

DOE/IG-0504

SPECIAL  
REPORT

PERFORMANCE MEASURES  
AT THE  
DEPARTMENT OF ENERGY



MAY 2001

U.S. DEPARTMENT OF ENERGY  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF AUDIT SERVICES

DEPARTMENT OF ENERGY  
Washington, DC 20585

May 11, 2001



MEMORANDUM FOR THE SECRETARY

FROM: Gregory H. Friedman (Signed)  
Inspector General

SUBJECT: INFORMATION: Special Report on "Performance Measures  
in the Department of Energy"

BACKGROUND

On April 5, 2001, the Chairman, Committee on Government Reform of the U.S. House of Representatives, requested information on the Department of Energy's implementation of the Government Performance and Results Act of 1993 (Results Act). Specifically, the Office of Inspector General (OIG) was asked to identify the ten most significant performance measures contained in the Department's performance report and the extent to which the data or information underlying the measures are valid and accurate. The OIG was asked to complete this evaluation no later than May 11, 2001.

To carry out the requirements of the Results Act, the Department of Energy (Department) implemented a performance-based management approach. This approach was designed to improve program effectiveness; to provide management with a tool to plan, manage, evaluate, and reward organizational, employee, and contractor performance; and to provide congressional and executive branch decisionmakers with objective and reliable information about Federal programs.

We examined the Department's Fiscal Year 2000 *Performance and Accountability Report* (Accountability Report) and evaluated whether it generally complied with the requirements of the Results Act. We also assessed the specific measures in the Accountability Report and selected ten that, in our judgment, most closely paralleled the major management challenges documented in our November 2000 report, *Management Challenges in the Department of Energy* (DOE/IG-0491). This special report constitutes our response to the congressional inquiry.

CONCLUSIONS AND OBSERVATIONS

The Department has made progress in implementing the Results Act. For the last 3 years, it has issued a comprehensive Performance and Accountability Report with established goals designed to define the level of performance to be achieved by each program. In addition, it has worked to incorporate performance goals and objectives into its management contracts. However, we identified problems with the usefulness and

completeness of the performance measures and the validity and accuracy of some of the results reported. Specifically:

- Several measures were not objective or quantifiable,
- Critical measures relating to some of the Department's major challenge areas were not present, and
- Performance results reported for the selected measures were not always accurate and valid.

We recognize the magnitude of the challenge the Department faces in implementing a comprehensive performance management system. The operating environment, in which many Departmental activities are performed at government-owned, contractor-operated facilities, represents an inherent challenge in designing and implementing useful and meaningful performance measures. Long-term contracts must be renegotiated and agreements on what should be accomplished must be reached among all parties. Further, measuring performance, particularly in science-related projects, can be complex because a wide range of factors determine how a particular project will result in a commercial application or have other benefits.

To aid in the implementation of the performance management system, we suggest that the Department emphasize the development of measures that are specific, quantifiable, and relevant; address each of the agency's management challenges; and, ensure that results reported represent accurate information and true accomplishments.

During this review we coordinated closely with officials from the Office of the Chief Financial Officer. These officials provided detailed information on how they are improving the performance measurement process. We look forward, in this regard, to working with the Department's senior staff in a continuing effort to improve Department programs and operations, particularly as they relate to performance measurement issues.

Attachment

cc: Office of the Deputy Secretary  
Administrator, National Nuclear Security Administration  
Chief Financial Officer

# **Performance Measures at the Department of Energy**

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# OVERVIEW

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## INTRODUCTION AND OBJECTIVE

The Government Performance and Results Act of 1993 (Results Act) was enacted to improve program effectiveness and to provide congressional and executive branch decisionmakers with objective and reliable information about Federal programs. To accomplish this goal the Department of Energy (Department) has implemented a performance-based management approach to plan, manage, evaluate, and reward organizational, employee, and contractor performance. This approach includes identifying specific Departmentwide goals and defining those goals through written strategies, objectives, and measures. Performance is assessed through comparisons between set expectations and actual accomplishments.

On April 5, 2001, the Chairman, Committee on Government Reform of the U.S. House of Representatives, requested information on the Department of Energy's implementation of the Results Act. Specifically, the Office of Inspector General (OIG) was asked to identify the ten most significant performance measures contained in the Department's performance report and the extent to which the data or information underlying the measures are valid and accurate. As part of the analysis, the OIG was also asked to determine whether the measures provided useful indicators of performance. The OIG was requested to complete this evaluation no later than May 11, 2001.

To conduct this review, we examined the Department's *Fiscal Year 2000 Performance and Accountability Report* (Accountability Report) and evaluated whether it generally complied with the requirements of the Results Act. We assessed the specific measures in the Accountability Report and selected ten that, in our judgment, most closely paralleled the major management challenges documented in our November 2000 report, *Management Challenges in the Department of Energy* (DOE/IG-0491). Finally, we contacted personnel in the Office of the Chief Financial Officer (CFO) and the program officials responsible for each of the measures to obtain information relating to the accuracy and validity of the reported results.

Given the timeframe available, we did not 1) evaluate whether the accomplishment of the specific measures would further the Department's efforts in achieving its overall mission or 2) assess whether the targets set by the measures presented a reasonable "stretch" for the program. Cognizant program offices and managers made those determinations during the performance plan process.

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## CONCLUSIONS AND OBSERVATIONS

The Department has made progress in implementing the Results Act. It has issued a comprehensive performance and accountability report for 3 consecutive years with established goals designed to define the level of performance to be achieved by each program. In addition, the Department has worked to incorporate performance goals and objectives into its management contracts. However, we identified problems with the usefulness and completeness of the performance measures and the validity and accuracy of some of the results reported. Specifically:

- Several measures were not objective or quantifiable,
- Critical measures relating to some of the Department's major challenge areas were not present, and
- Performance results reported for the selected measures were not always accurate and valid.

### Usefulness of Measures

As previously identified in our audits of the Department's Financial Statements, many of the measures contained in the Department's Accountability Report were not as useful as they might have been in indicating performance. Specifically, some performance measures were not output or outcome oriented and did not contain tangible, measurable goals stated in objective or quantifiable terms. For example, in the area of Energy Resources, measures were in place that required program offices to *advance* or *support* outside entities. Similarly, some of the Department's National Security measures called for *improving*, *expanding*, or *continuing* various programs or projects. While these may represent admirable goals, none of these terms indicated that the Department had established an objective or quantifiable method for determining if the desired outcome was achieved.<sup>1</sup>

The Department has indicated that changes to its performance measurement reporting process were currently underway. These were being implemented to better meet Office of Management and Budget requirements, including those requiring useful, output and outcome oriented, meaningful and relevant, and objective and quantifiable measures. To illustrate, the *Fiscal Year 2002 Performance Plan*, issued by the Department on May 1, 2001, stated that the Department would be, "strictly adhering to the criteria ... established in previous years for

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<sup>1</sup> Detailed examples of performance measures in this category can be found in Appendix 1.

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developing the annual performance measures. [The Department intends that] these performance measures be Presidential, specific, quantified, meaningful, challenging, concise, written for taxpayers, comprehensive, and auditable."

## **Completeness of Measures**

The Accountability Report also did not contain all the performance measures that we deemed critical to improving the Department's operations. Specifically, human capital concerns recognized by both the Department and the OIG were not addressed at an agency-wide level. Further, issues relating to the Department's weapons infrastructure and asset inventories were not fully addressed in its performance measurement reporting system.

### Human Capital

The Department did not have any agency-wide performance measures in the Accountability Report that would address the considerable challenge associated with the loss of a skilled workforce. Since 1995, the Department has experienced a substantial downsizing of its Federal staff. During this period, the staff eligible for retirement has increased from 6 to 11 percent and will increase to 34 percent in the next 5 years. The Department's major contractors have experienced similar losses. The decline in staffing has left the Department with the challenge of reinvesting in its human capital to ensure that there are enough of the right-skilled people necessary to successfully meet its missions.

In FY 2000 and previous years, several individual Departmental elements had established performance measures designed to address mission critical staffing needs. However, developing a comprehensive and integrated Departmentwide human capital investment strategy with appropriate performance measures is, in our judgment, key to resolving this complex issue. Specific areas relating to this challenge include processes for identifying skill needs, succession planning, complex-wide recruitment and hiring, career development, and compensation plans.

The Office of Management and Administration designed several agency-wide human capital performance measures which are contained in the Department's FY 2002 Performance Plan. These measures address concerns relating to forecasting mission needs and skill gaps, developing succession planning strategies, and streamlining recruitment and hiring activities.

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### Weapons Infrastructure

Two performance measures in the Accountability Report relate to the Department's weapons infrastructure needs. However, given the nature of the problems reported by the Department, the OIG, and the Congress, these measures were not adequate to address this important national security issue. One of the measures was limited to the current requirements of the Stockpile Stewardship Plan and did not address future needs. The second measure, *Meet the established schedules for downsizing and modernizing our production facilities*, referred only to the status of four Departmental projects valued at approximately \$300 million rather than the more comprehensive task of downsizing and modernizing all production facilities across the weapons complex.

The National Nuclear Security Administration (NNSA) and the Department of Defense have estimated that between \$5 billion and \$8 billion more than current budget amounts will be needed to be invested in the next 10 years to offset the effects of delayed or neglected infrastructure activities. The poor condition of the Department's facilities is impacting the weapons production mission and could result in increased safety and health risks.

In September 2000, the OIG issued its report on *Management of the Nuclear Weapons Production Infrastructure* (DOE/OIG-0484). In this report, we recommended that the NNSA establish an overall science and production focal point, update budget-planning assumptions, develop a condition assessment survey methodology and ensure it is conducted at all production plants, prepare a ten-year site plan for each plant and laboratory, and establish consistent performance measures for infrastructure maintenance.

The Administrator of the newly-formed NNSA has stated that upgrades to the production facilities are a high priority, and that he has established an office to manage the facilities of the nuclear weapons complex. In our view, based on the objectives in the Results Act, and concurrent with the NNSA effort, a comprehensive performance measurement plan needs to be established to monitor progress in this area.

### Asset Inventories

The Department also has extensive inventories of nuclear and nonnuclear materials, land, and facilities that were no longer necessary due to the end of the cold war and Departmental mission changes.

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Although the Department has initiated actions to address problems associated with these inventories, the OIG has issued several reports indicating the need for improvements in storing, securing, and handling these materials. The Department has indicated that they have several efforts in process to improve the management of asset inventories.

While the Department has established several site specific measures, as well as other performance measures relating to control and disposal of nuclear assets overseas (primarily in Russia), the Accountability Report did not include any overall measures that focused on the disposition of excess inventories, land, and facilities that reside at Departmental facilities in the United States. Identifying opportunities to optimize facilities and providing adequate incentives for reducing the volume of unneeded material are critical steps towards resolving this issue.

It should be noted that the Department's FY 2002 Performance Plan contains some measures for the disposition and storage of surplus fissile materials, but these measures do not address nonnuclear issues relating to asset inventories.

## **Accuracy and Validity of Results**

Some of the results reported in the Accountability Report were not entirely valid or accurate. For two of the OIG selected measures, the reported results and the documentation provided did not adequately address whether the goal was actually accomplished. In addition, for one of the measures, the detailed reported results did not support the program's overall assessment that it had met its goal.

The identified problems related to the Energy Supply/Demand Technology and the Infrastructure challenge areas. We selected one measure that was designed to speed the demonstration and transfer of energy technologies to the private sector. While the Department reported that it had met the goal associated with this measure, the results reported and the documentation provided did not support this assessment. Successful completion of the measure required the demonstration and transfer of seven technologies, but only three were actually completed by the end of the fiscal year.

We also examined measures designed to maintain and/or improve the operations of the Department's production facilities. Officials responsible for one of the measures could not provide documentation to fully support the assessment that all facilities required for successful

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achievement of the Stockpile Stewardship Plan were operational. A more detailed discussion of each of the OIG selected measures and their related results can be found on page 7 of this report.

## **SUGGESTED ACTIONS**

The OIG has reported concerns with the Department's performance measures in its financial statement audits. In addition, in 1999, we issued a report on *The U.S. Department of Energy's Implementation of the Government Performance and Results Act* (DOE/IG-0439). During that audit, we found that the Department's performance measures did not always reflect a sufficient relationship to Departmental mission, goals, or objectives and were not always objective and measurable. Also, performance information was not fully supportable, accurate, complete, or timely. Appendix 2 contains a list of relevant OIG reports issued in the last 2 years.

Based on our observations during this review and prior reviews, we concluded that the Department should take additional steps to improve its performance management reporting process. In particular, we suggest that the Department:

- Include only performance measures that are specific, quantifiable, meaningful, and relevant in the Performance Plan, Performance Agreement, and the Accountability Report.
- Develop measures that ensure that each of the Department's management challenges is addressed.
- Ensure that results reported represent accurate information and true accomplishments.

Officials in the CFO were receptive to our suggestions and agreed that further refinement of performance measures was needed. However, they believed that the measures established in the Accountability Report provided useful indicators of programmatic performance.

# DETAILED ANALYSIS OF REPORTED RESULTS

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Details of the performance results for each of the ten measures selected, along with the reasons for selection, are outlined below by OIG challenge area.

## National Nuclear Security Administration

The National Nuclear Security Administration (NNSA) was established in March 2000 to provide clear and direct lines of accountability and responsibility for the management and operation of the nation's nuclear weapons, naval reactors, and nuclear nonproliferation activities. We selected one measure in the NNSA area, which is shown in the box below.

NNSA Performance Measure	Reported Results
<ul style="list-style-type: none"><li>Meet all annual weapons alteration and modification schedules developed jointly by DOE and DOD. (NS 1-1)<sup>2</sup></li></ul>	<i>Below Expectations</i> -- No modifications were required this fiscal year. Eleven alterations are underway. Six of the eleven are behind schedule.

The reported results were supported by documentation from the Office of Defense Programs and appeared to be an accurate reflection of the status of the measure. In addition, the results reported seem to confirm the assessment of "below expectations."

## Contract Administration

Of the Department's total budget of almost \$18 billion, about \$13 billion is spent by its contractors. The Department has been in the process of reforming its contracting practices, including attempts to aggressively re-compete contracts, tie performance metrics to contractor fees, and shift more risk to its contractors, since about 1994. We selected one measure, relating to performance-based contracting, in the area of Contract Administration.

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<sup>2</sup> The Accountability Report assigns a number to each Departmental objective. These numbers indicate the business line (National Nuclear Security – NS, Environmental Quality – EQ, Energy Resources – ER, Science – SC, and Corporate Management – CM), the goal within that business line, and the objective.

Contract Administration Performance Measure	Reported Results
<ul style="list-style-type: none"> <li>Convert all management and operating contracts awarded in FY 2000 to Performance Based Management contracts using government-wide standards [Federal Acquisition Regulations (48 CFR Part 39) and Office of Federal Procurement Policy letter 91-2]. (CM 4-1)</li> </ul>	<p><i>Met Goal</i> -- All DOE Management and Operating Contracts awarded through September 2000 have been converted to Performance Based Management contracts using government wide standards.</p>

The reported results were supported by documentation provided by the Office of Procurement and Assistance Management and appeared to be an accurate reflection of the status of the measure. In addition, the characterization of "met goal" seemed appropriate.

**Energy Supply/  
Demand Technology**

Recent events, including the dramatic spike in oil and gasoline prices, have led to a renewed national focus on the significance of energy imports and the technology that can reduce energy dependency. Currently, the United States relies on petroleum for about 40 percent of its energy supply, and 51 percent of this petroleum is imported. Increasing energy demands are likely to exacerbate this situation. One performance measure was selected in the area of Energy Supply/ Demand Technology.

Energy Technology Performance Measure	Reported Results
<ul style="list-style-type: none"> <li>Complete demonstration and transfer of 7 advanced secondary and tertiary technologies, adding 92 million barrels of reserves, increasing the number of economic wells and reducing abandonment rates. (ER 1-1)</li> </ul>	<p><i>Met Goal</i> -- With successful technology transfer, the technologies tested in the 7 projects could result in the eventual production of up to 184 million barrels of incremental oil, from the geologic basins that the projects are located.</p>

For this particular measure, while the Department stated that it had met its goal, the reported results did not clearly support this conclusion. According to the documentation provided by the Office of Fossil Energy (FE), seven specified projects were tested and deemed successful. But, we noted that four of the projects had not been completed by year-end, and we were unable to determine, from the

documentation provided, whether technology transfer had taken place. In addition, the results only stated that *eventual* production *could* result in adding to the reserves, not that the performance goal had actually been achieved. Finally, the results reported in the Accountability Report did not discuss whether the number of economic wells had increased or whether the abandonment rates had decreased. Therefore, in our opinion, neither the documentation provided nor the reported results supported the assessment of "met goal."

In responding to this report, FE stated that they believed the "met goal" assessment was justified. They stated that the seven technologies *were* successfully demonstrated and that technology transfer takes place over the life of the project, not just at the project completion. In addition, they explained that, with regard to the last part of the measure, the increase in the number of economic wells and the decrease in abandonment rates, would take place "automatically" if the technologies are successful.

**Environmental Remediation**

The Department's effort to address the environmental consequences of its nuclear weapons mission has been recognized as the largest remediation program ever undertaken. The Department reports that it is responsible for cleaning up 113 geographic sites located in 30 states and one territory. Cleaning up the entire nuclear weapons legacy will take several decades and, according to the Department's most recent estimate, cost about \$230 billion. We selected two of the many environmental clean-up related measures in the Department's Accountability Report.

Environmental Remediation Performance Measures	Reported Results
<ul style="list-style-type: none"> <li>Stabilize 400 containers of plutonium metals/oxides, 41,000-kg bulk of plutonium residues, and 130 handling units of other nuclear material in other forms. (EQ 1-1)</li> </ul>	<p><i>Nearly Met Goal</i> -- 574 containers of plutonium metal oxides, 29,460-kg of bulk plutonium residues, and 224 handling units of other nuclear material have been stabilized.</p>
<ul style="list-style-type: none"> <li>Complete 82 facility decommissionings. This will bring the number of completed facility decommissionings to 640 out of a total inventory of approximately 3,300 facilities. (EQ 2-1)</li> </ul>	<p><i>Nearly Met Goal</i> -- Seventy-seven facility decommissionings were completed.</p>

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The results reported for both of the measures appeared to be accurate and valid. The Office of Environmental Remediation and Waste Management (EM) provided documentation supporting the results and the assessments of "nearly met" appeared appropriate.

**Information Technology**

In 1996, the Clinger-Cohen Act required the Department to appoint a Chief Information Officer (CIO) to develop and implement an effective agency-wide information technology investment strategy and an integrated information technology architecture. The use of capital planning and investment controls to better manage information technology was identified by the Office of Management and Budget as a government-wide priority. Since the Department's annual information technology expenditures exceeded \$1.6 billion, we selected one of the two CIO performance measures to review.

Information Technology Performance Measure	Reported Results
<ul style="list-style-type: none"><li>Complete all FY 2000 milestones in the Corporate Management Information Program (CMIP) plan. (CM 5-1)</li></ul>	<i>Nearly Met Goal</i> – CMIP is comprised of nine projects; each project has separate performance measures. Seven projects met nearly all project performance measures. The other two projects also met nearly all performance measures and new completion dates were established for those they did not meet.

The performance measure selected contained the target of meeting all milestones in the Corporate Management Information Program (CMIP) plan. This plan was comprised of nine individual projects with their own milestones. The documentation supplied by the CIO supported the characterization that each of the individual projects "nearly met" their goals and information given by officials in the CIO further tied the plan's milestones to the individual project goals.

**Infrastructure**

The Department is responsible for providing the Nation with nuclear weapons and ensuring these weapons remain safe, reliable, and available for the defense of the United States, should the need arise. Current and future goals of the Department and the NNSA are at risk because the infrastructure has not been adequately maintained.

Infrastructure concerns do not focus only on physical facilities. Advances in information technology and an increased reliance on electronic commerce have been initiating major changes. The President's Commission on Critical Infrastructure Protection concluded that our critical national infrastructures are increasingly vulnerable to both physical and cyber (electronic) disruptions, and that such disruptions could result in major losses that could affect national security, the economy, and the public welfare. We selected two measures related to the Department's infrastructure, one physical and one electronic.

Infrastructure Performance Measures	Reported Results
<ul style="list-style-type: none"> <li>• Ensure that all facilities required for successful achievement of the Stockpile Stewardship Program remain operational. (NS 3-1)</li> </ul>	<p><i>Below Expectations</i> -- The LANL nuclear production facilities, TA-55 and the Chemistry and Metallurgy Research building, remain operational. However, operations have been severely restricted due to the March 2000 Pu-238 intake accident and the resulting compensatory and corrective actions. In addition, the Cerro Grande Fire in May 2000 caused significant disruption to all Laboratory activities. At the end of the fiscal year, operations in TA-55 were just beginning to return to normal with the resumption of pit manufacturing development activities.</p>
<ul style="list-style-type: none"> <li>• Initiate the correction of DOE infrastructure vulnerabilities identified by the President's Commission on Critical Infrastructure Protection. (NS 3-3)</li> </ul>	<p><i>Met Goal</i> -- An Interagency Agreement with the Department of Commerce to support the implementation of PDD-63 on Critical Infrastructure Protection within the Department has been signed.</p>

The results reported related to the first measure, *Ensure that all facilities required for successful achievement of the Stockpile Stewardship Program remain operational*, only focused on problems at Los Alamos National Laboratory (LANL). Information on the remaining "required" facilities was not presented. The Office of Defense Programs (DP) stated that they report only on an exception basis, and its other required facilities were fully operational. When documentation was requested supporting the conclusion that the other

required facilities were operational, only reports on the environment, safety, and health activities (ES&H) were provided. While DP officials receive daily e-mails detailing the status of each facility, they do not collect any other type of rollup information that would address the measure specifically. DP officials stated that, starting in the fourth quarter of FY 2000, overall information beyond the ES&H reporting requirements was being collected. This included information on facility availability, facility production projects, security, and quality oversight.

With regard to the characterization of "below expectations," DP may, in our view, be too critical of their performance. If all other facilities were fully operational except two facilities in LANL, it is possible that the assessment of "below expectations" is too low. However, without appropriate documentation supporting the otherwise fully operational assessment and, given the importance of the two facilities at LANL, the "below expectations" grade may be appropriate.

The reported results relating to the second measure, Presidential Decision Directive 63, appeared to be accurate and valid. The CIO provided supporting documentation and the assessment of "met goal" was confirmed by the results. It should be noted, however, that "initiating the correction of vulnerabilities" did not establish a very measurable or quantifiable commitment.

## Safety and Health

Ensuring the safety and health of its workforce and the public is one of the Department's most difficult, long-term challenges. Safety and health issues encompass all activities relating to the identification, testing, handling, labeling, cleanup, storage, and/or disposal of radioactive and hazardous waste. We selected one measure, shown below, within the safety and health area.

Safety and Health Performance Measure	Reported Results
<ul style="list-style-type: none"> <li>Implement Integrated Safety Management at all DOE Sites. (CM 1-1)</li> </ul>	<i>Nearly Met Goal</i> -- Nearly every site has successfully completed their ISM implementation.

The results reported for this measure appeared to be accurate and, while a more specific definition of "nearly every site" would be useful, the results also appeared to be valid. The Office of Environment, Safety

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and Health provided supporting documentation and the assessment of "nearly met" seemed appropriate.

## Security

One of the objectives of the Department's National Nuclear Security business line is ensuring that the Department's nuclear weapons, materials, facilities, and information assets are secure through effective safeguards and security policy, implementation, and oversight. The Department spends close to \$1 billion a year for physical and personnel security. We selected one measure from the Security area. This measure, on the security planning process is listed below.

Security Performance Measure	Reported Results
<ul style="list-style-type: none"><li>• Develop a streamlined Site Safeguards and Security plan process. (NS 3-3)</li></ul>	<i>Met Goal</i> -- A new process was developed and a memo formally establishing the new SSSP process was issued in October 1999. A guide on the format and content of the SSSPs was prepared and issued in March 2000.

The reported results appeared to be accurate and valid. The Office of Security and Emergency Operations provided documentation supporting the establishment of a new Site Safeguards and Security plan process and the assessment of "met goal" seemed appropriate.

# APPENDIX 1

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## EXAMPLES OF PERFORMANCE MEASURES THAT ARE NOT OBJECTIVE OR QUANTIFIABLE (by Business Line)

### ENERGY RESOURCES

- **Continue** Nuclear Energy Research Initiative research **to improve** the understanding of new reactor and fuel cycle concepts and nuclear waste management technologies, and begin to develop a preliminary feasibility assessment of the concepts and technologies. (ER 2-8)
- **Advance** the state of scientific **knowledge** and technology to enable incorporation of improved proliferation resistance, safety, and economics in the potential future design and development of advanced reactor and nuclear fuel systems.
- **Continue support** for Industrial Assessment Centers operating at 30 participating universities that will conduct approximately 750 combined energy, waste, and productivity assessments.

### NATIONAL NUCLEAR SECURITY

- **Support** U.S. Government lead negotiations on the Fissile Materials Cut-off Treaty and the Biological Weapons Convention.
- **Continue** to install MPC&A upgrades in Russia for defense-related sites, civilian sites, Russian Navy projects, and the transportation sector.
- **Further** the Nuclear Cities Initiative by promoting cooperation with the closed cities in the Russian nuclear weapons complex to improve the prospects for defense conversion and employment of former weapons scientists.

### ENVIRONMENTAL QUALITY

- **Continue coordination** with the National Academy of Sciences/National Research Council on the release of their analyses on long-term stewardship.

### SCIENCE

- **Further** the progress on achieving luminosity and operational efficiency for the Tevatron at Fermilab in its new mode of operation with the recently completed Main Injector.
- **Continue** collaborative efforts with NASA on space science and exploration.

## APPENDIX 2

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### SELECTED RELATED OFFICE OF INSPECTOR GENERAL REPORTS

All Department of Energy OIG audits include steps to review the performance measures related to the audited area. The following is a list of selected reports that contain findings or recommendations related to performance measurement in the Department.

- *The U.S. Department of Energy's Implementation of the Government Performance and Results Act* (February 1999, DOE/IG-0439). The Department's implementation of the Results Act was incomplete. Performance measures were not always objective and measurable and did not sufficiently relate to Departmental mission, goals, or objectives. Also, performance information was not supportable, accurate, complete, or timely.
- *The U.S. Department of Energy's Consolidated Financial Statements* (February 2001, DOE/IG-FS-01-01). Some of the measures did not include cost-effective attributes, the quality of others was questionable, and some of the results were not reported accurately.
- *Management Challenges at the Department of Energy* (November 2000, DOE/IG-0491). The Department should develop and implement performance goals and measures that directly address the identified challenges and assess actual performance against those goals and measures making sure the results were independently validated.
- *Bechtel Jacobs Company LLC's Management and Integration Contract at Oak Ridge* (March 2001, DOE/IG-0498). The performance measures established by the Oak Ridge Operations Office would not ensure that requirements of the contract would be met. Also, there were no contractual requirements or performance incentives in place for the contractor to maximize cost effectiveness to use competitive, fixed-price subcontracts or reduce staff.
- *The U.S. Department of Energy's Corporate Human Resource Information System* (February 2001, DOE/IG-0494). Certain Departmental goals and objectives to reengineer human resource processes and eliminate redundant systems were not met through implementation of the system.
- *Management of the Nuclear Weapons Production Infrastructure* (September 2000, DOE/IG-0484). Current and future goals of the Stockpile Stewardship Plan are at risk because the nuclear weapons production infrastructure has not been adequately maintained and Plan requirements exceed plant capabilities.
- *Implementation of Presidential Decision Directive 63, Critical Infrastructure Protection* (September 2000, DOE/IG-0483). Due to the lack of specific plans, performance measures and goals, the Department had not implemented its critical infrastructure protection plan. Increased risk of malicious damage to cyber-based infrastructure could adversely impact the Department's ability to protect critical assets and deliver essential services.

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- *Performance Incentives at the Idaho National Engineering and Environmental Laboratory* (April 2000, WR-B-00-05). The goal of performance-based incentives was not being met. The incentives used were not successfully improving contractor performance or reducing costs because they were process rather than outcome oriented.
  - *Facilities Information Management System* (April 2000, DOE/IG-0468). The Facility Information Management System was inaccurate and incomplete and the ability to make informed decisions about real property was questionable. A performance plan should be prepared to ensure that efforts to improve information management systems are consistent with the Department's overall strategic goals and objectives.

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