Property Performance
Assessment Model Plan
"The Gauge Model"
FY 2004

Lawrence Berkeley National Laboratory

University of California Laboratory Management Office

Department of Energy

Berkeley Site Office

March 4, 2004

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1.0 Introduction

The Property Performance Assessment Model (PPAM) is a single, comprehensive instrument designed to provide systematic, ongoing measurement and evaluation of the LBNL property management system.

The Property Management Functional Managers from the Lawrence Berkeley National Laboratory (LBNL), the Department of Energy (DOE) Berkeley Site Office, and the University of California Laboratory Management Office (UCLMO) have agreed to use the PPAM, according to the methodology described herein, for the FY2004 evaluation of Contract No.: DE-AC03-76SF00098, Appendix F "Objective Standards of Performance for Property Management.".
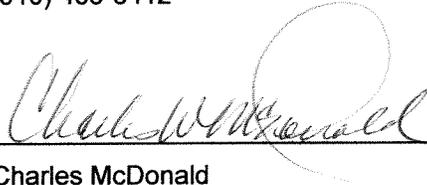
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2.0   Background

The PPAM measures consistency with the fiduciary responsibilities outlined in Contract 98, provides a framework for understanding and meeting customer expectations, and highlights the balance between performance and cost. It emphasizes the overall goal that cost, quality, and cycle time must be simultaneously improved.

The model is intended to be used as a single-assessment vehicle. It incorporates the underlying objectives and/or values of the Contractor Personal Property System Review (CPPSR), Value-Based Self-Assessment (VBSA), Business Management Oversight Pilot (BMOP), Balanced Score Card (BSC), and the Contract 98, Appendix F, Objective Standards of Performance for Property Management.

Changes in regulations or requirements, decreases in funding, or new initiatives may require modifications to measured activities, core measures, gradients, and desired outcomes. Such modifications will require agreement by all stakeholders during the assessment period.

3.0   Customers

The primary internal customers of the LBNL Property Management system are the Division Property Representatives and Property Coordinators. The DOE is the Laboratory's external customer.

The Property Management System supports the scientific mission of the Laboratory by ensuring that the acquisition, control, identification, and utilization of property benefit researchers, the Laboratory, and taxpayers.

4.0   Model Overview

The PPAM is comprised of gauges designed to document the performance level of the most current reporting period. Measurement and scoring are ongoing and LBNL, DOE, and UCLMO can access the quarterly performance scores at anytime during the assessment period in order to "gauge" the health of the property system. Frequent and visible reporting allows for quick intervention. The quarterly reporting will serve as a key component of the DOE Operational Awareness program. The final annual scores are officially reported to DOE in late-October.

The model is based upon the principles of the Balance Scorecard. The scorecard provides feedback on both internal business processes and outcomes to assist in continually improving the work processes and the resulting products delivered. It emphasizes the measurement of critical activities where outcomes may have immediate impact on customers. It places less emphasis on the measurement of activities where outcomes may have a delayed impact on customers.

The PPAM model (as shown on the following page) is designed to evaluate performance in five primary areas. These areas are denoted in the model using different color bands. The areas are further divided into eight performance objectives as follows.

Customer (Light Yellow)
>   *1.0 Internal/External Customer*

Financial (Green)
>   *2.0 Stewardship of Resources*

Internal Business Processes (Pink)
>   *3.0 The Quality of Personal Property Inventory*
>   *4.0 The Quality of the Database*
>   *5.0 Vehicle Utilization*
>   *6.0 Best Business Practice*

People (Blue)
>   *7.0 Employee Satisfaction*

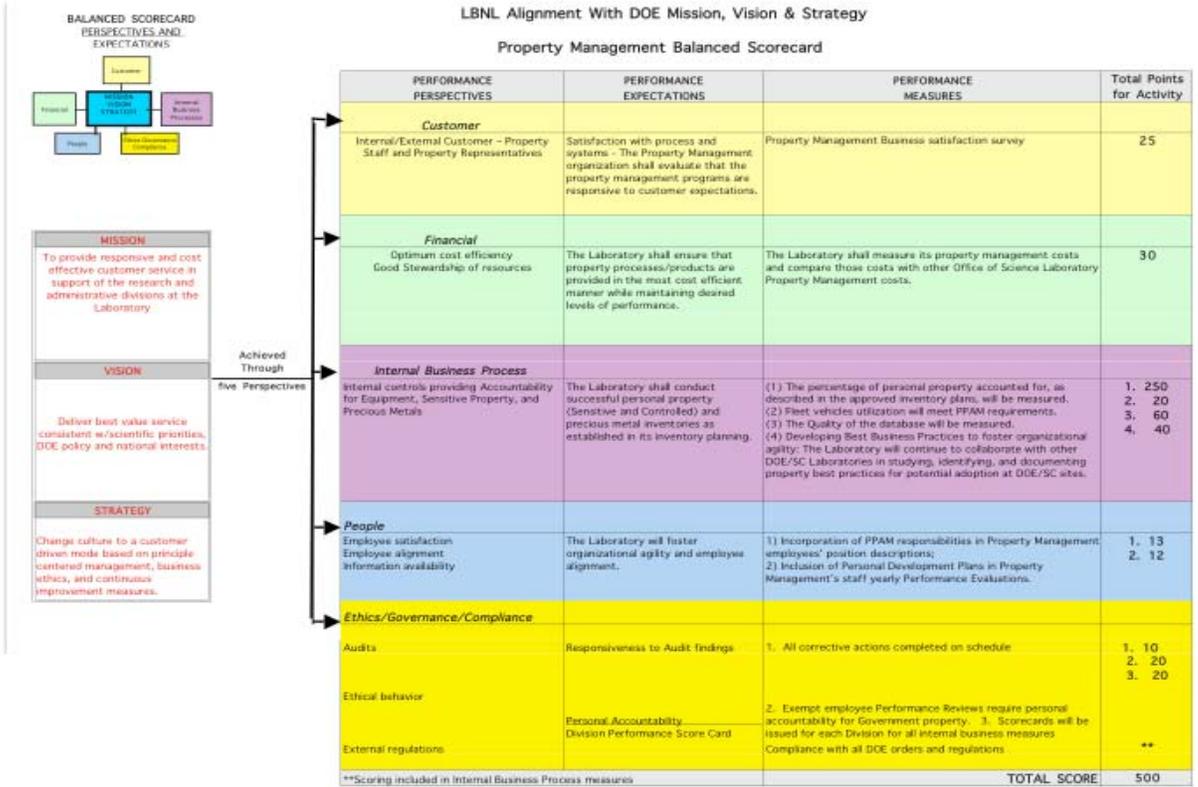Ethics/Governance/Compliance (Dark Yellow)
>   *8.0 Accountability*

The same color bands used in the PPAM model are also used in the Laboratory's BSC model. The BSC model is provided herein directly after the PPAM model.

BERKELEY LABORATORY
FY2004
PROPERTY MANAGEMENT

Measured Activities / Sub-Gauges Activity/Support Processes	Gradient 60/70/80/90/100	Reporting Frequency	Activity Value	Activity Score	Core Measures Critical Activity	Total Points for Activity	Desired Outcomes Final Product
1.0 Internal /External Customer							
1.1 Evaluate if property management programs are responsive to customers needs.	<85.0/85.0/90.0/95.5/98.0	Annually	25		Customer Expectations	25	Customer Satisfaction 25
2.0 Stewardship of Resources							
2.1 Measures operating costs compared to other Office of Science Laboratory Property Management costs.	Based on Report	Annually	30		Benchmarking and Analysis	30	Cost/Performance 30
3.0 The Quality of the Personal Property Inventory							
3.1 The Laboratory will inventory sensitive assets.	<98.0/98.0/98.7/99.2/99.5	Annually	125		Property Accounted For	250	Accountability for Equipment and Sensitive Property 310
3.2 The Laboratory will inventory equipment assets.	<98.0/98.0/98.7/99.2/99.5	Annually	125				
4.0 The Quality of the Database							
4.1 Property will verify if in-service assets are recorded in database.	<85.0/85.0/90.0/95.5/98.0	Quarterly	60		Identification	60	
5.0 Vehicle Utilization							
5.1 Does discretionary vehicle classification meet utilization criteria?	<85.0/85.0/90.0/95.5/98.0	Quarterly	10		Fleet Management	20	Vehicle Utilization 20
5.2 Does essential vehicle classification meet utilization criteria?	<85.0/85.0/90.0/95.5/98.0	Quarterly	10				
6.0 Best Business Practice							
6.1 Collaboration with SC Labs on Best Business Practices.	Based on Report and Gradients in Attachment I	Annually	40		Best Business Practice	40	Internal Business Process 40
7.0 Employee Satisfaction							
7.1 Include PPAM responsibilities in Position Descriptions.	<98.0/98.0/98.7/99.2/99.5	Annually	13		People	25	Organizational Agility
7.2 Include Personal Development plans in Performance Evaluations.	<98.0/98.0/98.7/99.2/99.5	Annually	12				25
8.0 Accountability							
8.1 Corrective actions completed on schedule.	<85.0/85.0/90.0/95.5/98.0	Quarterly	10		Accountability	50	Ethics
8.2 Exempt employee Performance Reviews require personal accountability for Government property.	<85.0/85.0/90.0/95.5/98.0	Annually	20				Governance
8.3 Divisional scorecards created for internal business measures.	Based on Report	Annually	20				Compliance 50
Note: Activity scores shown in italics are placeholders.						500	>=475 Outstanding >=450 Excellent >=400 Good >=352 Marginal <352 Unsatisfactory

BALANCED SCORECARD
PERSPECTIVES AND
EXPECTATIONS

MISSION
To provide responsive and cost effective customer service in support of the research and administrative divisions at the Laboratory

VISION
Deliver best value service consistent w/scientific priorities, DOE policy and national interests.

STRATEGY
Change culture to a customer driven mode based on principle centered management, business ethics, and continuous improvement measures.

Achieved Through
five Perspectives

LBNL Alignment With DOE Mission, Vision & Strategy

Property Management Balanced Scorecard

PERFORMANCE PERSPECTIVES	PERFORMANCE EXPECTATIONS	PERFORMANCE MEASURES	Total Points for Activity
Customer			
Internal/External Customer – Property Staff and Property Representatives	Satisfaction with process and systems – The Property Management organization shall evaluate that the property management programs are responsive to customer expectations.	Property Management Business satisfaction survey	25
Financial			
Optimum cost efficiency Good Stewardship of resources	The Laboratory shall ensure that property processes/products are provided in the most cost efficient manner while maintaining desired levels of performance.	The Laboratory shall measure its property management costs and compare those costs with other Office of Science Laboratory Property Management costs.	30
Internal Business Process			
Internal controls providing Accountability for Equipment, Sensitive Property, and Precious Metals	The Laboratory shall conduct successful personal property (Sensitive and Controlled) and precious metal inventories as established in its inventory planning.	(1) The percentage of personal property accounted for, as described in the approved inventory plans, will be measured. (2) Fleet vehicles utilization will meet PFAM requirements. (3) The Quality of the database will be measured. (4) Developing Best Business Practices to foster organizational agility: The Laboratory will continue to collaborate with other DOE/SC Laboratories in studying, identifying, and documenting property best practices for potential adoption at DOE/SC sites.	1. 250 2. 20 3. 60 4. 40
People			
Employee satisfaction Employee alignment Information availability	The Laboratory will foster organizational agility and employee alignment.	1) Incorporation of PPAM responsibilities in Property Management employees' position descriptions; 2) Inclusion of Personal Development Plans in Property Management's staff yearly Performance Evaluations.	1. 13 2. 12
Ethics/Governance/Compliance			
Audits	Responsiveness to Audit findings	1. All corrective actions completed on schedule	1. 10 2. 20 3. 20
Ethical behavior		2. Exempt employee Performance Reviews require personal accountability for Government property. 3. Scorecards will be	
	Personal Accountability Division Performance Score Card	issued for each Division for all internal business measures	
External regulations		Compliance with all DOE orders and regulations	**
**Scoring included in Internal Business Process measures		TOTAL SCORE	500

5.0   Measurement and Scoring Methodology

5.1   Measurement

Methods of measurement for the sub-gauge activities were determined based on a cost/benefit analysis. Statistical sampling will be employed where it will provide a cost benefit while assuring accuracy and precision of results commensurate with the specific measure.

Each quarter, the points for a "Good" rating will be assigned as a placeholder to all performance measures without a specific score. If the Laboratory has reason to believe that a "Good" rating will not be achieved a "Marginal" or "Unsatisfactory" rating placeholder will be assigned. All other Measured Activities/Sub-Gauges shall be scored based upon the actual results achieved to that point in time. The final score for annual activities will be based on cumulative results for each measure through September 30, 2004.

5.2   Gradient

A gradient is established for each measured activity/sub-gauge. The gradient is the "performance band" used to measure performance for the activity. Each gradient is comprised of five mathematically-derived numbers that are equivalent to "Outstanding," "Excellent," "Good," "Marginal," and "Unsatisfactory." The middle level, "Good," represents the lowest acceptable performance.

The gradients are not linear. It is recognized that the closer the organization is to achieving maximum performance, the greater the effort/cost required to improve performance. In other words, it takes more time/money to move a tenth of a percentage point when the organization is at the 99.8% level in a property inventory than to move the same tenth of a percentage point when the inventory level is 95%.

LBNL, UCLMO, and DOE established a mutually agreed upon acceptable performance levels and corresponding gradients for each activity. Further, performance levels and related gradients may also be renegotiated on an as-needed basis if unforeseen circumstances impact the Property Management organization during the self-assessment period.

5.3   Gradient Value

Each gradient listed in the various color bands of the PPAM level has an established value as follows:

Outstanding   = *100% of available points for the activity*

Excellent   = *90% of available points for the activity*

Good   = *80% of available points for the activity*

Marginal   = *70% of available points for the activity.*

Unsatisfactory   = *60% of available points for the activity*

If an organization fails to do an activity, the scoring will be handled by either of the following:

- *If LBNL, UCLMO, and DOE agree in advance not to perform the activity, the three parties will determine an equitable way of adjusting the assigned points.*
- *Zero points will be earned if an activity is not performed during the FY. If, through no fault of the Property Management organization, an activity is not performed, the points will be redistributed to another measure or measures as negotiated with UCLMO and DOE.*

5.4   Activity Scoring

The "activity score" for each sub-gauge is determined by multiplying the number of points listed in the "activity value" column by the gradient percentage earned. For example, if the result of the sensitive inventory was 99.5% of property accounted for, which equates to an "Outstanding" (100% of points); the activity score would be 100 points. (Activity value 100 points x 100% = 100 points).

The sub-gauge "activity scores" are summed to arrive at the total points earned for each core measure/critical activity.

5.5   Overall Scoring

The total earned points for each core measure/critical activity are added together to arrive at the overall score for the organization. Five hundred (500) points are available.

A score >= 475 points = Outstanding

A score >= 450 points = Excellent

A score >= 400 points = Good

A score >= 352 points = Marginal

A score <   352 points = Unsatisfactory

6.0   Scoring Methodology

The PPAM scoring methodology defines the process used to establish the individual performance measure results. The separate document, *Attachment I – FY2004 PPAM Scoring Methodology,* defines the mathematical approach used to calculate the results. This document defines the criteria for establishing the numerator and denominator values.

7.0   Reporting

7.1   Annual Report

The annual Self-Assessment report will be submitted to UCLMO the end of October. It will include necessary narrative, the overall score, and the numerical scores for each core measure/critical activity; the supporting activity score for each measured activity/sub-gauge; and required supporting documentation. Supporting documentation may be a graph, chart, or spreadsheet. The annual report will also include narratives on the Internal/External Customer, Stewardship of Resources, Best Business Practice, Employee Satisfaction, and Accountability measures.

The Property Team (LBNL, UCLMO, and DOE) will meet as required to coordinate on issues.

LBNL Property Management will provide debriefings to DOE and UCLMO on critical accomplishments, such as property inventory results, on an "as-needed" basis.

Attachment I
FY2004 PPAM Scoring Methodology

Scoring Measures

1.0   Internal/External Customer – Property Staff and Property Representatives

Satisfaction with process and systems - The Property Advisory Board will develop a plan to assess the performance of Property Management functions, including quality and timeliness of response, interaction between customer and Property Staff, and customer satisfaction with the result.

The Advisory Board will develop a survey during the 3rd quarter that will be used as the principal methodology to assess Property Staff responsiveness. The survey will be distributed to Division Property Representatives and Coordinators, plus a percentage of the scientific community who utilize property services. The results of the survey will be used to assess if current Property Management functions are meeting customer needs.

 Survey respondents will be asked to provide a satisfaction rating for each survey question using a scale of 1 to 5, 5 being the highest rating. For overall scoring purposes, an overall respondent score for each questionnaire will be calculated by averaging the scores for each survey question. An overall score of 3.0 or better for a questionnaire will be interpreted to mean that the customer is satisfied. The formula below will then be applied to determine the customer satisfaction rating:

Satisfaction Rating % =   Number of satisfied Property Representatives and Coordinators
Total number of Property Representatives and Coordinators Responding to Survey

GRADIENT	PERCENTAGE
Outstanding	$\geq$ 90.0%
Excellent	80.0 – 89.9%
Good	70.0 – 79.9%
Marginal	60.0 – 69.9%
Unsatisfactory	< 60.0%

2.0   Optimum Cost Efficiency/ Good Stewardship of Resources

2.1   Operating costs at the Laboratory will be compared to other Office of Science Laboratory Property Management Costs

The Laboratory shall ensure that property processes/products are provided in the most cost-efficient manner while maintaining acceptable levels of performance.

A comparative analysis of cost data will be performed among Office of Science Laboratory Property Managers who have indicated a willingness to participate with Berkeley Lab. A summary report will be will be issued identifying the number of Laboratories that participated, efforts used to obtain their support, comparative cost data, and cost analysis methods used to establish whether or not optimum use of resources is being realized at Berkeley Lab. The Laboratory will provide a copy of the report to UCLMO and DOE.

Attachment I
FY2004 PPAM Scoring Methodology

The year-end Appendix F report will provide narrative describing Property Management's efforts during the year in support of this measure and a summary of results indicating whether or not optimum use of resources is being realized at Berkeley Lab.

3.0   The Quality of the Personal Property Inventory

3.1   The Laboratory will inventory sensitive property assets.

A statistical sample inventory will be conducted in accordance with a DOE-approved Inventory Plan. The sample of sensitive assets will be inventoried and compared to the total acquisition value of all sensitive assets in the sample population. Results will be reported using the following formula.

%   = Acquisition value of sensitive property assets inventoried and accounted for
        Acquisition value of the sensitive property assets in inventory sample

The final rating will be based on results recorded at the end of the inventory using the following gradients:

GRADIENT	PERCENTAGE
Outstanding	$\geq 99.5\%$
Excellent	99.2% - 99.4%
Good	98.7% - 99.1%
Marginal	98.0% - 98.6%
Unsatisfactory	< 98.0%

3.2   The Laboratory will inventory equipment assets.

A statistical inventory will be conducted in accordance with a DOE-approved Inventory Plan. The sample of equipment assets (excluding financial assets that are not physical assets) will be inventoried and compared to the selected total acquisition value of all equipment assets in the sample population. Results will be reported using the following formula.

%   = Acquisition value of equipment assets inventoried and accounted for
        Acquisition value of the equipment assets in the inventory sample

The final rating will be based on results recorded at the end of the inventory using the following gradients:

GRADIENT	PERCENTAGE
Outstanding	$\geq$ 99.5%
Excellent	99.2% - 99.4%
Good	98.7% - 99.1%
Marginal	98.0% - 98.6%
Unsatisfactory	< 98.0%

4.0   The Quality of the Database

4.1   Property will verify if in-service assets are recorded in database.

The floor-to-database review will be performed using a statistical sample selected during the Property Review. A sample of in-service assets will be identified for a floor-to-database verification. During this verification, items will be identified as being in, or not in, the property database. This measure is one element of the annual Property Review Plan. Results will be reported quarterly using the following formula. The year-end rating will be based on cumulative results.

% = Number of sampled in-service assets selected that are recorded in the database
Total number of in-service assets selected during the property review

The following gradients will be used to rate performance:

GRADIENT	PERCENTAGE
Outstanding	$\geq$ 98.0%
Excellent	95.5% - 97.9%
Good	90.0% - 95.4%
Marginal	85.0% - 89.9%
Unsatisfactory	< 85.0%

5.0   Vehicle Utilization

5.1   Does the discretionary vehicle classification meet utilization criteria?

The Fleet Manager reports will be used to calculate and report the "total utilization measured" and "overall utilization standard" for the discretionary vehicle classification. The FY2004 standard for discretionary vehicles is 225 miles per month per vehicle. Results will be reported quarterly using the following formula.   The year-end rating will be based on cumulative results.

%   =   Total monthly mileage for all discretionary vehicles
Required average monthly mileage per discretionary vehicle x
the number of discretionary vehicles

The following gradients will be used to rate performance:

GRADIENT	PERCENTAGE
Outstanding	$\geq$ 98.0%
Excellent	95.5% - 97.9%
Good	90.0% - 95.4%
Marginal	85.0% - 89.9%
Unsatisfactory	< 85.0%

5.2   Does the essential vehicle classification meet utilization criteria?

The Fleet Manager reports will be used to calculate and report the "total utilization measured" and "overall utilization standard" for the essential vehicle classification. The FY2004 standard for essential vehicles is 225 miles per month per vehicle. Results will be reported quarterly using the following formula.   The year-end rating will be based on cumulative results.

$$\% \quad = \quad \frac{\text{Total monthly mileage for all essential vehicles}}{\text{Required average monthly mileage per essential vehicle x the number of essential vehicles}}$$

The following gradients will be used to rate performance:

GRADIENT	PERCENTAGE
Outstanding	$\geq$ 98.0%
Excellent	95.5% - 97.9%
Good	90.0% - 95.4%
Marginal	85.0% - 89.9%
Unsatisfactory	< 85.0%

6.0   Best Business Practices

During FY2003, Berkeley Lab Property Management initiated a Best Business Practice performance measure. We will continue this process with the other nine Office of Science Laboratories during FY2004. The focus in FY2004 will be to define and articulate the variety of business practices currently being used at the various sites and evaluate them for application at LBNL as well as across the DOE community. Berkeley Lab will prepare a report identifying the efforts pursued during the fiscal year. The following gradients will be used to rate performance:

GRADIENT	DELIVERABLES
Outstanding	The criterion for an "Excellent" rating has been met. In addition, as a result of Berkeley Lab leadership, new practices have been identified and recommended to DOE SC for implementation at other SC Laboratories.
Excellent	The criterion for a "Good" rating has been met. In addition, new practices have been identified and implemented at the Laboratory.
Good	Collaboration activities accomplished in FY2003 have been expanded during FY2004. Additional property best practices have been identified and documented from potential DOE/SC sites. A substantial amount of SC Laboratory property practices and procedures were reviewed.
Marginal	Some effort was demonstrated; however, results fell short of the expectations for a "Good" rating.
Unsatisfactory	Little or no effort has been demonstrated towards the achievement of the performance measure.

7.0 Employee Satisfaction

The Laboratory will foster organizational agility and employee alignment. There are two measures, 7.1 and 7.2, in this category as follows:

AREA	APPROACH	MEASURE
Employee satisfaction, Employee alignment, and information availability	The Laboratory will foster organizational agility and employee alignment	7.1 - Inclusion of PPAM responsibilities in Property Management Staffs' position descriptions. 7.2 - Inclusion of Personal Development Plans in Property Management's Staffs' yearly Performance evaluations.

The final rating will be based on results at year-end using the following formulas and gradients.

7.1 Inclusion of PPAM Responsibilities in Property Management Staffs' Position Descriptions

$$\% = \frac{\text{Number of Property Management Staff with Position Descriptions that include PPAM responsibilities}}{\text{Number of Property Management Staff}}$$

GRADIENT	PERCENTAGE
Outstanding	$\geq$ 99.5%
Excellent	99.2% - 99.4%
Good	98.7% - 99.1%
Marginal	98.0% - 98.6%
Unsatisfactory	< 98.0%

7.2   Inclusion of Personal Development Plans in Property Management's Staffs' yearly Performance Evaluations

% = Number of Property Management staff with Personal Development Plans in Yearly Performance Evaluations
_____
Number of Property Management Staff

GRADIENT	PERCENTAGE
Outstanding	$\geq$ 99.5%
Excellent	99.2% - 99.4%
Good	98.7% - 99.1%
Marginal	98.0% - 98.6%
Unsatisfactory	< 98.0%

8.0   Accountability

8.1   Corrective Actions

The Laboratory will demonstrate an increased level of accountability and responsiveness by determining the number of internal and external audit corrective actions that are completed as scheduled. The year-end rating will be based on the percentage of corrective actions completed on schedule during the year using the following formula and gradients:

AREA	APPROACH	MEASURE
Audits	Personal Accountability	All corrective actions completed as scheduled

%   =   Number of corrective actions completed as scheduled
_____
Number of corrective actions scheduled for completion in FY2004

GRADIENT	PERCENTAGE
Outstanding	$\geq$ 98.0%
Excellent	95.5% - 97.9%
Good	90.0% - 95.4%
Marginal	85.0% - 89.9%
Unsatisfactory	< 85.0%

8.2 Performance Reviews

The Laboratory will develop program to ensure that during the annual personnel evaluation process, Laboratory employees are evaluated relative to their personal accountability for Government property. During FY2004, as this program is being established, only exempt employees will be evaluated. During the 4th quarter, each custodian of property will provide a signed accountability statement to their Management who will then forward the information to Human Resources for compilation. The Divisions will provide Property Management with information necessary to apply the following formula and gradients.

$$\% = \frac{\text{Number of custodians* of property who provided an accountability statement to their Management}}{\text{Number of custodians* of property}}$$

* Exempt employees only for FY2004.

GRADIENT	PERCENTAGE
Outstanding	$\geq$ 98.0%
Excellent	95.5% - 97.9%
Good	90.0% - 95.4%
Marginal	85.0% - 89.9%
Unsatisfactory	< 85.0%

8.3 Division Performance Profiles

This measure will be performed over the next two fiscal years. The Property Management group will establish a program to rate each Laboratory Division's performance on various internal property processes such as inventories, walk-throughs, property reviews, custodian assignment, etc. This will be reported using a Division Performance Profile. During FY2004, Property Management will be rated on the approach and deployment of this new program as follows:

1. Development of procedures and guidelines that will used by Property Management to establish a profile for each Division.
2. Development and distribution of a Division Performance Profile for each Division.
3. Development of the approach and plan that will be used by Property Management to work with Divisions the following year to improve their performance.

Attachment I
FY2004 PPAM Scoring Methodology

During FY2005, Property Management will use the results obtained in FY2004 to determine which divisions Property Management will work with during the year to improve performance. At the end of the year a new Performance Profile rating will be determined and feedback will be provided to all divisions.

A narrative will be provided in the Appendix F report describing the approach and deployment of this new program in FY2004.