



PACIFIC NORTHWEST SITE OFFICE

**FISCAL YEAR 2008
ANNUAL PERFORMANCE PLAN**

September 2007





Preface

The Pacific Northwest Site Office (PNSO) Annual Performance Plan (APP) serves as the blueprint for the PNSO activities necessary to address SC corporate priorities and administer the Pacific Northwest National Laboratory (PNNL) prime Management and Operation (M&O) contract with Battelle Memorial Institute (Battelle). The APP also establishes fiscal year performance measures to assist PNSO management and staff in ensuring PNSO activities are carried out in the most efficient and effective manner possible. The key elements of this plan address the President's Management Agenda, SC-3 Goals and Objectives, and SC Initiatives. PNSO will use the APP to effectively and efficiently manage Site Office performance and also as the principal planning and communications tool to establish and track Site Office goals.

The APP is based on accepted performance management principles and has matured at PNSO over the last six years. These principles provide the approach and the method PNSO uses to track metrics and to assign accountability within the Site Office as well as flow-down of individual performance expectations. The "Improvement Initiatives" appendix addresses emerging issues, as well as Departmental thrusts.

The addition of the Under Secretary for Science within the Department, the American Competitiveness Initiative, and the President's Management Agenda clearly demonstrate the President's desire to improve federal government and achieve measurable results, especially in the area of science. The PNSO APP is designed to fulfill our obligation to achieve these desires at the highest level and represents the "Gold Standard" in performance of our duties.



Michael J. Weis, Manager
Pacific Northwest Site Office

9-4-07
Date



1.0 Office Priorities/Goals/Objectives/Measures

PNSO has maintained a performance-based management plan for the past six years that has provided for measurement of organizational goals, objectives and measures. The structure relies on a balanced scorecard approach and has developed over time with the assistance of independent performance management expertise. PNSO recently refined its goals and objectives based on current risk areas for the Site Office. Using this approach has allowed management to focus on major risk areas and actively manage and adjust resources related to mitigating those risks. PNSO utilizes the Pviews Balanced Scorecard™ Software as the tool to track performance and conducts a monthly program review meeting to evaluate performance.

Measures for each of the objectives are listed in detail in Appendix A. Additionally, PNSO's goals and objectives are crosswalked to the President's Management Agenda, SC-3 Goals and Objectives, and SC Initiatives in Appendix B. The PNSO annual Integrated Safety Management (ISM) performance objectives, measures, and commitments are provided in Appendix C.

1.1 Goals and Objectives

The PNSO performance management structure includes three key goals to ensure success in meeting its mission and vision. The objectives below each goal were developed with direct participation by PNSO staff and management following well-known and time-tested performance management principles such as the "balanced scorecard" concepts and the "Baldrige" scoring system. The APP creates a clear link between the measures and SC expectations and provides a systematic and efficient way of tracking performance against the objectives. The measures under each objective are fully described in Appendix A.

Goal 1. Improve Contract and Contract Management

Effectively conduct PNSO's role as Federal contract administrators. This includes ensuring the administration of integrated systems to foster safe, secure, environmentally sound and fiscally responsible operations that enable the quality achievement of the PNNL mission.

Objective 1. Ensure Sound ESH&Q and Security – Provide effective oversight to ensure that ES&H, Security, and Quality are implemented and integrated into management and work practices at all levels so that the PNNL mission is accomplished in a quality manner while protecting the public, the worker, and the environment.

Objective 2. Ensure Continuous Improvement in Processes and Systems for Laboratory Operations – Monitor the contractor's performance in providing efficient and effective processes/systems in several key areas such as acquisition



management, audit performance, contract compliance, cost control, and corrective actions.

Objective 3. *Ensure an Effective Team Approach to the Management of the PNNL M&O Contract* – Demonstrate the implementation of contract management responsibilities commensurate with the level of complexity of the contract and involvement by the PNSO, DOE HQ Office of Science, SC Integrated Support Center, other cognizant HQ Program Offices, and major customers.

Goal 2. *Increase PNNL National Value*

Monitor the Site Office and Contractor systems/actions to ensure the capabilities required to carry out the PNNL missions as defined by DOE are available. These capabilities are defined in terms of what makes up a capability (facilities, equipment, people, and business demographics); the management of EMSL as a user facility and a look at the project mix that utilizes these capabilities.

Objective 4. *Ensure Sound Capability Stewardship Across the Four Lab Mission Areas* – Monitor the effective planning for required capabilities and the efficiency in carrying out of those plans to meet the four primary missions of the Laboratory. Capabilities are defined in terms of facilities, equipment, people and business demographics. Sound capability stewardship involves analysis of current capabilities, development of new capabilities and the potential divesting of underutilized or unneeded capabilities.

Objective 5. *Ensure Sound Stewardship of National User Facility (EMSL)* – Ensure the success of the EMSL as a national user facility.

Objective 6. *Ensure the Efficient and Effective Completion of Current Construction Projects* – Monitor the efficient and effective completion of current/approved Laboratory construction projects (e.g., facility construction/upgrade, or equipment acquisition).

Goal 3. *Achieve the Vision and Intent of One SC*

Measure the success in managing the internal operation of the Site Office in order to provide the most efficient and effective accomplishment of our mission. This includes the completion and/or update of staffing analyses, ensuring staff are provided the training and tools required to execute their assigned responsibilities in a quality and cost effective manner, and are providing the appropriate level of oversight of the Laboratory program/support systems and assistance to HQ SC.



- Objective 7. *Ensure Quality Support to SC, Other DOE Program Offices and Other Laboratory Customers*** – Ensure PNSO is responsive to all SC, other DOE Program Offices and Lab Customer needs, requests for assistance, and provides quality support to initiatives as appropriate.
- Objective 8. *Ensure the Strategic Management of PNSO Human Capital*** - Ensure that: 1) quality workforce planning is accomplished; 2) top-quality staff are recruited and retained; 3) staff is provided the training and is certified, where required, to successfully complete their job; 4) a positive work environment is maintained; and 5) meaningful performance evaluations are completed and recognitions are provided as appropriate.
- Objective 9. *Ensure Continuous Improvement of PNSO Operations*** - Ensure that: 1) required PNSO systems and processes are in place and implemented; 2) staff are provided an opportunity to provide input to influence their work environment; and 3) plans/actions are accomplished as planned to support the efficient accomplishment of the overall Site Office mission.

1.2 Measures

The FY 2008 measures (see Appendix A) have been developed to assist staff and management in determining the Site Office's overall performance in meeting the corresponding Objective. Although the identified measures may be the primary means for determining performance, additional performance information available to the Site Office from other sources will be utilized in determining the overall success in meeting an Objective and to manage and adjust resources to correct/mitigate identified issues/risk areas.

1.3 Improvement Initiatives

PNSO has initiated several "Improvement Initiatives," provided within Appendix D, to address areas where unacceptable levels of risk or performance issues have a potential to adversely impact organizational goals. These initiatives resulted from the review of PNSO's performance management process, as well as results of external assessments. Improvement actions for each Initiative are captured as measures under the appropriate Objectives above. The specific focus on these key challenges should allow PNSO to reduce and mitigate risks in these areas and lead to more effective and efficient operations of the Laboratory.



2.0 Human Capital

Current and Projected PNSO federal FTE requirements (FY 2007 - FY 2013):

Site Office Functions	Actual FY 2007 FTEs	Projected FY 2008 FTEs	Projected FY 2009 FTEs	Projected FY 2010-13 FTEs	Comments
1. Management Team	8.5	8.5	7	7	1.5 reduction due to transfer of HAMMER to OE
2. Business and Contracts	11	11	11	11	
3. Programs and Projects	9.5	9.5	9	9	0.5 reduction due to transfer of HAMMER to OE
4. ES&H	7	9	11	11	2 FTE increase in FY08 (Facility Safety & Facility Rep). 2 FTE increase in FY09 (Health Physicist & Tech. Program Manager).
TOTAL	36	38	38	38	

The PNSO organization is comprised of the Office of the Manager and two Divisions, the Programs Division and the Operations Division (see PNSO organization chart provided in Appendix E). The Office of the Manager includes the Manager, Deputy Manager, Senior Program Advisor¹, Program Analyst, the Contracting Officer, Public Affairs Officer and the Capability Replacement Laboratory (CRL) Project Office which consists of a PSF Project Director, a General Engineer and a Project Transition Coordinator.

The Programs Division (PD) provides contract support by acting as Technical Monitors for all programmatic work and are responsible for oversight and administration of the Laboratory Work for Others program and Reimbursable Work Program; Laboratory Directed Research and Development program; overall capability stewardship of the laboratory; as well as ensuring the appropriate integration of safety and security management throughout all programs/projects. The PD in partnership with the applicable DOE-HQ and Integrated Service Center (ISC) administrative organizations is responsible for the oversight of all the business management functions within the Laboratory.

The Operations Division (OD) is responsible for the administration and performance oversight of operations and environment, safety and health programs as well as of facility management (operations and maintenance), quality, safeguards and security, and emergency preparedness programs. Two Facility Representatives are part of this division. These functions are currently carried out in partnership with the applicable DOE-HQ and ISC organizations, as well as the appropriate RL organizations a Memorandum of Agreement with the Richland Operations Office (RL) for the operation of Laboratory facilities on the Hanford Site.

¹ Detailed to OE



The current and projected PNSO federal staff identified within the table above assumes continued support from the ISC. The PNSO currently receives approximately 28 FTEs of support in most all areas (i.e., ES&H, Security, Finance & Budget, HR, Legal, Real Estate, Document Control & Records Management, etc.). With the exception of a HR specialist co-located with PNSO all support staff reside at either the Oak Ridge or Chicago. Based on the staffing analysis completed during FY 2007 PNSO is working with the Oak Ridge to co-locate a lawyer for specialized legal support (e.g., local and state laws and regulations) with PNSO.

There are a number of shifting areas of focus and complexities that will make the management of the PNNL contract an even greater challenge during FY 2008. The first of these complexities will be the management of an extended contract term along with the competition of the prime management and operations contract for PNNL, followed by the transition to a new contract and closeout of the existing contract. One of the complexities associated with PNSO's workload during the extended contract term will be the Use Permit which allows Battelle to utilize government facilities and equipment for private commercial work. The Use Permit drives considerable additional requirements for business system accountability and oversight. Another complexity during the extended contract term is the transition of the Consolidated Laboratory. Since its inception in 1965, PNNL has utilized innovative methods to provide research infrastructure. The original competitive bid process established a "consolidated laboratory" concept comprised of excess Hanford defense production facilities, and private facilities constructed/leased by the contractor. This approach included the ability for the contractor to conduct both private and federal research within the PNNL infrastructure. The facilities have differing regulatory drivers depending upon the location and the ownership which complicates DOE oversight.

During FY 2008 PNSO must manage large and complex construction projects. These projects include a federal line item project, monitoring the construction of alternative financed facilities, as well as, the refurbishment of 50 plus year old 300 Area facilities that includes a category II nuclear facility. Another complexity is the transition of nuclear safety oversight as PNSO assumes line-management responsibilities for the category II nuclear facility from the Richland Operations Office starting with FY 2008. Furthermore, the retention of 300 Area facilities will require a longer term relationship with the Hanford Site. This relationship includes working with common unions, Hanford emergency preparedness organizations, the Hanford guard force, as well as Hanford regulators and stakeholders.

The creation of the PNNL Site has also increased the work load and responsibilities of PNSO beyond the simple oversight of additional acreage. This includes dealing with and managing State and Local permits and other legal requirements along with the additional State and Local government; local and regional community; and Tribal relationships and communications.

All these complexities along with the large amount of classified work conducted at PNNL, the growing cyber-security requirements, the assumption of line responsibility for



programs such as TQP, PAAA, FTCP, TSP, and coordination with DNSB clearly show the need for an aggressive PNSO staffing strategy so as to proactively meet organizational needs and long-range commitments. PNSO has developed a succession plan that captures the key elements associated with the Human Capital Initiative established through the President's Management Agenda. The PNSO Succession Plan was developed consistent with the OPM Human Capital Strategy and the current "best practices" identified as federal agencies are implementing the initiative tenants. Implementing this plan will provide for the continuity of leadership, required DOE skills, strengthening diversity/flexibility and a framework to manage the organizational changes needed to ensure success in meeting the growing complexities and challenges facing PNSO today. Another factor that PNSO management must address is the demographics of the PNSO workforce. Approximately 33% of the workforce will qualify for normal retirement during the period from CY 2007 through 2011.

While the current plan represents a starting point for PNSO succession planning, there continues to be areas where strategies, planning and actions will need further development to address gaps in PNSO's ability to sustain mission capabilities. Evolution of the PNSO succession plan will continue alignment with the Human Capital Initiative "critical success factors" as the base framework. Understanding this framework is important because it is the diversity and adaptability of approaches as a whole, rather than individual techniques that are the key to success in planning and meeting human capital challenges.

3.0 SC Assessment Plan & the SC Integrated Assessment Schedule

PNSO uses a systems-based approach for performing contract oversight, which is described in detail in the PNSO Performance Assurance Procedure. The PNSO approach is aligned with the PNNL Standards-Based Management System (SBMS) construct, which translates the numerous contract requirements into management systems in order to more effectively and efficiently operate the Laboratory. Although PNSO does perform day-to-day oversight and compliance-based inspections, these are predominantly performed to validate system performance rather than as strict compliance assessments. The core PNSO functions for performing systems-based oversight include:

1. Validation that the contract requirements have been appropriately translated to a management system, primarily through review and validation of contractor requirements management documentation (Records of Decision).
2. Review and validation of contractor self-assessment process and results for individual management systems
3. Frequent interface with management system counterparts to determine performance against expectations
4. Periodic independent assessments/surveillances/walkthroughs as well as participation in contractor assessments to validate performance
5. Review of corrective actions to confirm completion and effectiveness in resolving causes



Given these core oversight activities, and the resources available to conduct oversight, PNSO management and staff prioritize the level of oversight conducted in each area. The PNSO Integrated Evaluation Plan (IEP) Procedure describes PNSO's risk-based approach for planning contract oversight and provides the following tenants for setting oversight priorities:

- Assessments mandated by DOE Orders or other requirements outside PNSO
- Past contractor performance in relevant topical areas
- Operations with the potential for high consequence events (e.g., nuclear facilities and operations)
- Knowledge from operational awareness activities conducted in accordance with the PNSO Performance Assurance Procedure
- Topics of heightened interest across the DOE complex (e.g., recent lessons learned, DNFSB letters, etc.)
- Planned contractor assessment activities
- Outstanding or recently completed contractor corrective actions

Based on the systems-based approach, along with available resources and current priorities, PNSO develops the annual Integrated Evaluation Plan (IEP). The PNSO's FY 2008 IEP is loaded into and maintained in the SMART system and is consistent with the requirements of DOE Order 226.1. The IEP describes plans for operational awareness activities (including oversight of all PNNL programs and management systems, Facility Representative oversight activities, and construction project oversight), contract evaluation, and formal assessment activities. The IEP also captures any planned external oversight activities as well as internal assessments of PNSO performance.

In addition to the formal assessments of PNSO performance identified in the IEP, the PNSO also evaluates its performance against specific Site Office Goals and Objectives during monthly and quarterly program reviews, as described in section 1.0 above. This allows PNSO management the opportunity to frequently evaluate performance based on major areas of risk and to actively adjust resources related to mitigating those risks. The program reviews are performed utilizing an electronic performance management system (based on Pviews software), which allows identification and tracking of issues and facilitates discussion and tracking of actions to correct identified issues/risk areas.



Appendix A - Detailed Listing of Goals, Objectives, and Measures

Objective: 1 - Ensure Sound ES&H, Security, and Quality

Goal: 1 - Improve Contract and Contract Management

Objective Owner: Ted Pietrok

Objective Description: Provide effective oversight to ensure that ES&H, Security, and Quality are implemented and integrated into management and work practices at all levels so that the PNNL mission is accomplished in a quality manner while protecting the public, the worker, and the environment.

Measure	Purpose/ Description	Target
1.1 Environment, Safety and Health		
1.1.1 PNNL Total Recordable Case (TRC) Rate	Measures the average number of recordable cases per 200,000 hours worked	Average ≤ 0.65
1.1.2 PNNL Days Away, Restricted, or Transferred (DART) Rate	Measures the average number of cases which resulted in days away, restricted, or transferred per 200,000 hours worked	Average ≤ 0.25
1.1.3 Composite ORPS rate based on severity	Provides trending information based on the number and severity of ORPS reportable events (SC1 or E=3.0, SCR=2.0, SC2=1.0, SC3=0.5, SC4=0.25)	< 2.75
1.1.4 Environmental Events	Tracks pre-cursor environmental events using the PNNL 2400 Report to determine any negative trends	< 10
1.1.5 Radiological Protection Events	Tracks events that cause unanticipated exposures of workers or the public to ionizing radiation (e.g., internal contaminations, spread of contamination outside of a radiation area, etc.).	0
1.1.6 NTS Significance Trends	Measures the trend regarding significance of NTS events. Significance is based on a scoring methodology that looks at the discovery mechanism and deficiency type.	< 19 Significance Points
1.2 Security		
1.2.1 Security Incident Trending based on severity	Measures incidents of security concerns that occur on a quarterly basis (IMI I = 3, IMI II = 1, IMI III = .5, and IMI IV = .25)	< 2.75
1.2.2 Implement Corrective Actions for SAS Periodic Surveys	Measures the effective implementation of corrective actions in a timely manner	100%
1.2.3 Implement Corrective Actions for OA / External Reviews	Measures the effective implementation of corrective actions in a timely manner	100%



Measure	Purpose/ Description	Target
1.3 Quality Assurance		
1.3.1 Quality Assurance Program Implementation	Provides an overall status to inform PNSO management of PNNL's progress on implementation of a seamless NQA-1:2000 approach to quality assurance	100%
1.3.2 SQA Implementation	Measures PNNL's implementation of NQA-1 with respect to Safety Software	100%
1.3.3 Effectiveness and Efficiency of Assessment and Issues Management	Measures how well corrective actions are being managed based on PNSO assessment of 1) recently closed assessments/events for data quality/completeness, and 2) past due closure status performance	100%



Objective: 2 - Ensure Continuous Improvement in Processes and Systems for Laboratory Operations

Goal: 1 - Improve Contract and Contract Management

Objective Owner: *Mark Coronado*

Objective Description Monitor the contractor’s performance in providing efficient and effective processes/systems in several key areas such as acquisition management, audit performance, and cost control.

Measure	Purpose/ Description	Target
2.1 Management System Maturity	Measures the Contractor’s efforts to improve management systems in accordance with stated SBMS policies. The measure will Monitor the desired performance for maturity versus the actual performance to ensure continual improvement of the management systems and processes.	Desired performance level as established by the Lab
2.2 Audits	This measure is intended to provide information on whether audits are being completed as scheduled, whether audits are identifying significant findings, and whether audit findings are being close in a timely manner.	
2.2.1 Number of audits issued (PNSO)	Ensure audits are being issued as scheduled for the year	90% of planned audits will be issued
2.2.2 Number of Audits with High Risk Findings (PNSO)	Identify how many audits have high risk audit findings (significant concerns)	25% or less of issued audits have high risk findings
2.2.3 Audit Findings Closed by Due Date (PNSO)	Ensure timely audit closeouts	75% of the audits issued will be closed by their due dates
2.2.4 Audits Not Closed within One Year of Issuance (PNSO)	Ensure audits do not remain open for long periods of time without review	3 or less
2.2.5 Timely Issuance of Audits to PNNL (PNSO)	Ensure appropriate PNSO turnaround of audits	85% issued within 45 days
2.3 Compliance with Financial Management Contractual Requirements (N. Mendez / L. Vickerman)	This measure will evaluate whether the contractor is complying with significant financial management contractual requirements	



Measure	Purpose/ Description	Target
2.3.1 Instances of notable contract violations related to financial management system	Ensure contractor is complying with contract (e.g., control point violations, material CAS non-compliances).	0 instances
2.3.2 Contractor Compliance w/ Departmental A-123 Guidance	Assessment of progress against requirements and remediation of any identified deficiencies	SME Subjective Evaluation
2.4 Funds Management (L. Vickerman / N. Mendez)	This measure evaluates how the contractor is doing at receiving, managing, and expending funds	
2.4.1 1830 Total Obligations vs. Projected Total Budget Authority by Program	Ensure funds control and funds management	> 95% at fiscal year-end
2.4.2 1830 Total Costs vs. Total Obligations	Manage uncosted %	> 60 % at FY-end
2.4.3 Ratio of 1831 Costs vs. 1830 Total Costs	Ensure proper balance between 1831 and 1830	≥ 11.0%
2.4.4 PNNL Project-Level Overruns	Monitor PNNL funds control. Provide early detection of possible funds control issues utilizing a 3-year rolling average	≤ 5% overruns
2.4.5 PNNL Total Cost per FTE	Ensure contractor is controlling total costs. 1830 YTD cost divided by 1830 YTD FTEs.	≤ \$190K per FTE
2.5 Overhead Management (N. Mendez / L. Vickerman)	This measure evaluates how the contractor is doing at managing and expending overhead funds	
2.5.1 Core Composite Rate (CCR)	Ensure contractor is controlling indirect costs. The CCR is a hypothetical “single overhead rate” for PNNL. Calculated by dividing Total 1830 Overheads by 1830 Value Added Base.	≤ 55.0%
2.5.2 Core Composite Rate - including 3 rd party costs	Ensure contractor is controlling indirect costs	≤ 33.0%
2.5.3 PNNL Direct FTEs vs. PNNL Total FTEs	Ensure contractor is controlling indirect costs	≥ 52.0%
2.5.4 PNNL Overhead Variance Distribution	Ensure PNNL is properly managing overhead variance	< \$5M at year end
2.6 Acquisition Management System Oversight	Ensure Contractor Acquisition Management System is functioning as intended utilizing three elements of the Acquisition Balanced Score Card (Compliance, Efficiency and Performance) as a composite of information.	≥3.9 score for each element



Objective: 3 - Ensure an Effective Team Approach to the Management of the PNNL M&O Contract

Goal: 1 - Improve Contract and Contract Management

Objective Owner: Jeff Short

Objective Description: Demonstrate the appropriate level of PNSO implementation of contract management responsibilities commensurate with the level of complexity of the contract and involvement by the PNSO, DOE HQ Office of Science, SC Integrated Support Center, other cognizant HQ Program Offices, and major customers.

Measure	Purpose/ Description	Target
3.1 PNSO Performance against the Integrated Evaluation Plan (IEP)	Monitors/tracks the level of assessment activities that support contractor oversight via reports within the PNSO Capture Tool. Qualitative assessment to be conducted of the PNSO includes Operational Awareness activities; Contractor Performance Evaluation; Performance Assessments of Facilities Operations and Programs; as well as Self-Assessments. Percentage Index of Completion per the IEP	100%
3.2 Contract Direction	Tracks the number of CO & COR correspondence letters to identify positive or negative trends in efficiency. Compared previous years.	+ or - 10%
3.3 Contract Submittal/ Reporting Requirements Matrix	Track the development of a matrix of contract deliverable requirements (i.e., plans, assessments, audits, etc.) and measure success of meeting deliverable requirements.	Developed by 2 nd Qt. 95% Completion per matrix
3.4 Contract Competition	To track major milestone/commitments (Per SEB schedule) required for the successful award of the new PNNL M&O Contract to ensure timely completion of the competition. Track percentage of on time completion.	100%



Objective: 4 - Ensure Sound Capability Stewardship Across the Four Lab Mission Areas

Goal: 2 - Increase PNNL National Value

Objective Owner: Dave Biancosino

Objective Description: Monitor the effective planning for required capabilities and the efficiency in carrying out of those plans to meet the four primary missions of the Laboratory. Capabilities are defined in terms of facilities, equipment, people, and business demographics. Sound capability stewardship involves analysis of current capabilities, development of new capabilities and the potential divesting of underutilized or unneeded capabilities.

Measure	Purpose/ Description	Target
4.1 Analysis of Current Laboratory Capabilities	Utilization of a systematic approach to analyzes the need and utilization of technical capabilities in the Lab to facilitate Lab capability stewardship. The measure will utilize a rollup of the elements of a capability (e.g., facilities, equipment, people, & projects) utilizing data from measure 4.3 below and analyzed by capability and reported at each Lab mission area level.	Qualitative Assessment
4.2 Capability Development	Measures Lab progress in developing new capabilities by the evaluation of LDRD program effectiveness and capability acquisition.	
4.2.1 LDRD Program Effectiveness	Review of relative LDRD initiative value based on sector need and the actions taken to adjust LDRD initiatives accordingly (value/funding) as well as transition of LDRD to programmatic funding	Ratio of 1
4.2.2 Capability Acquisition	Measured based on key strategic hires, new equipment, and new facilities	Qualitative Assessment



Objective: 5 - Ensure Sound Stewardship of National User Facility (EMSL)

Goal: 2 - Increase PNNL National Value

Objective Owner: Jeff Day

Objective Description: Ensure success of the EMSL as a national user facility.

Measure	Purpose/ Description	Target
5.1 Progress of HPCS-3 Project	Measures management of the HPCS-3 project to within 10% of the project baseline established for Gate 3 as required by OMB. The HPCS-3 Project will deploy the EMSL's MPP-3 supercomputer. Completion will be defined as MPP-3 supercomputer in place, operational, and with EMSL users transitioned from MPP-2 to MPP-3.	10% of baseline ----- 1st Qt. FY 2009
5.2 Refresh of EMSL research instrumentation to support state-of-art scientific research.	Measures the success in meeting the schedule for capital equipment investments planned for FY 2008. Completion will be defined as the research instruments procured, installed, and deployed to users.	Completion per FY08 Capital Equipment Investment Plan Schedule
5.3 EMSL Operational Hours	Measures the ratio of the number of hours open to the number of hours planned to be open during FY 2008	0.98 Ratio or greater
5.4 Number of EMSL Users	Measures the total number of EMSL users during FY 2008. The total number of EMSL users in FY 2006 will be used as a benchmark for measuring performance. There were 701 total users (including 274 PNNL users) in FY 2006.	≥701 Users



Objective: 6 – Ensure the Efficient and Effective Completion of Current Construction Projects

Goal: 2 – Increase PNNL National Value

Objective Owner: Chad Henderson

Objective Description: Monitor the efficient and effective completion of current/approved Laboratory construction projects.

Measure	Purpose/ Description	Target
6.1 Effective Completion of Current Federally Funded Construction Projects (C. Henderson)	Efficient and Effective Construction Project Execution	
6.1.1 Physical Sciences Facility Schedule Performance Index (SPI)	Monitor project performance and take corrective action as necessary	Cumulative value of 1.0
6.1.2 Physical Sciences Facility Cost Performance Index (CPI)	Monitor project performance and take corrective action as necessary	Cumulative value of 1.0
6.1.3 GPP Projects Schedule Performance Index (SPI)	Monitor project performance and take corrective action as necessary	Cumulative value of 1.0
6.1.4 GPP Projects Cost Performance Index (CPI)	Monitor project performance and take corrective action as necessary	Cumulative value of 1.0
6.2 Effective Completion of Current Projects Supporting the Capability Replacement Laboratory (CRL) Critical Decision 4		
6.2.1 Alternative Financed Facility Progress against milestone completion (% complete)	Monitor project progress and analyze any schedule delays to determine possible impacts to the overall CRL project and make adjustments as necessary	100% of Milestones Completed on Schedule
6.2.2 Transition Project Schedule Performance Index (SPI)	Monitor project performance and take corrective action as necessary	Cumulative value of 1.0
6.2.3 Transition Project Cost Performance Index (CPI)	Monitor project performance and take corrective action as necessary	Cumulative value of 1.0



Objective: 7 - Ensure Quality Support to SC and Other DOE Program Offices and Laboratory Customers

Goal: 3 – Achieve the Vision and Intent of OneSC

Objective Owner: Cesar Collantes

Objective Description: Ensure PNSO is responsive to all SC, other DOE Program Offices and Lab Customer needs, requests for assistance, and provides quality support to initiatives as appropriate.

Measure	Purpose/ Description	Target
7.1 PNSO Quality Participation in SC & Other Lab Customer Initiatives	Qualitatively tracks PNSO participation in SC and other Lab customer initiatives/activities (i.e., SCMS, DOE Order reviews, SC Lab Performance Assessment Process, Program Reviews etc.)	Consistently provide quality support
7.2 Timely completion of all HQ assigned tasks	Tracks the completion of HQ assigned tasks/actions to ensure PNSO remains responsive to customer needs	95% of HQ tasks/actions completed on time
7.3 Number of Unhappy Customers	Ensure PNSO awareness of PNNL customer concerns/issues and that appropriate actions to resolve concerns/issues are taken as appropriate	No Unhappy Customers



Objective: 8 - Ensure the Strategic Management of PNSO Human Capital

Goal: 3 - Achieve the Vision and Intent of One SC Goals

Objective Owner: Julie Turner

Objective Description: Ensure that: 1) quality workforce planning is accomplished; 2) top-quality staff are recruited and retained; 3) staff is provided the training and is certified, where required, to successfully complete their job; 4) a positive work environment is maintained; and 5) meaningful performance evaluations are completed and recognitions are provided as appropriate.

Measure	Purpose/ Description	Target
8.1 Strategic Alignment	PNSO human capital strategy is aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets	
8.1.1 Develop necessary policies and procedures for Implementation of Human Capital.	Develop and incorporate into PNSO Mgmt System a framework of human capital policies, programs, and practices to achieve a shared vision. Performance will be measured against the FY07 gap analysis/ implementation plan	100% of planned procedures are completed
8.1.2 Complete FY 09 Workforce analysis	To identify current and future human capital needs including size, deployment, and competencies needed for the organization to fulfill its mission.	Complete by June 1, 2008
8.1.3 Update succession plan	Ensure continuity of leadership through succession planning.	Complete by July 31,2008
8.2 Leadership and Knowledge Management	Effectively manage people, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement in performance.	
8.2.1 Competencies of managers, leaders and the workforce are in alignment with org. current and future needs	Ensure continuity of leadership through executive development. Implement workforce analysis conducted in FY07 which includes readiness for safety basis authority. Qualitative evaluation will also result from the Q-12 survey, primarily questions 7 – 10.	Performance against plan
8.2.2 Determine the extent to which employees hold their leadership in high regard, both overall and on specific facets of leadership	Qualitatively evaluate the engagement of staff, staff feedback, and gauge morale utilizing the Q-12 survey results and information received during Site Office Mgr One-on-Ones with staff.	Staff are satisfied with leadership overall
8.2.3 Implement PNSO Technical Qualification Program (TQP)	Support SC in fully implementing the SC Technical Qualifications Program by tracking the number of qualification cards approved based on the implementation plan.	All planned qualification cards are approved



Measure	Purpose/ Description	Target
8.3 Results Oriented Performance Culture	PNSO has a diverse, results-oriented, high performance workforce, and has a performance management system that effectively differentiates between high and low performance, and links individual/team performance to organizational goals and desired results.	
8.3.1 Determine the extent to which employees feel a part of the organization and their individual issues are addressed	PNSO maintains an environment characterized by inclusiveness of individual differences and is responsive to the needs of diverse groups of employees. Qualitatively measured through the Q-12 survey (Q3-Q6), Mgr one-on-ones and potential diversity related data streams.	Q-12 Ratings remain the same or increase over FY07 results
8.3.2 Determine the extent to which Supervisors and Managers use performance results to identify developmental needs and address poor performance.	PNSO has a diverse, results-oriented, high performance workforce, and has a performance management system that effectively differentiates between high and low performance. This will be qualitatively tracked utilizing various data streams such as training records, IDP's, and Q-12 survey results	Increase staff engagement numbers associated with development
8.3.3 Improve PNSO Recognition Program	PNSO has created a "reward environment" that applies factors beyond compensation benefits to attract, retain, and motivate employees. This will be a qualitative evaluation based on results of the Q-12 survey along with other indicators such as % budget used, distribution of recognition \$'s, % of staff recognized, etc.	Increase staff engagement numbers associated w/recognition



Objective: 9 - Ensure Continuous Improvement of PNSO Operations

Goal: 3 - Achieve the Vision and Intent of One SC

Objective Owner: Lance Vickerman

Objective Description: Ensure that: 1) required PNSO systems and processes are in place and implemented; 2) staff are provided an opportunity to provide input to influence their work environment; and 3) plans/actions are accomplished as planned to support the efficient accomplishment of the overall Site Office mission.

Measure	Purpose/Description	Target
9.1 Complete Development & Implementation of an Online PNSO Management System	Track activities to finalize and implement an electronic tool to facilitate the efficient management and use of the PNSO Management System	2 nd Quarter
9.2 Gap Analysis of PNSO Management System Process/Procedure Links	Ensure links are provided to all processes/procedures (PNSO, ISC, or SCMS) identified as required within the PNSO Management System. Where gaps are identified ensures an analysis is completed to determine if the needed process/procedure is available within the ISC or SCMS and identify gaps where PNSO process/procedures are needed	2/1/08
9.3 Complete Process/Procedure Development Action Plan & Completion of Actions	Conduct gap analysis of processes/procedures for the PNSO Management System and ensure an Action Plan for filling gaps is developed (if needed) & track completion of actions per the approved plan	2/28/08 ----- Per due dates within Action Plan
9.4 Timely completion of all required reviews/actions to the Lab Contractor	Tracks the completion of reviews/actions/approvals to the Lab Contractor to ensure the efficient management of contract requirements and completions of actions required to fully meet the PNNL mission	95% of reviews/ actions/ approvals completed on time
9.5 PNSO Program Direction Costs/FTE	Monitors internal PNSO Program Direction cost per FTE in order to compare with prior year costs and with other SC Site Offices	<5% increase
9.6 Total PNSO Program Direction Cost/Total PNNL 1830 Cost	Monitor total PNSO Program Direction cost as a ratio of Total PNNL 1830 cost in order to compare with prior year costs and with other SC Site Offices	<5% increase



Appendix B - Crosswalk to President's Management Agenda, SC-3 Goals & Objectives and SC Initiatives

Table #1
PNSO Goals/Objectives that Respond to the President's Management Agenda

President's Management Agenda	PNSO GOALS/OBJECTIVES
#1 Strategic Management of Human Capital	PNSO Goal 3: Objective 8
#2 Competitive Sourcing	PNSO Goal 3: Objectives 8 & 9
#3 Improved Financial Performance	PNSO Goal 1: Objective 2
#4 Expanded Electronic Government	PNSO Goal 3: Objective 7 & 9
#5 Budget and Performance Integration	PNSO Goal 1: Objective 2

Table #2
PNSO Goals/Objectives that Respond to SC-3 Goals & Objectives

DOE Management Challenges	PNSO GOALS/OBJECTIVES
#1 Improve our Operation	PNSO Goal 3: Objectives 7 & 8
#2 Improve our Laboratories	PNSO Goals 1 & 2: Objectives 1 - 6
#3 Bing Order to Chaos	PNSO Goals 1 & 3: Objective 3 & 7
#4 Help our Laboratories be Successful	PNSO Goal 1: Objectives 1 - 3
#5 Evaluate our Contractors Fairly	PNSO Goals 1 & 2: Objectives 1 - 6

Table #3
PNSO Goals/Objectives that Respond to SC Initiatives

SC Initiatives	PNSO GOALS/OBJECTIVES
#1 ES&H	PNSO Goal 1: Objective 1
#2 OneSC Restructuring and Re-engineering	PNSO Goal 3: Objectives 7



Appendix C - PNSO ISM Objectives, Measures, and Commitments

ISM Objective: To systematically integrate safety into management and work practices at all levels so that the mission is accomplished while protecting the public, the worker, and the environment.

Measures: PNSO uses a number of measures to understand both federal and contractor performance and to monitor achievement of objectives and commitments. The current measures include:

1. PNNL Total Recordable Case (TRC) Rate (Target = maintain average at less than or equal to 0.65) (APP Metric 1.1.1)
2. PNNL Days Away, Restricted, or Transferred (DART) Rate (Target = maintain average at less than or equal to 0.25) (APP Metric 1.1.2)
3. Composite ORPS rate based on severity (SC1 or E=3.0, SCR=2.0, SC2=1.0, SC3=0.5, SC4=0.25) (Target = <2.75 each quarter) (APP Metric 1.1.3)
4. Environmental Events (Target = <10 pre-cursor environmental events per quarter) (APP Metric 1.1.4)
5. Radiological Protection Events (Target = 0 events that cause unanticipated exposures of workers or the public to ionizing radiation) (APP Metric 1.1.5)
6. NTS Significance Trends (Target = <19 significance points based on scoring methodology that looks at discovery mechanism and deficiency type) (APP Metric 1.1.6)
7. PNSO Performance against the Integrated Evaluation Plan (IEP) (Target = 100%) (APP Metric 3.1)

Commitments: Based on review of performance and requirements, the following commitments are made for FY08 to further achievement of the ISM objective:

1. Finalize and approve PNSO ISM Program Description in accordance with DOE M 450.4-1 (Target = November 1, 2007)
2. Perform annual ISM effectiveness review and make an annual ISM declaration in the Annual Assessment Report (Target = September 30, 2008)
3. Participate as a member of the ISM Champions Committee (Target = 100% based on participation in periodic calls and annual workshop)
4. Conduct office walkthroughs to identify safety hazards and update Site Office Employee Job Task Analysis (EJTA) documentation in accordance with FEOSH requirements (Target = September 30, 2008)
5. Deploy necessary resources and documentation (with support from the SC ISC) to perform nuclear safety oversight of PNNL (Target = per SC approved corrective action plan)



Appendix D - FY 2008 PNSO Improvement Initiatives

1. *Preserve Laboratory Capability*

Improve the effectiveness in managing and overseeing DOE and alternative financed projects under way at PNNL to ensure the infrastructure necessary for successful execution of the Laboratory's mission and strategic plan are completed and that required transition activities are planned out and completed as smoothly as possible.

Measures of PNSO's success in this improvement initiative are captured within Objective 6 of the annual performance plan goals and objectives.

2. *Finalize Implementation of PNSO Integrated Systems Management*

In concert with the SC Management System development PNSO will finalize the development and implementation of an electronic tool to facilitate the efficient management and use of the PNSO Management System components. Also, based on review of SCMS processes and procedures issued during the year, PNSO will review internal process/procedures and develop and/or update existing procedures as needed. Effective completion of these activities should result in improved federal performance for all PNSO performance objectives.

Measures of PNSO's success in this improvement initiative are captured within Objective 9 of the annual performance plan goals and objectives.

3. *Improve Financial Management*

This improvement initiative is intended to focus on the implementation of improvement actions and performance of PNNL's financial management. Several external audit findings (Labor Accounting System, Indirect Cost and Other Direct Cost System, and overstated labor rates) and other instances of non-compliance identified through operational awareness have led PNSO to the conclusion that significant improvement is needed in the financial management system. As a result of concerns that were raised by PNSO, ORO, DCAA, and the IG, Battelle implemented the Business Process Improvement Plan (BPIP). This plan identifies the root causes of the observed compliance failures, ensures that the financial management system is moving towards a robust financial system and properly dispositions all contractual requirements, and that corrective actions are developed for all known compliance issues. ORO and PNSO will continue to monitor BPIP activities throughout FY 2008.

Measures of PNSO's success in this improvement initiative are captured within Objective 2 of the annual performance plan goals and objectives.



4. *Implement Human Capital*

In accordance with the President's Management Agenda and the Human Capital initiatives associated therein, PNSO is developing appropriate policies and procedures for the implementation of Human Capital and will incorporate related policies/procedures into the PNSO management system.

Measures of PNSO's success in this improvement initiative are captured within Objective 8 of the annual performance plan goals and objectives.

5. *Support of PNNL Contract Competition*

Although the overall PNNL Contract competition is being led by the ORO ISC, effective support by PNSO will be critical to the successful completion of the competition and transition activities to follow. This initiative has been established to ensure PNSO resources are made available as needed and value added assistance is provide during each step of the process.

Measures of PNSO's success in this improvement initiative are captured within Objective 3 of the annual performance plan goals and objectives.

6. *Transition of Line-Responsibility for Oversight of Nuclear Facilities*

PNSO assumes the line-management responsibilities for the category II nuclear facility starting with FY 2008. This responsibility will require certain expertise not currently resident within PNSO. This initiative has been put into place to ensure that the required technical qualifications are identified and that certification programs are put into motion and tracked as required.

Measures of PNSO's success in this improvement initiative are captured within Objective 8 of the annual performance plan goals and objectives.



Appendix E – PNSO Organization Chart

