

DOE 5000.2B
4-9-92

THIS PAGE MUST BE KEPT WITH DOE 5000.2B, MULTI PROGRAM LABORATORY
APPRAISALS.

DOE 5000.2B, MULTI PROGRAM LABORATORY Appraisals
HAS REVISED DOE 5000.2A TO REFLECT ORGANIZATIONAL
TITLE AND ROUTING SYMBOL EDITORIAL CHANGES
REQUIRED BY SEN-6D-91 NO SUBSTANTIVE CHANGES
HAVE BEEN MADE. DUE TO THE NUMBER OF PAGES
AFFECTED BY THE REVISIONS, THE ORDER HAS BEEN
ISSUED AS A REVISION.

U.S. Department of Energy
Washington, D.C.

ORDER

DOE 5000.2B

4-9-92

SUBJECT: MULTI PROGRAM LABORATORY APPRAISALS

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1. PURPOSE. To establish policy and objectives for appraising performance of the Department of Energy (DOE) multi program laboratories.
 2. CANCELLATION. DOE 5000.2A, MULTI PROGRAM LABORATORY APPRAISALS, of 9-10-88.
 3. REFERENCES.
 - a. DOE 4210.5, OPERATING AND ONSITE SERVICE CONTRACT EXTEND OR COMPLETE DECISIONS, of 6-25-80, which establishes procedures for the coordination and review of recommendations to extend or solicit competitive proposals for operating and onsite contracts.
 - b. DOE 5000.1B, INSTITUTIONAL PLANNING BY MULTI PROGRAM LABORATORIES, of 4-9-92, which establishes the management process for oversight and direction of the multi program laboratories.
 - c. DOE 5600.1, MANAGEMENT OF THE DEPARTMENT OF ENERGY WEAPON PROGRAM AND WEAPON COMPLEX, of 6-27-79, which establishes the policy and procedures for the management of the weapon program and weapon complex and the utilization of the weapon complex facilities for the nonweapon DOE activities.
 - d. DOE 5700.7B, WORK AUTHORIZATION SYSTEM, of 9-24-86, which establishes a formal process for budget authorization, and monitoring of DOE-funded work for the laboratory contractors.
 4. DEFINITION. ~~Cognizant Secretarial Officers~~ are the following officials assigned responsibility for DOE's multi program laboratories:
 - a. Director of Energy Research. Argonne National Laboratory, Brookhaven National Laboratory, Lawrence Berkeley Laboratory, Oak Ridge National Laboratory, and Pacific Northwest Laboratory.
 - b. Assistant Secretary for Defense Programs. Lawrence Livermore National Laboratory, Los Alamos National Laboratory, and Sandia National Laboratories.
 - c. Assistant Secretary for Nuclear Energy. Idaho National Engineering Laboratory.
 5. POLICY. It is DOE policy to appraise the performance of multi program laboratories on an annual basis using a uniform and systematic approach.

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6. OBJECTIVES. To establish a uniform and systematic qualitative approach for appraising performance of the multi program laboratories which will:
 - a. Provide performance appraisals which present a complete, comprehensive, and balanced overview of the laboratory.
 - b. Provide a systematic source of information upon which to base recommendations concerning extend/compete decisions.
 - c. Establish and maintain laboratory management accountability at an appropriately high level.
 - d. Assist the laboratories toward achieving improvements by identifying areas needing improvement and reviewing steps taken to correct previously identified deficiencies.
 - e. Provide a fair and objective evaluation of laboratory performance in achieving established managerial, programmatic, operations support, and administrative objectives.
 - f. Recognize the differing characteristics of the individual laboratories including work performed, roles, tasks, and missions assigned, contractual provisions, management requirements of DOE Field Offices, and the programmatic objectives of DOE and other sponsors.

7. PERFORMANCE APPRAISAL AREAS. The following areas will be evaluated in the annual performance appraisal:
 - a. Institutional Management Performance. Factors in this area include overall management of the laboratory in terms of its performance as an institution in achieving assigned goals and missions, institutional planning, staffing, and coordination/cooperation with external sectors. The management functions of the contractor organization are to be evaluated and reported in this area.
 - b. Programmatic Performance. This area addresses achievement of direct mission-related objectives and covers activities such as program and project planning; quality and quantity of work; adherence to technical, cost, and schedule milestones; technical information management and reporting; and achievements in research and development.
 - c. Operations Support Performance. Included in this area are engineering and technical functions not directly mission related but which support mission objectives. Activities addressed include quality assurance; safeguards and security; information classification and control; facilities management (facilities maintenance, real property management, energy management, facilities construction, and utilities management); and operational safety, health, and

environmental protection activities. The appraisal is expected to consider the results of the various functional area audits required by DOE directives and regulations.

- d. Administrative Performance. This area addresses business management functions such as resource planning and management, auditing, computing resources management, procurement and property management services, industrial relations, accounting, and other like activities (e.g., legal, patent, and public affairs). The appraisal is expected to consider the results of the various functional area audits required by DOE directives and regulations.
8. SCHEDULE/TIMING. Institutional management performance, defined by paragraph 7a, and programmatic performance, defined by paragraph 7b, shall be appraised annually. However, all individual programs need not be appraised each year. Judgment shall be applied in the selection of programs for appraisal with the general goal that each program should be appraised at least once every extend/complete period. Functional area audits which comprise appraisals in areas defined by paragraphs 7c and 7d are scheduled in accordance with applicable DOE directives and regulations.
9. INSTITUTIONAL PLANNING PROCESS. The annual appraisal should be integrated with the multi program laboratory institutional planning process by presenting a progress report on the laboratory's response to appraisal recommendations at the annual institutional planning onsite reviews.
10. ANNUAL APPRAISAL REPORT. An appraisal report should be prepared at the end of each fiscal year. It should summarize performance in each of the four major performance areas and identify the major achievements and, as necessary, key areas where improvements are needed. The report should contain recommendations and the basis for those recommendations. In developing the overall performance assessment of the laboratory for the annual appraisal report, a clear majority of the weighting should be given to the programmatic performance area, including scientific and technical achievement.
11. RECOMMENDED PERFORMANCE PRESCRIPTORS. In accordance with the guidance provided by the Cognizant Secretarial Officer, the following descriptors are available for use in conducting and reporting the laboratory appraisal. Uniform descriptors are especially important when requesting input from Headquarters on the programmatic performance appraisal area. The general standard of performance, noted below in each of the descriptors, is that which is reasonably expected of management and operating contractors on the basis of applicable directives and regulations and on observations of the performance of comparable research and development organizations. This includes, for example, making effective use of

sound management, administrative, and business practices within existing funding constraints. As appropriate, detailed performance standards for these descriptors will be communicated to the laboratory in the appraisal plan.

- a. Outstanding. Significantly exceeds the standard of performance; achieves noteworthy results; accomplishes very difficult tasks in a timely manner.
- b. Excellent. Exceeds the standard of performance; although there may be room for improvement in some elements, better performance in all other elements more than offsets this.
- c. Good. Meets the standard of performance; assigned tasks are carried out in an acceptable manner -- timely, efficiently, and economically. Deficiencies do not substantively affect performance.
- d. Marginal. Below the standard of performance; deficiencies are such that management attention and corrective action are required.
- e. Unsatisfactory. Significantly below the standard of performance; deficiencies are serious, may affect overall results, and urgently require senior management attention. Prompt corrective action is required.

12. RESPONSIBILITIES AND AUTHORITIES.

- a. The Secretary establishes Departmental policy on appraisal of multi program laboratories.
- b. Director of Energy Research carries out for the Office of the Secretary, or by request of the Cognizant Secretarial Officer, periodic review of the appraisal policy and its implementation (in cooperation with appropriate Departmental Elements) and recommends revisions as required.
- c. Cognizant Secretarial Officers.
 - (1) Inform the cognizant DOE Field Office Managers of particular areas of emphasis or concern which are to be taken into account in developing appraisal plans and provide guidance on the use of uniform performance descriptors:
 - (2) Review the appraisal plan and inform cognizant DOE Field Office Managers of comments as necessary.
 - (3) Assist the DOE Field Offices in performance appraisals as requested.

- (4) Inform the DOE Field Offices of their views on institutional management performance, e.g., by commenting on a draft of the institutional management section of the appraisal.
- (5) Review the appraisal report and inform cognizant DOE Field Office Managers of comments as necessary.
- (6) Monitor the performance of the laboratory's response to recommendations of the appraisal report during the annual institutional planning onsite review.

d. Other Program Secretarial Officers.

- (1) Inform the cognizant DOE Field Office Managers of particular areas of emphasis or concern to be taken into account in developing appraisal plans for each multiprogram laboratory.
- (2) Cooperate with and assist the DOE Field Office directly, as requested, by providing input on laboratory programmatic performance.
- (3) When requested, provide comments to the Cognizant Secretarial Officer on the laboratory's response to appraisal report recommendations.

e. Cognizant DOE Field Office Managers.

- (1) As heads of contracting activities, develop a qualitative appraisal process consistent with the generic requirements of this Order and tailored to recognize specific characteristics of each multiprogram laboratory under their purview.
- (2) Apply the appraisal process to each multiprogram laboratory through development and administration of an annual appraisal plan. The plan should cover a 5-year period. It will be updated each year to emphasize or reemphasize particular programs and functions as necessary to assure a relevant and balanced appraisal for the laboratory. All critical programs and functions should be scheduled for comprehensive evaluation at least once within each overall operating contract period in preparation for the extend/compete decision. The plan will be submitted to the Cognizant Secretarial Officer for review and comment, and will be provided to the laboratory at the start of the appraisal period.
- (3) Request pertinent Program Secretarial Officers; General Counsel; the Director of Administration and Human Resource Management; the Assistant Secretary for Environment, Safety and Health; and the Assistant Secretary for Congressional and

Intergovernmental Affairs to identify areas of concern or emphasis in the upcoming appraisal and incorporate as appropriate in the appraisal plan.

- (4) Perform the appraisal using the process and criteria developed in subparagraphs e(1), (2), and (3), and the functional area performance appraisals required in other DOE directives. Where applicable, cost-plus-award-fee evaluations may be used as the primary basis for the appraisals. In that case, the annual appraisal requirement of this Order can be met with a letter report summarizing the cost-plus-award-fee results and other pertinent information concerning the laboratory's performance. The letter report should provide an evaluation for each of the four performance areas outlined in the Order utilizing the recommended uniform descriptors as required by the guidance of the Cognizant Secretarial Officer.
- (5) Incorporate the views of the Cognizant Secretarial Officer in drafting the institutional management performance section. Include an appraisal of the contractor organization's performance in the institutional management section.
- (6) To the extent necessary, obtain assistance from the Program Secretarial Officers in providing input for appraisals of programmatic performance.
- (7) Prepare a written appraisal report annually which includes specific recommendations for any significant findings (including those reported elsewhere in supporting audits) during the fiscal year together with updates, as appropriate, regarding the status of previous appraisal recommendations. The draft appraisal of institutional management will be submitted to the Cognizant Secretarial Officer to provide an opportunity for review and comment prior to issuing the final report to the contractor/laboratory director.
- (8) Provide a copy of the final appraisal report to the Cognizant Secretarial Officer.
- (9) Provide an opportunity for a formal response to the final annual appraisal report from the contractor/laboratory director.
- (10) Where appropriate, make recommendations to the Under Secretary on recurring individual audit and appraisal requirements which could be aggregated or eliminated.

- (11) Monitor appraisal follow up actions and keep the Cognizant Secretarial Officer's and the contractor's responses to the annual appraisal report as part of the record.
- (12) Arrange for discussion of appraisal findings and follow up actions during the annual institutional planning onsite review.

BY ORDER OF THE SECRETARY OF ENERGY:



JOHN J. NETTLES, JR
Director of Administration
and Human Resource Management