

Department of Energy

M&O CONTRACTOR PURCHASING SYSTEM

BALANCED SCORECARD

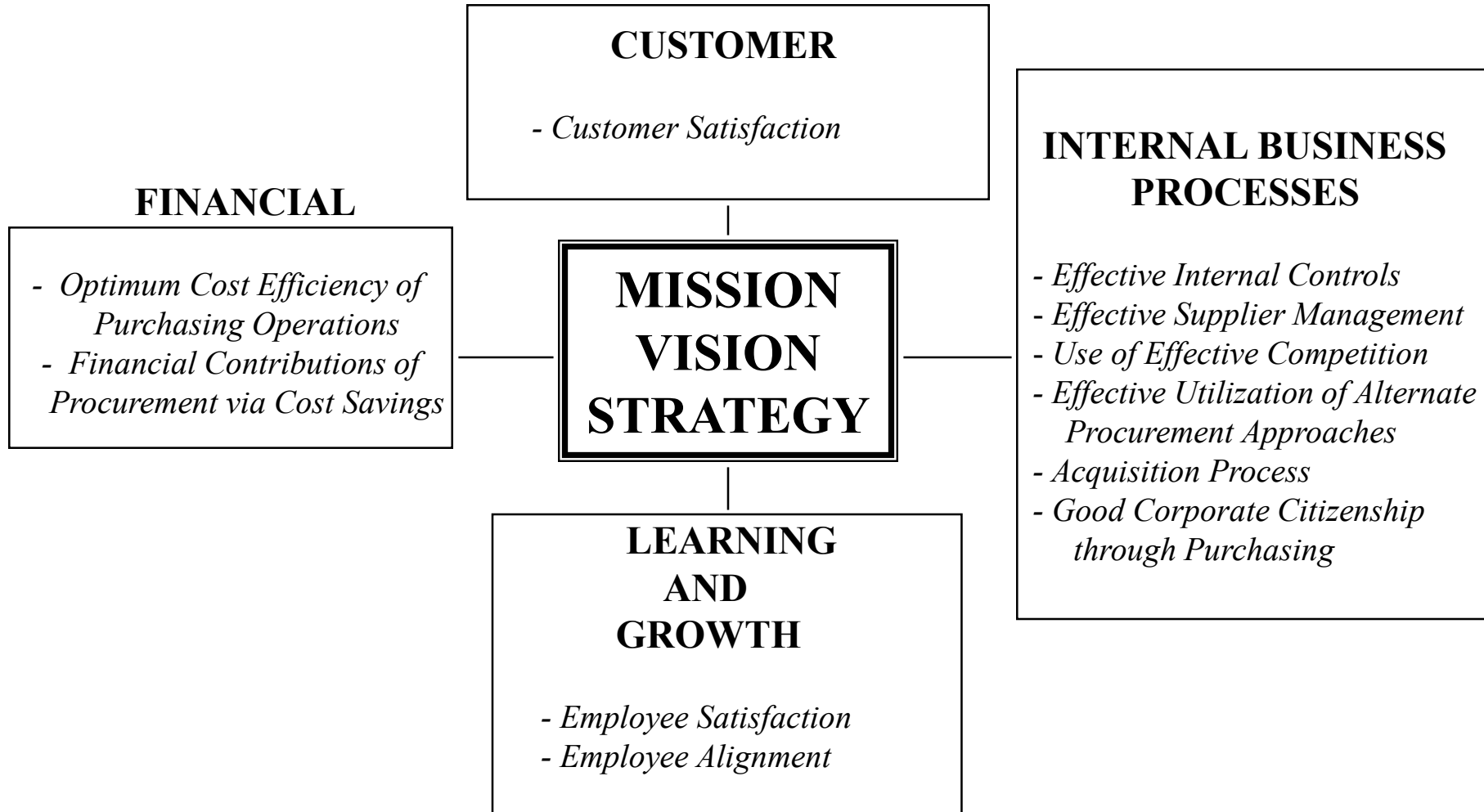
PERFORMANCE MANAGEMENT PROGRAM

Core Performance Measures

FY 2020

BALANCED SCORECARD

PERSPECTIVES AND OBJECTIVES



MISSION

To provide acquisition and assistance services to support accomplishment of the Department's programmatic goals and objectives.

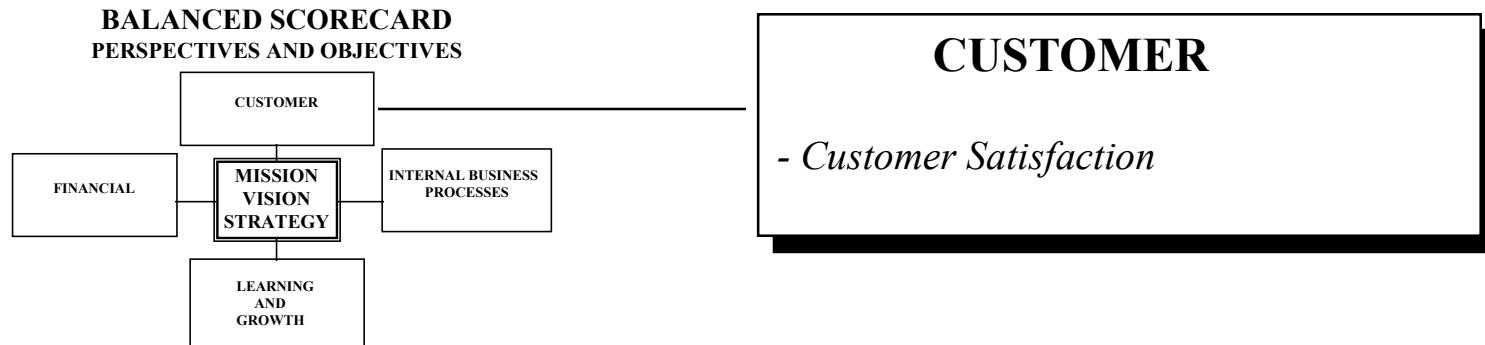
VISION

To deliver on a timely basis the best value product or service to our customers while maintaining the public's trust and fulfilling public policy objectives.

STRATEGY

To develop and maintain an organizational culture, management systems, and line processes in the acquisition system that ensure a focus on results while emphasizing integrity, fairness, competition, openness, and efficiency.

CUSTOMER PERSPECTIVE



CUSTOMER PERSPECTIVE

OBJECTIVE

MEASURE

NATIONAL TARGET

OBJECTIVE	MEASURE	NATIONAL TARGET
<p><u>Customer Satisfaction:</u></p> <p>Data Source: Annual Customer Climate Survey or Real-Time Transactional Survey</p> <p>Data Generation: Accomplished by using appropriate survey instrument.</p> <p>Data Verification: Purchasing Directors are responsible for accuracy of survey data generation, and for retention of records in accordance with records management requirements. Records will be made available for compliance and/or DOE reviews.</p>	<p><u>Core:</u></p> <p>Customer Satisfaction Rating % of customer satisfaction with the timeliness, quality, and level of communication provided by the procurement office.</p> <p>The Customer Satisfaction Rating must address the following elements:</p> <p>Timeliness: Extent of customer satisfaction with timeliness of procurement processing; planning activities; and on-going communications</p> <p>Quality: Extent of customer satisfaction with the quality of procurement services</p> <p>Communications: Extent to which procurement communicates accurate information which impacts the work of the customer's organization</p>	<p>92%</p>

CUSTOMER PERSPECTIVE

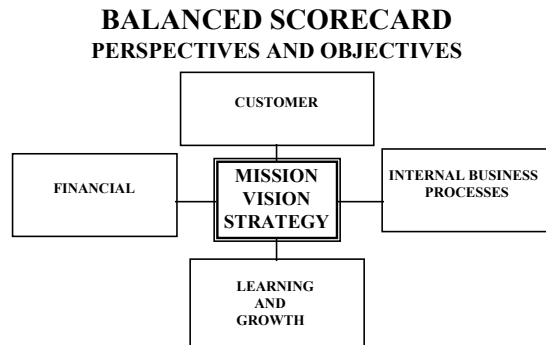
OBJECTIVE

MEASURE

NATIONAL TARGET

OBJECTIVE	MEASURE	NATIONAL TARGET
<p><u><i>Customer Satisfaction (Cont.)</i></u></p>	<p>The Customer Satisfaction Rating is to be determined by use of one of the following two alternatives (note: use of one or the other is required):</p> <ol style="list-style-type: none"><li data-bbox="647 542 1120 578">1. Annual Customer Climate Survey<li data-bbox="647 621 1091 656">2. Real-time Transactional Survey	

INTERNAL BUSINESS PROCESSES PERSPECTIVE



INTERNAL BUSINESS PROCESSES

- Effective Internal Controls*
- Effective Supplier Management*
- Use of Effective Competition*
- Effective Utilization of Alternate Procurement Approaches*
- Acquisition Process*
- Good Corporate Citizenship through Purchasing*

INTERNAL BUSINESS PROCESSES PERSPECTIVE

OBJECTIVE

MEASURE

NATIONAL TARGET

<p><u>Effective Internal Controls:</u></p> <p>Data Source: Purchasing files, compliance reviews, review boards and Local Purchasing Information Systems (LPIS)</p> <p>Data Generation: Based upon results of compliance reviews, transactional review of purchasing files, review boards, LPIS, etc.</p> <p>Data Verification: Purchasing Directors are responsible for the retention of records in accordance with records management requirements. Records will be made available for compliance and/or DOE reviews.</p>	<p><u>Core:</u></p> <p>Assessment of the degree to which the purchasing system is in compliance with stakeholder requirements including applicable laws, regulations, terms and conditions of contracts, ethics, good business practices, etc. The assessment result is to be expressed in percentage form.</p> <p>(Note: In assessing performance under this measure, contractors are to rely primarily on the results of the most recent formal compliance review, information gained from the periodic review of purchasing files, formal review boards (IG, GAO, etc.), and other appropriate sources. The cognizant DOE Contracting Officer is required to review and approve the contractor's self-assessment methodology and score under this measure as part of the CO's review of the contractor's BSC self-assessment activities.)</p>	<p>(Appropriate targets will be negotiated between the Cognizant DOE Contracting Officer and the contractor purchasing organization.)</p>
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INTERNAL BUSINESS PROCESSES PERSPECTIVE

OBJECTIVE

MEASURE

NATIONAL TARGET

<p><u>Effective Supplier Management:</u></p> <p>Data Source: LPIS</p> <p>Data Generation: Data is generated from the LPIS.</p> <p>Data Verification: Purchasing Directors are responsible for the accurate reporting of results and for retention of records in accordance with records management requirements. Records will be made available for compliance and/or DOE reviews.</p>	<p><u>Core:</u></p> <p>% Delivery on-time (includes JIT, excludes Purchase Cards)</p>	<p>84%</p>
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INTERNAL BUSINESS PROCESSES PERSPECTIVE

OBJECTIVE

MEASURE

NATIONAL TARGET

<p><u>Use of Effective Competition:</u></p> <p>Data Source: LPIS</p> <p>Data Generation: Data is generated from the LPIS.</p> <p>Data Verification: Purchasing Directors are responsible for the accurate reporting of results and for retention of records in accordance with records management requirements. Records will be made available for compliance and/or DOE reviews.</p>	<p><u>Core:</u></p> <p>% of total dollars obligated on actions over \$250,000 that were awarded using effective competition.</p> <p>(Note: 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 \$250,000. 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.)</p>	<p>(Appropriate targets will be negotiated between the Cognizant DOE Contracting Officer and the contractor purchasing organization.)</p>
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INTERNAL BUSINESS PROCESSES PERSPECTIVE

OBJECTIVE

MEASURE

NATIONAL TARGET

<p><u>Effective Utilization of Alternate Procurement Approaches:</u></p> <p>Data Source: LPIS</p> <p>Data Generation: Data is generated from the LPIS.</p> <p>Data Verification: Purchasing Directors are responsible for the accurate reporting of results and for retention of records in accordance with records management requirements. Records will be made available for compliance and/or DOE reviews.</p>	<p><u>Core:</u></p> <p>Rapid Purchasing Techniques:</p> <ol style="list-style-type: none"> 1. % of transactions placed by users (number of transactions placed by users divided by the sum of total transactions - including JIT, Purchase Card, etc.) 2. % of transactions placed through electronic commerce (number of transactions placed through e-commerce divided by the sum of total transactions. E-commerce means that 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 CDs, e-catalogs, email, etc. Use of fax machines is not included unless it is a paperless fax.) 	<p>(For the two measures, appropriate targets will be negotiated between the Cognizant DOE Contracting Officer and the contractor purchasing organization)</p>
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INTERNAL BUSINESS PROCESSES PERSPECTIVE

OBJECTIVE

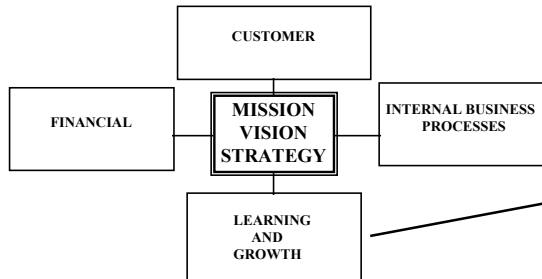
MEASURE

NATIONAL TARGET

<p><u>Acquisition Process:</u></p> <p>Data Source: LPIS</p> <p>Data Generation: Data is generated from the LPIS.</p> <p>Data Verification: Purchasing Directors are responsible for the accurate reporting of results and for retention of records in accordance with records management requirements. Records will be made available for compliance and/or DOE reviews.</p>	<p><u>Core:</u></p> <p>Average cycle time (exception: Purchase Card) for each of the following dollar ranges:</p> <p>Average cycle time for <= \$250,000</p> <p>Average cycle time for > \$250,000</p> <p>Average cycle time for all actions</p>	<p>6 to 9 days for <= \$250,000</p> <p>25 to 30 days for > \$250,000</p> <p>8 to 11 days for all actions</p>
<p><u>Good Corporate Citizenship through Purchasing:</u></p> <p>Data Source: LPIS</p> <p>Data Generation: Data is generated from the LPIS.</p> <p>Data Verification: Purchasing Directors are responsible for the accurate reporting of results and for retention of records in accordance with records management requirements. Records will be made available for compliance and/or DOE reviews.</p>	<p><u>Core:</u></p> <p>% of economic and social diversity and local participation program goals achieved, including SB, SDB, Women Owned SB Goals, HubZone and Disabled Veterans.</p>	<p>100% of established goals</p>

LEARNING AND GROWTH PERSPECTIVE

BALANCED SCORECARD PERSPECTIVES AND OBJECTIVES



LEARNING AND GROWTH

- *Employee Satisfaction*
- *Employee Alignment*

LEARNING AND GROWTH PERSPECTIVE

OBJECTIVE

MEASURE

NATIONAL TARGET

<p><u>Employee Satisfaction:</u></p> <p>Data Source: Employee Climate Survey, focus groups, and other methods as appropriate</p> <p>Data Generation: Accomplished by using appropriate survey instrument and other information sources.</p> <p>Data Verification: Purchasing Directors are responsible for accuracy of survey data generation, and other information sources, and for retention of records in accordance with records management requirements. Records will be made available for compliance and/or DOE reviews.</p>	<p><u>Core:</u></p> <p>Employee Satisfaction Rating: % of employees satisfied with the work environment, and the organization's professionalism, culture and values. This rating may include data from employee survey, focus groups, or other methods.</p>	<p>(Appropriate targets will be negotiated between the Cognizant DOE Contracting Officer and the contractor purchasing organization.)</p>
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LEARNING AND GROWTH PERSPECTIVE

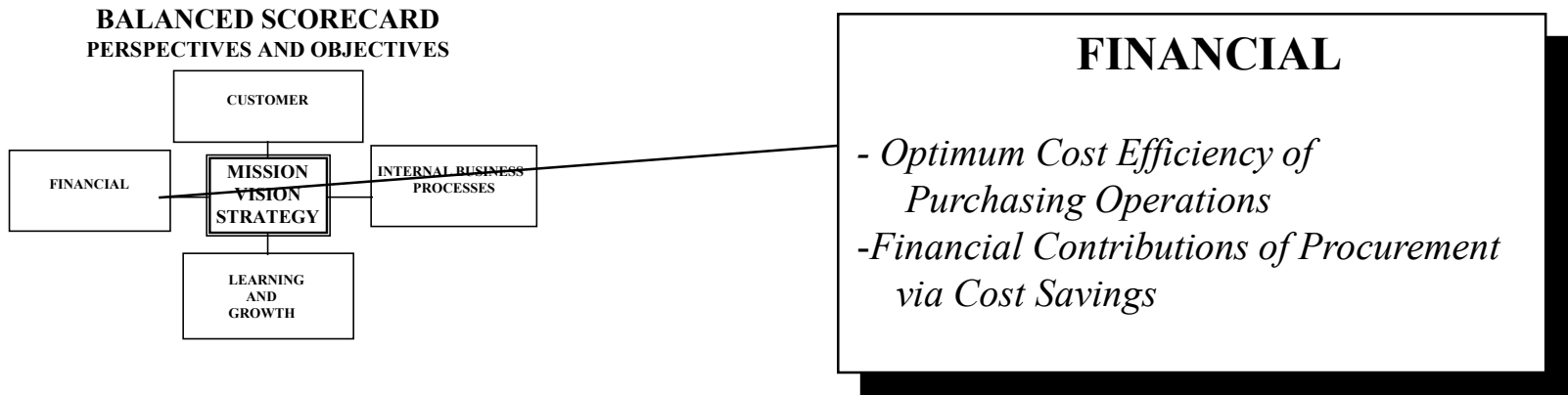
OBJECTIVE

MEASURE

NATIONAL TARGET

<p><u>Employee Alignment:</u></p> <p>Data Source: Employee Performance Appraisals and LPIS as appropriate</p> <p>Data Generation: Data is generated from the LPIS.</p> <p>Data Verification: Purchasing Directors are responsible for the accurate reporting of results and for retention of records in accordance with records management requirements. Records will be made available for compliance and/or DOE reviews.</p>	<p><u>Core:</u></p> <p>Employee Alignment: % of employees whose performance evaluation plans are aligned with organizational goals and objectives.</p>	<p>98% aligned</p>
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FINANCIAL PERSPECTIVE



FINANCIAL PERSPECTIVE

OBJECTIVE

MEASURE

NATIONAL TARGET

OBJECTIVE	MEASURE	NATIONAL TARGET
<p><u>Optimum Cost Efficiency of Purchasing Operations:</u></p> <p>Data Source: LPIS</p> <p>Data Generation: Data is generated from the LPIS.</p> <p>Data Verification: Purchasing Directors are responsible for the accurate reporting of results and for retention of records in accordance with records management requirements. Records will be made available for compliance and/or DOE reviews.</p>	<p><u>Core:</u></p> <p>Cost to Spend Ratio Purchasing Operation's operating costs (labor plus overhead) divided by purchasing obligations.</p>	<p>(Appropriate targets will be negotiated between the Cognizant DOE Contracting Officer and the contractor purchasing organization)</p>

FINANCIAL PERSPECTIVE

OBJECTIVE

MEASURE

NATIONAL TARGET

<p><u>Financial Contributions of Procurement via Cost Savings:</u></p> <p>Data Source: LPIS</p> <p>Data Generation: Data is generated from the LPIS and submitted to the Strategic Programs Division/MA-622.</p> <p>Data Verification: Purchasing Directors are responsible for the accurate reporting of results and for retention of records in accordance with records management requirements. Records will be made available for compliance and/or DOE reviews.</p>	<p><u>Core:</u></p> <p>Procurement Cost Improvement: 4% <u>strategic sourcing</u> cost savings against expected actionable procurement spend</p> <p><i>*Acceptable measures of procurement <u>strategic sourcing</u> cost improvements include, but are not limited to those identified in Policy Flash 2014-14 and Policy Flash 2012-67.</i></p>	<p>4%</p> <p>The national target will be the achievement of that percent goal as outlined in the DOE Strategic Plan, 2104-2018, Strategic Objective 10 <u>for strategic sourcing savings.</u></p>
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