. For example, SLAC has historically purchased desktop and laptop computers from small disadvantaged and small woman-owned businesses. However, since FY 1998, by utilizing an ICPT BOA, SLAC has standardized on Dell computers.

### Outreach Efforts

SLAC participated in the following outreach activities during Fiscal Year 2006:

1.  SLAC participated in the 7th Annual DOE Small Business Conference in Seattle, WA in June 27-30, 2005.  In attendance were over 1,100 participants consisting of individuals from DOE Program Offices, other M&O Contractors, and other small businesses throughout the country.

2.  On August 11, 2006, the Deputy Purchasing Officer participated in the Minority Business Development Agency (MBDA) San Francisco Region's celebration of Minority Enterprise Development (MED) Week.  This celebration included a Business-to-Business (B2B) Linkages event which focused on creating long-term relationships between buying organizations and 30 highly-capable Minority-owned Business Enterprises.

3.  The Deputy Purchasing Officer gave a presentation to the Northern California 8(a) Association General Meeting on August 18, 2006, that provided attendees with an overall understanding of SLAC's mission and a list of procurement activities projected to occur over the next three (3) fiscal years.

**Internal Efforts**

The Purchasing Officer, in his role as Subcontracting Plan Administrator, routinely reports socio-economic program progress to the Associate Director, Business Services Division, for his information.  He, in turn, disseminates such information to other members of the Directorate to keep them informed of SLAC's progress in meeting the Department of Energy's socio-economic goals. The Subcontracting Plan Administrator, in his capacity as Purchasing Officer, reviews goals, and reports progress on salient ideas and innovative methods during scheduled buyer meetings.  On a bi-monthly basis, the buying staff is informed of buyer achievements and overall cumulative progress in meeting the total goals of the Laboratory.  All personnel are encouraged to develop new small, small disadvantaged, and small woman-owned sources and assist such firms in becoming viable sources of services and supplies to the Laboratory.

Employee performance evaluations incorporate language that emphasizes the importance of the Socioeconomic Subcontracting program and encourages Buyers to solicit small, small disadvantaged, and small woman-owned business concerns at every opportunity.  Individual buyer achievements are acknowledged and discussed at buyer meetings along with progress toward meeting SLAC's goals.

**Additional Small Business Activities**

During FY 2006, SLAC received correspondence from a large number of small, small disadvantaged, and small woman-owned businesses seeking inclusion on our bidder's list.  A copy of the letter and any vendor literature is forwarded to the appropriate buyer for reference and inclusion on their bidder's lists.

**2.7**    <u>**Reviews**</u>

During FY 2006, the following audits were conducted that included the Purchasing Department's participation:

**2.7.a    Business Peer Review**

On April 24-27, 2006, a peer review was conducted by the Business Peer Review Team, consisting of representatives from Jefferson Lab, Fermi National Accelerator Laboratory, and Lawrence Berkeley Laboratory. The primary objective of the review was to identify areas of strength and areas where there was opportunity for improvement based on known best business practice, or other industry standards.

The Business Peer Review Team noted the following as areas of strength for the SLAC Purchasing Department:

- Proactive organizational changes, including realignment of positions to improve buyer accountability and vendor performance;
- Appropriate documentation of purchasing files;
- Implementation of PeopleSoft version 8.8, which will enable E-Commerce Business-to-Business linkup.

The Business Peer Review Team issued three recommendations as a result of this review.  They are as follows:

**1.       Recommendation**

Purchasing Management should strengthen the processing of Buy American Act waivers through buyer refresher training on Buy American Act requirements, and establish a means in the solicitation documents for vendors to certify applicability of the Buy American Act requirements for items supplied to the lab.

**Corrective Action**

SLAC Purchasing Management concurs with this recommendation.  Item is currently under review.

**Target Completion Date:                   December 31, 2006**

**2.       Recommendation**

Purchasing Management should aim to strengthen buyer training on the proper use of non-commercial vs. commercial terms and conditions.

**Corrective Action**

SLAC Purchasing Management concurs with this
recommendation.  Item is currently under review.

**Target Completion Date:**                          **December 31, 2006**

3.      **Recommendation**

Purchasing Management should establish controls for distribution
of revisions to the Policies and Procedures to ensure that each
buyer is working with the most current revision.

**Corrective Action**

SLAC Purchasing Management concurs with this
recommendation.  Item is currently under review.

**Target Completion Date:**                          **December 31, 2006**

**2.7.b   Purchase Card Audit**

In July-August 2006, an internal audit of all Purchase Card Usage for the
month of August 2005 was conducted by the Purchasing Department.  An
audit evaluating payment of sales tax covering the period of October 2005
through July 2006 was performed in conjunction with the annual audit.

The Purchase Card Audit found that there were no instances of policy
violations in the following areas during the month of August 2005 for all
Purchase Cardholders:

- Missing Signature of Approving Official
- Exceeding single Purchase Limit
- Purchase of unauthorized items
- Card Sharing

However, the Purchase Card Audit revealed that approximately fifty-nine
(59) percent of the Statements of Account for August 2005 were noted as
having at least one transaction irregularity when measured against SLAC
Policy and Procedure. The Purchasing Department issued the following
recommendations as a result of this audit:

1.    **Recommendation**

The Purchasing Department's current approach to Cardholder education needs revision and meaningful consequences to policy and procedure violations need to be employed.

**Corrective Action**

SLAC Purchasing will review the policies and procedures of other DOE laboratories using the Purchase Card Program for audit, training, and enforcement. This information will be incorporated into existing SLAC procedure and changes will be broadcast to all Cardholders and Approving Officials.

**Target Completion Date:**                **December 1, 2006**

2.    **Recommendation**

Purchase Cardholders and Approving Officials must be properly educated regarding SLAC's tax exempt status and resolving mistakenly charged sales tax. The current statement included in the Policy and Procedure should be revised to definitively state SLAC's tax exempt status and the consequences for not recognizing and resolving the payment of sales tax on purchase card transactions.

**Corrective Action**

The Purchasing Department will revise the current statement regarding SLAC's tax exempt status in the Policy and Procedure as recommended. To resolve the immediate issue of taxes that have been paid, the SLAC accounting office will compute legitimate sales tax owed, and apply to that amount, the sales tax already paid.

**Target Completion Date:**                **December 1, 2006**

## 2.8   Internal Review Board

The Internal Review Board (IRB) is comprised of the Purchasing Officer, the Deputy Purchasing Officer, and a Senior Contract Specialist/Group Lead with SLAC Legal Counsel serving as an advisor if necessary. All procurement actions to be submitted to the DOE for approval are required to be reviewed by the Board prior to submittal. In addition, all procurement actions exceeding $100K are to be reviewed by the IRB whether or not they are to be submitted to the DOE. The review focuses on the following areas:

1. Overall completeness of the procurement.

2. Compliance with mandatory requirements of regulations.

3. Quality of documentation in support of contract type, source selection, and price.

4. Proper application of SLAC Purchasing Procedures.

5. Compliance with prime contract provisions.

6. Legal adequacy as a contractual document.

A total of 154 actions were reviewed by the IRB for FY 2006. The reviews disclosed weaknesses in price analysis, incomplete representations and certifications, purchase orders lacking appropriate language or terms and conditions, conflicting period of performance dates, unclear specification documents, and inconsistency or lack of file documentation, and other minor errors and omissions.

## 2.9    BSD Purchasing Procedures

As noted earlier, Purchasing Procedures are currently in the process of being updated. The anticipated date of completion is December 31, 2006.

### 2.9.a  Terms and Conditions

The following terms and conditions formats were updated consistent with the Stanford University/DOE prime contract in the last quarter of FY 2006:

1. Terms & Conditions for Non Commercial Supplies and Services - M364 (April 2006)

2. Commercial Terms & Conditions for Supplies and Services - M366 (April 2006)

3. Terms & Conditions for On-Site Work - M367 (April 2006)

4. General Terms & Conditions for Fixed Price Construction Contracts with Instructions to Bidders (April 2006)

5. Personal Services Agreement Terms and Conditions (April 2006)

6. Architect Engineer Agreement Schedule (April 2006)

7. Architect-Engineer Agreement Terms and Conditions Fixed Price (April 2006)

8.  Consultant Agreement (July 2006)

9.  Blanket Purchase Order Agreement (July 2006)

All formats were submitted to the DOE SLAC Site Office in July 2006 for review and approval.

# 3  LEARNING AND GROWTH PERSPECTIVE

The learning and growth perspective measures Purchasing's ability and potential to develop and grow. This perspective looks to the future and sets objectives that strive for benefit at a later date.

## 3.1  Employee Satisfaction (5 Total Points Possible)

This objective measures the level of satisfaction of the Purchasing staff in regards to their experience within the working environment. The measurement used to determine employee satisfaction was the Employee Satisfaction Climate Survey Questionnaire **(see Exhibit VII)**.  The survey was distributed to twenty-five (25) individuals total, nineteen (19) within the central Purchasing Department and four (4) in the LCLS Purchasing Department.  A total of eighteen (18) individuals, fifteen (15) from central Purchasing and three (3) from LCLS Purchasing were responsive to the survey.  Each participant was asked to respond to a series of statements pertaining to the working environment.  Employees were asked to rate their level of satisfaction on a scale from 1 (strongly disagree) to 5 (strongly agree).  An average rating of 3 or above was regarded as a satisfactory response.

**Measure:**        Employee satisfaction survey

**Core Elements:**     Training Adequacy
Working Environment
Management Support and Leadership
Employee Empowerment
Information Availability

**Target**:            **90% Employee Satisfaction**

$$\frac{\text{Number of Satisfied Staff (17)}}{\text{Number of Staff Responded (18)}} = \textbf{94.4\% Satisfaction Rating}$$

**Results:**     A rating of **94.4% (5 points - BSC Measured Rating)** was assigned based on an analysis of the internal Employee Satisfaction Climate Survey.

Out of the eighteen (18) individuals who responded, seventeen (17) employees gave the Department a rating of 3.0 or greater providing satisfactory ratings for their surveys. The results of this survey found the majority of responses, twelve (12), registered an average of 4.00 or higher.

### 3.2 Employee Alignment (10 Total Points Possible)

This objective measures the alignment of individual goals with the organizational goals. Goals are normally established with the employee at the time of performance evaluation. The SLAC one-year evaluation period runs May through April. A review was conducted of the 2005/2006 Purchasing Staff's Performance Evaluations to determine if the goals established as of April 2005, are consistent with and supportive of the organizational goals.

**Measure:** Employee alignment was measured by dividing the number of aligned employees by the total number of employees with buying functions as shown in the formula below.

Total number of aligned employees
Total Number of employees with buying functions

**Target:**

| | |
|---|---|
| **Unsatisfactory:** | $\leq$ **78.0% - 82.9%** |
| **Marginal** | **83.0% – 87.9%** |
| **Good** | **88.0% – 92.9%** |
| **Excellent** | **93.0% – 97.9%** |
| **Outstanding** | $\geq$ **98.0%** |

**Results:** The following organizational goals were validated against individual goals for the alignment:

1 Continue to be compliant with all Environment, Safety, and Health (ES&H) training requirements. (Site-wide goal)
2 Continue to support and foster Continuous Quality Initiatives (CQI) techniques in day-to-day functions and responsibilities. (Business Services Division goal)
3 Continue to establish new small vendors and small disadvantaged vendors ensuring SLAC meets its goals established with DOE. (Purchasing Department goal).

No. of aligned employees (15)              = **100% Alignment Rating**
No. of employees with buying functions (15)

All of the performance evaluations reviewed were found to contain the above goals and deemed to be in alignment with the SLAC organizational goals. As a result, employee alignment was obtained at a rate of **100%**. **(10 points - BSC Measured Rating)**

### 3.3 Information Availability (0 Total Points Possible)

This objective measures the availability to Purchasing employees of current information on strategic goals and objectives, customers, vendors, internal processes, and financial consequences of their decisions. A survey **(see Exhibit VIII)** was conducted in August 2006 to determine the availability of information tools considered necessary for the Buyers/Subcontract Administrators to complete their tasks effectively and efficiently. This was measured by dividing the number of information items readily available by the number of information items necessary.

**Target:**           **90% availability**

**Survey Results:**    Verification was made of the following informational resources available to each Buyer/Contract Administrator:

> Purchasing Buyers Handbook (BIS)
> Purchasing Procedures
> Conflict of Interest Listing
> Debarred Listing
> Business Information System Web Site
> FAR and DEAR Web Sites
> DOE Integrated Contractor Purchasing Team (ICPT) Homepage
> FAR Handbook
> SBA 8(a) and SDB Certification Homepage
> Purchasing Department Homepage

Of the ten (10) information tools considered necessary for the Buyer/Subcontract Administrator to perform his/her responsibilities efficiently, all ten (10) were found to be readily available to each Buyer/Subcontract Administrator. Of interest is to note that some of the new buyers had difficulty navigating through the Department Homepage to access some of the resource websites. This is likely attributable more to a lack of training than a lack of resource availability. This translates into a measurement of **100% (0 points – BSC Measured Rating)** for this perspective.

## 4    FINANCIAL PERSPECTIVE

This perspective measures the functional cost efficiency of the purchasing organization. This will be measured by establishing a cost to spend ratio, which will be calculated by dividing Purchasing organizational costs by the business volume. Organizational costs are the total costs for acquisition, i.e., labor, direct, indirect, fringe benefits, overhead, travel, training, etc. Business volume is defined as the total of all dollars obligated.

**4.1     Cost to Spend Ratio:  Optimum Cost Efficiency of Purchasing Operations (10 Total Points Possible)**

**Measure:**     Cost to Spend Ratio = Purchasing Operation's Operating Costs Divided by Purchasing Obligations

**Target:**
| | |
|---|---|
| **Outstanding** | = < **$.025** |
| **Excellent** | = **$.025 to $.0279** |
| **Good** | = **$.028 to $.0309** |
| **Marginal** | = **$.031 to $.0339** |
| **Unsatisfactory** | = > **$.034** |

**Results:**     The Purchasing Administration cost to acquire $1 of goods and services at SLAC during Fiscal Year 2006 was **$.018 (10 points - BSC Measured Rating)**.  This is calculated as follows:

Total Salaries and Fringe Benefits     = $2,167,000

Total Procurement Dollars in FY 06  = $121,661,728

Cost to Procure $1 of Goods and Services:

$2,167,000/121,661,728 = **$ .018**

**Narrative**

Purchasing administration includes salaries and fringe benefits and related M&S costs for those Purchasing staff directly involved in the procurement of goods and services.

*(i)  D.  SUMMARY*

The analysis of the Four Perspectives (Customer, Internal, Learning and Growth, Financial) of the FY 2006 SLAC Balanced Scorecard Review concluded that the processes and procedures of its Purchasing System are adequate and compliant with applicable laws, regulations, and prime contract terms and conditions to support the continued approval by the DOE.

The Procurement Performance Assessment Model (PROAM) "Gauge Model**" (Exhibit IX)** summary depicts the total activity value and total activity score for each of the Four Perspectives as identified in this Balanced Score Card Report for FY 2006.  The **Total Activity Score** for FY 2006 is **95**, which translates into an adjective rating of "**OUTSTANDING"**.

Exhibit I to performance measure 6.2.b, Procurement Balanced Scorecard

EXHIBIT I
PURCHASING DEPARTMENT

**Purchasing Officer**
Robert S. Todaro

**Administrative Associate**
Cory Perreras

**Asst. Building. Manager.**
Gail Gudahl

**Assoc. Purchasing Officer/Materials Mgr.**
Sandra Pickrom

**Assoc. Purchasing Officer/Materials Mgr.**
Thomas W. Murphy

**Purchase Card Program Coordinator**
Gail Gudahl

**Deputy Purchasing Officer**
David Pindroh

**Manager Administrative Services**
Gail Gudahl

**Purchasing Accounts Payable**
Josefina Corpus
Nenita Hall
Jocelyn Phee
Dina Villaruel

**Buying Group III**
Gloria Azevedo

**E-Procurement & Support**
Maria C. Herraez, Training & Advisor
Vickie Hopkins-Sandefur, Support

**Buying Group I**
Chris Jamison
Pamela Wright-Brunache
Bill Zangara

**Administrative Support**
Cory Perreras
Vickie Hopkins-Sandefur

**Shipping/Receiving/Delivery**
Greg Bologoff
Jim Minich
Magellan Starks
Alex Vega
John Fryer

**General Stores**
Darrell Jones –Working Supv.
Marty Hill

**Green Purchasing Program**
Pamela Wright-Brunache, Lead

**Group Supervisor**
Gordon Scrimger

**Jobshoppers**
Gail Gudahl
Cory Perreras

**Metal Stores**
John Lindeman

**PeopleSoft IT**
Garima Srivastava

**Buying Group II**
Jerry Rooney
John Escudero
John Gamble
Sandra Lynn Brown-Grossinger
Stephanie Pinkerton-Admin Support

**Inventory Control**
Carolyn Fryer
Nizam Sundaita

**Construction Group**
Anthony Ban
Ginger O'Reilly
Bruce Patten
Bill Zangara 50%
John Gamble 50%

**\*\*\* Temporary/Summer Employees**
Sara Lowe
Dannelle Mabubay
Kimberly Swanson

**Small Business Subcontracting Program**
Robert Todaro

Robert S. Todaro
Rev.  10/20/06 cp
Z:\My Documents\Org chart

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Exhibit II to performance measure 6.2.b, Procurement Balanced Scorecard
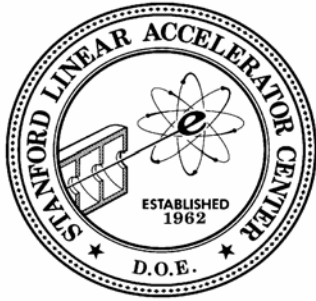
# SLAC
# PURCHASING
# DEPARTMENT
SURVEY

**To**:

**From**:  Robert S. Todaro
Purchasing Officer

**Subject**:  Purchase Order Survey

The Purchasing Department is currently measuring its performance for Fiscal Year 2006.  This survey will be used to obtain your perceptions in regards to the Purchasing Department and assess the manner in which we meet your expectations. Please complete the following survey and submit your responses via email to Kimberly Swanson by August 11, 2006.  All survey questions are specific to the purchase order designated below.  Thank you for your time and participation.

To reply, simply click on the 'reply' button, place an 'X' next to the response most in accordance with your level of agreement with each of the following statements, and click 'send'.

**Purchase Order #:**
**Vendor:**
**PO Date:**
**Buyer**:
**For more information:**

1.  The procurement was processed in a professional and ethical manner.               YES___
NO___

2.  In general, you feel that you are treated as a professional by the Purchasing
     Department.                                                                                                    YES___
NO___

3.  The Buyer/Subcontract Administrator was responsive to your needs.                YES___
NO___

4.  The Buyer/Subcontract Administrator completed the order in a timely manner.    YES___
NO___

5.  Your input was considered in selection of the vendor.                                      YES___
NO___

6.  The Buyer/Subcontract Administrator answered your questions courteously and

knowledgeably.                                                    YES___
NO___

Please rate your overall satisfaction with the service received:

_____Outstanding  _____Highly Satisfactory  _____Satisfactory  _____Below Average
_____Poor

Please feel free to provide additional comments so that we may improve our service to you in the future:

_____

Exhibit III to performance measure 6.2.b, Procurement Balanced Scorecard

# SLAC
# PURCHASING
# DEPARTMENT
SURVEY

**Date:**        July 24, 2006

**To**:          All Operators

**From**:        Robert S. Todaro
                Purchasing Officer

**Subject**:     Survey of Purchasing Level of Service to Operators

The Purchasing Department is currently measuring its performance for Fiscal Year 2006. Please complete the following survey by replying via email to Kimberly Swanson by July 28, 2006. Thank you for your time and participation.

Please place an 'X' next to the response most in accordance with your level of agreement with each of the following statements:

1.  You believe you are sufficiently trained by the Purchasing Department representative to efficiently perform your Operator duties.

    ___Strongly Agree ___Agree ___Neutral ___Disagree ___Strongly Disagree

2.  When dealing with PeopleSoft Purchasing software, the Purchasing representative responds to your questions and/or problems in a timely manner.

    ___Strongly Agree ___Agree ___Neutral ___Disagree ___Strongly Disagree

3.  Your questions are thoroughly answered and clearly explained

    ___Strongly Agree ___Agree ___Neutral ___Disagree ___Strongly Disagree

4.  You believe you are kept current on PeopleSoft upgrades and enhancements of the Purchasing software.

    ___Strongly Agree ___Agree ___Neutral ___Disagree ___Strongly Disagree

5.  The Purchasing Representative responds to my voicemails and emails in a timely manner.

    ____Strongly Agree ____Agree ____Neutral ____Disagree ____Strongly Disagree

6.  You feel that you are treated as a professional by the Purchasing Representative.

    ___Strongly Agree ___Agree ___Neutral ___Disagree ___Strongly Disagree

7.  Overall, as an Operator you are satisfied with the customer service provided.

    ___Strongly Agree ___Agree ___Neutral ___Disagree ___Strongly Disagree

Exhibit IV to performance measure 6.2.b, Procurement Balanced Scorecard

# SLAC
# PURCHASING
# DEPARTMENT
SURVEY

**Date:**       July 24, 2006

**To**:         All Operators

**From**:       Robert S. Todaro
               Purchasing Officer

**Subject**:    Survey of Purchasing Level of Service to Operators

The Purchasing Department is currently measuring its performance for Fiscal Year 2006. Please complete the following survey by replying via email to Kimberly Swanson by July 28, 2006. Thank you for your time and participation.

Please place an 'X' next to the response most in accordance with your level of agreement with each of the following statements:

8. You believe you are sufficiently trained by the Purchasing Department representative to efficiently perform your Operator duties.

   ___Strongly Agree ___Agree ___Neutral ___Disagree ___Strongly Disagree

9. When dealing with PeopleSoft Purchasing software, the Purchasing representative responds to your questions and/or problems in a timely manner.

   ___Strongly Agree ___Agree ___Neutral ___Disagree ___Strongly Disagree

10. Your questions are thoroughly answered and clearly explained

    ___Strongly Agree ___Agree ___Neutral ___Disagree ___Strongly Disagree

11. You believe you are kept current on PeopleSoft upgrades and enhancements of the Purchasing software.

    ___Strongly Agree ___Agree ___Neutral ___Disagree ___Strongly Disagree

12. The Purchasing Representative responds to my voicemails and emails in a timely manner.

    ___Strongly Agree ___Agree ___Neutral ___Disagree ___Strongly Disagree

13. You feel that you are treated as a professional by the Purchasing Representative.

    ___Strongly Agree ___Agree ___Neutral ___Disagree ___Strongly Disagree

14. Overall, as an Operator you are satisfied with the customer service provided.

    ___Strongly Agree ___Agree ___Neutral ___Disagree ___Strongly Disagree

Exhibit V to performance measure 6.2.b, Procurement Balanced Scorecard

| Vendor | Amount | Days to Processed PR | PR Processed Timely Y/N | Discount Taken | PWHA obtained for on-site work only | Single/Sole Source Adequate Y/N > 25K | Price Analysis Effective Y/N | EEO Certification $10 - 25K Y/N | Reps & Certs Complete $25K - Over Y/N | DOE- ICPT/BOA Used Y/N, N/A | Current Date Checked COI Y/N | Current Date Used for Debarred List Y/N | Determination of Financial & Tech. Responsibility Y/N | Buy American Waiver/P.O. Signature Y/N | Correct Optional Clauses Used Y/N, N/A | Overall File Documentation Adequate Y/N |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
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Exhibit VI to performance measure 6.2.b, Procurement Balanced Scorecard

| P.O. Number | Vendor | Amount | Days to Process PR | Purchase Req. Processed Timely Y/N | PWHA obtained for on-site work only Y/N, N/A* | DOE-ICPT/BOA Used Y/N, N/A* | P.O. Verbiage Excessive Y/N | Buy American Waiver Obtained Y/N, N/A* | Correct Optional Clauses Used Y/N, N/A* | Overall File Documentation Adequate Y/N |
|---|---|---|---|---|---|---|---|---|---|---|
| A | B | C | D | E | F | G | H | I | J | K |
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Exhibit VII to performance measure 6.2.b, Procurement Balanced Scorecard

# **PURCHASING DEPARTMENT**
# **CLIMATE SURVEY – EMPLOYEE SATISFACTION**

This annual Climate Survey will provide information that will be used in the FY 2006 SLAC Purchasing Department Balanced Score Card Self-Assessment.  The purpose of this survey is to determine the overall level of employee satisfaction and to establish areas that require improvement as part of the comprehensive assessment review.  Please complete this survey honestly and accurately to your experiences here at SLAC.  All surveys must be completed and returned to Kimberly Swanson by Friday, July 28, 2006.  Thank you for your participation.

**Please rate each statement below based on your experiences from 5-0:**

**5=Strongly Agree   4=Agree   3=Neutral   2=Disagree   1=Strongly Disagree   0=Not Applicable**

## **Training Adequacy**
### **Rating**

I receive sufficient training and information resources to accomplish my duties and responsibilities.

_____

## **Working Environment**

My working environment is satisfactory for me to fulfill my duties and responsibilities.

_____

I feel that I am treated as a professional by Purchasing management.

_____

## **Management Support and Leadership**

Purchasing management supports my efforts to succeed in my job.

_____

Purchasing leadership effectively manages the activities of the Department.

_____

## **Management Availability**

My immediate Supervisor is available to provide guidance and instruction when needed

_____

**<u>Employee Empowerment</u>**

I am delegated sufficient authority to perform my duties and responsibilities.

_____

Management's current, as well as future, vision for the Purchasing Department is clear to me.

_____

**<u>Suggestions</u>**

Please describe any additional information resources that would assist you in performing your job.

_____

____

_____

____

Exhibit VIII to performance measure 6.2.b, Procurement Balanced Scorecard

| Info. Tool - | Buyer's Handbook | Red Book | COI Listing | Debarred Listing | BIS Web Site | FAR/DEAR Homepage | DOE ICPT Homepage | FAR Handbook | SBA Web Site | Purchasing Web Page |
|---|---|---|---|---|---|---|---|---|---|---|
| Azevedo, Gloria | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Azevedo, John | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Ban, Tony | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Escudero, John | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Freeman, Beverly | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Gamble, John | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Jamison Chris | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| O'Reilly Ginger | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Patten Bruce | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Rooney, Jerry | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Scrimger, Gordon | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Villanueva, Vince** | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ |
| **Wright-Brunache, Pamela** | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ |
| **Zadel, Scott** | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ |
| **Zangara, Bill** | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ |
| **Zapata, Araceli** | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ |

Exhibit IX to performance measure 6.2.b, Procurement Balanced Scorecard

| Performance Measures/Measured Activities | Gradient | Activity Value | Activity Score | Criteria | Total Points for Activity | Performance Objectives | |
|---|---|---|---|---|---|---|---|
| **Customer Perspective** | | | | | | | |
| **Customer Satisfaction Rating** | | | | | | | |
| % of satisfied Requestors (using PO transactional surveys) | <62/72/82/92/≥92 | 10 | 10 | Customer | | Customer | |
| % of satisfied BIS operators (using climate survey) | <62/72/82/92/≥92 | 2 | 2 | Feedback | | Satisfaction | |
| % of satisfied P-Card Holder (using P-Card survey) | <62/72/82/92/≥92 | 3 | 3 | | 15 | 15 | |
| | | | | | | | |
| **Internal Business Process Perspective** | | | | | | | |
| **Effective Internal Controls** | | | | | | | |
| Average % of system elements in full compliance with stakeholder requirements (annual self-assessment review) | <75/80/85/90/≥90 | 5 | 3 | System Evaluation | | | |
| | | | | | 3 | | |
| **Effective Supplier Management** | | | | | | | |
| % of on-time deliveries of key suppliers | ≤54/64/74/84/≥84 | 5 | 4 | Measuring Supplier | | | |
| **Effective Use of Competition** | | | | | 4 | | |
| % of total dollars obligated using effective competition (over $100K) | ≤54.9%/55%/60%/65%/≥70% | 20 | 20 | Use of Competition | | | |
| **Effective Utilization of Alternative Procurement Approaches** | | | | | 20 | | |
| Transactions Placed by Users | 85% or greater | 0 | 0 | Alternative Approaches | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Transactions through Rapid Purchasing Techniques | 85% or greater | 10 | 10 | | **10** | | Management of Internal Business Processes | |
| Transactions Placed through E-Commerce | <55%/60%/65%/70%/>75% | 0 | 0 | | | | | |
| **Acquisition Process** | | | | | | | | |
| Average Cycle Time (Days), Transactions > $100K | 27-32  Days | 15 | 15 | Pursuing Best Practices | | | **55** | |
| Average Cycle Time (Days), Transactions < $100K | 6-9  Days | 0 | 0 | | **15** | | | |
| Average Cycle Time (Days), All Actions | 9-12 Days | 0 | 0 | | | | | **95** |
| **Good Corporate Citizenship through Purchasing (Socio Economic Subcontracting)** | | | | | | | | |
| Socio-Economic Subcontracting Goals | See individual gradient below | | | Socioeconomic Subcontracting | | | | |
| Small Business | >41.3% | 3 | 3 | | | | | |
| Small Disadvantaged Business | >6.33% | 0.5 | 0 | | **3** | | | |
| Small Woman-Owned Business | >5.76% | 0.5 | 0 | | | | | |
| 8 (a) Pilot Program | >3.00% | 0 | 0 | | | | | |
| Veteran-Owned Business | >1.25% | 0.5 | 0 | | | | | |
| Hub Zone Business | >2.22% | 0.5 | 0 | | | | | |
| | | | | | | | | |

**Learning and Growth Perspective**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Employee Satisfaction** | | | | | | | | |
| % of satisfied employees (using climate survey) | <70/75/80/85/>90 | 5 | 5 | Employee Feedback | | | Learning and Growth | |
| **Employee Alignment** | | | | | **5** | | | |
| Alignment of individual goals with organizational goals | <78/83/88/93/>98 | 10 | 10 | Employee Alignment | | | | |
| | | | | | **10** | **15** | | |

**Financial Perspective**

| Cost to Spend Ratio | | | | | Process Cost | | Managing Financial Aspects | >=92 Outstanding |
|---|---|---|---|---|---|---|---|---|
| Purchasing Organization cost compared to total purchasing obligations | >$.034/$.031/$.28/$.025/<$.025 | | 10 | 10 | | | | >=84 - 91 Excellent |
| | | | | | | | | >=72 - 83 Good |

**6.2.c – Property Balanced Scorecard**

**Stanford Linear Accelerator Center**

**Performance-Based Management
Self-Assessment Report
October 2006**

**Functional Area:** *Property*

<div style="background:#ccc">

**Introduction/Background**

</div>

Contractor
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E-mail:  leslie@slac.stanford.edu

DOE Office
LCMD Name:  Katherine Woo
CO Name: Tyndal Lindler
Telephone No.:  (650) 926-4963 (SLAC)
 E-mail: tyndal.lindler@sso.science.doe.gov

**Date of last assessment: October 2005**

The Property Control functional area received an overall rating of Excellent in the FY 2005 Annual Appraisal.   Gradients were established and agreed upon for the measurement of inventory performance.  Our self-assessment team identified areas of opportunity for enhanced performance and will address those areas in the following report.

## Departmental Overview

**Laboratory Mission**

Elementary particle physics, accelerator physics and in allied fields that can make use of its synchrotron radiation facilities—including biology, chemistry, geology, materials science and environmental engineering. Operated on behalf of the DOE by Stanford University, SLAC is a national user facility serving universities, industry and other research institutions throughout the world. Its mission can be summarized as follows:

- Perform world-class research in high energy physics, particle astrophysics and cosmology, and in the use of synchrotron radiation

- Provide accelerators, detectors, instrumentation and support for national and international research programs in elementary particle physics and allied fields that use synchrotron radiation

- Advance the art of accelerators and related devices through development of sources of high energy particles and synchrotron radiation, plus new techniques for their scientific utilization

- Advance the critical technologies necessary to maintain its leadership and excellence in particle physics, accelerator physics, particle astrophysics and cosmology, and synchrotron radiation
- Transfer practical knowledge and innovative technology to the private sector
- Contribute to the education of the next generation of scientists and engineers, and to the scientific awareness of the public
- Achieve and maintain excellence in matters of environmental concern and provide for the safety and health of its staff and the general public.

### (a) Organizational Mission

The Property Control and Warehouse/Salvage Services Group within Business Services Division is responsible for the control of the government property in SLAC's possession. This includes marking incoming property, the inventory of equipment and sensitive property, record initiation for property items, operation of the salvage and warehouse function with responsibility for property disposal. Site Security, Fleet Services and Purchasing are not included in this function. The Stanford Site Office last approved the SLAC Personal Property Management System on January 13, 2005.

### (i) Identification of Self-Assessment Report Staff

**Names, titles, affiliations of participants**
Leslie Normandin, Property Control Manager
Douglas P. Kreitz, Assistant Director Business Services Division
Tom Murphy, Purchasing Department – SLAC Stores
Alfonso Manuel, Conventional and Experimental Facilities – Fleet Services

### (ii) Discussion of Individual Performance Objectives

**Performance Area: Personal Property** Cumulative Available Points: 20 points
(Total WEIGHT: 100%)

**Performance Objective 1: Customer Perspective:**
Effective Services/Partnership (i.e. responsiveness, cooperation, quality, timeliness, and level of communication). Data Source: Customer surveys, focus groups and random samples.

**Performance Criterion 1.1** - External customer satisfaction: Extent that external customers are satisfied with specific personal property products and services.

**Performance measure 1.1.a:** *Timeliness:* Extent of external or customer satisfaction with the timeliness of specific personal property products and services (or) percent of products and services that were delivered to external customers in a timely fashion. *Quality:* Extent of external customer satisfaction with the quality of the information and services provided (or) percent of products and services that met external customers' quality expectation. *Partnership:* Extent of external customer satisfaction with responsiveness, cooperation, and level of communications with the personal property office.

**Performance Gradient:**
National Target: 80% customer satisfaction rating.
Formula:    % of Satisfaction Rating = <u>Total number of surveys returned w/SAT or higher rating</u>
                                    Total number of surveys returned

Outstanding          80% and UP
Excellent            70% - 79%
Good                 60 – 69%
Marginal             50% - 59%
Unsatisfactory       40% - 49%

**Process used to meet objective/measure:**  A customer survey was sent to our external customers with criteria that included timeliness, quality and partnership.

**Findings:**  The survey was sent to seven of our external customers who currently hold our scrap metals bid, the Stanford Site Office and to internet sale buyers who have purchased 2 sales with us in fiscal year 2006. We received back 6 of the surveys.   There were no negative responses.
100 % satisfaction rating =   <u>6 returned surveys with satisfactory or higher rating</u>
                                     6 surveys returned

**Discussion**:   All the surveys returned from our external customers were rated as agree or strongly agree.  Our external customer satisfaction is rated at 100% for an '**Outstanding'**.
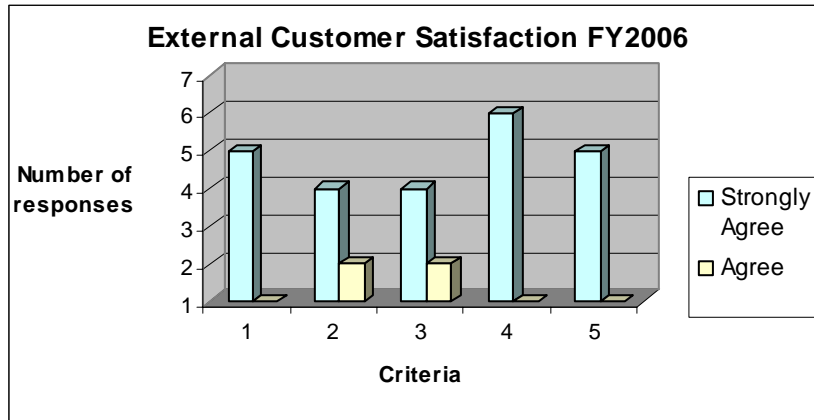


Performance criteria:
**Timeliness**
1.  Property Control responds to my request in a timely manner
**Quality**
2.  Property Control provides accurate information/data
3.  Property Control is knowledgeable of services they provide
**Partnership**
4.  Property Control is courteous
5.  Property Control is responsive to my requests
Scored using scale:  Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree

**Performance Criterion 1.2** - Internal customer satisfaction: Extent that internal customers are satisfied with specific personal property products and services.

**Performance measure 1.2.a:** *Timeliness:* Extent of external or customer satisfaction with the timeliness of specific personal property products and services (or) percent of products and services that were delivered to external customers in a timely fashion. *Quality:* Extent of external customer satisfaction with the quality of the information and services provided (or) percent of products and services that met external customers' quality expectation. *Partnership:* Extent of external customer satisfaction with responsiveness, cooperation, and level of communications with the personal property office.

**Performance Gradient:**
National Target: 80% customer satisfaction rating.
Formula:   % of Satisfaction Rating = <u>Total number of surveys returned w/SAT or higher rating</u>
                                                      Total number of surveys returned

Outstanding          80% and UP
Excellent               70% - 79%
Good                     60 – 69%
Marginal                50% - 59%
Unsatisfactory        40% - 49%

**Process used to meet objective/measure:**   This fiscal year a customer survey was used to measure performance.  An email survey addressed timeliness, quality and partnership.

**Findings:**  The survey was sent to over 400 randomly selected property custodians. We received back 75 surveys or 18.75%.  The results were tabulated.  One negative response was received.

98.67% Satisfaction Rating = <u>74 surveys returned with satisfaction or higher rating</u>
                                                      75 surveys returned

**Discussion**:   Our overall customer service for Property continues to be above average.  The one survey with a negative response concerned the way data is connected between different computer data bases and how it would be helpful to display the node-name.  The computer department has been contacted to see if this can be remedied. The rest of the surveys returned were with a satisfactory or higher response. This area has an overall rating of '**Outstanding'**.
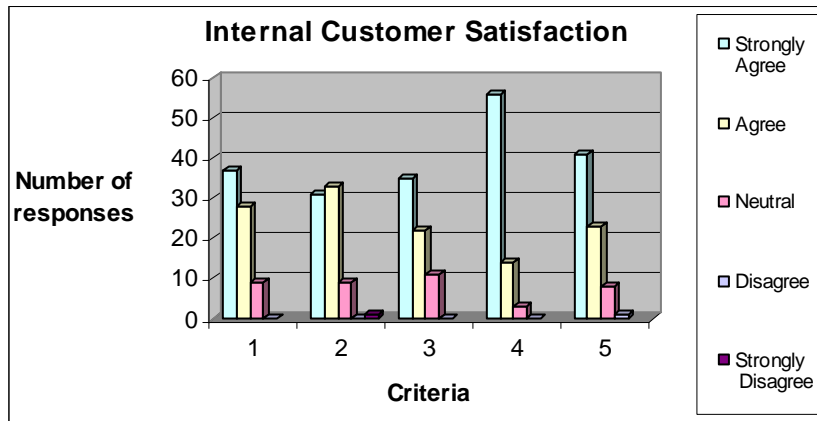


Performance criteria:
Scored using scale: Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree
**Timeliness**
Property Control responds to my request in a timely manner
**Quality**

Property Control provides accurate information/data
Property Control is knowledgeable of services they provide

**Partnership**
Property Control is courteous
Property Control is responsive to my requests

**Performance Criteria 1.3:** Accuracy of and consent to property assignments (internal): percent of sampled property items confirmed by the accountable individual or organization as being property assigned.

**Performance Measure 1.3a:** Percent of sampled sensitive items confirmed by the accountable individual or organization as being property assigned.  (Weight 5%)

**Performance Gradient:**
National Target: 98% of sensitive items properly assigned.
Formula:  % of Accuracy = Number of sampled confirmed, properly assigned sensitive items
                                    Total number of sampled assigned sensitive items


| | |
|---|---|
| Outstanding | 98.0% and UP |
| Excellent | 95.5% to 97% |
| Good | 90.0% to 95.4% |
| Marginal | 85.0% to 89.9% |
| Unsatisfactory | <85.0% |

**Process used to meet objective/measure:**  To assess sensitive assignment, a computer-generated list was run and a random sample was chosen for physical verification. DOE Stanford Site Office and the Property Control Group physically verified 30 sensitive items.

**Findings:** All sensitive items were physically located with the same custodian, except for one item.  The custodian listed in the data base recently transferred to another department.  The item was reassigned and updated to reflect the new custodian.  The rating for this measure is **'Excellent'**.

96.67 % of Accuracy= 29 of sampled confirmed, properly assigned sensitive items
                                30 total sampled assigned sensitive items

**Discussion**:  One (1) sensitive item was with the same custodian, in the same building but, in a new room.

**Performance Measure 1.3b**: Percent of sampled equipment items confirmed by the accountable individual or organization as being property assigned.  (Weight 5%)

**Performance Gradient:**
National Target: 98% of equipment items properly assigned.
Formula:  % of Accuracy = Number of sampled confirmed, properly assigned equipment items
                                    Total number of sampled assigned equipment items


| | |
|---|---|
| Outstanding | 98.0% and UP |
| Excellent | 95.5% to 97% |
| Good | 90.0% to 95.4% |
| Marginal | 85.0% to 89.9% |
| Unsatisfactory | <85.0% |

**Process used to meet objective/measure:** To assess equipment assignment, a computer-generated list was run and a random sample was chosen for physical verification. Stanford Site Office and a SLAC representative physically verified 30 equipment items.

**Findings:** The custodian assignment was reviewed for accuracy. All items were physically located with the same custodian. The rating for this measure is '**Outstanding**'.

100 % of Accuracy = <u>30 sampled confirmed, properly assigned equipment items</u>
<div align="center">30 total sampled assigned equipment items</div>

**Discussion**: All 30 equipment sample items were physically located. Two (2) items were with the same custodian but in different locations. The property data base has been updated to reflect the change of location.

**Performance Objective: 2 Internal Business Perspectives**
Effective Life Cycle Management of Assets to Meet Departmental Missions. Data Source: Physical inventory results, equipment issue/usage records, excess and surplus property disposal records. (Total Weight: 20%)

**Performance Criterion: 2.1**
Asset Accountability: Percent of property subject to physical inventory located during inventory.

**Performance Measure: 2.1.a**
Percent of equipment, sensitive property and stores inventory located during physical inventory (Weight 10%)

**Performance Gradients:**
National Target: Equipment: 99% (Acquisition Cost)
Formula:
% of Acquisition Cost Located = <u>Amount of equipment acquisition cost located during physical</u> <u>inventory</u>
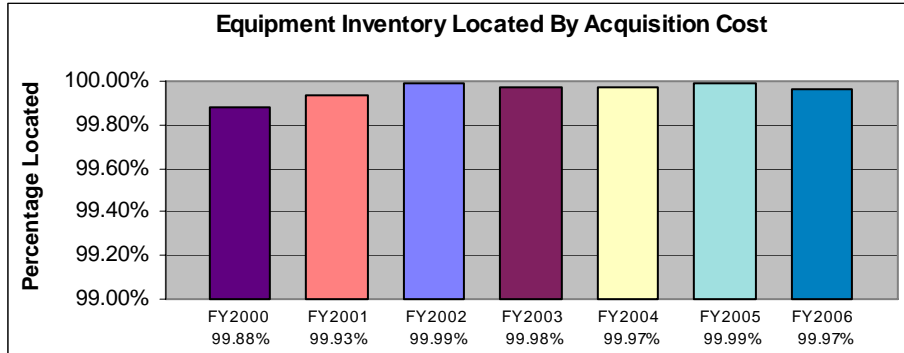<div align="center">Amount of equipment acquisition cost subject to physical inventory</div>

| | |
|---|---|
| Outstanding | 99.0% and UP |
| Excellent | 92.3% to 98.9% |
| Good | 98.8% to 98.0% |
| Marginal | 89.7% to 98.0% |
| Unsatisfactory | <89.70% |

**Process used to meet objective/measure:** The Laboratory conducted a wall-to-wall inventory for FY2006.

**Findings:** There were 4,614 items in the equipment category with an acquisition cost of $909,177,553.33. During the reconciliation the inventory team conducted searches for those items unaccounted for. In addition an email was sent to all property custodians soliciting their help in locating the unaccounted for items. The inventory team was able to find all but 20 items with a total acquisition cost of $301,877.47. The percentage of equipment accounted for by cost was 99.97% equating to a rating of '**Outstanding**'.

99.97 % Acquisition Cost Located =
 <u>$908,875,675.86 amount of equipment acquisition cost located during physical inventory</u>
<div align="center">$909,177,553.33 amount of acquisition cost subject to physical inventory</div>

**Discussion:** The equipment inventory results continue to show outstanding results. All departments with a 100% find rate will be placed in an article in the SLAC on-line newsletter, 'SLAC Today'. A certificate will be sent commending all departments having 100% accountability. In addition a memo and computer generated listing will be sent to the division and departments with equipment not located during the inventory cycle.

**Equipment Inventory Located By Acquisition Cost**

| Year | Percentage |
|------|-----------|
| FY2000 | 99.88% |
| FY2001 | 99.93% |
| FY2002 | 99.99% |
| FY2003 | 99.98% |
| FY2004 | 99.97% |
| FY2005 | 99.99% |
| FY2006 | 99.97% |

**Performance Gradients:**
National Target: Equipment: 98% (Items)
Formula:  % Items Located = Number of equipment items located during physical inventory
Number of equipment items subject to physical inventory

| | |
|---|---|
| Outstanding | 98.0% and UP |
| Excellent | 95.5% to 97.9% |
| Good | 90.0% to 95.4% |
| Marginal | 85.0% to 89.9% |
| Unsatisfactory | <85.0% |

**Findings:**
The inventory team was able to find all but 20 items with a total acquisition cost of $301,877.47. The percentage of equipment accounted for was 99.57% equating to a rating of '**Outstanding**'.

99.57% Items Located =        4594 number of equipment items located during physical inventory
4614 Number of equipment items subject to physical inventory

**Performance Gradients:**
National Target: Sensitive Property: 99% (Acquisition Cost)
Formula:  % of Acquisition
Cost Located = Amount of sensitive item acquisition cost located during physical inventory
Amount of sensitive item acquisition cost subject to physical inventory

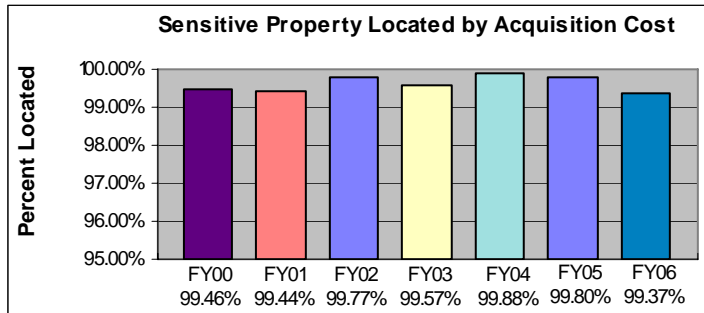| | |
|---|---|
| Outstanding | 99.0% and UP |
| Excellent | 92.3% to 98.9% |
| Good | 98.8% to 98.0% |
| Marginal | 89.7% to 98.0% |
| Unsatisfactory | <89.70% |

**Process used to meet objective/measure:** The Laboratory conducted a wall-to-wall inventory for fiscal year 2006.

**Findings:** The sensitive property inventory category consisted of a total of 4,276 property items with an acquisition cost of $6,964,091.51. During the reconciliation the inventory team conducted searches for those items unaccounted for.  In addition an email was sent to all property custodians soliciting their help in locating the unaccounted for items. The inventory team was able to find all

but 33 items.  The unaccounted-for items had a total acquisition cost of $44,043.66.  The percentage of sensitive accounted for by cost is 99.37% equating to a rating of '**Outstanding**'.

99.37% Cost Located =  $6,920,047.85 sensitive item acquisition cost located during physical inventory
$6,964,091.51 of sensitive item acquisition cost subject to physical inventory

**Discussion**: The sensitive inventory results continue to show commendable results.  All departments with a 100% find rate will be placed in an article in the SLAC on-line newsletter, 'SLAC Today'. A certificate will be sent commending all departments having 100% accountability.  In addition a memo and computer generated listing will be sent to the division and departments with equipment not located during the inventory cycle.

**Sensitive Property Located by Acquisition Cost**

| | FY00 | FY01 | FY02 | FY03 | FY04 | FY05 | FY06 |
|---|---|---|---|---|---|---|---|
| | 99.46% | 99.44% | 99.77% | 99.57% | 99.88% | 99.80% | 99.37% |

**Performance Gradients:**
National Target: Sensitive Property: 98% (Items)
Formula:  % Items Located = Number of sensitive items located during physical inventory
Number of sensitive items subject to physical inventory

| Outstanding | 98.0% and UP |
|---|---|
| Excellent | 95.5% to 97.9% |
| Good | 90.0% to 95.4% |
| Marginal | 85.0% to 89.9% |
| Unsatisfactory | <85.0% |

**Findings:** The inventory team was able to find all but 33 items with a total acquisition cost of $44,043.66.  The percentage of sensitive accounted for by item is 99.23% equating to a rating of '**Outstanding**'.

99.23 % Items Located =   4243 of sensitive items located during physical inventory
4276 of sensitive items subject to physical inventory

**Performance Gradients:**
National Target: Stores Inventory: 99% (Acquisition Cost)
Formula:  % of Acquisition Cost Located = Amount of  stores inventory cost located
Amount of stores inventory acquisition cost subject to inventory

| Outstanding | 99.0% and UP |
|---|---|
| Excellent | 92.3% to 98.9% |
| Good | 98.8% to 98.0% |
| Marginal | 89.7% to 98.0% |
| Unsatisfactory | <89.70% |

**Findings:** The sum of the cycle counts for the period 10-1-05 through 9-30-06 showed $6,149,199.00 worth of inventory acquisition cost was located. This was divided by a stores inventory acquisition cost subject to inventory (cycle count) of $6,173,551.00. The percent of acquisition cost located is 99.61% equal to a rating of '**Outstanding**'.

99.61 % of Acquisition Cost Located =          $6,149,199.00 stores inventory cost located
                                      $6,173,551.00 stores inventory acquisition cost subject to inventory

**Discussion**: SLAC stores inventory is determined by a perpetual cycle count method. All items in Stores have a SLAC identification number and cycle counted based on their utilization type. The utilization type is established by its unit cost, the more expensive and/or sensitive items counted more often. Some items are cycle counted more than once during a year.

**Performance Gradients:**
National Target: Stores Inventory: 98% (Items)
Formula:  % Items Located = Number of stores inventory items located
                           Number of stores inventory items subject to inventory

| | |
|---|---|
| Outstanding | 98.0% and UP |
| Excellent | 95.5% to 97.9% |
| Good | 90.0% to 95.4% |
| Marginal | 85.0% to 89.9% |
| Unsatisfactory | <85.0% |

**Findings:** The number of inventory items located via the cycle count method was 855,561. The number of stores items subject to inventory was 856,780. The percent of items located is 99.86% for a rating of '**Outstanding**'.

99.86 % Items Located =        855,561 number of stores inventory items located
                            856,780 number of stores inventory items subject to inventory

**Discussion**: Some items are subject to more than one cycle count per year.

**Performance Criterion 2.2:** Equipment Utilization: Percent of equipment meeting Federal or local utilization standards or objectives.

**Performance Measure 2.2.a:** Percent of motor vehicles meeting utilization standards and objectives. (Weight 5%)

**Performance Gradients:**
National Target: 90% of items meet usage/issue standards.
Formula:
% Vehicle Usage = Total number of vehicles meeting or exceeding DOE approved utilization standards
                          Total number of vehicles subject to approved utilization standards

| | |
|---|---|
| Outstanding | 90.0% and UP |
| Excellent | 80% - 89% |
| Good | 70% - 79% |
| Marginal | 60% - 69% |
| Unsatisfactory | 50% - 59% |

**Findings:**
73.54% Vehicle Usage = 164 vehicles meeting or exceeding DOE approved utilization standards
223 vehicles subject to approved utilization standards

A total of 73.54% gives us a '**Good**' rating.

**Performance Criterion 2.3** Percent of increase in the volume of items reported excess and disposed of within 180 days as compared with the previous cycle.

**Performance Measure 2.3.a:** SLAC meets the 8% increase of the reported as excess and disposed of within 180 days from previous year. (Weight 5%)

**Performance Gradients:**
National Target: 8% increase reported as excess from previous year.
Pass or Fail

**Process used to meet objective/measure**: A review is conducted of all items entered into EADS. The amount of items and their disposal is tracked for the timeliness of disposal.

**Findings:** There were 111 items placed in excess this fiscal year. This represents an increase from last fiscal year of 9.01% from fiscal year 2005. During this fiscal year a total of 100% were on time. Currently there are 28 items pending disposal within the 180 days. SLAC has met the target to '**Pass**' this measure.

**Discussion:** On average, excess items are resolved within 137 days.

**Performance Objective 3.0:** Use of Information Technology to Improve Asset Management Performance. Data Source: Personal property data base, surplus property sales records, and supporting documentation. (Total Weight: 5%)

**Performance Criterion 3.1:** The percent of surplus items sold using "on line" sales media during the year.

**Performance Measure 3.1.a**: Meets the percentage of items sold on line by 10% (Weight 5%)

**Performance Gradients:**
National Target: Increase the number of "items" sold "on line" by 10% per year for three years.
Pass or Fail

**Process used to meet objective/measure**: The amount of items sold on line were tracked and compared with fiscal year 2005 sales.

**Findings:** For fiscal year 2006 a total of 20 internet auctions lots were posted with a total of 78 items. Of these items only 48 were sold. On some of the sales the buyer did not meet the minimum bid, were non-responsive or were no longer interested. This is a decrease from last fiscal year of 47 internet auctions lots with a total of 95 items, in which 55 items were sold. SLAC did not increase on-line sales by 10% for a rating of '**Fail**'.

**Discussion:** The sales are dependant on the number of items we receive for excess. Property Control does not have control over the items turned into the Salvage Group. Each custodian and department decides what is excess to their needs.

**Performance Objective/Measure 4:** Ensure that personal property acquired via purchase card is recorded in the property and financial management system. (Total Weight: 5%)

**Performance Criteria 4.1:** Percent of personal property acquired via purchase card is recorded in the property and financial database within 72 hours of receipt of property.

**Performance Measure 4.1.a:** The percent of personal property acquired with purchase card is recorded within 72 hours of receipt of property. (Weight 5%)

**Performance Gradient:**
National Target: 98%
Formula: %=Number of items acquired via purchase card recorded into database within 72hrs of receipt

<center>Total number of items acquired via purchase card</center>

Outstanding          98.0% and UP
Excellent            95.5% to 97.9%
Good                 90.0% to 95.4%
Marginal             85.0% to 89.9%
Unsatisfactory       <85.0%

**Process used to meet objective/measure**: The total items acquired by purchase card were tracked by the date the asset was marked against the acquisition date.

**Findings:** Assets appropriate for marking and acquired on the purchase card was tracked for marking within 72 hours. A total of 210 items were assigned a property control number. Of these 171 were marked within the 72 hour criteria. The gradient for this fiscal year was 81.43% as compared to 70.43 % for fiscal year 2005. This is an '**Unsatisfactory**' rating.

81.43 % = 171 items acquired via purchase card recorded into data base within 72 hours of receipt

<center>210 items acquired via purchase card</center>

**Discussion:** The annual Purchase Card training, that all card holders and approvers must attend, stressed the requestor responsibility to notify Property Control when their equipment purchase is received. In addition an email went out to all the custodians and approvers reminding them of the 72 hour criteria. We feel the intent of this measure is for 100% accountability. After the P-Card cycle and reconciliation period ends Property Control runs a monthly report. The report is reviewed for equipment purchases to ensure proper marking. We found no cases of equipment acquired on a purchase card reported to site security as missing before it could be marked. A list of all items not marked within 72 hours for the fiscal year has been sent to the purchase card administrator.

**Performance Objective 5:** Ensure that subcontractor-held personal property is recorded in the contractor's property management system. (Total Weight: 5%)

**Performance Criterion 5.1:** The 98% of subcontractor-held property is identified in the contractor's property inventory database upon review of invoices and/or scheduled inventories.

**Performance Measure 5.1.a:**  The percent of subcontractor-held property is recorded in contractor's management system. (Weight 5%)

**Performance Gradient:**
National Target: 98%
Formula:  %=Number of subcontractor-held property recorded in contractor's inventory data base
 Total number of subcontractors-held property identified on invoices and/or scheduled inventories

| | |
|---|---|
| Outstanding | 98.0% and UP |
| Excellent | 95.5% to 97.9% |
| Good | 90.0% to 95.4% |
| Marginal | 85.0% to 89.9% |
| Unsatisfactory | <85.0% |

100 %=  1 - Number of subcontractor-held property recorded in contractor's inventory data base
 1 - Total number of subcontractors-held property identified on invoices and/or scheduled inventories

**Findings:**  A review was conducted of subcontractor held property.  Currently there is one equipment item located at a subcontractor facility.  This item is recorded in the property data base.  This meets the rating for '**Outstanding**'.

**Performance Objective/Measure 6.0:**  Learning and Growth Perspective

Employee Alignment. Data Source: Individual development plans, performance standards, and training schedules.  (Total Weight: 10%)
**Performance Criterion 6.1:** Employee Alignment: Percent of property management employees having performance expectations and training requirements that respond to balanced scorecard objectives.

**Performance Measure 6.1.a:** Percent of scheduled training, supporting balanced scorecard objectives, completed by personal property management employees during the period. (Weight 4%)

**Performance Gradient:**
National Target: 90% of scheduled training completed.
Formula: %=  Number of personal property management employees completing scheduled BSC training
 Number of personal property management employees subject to BSC training

| | |
|---|---|
| Outstanding | 90.0% and UP |
| Excellent | 80% - 89% |
| Good | 70% - 79% |
| Marginal | 60% - 69% |
| Unsatisfactory | 50% - 59% |

**Findings:**  Everyone in the Property Control Department has appropriate training requirements identified to support their job.  The training is reviewed by the supervisor and manager.  All training was completed by staff for an '**Outstanding'** rating.

100%= 6 - Number of personal property management employees completing scheduled BSC training
 6 - Number of personal property management employees subject to BSC training

**Performance Measure 6.1.b:** Percent of personal property professional staff with an individual development plan (IDP) based on balanced scorecard objectives (Weight: 3%)

**Performance Gradient:**
National Target: 90% of personal property professional staff has individual development plans.
Formula: %= Number of personal property professional staff with BSC objective IDPs
              Number of personal property professional staff subject to BSC objective IDPs

| | |
|---|---|
| Outstanding | 90.0% and UP |
| Excellent | 80% - 89% |
| Good | 70% - 79% |
| Marginal | 60% - 69% |
| Unsatisfactory | 50% - 59% |

**Findings:** Everyone in the Property Control group has an individual development plan. The plan includes training requirements as it pertains to meet the goals of the balanced score card, job performance and safety training. This meets the rating of '**Outstanding**'.

100%= 6 - Number of personal property professional staff with BSC objective IDPs
       6 - Number of personal property professional staff subject to BSC objective IDPs

**Performance Measure 6.1.c:** Percent of personal property professional staff that received an annual review of performance against balanced scorecard objectives. (Weight 3%)

**Performance Gradient:**
National Target: 90% of personal property professional staff receives annual performance reviews.
Formula: % = Number of personal property professional staff receiving performance
            review against BSC objective
      Number of personal property professional staff subject to performance reviews against
   BSC objective

| | |
|---|---|
| Outstanding | 90.0% and UP |
| Excellent | 80% - 89% |
| Good | 70% - 79% |
| Marginal | 60% - 69% |
| Unsatisfactory | 50% - 59% |

**Findings:** All the Property staff receives an annual performance evaluation. The evaluation includes goals as it pertains to meeting the balanced scorecard objectives. Their overall performance rating reflects meeting these goals for a rating of '**Outstanding**'.

100%= 6 - Number of personal property professional staff receiving performance review against BSC
       objective
 6 - Number of personal property professional staff subject to performance reviews against BSC
   objective

**Performance Objective 7:** Financial Perspective
Objective 1: Optimum Cost Efficiency of Property Management Operations. Data Source: Accounting Data. (Total Weight: 10%)

**Performance Criterion 7.1:** Cost of (major) process (e.g. physical inventory, warehousing and disposition).

**Performance Measure 7.1.a**: The major personal property process identified (Weight 5%)

**Performance Gradients:**
National Target: Baseline and trend annually.
Pass: Establish a major process, performed baseline and trend and analysis for minimum of three years.
Fail: Did not establish a major process, nor performed a baseline and trend.

**Findings:** The process identified in last year's self assessment is the physical inventory. The first year we gathered information to be used as a baseline for future trend and analysis. The second year, fiscal year 2006 we tracked the cost to perform the physical inventory. This measure will continue to be tracked next fiscal year.

**Performance Measure 7.1.b**: Efficiency (cost vs. performance) of targeted processes. (Weight 5%)

**Performance Gradients:**
National Target: Improving trend (lower cost and/or performance improvement).
Pass: Established a trend
Fail: Did not establish a trend.

**Findings:** The cost for the fiscal year physical inventory 2006 averaged around $2.56 per asset. This is an increase from fiscal year 2005, which averaged $2.14. This process will be tracked for another fiscal year.

**Discussion:** For FY2006 we had temporary people filling in to perform the physical inventory. This resulted in fewer items picked up on the wall-to-wall inventory, due to inexperience. As a consequence, we spent more time on the reconciliation phase of the inventory, which is a more time consuming process.

**Performance Objective 8:** Ensure the fleet is comprised of vehicles needed to meet the site's mission and still achieve maximum economy and efficiency. (Total Weight: 5%)

**Performance Criterion 8.1:** By each non-law enforcement sport utility vehicle (SUV), compare the number of trips made that required driving on other than normal road conditions with the total number of trips the SUV made.

**Performance Measure 8.1.a**: Non-Law enforcement sport utility vehicle (SUV), compare the number of trips made that required driving other than normal road conditions with the total number of trips the SUV made. (Weight 5%)

**Performance Gradient:**
National Target: 90% of each SUV's trips require driving on other than normal road conditions.
Formula: % Off-Road Trips per SUV = Number of trips logged on SUV trip logs as "off road"
                                    Total number of trips logged for each SUV

Pass or Fail

**Findings:** 10.63 % = 816 trips logged on SUV trip logs as "off road"
                       7680 total number of trips logged for each SUV

SLAC did not meet the national target for a rating of '**Fail**'.

**Performance Objective 9:** Ensure SLAC meets the DOE reduction of petroleum consumption requirement of Executive Order 13149, Greening the Government Federal Fleet and Transportation Efficiency. (Total Weight: 5%)

**Performance Criterion 9.1:** The percent of reduced petroleum consumption within entire motor vehicle fleet, as compared with FY1999 petroleum consumption levels.

**Performance Measure 9.1a:** As compared with FY1999 petroleum consumption levels, for FY2005, demonstrate a significant improving trend in reducing the net petroleum consumption, and by FY2008, achieve at least 20 percent petroleum consumption reduction. (Weight: 5%)

**Performance Gradient:**
National Target:
As compared with FY1999 petroleum consumption levels, for FY2005, demonstrate a significant improving trend in reducing the net petroleum consumption, and by FY2008, achieve at least 20 percent petroleum consumption reduction.
Formula:
% Fuel Consumption Reduction = Baseline FY99 fuel consumption – FY05 fuel consumption
                                                    Baseline FY99 fuel consumption

**Findings:**

| FUEL Type | BASELINE | | |
|---|---|---|---|
| (example) | FY99 | FY05 | FY06 |
| Unleaded (gallons) | 21463 | 17451 | 19443 |
| Diesel (gallons) | 6075 | 1226 | 2339 |
| Total Consumption | 27538 | 18677 | 21782 |

32% reduction = 27538 FY99 baseline – 18677 FY05 fuel consumption
                          27538 FY99 fuel consumption baseline

20.90% reduction = 27538 FY99 baseline – 21782 FY06 fuel consumption
                             27538 FY99 fuel consumption baseline

SLAC's fuel efficiency for fiscal year 2006 increased over fiscal year 2005. This can be attributed in part to the complete power outage at the site. SLAC had to rent power generators. For fiscal year 2006 SLAC reduced its fuel consumption by 20.90% from the baseline fiscal year 1999. We will continue to monitor our fuel consumption for fiscal years 2007 and 2008 to achieve at least 20 percent reduction. SLAC has '**passed'** this measure.

Pass: Demonstrate a significant improving trend in efficiency and/or cost for targeted process.
Fail: Did not demonstrate a significant improving trend in efficiency and/or cost for targeted process.

**Performance Objective 10:** Property Management Processes

Although SLAC has a functional and approved property system, certain areas have vulnerabilities for potential loss, theft, fraud, abuse or national security concerns. Some of the property processes will require management attention to assure execution of the actions necessary to enhance the existing property management system and reduce vulnerability. (Total Weight: 10%)

**Performance Criterion 10.1:**  Personal Property Management System
Personal Property management system is in compliance with the Federal Property Management
Regulations (FPMR), the DOE Property management Regulations (DOE-PMR) and applicable
DOE Orders to assure the Property Management System are in compliance.

**Performance Measure 10.1a:**  Laboratory Continues to Progress on Potential Area
The Laboratory continues to progress on potential area where additional management attention
may be required to assure that Property Management System complies with applicable
regulations. (Weight: 10%)

**Performance Gradient:**
Pass: Continued implementation of all recommendations and actions as stated in the Personal
Property Corrective Action Plan.

Fail: Failed implementation of all recommendations and actions as stated in the Personal Property
Correction Action Plan.

**Findings:**  A "Business Peer Review" was conducted at SLAC in April 2006.  It included
Personal Property.  There were no property management recommendations in the final report.

### (iii) Objectives/Goals for FY 2006

We will continue to work on improving areas in the balanced score card.
- Improve the purchase card goal of marking within 72 hours
- Excess disposal within 180 days
- Increase on-line sales
- Conduct a successful physical inventory
- Continue to provide above average customer service

**Objective 6.3 – Provide Efficient, Effective, and Responsive Human Resources System**

**Stanford Linear Accelerator Center**

**Performance Based Management**
**Self-Assessment Report**
**October 2006**

**Functional Area:** *Human Resources Management*

## Introduction/Background

**Contractor**
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**Date of last assessment**: **October 2005**

### Departmental Overview:

The Human Resources Department at SLAC enables the scientific and educational mission of the Laboratory by guiding human resource matters with creativity and integrity.  We provide a full range of human resource services to the organization and all of its employees.  We are responsible for administering Stanford University Human Resources Policies within the SLAC environment and for assuring compliance with the Personnel appendix of our contract with the Department of Energy.  The Department includes 21.5 (full-time equivalent) employees in ten functional areas, including Employment, Benefits, Labor Relations, Employee Relations, Workers' Compensation, Personnel Records, Training & Development, International Services, Housing, and Compensation.  (See the SLAC Human Resources organizational chart in Appendix A.) This assessment provides information on the provision of those services based on three Performance Criteria mutually agreed upon by SLAC and DOE.

## Identification of Self-Assessment Report Staff:

**Names, titles, affiliations of participants:**
Lee Lyon, Director, Human Resources
Lisa Mongetta, Manager, Staffing Services

## Performance Objectives and Measures:

## Performance Objective:      6.3a    Customer Needs

Human Resources management will monitor employee/customer feedback in order to ensure high quality service to its employees.

**Performance Criteria:**     **6.3a**
The requirements, expectations, and preferences of customers are collected and addressed.

**Performance Measure:**     **6.3.a**
Based on the analysis of survey data, the Human Resources Department will establish action plans to improve those areas that do not meet customer expectations.

**Discussion:**
In order to assess customer needs and satisfaction with the Human Resources Department, we asked all SLAC staff with e-mail access to respond to the following questions:

1.     How well does Human Resources respond to your needs?
2.     Are you treated respectfully and professionally by Human Resources staff?
3.     Rate the overall Human Resources Department performance.

On each one of these three questions responding staff were asked to rate the Department on a 1-5 scale with 1 being outstanding and 5 being unsatisfactory.

In addition, all responders were asked to give their written comments to the following two questions:

1.     What works well in the Human Resources Department?
2.     What would you like to see improved in the Human Resources Department?

These questionnaires were distributed and collected by a non-Human Resources Department staff member who specializes in such matters. He gathered the data, collated it, and presented anonymous numeric results along with the written responses to the questions to Human Resources Department management.

**Findings:**
Results from our customer satisfaction survey were received from 172 (11.2%) of our population of 15034 SLAC employees; this represents about a 1% greater response rate than in 2005.

The quantitative results of this survey are displayed in Table 1. Results indicate that 83% consider Human Resources' staff to be doing an outstanding or good job in the performance of their duties. As a point of comparison, the overall average for Human Resources Department performance was 2.2 in 1999; 2.5 in 2000; 2.2 in 2001; 1.9 in

2002; 2.0 in 2003, 1.7 in 2004, 1.8 in 2005, and 1.8 again this year. According to our customers, we have performed extremely well in providing our services during this past year.

The quantitative data is supplemented by narrative comments made by responding survey participants. In general, the Human Resources' staff was very positively acknowledged for their responsiveness, knowledge, and caring. All of the service areas received numerous positive comments.

The feedback from the narrative question on what could be improved narrowed to two items: 1. While numerous positive comments identified our responsiveness, many of the suggestions for improvement identified the difficulty in contacting the Human Resources staff directly without getting voice mail. We will develop a more formal plan to address this issue as part of our action plans during 2007; 2. There was criticism of the communication about a reduction in the retiree medical benefit. SLAC relies on the Stanford main campus Benefits group to initiate such communication. In this case, the change was communicated only in a campus based publication called the *Stanford Report*. We have already addressed this issue with our staff and are now copying all such articles into our daily *SLAC Today* daily newsletter.

In summary, SLAC employees perceive the Human Resources Department as performing extremely well. The patterns in the comments identifying areas for improvement have been evaluated; an action plan for improving the Human Resources staff availability will be initiated and the communication issue has already been addressed.

**Table 1**

| QUESTION | RATING | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1] Out-standing | 2] Good | 3] Acceptable | 4] Poor | 5] Unsatisfactory | Mean | SD |
| How well does Human Resources respond to your needs? | 70 (41%) | 71 (42%) | 25 (15%) | 1 (1%) | 4 (2%) | 1.82 | .87 |
| Are you treated respectfully and professionally by Human Resources staff? | 105 (62%) | 50 (29%) | 11 (7%) | 0 (0%) | 4 (2%) | 1.52 | .81 |
| Rate the overall Human Resources Department performance. | 70 (41%) | 74 (43%) | 22 (13%) | 4 (2%) | 2 (1%) | 1.80 | .83 |

**Performance Target:**

Overall customer feedback is between 2 and 2.5 on a five-point scale, or Action Plans are implemented and measurable progress/action is taken.

Based on the target, Human Resources has earned an *"A"* rating in customer satisfaction, since our overall customer survey results are less than 2.

**Performance Objective:**     **6.3b     HR Systems and Processes**

The Laboratory strives to provide efficient HR systems and processes.

**Performance Criteria:**     **6.3b**
Human Resource systems and processes will optimize the delivery of services with respect to quality and efficiency.

**Performance Assumptions:**
The system or process reviewed will be characterized in one of three ways:  (1) it currently provides optimal quality and efficiency, (2) it needs improvement and a project will be initiated, or (3) it needs improvement but it is considered not cost-beneficial to initiate a project.  The Laboratory will identify the status of the system when first reviewed, will report baseline data at that time, and will report the results of either the improvement or the decision to leave the system as is.

**Performance Measure:**     **6.3b**
The laboratory will evaluate HR systems and processes for improvements.

**Discussion:**
The Human Resources system selected for review during this self assessment period was the website which provides information to SLAC employees about Human Resource policies, processes and services and serves as the primary contact point for external applicant for SLAC positions

**Background:**
For nearly all organizations, their web presence has become an important part of their business communication.  This is especially true in Human Resources; employees frequently look to the web for information regarding HR issues and applicants interested in employment at the Lab rely extensively on our web site for job and application information.

The SLAC Human Resources website had not been upgraded (except for routine maintenance) in several years.   Two events stimulated our selection of this as a project for this year:  the SLAC overall web site had undergone significant change to reflect the new program direction for the Lab and our Human Resources presence on the web was not as robust or current as we would like.

**Actions Taken:**
The Human Resources website renovation was identified as a necessary project to update the look and feel as well as make the website more user friendly for web traffic.  The web

site hosts had received input that the website was difficult to navigate.  First, Corrine Purcell, the HR website owner and Erin Shatara, the back up, worked with the SLAC Web Information Manager to create an updated layout and color scheme consistent with the new SLAC version being used.  Next, Corrine and Erin worked with the Human Resources staff and managers to update the individual web pages and delete unnecessary pages.  Part of this process included identifying all web pages that needed to be moved to the internal server, where only those with SLAC NT accounts could access them.

On June 6, 2006, the website was locked for renovation.  During this time, Ruth McDunn and her staff reformatted the existing and updated pages to fit into the format.  The new version of the website was launched and announced on August 28, 2006.  Since this time, the web site owners have received favorable feedback on the ease of navigation and the appealing new look.


### Performance Target:

One or two major systems/processes are reviewed annually.   Analysis against baseline data demonstrates clear improvement, or the System/Process is streamlined, enhanced or eliminated.

Based on this performance target, we rate our performance as "*B+*" on the basis that the needed improvement was identified, changes were made, and those that were implemented contributed to the desired results:  Feedback from employees who use the website has been favorable.

**Performance Objective:     6.3c     Attraction and Retention of Qualified People**

SLAC will attract and retain highly qualified employees, especially PhD-level scientific staff and faculty, by offering competitive salaries and by maintaining a work environment which minimizes undesirable turnover.

**Performance Criteria:     6.3c(1) In Hire Compensation**

For the best identified candidate for each posted position, SLAC will offer total compensation competitive in the local market and consistent with internal equity.

**Performance Measure:     6.3c(1)**

SLAC will offer an in-hire total compensation package sufficient to assure a positive offer acceptance rate for posted positions.

**Discussion and Results:**

SLAC Staffing Services made offers during FY 2006 to 198 applicants for positions at SLAC.  Of those 198 offers, 23 were declined – 15 for compensation reasons.  The others declined for various other reasons.  The data indicate, therefore, that our offers were

accepted 89.4% of the time overall and that 7.6% were declined for compensation reasons. We can conclude that SLAC and Staffing Services were successful in making offers that candidates found attractive. Although this acceptance rate earns us a B+ rating for this evaluation period, it is also clear that the hiring market is changing and that salary is becoming a more common consideration for our applicants. This is highlighted by the fact that last year only 2% of our declines were for salary reasons. We will continue to carefully monitor this development.

**Performance Target:**

In-hire compensation package assures 85% acceptance rate.

Based on the above performance target, SLAC has earned a **"B+"** rating on this measure.

| Performance Criteria: | 6.3c(2) | Attraction and Retention of Staff |
|---|---|---|

SLAC turnover, defined as the departure of any benefits eligible employee from SLAC for any reason, will be compared to the annual turnover for all of the remainder of Stanford University.

**Performance Measure:**

The SLAC work and work environment will be sufficiently attractive that total turnover at SLAC will be less than the total turnover on the Stanford University campus.

**Findings:**

The annual turnover rate for Stanford University, excluding SLAC, for FY 2005-2006 was 1344 terminations from an average population of 8737 for a turnover rate of 15.4%. During this same time period, the overall turnover rate for SLAC was 8.4%.

**Discussion:**

The SLAC turnover rate for this fiscal year was lower than that of the main Stanford campus by 45%. We attribute this difference to the combination of the intrinsic nature of the work we perform at SLAC and to the work environment that exists here at the laboratory.

**Performance Target:**

SLAC turnover (i.e., departure of any benefits eligible employee from SLAC for any reason) is lower than Stanford University by between 15% and 24%

Based on the performance target, we have earned an **"A+"** on this performance measure.

| Performance Criteria: | 6.3c(3) | Attraction and Retention of Staff |
|---|---|---|

SLAC will provide a work and scientific environment that will facilitate the retention of PhD-level scientific staff and faculty at the Laboratory.

**Performance Measure:**
The annual turnover rate, excluding voluntary retirements, for PhD physicists and engineers will be between 5 and 9%.

**Findings:**
The annual turnover rate for SLAC PhD physicists and engineers for fiscal year 2006 was 5.2%.

**Discussion:**
The turnover rate of 5.6% for SLAC PhD physicists and engineers is lower than last year's 10.6% rate. We are pleased that we have been able to retain so many of our PhD-level staff and attribute this in part to the fact that many of them are working on cutting edge projects, including GLAST, LCLS, EXO, and numerous particle and particle astrophysics experiments.

**Performance Target:**
The SLAC turnover rate for PhD physicists and engineers is between 5% and 9%.

Based on the above performance target, SLAC Human Resources has earned only *"A"* in this category.

## 2006 Customer Satisfaction Action Plan Results:

Even though our 2005 Customer Survey did not reveal any major problems, we did establish two areas of focus for this last year:

- We will evaluate the training registration and reimbursement process and make changes as appropriate, and
- We will attempt to increase our person-to-person availability to our customers and reduce the number of calls that go to voicemail.

For item number one above, we took advantage of an ongoing project regarding the process. The SLAC Training System was a collaborative project involving the Environmental Safety & Health (ES&H), Human Resources (HR), and Business Services (BSD). The aim of the project was to create a centralized online gateway for SLAC training needs in addition to creating new systems for handling registrations and registration payments and reimbursements. It was an effort to combine resources and reduce the number of duplicate systems handling training information as well as update older systems that could not be improved.

The first version of the SLAC Training System was put into production on March 31, 2005. The programmer working on the system left SLAC after this migration occurred and was unable to respond to fixing system glitches and other problems that were identified by users of the system. Over the course of October 1, 2005 to January 31, 2006, a clear list of necessary fixes and upgrades were identified by the primary stakeholders. On February 1, 2006, a programmer was contracted to work through that list. The majority of the fixes were implemented within two months. The remaining fixes and upgrades without other system interdependencies were completed by July 28, 2006.

In addition to online system changes, a second HR staff member has been trained and is now successfully processing training disbursements. This has increased the number of people available to assist customers on training registration fee disbursement issues to two, allowing for better customer service and back-up coverage for the process.

For the second action item above, we simply reminded staff that our customers had identified our availability as something that could be improved; we did not develop specific action plans to achieve that improvement. You will see from our 2007 action plans that this is still an issue. This time we will develop a specific set of actions/behaviors designed to improve our availability.


## 2007 Customer Service Action Plans:

Even though the department's overall customer satisfaction remains very high, in the spirit of continuous improvement, we plan during this next assessment period to address one issue that was identified as needing improvement:

- The Department will develop an action plan to improve our person-to-person availability during 2007. Success will be indicated by a significant reduction in the number of critical narrative feedback comments on this subject obtained from our survey question, **"**What would you like to see improved in the Human Resources Department?"

## Operations Overview:

SLAC's DOE Human Resources contact requested that we include information on the Laboratory's actions in response to the changes in the Fair Labor Standards Act made recently.

As a reminder, the classification issues surrounding exempt status are managed by the Compensation staff at Stanford University. SLAC Compensation staff participated in many meetings on this topic. At this point, the University has not changed any classifications from exempt to nonexempt. We remain in contact and will continue to participate in whatever work groups they organize.

When the new FLSA minimum (regardless of percent time) was increased to $28,080/year, we reviewed every exempt salary at SLAC to be sure that we were paying our exempt employees sufficiently. We were particularly concerned that part-time employees might slip under this minimum. We were prepared to either raise the salaries or convert to nonexempt status any individual that did not meet this threshold. Stanford Graduate Students were not part of this process since they are not considered employees and they received a stipend connected with their education (and they get a tuition benefit as well).

The one category that was complicated was the 'visiting' invited scientist group. In these cases, individuals are coming, often for short periods of time, from a home institution and returning to that institution after their visit at SLAC. They are expected to be supported by their home institution, but the amounts can vary widely. We sometimes provide salary supplements to these individuals and they can be very small, e.g. $500/month. We modified our process to ensure that the combination of money from the home institution plus the SLAC supplement would exceed $28,080/year. We also changed our offer letter to document this threshold; in it we ask the recipient to contact us if our understanding is incorrect.

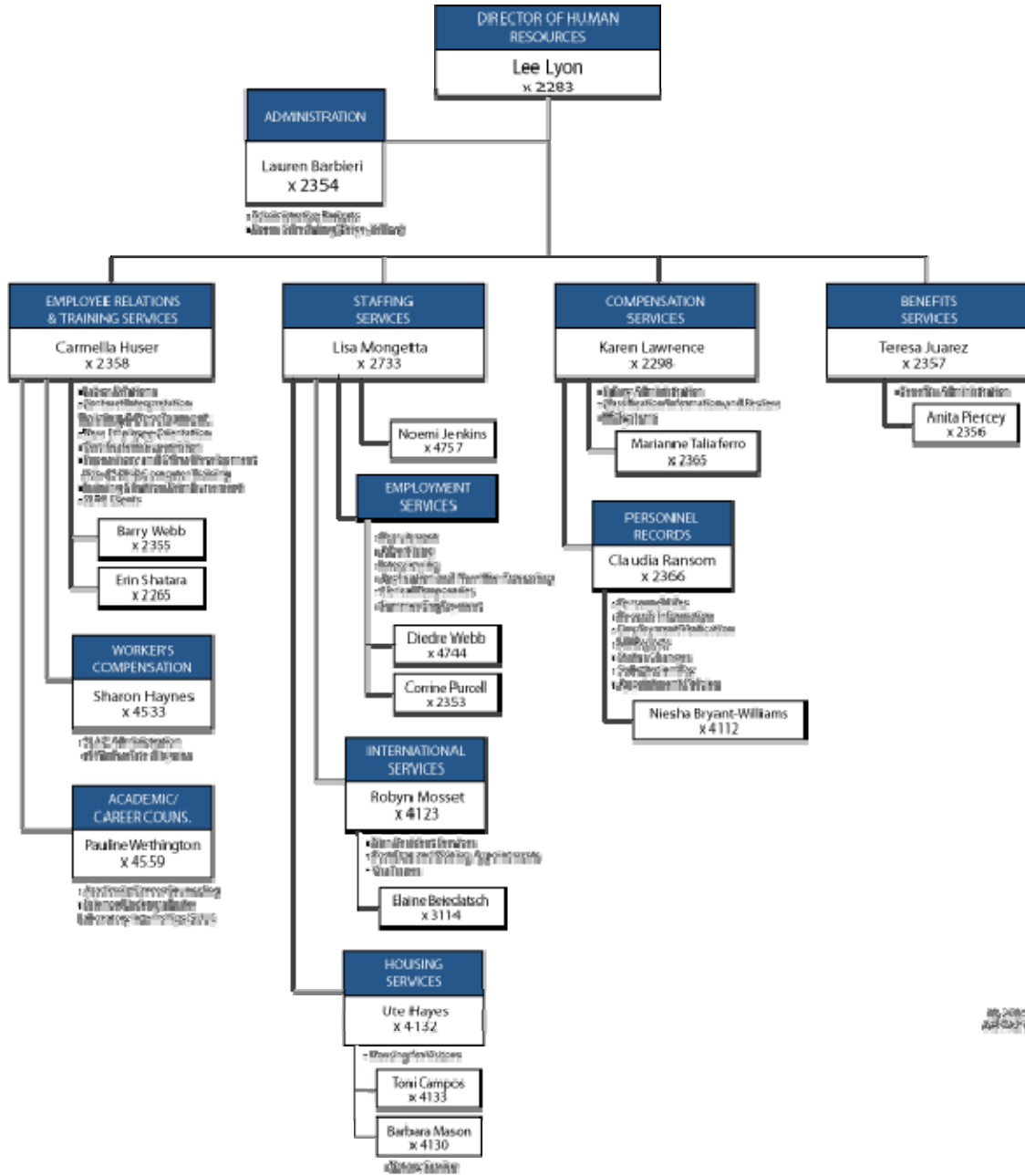There were no other active individuals below the $28,080 threshold. In general, we are conservative and do not use exempt status for temporary jobs, preferring to use Temporary Employee - Nonexempt and Casual Employee.

**Overall Summary:**

In this assessment period, Human Resources believes that it has earned two B+s, two As, and an A+ based on the performance targets and has an overall *"A"* rating.

# Appendix A to Objective 6.3, HR System

STANFORD LINEAR ACCELERATOR CENTER
HUMAN RESOURCES DEPARTMENT, October 2005

**DIRECTOR OF HUMAN RESOURCES**
Lee Lyon
x 2283

**ADMINISTRATION**
Lauren Barbieri
x 2354

**EMPLOYEE RELATIONS & TRAINING SERVICES**
Carmella Huser
x 2358

Barry Webb
x 2355

Erin Shatara
x 2265

**WORKER'S COMPENSATION**
Sharon Haynes
x 4533

**ACADEMIC/ CAREER COUNS.**
Pauline Wethington
x 4559

**STAFFING SERVICES**
Lisa Mongetta
x 2733

Noemi Jenkins
x 4757

**EMPLOYMENT SERVICES**

Diedre Webb
x 4744

Corrine Purcell
x 2353

**INTERNATIONAL SERVICES**
Robyn Mosset
x 4123

Elaine Beteclatsch
x 3114

**HOUSING SERVICES**
Ute Hayes
x 4132

Toni Campos
x 4133

Barbara Mason
x 4130

**COMPENSATION SERVICES**
Karen Lawrence
x 2298

Marianne Taliaferro
x 2365

**PERSONNEL RECORDS**
Claudia Ransom
x 2366

Niesha Bryant-Williams
x 4112

**BENEFITS SERVICES**
Teresa Juarez
x 2357

Anita Piercey
x 2356

**Objective 6.4  Provide Efficient, Effective, and Responsive Management Systems for Internal Audit and Oversight: Quality, Information Management; and Other Administrative Support Services as Appropriate**

6.4a　Internal audits completed in accordance with annual audit plan. Revisions to the approved SLAC FY06 audit plan will be mutually agreed to by both parties.

SLAC Response:  Stanford Internal Audit completed all the audits in accordance with the Revised FY2006 SLAC Audit Plan, dated June 5, 2006 incorporating the internal controls testing required for the OMB Circular A-123 in FY2006.  In addition, an additional review, "*High Level Review of Internal Controls at SLAC*", was also conducted.  The completion and issuance of the audit reports for the "*OMB Circular A-123 Testing of Internal Controls for Human Resources and Payroll*" and the "*Review of the Accounts Payable Process*" were delayed into November 2007 since the priority was focused on recording testing details into the A-123 Assessment and Reporting Tool (AART) spreadsheets in order to meet the early September deadline for transmittal of the AART to DOE.

6.4.b　Ability to complete corrective actions for reviews in accordance with approved Corrective Action Plan

SLAC Response:  FY06 Reviews and Audits, along with recommendations and corrective actions follow

A. *Stanford Internal Audit Review of SLAC Allowable Costs for FY2005*

A.1.　Ashley Fellowship Program

*Recommendation:*  SLAC H/R and Accounting should reconcile the salaries charged to the Fellowship Account # 030004 at the end of each fiscal year and ensure that only 12 months of the recipient's salary is charged appropriately.

*Corrective Action:*  The H/R Administrator for the Ashley Fellowship Program will coordinate a meeting with the affected supervisor and the responsible Budget Office Analyst to determine the time frame of the fellowship.  The Budget Office Analyst will monitor and reconcile the charges at the end of each fiscal year.

B. *Stanford Internal Audit Review of Agreed Upon Procedures performed at SLAC for FY2005 in Accordance with OMB Circular A-133*

No recommendations.

C. *Stanford Internal Audit on SLAC's Internal Procedures on the Review and Approval of Invoices from Subcontractors Subject to the Davis-Bacon Act in FY2005*

*Recommendation:* The Purchasing Officer and deputy Purchasing Officer should update Section 42-1 of the Business Services Division (BSD) Procedure Manual.

> *Corrective* Action*: SLAC Purchasing Management completed all related procedures in December 2005*

*Recommendation:* The Purchasing Officer and Deputy Purchasing Officer should ensure that the Contract Administrators are reminded of their responsibility to adhere to the Purchasing Office's internal procedures for the review and approval of subcontractor invoices that are subject to the Davis-Bacon Act.

> *Corrective Action:* The Deputy Purchasing Officer held a meeting in May 2005 with the Construction to ensure these guidelines were followed. Completed.

## D. *Stanford Internal Audit High-Level Review of Internal Controls at SLAC*

No recommendations.

## E. *Stanford Internal Audit SLAC PeopleSoft (version 8x) – Application Security Review*

*Recommendation 1:* Update and document policies and procedures related to the PeopleSoft application environment.

> *Corrective Action:* Financials 8.8 is a work in progress with an estimated completion 12/31/06. For HRMS 8, the Business Applications Support (BAS) will review it during HRMS 8.9 upgrade, estimated to be completed by 06/30/07

*Recommendation 2:* Restrict access to Sensitive PeopleTools such as Application Designer in the production environment.

> *Corrective Action*: The Financials 8.8 review has been completed. We removed all read-only access to Application Designer from the POADMIN and SL_POADMIN_INQ permission list.

*Recommendation 3:* Review the permissions lists which have some access to security tools and delete where such access is unnecessary.

> *Corrective Action:* BAS will review. Completion planned for 11/30/06.

*Recommendation 4:* Reassign those ALLPANLS in the BAS group to appropriate permission lists in conjunction with their roles.

> *Corrective Action:* Immediate action was taken. Removed user ids from FSYS.

*Recommendation 5:* Review the permission list that have access to critical business processes and remove those that are unnecessary.

> *Corrective Action:* Financials 8.8 – BAS review. will be completed by 11/30/06. HRMS 8 – BAS to review during HR 8.9 upgrade estimated to be completed by 06/30/07.

Recommendation *6:* Review the permission lists with correction made and determine if *this* is appropriate.

> *Corrective Action:* Review in progress. Financials 8.8 BAS identified 115 of the 166 permission list which are not assigned to any users. SLAC is still reviewing the remaining 51. Financials review to be completed by 11/30/06.

Recommendation *7:* Review the users without employee ids and ensure that only valid users have accounts.

> *Corrective Action:* BAS to review during upgrade to HRMS 8.9. To be completed by 06/30/07.

*Recommendation 8:* Establish a process for HR to generate an automated e-mail for retired employees so that they may be removed in a timely fashion from PeopleSoft tables.

> *Corrective Action:* In fact, a procedure for sending an automated e-mail from HR for *retired* employees does exist. No further action needed on this recommendation.

6.4c   Every five years, receive an overall satisfactory rating from an external review of Contractor's success in meeting Internal Audit and Oversight; Quality; Information Management; and Other Administrative Support Services management goals and expectations consistent with professional auditing standards received an overall satisfactory rating from an external review every five years.

SLAC Response: On April 24-27, 2006, a peer review was conducted by the Business Peer Review Team, consisting of representatives from Jefferson Lab, Fermi National Accelerator Laboratory, and Lawrence Berkeley National Laboratory. The primary objective of the review was to identify areas of strength

and areas where there was opportunity for improvement based on known best business practice, or other industry standards. Areas investigated in the FY 2006 Peer Review were: Procurement, SLAC Site Security, Property Management, and Travel/Travel Accounting.

The Executive Summary from the review team states that "....the reviewed Business Services Division (BSD) functional areas are exceptionally well-managed and provide a high level of service to their customers as well as being attentive to the requirements of SLAC's DOE Contract….." The full peer review report is available on request.

6.4d    Excluding scientific IT, Contractor's comparison of Information Technology (IT) cost performance with like industry and government entities for 1) IT spending as a percent of overall cost plan; 2) percent of Laboratory employees in IT jobs and 3) IT budget per end user.

SLAC Response: While data may be available, an analysis could not be done this year given other demands on the Business Services Division and the CFO organization. This performance measure will be pursued in FY2007.

**Objective 6.5 – Demonstrate Effective Transfer of Technology and Commercialization of Intellectual Assets**

N/A

**Goal 7.0 SUSTAIN EXCELLENCE IN OPERATTNG, MAINTAINING, AND RENEWING THE FACILITITY AND INFRASTRUCTURE PORTFOLIO TO MEET LABORATORY NEEDS**

SLAC contact is John Weisend, Conventional and Experimental Facilities Department Head
650-926-5448, weisend@slac.stanford.edu

Summary Evaluation

| ELEMENT | | Letter Grade | Numerical Score | Objective Weight | Total Points | Total Points |
|---|---|---|---|---|---|---|
| **7.0** | **SUSTAIN EXCELLENCE IN OPERATTNG, MAINTAINING, AND RENEWING THE FACILITY AND INFRASTRUCTURE PORTFOLIO TO MEET LABORATORY NEEDS** | | | | | |
| 7.1 | Manage Facilities and Infrastructure in an Efficient and Effective Manner That Optimizes usage and Minimizes Life Cycle Costs | B- | 2.6 | 50% | 1.30 | |
| 7.2 | Provide Planning for and Acquire the Facilities and Infrastructure Required to Support Future Laboratory programs | B+ | 3.4 | 50% | 1.70 | |
| | | | | **Performance Goal 7.0 Total** | | 3.00 |

**Objective 7.1 – Manage Facilities and Infrastructure in an Efficient and Effective Manner That Optimizes usage and Minimizes Life Cycle Costs**

7.1a - SLAC identified a goal of 1.0% for MII in FY06 in the Ten Year Site Plan. The total planned maintenance expenditure stated in the Ten Year Site Plan for FY06 was $8.5m with an RPV of $850m, yielding the 1% goal. The actual expenditure was $9.3m resulting in a improved MII of 1.1% though this is under the SC MII goals of 2.0%.

In the FY2007 – FY2016 TYSP (submitted in June 2005) SLAC set $8.323 million as the target for the FY2006 maintenance budget. In the FY2008 – FY2017 TYSP (submitted in

June 2006) the $8.3 million figure was confirmed, with carryover funding included, as the targeted actual spend. The actual maintenance cost for FY2006 was $9.3 million. Using the RPV of $904,804,001 that was current until August, 2006, SLAC's MII was 1.03%.

SLAC believes that a maintenance expenditure of 2% of RPV, or about $18 million, would have had a significant negative impact on its research program and is not warranted because the Laboratory's deferred maintenance is only $31 million. A contractor has recently recalculated the RPVs for the nineteen unique site buildings and underground structures (which comprise nearly one-half of the site square footage) and a proposal will be submitted to DOE by end of October 2006 to adjust the RPVs for these high value, low maintenance facilities, for the MII determination, to a value commensurate with the systems and components that require maintenance.

7.1.b DM reduction goal for FY06 is $125k as stated in the Ten Year Site Plan.  Our actual DM reduction exceeded this amount as all facilities shops spend two days a month of effort dedicated to DM reduction and credit has been taken for projects that result in DM reduction. We are also doing a better job of tracking DM reduction work.

7.1.c(1) SLAC is achieving an 85% completion rate for scheduled fleet services maintenance and  80% for scheduled HVAC preventative maintenance.  Staffing limitations and access restrictions are controlling the performance in this area. We are not currently prioritizing preventive maintenance items in a consistent way. This will be improved next year as part of the CMMS implementation and in FY07 we expect to finish all the highest priority PMs on schedule.

7.1.d SLAC completed all of the energy goals for FY06 that were not contingent on the availability of funding. The complete FY06 Energy Management Report will be submitted by the end of November to the Energy Manger of Office of Science instead of being attached to the Performance Measures as directed by the Energy Manger in September.

**Objective 7.2 – Provide Planning for and Acquire the Facilities and Infrastructure Required to Support Future Laboratory programs**

7.2.a   Effective integrated planning for the acquisition, utilization, maintenance, recapitalization and disposition of real property.  The target was 100% of integrated planning milestones identified and agreed to by DOE-SC and SLAC in the areas of deferred maintenance, maintenance plan, FIMS and Rehab and Improvement Cost

   Proposed Milestones:

   • Identify DM Deficiencies planned for correction by fiscal year for all colors of
     money:  SLI, GPP, direct funded maintenance, indirect funded maintenance, and
     the SC DM Reduction Initiative.

   This was done in the TYSP as described in the table which follows.

**DM Reduction Program**

| | SC DMR Funding Goal (000) | Site DMR Funding Plan (000) | Estimate of DM at the end of the Fiscal Year (000) | Estimated ACI (estimated DM/ estimated RPV) |
|---|---|---|---|---|
| FY 05 | NA | NA | $ 21,290 | 0.98 |
| FY 06 | NA | Additions: $8,246, Inflation: $679, Reductions: GPP $445, Operating Funded $260 | $ 29,510 | 0.97 |
| FY 07 | 792 | Additions: $1,200, Inflation: $706, Reductions: SLI SORI $2,682, GPP $1,176, Operating Funded $1,087 | $ 26,472 | 0.97 |
| FY 08 | 1440 | Additions: $1,250, Inflation: $638, Reductions: SLI SORI $6,484, GPP $225, Operating Funded $2,173 | $ 19,477 | 0.98 |
| FY 09 | 2100 | Additions: $1,300, Inflation: $478, Reductions: Operating Funded $2,810 | $ 18,445 | 0.98 |
| FY 10 | 2760 | Additions: $1,350, Inflation: $455, Reductions: Operating Funded $2,760 | $ 17,490 | 0.98 |
| FY 11 | 2760 | Additions: $1,200, Inflation: $430, Reductions: Operating Funded $2,760 | $ 16,360 | 0.98 |
| FY 12 | | Additions: $1,250, Inflation: $405, Reductions: Operating Funded $1,693 | $ 16,322 | 0.99 |
| FY 13 | | Additions: $1,300, Inflation: $405, Reductions: Operating Funded $1,800 | $ 16,228 | 0.99 |
| FY 14 | | Additions: $1,350, Inflation: $404, Reductions: Operating Funded $1854 | $ 16,128 | 0.99 |
| FY 15 | | Additions: $1,400, Inflation: $403, Reductions: Operating Funded $1,910 | $ 16,021 | 0.99 |
| FY 16 | | Additions: $1,450, Inflation: $402, Reductions: Operating Funded $1,967 | $ 15,906 | 0.99 |
| FY 17 | | Additions: $1,500, Inflation: $400, Reductions: Operating Funded $2,144 | $ 15,662 | 0.99 |

The DM in the TYSP was projected to be $29.5 million at FY2006 end, whereas it is in fact $31.1 million. As stated in the TYSP, "It must be emphasized that the annual estimated additions of DM in the table below are very rough, particularly because a third party CAS inspection program is being initiated for OSFs in FY2006 which may result in the identification of more deferred maintenance than expected." The OSF inspection did indeed result in more DM than expected.

- Identify the maintenance portion of GPP and line item projects that (are?) a combination of improvements and maintenance.
  This has been done. The Infrastructure Plan lists planned GPP projects for the next 10 years, and those GPPs that will address deferred maintenance are identified. SLAC has only one line item project, SORIP, and its deferred maintenance reduction has been identified.
- Establish a formal system for notifying SSO of the prioritization of all types of facility projects prior to finalizing the projects planned for accomplishment during the current fiscal year and planned for accomplishment during future fiscal years.
- Review all facility project needs to identify criteria for the planned color of money and obtain concurrence from SSO.
  Projects were identified through the budgetary process and funded accordingly by color of money. The budgetary process consists of collecting project requests from the Directorates, rating the projects using the CAMP process and submitting the list to the SLAC Infrastructure Committee. The SLAC Infrastructure Committee then makes its project recommendations to the Laboratory Director within the funding limits afforded by the Laboratory FY budget plan.
- Submit a draft 2006 TYSP that conforms to HQ Guidance at least one week prior to the date for submission to HQ.
  The draft was submitted to the SSO for review three business days before the due date for submission to HQ.
- Submit the Integrated Facilities and Infrastructure Budget that conforms to Budget Guidance at least one week prior to the date for submission to HQ.
- Complete annual Condition Assessment Survey (including formal inspection reports with estimates) for all FIMS building and trailer assets scheduled for inspection during FY06.  This was done.
- Complete annual Condition Assessment Survey (including formal inspection reports with estimates) for identified FIMS Other Structures and Facilities (OSF) assets scheduled for inspection during FY06.  This was done.
- Establish a system for use during FY06 for identification of completed DM to support credible Quarterly Reporting of the amount of DM reduction by color of money.
  The non-project DM was listed in the CEF Service Request System by item, allowing identification of items as they are completed. The projects which included DM were identified and tracked in the Infrastructure Plan. An Excel spreadsheet was prepared each quarter, beginning with Q2, that summarized remaining and completed (by quarter) DM by asset.

- Perform reconciliation of FIMS data and MARS data acceptable to the CH Service Center based on the FIMS User's Guide.
  This was done. FIMS and STARS financial data for capitalized assets are reconciled.

7.2.b The SORI project is within 5% of target for cost and schedule. Cumulative costs to date are $5,130 in accrued and committed funds. The FY06 budget is $5,334 for a percentage of 96% which is within the -5% target for cost. The lower tier milestone targets are expected to be one month late. CD3 was achieved as scheduled.

7.2 c Effective execution of facility and infrastructure projects greater than $250K for FY06

| Project | Budget ($K) | Cost ($K) | Cost to Budget | Cost Variance | Weighting Factor | Weighted Variance | Schedule Status |
|---|---|---|---|---|---|---|---|
| 51-75 A&E restroom ADA retrofit | $270 | $256 | 94.8% | 5.2% | 0.026 | 0.14% | Complete |
| 52-36 Research Yard Cooling Tower | $1,882 | $1,887 | 100.3% | -0.3% | 0.184 | -0.05% | Complete |
| 52-49 Klystron Gallery Equip grounding | $397 | $397 | 100.0% | 0.0% | 0.039 | 0.00% | Complete |
| 52-50 Upgrade Sub 7 | $1,220 | $1,226 | 100.5% | -0.5% | 0.119 | -0.06% | On schedule |
| 52-51 Upgrade SCS 1st and 2nd floor | $450 | $444 | 98.7% | 1.3% | 0.044 | 0.06% | On schedule |
| 52-57 ESB/Test Accelerator Seismic | $237 | $200 | 84.4% | 15.6% | 0.023 | 0.36% | On schedule |
| 53-24 Secondary Containment upgrade | $332 | $308 | 92.8% | 7.2% | 0.032 | 0.23% | On schedule |
| 54-40 Light Assembly Building Sub | $1,589 | $1,589 | 100.0% | 0.0% | 0.155 | 0.00% | Complete |
| 55-35 SLAC 10gb Network upgrade | $823 | $823 | 100.0% | 0.0% | 0.080 | 0.00% | Complete |
| 55-40 Bldg 081 Elect upgrade | $333 | $306 | 91.9% | 8.1% | 0.033 | 0.26% | Complete |
| 55-55 Cooling Tower Chem. Hut | $285 | $75 | 26.3% | 73.7% | 0.028 | 2.05% | On schedule |
| 55-60 GLAST Operations Facility | $572 | $463 | 80.9% | 19.1% | 0.056 | 1.06% | On schedule |
| 55-65 Directors Office remodel | $500 | $483 | 96.6% | 3.4% | 0.049 | 0.17% | On schedule |
| 56-50 Bldg 050 1st floor Water Cooled Racks | $298 | $219 | 73.5% | 26.5% | 0.029 | 0.77% | On schedule |
| 56-75 RA2 and RA4 Switchgear replacement | $462 | $439 | 95.0% | 5.0% | 0.045 | 0.22% | On schedule |
| 14-0016 FFTB Waste Disposal | $337 | $300 | 89.0% | 11.0% | 0.033 | 0.36% | On schedule |
| 14-0170 Bldg 040 and 084 lighting | $252 | $252 | 99.9% | 0.1% | 0.025 | 0.00% | Complete |
| | | | | | | | |
| Totals | $10,239 | | | | 1.000 | 5.59% | |

**Goal 8.0 SUSTAIN AND ENHANCE THE EFFECTIVENESS OF INTEGRATED SAFEGUARD ANDSECURITY MANAGEMENT (ISSM) AND EMERGENCY MANAGEMENT SYSTEMS.**

SLAC contact is Robin Wendt, Interim Director, Office of Assurance
650-926-4295, rawendt@slac.stanford.edu

Summary Evaluation

| ELEMENT | Letter Grade | Numerical Score | Objective Weight | Total Points | Total Points |
|---|---|---|---|---|---|
| **8.0 Sustain and Enhance the Effectiveness of Integrated Safeguards and Security Management (ISSM) and Emergency Management System** | | | | | |
| 8.1 Provide an Efficient and Effective Emergency Management System | B- | 2.5 | 50% | 1.25 | |
| 8.2 Provide and Efficient and Effective System for Cyber Security | A- | 3.5 | 40% | 1.60 | |
| 8.3 Provide Efficient and Effective System for the Protection of Special Nuclear Materials and Property | B+ | 3.2 | 10% | 0.32 | |
| Objective 8.4 – Provide and Efficient and Effective System for the Protection of Classified and Sensitive Information | N/A | | 0% | 0.00 | |
| **Performance Goal 5.0 Total** | | | | | 3.17 |

**Objective 8.1 – Provide and Efficient and Effective Emergency Management System**

- PM 8.1.a, "Lessons Learned" document to be submitted in a timely manner, in general, as a best effort, within 45 days of an occurrence: One occurrence report was related to the fire in IR 4 (ORPS Occurrence Number SC-SSO-SU-2006-0010). A lessons-learned is in process but was not published within the 45 day timeframe. However, the investigation conducted on the fire was presented to the

Accelerator Systems Division, the Conventional and Experimental Facilities Department, and the external Machine Advisory Committee. Additionally, the associated Occurrence Report was posted on the Occurrence Reporting web page https://www-internal.slac.stanford.edu/operations/orps/. The report, including a paragraph on final evaluation/lessons learned, was called to the attention of all site ES&H coordinators and site supervisors.

- PM 8.1.b, An external review, survey, or inspection will be conducted at least once per year. Additional reviews may result if there is a significant event requiring follow-up action: An internal independent assessment of the SLAC Emergency Management System was conducted July 2006.

- PM 8.1.c, Employee and Management awareness of their Emergency Management responsibilities to include emergency response plans, training, established points of contact, providing SSO training records, and an emergency response plan submitted to SSO for approval: All items were met except that training records and an updated emergency response plan were not provided to SSO. Training was, however, partially completed.

- PM 8.1.d, Complete corrective actions in accordance with an approved Corrective action plan documented in ORPS: Corrective actions are on track for the occurrence report (described above) and the assessment report.

**Objective 8.2 - Provide and Efficient and Effective System for Cyber Security**



**Stanford Linear Accelerator Center**

**Performance Based Management Process**
**Self-Assessment Report**
**October 2006**

**Functional Area:** *Unclassified Computer Security*

## *(1) Introduction/Background*

| | (i) Contractor | (ii) DOE Office |
|---|---|---|

Contract No.: DE-AC02-76SF00515       IMD: Name: Nancy Adair
Point of Contact: Robert D. Cowles       Telephone No.: (510) 637-1741
Telephone No.: (650) 926-4965       CO Name: Melna Jones
FAX No.: (650) 926-3329       Telephone No. (510) 637-1741 (OAK)
E-mail: bob.cowles@slac.stanford.edu

**(b) Date of last assessment: October 2005**

*(a) Departmental Overview*

### (c)  Laboratory Mission

The Stanford Linear Accelerator Center is the lead Department of Energy (DOE) laboratory for electron-based high energy physics. It is dedicated to research in elementary particle physics, accelerator physics and in allied fields that can make use of its synchrotron radiation facilities—including biology, chemistry, geology, materials science and environmental engineering. Operated on behalf of the DOE by Stanford University, SLAC is a national user facility serving universities, industry and other research institutions throughout the world. Its mission can be summarized as follows:

- Perform world-class research in high energy physics, particle astrophysics and cosmology, and in the use of synchrotron radiation

- Provide accelerators, detectors, instrumentation and support for national and international research programs in elementary particle physics and allied fields that use synchrotron radiation

- Advance the art of accelerators and related devices through development of sources of high energy particles and synchrotron radiation, plus new techniques for their scientific utilization

- Advance the critical technologies necessary to maintain its leadership and excellence in particle physics, accelerator physics, particle astrophysics and cosmology, and synchrotron radiation

- Transfer practical knowledge and innovative technology to the private sector

- Contribute to the education of the next generation of scientists and engineers, and to the scientific awareness of the public

- Achieve and maintain excellence in matters of environmental concern and provide for the safety and health of its staff and the general public.

## Organizational Mission

The Unclassified Computer Security function is responsible for coordinating and promoting programs within the Laboratory to assure that information resources provide protection commensurate with the risk and magnitude of harm that could result from loss, misuse, or unauthorized access or from modification of such information resources and to assure that systems and applications operate effectively and provide appropriate confidentiality, integrity, and availability protection.

The Unclassified Computer Security functional area self-assessment is based on, and measured against, performance objectives and standards as reflected in the SLAC contract.

### (d)  Identification of Self-Assessment Report Staff

## Names, titles, affiliations of participants

Bob Cowles, Computer Security Officer (CSO), SLAC
Heather M. Larrieu, Computer Security Team, SLAC

Richard Mount, Director, Scientific Computing and Computing Services (SCCS)

**(e) Scope of Self-Assessment**

(i) General Security Issues

A computer security awareness briefing was included in the September, 2006, ISEMS training given to all SLAC staff. An email is sent to all Windows when Microsoft releases critical patches. Users are encouraged to test patches before the lab-wide deployment and reminded to update other systems (e. g. home systems) that are not centrally maintained. Email and newsletters are used to communicate security issues site-wide. We continue to perform SANS Top-20 vulnerability scans against all machines on the network.

(ii) Web and Anti-Virus
Activities

Almost all incoming mail enters SLAC through a single gateway that runs flexible algorithms for scanning and stripping potentially harmful attachment files. Further scanning is performed at the MS Exchange server, and real-time anti-virus scanning is performed at the user's workstations and home directory file servers. There were no reportable incidents of serious virus infection at SLAC in FY2006.

**Secure BSD-Network**

Work is continuing on the business system network to accommodate the PeopleSoft HR and Financials applications move to PeopleSoft version 8. Substantial changes in the security structure have been implemented and are undergoing refinement to accommodate broader access to PeopleSoft information through a web and application server (3-tier) architecture. A new management network and firewall design is in the process of being deployed.

SPAM
The "quarantine" option of the PureMessage spam-tagging software has proven effective in reducing the amount of scam email delivered to mail system users.

Management of Windows systems
We have steadily improved effectiveness of our patching program. This year we have moved from the SUS to the WSUS service which allows better patching support for applications. This system also has improved auditing capabilities. This improved system in conjunction with the configuration management enforcement has significantly improved the security posture of our Microsoft Windows based platforms. We are also discouraging users from using VPN in favor of Citrix-based remote access.

Management of Linux and Solaris systems
The SCCS Unix Systems Group uses software to standardize the management of Red Hat Linux, Scientific Linux and Sun Solaris systems. This software is used on all central

Linux and Solaris servers and is strongly encouraged for desktop systems. There were two root compromises of managed systems during the year. The exact vector for the privilege escalation is still being investigated by CIAC as local investigators found no indication of an exploit of any known vulnerability.

There were also some SLAC user accounts compromised in security incidents at other sites. Intruders attempting to use those accounts were unable to get privileged access on SLAC systems. We have required password changes, SSH RAS key changes and suggested grid certificate revocations as applicable.

We continue to monitor for indications of user password compromise and brute-force password attacks on systems supporting interactive login.

Certification and Accreditation Activities
A C&A package, which grew out of the SC sponsored SAV program, was approved by the DAA. The policies and documentation contained therein are in a form that is satisfies the latest DOE and NIST requirements, is consistent across the SC Labs, and has the approval of OA.

**Risk Assessment and Mitigations**

Complete Threat and Risk Assessments have been conducted with internal and external subject matter experts. They and their associated mitigations are documented and included in the Certification and Accreditation package approved September 2006.

|  | (ii) Discussion of Individual Performance Objectives |
|---|---|

In measuring the performance of this Objective the DOE evaluator shall consider the following:
- The Contractor's success in meeting Cyber-Security goals and expectations.
- The commitment of leadership to a strong Cyber-Security performance is appropriately demonstrated through security plans, audits, and reporting/follow-up on all Cyber-Security incidents.
- The maintenance and appropriate utilization of Cyber-Security risk identification, prevention, and control processes/activities. One aspect of this area would involve network firewall implementation and audit reviews.

The overall performance (outcomes/results) of the following set of performance measures (tasks, activities, requirements, accomplishments, and/or milestones) shall be utilized by evaluators as the primary measure of the Contractor's success in meeting this Objective and for determining the numerical score awarded. The evaluation of this Objective may also consider other tasks, activities, requirements, accomplishment, and/or milestones not

otherwise identified below but that provide evidence to the effectiveness/performance of the Contractor in meeting this Objective. The weight of this objective is 40%.

8.2.a Cyber-Security Events are reported and mitigated immediately. Performance of network vulnerability scans on the SLAC network systems on a periodic basis (e.g. quarterly), or after significant system upgrades/changes. Reports from network system scans shall be submitted on a quarterly basis to the DOE/SSO.

8.2.b An external review, survey, or inspection will be conducted at least once per year. Additional review may result if there is a significant event requiring follow-up and corrective action.

8.2.c Ability to complete corrective actions for cyber-security events in a timely manner by the responsible line organizations. Cyber-security events are documented, and a "Lessons-learned" document for the year is compiled. Timeliness will be dependent on the level of the cyber-security event.

8.2.d Employee and Management awareness of their Cyber-security responsibilities, as evidenced by plans and employee training. Documented evidence of employee training on cyber-security shall be submitted to the DOE/SSO for review.

**Discussion**

Our Vulnerability Management, Incident Handling, and Security training program and policies are all documented in the Certification and Accreditation package approved by the site office. Cyber-security events are addressed upon discovery and, as indicated, are reported to appropriate agencies on a timeline consistent with published guidance. The Vulnerability Management program includes graduated periodic scanning including daily scans, quarterly scans, and "on access" scans for VPN connections. An activity report on quarterly scanning is provided to the SSO.

In July, Oak Ridge Operations Office conducted a Security Survey which included unclassified Cyber Security. The Cyber Security achieved a positive observation and no findings from the survey team.

In addition to specific event management processes that are a component of the Vulnerability Management program, cyber-security events are managed via our trouble ticketing system which facilitates logging and archiving, activity tracking, and workflow assignment. The analysis of each event is chronicled, including its remediation and any "lessons learned," in the trouble ticketing system.

The CSPP and Cyber Security Program Policies outline the line management roles and responsibilities for cyber security. Senior lab management has signed the C&A package accepting those responsibilities. Additionally, enclave owners developed the security plans for their systems. Those plans supplement the lab's core Cyber Security Program Plan (CSPP) detailing the enclave specific implementations of the required controls

which include user awareness and training.  Users and employees sign an acceptable usage agreement referencing computer security policies prior to being assigned a computer user account.  Lab personnel have also been made aware of and acknowledged their role for appropriate data handling for PII data.  In addition to the annual ISEMS briefing, a lab wide electronic newsletter and several mailing lists are used for communicating computer security issues to the lab community.

**Status of FY2006 Goals:**

1. Implement a "Scan-Me" facility so desktop administrators can test the efficacy of their patching
   Completed
2. Implement a registration system on the visitor network.
   Completed
3. Complete updates to CSPP and C&A packages in conformance with latest NIST guidelines and DOE directives.
   Completed.  A Certification and Accreditation package was signed by the DAA

**(f)  Improvement Action Plan/Goals**

**Goals for FY2007:**
1. Institute enforcement of password aging for Unix systems
2. Wireless network improvements for better detection of rogue access points
3. Develop enhanced security training program

**Objective 8.3 – Provide and Efficient and Effective System for Protection of Special Nuclear Materials**

- PM 8.3.a, Safeguard events are reported and mitigated as necessary: There were no safeguard events during the year.

- PM 8.3.b, External reviews, surveys, or inspections will be conducted once per year: The ISC/OR conducted an NMC&A inspection as part of the Focused Audit on Security in July 2006.

- PM 8.3.c, Ability to complete corrective actions:  There were no corrective actions requiring completion in FY06.

- PM 8.3.d, Employee and Management awareness of their Safeguards responsibilities:  No problems were identified during the ISC/OR NMC&A inspection in July 2006 (see PM 8.3.b above).

**Objective 8.4 – Provide and Efficient and Effective System for the Protection of Classified and Sensitive Information**

N/A