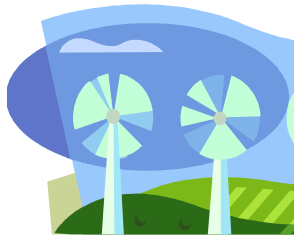


Balanced Scorecard Performance Assessment Program



Guiding Principle

- The Balanced Scorecard (BSC) program ensures that there is an established and consistent approach utilized by Departmental procurement and purchasing organizations in assessing accomplishments, and managing performance of its Management and Operating contracts.

[References: FAR Subpart 17.6, DEAR 970.0370-1, DEAR 970.4401-1, DEAR 970.4402-2]

1. Summary of Latest Changes

This update revises the applicability of the Balanced Scorecard Program to DOE management and operating (M&O) contracts. Federal procurement offices are encouraged to continue their use of the BSC, however, The Critical Few Program has replaced the BSC for purposes of corporate wide performance assessment of DOE Federal procurement offices.

2. Overview

This section provides guidance and instruction to Departmental contracting personnel regarding the implementation and administration of the Balanced Scorecard procurement performance assessment programs. This program was established in 1998 (Acquisition Letter 98-10, December 8, 1998). Initially, it was used by the Department's federal procurement offices, subsequently expanded to M&O contracts, and recently revised to include only the M&O contractors since, the federal procurement offices have transitioned to the Critical Few Program.

Under the M&O BSC, contractor peer review teams are utilized. This program was established by a Procurement Evaluation and Re-engineering Team and represents a partnering of Federal and contractor personnel in evaluating the efficiency and effectiveness of contractor purchasing systems. This independent peer review program the most acceptable alternative to the Contractor Purchasing System Reviews for M&O contracts. Contracting Officers, as part of their overall responsibility for oversight of the performance of M&O contractors, including their purchasing activities, are to encourage their contractors to implement the Balanced Scorecard

methodology described herein. Use of the Balanced Scorecard is consistent with the contractor's responsibility for developing management control systems that meet the requirements of DEAR 970.0370-1.

3. Understanding the BSC

A complete description of the Balanced Scorecard program can be found in the document entitled "*Balanced Scorecard Performance Measurement and Performance Management Program.*" This document is located at:

<http://www.energy.gov/management/downloads/balanced-scorecard-program>

Among other business systems, this document explains the business systems assessment program applicable to purchasing offices. It was developed to assist all Department and contractor personnel involved with assessing performance of the Department's M&O contractor purchasing systems. It describes the implementation procedures, evaluation standards, reporting process, and other administrative issues.

4. Responsibility of the Heads of Contracting Activities (HCAs)

As part of the DOE review of contractor management control systems described at DEAR 970.0370-1, the Department's HCAs are responsible for promoting acceptance of the described assessment methodology by their M&O contractors when the contractor purchasing systems are covered by DEAR 970.4402-2.

This guidance will be maintained and updated by the Office of Field Assistance and Oversight Division, MA-621.