

***Contractor***

***Personal Property Management***

***Balanced ScoreCard***

***FY 2007***

## *Contractor Personal Property Management Systems*

### *Mission, Vision, and Strategy*

The following are the Department's statements of its highest level purpose, desired end-state, and methodology for achieving that end-state for its contractor personal property management systems. All objectives and measures should support these statements:

**MISSION:** To provide property management and asset disposal services to support the accomplishment of the Department's programmatic goals and objectives.

**VISION:** To provide property management and asset disposal services in the most effective and efficient manner that meets customer expectations.

**STRATEGY:** To utilize innovative, customer driven, and results oriented methods and mechanisms to provide the highest levels of stewardship for contractor managed property assets.

## **The Contractor Personal Property Management**

### **Balanced ScoreCard (BSC) Program**

The DOE contractor personal property management BSC is a functional component of the Departmental business systems performance measurement and management program issued by the DOE Procurement Executive on October 1, 1997.

In order to achieve Department-wide consistency, this review and assessment program is based on the personal property policies, standards, and practices outlined in Department of Energy Property Management Regulations as codified in 41 CFR Chapter 109. Contractors are expected to achieve the most effective combination of performance results in accordance with Departmental expectations, customer requirements, laws, regulations, good business management practices, and the terms and conditions of their contracts.

The core objectives and performance measures established under this program are applicable to all DOE contractor personal property management activities. The core performance measures are exclusive of additional optional measures that DOE expects its contractors to develop and implement. Cognizant DOE Offices and their contractors are responsible for determining the best optional measures to use for their specific situations.

Under the BSC program, performance measures are established and prioritized, targets are assigned, and measurements taken. Formal, documented self-assessments are the principal data generating or gathering sources. Measurements are formulated to report status of performance to management and the customer and the feedback cycle drives corrective or improvement actions as appropriate.

The core objectives and measures listed in this BSC are to be used by contractor personal property management activities to monitor their business processes. The initial step in each area will be to establish a baseline against which future performance will be compared. The objective should be to measure trends in continuous improvement affecting the contractor's performance. To ensure this data is trendable and reliable, the method used to establish the baseline should also be applied in subsequent assessments. It is recognized that the results may not be directly comparable from one contractor personal property management activity to another.

## **The BSC Perspectives**

### **Customer Perspective:**

The Customer Perspective enables organizations to align their core measures (i.e., customer satisfaction) to targeted customers. For this perspective, the primary objectives are to provide effective service to and establish effective partnerships with external and internal customers. Effective service and partnership are key ingredients in assessing the health of any contractor personal property management system.

### **Internal Business Processes Perspective:**

The Internal Business Processes Perspective assures that appropriate contractor personal property management processes are established and maintained to support customer needs and to achieve the primary objective of providing effective life cycle management of Departmental assets. In addition to the primary objective, this perspective has three sub-objectives: the establishment and maintenance of accountability for Departmental assets; the effective utilization of property; and the timely disposition of unneeded property. Key processes within a contractor personal property management operation must be monitored to ensure that the outcomes satisfy the primary and sub-objectives.

This perspective is important because it not only addresses the internal business processes that must be developed and maintained to meet customer and stakeholder requirements and expectations, but also the process results that lead to financial success and satisfied customers. Within each contractor personal property management organization, there are a number of business processes requiring focused management attention to ensure requirements and expectations are met as effectively as possible, while accommodating cost efficiency issues addressed in the Financial Perspective.

### **Learning and Growth Perspective:**

The two objectives under the Learning and Growth Perspective (i.e., having access to dynamic and strategic information and management systems; and ensuring that employees are aligned to BSC objectives) promote organizational and individual growth that will provide long-term benefits to the personal property management organization. These objectives must be achieved if an organization is going to improve its performance over time. While the objectives in the other perspectives identify where the organization must excel to achieve breakthrough performance, the Learning and Growth objectives provide the infrastructure needed to enable the objectives in the other perspectives to be achieved. The Learning and Growth objectives are the drivers for achieving excellence in the other perspectives.

This perspective is important because it promotes individual and organizational growth - factors that are crucial to future success. Support for this perspective equates to recognition of the link between top-level strategic objectives and activities for re-skilling and motivating employees, supplying information, and aligning individuals, teams, and organizational units with the Department's strategy and long-term objectives. An analysis of the cause and effect relationships of the measures in this perspective clearly shows that employee satisfaction, employee alignment, and information availability are vital contributors to meeting the objectives stated in the other perspectives.

### **Financial Perspective:**

The objective of the Financial Perspective is to strive for optimum efficiency of contractor personal property management operations. To achieve that, major processes need to be analyzed to determine (1) cost and performance trends over time and (2) process changes that can be implemented that will produce optimum efficiencies. Success for personal property management organizations should be measured by how effectively and efficiently these organizations meet the needs of their constituencies.

This perspective is important because optimizing the cost efficiency of contractor personal property management operations ensures that the maximum amount of funds are available for accomplishing the primary missions of the Department and the organization. Managers must ensure that contractor personal property management operating costs are optimized in order to meet the challenge of creating business systems that work better and cost less.

## **BSC Objectives, Measures and Targets**

### **General:**

Each contractor is expected to develop a BSC that will contain performance objectives, measures, and targets. The BSC will be based in part on national objectives, measures, and targets provided by the Department. The Department expects that the national elements of the ScoreCard to be supplemented by (1) local objectives that support the Departmental mission, vision, and strategy; (2) at least one additional measure for each perspective, negotiated and agreed upon between the contractor and the local DOE office and taken either from the list of optional measures that are provided below or from site-specific local measures; and (3) where appropriate, short term local targets that stimulate progress towards national targets.

### **Core Measures:**

The core measures contained in the Contractor Personal Property BSC are the measures that the

Department expects all contractors to use where applicable. The formulae and measuring methods should be maintained as standard as practicable from site to site. Some core measures contain core elements and optional elements. Core elements are aspects of the contractor personal property management process that the Department expects all contractors to measure where applicable. Optional elements are aspects of the contractor personal property management process that the Department suggests, but does not require, for measurement where applicable.

### **Optional Measures:**

The following is a list of optional measures that may be useful for assessing progress towards BSC objectives. These measures are suggested, but not required, by the Department.

#### ***1. Customer Perspective***

- ! Percent of initial custodial assignments (individual or organizational) completed within XX days of receipt.
- ! Percent accuracy of key property management data elements (e.g., property control number, nomenclature, part number, model number, and serial number) where customers maintain/update databases.
- ! Percent of excess equipment disposals coordinated by contractor personal property management operations.

#### ***2. Internal Business Processes Perspective***

- ! Percent of subcontractor-held property located during physical inventory.
- ! Percent and/or value (acquisition cost) of personal property items lost during the period.
- ! Value (acquisition cost) of personal property items found during the period.
- ! Percent of personal property items damaged or destroyed during the period.
- ! Percent of scheduled property management reviews conducted during period.
- ! Number of property system processes reengineered during period.
- ! Number of excess declarations processed as a percent of total transactions during period.
- ! Percent of scheduled management walk-throughs completed during period.

- ! Percent of excess or surplus property shipped within XX days of receipt of requisitions or transfer orders.
- ! Percent of usable property with sale value sold within XX days after completion of required screening.
- ! Percent of subcontractor-held property disposed within XX days after subcontract completion.
- ! Extent to which reliable property, administrative, and financial systems are in place and integrated.
- ! Percent of Government equipment issues resolved in a timely (defined locally) fashion.

### ***3. Learning and Growth***

- ! Number of classes, supporting BSC objectives, provided to personal property custodians/representatives during the period.
- ! Percent of personal property custodians/representatives who attended the classes that were provided during the period in support of BSC objectives.
- ! Number of employee suggestions, supporting BSC objectives, that were adopted during the period.
- ! Percent of personal property professional staff with professional certifications related to BSC objectives.

### ***4. Financial Perspective***

- ! Net proceeds from the sale of surplus assets as a percent of asset acquisition cost
- ! Dollar value of site-generated excess property reutilized internally at the site.
- ! Dollar value of externally generated excess property (i.e., by other DOE sites and other Federal agencies) utilized by the site.
- ! Reutilization screening transactions (number and dollar value) completed during period

### **Local Measures:**

Local measures are site or contractor specific measures that may be identified and included as part of each site's BSC.

### **National and Local Targets:**

Each contractor should strive to meet or exceed the national targets contained in the BSC. If a contractor's current performance results are below the national target, short term local targets may be established to drive performance over time towards the national targets. When acceptable performance levels are achieved, they should be maintained. However, performance should not be driven beyond what is necessary to support the organizational mission.

## CUSTOMER PERSPECTIVE

(Objective #1, Core Measure #1)

OBJECTIVE	MEASURE	NATIONAL TARGET
<p>Objective #1: Provide effective service to and establish effective partnerships with external customers.</p> <p>Data Source: Written customer surveys (periodic or point of service), focus groups, interviews, etc.</p>	<p>Core Measure #1: The extent to which external customers are satisfied with specific personal property products and services.</p> <p>Core Elements: The measure should provide feedback from external customers regarding their satisfaction with</p> <ol style="list-style-type: none"> <li>(1) timeliness of personal property products and services they received,</li> <li>(2) the quality of the information and services provided by personal property functions, and</li> <li>(3) the degree of partnership that exists between personal property functions and external customers in terms of responsiveness, cooperation and level of communication.</li> </ol>	<p>National Target: 80% (or equivalent index value) or better customer satisfaction rating.</p> <p>Local Target: (1) National target (or equivalent index value) or better if the most recent rating is below the national target (or equivalent index value);</p> <p style="text-align: center;">or</p> <p>(2) The most recent or better if the most recent rating is the national target or better.</p>

## CUSTOMER PERSPECTIVE

<b>Objective #1:</b>	Provide effective service to and establish effective partnerships with external customers.
<b>Core Measure #1:</b>	The extent to which external customers are satisfied with specific personal property products and services. <sup>11</sup>
<b>Core Elements:</b>	The measure should provide feedback from external customers regarding their satisfaction with (1) the timeliness of personal property products and services they received, (2) the quality of the information and services provided by personal property functions, and (3) the degree of partnership that exists between personal property functions and external customers in terms of responsiveness, cooperation and level of communication.
<b>National Target:</b>	80% (or equivalent index value) or better customer satisfaction rating.
<b>Local Target:</b>	(1) National target (or equivalent index value) or better if the most recent rating is below the national target (or equivalent index value); or (2) the most recent rating or better if the most recent rating is the national target or better.
<b>Suggested Data Sources:</b>	Written customer surveys (periodic or point of service), focus groups, interviews, etc.

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<sup>11</sup>Products and services may include external reports (e.g., motor vehicle reports, disposal reports) required by contract, responses to DOE Headquarters/Field Office requests for information, correspondence with externally established suspense dates, externally-driven procedural updates, and property system enhancements.

## CUSTOMER PERSPECTIVE (continued)

**Suggested Measuring Method:**

(1) Identify the external customers who were provided specific products and services during the period (e.g., quarter, semi-annual, annual). Select a statistically valid random sample from the total external customer population. Conduct a customer satisfaction survey with the selected customers. Determine the external customer satisfaction rating or equivalent index for the period.

or

(2) Provide a point of service customer survey form with each product or service provided during the period (e.g., quarter, semi-annual, annual). Review each survey form upon return by the customer and address specific issues/concerns raised by the customer. At the end of the period, analyze the survey results or, if volume of surveys is sufficiently large, select a statistically valid random sample from the total population of survey forms. Determine the customer satisfaction rating or equivalent index for the period.

**Results:**

Compare the customer satisfaction rating (or equivalent index) with the local target. As necessary, determine the course of action needed to bring about improvement, to include addressing and providing candid feedback on individual external customer concerns and issues raised during the customer survey process. Consider tracking the course of action under one of the BSC perspectives, as appropriate.

## CUSTOMER PERSPECTIVE

(Objective 1, Core Measure 2)

OBJECTIVE	MEASURE	NATIONAL TARGET
<p>Objective #1: Provide effective service to and establish effective partnerships with internal customers.</p> <p>Data Source: Written customer surveys (periodic or point of service), focus groups, interviews, etc.</p>	<p>Core Measure #2: The extent to which internal customers are satisfied with specific personal property products and services.</p> <p>Core Elements:</p> <p>The measure should provide feedback from external customers regarding their satisfaction with</p> <ol style="list-style-type: none"> <li>(1) the timeliness of personal property products and services they received,</li> <li>(2) the quality of the information and services provided by personal property functions, and</li> <li>(3) the degree of partnership that exists between personal property functions and external customers in terms of responsiveness, cooperation and level of communication.</li> </ol>	<p>National Target: 80%</p> <p>Local Target: 80% (or improvement towards 80% over an established internal customer satisfaction baseline if the baseline is less than 80%).</p>

## CUSTOMER PERSPECTIVE

<b>Objective #1:</b>	Provide effective service to and establish effective partnerships with internal customers.
<b>Core Measure #2:</b>	The extent to which internal customers are satisfied with specific personal property products and services. <sup>2</sup>
<b>Core Elements:</b>	The measure should provide feedback from external customers regarding their satisfaction with (1) the timeliness of personal property products and services they received, (2) the quality of the information and services provided by personal property functions, and (3) the degree of partnership that exists between personal property functions and internal customers in terms of responsiveness, cooperation and level of communication.
<b>National Target:</b>	80%.
<b>Local Target:</b>	80% (or improvement towards 80% over an established internal customer satisfaction baseline if the baseline is less than 80%).
<b>Data Sources:</b>	Written customer surveys (periodic or point of service), focus groups, interviews, etc.
<b>Suggested Measuring Method:</b>	(1) Identify the internal customers who were provided specific products and services during the period (e.g., quarter, semi-annual, annual). Select a statistically valid random sample from the total internal customer population. Conduct a customer satisfaction survey with the selected customers. Determine the internal customer satisfaction rating or equivalent index for the period. or

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<sup>2</sup> Products and services may include internal procedures, property system enhancements, internal reports, responses to internal audits, and internally-driven property system enhancements.

## **CUSTOMER PERSPECTIVE (continued)**

(2) Provide a point of service customer survey form with each product or service provided during the period (e.g., quarter, semi-annual, annual). Review each survey form upon return by the customer and address specific issues/concerns raised by the customer. At the end of the period, analyze the results or, if the volume is sufficiently large, select a statistically valid random sample from the total population of survey forms and analyze the results. Determine the internal customer satisfaction rating or index for the period.

### **Results:**

Compare internal customer satisfaction rating or index with the local target. As necessary, determine the course of action needed to bring about improvement, to include addressing and providing candid feedback on individual internal customer concerns and issues raised during the survey process. Consider tracking the course of action under one of the BSC perspectives, as appropriate.

## CUSTOMER PERSPECTIVE

(Objective #1, Core Measure #3)

OBJECTIVE	MEASURE	NATIONAL TARGET
<p>Objective #1: Provide effective service to and establish effective partnerships with external customers.</p> <p>Data Source: Contractor personal property management databases, physical inventory documentation.</p>	<p>Core Measure #3: Accuracy of property assignments. The percent of property items confirmed by the accountable individuals or organizations as being properly assigned, computed as follows;</p> <p><u><math>\% \text{ Accuracy} = \frac{\# \text{ of confirmed, property assigned items}}{\text{total \# of assigned items services}}</math></u></p> <p><b>Core Elements:</b> The measure, intended to demonstrate individual or organizational responsibility and the level of accuracy for personal property assignments, should provide feedback for at least the following categories of property: equipment and sensitive items.</p>	<p>National Target: 98% or more of all items are properly assigned to the responsible individual or organization.</p> <p>Local Target: (1) National target or better if the most recent item assignment accuracy rate is below the national target;</p> <p style="text-align: center;">or</p> <p>(2) The most recent accuracy rate (or better) if the accuracy rate is the national target is better.</p>

## CUSTOMER PERSPECTIVE

**Objective #1:** Provide effective services to and establish effective partnerships with external and internal customers.

**Core Measure #3:** Accuracy of Property Assignments. The percent of property items confirmed by the accountable individuals or organizations as being properly assigned, computed as follows:

$$\% \text{ Accuracy} = \frac{\text{Number of Confirmed, Properly Assigned Items}}{\text{Total Number of Assigned Items}}$$

**Core Elements:** The measure, intended to demonstrate individual or organizational responsibility and the level of accuracy for personal property assignments, should provide feedback for at least the following categories of property: equipment and sensitive items.

**National Targets<sup>1</sup>:** 98% or more of all items are properly assigned to the responsible individual or organization.

**Local Target:** (1) National target or better if the most recent item assignment accuracy rate is below the national target; or  
(2) The most recent accuracy rate (or better) if the accuracy rate is the national target or better.

**Suggested Data Sources:** Contractor personal property management databases, physical inventory documentation

**Suggested Measuring Method:** Determine the population size for each category of property being measured. Select a statistically valid random sample from each population. Contact the accountable individual or organization of record.

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<sup>1</sup> American Society for Testing and Materials Standard Number E2131-01, March 2001.

## **CUSTOMER PERSPECTIVE (continued)**

Determine if the assignment of record is accurate. Establish a population accuracy rate based on the statistical sampling results.

### **Results:**

Compare the population accuracy rates established from the random sampling with the local target. As necessary, determine the course of action needed to bring about improvements in the accuracy rates. Consider tracking the course of action under one of the BSC perspectives, as appropriate.

## INTERNAL BUSINESS PROCESSES PERSPECTIVE

(Objective #1, Core Measure #1)

OBJECTIVE	MEASURE	NATIONAL TARGET
<p>Objective #1: Establish and maintain effective life cycle management of assets to meet Departmental missions.</p> <p>Sub Objective: Accountability for Departmental assets.</p> <p>Data Source: Physical inventory results, equipment issue/usage records, excess and surplus property disposal records.</p>	<p>Core Measure #1: Asset Accountability: % of property subject to physical inventory located during inventory</p> <p>Core Elements:</p> <ol style="list-style-type: none"> <li>(1) Equipment</li> <li>(2) Sensitive Items</li> <li>(3) Stores Inventory</li> </ol>	<p>Equipment - 99% (acq. cost) Equipment - 98% (items)</p> <p>Sensitive - 99% (acq. cost) Sensitive - 98% (items)</p> <p>Stores Inventory - 99% (acq. cost) Stores Inventory - 98% (items)</p>



## **INTERNAL BUSINESS PROCESSES PERSPECTIVE**

**Objective #1:** Establish and maintain effective life cycle management<sup>2</sup> of assets to meet Departmental missions.

**Core Measure #1:** Asset Accountability Rate. The percent of property subject to physical inventory located during physical inventory, computed as follows:

$$\% \text{ Located} = \frac{\text{Amount Located During Physical Inventory}}{\text{Amount Subject to Physical Inventory}}$$

**Core Elements:** The measure should provide feedback on the amount of property (by line item and acquisition cost) located during physical inventory for each of the following categories of property: (1) equipment, (2) sensitive property, (3) stores inventory.

**National Target:**<sup>3</sup> Equipment - 99% (acquisition cost) and 98% (items) Sensitive items - 99% (acquisition cost) and 98% (items) Stores inventory - 99% (acquisition cost) and 98% (items)

**Local Target:** (1) National target or better if property located results during the most recent physical inventory were below the national target; or (2) the most recent property located rate (or better) if the most recent physical inventory results were at the national target or better.

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<sup>2</sup> The effective life cycle management objective includes the following sub-objectives: (1) accountability for Departmental assets, (2) effective utilization of equipment, and (3) timely disposition of excess and surplus property.

<sup>3</sup> American Society for Testing and Materials Standard Number E2131-01, March 2001.

## INTERNAL BUSINESS PROCESSES PERSPECTIVE (continued)

<b>Suggested Data Source:</b>	Personal property database, physical inventory results, and supporting documentation.
<b>Suggested Measuring Method:</b>	Using approved physical inventory methods, complete the physical inventories that are scheduled for the period. Determine the percent of items that were located during each inventory (for each category of property whose physical inventory is conducted using statistical sampling techniques, calculate an estimated property located percentage for the entire category using statistical methods).
<b>Results:</b>	Compare the actual (or estimated for statistical sampling based physical inventories) property located rates with the local targets. As necessary, determine the course of action to bring about improvements in the property located rates. Consider tracking the course of action under one of the BSC perspectives, as appropriate.

## INTERNAL BUSINESS PROCESSES PERSPECTIVE

(Objective #1, Core Measure #2)

OBJECTIVE	MEASURE	NATIONAL TARGET
<p>Core Measure #1: Establish and maintain effective life cycle management of assets to meet Departmental missions.</p> <p>Sub Objective: Effective utilization of equipment.</p> <p>Data Source: Equipment usage/issue records.</p>	<p>Core Measure #2: Equipment Utilization. Percent of equipment meeting Federal and/or local usage/issue standards/Objectives, computed as follows:</p> $\% = \frac{\# \text{ of items meeting standards/objectives}}{\text{total \# of items subject to standards/objectives}}$ <p>Core Elements:</p> <p>The measure, intended to demonstrate the degree of effective utilization of equipment, should provide feedback on the utilization of motor vehicles, as a minimum.</p> <p>Utilization/issue feedback on other equipment (e.g., motor equipment, equipment pool items, and tool crib items) listed as optional elements under this measure, is desirable and should be considered for inclusion under this measure.</p>	<p>National Target: 94% (or better) of motor vehicles meet Federal and/or local usage/issue standards.</p> <p>Local Target: (1) National target (or better) if motor vehicle fleet does not meet the usage/issue standards;</p> <p style="text-align: center;">or</p> <p>(2) Better than the national target if the motor vehicle fleet does not meet the usage/issue standards.</p>

## INTERNAL BUSINESS PROCESSES PERSPECTIVE

**Objective #1:** Establish and maintain effective life cycle management<sup>4</sup> of assets to meet Departmental missions.

**Core Measure #2:** Equipment Utilization. The percent of equipment meeting Federal and/or local usage/issue standards or objectives, computed as follows:

$$\% = \frac{\text{Number of Items Meeting Standards/Objectives}}{\text{Total Number of Items Subject to Standards/Objectives}}$$

**Core Elements:** The measure, intended to demonstrate the degree of effective utilization of equipment, should provide feedback on the utilization of motor vehicles, as a minimum<sup>5</sup>.

**National Target:** 94% (or better) of motor vehicles meet Federal and/or local usage/issue standards.

**Local Target:** (1) National target (or better) if motor vehicle fleet does not meet the usage/issue standards; or  
(2) better than the national target if the motor vehicle fleet meets the usage/issue standards.

**Suggested Data Source:** Equipment usage/issue records.

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<sup>4</sup> The effective life cycle management objective includes the following sub objectives: (1) accountability for Departmental assets, (2) effective utilization of equipment, and (3) timely disposition of excess and surplus property.

<sup>5</sup> Utilization/issue feedback on other equipment (e.g., motor equipment, equipment pool items, and tool crib items), listed as optional elements under this measure, is desirable and should be considered for inclusion under this measure.

## INTERNAL BUSINESS PROCESSES PERSPECTIVE (continued)

**Suggested Measuring Method:**

(1) For each motor vehicle (and motor equipment item if included under this measure), determine its actual usage/issue rate for the period

and

(2) If equipment pool/tool crib items are included under this measure, determine the population size for each equipment pool and tool crib reviewed during the period. For small equipment pools and tool cribs, determine actual usage/issue rates for the period. For larger equipment pools and tool cribs, select a statistically valid random sample. Determine the usage/issue rates for each item in the random sample. Establish an estimated population usage/issue rate for the period using statistical methods.

**Results:**

(1) Compare the actual usage/issue rates for motor vehicles (and motor equipment if included under this measure) for the period with the established usage/issue standards or objectives. As necessary, determine the course of action needed to bring about improved vehicle/equipment usage/issue rates for items falling below the standards or objectives. Consider tracking the course of action under one of the BSC perspectives, as appropriate.

and

(2) If equipment pool and tool crib items are included under this measure, compare the actual/estimated equipment usage/issue rates for the period with the established standards or objectives. As necessary, determine the course of action needed to bring about improved equipment pool/tool crib usage/issue rates for items falling below the standard or objective. Consider tracking the course of action under one of the BSC perspectives, as appropriate.

National Target Changed-09/29/2006

## INTERNAL BUSINESS PROCESSES PERSPECTIVE

(Objective #1, Core Measure #3)

OBJECTIVE	MEASURE	NATIONAL TARGET
<p>Objective #1: Establish and maintain effective life cycle management of assets to meet Departmental missions.</p> <p>Sub Objective: Timely disposition of excess and surplus property.</p> <p>Data Source: Excess and surplus property disposal records.</p>	<p>Core Measure #3: Percent of increase in the volume of items reported excess and disposed of within 180 days as compared with previous cycle.</p> <p><math>\% = \frac{\text{previous cycle items excess/disposed of in 180 days}}{\text{current cycle items excess/disposed of in 180 days}}</math></p>	<p>National Target: 8% increase</p>

## INTERNAL BUSINESS PROCESSES PERSPECTIVE

<b>Objective #1:</b>	Establish and maintain effective life cycle management <sup>6</sup> of assets to meet Departmental missions.
<b>Core Measure #3:</b>	Percent of increase in the volume of items reported excess and disposed within 180 days as compared with the previous cycle.  $\% = \frac{\text{previous cycle items exceeded/disposed of in 180 days}}{\text{current cycle items exceeded/disposed of in 180 days}}$
<b>National Target:</b>	8% increase
<b>Suggested Data Source:</b>	Excess and surplus property disposal records.
<b>Suggested Measuring Method:</b>	Determine the population size for all disposal actions completed during the period. Select a statistically valid random sample from the population. Determine the percentage of sampled disposal actions that were complete within 180 days. Compare with previous cycle and report percentage of increase.
<b>Results:</b>	Review those sampled disposal actions that were not completed in a timely fashion and determine what caused the delays. Determine if systemic problems exist affecting timely disposition that require attention. As necessary, determine the course of action needed to improve the timely disposal percentage. Consider tracking the course of action under one of the BSC perspectives, as appropriate.

National Target Changed-07/25/2006

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<sup>6</sup> The effective life cycle management objective includes the following subobjectives:  
(1) accountability for Departmental assets, (2) effective utilization of equipment, and  
(3) timely disposition of excess and surplus property.

## **INTERNAL BUSINESS PROCESSES PERSPECTIVE**

(Objective #2, Core Measure #1)

**OBJECTIVE**

**MEASURE**

**NATIONAL TARGET**

<p>Objective #2: Use of Information Technology to improve asset management performance.</p> <p>Data Source: Personal property database, surplus property sales records, and supporting documentation.</p>	<p>Core Measure #1: The percent change in current year “on-line” sales when compared to prior year “on-line” sales.</p> $\% \text{ Change} = \frac{\# \text{ of line items sold "on-line" (current year - prior year)}}{\# \text{ of line items sold "on-line" during prior year}}$	<p>National Target: Increase the number of items sold “on-line” by 10% per year for two years.</p> <p>Local Target: National target or better.</p>
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**INTERNAL BUSINESS PROCESSES PERSPECTIVE**

**Objective #2:** Use of Information Technology to improve asset management performance.

**Core Measure #1:** The percent change in current year “on-line”<sup>8</sup> sales when compared to prior year “on-line” sales.

$$\% \text{ Change@} = \frac{\# \text{ of line items sold "on-line" (current year - prior year)}}{\# \text{ of line items sold "on-line" during prior year}}$$

**National Target:** Increase the number of items sold “on-line” by 10% per year for two years.

**Local Target:** National target or better.

**Suggested Data Source:** Personal property database, surplus property sales records, and supporting documentation.

**Suggested Measuring:** If there were no prior year “on-line” sales, establish baseline using current year line items sold “on-line.”

Subtract prior year line items sold “on-line” from current year line items sold “on-line”. Divide the difference by the number of line items sold “on-line” during prior year.

**Results:** Determine if the targeted percent increase in “on-line” sales was achieved. As necessary, determine the course of action needed to bring about improved results in the use of “on-line” sales.

National Target Changed-07/25/2005

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<sup>8</sup> On-line sales media may include locally developed sales capabilities, sales services available from another Department of Energy site, or sales services available from another Federal agency such as General Services Administration.

## **INTERNAL BUSINESS PROCESSES PERSPECTIVE**

(Objective #3, Core Measure #1)

**Objective**

**Measure**

**National Target**

<p>Objective #3: Ensure that personal property acquired via purchase card is recorded in the property and financial management systems.</p> <p>Data Source: Personal property database, receiving reports, credit card vouchers, sales receipts, and supporting documentation.</p>	<p>Core Measure #1: Percent of personal property acquired via purchase card that is recorded in property and financial databases within 72 hours of receipt.</p> <p><math>\% = \frac{\text{\# of items acquired via purchase card}}{\text{\# of items recorded in property and financial databases within 72 hours}}</math></p>	<p>National Target: 98%</p> <p>Local Target: National target or better.</p>
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**INTERNAL BUSINESS PROCESSES PERSPECTIVE**

**Objective #3:**

Ensure that personal property acquired via purchase card is recorded

in property and financial management systems.

**Core Measure #1:**

The percent of personal property acquired via purchase card that is recorded in property and financial databases within 72 hours of receipt.

$\% = \frac{\text{\# of line items acquired via purchase card}}{\text{\# of items recorded in property and financial database within 72 hours}}$

**National Target:**

98%

**Local Target:**

National target or better.

**Suggested Data Source:**

Personal property database, receiving reports, credit card vouchers, sales receipts and supporting documentation.

**Suggested Measuring:**

Compare the number of items acquired via the purchase card to the time it takes to record items into the property and financial databases.

**Results:**

As necessary, determine the course of action needed to bring about improved accountability for items acquired with the purchase card. Consider tracking the course of action under one the BSC perspectives, as appropriate.

New Measure Added-12/31/2003

## INTERNAL BUSINESS PROCESSES PERSPECTIVE

(Objective #4, Core Measure #1)

OBJECTIVE	MEASURE	NATIONAL TARGET
<p>Objective #4: Ensure that subcontractor-held personal property is recorded in the Contractor's property management system.</p> <p>Data Source: Subcontractor's personal property databases, physical inventory documentation, receiving reports.</p>	<p>Core Measure #1: The percent of personal property identified in the subcontractor's property inventory upon review of invoices and/or scheduled inventories.</p> <p><math display="block">\% = \frac{\text{\# of items identified during inventory}}{\text{\# of items receipted per invoices}}</math></p>	<p>National Target: 98%</p> <p>Local Target: National target or better.</p>

## INTERNAL BUSINESS PROCESSES PERSPECTIVE

<b>Objective #4:</b>	Ensure that subcontractor-held property is recorded in the Contractor's property management system.
<b>Core Measure #1:</b>	The percent of property identified in the subcontractor's property inventory upon review of invoices and/or scheduled inventories.  $\% = \frac{\text{\# of items identified in property database}}{\text{\# of items identified upon review or physical inventory}}$
<b>National Target:</b>	98%
<b>Local Target:</b>	National target or better.
<b>Suggested Data Source:</b>	Subcontractor's personal property databases, physical inventory documentation.
<b>Suggested Measuring Method:</b>	Compare the number of items found during a review of invoices and/or scheduled inventory to the number of items recorded in the subcontractor's property database.
<b>Results:</b>	As necessary, determine the course of action needed to bring about improved accountability and control for items held by a subcontractor. Consider tracking the course of action under one of the BSC perspectives, as appropriate.

New Measure Added-12/31/2003

**LEARNING AND GROWTH PERSPECTIVE**  
**(Reserved)**

(Objective #1, Core Measure #1)

OBJECTIVE	MEASURE	NATIONAL TARGET

**LEARNING AND GROWTH PERSPECTIVE  
(Reserved)**

(Objective #1, Core Measure #1)

**Objective #1:**

**Core Measure #1:**

**Core Elements:**

**National Target:**

**Local Target:**

**Suggested Data Sources:**

**Suggested Measuring:**

**Method:**

**Results:**

## **LEARNING AND GROWTH PERSPECTIVE**

(Objective #1, Core Measure #2)

**Objective**

**Measure**

**National Target**

<p>Objective #1: Ensure employee alignment to balanced scorecard objectives.</p> <p>Data Source: Training schedules, individual development, performance standards, personnel files.</p>	<p>Core Measure #2: Percent of contractor personal property management employees having performance expectations and training requirements responding to balanced scorecard objectives, computed as follows:</p> $\% = \frac{\text{\# of employees completing BSC-supportive training}}{\text{total \# of property employees}}$ <p>Core Elements: The measure intended to demonstrate the degree to which employees are aware of balanced scorecard objectives, should provide feedback on success rates for:</p> <ol style="list-style-type: none"> <li>(1) completing training that support balanced scorecard objectives;</li> <li>(2) incorporating balanced scorecard objectives in individual development plans; and</li> <li>(3) completing annual performance reviews against balanced scorecard related performance standards.</li> </ol>	<p>National Target: (1) 93% of scheduled training, supporting balanced scorecard objectives, is completed</p> <p style="text-align: center;">and</p> <p>(2) 93% of property management employees are aligned with balanced scorecard objectives.</p> <p>Local Target: (1) National target (or better) if the training completion and employees alignment rates do not meet the national target; or (2) Better than the national target if the training completion and employee alignment rates meets the usage/issue standards. Higher local targets may be established.</p>
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**LEARNING AND GROWTH PERSPECTIVE**

**Objective #1:** Ensure employee alignment to BSC objectives.

**Core Measure #2:** Percent of contractor personal property management employees having performance expectations and training requirements

responding to BSC objectives, computed as follows:

$$\% = \frac{\text{Number of Employees Completing BSC-Supportive Training}}{\text{Total Number of Property Employees}}$$

$$\% = \frac{\text{Number of Employees With BSC-Based Performance Expectations}}{\text{Total Number of Property Employees}}$$

**Core Elements:**

The measure, intended to demonstrate the degree to which employees are aware of BSC objectives, should provide feedback on success rates for: (1) completing training that supports BSC objectives; (2) incorporating BSC objectives in individual development plans; and (3) completing annual performance reviews against BSC related performance standards.

**National Target:**

(1) 93% of scheduled training, supporting BSC objectives, is completed.

and

(2) 93% of property management employees are aligned with BSC objectives.

**Local Target:**

(1) National target (or better) if the training completion and employee alignment rates do not meet the national target;

or

(2) Better than the national target if the training completion and employee alignment rates meets the usage/issue standards. Higher local targets may be established.

**LEARNING AND GROWTH PERSPECTIVE  
(continued)**

**Suggested Data Sources:**

Training schedules, individual development, performance standards,

personnel files

**Suggested Measuring Method:**

Based on a supervisory review of each contractor personal property management employee's individual development plan, determine:

(1) The total number of BSC related training courses that were scheduled for the period and were completed during the period,

and

(2) The percent of contractor personal property management employees who have individual development plans based, at least in part, on BSC objectives.

**Results:**

(1) Compare the actual training completion rate with the national/local target for training completion. As necessary, determine the course of action needed to overcome any training shortfalls. Consider tracking the course of action under one of the BSC perspectives, as appropriate.

and

(2) Compare the individual development plan alignment rate and the annual performance review completion rate with the national/local target for employee alignment. As necessary, determine the course of action needed to overcome employee alignment shortfalls. Consider tracking the course of action under one of the BSC perspectives, as appropriate.

National Target Changed-09/28/2006

**FINANCIAL PERSPECTIVE**

(Objective #1, Core Measure #1)

OBJECTIVE	MEASURE	NATIONAL TARGET
<p>Objective #1: Strive for optimum efficiency of contractor personal property management operations.</p> <p>Data Source: Cost accounting and performance databases.</p>	<p>Core Measure #1: Establish and maintain cost and performance data for major processes (e.g., physical inventory, warehousing, disposition)</p> <p>No core elements. However, the measure intended to provide trend data for use in determining cost efficiency for major contractor personal property management processes, should provide feedback on those processes that are the major cost drivers.</p>	<p>National Target: Establish a cost and performance baseline for each targeted process and trend the cost an annually.</p> <p>Local Target: Establish a cost and performance baseline for each targeted process and trend the cost an annually.</p>

**FINANCIAL PERSPECTIVE**

<b>Objective #1:</b>	Strive for optimum efficiency of contractor personal property management operations.
<b>Core Measure #1:</b>	Establish and maintain cost and performance data for major processes (e.g., physical inventory, warehousing, disposition).
<b>Core Elements:</b>	None. However the measure, intended to provide trend data for use in determining cost efficiency for major contractor personal property management processes, should provide feedback on those processes that are the <u>major</u> cost drivers.
<b>National Target:</b>	Establish a cost and performance baseline for each targeted process and trend the cost annually.
<b>Local Target:</b>	Establish a cost and performance baseline for each targeted process and trend the cost annually.
<b>Suggested Data Sources:</b>	Cost accounting and performance databases.
<b>Suggested Measuring Method:</b>	For each targeted process, collect and trend prior/current year(s) cost and performance data. Data should be collected in sufficient detail to allow trending and analyses of major sub elements of the targeted processes. For trending purposes, collect a minimum of 3 years of data for each targeted process.
<b>Results:</b>	Review the established cost and performance trends. Determine which of the major processes to target for tracking under the Financial core measure #2.

## FINANCIAL PERSPECTIVE

(Objective #1, Core Measure #2)

OBJECTIVE	MEASURE	NATIONAL TARGET
<p>Objective #1: Strive for optimum efficiency of contractor personal property management operations.</p> <p>Data Source: Accounting and performance databases.</p>	<p>Core Measure #2: Determine the efficiency (cost vs. performance) of targeted processes.</p>	<p>National Target: Demonstrate an improving trend in efficiency for targeted processes. An improving trend may be demonstrated through</p> <p>(1) lower costs for the same level of performance, (2) improved level of performance for the same costs, or (3) a combination of lower costs and improved level of performance. The Department recognizes that achieving long term efficiency in some targeted processes may require incurring higher costs initially.</p> <p>Local Target: Demonstrate an improving trend in efficiency for targeted processes.</p>

## FINANCIAL PERSPECTIVE

<b>Objective #1:</b>	Strive for optimum efficiency of contractor personal property management operations.
<b>Core Measure #2:</b>	Determine the efficiency (cost vs. performance) of targeted processes.
<b>Core Elements:</b>	None. However the measure, intended to establish the level of efficiency for major contractor personal property management processes, should provide feedback on the efficiency of those processes that are the <u>major</u> cost drivers.
<b>National Target:</b>	Demonstrate an improving trend in efficiency for targeted processes. An improving trend may be demonstrated through (1) lower costs for the same level of performance, (2) improved level of performance for the same costs, or (3) a combination of lower costs and improved level of performance. The Department recognizes that achieving long term efficiency in some targeted processes may require incurring higher costs initially.
<b>Local Target:</b>	Demonstrate an improving trend in efficiency for targeted processes.
<b>Suggested Data Source:</b>	Accounting and performance databases.
<b>Suggested Measuring Method:</b>	For each targeted process, review cost and performance trends from data collected under Financial core measure #1. Determine which targeted processes are in need of improved efficiency. Establish a priority among the targeted processes in most need of improvement.
<b>Results:</b>	Select at least one of the highest priority processes for process improvement/reengineering. Identify the course of action needed to improve process efficiency. Consider tracking the course of action under one of the BSC perspectives, as appropriate.

## FINANCIAL PERSPECTIVE

(Objective #2, Core Measure #1)

OBJECTIVE	MEASURE	NATIONAL TARGET
<p>Objective #2: Ensure the fleet is comprised of vehicles needed to meet the site's mission and still achieve maximum economy and efficiency.</p> <p>Data Source: Vehicle inventory, internal vehicle utilization records, trip records and fleet systems.</p>	<p>Core Measure #1: By each non-law enforcement sport utility vehicle (SUV), compare the number of trips made that required driving on other than normal road conditions with the total number of trips the SUV made.</p> <p>Core Elements: Based on statistics that SUVs are less economical and efficient to drive, determine if SUVs were required to accomplish assigned tasks during the period. By vehicle, compare the number of trips each SUV made that required driving on other than normal road conditions with the total number of trips each SUV made.</p>	<p>National Target: 94% of each SUV's trips require driving on other than normal road conditions</p>

## FINANCIAL PERSPECTIVE

<b>Objective #2:</b>	Ensure the fleet is comprised of vehicles needed to meet the site's mission and still achieve maximum economy and efficiency.
<b>Core Measure #1:</b>	By each non-law enforcement sport utility vehicle, compare the number of trips made that required driving on other than normal road conditions with the total number of trips the SUV made.
<b>Core Elements:</b>	Based on statistics that SUVs are less economical and efficient to drive, determine if SUVs were required to accomplish assigned tasks during the period. By vehicle, compare the number of trips each SUV made that required driving on other than normal road conditions with the total number of trips each SUV made.
<b>National Target:</b>	94% of each SUV's trips require driving on other than normal road conditions
<b>Local Target:</b>	To be determined, if appropriate.
<b>Suggested Data Source:</b>	Vehicle inventory, internal vehicle utilization records, trip records, and fleet systems.
<b>Suggested Measuring</b>	Compare the number of trips each SUV made that required driving on other than normal road conditions with number of trips the SUV made.
<b>Method:</b>	By vehicle: $\frac{\text{\# of SUV trips made in other than normal conditions}}{\text{\# of SUV trips made}} = \% \text{ of SUV trips that required the use of this type of vehicle}$
<b>Results:</b>	By SUV, report the percent of trips that required driving on other than normal road conditions (e.g., off-road, extreme weather conditions, etc.) during the period. Determine if the most economical and efficient vehicles are being used to perform your sites' mission. For vehicles that do not meet the national target nor has a local target established, note any extenuating circumstances that may be taken into consideration for maintaining the vehicle.

**FINANCIAL PERSPECTIVE**

(Objective #3, Core Measure #1)

OBJECTIVE

MEASURE

NATIONAL TARGET

<p><b>Objective #3:</b> To ensure DOE meets the reduction of petroleum consumption requirement of Executive Order (E.O.) 13149.</p> <p><b>Data Source:</b> Federal Automotive Statistical Tool (FAST) System, internal fuel use records, vehicle utilization records and strategy for acquiring alternative fuel vehicles.</p>	<p><b>Core Measure #1:</b> The percent of reduced petroleum consumption within entire motor vehicle fleet as compared with FY 1999 petroleum consumption levels.</p> <p><b>Core Elements:</b> The measure is intended to demonstrate, by trending data, the level of petroleum consumption reduction accomplished within the motor vehicle fleet.</p>	<p><b>National Target:</b> As compared to FY 1999 petroleum consumption levels, for FY 2005, demonstrate a significant improving trend in reducing the net petroleum consumption, and by FY 2008, achieve at least a 20 percent petroleum consumption reduction.</p> <p><b>Local Target:</b> Same as national target.</p>
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## **FINANCIAL PERSPECTIVE**

**Objective #3:**

To ensure DOE meets the reduction of petroleum consumption requirement of Executive Order (E.O.) 13149.

**Core Measure #1:**

The percent of reduced petroleum consumption within entire motor

vehicle fleet as compared with FY 1999 petroleum consumption levels.

**Core Elements:** The measure is intended to demonstrate, by trending data, the level of petroleum consumption reduction accomplished within the motor vehicle fleet.

**National Target:** As compared to FY 1999 petroleum consumption levels, for FY 2005, demonstrate a significant improving trend in reducing the net petroleum consumption, and by FY 2008, achieve at least a 20 percent petroleum consumption reduction.

**Local Target:** Same as above.

**Suggested Data Source:** The Federal Automotive Statistical Tool (FAST) system, internal fuel use records, vehicle utilization records, fleet systems and strategy for acquiring alternative fuel vehicles.

**Suggested Measuring Method** Compare (1) the FY 1999 petroleum consumption level with (2) the current year petroleum consumption level. Determine if the target was met.

(Subtract current year consumption level from FY 1999 petroleum consumption level. Divide the difference by the FY 1999 petroleum consumption level.)

**Results:** Report the percent of decrease or increase of petroleum consumption. Sites not making progress in reducing petroleum consumption should demonstrate that it has made substantial good faith efforts to comply, along with a plan for compliance.