

FY 2004
Procurement Performance
Assessment Model
(PROAM)
“Gauge Model”

Lawrence Berkeley National Laboratory

University of California Laboratory Administration Office

Department of Energy, Oakland Service Center/Berkeley Site Office

October 1, 2003
(Revised 12/03/03)

SUPPLEMENT TO
LAWRENCE BERKELEY NATIONAL LABORATORY
PROCUREMENT PERFORMANCE ASSESSMENT MODEL

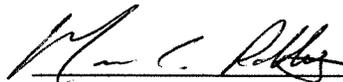
Contract No.: DE-AC03-76SF00098

The Procurement Functional Managers from the Department of Energy (DOE), University of California Laboratory Operations (UCLO), and Lawrence Berkeley National Laboratory (LBNL) have agreed to the contents of LBNL's Procurement Performance Assessment Model (PROAM) dated December 3, 2003.

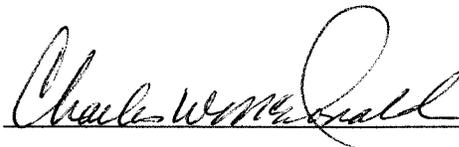
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Introduction

The Procurement Functional Managers from the Department of Energy (DOE), University of California Laboratory Administration Office (UCLAO), and Lawrence Berkeley National Laboratory (LBNL) have agreed to employ a Procurement Performance Assessment Model (PROAM) for FY 2004. This model has been mutually adopted by all parties in FY 2004. It was designed to serve as a single, comprehensive assessment tool that provides systematic, ongoing measurement and evaluation of the procurement systems at LBNL for both the DOE Balanced Scorecard (BSC) Performance and Management Program and UC Prime Contract, Appendix F “Objective Standards of Performance for Procurement” and is consistent with the fiduciary responsibilities outlined in these documents. The PROAM is the management assurance system framework that establishes and maintains a customer focus, a continuous and breakthrough process improvement culture, and an emphasis on results.

Model Overview

The PROAM is comprised of performance “gauges” that document the performance level for the reporting period. Most elements are measured quarterly; therefore, ongoing performance scores are gathered and available throughout the assessment period to allow LBNL, DOE, and UCLAO to “gauge” the health of the procurement system and customer service levels. Frequent, visible reporting allows for quick intervention in any element and serves as a key component of the DOE Purchasing System Operational Awareness program. All stakeholders [UCLAO, DOE Oakland Service Center (OAK)/Berkeley Site Office (BSO) and LBNL] mutually agree upon measured activities, sub-gauges, and gradients before the beginning of the fiscal year. All modifications to model components will be mutually negotiated by all stakeholders, if necessary, as a result of changes in regulations or requirements, decreases in funding, or new initiatives. Overall performance will be rated as Unsatisfactory, Marginal, Good, Excellent, or Outstanding based on the total number of points achieved.

PROAM Components and Structure

The components of the PROAM can be explained best by using Exhibit I – *LBNL FY 2004 Procurement System Approval Assessment* as a road map. A certain amount of focused effort must be performed in order to successfully accomplish the critical activity that ultimately produces the performance measure outcome. Procurement has identified these efforts and has categorized them horizontally into the four main BSC objectives as follows:

1. Internal Business Processes
 - Assessing System Operations*
 - Measuring Effectiveness*
 - Measuring Supplier Performance*
 - Meeting Socioeconomic Commitments*
2. Customer
 - Customer Satisfaction Rating*
3. Financial
 - Cost-to-Spend Ratio*

4. Learning and Growth
Employee Satisfaction Rating
Measuring Availability of Information

Site-specific *sub-gauges* are selected and measured for each of the four groups. These specific activities clearly document DOE expectations and form the critical foundation elements of the procurement system approval at the Laboratory. The references to these sub-gauges are shown in the first four columns as you move from left to right across

Exhibit I:

1. Performance Measures/Measured Activities
This column provides a description of the selected sub-gauge activities. More detailed information on each of the sub-gauges is provided in Appendix A.
2. Gradient
This column provides the performance band used to measure performance for each critical activity. Each gradient is comprised levels of performance equivalent to an “Unsatisfactory” (60%), “Marginal” (70%), “Good” (80%), “Excellent” (90%), and “Outstanding” (100%) rating. Based on the level of performance achieved, percentages are assigned and multiplied by the point value of the activity to determine the resulting activity score. “Good” represents the threshold for acceptable performance.
3. Activity Value
This column provides the point value assigned to each sub-gauge that constitutes the higher-level critical activity score.
4. Activity Score
This column is used to display the activity point score earned for each sub-gauge. A more detailed explanation regarding how the activity score is calculated is provided under “Measurement and Scoring Methodology,” below.

The last four PROAM columns are highest-level gauges and indicate the overall composite health of the procurement system.

1. Criteria
The column provides the eight key components of the procurement system.
2. Total Points for Activity
This column provides the total points earned for each criterion. This total is the sum of points earned for each of the measured sub-gauges that comprise the criterion.
3. Performance Objectives
This column provides the four critical elements deemed essential to ensure the existence of an approved Procurement System. The point value shown for each element is the sum of the total possible points for each of the core criteria that comprise the desired outcome/final product.

4. Overall Procurement Assessment

This column provides the overall points earned for the Procurement Assessment. The points earned will be used to determine if the Laboratory has an approved Procurement System.

Measurement and Scoring Methodology

LBNL, DOE, and UCLAO have mutually agreed upon the acceptable level of performance and corresponding gradient for each activity. If a sub-gauge does not have any activity at the end of a reporting period, a “Good” rating will be entered as a rating placeholder and will be used to calculate the estimated performance score to-date. The rating placeholder will be replaced by an actual performance rating as activity is earned. For activities occurring only once a year, the gauge score shall be entered based on the final result at the end of the designated timeframe. All other “sub-gauges” shall be scored based upon the annual cumulative result.

As a result of a reduction in funding, new initiatives or requirements, or other unplanned event, it may be necessary to re-evaluate the acceptable levels of performance and corresponding gradients. Changes in gradients will be negotiated annually by LBNL, DOE, and UCLAO. Gradients can also be negotiated on an as needed basis if unforeseen circumstances impact the Procurement organization during the self-assessment period. Modifications to measured activities, core measures, gradients, and desired outcomes may also be renegotiated at any time during the assessment period, if necessary, due to changes in regulations or requirements, decreases in funding, or new initiatives.

Value of Gradient Levels

For every sub-gauge listed in the PROAM, a gradient level has been established with an absolute value. The percentage of available points assigned for each gradient level is as follows:

- Outstanding Performance = **100%** of available points for the activity
- Excellent Performance = **90%** of available points for the activity
- Good Performance = **80%** of available points for the activity
- Marginal Performance = **70%** of available points for activity
- Unsatisfactory = **60%** of available points for activity*

**Performance at this level can result in a “for cause” review by the DOE Contracting Officer or the development of a site specific remedial action plan negotiated between LBNL, DOE, and UCLAO.*

Activity Scoring

The “activity score” for each sub-gauge is determined by multiplying the number of points shown in the “Activity Value” column by the gradient earned (Unsatisfactory = 60%, Marginal = 70%, Good = 80%, Excellent = 90%, and Outstanding = 100%). For example, if the result of the Cycle Time for transactions >\$100,000 is 35 days, (which equates to “Good” performance worth 80% of the points), the activity score would be calculated as 10 points x 80% = 8.0.

Overall Scoring

The total earned points for each core measure/critical activity are added together to arrive at the overall score for the organization. One hundred (100) total points are available. The table below is used to convert the final PROAM score to FY 2004 Prime Contract Appendix F Contractual Scoring:

- A score ≥ 95 points = Outstanding*
- A score ≥ 90 points = Excellent*
- A score ≥ 80 points = Good*
- A score ≥ 70.4 points = Marginal*
- A score < 70.4 points = Unsatisfactory*

Procurement Scoring Table

PROAM Points Earned	Translation to Appendix F Contractual Scoring	Adjectival Rating
98.5 - 100	98	Outstanding
96.8 - 98.4	95	
95.0 - 96.7	92	
93.8 - 94.9	88	Excellent
92.0 - 93.7	85	
90.0 - 91.9	82	
86.6 - 89.9	78	Good
83.4 - 86.5	75	
80.0 - 83.2	72	
76.8 - 79.9	68	Marginal
73.6 - 76.7	65	
70.4 - 73.5	62	
67.2 - 70.3	58	Unsatisfactory
64.0 - 67.0	55	
60.8 - 63.9	52	

System Assurance

One of the elements of a credible procurement performance measurement and management system is the level of competency, independence, and objectivity of those assessing the operation of the systems. To facilitate such credibility as an integral part of all procurement system assessments, the Laboratory’s self-assessments may be supported by:

- DOE validation,
- Procurement Evaluation and Review Team (PERT) Peer Review Program,
- Contractor Purchasing System Review (CPSR), and/or
- Other independent third party validation.

The DOE/OAK Contracting Officer may use any of the above methodologies as a factor in determining system approval.

Annual Schedule

The assessment period is October 1, 2003, to September 30, 2004. The joint LBNL/UCLAO assessment of points achieved will be reported to DOE on or before October 31, 2004. Brief quarterly updates will be transmitted within 30 days after the end of each of the first three-quarters. The annual LBNL/UCLAO integrated report will be submitted to DOE by the end of October describing the quarterly results and the overall assessment.

EXHIBIT I

LAWRENCE BERKELEY NATIONAL LABORATORY
FY 2004 PROCUREMENT SYSTEM APPROVAL ASSESSMENT

Performance Measures/Measured Activities	Gradient 60/70/80/90/100	Activity Value	Activity Score	Criteria	Total Points for Activity	Performance Objectives
Internal Business Processes						
1.1.a Assessing Systems Operations						
1.1.a.1 Management System and One-Time Purchases	Evaluation of Report	15				
1.1.a.2 Procurement Card Purchases	Evaluation of Report	15			30	
1.2.a Measuring Effectiveness						
1.2.a.1 Average Cycle Time (Days), Transactions > \$100K	>45.0/45.0/39.9/34.9/<30.0	10				
1.2.a.2 Average Cycle Time (Days), Transactions ≤ \$100K (BSC Reporting Only)	Target: 8 - 10	0	N/A			
1.2.a.3 Average Cycle Time (Days), Overall (BSC Reporting Only)	Target: 10 - 13	0	N/A			
1.2.a.4 % of transactions placed through Rapid Purchasing Techniques	<80.0/80.0/85.0/90.0/>92.9	10			20	Management of Internal Business Processes
1.2.a.5 % of transactions placed by users (BSC Reporting Only)	Target ≥40%	0	N/A			
1.2.a.6 % of transactions placed through E-commerce (BSC Reporting Only)	Target ≥ 10%	0	N/A			
1.2.a.7 % of transactions placed through Effective Competition (BSC Reporting)	Target ≥ 30%	0	N/A			
1.3.a Measuring Supplier Performance						
% of On-Time Deliveries by Key Suppliers	<76.0/76.0/81.0/86.0/>90.9	5			5	
1.4.a Meeting Socioeconomic Commitments						
Small Business	Target ≥ 32.0	2				
Small Disadvantaged Business	Target ≥ 6.0	1				
Women-Owned Small Business	Target ≥ 4.0	1				
Hubzone Small Business	Target ≥ 1.0	0.5				
Veteran Small Business	Target ≥ 0.5	0.5				
Customer						
2.1.a Customer Satisfaction Rating						
% of satisfied customers (using transactional surveys)	<62.0/62.0/72.0/82.0/>91.9	25			25	Customer Satisfaction
Financial						
3.1.a Cost to Spend Ratio						
% of purchasing organization cost compared to total procurement obligations	>3.50/3.50/2.99/2.74/2.50	5			5	Managing Financial Aspects
Learning and Growth						
4.1.a Employee Satisfaction Rating						
% of satisfied employees (using climate surveys)	<60.0/60.0/70.0/80.0/>89.9	5			5	Employee Feedback
4.2.a Measuring Availability of Information						
% of information items available compared to information items needed	<85.0/85.0/88.0/91.0/>93.9	5			5	Measuring Availability of Information
<p>>=95 Outstanding >=90 Excellent >=80 Good >=70.4 Marginal <70.4 Unsatisfactory</p>						
					0	Overall Procurement Assessment
					100	

Glossary

Activity Score

Score earned from the sub-gauge.

Balanced Scorecard

Objectives of DOE Procurement Business Model.

CPSR

Contractor Purchasing System Review.

Criteria

Key components of a procurement system.

DOE

Department of Energy.

DOE-OAK

Department of Energy, Oakland Service Center.

DOE-BSO

Department of Energy, Berkeley Site Office

Gauge

A single, comprehensive management and assessment tool providing systematic ongoing measurement and evaluation of the procurement system.

Gradient

Performance band used to measure acceptable performance for each measured activity/sub-gauge. Each gradient is comprised of five levels of performance equivalent to: Outstanding, Excellent, Good, Marginal, and Unsatisfactory.

LBNL

Lawrence Berkeley National Laboratory.

PERT

Procurement Evaluation and Review Team.

PROAM

Procurement Performance Assessment Model.

Self-assessment/system evaluation

Organization assessing its own performance based upon approved system evaluation criteria described in Appendix A of the PROAM.

Site-Specific Measured Activities/Sub-Gauges

Sub-gauges which measure the sub-products and processes forming the foundation of the procurement system.

Stakeholders

DOE and UCLAO.

UCLAO

University of California Laboratory Administration Office.

List of Exhibits

Exhibit I - LBNL FY 2004 Procurement System Approval Assessment

Exhibit II - Procurement System Evaluation Standards

Exhibit III - Transaction Review Work Sheet

Exhibit IV - Procurement Cardholder Audit Review Work Sheet

Exhibit V - FY 2004 Customer Survey

Exhibit VI - FY 2004 Procurement Employee Survey

Appendix A - Definitions of Measured Activities

1.0 Internal Business Processes (Activity Value – 60 Points)

The Laboratory shall have systems in place to ensure Procurement programs operate in accordance with policies and procedures approved by DOE and the requirements contained in Prime Contract Clause 8.1, Contractor Purchasing System.

1.1 Systems Evaluation (Activity Value – 30 Points)

The Laboratory conducts, documents, and reports annually, the results of a successful assessment of its purchasing system against evaluation criteria.

1.1.a Assessing Systems Operations (Activity Value – 30 Points)

The procurement system shall be assessed against the system evaluation criteria described below. A series of comprehensive system and/or transactional assessments will be performed each focusing on a specific area. Assessments will take into consideration the level of risk associated with each sub-process, cost benefit analyses, opportunities for process improvement and resolution of system deficiencies. Where applicable, historical data will be used to supplement results obtained for purposes of trend analysis.

1.1.a.1 Management System and One-Time Purchases (Activity Value – 15 Points)

1.1.a.2 Procurement Card Purchases (Activity Value – 15 Points)

Depth and Scope of 1.1.a.1 and 1.1.a.2

The procurement system will be evaluated in accordance with evaluation criteria shown in *Exhibit II - Procurement System Evaluation Standards*, covering major system and transactional compliance elements and key purchasing areas of the Laboratory's Procurement System. The list forms the basis for procurement system review and is compiled collectively from best commercial practices, BSC program measures, and DOE Contractor Compliance Review Objectives. FY 2004 review standards address the following major facets of the LBNL procurement system:

- Management System
- Policies and Procedures
- Subcontract Clauses
- Purchase Requirements
- Pre/Post-award Administration
- Source Selection
- Price and Cost Analysis
- Distributed Procurements

In general, self-assessments follow a balanced approach and include discussions, as applicable, of customer satisfaction, cost efficiency, applicable laws and regulations, and compliance. Assessments will also consider the results of prior assessments, IG/GAO reports, DOE management reviews, internal peer reviews and other assessment reports. The FY 2004 DOE BSC Program Guidelines, Contract 98, Laboratory Regulations and Procedures Manual, Procurement Card Guide, and applicable portions of the University of California Laboratory Procurement Standard Practices Manual will be used as guidelines in conducting system evaluations.

Self-assessments take the form of documented system and/or purchase transaction reviews. System reviews involve assessing manual and electronic files, records, reports and interviews of management personnel. Transaction reviews are summarized and documented on *Exhibit III – Transaction Review Work Sheet* for Procurement transactions and *Exhibit IV - Procurement Cardholder Audit Review Work Sheet* for Procurement Card purchases. These worksheets were developed to collect data crucial to testing Procurement's compliance with review elements identified in *Exhibit II - Procurement System Evaluation Standards*. In addition, they provide evaluation consistency, results compilation, report preparation, and auditable records. The worksheets consider such areas as:

- Conformance to Policy Guidelines,
- Acquisition Planning,
- Lead-time,
- Socioeconomic Subcontracting,
- Competition,
- Evaluation and Source Selection,
- Price Analysis,
- Delivery and Performance,
- Property Administration,
- File Documentation,
- Cost Savings, and
- Closeout Status.

Based upon data tabulated and analyzed following each review, a report will be prepared and submitted to DOE and UCLAO detailing all pertinent findings, risk assessments, cost/benefit analyses, opportunities for improvement, and corrective action status. Validation of proceedings may be conducted, as deemed necessary, by designated DOE/UCLAO observers.

Sampling Technique

LBNL will use the US Army Audit Agency Statistical Sampling System for determining the sample size for transactional evaluations. To ensure an accurate data source, the purchasing system database will be used as the universe for sample size development. The sample size (number of files) of each review will be determined by the sampling system based on a 90% confidence level, 10% error rate, and 9.9% precision rate applied to the designated universe or population size. Depending upon the situation, emphasis may be placed on higher dollar or unusually complex procurements. The review sample will also select from as many Subcontract Administrators as the universe allows. Additional transactions over and above the minimum sample size may be selected based on determination of added risk and vulnerability of the area reviewed and consideration of previous findings.

The sampling universe will include all applicable transactions placed since the prior review or validation up through the time of re-evaluation or twelve months, whichever is less. Validations, if any, will employ identical sampling techniques based upon the then available sampling universe.

Self-Assessment Review Personnel

Each self-assessment will be conducted by a team of one or more Subcontract Administrators headed by an independent reviewer external to Procurement, selected by the Chief Procurement Officer (CPO). In the event an independent reviewer is not available, the Procurement self-assessment lead, who manages the FY 2004 Self Assessment Program and participates in all reviews, will head the team. Procurement’s self-assessment lead in FY 2004 is Mr. David Chen.

Prior to each system evaluation, a Program Agenda will be prepared by Procurement and distributed to designated reviewers with copies to the CPO, UCLAO, and DOE Observer(s). The DOE Contracting Officer or designee will validate the reviews. Additionally, both DOE and UCLAO will perform reviews of draft system evaluation reports prior to official dissemination.

Activities and Schedule

The Laboratory’s FY 2004 System Evaluation Schedule is shown below. The program continues the phased approach from prior years – now based on a 36 month cycle (as prescribed under the DOE BSC/Contractor Review Objectives), with high risk elements reviewed annually (i.e. Procurement Card Purchases). The phased approach maintains a high degree of cost effectiveness while ensuring thorough coverage of all sub-processes. The areas scheduled for FY 2004 include Management System, Procurement Card Purchases, and One-Time Purchases. DOE will be notified of any schedule changes based on unforeseen circumstances.

FY 2004 System Evaluation Activities and Schedule

<i>Type of System Evaluation</i>	<i>System Evaluation Standard/Element</i>	<i>Scheduled Date</i>
Management System	Organizational structure, delegation of authority, staffing, training, MIS, Standards of Conduct	30 Nov 2003 (last reviewed Jan 01)
One-Time Purchases	Procurement Policy and Standard Practices All transactional elements	29 Mar 2004 (last reviewed May 01)
Procurement Card Purchases	Procurement Card Guide Procurement Policy & Standard Practices	16 Jan 2004 (last reviewed Jan 03*)

* Review conducted by DOE Headquarter (HQ).

In addition to the above milestones, the Laboratory is committed to conducting validation reviews of individual evaluations every four to six months, as determined by the CPO, after corrective actions are completed (including from prior year's assessments). The Contracting Officer will validate corrective measures.

Management of Results

Self-assessment results will be managed and include risk and cost/benefit assessments of findings, opportunities for improvement, and corrective actions. System evaluation reports will include results and conclusions for each standard/element reviewed, along with a summary of the CPO's risk assessment and decision process.

In the event of critical deficiencies - those determined to carry significant cost, program, compliance or legal impact, or of systemic deficiencies – those that have an incidence of occurrence of 10% or more of the sample are uncovered during the evaluation, including those identified by either Procurement, a requester, or external organizations, an in-depth root cause analysis will be performed, followed by the necessary risk assessment, cost/benefit analysis and prioritization of corrective actions, if any, and inclusion of completion dates as part of the plan for managing results. These will be documented in each report. The CPO will review draft reports, perform risk and cost/benefit assessments as applicable, coordinate decisions on courses of actions to be taken, and supervise the implementation of corrective actions.

Corrective actions will be identified in a Corrective Action Plan and will include but not limited to policy amendments (i.e. Standard Practice; subcontract documents, etc.), oral and written advisories to offenders, supplementary training, and/or targeting specific processes for improvement. All corrective actions and validations, if needed, will be tracked, documented, and reported quarterly. Their implementation will be prioritized based on relative levels of risk—with higher risk items taking precedence. To maintain cost effectiveness, the Laboratory plans not to track non-process related deficiencies (i.e. those that have a low incidence of occurrence, low cost/schedule impact, etc.) as indicated in the evaluations. Instead, these will be corrected on an individual basis under the cognizance of designated Subcontract Administrators or Group/Team Leaders.

Gradients

Unsatisfactory	There is not an approach to the primary purpose of the system evaluation and there are major gaps in deployment of the assessment process. Cost benefit analyses and risk assessments are not accomplished and opportunities for improvement are not addressed. Leadership involvement is not evident.
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Marginal	There is a basic approach to the primary purpose of the system evaluation. Cost benefit analyses and risk assessments are applied to some deficiencies and opportunities for improvement are generally addressed. Remedial actions are pursued and leadership involvement is evident in some cases.
Good	There is a sound, systematic approach, responsive to the primary purpose of the system evaluation. Cost benefit analyses and risk assessments are good when addressing deficiencies and/or opportunities for improvement. Remedial actions are appropriate and demonstrate responsible leadership in many to most cases.
Excellent	The requirements for a "Good" rating are met. In addition, the approach is responsive to the overall purpose of the system evaluation and cost benefit analyses and risk assessments are good to excellent when addressing deficiencies and/or opportunities for improvement. Remedial actions are sound and demonstrate responsible leadership in most cases.
Outstanding	The requirements for an "Excellent" rating are met. In addition, the approach is fully responsive to all the requirements of the system evaluation and cost benefit analyses and risk assessments are excellent when addressing deficiencies and/or opportunities for improvement. Remedial actions are sound and demonstrate strong leadership in most cases.

1.2 Pursuing Best Practices (Activity Value – 20 Points)

The Laboratory will compare its operational effectiveness to benchmarking data and industry standards and establish goals and gradients accordingly.

1.2.a Measuring Effectiveness (Activity Value - 20 Points)

The Laboratory will be measured against benchmarks and industry standards for cycle time results for transactions (i.e., new purchase orders, task orders, and subcontracts), percent of transactions placed through rapid and alternate procurement approaches/techniques.

1.2.a.1 Average Cycle Time (Days) for Transactions More Than \$100,000 (Activity Value - 10 Points)

Performance will be assessed and rated based on the following gradients:

Unsatisfactory	> 45.0 Days
Marginal	40.0 – 45.0 Days
Good	35.0 – 39.9 Days
Excellent	30.0 – 34.9 Days
Outstanding	< 30.0 Days

1.2.a.2 Average Cycle Time (Days) for Transactions Equal To or Less Than \$100,000 (Activity Value - 0 Points)

Goal for BSC Reporting is: 8 – 10 Days

1.2.a.3 Average Cycle Time (Days) for all Transactions (Activity Value - 0 Points)

Goal for BSC Reporting is: 10 – 13 Days

1.2.a.4 Percent of Transactions Placed Through Rapid Purchasing Techniques (Activity Value - 10 Points)

The percentage of transactions placed through Rapid Purchasing Techniques will be measured. Transactions will include purchase cards, long-term purchasing agreements (blankets), e-commerce (see below), Just-In-Time (JIT), Oral Purchasing Orders, strategic agreements and supplier programs (e.g. Integrated Contractor Purchasing Team (ICPT) National Agreements).

The percent utilization of rapid purchasing techniques will be measured using the following formula:

$$\frac{\text{Number of Transactions Placed through Rapid Purchasing Techniques}}{\text{Total Number of Transactions}}$$

Performance will be assessed and rated based on the following gradients:

Unsatisfactory	< 80.0%
Marginal	80.0 – 84.9%
Good	85.0 – 89.9%
Excellent	90.0 – 92.9%
Outstanding	> 92.9%

1.2.a.5 Percentage of Transactions Placed by Users (Activity Value - 0 Points)

Goal for BSC Reporting = 40% of all Procurement transactions

1.2.a.6 Transactions Placed Through Electronic Commerce (Activity Value - 0 Points)

Goal for BSC Reporting = 10% of all Procurement transactions

1.2.a.7 Effective Competition for Actions Over \$100,000 (Activity Value - 0 Points)

Goal for BSC Reporting is = 30% of Competition Base

1.3 Effective Supplier Management (Activity Value - 5 Points)

The Laboratory shall manage its suppliers in such a manner as to ensure that the goods and services provided meet the Laboratory's requirements.

1.3.a Measuring Supplier Performance (Activity Value - 5 Points)

The Laboratory shall measure the percentage of on-time deliveries from key suppliers.

The percentage of on-time deliveries of purchased goods from key suppliers will be tracked quarterly and performance will be measured on a cumulative basis. The following formula will be used:

$$\frac{\text{Number of On-Time Deliveries by Key Suppliers}}{\text{Total Number of Deliveries by Key Suppliers}}$$

Key suppliers are defined as commodity vendors within the past three years who were awarded a minimum average of ten orders and \$50,000 per year, or those supplying critical commodities at any activity or dollar level. Analysis of supplier activity spanning three years, taking into consideration their programmatic significance, results in the selection of the following 22 key suppliers for FY 2004:

Agilent Technologies	JEOL
Amersham Biosciences	National Instruments Corporation
Apple Computer Inc.	Newport Corporation
Applied Biosystems Inc.	PC Mall
Boxx Technologies	Physical Electronics Inc.
CDW*	Stanford Research Systems
Dell Computer Corporation	Stealth Network Communications*
EDC Systems*	Sun Microsystems Inc.
Fine Tec Computer*	Technical Instrument San Francisco*
Fisher Scientific	Varian Inc.
FEI	VAT Inc.

* Small business concern

The Laboratory has determined that classifying Key Suppliers in this manner continues to allow for cost effective monitoring of a significant portion of the vendor base, while ensuring that suppliers of critical commodities with lesser activity are rigorously managed along with those with significant activity. Examples of key commodities include high precision optical mirrors and electron microscopes.

The Laboratory will strive to improve FY 2004 acquisition delivery times in key commodity areas beyond prior performance levels.

Performance will be based on cumulative results through year-end. Assessment and rating will be based on the following gradients:

Unsatisfactory	< 76.0%
Marginal	76.0 – 80.9%
Good	81.0 – 85.9%
Excellent	86.0 – 90.9%
Outstanding	> 90.9%

1.4 Socioeconomic Subcontracting (Activity Value – 5 Points)

The Laboratory shall support and promote socioeconomic subcontracting programs.

1.4.a Meeting Socioeconomic Commitments (Activity Value - 5 Points)

The Procurement organization will provide, the percentage of actual subcontract dollar obligations (not subcontract face value) in the following six categories: Small Business, Small Disadvantaged Business, Woman-Owned Small Business, HUBZone Small Business, and Veteran-Owned Small Business. A description of annual activities in support of the socioeconomic program will also be provided.

Obligations qualifying in more than one category may be counted in more than one category, e.g., Small Business and Small Disadvantaged Business. Lower tier subcontracts cannot be counted toward the primary goal, but may be goaled and reported separately.

The purchasing base will include all obligations incurred during the fiscal year period, excluding: (1) Subcontracts with foreign corporations which will be performed entirely outside of the United States; (2) Utilities (gas, sewer, water, steam, electricity and regulated telecommunications services); (3) Federal Supply Schedule Orders and GSA Orders to large businesses when all terms of the GSA contract apply; (4) Agreements with DOE management and operating contractors and University campuses; (5) Federal government and DOE mandatory sources of supply; Federal prison industries, industries of the blind and handicapped; and (6) Procurement card purchases.

Goals as negotiated with DOE for FY 2004 are as follows:

Small Business	32.0%
Small Disadvantaged Business	6.0%
Women-Owned Small Business	4.0%
HUBZone Small Business	1.0%
Veteran-Owned Small Business	0.5%

Performance will be based on cumulative results through year-end. Assessment and rating will be based on points received by meeting each of the goals as follows:

Small Business:	2 Points
Small Disadvantaged Business:	1 Point
Women-Owned Small Business:	1 Point
HUBZone Small Business:	0.5 Point
Veteran-Owned Small Business:	0.5 Point

2.0 Customer Satisfaction (Activity Value – 25 Points)

The Laboratory shall assess the degree of satisfaction with Procurement’s ability to meet internal customer needs in terms of timeliness, quality, and communications.

2.1 Customer Feedback (Activity Value – 25 Points)

As a continuous indicator of overall customer satisfaction, the Procurement function will survey the needs and satisfaction of its Laboratory customers relative to its purchasing systems and methods.

2.1.a Customer Satisfaction Rating (Activity Value – 25 Points)

As a continuous indicator of overall customer satisfaction under the BSC, LBNL Procurement will conduct real-time oral transaction surveys of its requesters relative to its purchasing systems and methods and use the results to determine satisfaction ratings. FY 2004 surveys will be conducted as described below.

Customer Sampling

Requesters of 48 randomly selected transactions and 12 transactions reflecting critical projects selected by the CPO will be surveyed verbally from a projected universe of approximately 5,400 transactions based upon an estimated confidence level of approximately 98% and error rate of 10% as determined by the US Army Audit Statistical System. Five surveys will be conducted per month.

Survey Questionnaire

The survey questionnaire (see Exhibit V, *FY 2004 Customer Survey*) addresses core response areas in the BSC Performance Measurement and Management Program including timeliness, quality, communication, efficiency, and ethical practices.

Requester Survey respondents will be asked to provide Yes/No answers to four questions and an overall satisfaction rating (Poor, Below Average, Satisfactory, Highly Satisfactory, or Outstanding) for the transaction with comments on potential areas for improvement. For scoring purposes, the responses will be converted to a 100-point scale by assigning 20 points to each question, so that the maximum score for each questionnaire will be 100 points. A “yes” response to each of the first four questions will be worth 20 points; a “no” response will be worth zero points. The response to the fifth question will be scored as follows: Poor, 0 points; Below Average, 5 points; Satisfactory, 10 points; Highly Satisfactory, 15 points; and Outstanding, 20 points. A score of 70 points or better for a questionnaire will be interpreted to mean that the customer is satisfied. The formula below will then be applied to determine the customer satisfaction rating.

$$\text{Customer Satisfaction Rating} = \frac{\text{Number of Satisfied Requesters}}{\text{Total Number of Requesters Responding to Survey}}$$

Survey Results

Survey results and comments for potential areas for improvement will be compared against the previous survey results to the maximum practicable extent and presented to Procurement management for review, analysis, and required action. Results will be reported in the year-end Self-Assessment.

Schedule

Surveying Milestones	Documentation	Scheduled Completion Date	Responsible Person
Conduct Verbal Requester Survey (five per month)	Survey Questionnaire	Monthly	Chen
Compile/Analyze/Report Results	Year-End Self-Assessment	July 2004	Chen

Gradients

Unsatisfactory < 62.0% of customers responding to survey are satisfied.
 Marginal 62.0% - 71.9% of customers responding to survey are satisfied.
 Good 72.0% - 81.9% of customers responding to survey are satisfied.
 Excellent 82.0% - 91.9% of customers responding to survey are satisfied.
 Outstanding > 91.9% of customers responding to survey are satisfied.

3.0 Managing Financial Aspects (Activity Value – 5 Points)

The Laboratory shall ensure optimum cost efficiency of purchasing operations.

3.1 Process Cost (Activity Value – 5 Points)

The Laboratory shall compare its operating costs as a percentage of total procurement dollars obligated to benchmarking data and industry standards and establish goals and gradients accordingly.

3.1.a Cost to Spend Ratio (Activity Value – 5 Points)

Operating costs as a percentage of total procurement dollars obligated will be computed. The Laboratory’s Purchasing Organization costs shall be divided by total purchasing obligations using the following formula:

$$\text{Cost to Spend Ratio} = \frac{\text{Purchasing Organization Costs*}}{\text{Total Purchasing Obligations}}$$

*Costs associated with Total Purchasing Obligations

Performance will be assessed and rated based on the following gradients:

Unsatisfactory	> 3.50%
Marginal	3.00% – 3.50%
Good	2.75% – 2.99%
Excellent	2.50% – 2.74%
Outstanding	< 2.50%

4.0 Learning and Growth (Activity Value – 10 Points)

The Laboratory shall ensure that information and feedback mechanisms are available to procurement employees to enhance continued successful procurement operations.

4.1 Employee Feedback (Activity Value – 5 Points)

The Laboratory shall foster improvement of processes and performance by assessing and pursuing improvements in employee satisfaction.

4.1.a Employee Satisfaction Rating (Activity Value – 5 Points)

As a continuous indicator of overall customer satisfaction under the BSC, LBNL Procurement will conduct written climate surveys of Procurement employees (excluding contractor employees) relative to its purchasing systems and methods and use the results to create satisfaction ratings. FY 2004 surveys will be conducted as described below.

Procurement Employees

All LBNL Procurement employees will be surveyed during May of 2004, based upon a 100% confidence level.

Questionnaire

The survey questionnaire (see Exhibit VI, *FY 2004 Procurement Employee Survey*) addresses core response areas in the BSC Performance Measurement and Management Program including workload, tools and equipment, management, and procurement ethics.

The Procurement Employee Survey will ask employees to rate their agreement with 12 questions within a range of 1 (strongly disagree) to 5 (strongly agree) as well as provide an overall satisfaction rating (Poor, Below Average, Satisfactory, Highly Satisfactory, Outstanding). All of a respondent's ratings will be added and divided by the sum of all questions (except those left blank) to arrive at a Respondent Satisfaction Index for each respondent. A score of 3.0 or higher shall mean the respondent is satisfied. Additional respondent comments will be evaluated.

Scoring

The following formula will be applied to measure Employee satisfaction:

$$\text{Employee Satisfaction Rating} = \frac{\text{Number of Satisfied Employees}}{\text{Total Number of Employees Responding to Survey}}$$

Survey Results

Survey results and comments for potential areas for improvement will be compared against the previous survey results to the maximum practicable extent and presented to Procurement management for review, analysis, and required action. Results will be reported in the year-end Self-Assessment.

Schedule

Surveying Milestones	Documentation	Scheduled Completion Date	Responsible Person
Distribute Written Employee Surveys	Survey Questionnaire	May 1, 2004	Chen
Compile/Analyze/Report Results	Year-End Self-Assessment	July 2004	Chen

Gradients

- Unsatisfactory < 60.0% of employees responding to survey are satisfied.
- Marginal 60.0% - 69.9% of employees responding to survey are satisfied.
- Good 70.0% - 79.9% of employees responding to survey are satisfied.
- Excellent 80.0% - 89.9% of employees responding to survey are satisfied.
- Outstanding > 89.9% of employees responding to survey are satisfied.

4.2 Information Availability (Activity Value – 5 Points)

The Laboratory shall make readily available to its employees current information important to the successful performance of their procurement related functions.

4.2.a Measuring Availability of Information (Activity Value – 5 Points)

The Laboratory will track, trend, and report the level of information available to Procurement employees. Information is considered available if it is current or requires only minor revision and the information is in compliance with Prime Contract requirements. *This is not a BSC core measure.*

The following formula shall be applied to measure the level of information availability on a quarterly basis:

Level of Information Availability =

$$\frac{\text{Number of Information Items Available (End of Quarter)}}{\text{Number of Information Items Needed (End of Quarter)}}$$

The following formula shall be applied to measure the level of information availability for year-end reporting:

Level of Information Availability =

$$\frac{\text{Sum of Number of Reported Information Items Available (Four Quarters)}}{\text{Sum of Number of Reported Information Items Needed (Four Quarters)}}$$

Gradients (Year-End Reporting)

Unsatisfactory	< 85.0%
Marginal	85.0% - 87.9%
Good	88.0% - 90.9%
Excellent	91.0% - 93.9%
Outstanding	> 93.9%

EXHIBIT II

PART I - SYSTEM ELEMENTS

MANAGEMENT SYSTEM

General

1. Does the procurement organization have a mission, vision statement, and a strategic plan for managing change consistent with principles of Quality Management? Are they effectively conveyed to department personnel?
2. Has the procurement organization continued the process of continuous improvement, including a shift from the Federal Norm to Best Commercial Practice? Has the Laboratory monitored its progress through best-in-class benchmarking? Are Balanced Scorecard (BSC) metrics captured and achieved?
3. Does the Laboratory have an internal self assessment program that provides reasonable assurance that self-evaluations of the entire procurement operation are credible and includes management assessments, review of procurement policy, procedures, standard clauses, and transactional reviews?
4. Does the procurement organization survey their internal customers for effective customer satisfaction and develop implementation actions for improvement?
5. Does the procurement organization survey its employees to determine their level of satisfaction? Is management responsive to their needs, problems and issues?

Organizational Structure

1. Are the organizational structure and location of the procurement activity appropriate?
2. Are systems in place to ensure that employees are aligned with the organization's business objectives?
3. Is there an adequate working relationship between the procurement activity and its internal and external customers, as well as other working organizations (legal office, quality assurance, accounting, receiving, property, etc.)?

Delegation of Authority

1. Are all delegations of purchase authority set forth in writing and the level of authority specified?
2. Are procedures in place that provide for advance notification to the U.S. Department of Energy (DOE) for transactions outside the procurement system's authority, as required?

Staffing

1. Is the supervisory span of control adequate for the delegated levels of authority relative to review of purchase transactions?
2. Is there an efficient utilization of available personnel?
3. Has a high level of operational efficiency (i.e. cost) been achieved?

Training and Development

1. Does the Laboratory have a system in place for recording training of procurement personnel? How is it kept current?
2. Is there an adequate program to ensure that those individuals responsible for the procurement and subcontracting function are trained adequately based on their job requirements?

Management Information System (MIS)

1. Is the Laboratory's MIS an integrated system among requesters, contracting, accounts payable, and receiving, which effectively collects, sorts and disseminates information on the procurement function from planning through closeout? Are the levels of access for input, data inquiry and changes adequate? Are backup provisions for the automated system adequate?
2. Does the Laboratory have a MIS that provides data for oversight of the procurement activity, including emphasis in such areas as a) Cycletime; b) Extent of competition; c) Socioeconomic accomplishment; d) Subcontractor performance; e) Procurement Card transactions?
3. Are the system reports and information satisfactory and useful to management and subcontract administrators' requirements?

Standards of Conduct

1. Does the Laboratory's system provide guidance and procedures for avoiding improper business practices and personal conflicts of interest and for dealing with their apparent or actual occurrence?
2. Has the Laboratory effectively implemented procedures designed to prevent and detect violations of the Anti-Kickback Act?

POLICIES AND PROCEDURES

1. Does the procurement organization maintain a written description of its business systems and operation?
2. Are the written procedures and methods consistent with provisions of the prime contract?
3. Are employees complying with the written purchasing policies and procedures in implementing purchasing practices?
4. Is consortium buying considered in the acquisition process? Are ICPTs used to the maximum practicable extent?

STANDARD CLAUSES

1. Has the Laboratory established standard terms and conditions for use with the various types of procurement instruments? Are these terms and conditions periodically updated and distributed to all who have purchasing authority within procurement and in other organizations?
2. Do subcontract boilerplates incorporate all required prime contract flowdown clauses to adequately protect the Government's interest?
3. Are special clauses provided for instances when standard clauses cannot be used?
4. Does the Laboratory include patents, data, and copyrights clauses appropriately, if required?

PART II - TRANSACTIONAL ELEMENTS

PURCHASE REQUIREMENTS

Acquisition Planning

1. Is Advanced Acquisition Planning used when required to develop both technical (i.e. specifications, statements of work, quality assurance, government-furnished property, etc.) and business aspects (i.e. socioeconomic considerations; effective competition; leadtime, etc.) of the acquisition?
2. Are cost-effective and efficient purchase requirements developed which facilitate economic order quantities, realistic delivery dates, and enhance supplier management & performance?
3. Are interim contracting techniques (e.g., letter contracts, pre-contract cost agreements) used extensively due to a failure to perform adequate advance planning?

Purchase Requisitions

1. Do purchase requests contain Specifications or Statements of Work that describe the requirement completely?
2. Do purchase requests contain the requisite approvals for budget and cost accounts?

Effective Competition

1. Do transaction files indicate the Laboratory treats all competitors and potential competitors fairly and equitably by:
 - a. Preparing solicitation documents that describe the requirement clearly, accurately and completely while avoiding unnecessarily restrictive specifications or requirements.
 - b. Providing equal access to solicitation data and information.
 - c. Handling responses and communications with all potential offerors and offerors in a manner to ensure fairness and impartiality.

Sole Source/Single Source

1. Are noncompetitive purchases above the established dollar threshold clearly documented, supported and approved at appropriate levels?

2. Are justifications for noncompetitive purchases based on sound rationale?

Solicitation

1. Are standard solicitation formats established and used?
2. Do solicitations incorporate prime contract flowdown clauses?
3. Are Service Contract Act and/or Davis-Bacon Act requirements incorporated into solicitations, when appropriate?
4. Do proposal due dates provide for a uniform and adequate time for submission?
5. Are realistic delivery schedules/performance milestones established?
6. Do solicitations indicate the basis upon which award will be made?
7. Are best value evaluation factors appropriately and adequately tailored to the specific solicitation to allow for valid proposal evaluation?
8. Do solicitations with option provisions indicate how the option(s) will be evaluated?
9. Is the possibility of OCI considered? Is the resolution of this possibility documented? Are appropriate OCI provisions included in the solicitation and resultant subcontract?
10. Are procedures in place to address the handling of proprietary data?

Contract Review Board

1. Are procedures for convening Contract Review Board in place.
2. Is DOE participation included in the process for actions requiring DOE approval?

PRE-AWARD ADMINISTRATION

Evaluation and Source Selection

1. Are capable and reliable sources are selected for providing required goods and services?
2. Are evaluations based solely on the evaluation criteria set forth in the solicitation with proposals compared to the evaluation criteria only and not to other proposals?
3. Does the Laboratory take adequate precautions to ensure that the contents of each proposal are maintained in confidence to prevent technical transfusion and technical leveling? If a cost proposal is required, are adequate precautions taken to protect any "business sensitive information" submitted?
4. Does the Laboratory fairly and impartially communicate changed requirements or amendments issued after receipt of proposals to all offerors who submitted a proposal or to those within the competitive range, if established?
5. Are all ambiguities, uncertainties or deficiencies in a proposal pointed out to those offerors within the competitive range? Is the decision on competitive range determination made based on technical or cost factors stated in the solicitation? Are offerors who are not within the competitive range notified that their proposals are no longer considered eligible for award?
6. Do technical evaluations adequately address factors such as labor hours, skill mix, types and quantities of materials, computer, travel requirements, quality, etc.?
7. Are compliance checks for EEO obtained and evaluated when appropriate?
8. Have determinations of non-availability under the Buy American Act been appropriately documented?
9. Is the source selection decision, including supporting rationale, addressed and documented in the subcontract file?
10. Are subcontractor Representations and Certifications reviewed and addressed in the subcontract file?
11. Are unsuccessful offerors given an opportunity for debriefing following contract award?

Determinations of Subcontractor Responsibility

1. Does the Laboratory determine the responsibility of prospective subcontractors and address the following issues:
 - a. Compliance with Departmental policies on labor, environmental, and socioeconomic status?
 - b. Review of the General Services Administration (GSA) Consolidated List of Debarred, Suspended, and Ineligible Contractors to ensure that an apparent successful offeror is not on either list. If such offeror is on the list, is DOE approval obtained prior to award?

Cost/Price Analysis

1. Are cost/price analyses performed consistent with prescribed procurement guidelines?
2. Have thresholds been established for obtaining cost/price support? Is the level of analysis commensurate with the value of the purchase action?
3. Are technical evaluations of cost proposals adequate and incorporated into the pricing analysis?
4. Is cost or pricing data obtained when required? Obtained when not required?
5. Are files adequately documented when an acquisition involves exemption from the requirements for cost or pricing data?
6. Are pre and post-award audits of subcontractors conducted when required?

Profit/Fee

1. Is the profit/fee objective routinely established where applicable during negotiations and analysis appropriately documented?

Negotiation

1. Does the file adequately document negotiations and discussions?
2. Do negotiation memoranda indicate the date on which the cost/price agreement was reached?

PROCUREMENT SYSTEM EVALUATION STANDARDS

3. Are certificates of current cost or pricing data executed as close as practicable to the dates negotiations were completed?
4. Do negotiation memoranda identify subcontractor-submitted cost or pricing data and specify the degree to which that data was relied upon?

Precontract Cost Agreements

1. When precontract cost agreements are used, do subcontract terms: a) Include a clause similar to that in DEAR 952.231-70, Date of Incurrence of Cost?; b) Limit precontract costs to those costs that would otherwise be determined allowable under the proposed subcontract terms?
2. Are precontract cost agreements justified and approved at an appropriate management level?
3. Is the Laboratory's use of precontract cost agreements limited to appropriate situations?

Letter Subcontracts

1. Is the Laboratory's use of letter subcontracts limited to appropriate situations?
2. Are letter subcontracts justified and approved at the appropriate management level? Are letter subcontracts that exceed the Laboratory's threshold approved by DOE?
3. Are letter subcontracts definitized in a timely fashion?
4. Do letter subcontracts contain, at the time of award, all required terms and conditions as agreed to by the parties, except for cost/fee or price, and does the award instrument duly reflect those agreements?

Protests

1. Does the Laboratory have procedures in place for handling protests?
2. Does the Laboratory refrain from making award prior to resolution of protests?
3. Are subcontract files documented to reflect actions taken in response to protests?

Disputes and Claims

1. Are contractor disputes and claims handled in accordance with established procedures?

POST-AWARD ADMINISTRATION

Subcontract Administration

1. Does the Laboratory ensure subcontractor compliance with subcontract requirements?
2. Are claims and disputes processed in a timely manner? Does the Laboratory review these for trends which would indicate problems with the Laboratory's policies or subcontract administration procedures?
3. Are suppliers adequately managed for the highest performance level (i.e. on-time delivery, quality, meeting cost objectives) in accordance with subcontract requirements?
4. Are DOE and Laboratory approvals of foreign travel under subcontracts obtained?

Modifications

1. Are the following actions taken and documented, where appropriate, and prior to execution for modifications increasing subcontract prices? A) Cost/price analysis; b) Technical evaluation of cost/price proposal; and c) Negotiations.
2. Do subcontract administrators determine and document in advance (i.e. market surveys) the rationale for exercising a subcontract option?

Payments

1. Does the Laboratory ensure that all terms of subcontractor performance are satisfied before final payment is made?

Termination and Closeout

1. Are approved procedures for termination and closeout of subcontracts followed?
2. Are subcontractors given timely disposition instructions for Government property upon contract completion to ensure compliance with those instructions?

SOCIOECONOMIC PROGRAM

1. Does the Laboratory ensure compliance with subcontracting plan requirements in its prime contract through a flowdown of this requirement in subcontracts? Do appropriate solicitations contain the required subcontracting plan provision?
2. Are subcontracting plans prepared in accordance with applicable requirements and reviewed by the Small Business Liaison Officer for adequacy?
3. If evaluation indicates that no subcontracting possibilities exist, is the determination approved at a sufficiently high level? Other than sealed bids, are subcontracting plans obtained only from the apparent successful offeror?
4. Are the goals negotiated in lower tier subcontracting plans both challenging and realistically attainable?
5. Does the Laboratory ensure that all lower-tier subcontracting plans are effectively monitored with required reports obtained in a timely manner? Is corrective action taken, when necessary?
6. Are procedures followed in regards to protests and questions concerning a subcontractor's size representation (referred to SBA through the DOE Contracting Officer)?

DISTRIBUTED PROCUREMENTS

Low Value Purchases

1. Are simplified purchasing techniques (i.e. telephone orders) used for small purchases?
2. Does the Laboratory use techniques, such as requirements (i.e. system) contracts, blanket ordering agreements (BOAs), blanket subcontracts, or B2B system contracts, where appropriate? Are such techniques implemented in a judicious manner?

Procurement Card

1. Are Procurement Card purchases adequately monitored and reviewed to guard against fraud and abuse of the system?
2. Are policies and procedures established for use of the Procurement Card? Is appropriate training provided to cardholders?
3. Are the kinds of items purchased with the Procurement Card reasonable and warranted and not a circumvention of the procurement regulations?
4. Are Procurement Card purchases appropriately reviewed and reconciled by the Cardholders' supervisors?

B2B System Contracts

1. Are frequently purchased requirements consolidated to take maximum practicable advantage of volume purchases through B2B system contracts?
2. Do B2B system contracts take advantage of efficiency offered by electronic commerce technologies?
3. Does the available data provide for a periodic analysis of the percentage of on-time deliveries as specified in the B2B systems contracts?

EXHIBIT III
TRANSACTION REVIEW WORK SHEET

CONTRACT IDENTIFICATION

- 1. Contract No. _____
- 2. Contract Amount _____
- 3. Vendor _____
- 4. Type of Business (LB,SB,SDB,WOB) _____
- 5. Description _____
- 6. Contract Type _____
- 7. Appropriate Type?(Y/N) _____

REQUISITION (REQ)

- 8. REQ Date _____
- 9. Date Rec'd in Purchasing _____
- 10. Required Date _____
- 11. Award Date _____
- 12. Budget/Project Approval(Y/N) _____
- 13. Is REQ Adequate?(Y/N) _____

DIVISION COST ESTIMATE (Y/N)

- 14. Are actual costs less than division estimate? _____
- 15. By how much? _____

ADVANCE PLANNING

- 16. Lead Time Provided (9 vs 10) _____
- 17. Adequate?(Y/N) _____
- 18. Advance Acq Plan (\$500K)?(Y/N) _____

SPECIFICATIONS/SCOPE OF WORK (SOW)

- 19. Provided with REQ?(Y/N) _____
- 20. Provided in Contract?(Y/N) _____
- 21. Is SOW Adequate?(Y/N) _____

DELIVERY

- 22. Vendor Promised Date _____
- 23. Actual Delivery Date _____
- 24. Days Delinquent (22 vs 23) _____
- 25. Buyer Follow-up?(Y/N) _____
- 26. FOB Point is Destination? _____

CHANGE ORDERS (Y, N, N/A)

- 27. Changes? _____
- 28. Justified?(Y/N) _____
- 29. Documented?(Y/N) _____
- 30. Price Eval.?(Y/N) _____

REPS/CERTS/OTHER (Y, N, N/A)

- 31. Obtained Prior to Award? (\$100K) _____
- 32. Executed (signed) and Completed? _____
- 33. Small Business Certification? _____
- 34. EEO Compliance Reports? _____
- 35. Nonsegregated Facilities? _____
- 36. Clean Air and Water? _____
- 37. Payment to Influence? _____
- 38. Debarred Checked? _____
- 39. Limited Rights Data? _____
- 40. Cost Accounting Standards?(\$500K) _____
- 41. EEO Pre-Award Clearance?(\$10M) _____
- 42. Patent/Data Certification? _____
- 43. OCI Preprocurement Fact Sheet? _____
- 44. Employee-Vendor List? _____

ENVIRONMENT, SAFETY, & HEALTH (Y, N, N/A)

- 45. Approval Required? _____
- 46. Notification Required? _____

- 47. Clauses Required? _____

CATALOG/SCHEDULE ITEM (Y, N, N/A)

- 48. Catalog Item? _____
- 49. Price List Copy? _____

NUMBER OF BIDS

- 50. Requested? _____
- 51. Received? _____
- 52. Responsive? _____
- 53. Award Competitive?(Y/N) _____
- 54. Written Proposal? (\$100K) _____

SELECTION & COMPETITION (Y, N, N/A)

- 55. Comp tried? _____
- 56. Award to low bid? _____
- 57. If not, why? _____
- 58. Notification to unsuccessful bidders? (\$100K) _____

SINGLE/SOLE SOURCE AWARD (Y, N, N/A)

- 59. Single? _____ Sole Source? _____
- 60. Justification? (\$100K) _____
- 61. Acceptable?(Y/N) _____

PRICE EVALUATION (Y/N)

- 62. Accomplished? (\$25K) _____
- 63. Tech Evaluate? _____
- 64. Adequate? _____

COST/PRICING DATA/SF1411 (Y, N, N/A)

- 65. Obtained? (\$550K) _____

CERTIFICATE OF COST/PRICE (Y, N, N/A)

- 66. Obtained? (\$550K) _____

NEGOTIATION (Y, N, N/A)

- 67. Documented? _____

PROFIT/FEE (Y/N)

- 68. Negotiated? _____

- 69. Documented? _____

INSURANCE/LIABILITY/BOND(S) (Y, N, N/A)

- 70. Obtained? _____

SOCIOECONOMIC REPORT (Y, N, N/A)

- 71. Report Form Filled out? (\$100K) _____
- 72. Subcontracting Plan obtained? (\$500K) _____

BUY AMERICAN ACT/BPP (Y, N, N/A)

- 73. Written Justify for Foreign Buy? _____
- 74. Supervisor Approval? (\$2.5K) _____
- 75. DOE Approval (\$100K)? _____

DOE PRIOR APPROVAL (Y, N, N/A)

- 76. Obtained? _____

PROPERTY (Y, N, N/A)

- 77. Property Sticker on Contract File? _____
- 78. Property Clause? _____
- 79. Property Management Notified? _____

TERMS & CONDITIONS (Y/N)

- 80. Adequate? _____

ACCEPTANCE (Y/N)

- 81. Acknowledgment Copy from Vendor? _____
- 82. Product/Service/R&D Acceptable to Customer? _____

PAYMENT/CLOSEOUT (Y/N, N/A)

- 83. Subcontract physically complete? _____
- 84. Closed out? _____

INTERVIEW:

SIGNATURE: _____ DATE: _____

EXHIBIT IV

PROCUREMENT CARDHOLDER AUDIT
REVIEW WORK SHEET

Cardholder Name: _____ Bldg. & Room No.: _____

Phone Number: _____ Division: _____ Cardholder: Phase 1 _____ Phase 2 _____

Standard Procurement Card Limits: \$5,000 per transaction / \$25,000 per monthly cycle

	Question	Yes	No	Remarks
1.	Is the purchase adequately documented? (see below)			

Signature Authority (SAS) (Account Authority):

or

ePRO requisition:

- A. 1. Documented evidence of signature approval (printed e:mail approval OK) Yes _____ No _____
Name: _____
2. If not, cardholder has evidence of "Stream-lined Signature Authority (account authority) not to Exceed \$250" Letter signed by Division Business Manager (Division Administrator)? Yes _____ No _____
3. Project Id (Account Number) _____

Transaction Log (Phase 1) or Phase 2 Order record:

Is the transaction listed on the Transaction Log/or Maintain Order module (Phase 2)?

- Yes _____ No _____
- B. Transaction No./Order/Reference No. (optional) _____
- C. Transaction Date (Order Date) _____
- D. Vendor Name and Contact _____
- E. Description of Items _____
- F. Is the Estimated Cost Listed? Yes _____ No _____
1. Is the Price Reasonable? Yes _____ No _____
- G. Condition of Sale Given _____
1. Discounts? _____
2. Shipment Terms (FOB Destination) _____
3. Carrier listed? Yes _____ No _____
- a. If rush order/FOB ship pt., was Fed. Exp./GSA Contract used Yes _____ No _____
- Is shipping charge reasonable? Yes _____ No _____
- H. Is the pay amount listed (actual billed amount)? Yes _____ No _____ Amount \$ _____
- I. Promised Delivery Date _____
- J. Is there an indication that the order is complete? Yes _____ No _____

Statement of Account:

- K. Was CA State Taxes Paid? (check packing slip or invoice or compare estimated cost to pay amount) Yes _____ No _____
1. If merchant charged CA state sales tax is there evidence of recovery, was the sales tax credited to the card? Yes _____ No _____

	Question	Yes	No	Remarks
1.	Are all the items purchased unrestricted?			
2.	Does review of documents indicate that order was split to avoid the maximum transaction limit?			

PROCUREMENT CARDHOLDER AUDIT
REVIEW WORKSHEET

ERNEST ORLANDO LAWRENCE
BERKELEY NATIONAL LABORATORY
FINANCIAL SERVICES DEPT/PROCUREMENT

	Question	Yes	No	Remarks
3.	Is there evidence someone other than the cardholder has purchased with the card?			
4.	Is there evidence of prepayment? Vendor billed before shipping? Was credit requested & issued?			
5.	Is there indication that the cardholder signed any vendor documents?			
6.	Does the cardholder have the packing slip/sales slip/invoice/screen shot/electronic receiving record (transaction summary posted report)? For training classes –copy of class acknowledgement, for unrestricted services a copy of the final repair bill. [Required as written evidence material was received against the expenditure of funds (bank charge)]			
7.	Is there evidence of a manufacturer’s rebate? If so, has the rebate been recovered by the cardholder and forwarded to DPU Coordinator for processing?			
8.	If there is a discrepancy, has the cardholder resolved it with the merchant?			
9.	Was the bank notified if a disputed charge was not resolved with the merchant? Statement of Questioned Item Form (Statement of Disputed Item Form) in evidence?			
10.	If an item was returned, is there a copy of the shipping document? (N/A for hand carried return to local retail store)			
11.	If an item was returned, is there evidence of a credit or exchange?			
12.	Cardholder is using the most current Restricted Items and Restricted Chemicals List? (August 2003)			
13.	Is there evidence that a sensitive item was bought with the procurement card? [Computers, “CPU’s” when used to denote a computer) that are not part of the Micron or Dell B2B system contracts]			
14.	Is there evidence that controlled property was purchased? (equipment \$5k and above with a life expectancy >2 years)			
15.	Is there evidence an item is >\$2.5k and of foreign origin? If so, is the form “Request for Determination – Supplies of Foreign Origin on file, filled out and signed by the cardholder & Distributed Procurements Manager?			
16.	Is there evidence that a suspect/counterfeit item was purchased (graded fasteners or bolts, circuit breakers)			
17.	Is there evidence that the transaction is for an on-site service or repair that is not on the “Designated Commercial Services List?”			
18.	If the transaction is for an off-site repair/ service, has a shipping document been processed?			

EXHIBIT V

FY2004 Procurement Customer Survey

Our Prime Contract requires Procurement to measure customer satisfaction with respect to services rendered by Procurement Buyers and Subcontract Administrators. To better monitor the quality of our services to you, we are asking for your feedback **on the following transaction.**

Purchase Order/Subcontract Number: _____

Description: _____

Vendor Name: _____

Buyer/Subcontract Administrator: _____

We hope you don't mind taking a minute to answer a few questions for us.

- 1. The procurement was handled in a professional & ethical manner. YES / NO
- 2. The Buyer was responsive to your needs. YES / NO
- 3. Your input was considered in selecting the vendor. YES / NO
- 4. The Buyer completed the order in a timely manner. YES / NO
- 5. Please rate your overall satisfaction with the service received:

Poor Below Average Satisfactory Highly Satisfactory Outstanding

Please let us know how we may improve our service to you in the future.

Thank you for your assistance.

EXHIBIT VI

FY2004 Procurement Employee Survey

This survey is designed to measure the level of job satisfaction of Procurement employees in accordance with Appendix F Performance Criteria 3.1. Please take a moment to read the questions and indicate the degree of agreement with each question by circling a number from **1 (Strongly Disagree) to 5 (Strongly Agree)** and give an overall satisfaction rating. Additional comments are also welcomed. *Management* below refers to Procurement Managers and Team Leaders. To help us understand your responses, we ask that you tell us the following information about yourself: (check one):

I am _____ /am not _____ a Team Leader/Manager.

- | | |
|--|-----------|
| 1. Procurement operations are conducted in an ethical manner. | 1 2 3 4 5 |
| 2. My work environment allows me to work productively. | 1 2 3 4 5 |
| 3. I am proud of the work I do. | 1 2 3 4 5 |
| 4. I have the tools and equipment I need to do my job well. | 1 2 3 4 5 |
| 5. I have the materials and equipment needed to work safely. | 1 2 3 4 5 |
| 6. I successfully perform the tasks assigned to me. | 1 2 3 4 5 |
| 7. I am treated fairly by management. | 1 2 3 4 5 |
| 8. I am recognized for doing a good job.. | 1 2 3 4 5 |
| 9. My workload is usually manageable. | 1 2 3 4 5 |
| 10. I am given adequate discretion in making decisions which affect my work. | 1 2 3 4 5 |
| 11. Management works with me to effectively solve problems. | 1 2 3 4 5 |
| 12. Management generally listens to my concerns and ideas. | 1 2 3 4 5 |

Please rate your overall satisfaction:

Poor Below Average Satisfactory Highly Satisfactory Outstanding

Additional Comments:

Thank you for your assistance. Please return this survey by May 30, 2004 to:

David Chen, 937R200