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CONTRACT 98 SELF-ASSESSMENT

April 1993

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Lawrence Berkeley Laboratory

Prepared for the U.S. Department of Energy under Contract No. DE-AC03-76SF0098

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EXECUTIVE SUMMARY

This report documents the results of LBL's Self-Assessment required by Appendix F to Contract DE ACOO3765F00098. This self assessment covers the performance measures set forth in Appendix F except those requiring an external audit. The performance measures for LBL are in the areas of ES&H (Part I), Finance (Part II), Human Services (Part III) and Procurement and Property (Part IV).

LBL is a multi-program laboratory operated by the University of California (UC) for DOE. The mission of LBL includes performing research in energy, general, and life sciences. LBL facilities include the main site on 130 acres located in the cities of Berkeley and Oakland; laboratories and offices located in buildings on the UC Berkeley Campus; and three leased buildings in the cities of Berkeley and Emeryville.

The assessment was conducted by LBL Managers and staff under the direction of the Functional Managers responsible for each of the four areas of assessment. This assessment was conducted according to plans developed by the Laboratory and approved by UC Laboratory Administration and DOE. The Assessments were reviewed and approved by responsible managers and were independently evaluated by a team operating under the guidance of the LBL Office of Assessment and Assurance Strategies for conducting the self assessment included:

1. Involvement of Line Management in the assessment process to provide awareness and ownership
2. Using existing assessments, audits and appraisals in lieu of a new assessment wherever possible
3. Conduct of the assessments by individuals with functional responsibility and knowledge of the areas being assessed
4. Interaction with individuals performing assessments at other Laboratories to enhance our learning process

There was an evaluation of the assessments based on a review to confirm that each assessment was conducted in accordance with the approved plans. There was also an independent sample review of data supporting the assessments for at least two performance measures in each area.

As anticipated, a number of findings will require corrective action. General corrective actions are identified for key findings in this report. In early May 1993, this Laboratory will begin the development of detailed formal corrective action plans which will be entered into a laboratory automated corrective action tracking system.

Summary of Key Findings

Environmental Safety and Health

The first of the performance measures deals with establishing programs to assure compliance with applicable laws, regulations, Contract 98 requirements and DOE Orders: The laboratory has met the requirements of this Performance Measure. The Laboratory has approached these requirements by establishing institutional umbrella programs which include Operating and Assurance Program which is supported by systematic self assessments and by maintaining standards documents including the LBL Regulations and Procedures Manual (RPM), the Health and Safety Manual and the Self Assessment Manual. The recent ER Tiger Team follow up review identified this LBL Self Assessment program as a "Best Management Practice".

One performance measure dealt with incorporating appropriate ES&H provisions in LBL Purchase Orders. Although there was general compliance there were a few instances of non-compliance. Corrective action has been initiated.

Two performance measures require incorporation of ES&H considerations into employee position descriptions and performance appraisals by 12/1/93. Adequate progress has been made toward these milestones.

Financial Management

The Financial Management performance measures were divided into major categories of Budget Proposal and Budget Control, Payroll Operations, Non-Payroll Disbursements, Data Integrity, Reporting/Audit, Policies and Procedures and Banking Operations. These categories will be discussed separately.

Budget Proposal and Budget Control:

The assessment here indicates that the LBL Budget Proposal has been submitted in compliance with all DOE requirements. The assessment for controls disclosed a need to improve controls for work-for-others. Corrective action has taken place with the Contract 98 provisions for use of UC funds to temporarily cover interim work-for-others costs.

Payroll Operations:

The assessment indicates full compliance with payroll accuracy for bi-weekly payroll and tax submission standards and virtual compliance with the payroll timeliness standard. There are no weaknesses which require correction in this area.

Non-Payroll Disbursements:

Standards in Non-Payroll disbursements were met with the exception of two Accounts Payable Standards. Corrective Action in the form of system enhancements is planned.

Data Integrity:

The Assessment of Data Integrity standards indicates all standards have been met with the exception of the timely correction of suspense accounts. Some system changes to mitigate this deficiency have already been made. Further corrective action will be required

Reporting/Audit:

The assessment on standards dealing with Reporting/Audit shows a high degree of compliance with the reporting requirements.

Policies and Procedures:

Assessment against the standard for policies and procedures revealed a lack of a comprehensive financial manual. Even though many policies and procedures are documented in various forms there is a need for a comprehensive financial policy and procedures document. A corrective action plan has been developed.

Banking Operations:

The assessment against Banking Operations standards indicates a need to delineate the responsibilities of DOE and the Laboratory, since DOE administers the agreement with the bank. Further, there appears to be a gap in communication with the bank in one area. Corrective action is underway.

HUMAN RESOURCES

The standards in Part III Human Resources for the most part require compliance at future dates. The assessment therefore addresses the programs and activities which have been set in motion to achieve compliance with the future milestones included in individual performance standards.

Standard 2 requires progress in the representation of minorities and women. Recognizing the need to devote extra effort to diversity, senior laboratory management initiated a number of activities over the past year which are specifically directed toward improving workforce diversity.

Standards 3 and 5 deal with improvements to the job classification system and the performance evaluation system. These are long range projects involving the joint efforts of all three laboratories and UC Laboratory Administration. Progress is underway and on schedule.

Standards 4 and 6 require position descriptions and performance evaluations for all Laboratory Employees. The Laboratory has in place policies and procedures which provide for these requirements. There is however no comprehensive validation system to assure full compliance. Such validation systems will be developed under corrective action plans.

Standard 8 deals with training. In recent years, there has been limited institutional focus on training activities (with the exception of EH&S). The Laboratory is in the process of hiring a training manager and is committed to revitalize the institutional training function.

Standard 9 deals with preparation and submission to DOE of a number of human resource reports. While the information is available, there is no system to track timely submission of the reports. Such a system will be developed.

PROCUREMENT AND PROPERTY MANAGEMENT

Property Management

Six areas are identified in the Appendix F Performance Objectives for LBL's Property Management function for 1993. These are: (1) maintaining a property management system, (2) biennial inventories of capital equipment, (3) annual inventories of sensitive equipment, (4) biennial walkthroughs of laboratory facilities, (5) annual review of equipment held for future use, and (6) annual property management reviews of subcontracts with Government property. Self-assessment findings and observations in these areas were derived primarily from DOE-SF Personal Property Management Reviews (FY 89-90 and FY 91-92) and from LBL Internal Audit Reports.

Maintaining the Property Management System:

In response to findings in the FY 89-90 Personal Property Management Review (PPMR), the Director's Action Committee reinforced Division roles and responsibilities and the Administration Division developed and closed out all recommended corrective actions. Preliminary results of the FY 91-92 PPMR indicate that the property management system has responded satisfactorily to DOE concerns about data accuracy of the Property Management and Accounting System (PMAS), the Laboratory implemented an Electronic Equipment Movement Record system to allow for more timely modifications to the PMAS.

Procedures to track change of equipment locations and sensitive equipment have been established and corrective actions are being taken to ensure that they are being followed by equipment custodians.

Biennial Inventories of Capital Equipment:

While each Laboratory Division maintains capital equipment that it acquires and uses, the Property Management section is responsible for tracking equipment utilization and disposition through the Inventory-by-Exception (IBE) method. All capital equipment locations are documented in the PMAS. In FY 91 and FY 92, at least 95 percent of the book value of property in the PMAS was accounted for. The Laboratory notifies DOE of all retired equipment that cannot be located.

The Laboratory has established equipment tracking procedures for the institution and is implementing corrective actions to ensure that they are being followed by equipment custodians. An area of

weakness that has been corrected was the absence of procedures to ensure that government furnished property or subcontractor acquired property were being properly identified and controlled.

Annual Inventories of Sensitive Equipment:

The Laboratory has developed policies and procedures for defining and monitoring sensitive property. The Laboratory has developed procedures for tracking sensitive equipment and is implementing corrective measures to ensure that they are being followed by equipment custodians.

Biennial Walkthroughs of Laboratory Facilities:

The Property Management section has developed draft procedures and a worksheet to perform the biennial walkthroughs of Division spaces that identify idle equipment and disposition (excess, salvage, or equipment pool). Walkthroughs are tentatively scheduled to begin in June 1993.

Annual Review of Equipment Held for Future Use:

The Laboratory annually reviews equipment held for future use. Property Management's review process for validating Division requests for designating equipment to be held for future use needs to ensure that Laboratory policies and procedures are being followed. Improved justifications and signature authority to retain equipment held for future use in the LBL Warehouse are being required by Materiel Management.

Annual Property Management Reviews of Subcontracts with Government Property:

The Laboratory requires subcontractors who hold government furnished property or subcontractor acquired property to complete a Self-Evaluation Questionnaire for Subcontractors. The purpose of the questionnaire is to determine whether subcontractors have an adequate property management system and whether a federal auditing agency has a secondary delegation authority. Procedures have been established to ensure that Purchasing includes a Property clause in all subcontracts involving property and transmits copies to Property Management for their files.

In the past, Property Management did not receive notice of subcontractor acquired property until termination of the subcontract. Therefore, Property Management could not initiate control over subcontractor acquired property.

Procurement:

Five areas are identified in the Appendix F Performance Objectives for LBL's Procurement function for 1993. These are (1) maintenance of a Contractor Purchasing System (2) an assessment of the procurement function (3) efforts addressing socio-economic and competitive subcontracting (4) implementation of a quality management and (5) development of a system requirement definition for automated purchasing data collection. LBL's Procurement and Inventory Management Function was the subject of a DOE Contractor Purchasing System Review (CPSR) in June of 1991. This was a major review covering all DOE procurement requirements under the previous UC/DOE contract. This review, along with subsequent federal reviews and internal self-assessments and an analysis of the status of corrective actions addressing review findings formed the basis of the 1993 self-assessment.

Maintenance of a Contractor Purchasing System:

The results of the Laboratory's assessment concluded that a procurement system is in place and most DOE requirements are being met. There is a weakness in that there is a lack of current Policy and Procedures Manual to ensure that all contract provisions for procurement are met. There is a plan for development of this documentation by all three UC laboratories, a schedule exists for completing the activities needed to finalize the manual and for training staff and demonstrated progress has been shown. An interim system has been implemented to provide a temporary mechanism to meet the commitments to new procurement requirements embodied in the new contract. This temporary mechanism is a series of Buyers' Memos which cover those areas in the new contract which were not part of the previous contract and therefore not covered in existing procedures.

Assessment of the Procurement Function:

As noted above, there is a heavy reliance on LBL's 1991 CPSR for this review period. A detailed listing of corrective actions plans including target completion dates and status has been developed to meet the second performance objective. In addition, a self-assessment of the Procurement Function conducted by the Procurement staff under the leadership of the Purchasing Manager has resulted in 48 internal suggestions for improvement. Additionally, six Work Groups have been convened by the Associate Laboratory Director, Administration to assess further areas for improvement. The results of this activity and a more thorough review will take place during the next assessment cycle for 1994.

Socio-economic and Competitive Subcontracting:

The assessment of the socio-economic and competitive subcontracting revealed strengths in the placement of orders with targeted socio-economic entities. A weakness exists in the ability to collect and analyze data on socio-economic procurements based upon commitment data rather than award data due to weaknesses in the administrative computer systems. New goals have been approved for subcontracting competitiveness in March of 1993. A measurement of LBL's ability to achieve these goals will be included in the next assessment cycle.

Quality Management Program:

The assessment on the implementation of a quality management program found that while elements of such a program exist, no cohesive program is in place. Purchasing is a part of the lab-wide Quality Program and has a plan and schedule to develop and document their program during 1993. As noted earlier, internal and external activities aimed at improving the efficiency, effectiveness and compliance have begun. There is much work to be done in this area. However, there is a commitment by senior laboratory management to implement quality programs.

Automated Purchasing Data Collection:

The final area assessed dealt with a systems requirement definition for automated purchasing data collection, has just begun. All three laboratories are working on this together and work is in the preliminary stage. Preliminary schedules have been developed. It is too early to assess this objective.

ROOT CAUSES AND FUTURE DIRECTIONS

This assessment includes both ES&H activities and administrative activities. The ES&H activities should be addressed separately because the Tiger Team and other EH&S inspections have resulted in problem identification and corrective action on an extensive scale over the past several years. The Tiger Team follow up visit in February 1993 commended the laboratory for its change in culture and for the way it is addressing and solving Environmental Health and Safety problems.

Although there was no Tiger Team for administrative functions and the laboratory recognizes that work must be done to improve its administrative practices. The Administrative system at LBL has both strengths and weaknesses. The strengths are that fundamental core functions were historically essential to operation of the Laboratory and to comply with explicit DOE requirements are being performed well.

The weaknesses of the administrative system are that it has been slow to respond to a changing environment, it has operated with minimum resources and has not made full use of advances in automation.

The root cause of these weaknesses is in a sense historical in that the Laboratory since its inception has operated under a management philosophy that allocated maximum possible resources to scientific research. This philosophy served the Laboratory well enough until externally imposed administrative requirements began to increase dramatically.

Other historical causes are more than a decade of declining and flat operating budgets which provided no additional funding for administrative improvements. As a consequence, administrative improvements were largely funded at the expense of other existing administrative activities. The administrative workload has been increased because of a recent dramatic increase in external administrative demands. The Laboratory administration has attempted to deal with these increased demands and still provide essential services to the Laboratory without additional resources. Administrative functions considered non-critical were often reduced. For example, training activities were cut back and new automated systems were not developed.

Fundamental to the development of corrective action that addresses these issues is the need to reconsider the allocation of resources to administrative functions recognizing that the Laboratory still faces flat budgets. A system is being developed to improve the indirect budget process to permit management to systematically focus limited indirect resources in areas of greatest importance.

In addition, the Laboratory must pursue methods to achieve greater administrative productivity. The Laboratory is therefore applying more modern management practices to Laboratory operations which embody the concept of continuous improvement. There are also efforts underway to rethink administrative organizational structure and to increase and improve automated processes. In addition, the Laboratory has begun programs of broad based employee involvement in administrative and work process improvements. The Laboratory as a whole is broadly investigating ways to improve infrastructure, to develop people and to achieve greater workforce diversity. The Laboratory is committed to integrate administrative self-assessment with its other self-assessments and corrective action tracking systems. Finally, a formal quality assurance program is being implemented across the entire Laboratory.

Most of these improvement initiatives are so recent their results would not appear in this first self-assessment. The Laboratory is confident, however that these results will become increasingly apparent in future years.

*Appendix F Objective Standard of Performance
Based on Self-Evaluation*

Part I: Environment, Safety and Health

This section contains the results of LBL's self-assessment of the performance measures found in Contract 98, Appendix F, Section A, Part I: Environment, Safety and Health.

Item 1 includes several items of note, consequently, the analysis and self-assessment results are presented in three parts (the exact text and synopsis of the actions are presented in Attachment A). Note that the Performance Measure emphasizes that the Laboratory will have programs in place designed to achieve compliance; consequently the self assessment of this performance measure emphasized the effectiveness of these programs.

- i) The Laboratory will have programs in place designed to achieve compliance with applicable laws, regulations, ordinances for the protection of health, safety and the environment.
 - Self-Assessment Results: LBL has such programs in place. The most notable are the 'umbrella' programs which provide guidance for all personnel. See Attachment B for a list and a brief synopsis of the contents of each. A Tiger Team Followup Review (EH), a tri-ennial management safety review (DOE SAN), a health services appraisal (EH-432), and an environmental assessment (DOE ESS) were performed since January, 1993. No significant deficiencies were identified in the programs designed to achieve compliance with applicable laws, regulations or ordinances for the protection of health, safety and the environment. With respect to the management of corrective actions associated with these programs, the Tiger Team Followup Review identified the LBL Self Assessment Program as a Best Management Practice.
 - Corrective Action Plans: Not Applicable.
- ii) The Laboratory will have programs in place designed to achieve compliance with the provisions of environmental laws/regulations (Contract Article XIV(1)(b)). A reporting mechanism to indicate the status of these programs will be developed by 12/1/93.
 - Self-Assessment Results: LBL has such programs in place. The most notable are the 'umbrella' programs which provide guidance for all personnel. See Attachment B for a list and a brief synopsis of the contents of each. A Tiger Team Followup Review (EH), a tri-ennial management safety review (DOE SAN), a health services appraisal (EH-432), and an environmental assessment (DOE ESS) were performed since January, 1993. No significant deficiencies were identified in the programs designed to achieve compliance with the provisions of environmental laws/regulations. With respect to the management of corrective actions associated with these programs, the Tiger Team Followup Review identified the LBL Self Assessment Program as a Best Management Practice.

The reporting mechanism to indicate the status of these programs exists. It is this self-assessment report provided pursuant to Appendix F, Section B. This Performance Measure can therefore be considered completed ahead of schedule. Additionally, Attachment C provides a listing of the types and frequency of environmental reports.

- Corrective Action Plans: Not Applicable.

iii) By July 1, 1993, the Laboratory will have programs in place designed to achieve compliance with applicable DOE Orders.

- **Self-Assessment Results:** LBL has such programs in place. The most notable are the 'umbrella' programs which provide guidance for all personnel. See Attachment B for a list and a brief synopsis of the contents of each. Additionally, Contract Appendix G (sixth paragraph) includes provision for review and development of implementation plans for those applicable DOE Orders which may not be fully implemented (see Attachment D for the results of this review). Finally, UC/LBL/DOE have developed a protocol for implementation of contract modifications represented by changed or new DOE Orders in Environment, Safety, or Health (Attachment E). A Tiger Team Followup Review (EH), a tri-ennial management safety review (DOE SAN), a health services appraisal (EH-432), and an environmental assessment (DOE ESS) were performed since January, 1993. No significant deficiencies were identified in the programs designed to achieve compliance with applicable DOE Orders. With respect to the management of corrective actions associated with these programs, the Tiger Team Followup Review identified the LBL Self Assessment Program as a Best Management Practice.
- **Corrective Action Plans:** Not Applicable.

Item 2: By January 1, 1993, the Laboratory will incorporate environment, safety and health (ES&H) provisions into all appropriate Laboratory subcontracts executed thereafter.

- **Self-Assessment Results:** Some of the sampled subcontracts initiated after January 1, 1993 which should have included ES&H provisions did not. These were primarily "A" Orders for on-site repairs which were under \$5000 and written up on the original requisition, with no copy sent to the seller.
- **Corrective Action Plans:** Another review of the prime contract will be made to determine that all of the ES&H requirements relating to procurements have been identified and analyzed. Existing subcontract clauses will be reviewed for adequacy in light of the prime contract requirements. New clauses will be developed and utilized as needed. Training of all buying personnel has already begun to alert them to the overall picture, with training on specific aspects to be completed by April 30, 1993.

Item 3: By December 1, 1993, the position descriptions completed as part of the human resources performance measures will contain ES&H elements. The remaining position descriptions will be completed by December 1, 1994, and will contain similar provisions.

- **Self-Assessment Results:** Not applicable to this report. Implementation plans exist and should result in timely completion of the human resource performance measure. Adequate progress is being made in achieving implementation plan milestones. Because the requirement is new to the Laboratory and the due date is beyond the submission date for this report, no specific self assessment efforts were undertaken.
- **Corrective Action Plans:** Not Applicable

Item 4: By December 1, 1993, ES&H requirements will be included in all laboratory performance evaluations; the University's review of the performance evaluation system in 1996 will include specific assessments to determine if all employees were routinely evaluated for the ES&H component of their jobs.

- Self-Assessment Results: Not applicable to this report. Implementation plans exist and should result in timely completion of this performance measure. Adequate progress is being made in achieving implementation plan milestones. Because the requirement is new to the Laboratory and the due date is beyond the submission date for this report, no specific self assessment efforts were undertaken.

- Corrective Action Plans: Not Applicable

Item 5: Beginning in Fiscal Year 1994 and annually thereafter, an external audit of select ES&H programs/activities will be conducted. ... The scope of each annual audit will be determined by the University. ...

- Self-Assessment Results: Not Applicable. This external audit will be reported in FY 94, as required.

Item 6: The following supplementary data, information, or reports will be ... presented annually to UC Management for review. ...

- Results: As in item 5 above, this is not a self-assessment item. The data requested will be forwarded under separate cover.

Approval Review:

Functional Area:

Environment, Safety and Health

Functional Manager:

David McGraw
David McGraw

4/29/93
Date

Office of Contract
Administration:

David C. Shepherd
David C. Shepherd

4/29/93
Date

Attachment A-CONTRACT REQUIREMENTS/STATUS FOR LBL/EH&S

Date Needed

Contract Citation

Frequency

Contract Action

EH&S Action

Comments

Report Date: 4/27/93

4/1/93		The Laboratories will have programs in place designed to achieve compliance with applicable Federal, State, and local laws, regulations and ordinances for the protection of health, safety, and the environment.		Action to be an assurance letter that programs are in place to achieve compliance and a listing of assessments which support the assertion (optional, key findings/corrective actions may be summarized)--Make part of the self-assessment report each April.	Programs include OAP, RPM, ESH Manual...
12/1/93		The Laboratories also will have programs in place designed to achieve compliance with the provisions of XIV/1(b). [Deals with Environmental Laws/Regs] A reporting mechanism to indicate the status of these programs will be developed by 12/1/93. See related items F/A/1/6 and XIV/1(b).		This item is completed (considering F/A/1/1/First) after we identify the annual self-assessment report as the reporting mechanism.	Examples of reports as reference are Environmental Surveillance Reports, Illness/Injury Reports, Annual Emissions/Discharges (EGG); HW Data.
7/1/93		By July 1, 1993, the Laboratories will have programs in place designed to achieve compliance with applicable DOE Orders as provided in XV/3.		See related item regarding Appendix G status and implementation plans. (G/6th para.)	Programs to handle new/revised directives are forthcoming from UC. Programs to handle existing/required Orders is documented in the Appendix G process (see G/6th para).
1/1/93		By Jan 1, 1993, the Laboratories will incorporate ES&H provisions into all appropriate Laboratory subcontracts executed thereafter. See related contract item XIV/2(b).		Add to the self-assessment program and annual report of status. May want to ask OAA to do periodic assessment of this item. May include as part of functional appraisal program. Move (date needed field) to 4/1/94 after this year's interim report and annually thereafter.	Language exists at all three labs...implementation spotty..EH&S to do in conjunction with Procurement and Property Management.

Attachment A-CONTRACT REQUIREMENTS/STATUS FOR LBL/EH&S

Report Date: 4/27/93

Date Needed	Contract Citation	Frequency	Contract Action	EH&S Action	Comments
12/1/93		F/A/I/3	Position descriptions will contain ES&H provisions for personnel (Half).	ES&H will develop measurable PMs for incorporation. Suggest providing boilerplate for nonsupervisors and different set for supervisors.	In conjunction with Human Resources.
12/1/94		F/A/I/3	Remainder of PDs have ES&H performance measures added.	ES&H will develop measurable PMs for incorporation. Suggest providing boilerplate for nonsupervisors and different set for supervisors.	In conjunction with Human Resources.
12/1/93		F/A/I/4	ES&H requirements added as part of personnel performance evaluations.	Perform assessment (get sanitized sample from HR) of supervisor and worker PEs to evaluate use of ESH PMs. "Pull the string" on occurrences to see if lack of supervisory emphasis on ESH is contributing cause.	In conjunction with Human Resources
9/30/93		F/A/I/5	Annual external audit of select ES&H programs/activities conducted by a firm or firms nationally recognized for audit and evaluation expertise. Scope of each annual audit to be determined by the University...	Support Audit	This item is owned by UC.

Attachment A-CONTRACT REQUIREMENTS/STATUS FOR LBL/EH&S

Date Needed

Report Date: 4/27/93

Contract Citation

Frequency

Contract Action

Comments

EH&S Action

4/1/93	The following supplementary data, information or reports will be maintained by the Laboratories and presented annually to UC management for review: a. lost workday case incidence rates; b. trend data for hazardous, mixed, and low-level radioactive waste generation demonstrating waste minimization as required by applicable laws and regulations; status report concerning (cont)	any site characterization, remediation and/or restoration activities completed, underway, or planned for the next year; and d. Status report demonstrating of any completion of relevant elements of any corrective action plans implemented as a result of DOE TT visits that occurred prior to this contract.	Send with annual self-assessment report.
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4/1/93	Annually (in April) each Laboratory presents results of self-assessment to UC and proposes corrective action plans	Send annual programs to achieve compliance letter with data from F/A/I/6, et al.	This report.
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F/B-Lab Eval

Annual

Attachment B

List of Umbrella Programs Designed to Achieve Compliance

Operating and Assurance Program

The OAP is the umbrella QA program designed to provide a systematic method for achieving compliance with all management orders, regulations, *et al.*, specifically 5700.6C, Quality Assurance, 5480.19, Conduct of Operations, and 4330.4A, Maintenance Management Program.

Regulations and Procedures Manual

The RPM is the umbrella administrative program designed to provide systematic methods for achieving compliance with administrative orders, regulations, *et al.*, specifically, human resource management, and financial operations.

Health and Safety Manual

PUB 3000 is the umbrella ES&H program designed to provide systematic methods to achieve compliance with environment, safety and health laws and regulations.

Self-Assessment Manual

The self-assessment program is the umbrella program designed to provide systematic assurance that compliance is being achieved. It includes three assessment methods: functional appraisals, where ES&H professionals evaluate ES&H hazards in the workplace; independent assessment where independent assessment personnel evaluate management compliance, administrative compliance and ES&H compliance; and self-assessment where each functional organization within LBL reviews its operations for compliance with ES&H and management requirements. The self-assessment program includes provisions for corrective action tracking and status reporting to conclusion as well as reviews for trending and lessons learned.

Attachment C

Types and Frequency of Environmental Reports

Infrequent Reports:

- **Hazardous Waste Biennial Report (DTSC)**
- **SB-14 - Hazardous Waste Source Reduction and Management Review [every 4 years] (DTSC)**

Annual Reports:

- **Annual Site Environmental Report (DOE)**
- **Effluent Information System Report (DOE/EG&G)**
- **Radionuclide Air Emission Annual Report (EPA)**
- **Annual PCB Report (EPA)**
- **Annual Stormwater Monitoring Report (RWQCB)**
- **Photoprocessing Discharge Prevention Compliance Report (EBMUD)**
- **Radiator Shop Discharge Prevention Compliance Report (EBMUD)**
- **Air Toxics Annual Information Update Report (BAAQMD)**
- **Underground Storage Tank Leak Test Report (Derkeley)**
- **ERWM 5-Year Plan (prepared annually)**
- **Hazardous Waste Annual Report (DTSC)**
- **Hazardous Waste Generator Fee and Waste Report Fee Return (Board of Equalization)**
- **Extremely Hazardous Waste Disposal Permit (DTSC)**
- **Hazardous Waste Haul Permit (CHP & DTSC)**
- **Annual Audit (Rad/Mixed Waste) by Hanford of Disposal Site (Hanford)**

Semiannual:

- **Effluent Meter Calibration Report (EBMUD)**
- **Hazardous Waste Off-Haul Report (EBMUD)**

Attachment C (Page 2)

Types and Frequency of Environmental Reports

Quarterly:

- **Performance Indicator Report (DOE)**
- **Radionuclide NESHAP Compliance Progress Report (EPA)**
- **Underground Storage Tank Leak Monitoring Report (Berkeley)**
- **Quarterly Hazardous Waste Disposal Report (Board of Equalization)**

No Required Frequency:

- **RCRA Facility Assessment at the Lawrence Berkeley Laboratory, Revision 1, dated September 30, 1992*.**
- **RCRA Facility Investigation Workplan for the Lawrence Berkeley Laboratory, Revision 1, dated October 30, 1992*.**
- **Health & Safety Program Plan, Site Restoration Program, Lawrence Berkeley Laboratory, Revision 3, dated December 6, 1991*.**
- **Quality Assurance Project Plan, Site Restoration Program, Lawrence Berkeley Laboratory, Revision 2, dated August 16, 1991*.**
- **Soil Disposal Plan for the Lawrence Berkeley Laboratory, Lawrence Berkeley Laboratory, Environmental Restoration, Revision 1, dated August 14, 1992*.**
- **Data Management Plan for the Environmental Restoration Program at the Lawrence Berkeley Laboratory, Revision 2, Dated September 21, 1992*.**
- **Ground Water Monitoring Program Sampling and Analysis Plan, Lawrence Berkeley Laboratory, Environmental Restoration, Revision 1, dated October 1, 1992*.**

Note:

- (*) Revisions to documents will be made depending on comments received from DOE and Regulatory Agencies.

Attachment D

**Review Results
Pursuant to Appendix G (6th paragraph)**

**Here synopsize the results we get from the DOE Order review
(fully implemented vs. implementation plan/schedule) which is
due in Feb, 93.**

Attachment D

Appendix G Review Results (ES&H Orders)

Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5400.1	GENERAL ENVIRONMENTAL PROTECTION PROGRAM	R. Pauer and I. Javandel	Fully Implemented	Environmental Monitoring Plan; RCRA Facility Investigation Plan; Environmental Protection Implementation Plan
Comments Listed as applicable in the Mission Statements of the following Units/Groups--Environmental Protection Group Units, Regulatory Affairs and Environmental Monitoring; Environmental Restoration Group Units, Planning and Geotechnical Support.					
Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5400.2 A	ENVIRONMENTAL COMPLIANCE ISSUE COORDINATION	R. Pauer	Fully Implemented	Not Applicable-DOE actions only
Comments Not listed as applicable in any of the EH&S Division Mission Statements since DOE actions only.					
Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5400.3	HAZARDOUS AND RADIOACTIVE MIXED WASTE PROGRAM	K. Tung, Tim Wan, R. van de Griend, M. Yao	Fully Implemented	RCRA Part B Application; HANFORD WAC Binders
Comments Listed as applicable in Mission Statements for the Waste Management Planning Unit, WM Compliance Unit and WM Operations Unit. This Order is fully implemented with the exceptions of TT Action Items or Hanford Corrective Action Items.					

Attachment D

Appendix G Review Results (ES&H Orders)

Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5400.4	CERCLA Requirements	I. Javandel	Fully Implemented	N/A - RCRA Part B Application
Comments Cal EPA did Preliminary Assessment and found no CERCLA applicability. Still part of contract 'just in case' rad contamination becomes problem.					
Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5400.5	RADIATION PROTECTION OF THE PUBLIC AND THE ENVIRONMENT	R. Pauer	Fully Implemented	Environmental Monitoring Plan; Environmental Protection Implementation Plan; RA Procedure 708; RADCON Manual
Comments Listed as applicable in Mission Statements for the EPG Regulatory Affairs Unit, Environmental Monitoring Unit, WM Planning Unit, WM Compliance Unit, WM Operations Unit, EPG Lab Analysis Unit, and Rad Assessment Field Operations Unit.					
Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5480.1B	ENVIRONMENT, SAFETY AND HEALTH PROGRAM	P. Thorsen, P. Johnson	Fully Implemented	Safety and Health Manual (PUB 3000; Appendix D)
Comments Per MK, this Order specifies how DOE is organized to administer ESH. There are no recognizable requirements for contractors. Listed as applicable in the Mission Statements for EPG Regulatory Affairs Unit, Health					

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Appendix G Review Results (ES&H Orders)

Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5480.10	CONTRACTOR INDUSTRIAL HYGIENE PROGRAM	J. Rosen	Fully Implemented	Chemical Hygiene & Safety Plan; Other Implementing Procedures
<div> <div>Comments</div> <div>Listed as applicable in Industrial Hygiene Group Unit Mission Statements. Medical Clinic lists the correct title but not the correct number, but probably does have responsibility for implementation of a portion of the Order. Currently reviewing</div> </div>					
Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5480.11	RADIATION PROTECTION FOR OCCUPATIONAL WORKERS	R. Kloepping	Fully Implemented	Rad Protection Program; Radcon Manual; PUB 3000; RA Procedures 702, 705, 706, 706.1, 707-711, 713.1, 714, 730, 731, 733
<div> <div>Comments</div> <div>Listed as applicable in the following Units' Mission Statements: EH&S Training; WM Planning; WM Compliance; WM Operations; WM Lab; Health Physics; Rad. Field Operations; and Bioassay.</div> </div>					
Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5480.13	AVIATION SAFETY	D. Bell	Not Fully Implemented	Not Applicable unless we Charter Aircraft
<div> <div>Comments</div> <div>Not listed as applicable in any Unit's Mission Statement. D. Bell reviewed this order and it doesn't appear applicable to LBL unless we charter an aircraft. It covers aviation operations from the standpoint of flight crews, maintenance, ground operations, training, aircraft safety etc.</div> </div>					

Appendix G Review Results (ES&H Orders)

Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5480.15	DOE LABORATORY ACCREDITATION PROGRAM FOR PERSONNEL DOSIMETRY	K. Dinneel	Not Fully Implemented	PUB 3000; Other Implementation Procedures
Comments Listed as applicable in Rad Assessment Personnel Dosimetry Unit. Fully implemented with exception of accreditation. October 93 will be date of implementation plan (plan to be accredited by then). Per strict definition, it is fully implemented and was reported as such.					
Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5480.21	UNREVIEWED SAFETY QUESTIONS	R. Kloepping	Not Fully Implemented	None Yet
Comments Not listed as applicable in any Unit Mission Statement. R. Kloepping has reviewed the Order and it is applicable for implementation to facilities identified as required in 5480.23. However, it is currently not implemented due to lack of implementation of 5480.23.					
Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5480.22	TECHNICAL SAFETY REQUIREMENTS	D. Tudor, R. Kloepping	Not Fully Implemented	None Yet
Comments Not listed as applicable in any Unit Mission Statement. R. Kloepping has reviewed the Order and it is applicable for implementation to facilities identified as required in 5480.23. However, it is currently not implemented due to lack of implementation of 5480.23.					

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Appendix G Review Results (ES&H Orders)

Section	Order #	Order Title	Implementation Document(s)
I	5480.23	NUCLEAR SAFETY ANALYSIS REPORTS	
EH&S Contact(s) D. Tudor, R. Kloepping		Implementation Status Not Fully Implemented	None Yet
Comments It is currently not implemented due to lack of contractual acceptance by UC of DOE-STD-1027-92. Implementation plan will be submitted to DOE after contract modification.			
Section	Order #	Order Title	Implementation Document(s)
I	5480.4	ENVIRONMENTAL PROTECTION, SAFETY, AND HEALTH STANDARDS	
EH&S Contact(s) P. Johnson and J. Rosen		Implementation Status Fully Implemented	PUB 3000, throughout; Chemical Hygiene and Safety Plan; Respirator Program; IH Monitoring Plan
Comments Listed as applicable in Unit Mission Statements for Occ. Safety ALS Unit and Industrial Hygiene Units. Implemented with identified exceptions in the TT Action Plan.			
Section	Order #	Order Title	Implementation Document(s)
I	5480.7	FIRE PROTECTION	
EH&S Contact(s) G. Dietrich, C. Hernandez		Implementation Status Fully Implemented	PUB 3000, Appendix D and Chapter 12
Comments Listed as applicable in Fire Department Unit Mission Statements. Note that 5480.7A should be released for implementation in the near future. There are significant changes between the latest draft and the current Order.			

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Appendix G Review Results (ES&H Orders)

Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5480.8	CONTRACTOR OCCUPATIONAL MEDICINE PROGRAM	H. Stauffer, C. Grondona	Fully Implemented	PUB 3000, Appendix D; Health Services Function Notebook
Comments Listed as applicable in Health Services Group Unit Mission Statements and Industrial Hygiene Group Unit Mission Statements, however, Health Services has lead role in implementation. Note that 5480.8A has been promulgated but has not been contractually accepted as yet.					

Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5480.9	CONSTRUCTION SAFETY AND HEALTH PROGRAM	P. Johnson	Fully Implemented	PUB 3000, Chapters 1, 10, 11 et al.
Comments 					

Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5481.1B	SAFETY ANALYSIS AND REVIEW SYSTEM	D. Tudor	Fully Implemented	PUB 3000, Chapter 1, Appendix B
Comments 					

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Appendix G Review Results (ES&H Orders)

Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5482.1B	ENVIRONMENT, SAFETY AND HEALTH APPRAISAL PROGRAM	1) EH&S Group Leaders 2) Experts identified in the LSAD database 3) T. Davis	Fully Implemented	Self-Assessment Manual; OAP; Functional Appraisal Procedure for EH&S
Comments This is OAs responsibility for program development with respect to Self-Assessment Program and EH&Ss responsibility for 1) implementation of the Functional Appraisal portion; 2) providing 'expert' advice in implementation of the Self-Assessment Program; and 3) Implementation of the Self-Assessment Program for EH&S Division.					
Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5483.1A	OCCUPATIONAL SAFETY AND HEALTH PROGRAM FOR CONTRACTOR EMPLOYEES AT GOCO FACILITIES	J. Rosen, P. Johnson, S. Kelly	Fully Implemented	PUB 3000, Ch. 1 and Appendix D
Comments Listed as applicable in Occupational Safety Group's Unit Mission Statements. This is the DOE implementation of an OSHA equivalent program. It mandates OSHA compliance, an employee complaint program and accident investigation/reporting procedure.					
Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5484.1	ES&H INFORMATION REPORTING REQUIREMENTS	P. Johnson, S. Kelly	Fully Implemented	PUB 3000 Ch. 1, Appendix D & E
Comments Listed as applicable in Occupational Safety Group's Unit Mission Statements and EPG Regulatory Affairs Unit and Rad Personnel Dosimetry Unit. This mandates the accident/incident investigation and reporting system. All EH&S reporting (including radiation and environmental) flows through this system.					

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Appendix G Review Results (ES&H Orders)

Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5500.1B	EMERGENCY MANAGEMENT SYSTEM	D. Bell	Fully implemented.	PUB 3000, Chapter 9
Comments Actually listed under Safeguards and Security Orders in Section I rather than ESH. Listed as applicable in Emergency Preparedness Unit Mission Statement. 1B & 2B apply mostly to the organizations above LBL: Field Offices, HQs, PSO's etc.					

Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5633.3	CONTROL AND ACCOUNTABILITY OF NUCLEAR MATERIAL	R. Kloopping, Dick Harvey	Fully Implemented	RA Procedures 741, 740; MC&A Dtd 6/89; Procedures for C&A of Nuclear Material dtd 6/89
Comments 					

Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5633.4	NUCLEAR MATERIAL TRANSACTIONS: DOCUMENTATION AND REPORTING	R. Kloopping, Dick Harvey	Fully Implemented	RA Procedures 741, 740; MC&A Dtd 6/89; Procedures for C&A of Nuclear Material dtd 6/89
Comments 					

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Appendix G Review Results (ES&H Orders)

Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
I	5633.5	NUCLEAR MATERIALS REPORTING AND DATA SUBMISSION PROCEDURES	R. Kloepping, Dick Harvey	Fully Implemented	RA 741, 740; MC&A Dtd 6/89; Procedures for C&A of Nuclear Material dtd 6/89
Comments					
I	5820.2A	RADIOACTIVE WASTE MANAGEMENT	K. Tung, T. Wan, R. van de Griend, M. Yao	Fully Implemented	RCRA Part B Application; Hanford WAC Binders
Comments					
Listed as applicable in WM Planning Unit, WM Compliance Unit and WM Operations Unit. Fully implemented with exceptions noted as TT Action Items or Hanford Corrective Action Requests.					
II	1300.3	POLICY ON THE PROTECTION OF HUMAN SUBJECTS	Chris Byrne	Fully Implemented	PUB 3000; Part B (new); Memorandum Of Understanding (Attachment 2 to 'Compliance Letter' dtd 1988)
Comments					
Listed as applicable in the Human and Animal Use Regulatory Committee's Mission Statement					

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Appendix G Review Results (ES&H Orders)

Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
II	5000.3A	OCCURRENCE REPORTING AND PROCESSING OF OPERATIONS INFORMATION	S. Kelly	Fully Implemented	Lawrence Berkeley Internal Document (LBID) #1694
Comments Listed as applicable in Safety's Emergency Services Group and Fire Services Group Mission Statements; however, the program is run by S. Kelly We have a manual, training and the program meets DOE requirements.					
Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
II	5500.10	EMERGENCY READINESS ASSURANCE PROGRAM	D. Bell	Fully Implemented	PUB 3000, Chapter 9
Comments 5500.10 calls for the development of readiness assurance plans and independent appraisals. We developed and submitted our first readiness assurance plan in August 1992 and have entered into an agreement with SLAC for independent appraisals of our respective programs.					
Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
II	5500.2B	EMERGENCY CATEGORIES, CLASSES AND NOTIFICATION AND REPORTING REQUIREMENTS	D. Bell	Fully Implemented	PUB 3000, Chapter 9
Comments 1B & 2B apply mostly to the organizations above LBL: Field Offices, HQs, PSO's etc. See 5500.1B above					

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Appendix G Review Results (ES&H Orders)

Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
II	5500.3A	PLANNING AND PREPAREDNESS FOR OPERATIONAL EMERGENCIES	D. Bell	Fully Implemented	PUB 3000, Chapter 9
Comments See 5500.1B above. 5500.3A, Planning and Preparedness for Operational Emergencies, is the order upon which our Master Emergency Plan is based.					
Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
II	5500.4	PUBLIC AFFAIRS POLICY AND PLANNING REQUIREMENTS FOR EMERGENCIES	D. Bell	Fully Implemented	PUB 3000, Chapter 9
Comments See 5500.1B above. 5500.4, Public Affairs and Planning requirements for Emergencies, falls under the PIO however, the MEP contains a chapter on public information and PIO implementing procedures.					
Section	Order #	Order Title	EH&S Contact(s)	Implementation Status	Implementation Document(s)
II	5500.7B	EMERGENCY OPERATING RECORDS PROTECTION PROGRAM	D. Bell	Fully Implemented	PUB 3000, Ch. 9
Comments 5500.7B, Emergency Operating Records Protection Program, implementation is a shared responsibility between the LBL Archivist, Lori Hefner and D. Bell. Emergency Operating records are addressed in the MEP; a concurrent action is that the Records Office is surveying all records and determining which records are emergency operating records.

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*Appendix F Objective Standard of Performance
Based on Self-Evaluation*

Part II: Financial Management

This section contains the results of LBL's self-assessment of the performance measures found in Contract 98, Appendix F, Section A, Part II: Financial Management.

Objective Standard 1: Direct and indirect budgets will be submitted to DOE in accordance with DOE guidelines.

Reference to Applicable Laws, Orders, and Regulations:

DOE Order 5100.3 (Draft) Field Budget Process, January 4, 1993.

Reference to Applicable UC and Lab Policies and Procedures:

Laboratory Technical (Budget) Guidance, December 13, 1991.

Reference to Applicable Audits/Reviews/Appraisals:

DOE Budget Formulation/Validation Review.

Measurement Process:

Review actual dates of the Laboratory's submittal of various budget components to DOE/SF against the DOE FY 1994 Unified Budget Call's "Calendar of Events" and verbal and written guidance.

Performance Results:

General:

CFO/Budget and Resource Planning submitted all components of the FY 1994 Budget in accordance with DOE's FY 1994 Unified Budget Call's "Calendar of Events," as amended by verbal and written guidance.

Strengths of Current System:

The Laboratory's Technical Guidance provides sufficient instructions for Laboratory personnel to formulate a budget for timely submittal to DOE that complies with the DOE Unified Budget Call.

Weaknesses of Current System and Related Recommendations:

The Laboratory has submitted all components of the DOE Unified Budget Call on time. If there is a weakness, it is not in the timely submission of the budget, but rather that the DOE Unified Budget Call is issued approximately six weeks after the Laboratory budget process must start in order to meet the anticipated DOE deadlines. By receiving the DOE Budget Call after the beginning of the process, the Laboratory has to amend its guidance to Laboratory personnel, a factor that can cause significant changes late in the Laboratory's budget-formulation process. It would be more advantageous to the Laboratory for DOE to issue a preliminary guidance no later than December 1, so the budget process can become more proactive.

The DOE Unified Budget Call for FY 1995 revamped the budget process by issuing a "Field Formulation Budget Handbook" and a new draft DOE Order 5100.3 on January 27, 1993. This was received approximately six weeks after the Laboratory had begun its process.

General Recommendations:

The DOE Unified Budget Call should be issued by December 1 of the previous fiscal year so the Laboratory can issue Technical Guidance reflecting the current requirements of the DOE Budget Call.

Corrective Action Plans:

None required.

Key Milestones:

N/A

Other Comments/Future Issues:

None.

Objective Standard 2: All costs will be within DOE authorized funding levels.

Reference to Applicable Laws, Orders, and Regulations:

Contract 98, Article VII, Clause 2(d).

Reference to Applicable UC and Lab Policies and Procedures:

DOE Fiscal Year-end Closing Schedule, dated August 20, 1992.

Laboratory's Fiscal Year-end Closing Guidance Memos Issued in September 1991.

CFO DPS Production Schedule, dated September 15, 1992.

Reference to Applicable Audits/Reviews/Appraisals:

N/A

Measurement Process:

The year-end costs were compared to the funding and cost plans [DOE-Approved Funding Program (B/O) as amended by LBL cost plans].

Performance Results:

General:

In FY 1992 there was a transition from controlling costs at the DOE obligational control level (ECOR) to the sub-program/task level. As a result, LBL closed all programs (B&R) within the obligational control levels and began implementation of a process to ensure cost control at the sub-program level.

Strengths of Current System:

Although the primary emphasis is on controlling costs for the fiscal year, the Laboratory reviews costs on a monthly basis, using preliminary ledger data. Costs are compared to funds, and overruns are corrected. The process involves detailed review by CFO/Budget and Resource Planning analysts and uses mainframe database and PC spreadsheet technology to compile and compare funding and cost data.

Weaknesses of Current System and Related Recommendations:

The review process is dependent, to a large extent, on analyst involvement. During FY 1992, significant analyst turnover reduced capability to perform monthly reviews. This adversely affected the ability to close all categories within planned levels.

General Recommendations:

Replace analysts, provide training, and resume comprehensive monthly reviews.

Corrective Action Plans:

The Laboratory research organizations and the CFO/Budget and Resource Planning Department are applying the monthly review/control process at the cost-category levels to assure compliance.

Key Milestones:

FY 1993 Year-end close.

Other Comments/Future Issues:

None.

Approval Review:

Office of Primary Responsibility:

Budget and Resource Planning

Office of Primary Responsibility
Manager:

P.D. Pythian

P.D. Pythian

4/28/93

Date

Functional Area:

Financial Management

Functional Manager:

Chas. Courey

C.J. Courey

4/29/93

Date

Office of Contract
Administration:

David C. Shepherd

David C. Shepherd

4/29/93

Date

Objective Standard 3: All costs for WFO programs will be within sponsor provided revenues.

Reference to Applicable Laws, Orders, and Regulations:

DOE 2200.6

DOE 4300.2B

Reference to Applicable UC and Lab Policies and Procedures:

University account for work for others—Continuation of Funding.

Reference to Applicable Audits/Reviews/Appraisals:

N/A

Measurement Process:

Reports are produced monthly by the sponsored-research computer system which provides Accounting and the responsible divisions with the information necessary to monitor sponsored-research accounts. At termination of the sponsored project, total expenditures must be equal to or less than total revenues received.

Summary of Findings From Past Reviews:

General:

Various reports are produced monthly that aid Accounting and the responsible divisions in monitoring sponsored-research accounts. For September, year-end 1992, there were 67 active federal agency accounts and 258 active nonfederal accounts. Of the active accounts, only five of the federal agency (or 7.5%) and eleven nonfederal (or 4.3%) were overrun as of September 30, 1992. Subsequently, these costs were reviewed and corrections were made.

Strengths of Current System:

The current computer system produces reports that provide the cost information needed to monitor the accounts.

Weaknesses of Current System and Related Recommendations:

We do not have a real-time accounting system. Currently, cost information is available only at month-end. Real-time accounting would allow closer monitoring of costs throughout the month.

General Recommendations:

Contract 98 now permits the use of University funds to cover continuing sponsored-research projects until funding has been received.

Corrective Action Plans:

None required. (See General Recommendations above.)

Key Milestones:

N/A

Other Comments/Future Issues:

Contract 98 now permits the use of University funds to cover continuing sponsored-research account overruns.

Objective Standard 4: 99% of the gross pay component of all paychecks will be produced accurately.

Reference to Applicable Laws, Orders and Regulations:

DOE Order 2200.9B

Reference to Applicable UC and Lab Policies and Procedures:

Lawrence Berkeley Laboratory Regulations and Procedures Manual, Section 3.0, Pay and Time Reporting.

UC Accounting Manual, Section P-196-13, Attendance, Time Reporting.

UC Accounting Manual, Section P-196-13, Check Release.

Reference to Applicable Audits/Reviews/Appraisals:

N/A

Measurement Process:

- Bi-weekly processing: A series of edits are performed on each payroll in advance of the payday. Each payroll produces edits that check for compliance to pay policies, accuracy of the data, and the decrement of vacation and sick leave balances. If the gross pay of the employee is incorrect, a manual check is prepared in advance of payday. Failure to comply with this objective would be indicated by any manual checks produced after the payday. An audit of the manual checks produced after paydays will be made on an annual basis to measure compliance.
- A check-written log will be implemented to track the reasons for manual checks.
- A report will be produced calculating the number of manual checks produced after paydays and compared to the total number of payments to establish the variance.

Summary of Findings from Past Reviews:

General:

- An audit of the January and February 1993 payroll found that out of 4,636 bi-weekly employee payments, three manual checks resulted, producing a 0.00065% variance, which indicates compliance to this standard.
- Currently, the monthly payroll is not in compliance with this standard because monthly employees are paid in advance of the collection of the related time.

Strengths of Current System:

The edit for accuracy and compliance is internal to the payroll system, eliminating potential payment errors. The log of manual checks provides a direct and simple measurement of compliance.

Weaknesses of Current System and Related Recommendations:

Currently, monthly employees are paid in advance of collection of the related time. Therefore, accuracy on 99% of gross pay components cannot be ensured for this population.

General Recommendations:

N/A

Corrective Action Plans:

N/A

Key Milestones:

N/A

Other Comments/Future Issues:

None.

Objective Standard 5: 100% of all paychecks will be produced on time.

Reference to Applicable Laws, Orders and Regulations:

DOE Order 2200.9A

Reference to Applicable UC and Lab Policies and Procedures:

Lawrence Berkeley Laboratory Regulations and Procedures Manual, Section 3.0.

UC Accounting Manual, Section P-196-16.5, Check Release.

Reference to Applicable Audits/Reviews/Appraisals:

Measurement Process:

The basic assumption is that only time reported and submitted to the payroll department within deadlines is included in this standard.

The measurement process consists of a review of all manual paychecks produced after payday. Auditing the manual checks measures compliance. A log will be established that will detail the reasons for a manual check and an annual audit of this log will be made to ensure compliance.

Summary of Findings from Past Reviews:

General:

An audit performed for January/February 1993 found that of the 6,249 employee payments for the covered period there was one manual check indicating a late payment. This created a variance of 0.0001% on this standard.

Strengths of Current System:

The audit of manual checks is an efficient and simple methodology for auditing of this standard.

Weaknesses of Current System and Related Recommendations:

There is no system weakness; the one manual check produced during the January/February review period was caused by human error.

General Recommendations:

N/A

Corrective Action Plans:

N/A

Key Milestones:

N/A

Other Comments/Future Issues:

None.

Objective Standard 6: All tax reports and remittances will be submitted on schedule.

Reference to Applicable Laws, Orders and Regulations:

DOE Order 2200.4

DOE Order 2200.9B

Reference to Applicable UC and Lab Policies and Procedures:

Lawrence Berkeley Laboratory Regulations and Procedures Manual, Section 3.0, Pay and Time Reporting.

Reference to Applicable Audits/Reviews/Appraisals:

Measurement Process:

- Verification that no fines or penalties have been imposed on the Laboratory by Federal and State tax authorities for late submissions.
- Annual audit for fines or penalties by a review of the Federal and State Tax files.
- Monthly reconciliation of the pre-printed annual schedule to the payment vouchers produced for Federal and State Tax deposits.

Summary of Findings from Past Reviews:

General:

An annual schedule of tax reports and remittance due dates are entered into a software calendar package. This schedule alerts the payroll staff of due dates.

Since all payroll and payment dates for Federal, FICA, and State Tax reporting are reported to the tax agencies on a quarterly basis, the Laboratory would be fined for any late payment. An annual audit will be made to ensure there are no penalties or fines levied from the Internal Revenue Service or the State of California.

- Reconciliation of January/February 1993 payment vouchers indicating timely payments.
- Audit of tax filings completed March 22, 1993, for January and February 1993; no fines or penalties were assessed.

Strengths of Current System:

There is both an internal audit of due dates of payment vouchers and an external audit of the applicable Federal and State agencies providing comprehensive measurement of compliance.

Weaknesses of Current System and Related Recommendations:

No apparent weaknesses.

General Recommendations:

N/A

Corrective Action Plans:

N/A

Key Milestones:

N/A.

Other Comments/Future Issues:

None.

Objective Standard 7: 90% of available prompt discount will be taken.

Reference to Applicable Laws, Orders and Regulations:

DOE Order 2200.4

DOE Order 2200.6

Reference to Applicable UC and Lab Policies and Procedures:

Purchase-order payment terms or invoice discount terms, whichever is more favorable.

Reference to Applicable Audits/Reviews/Appraisals:

Contractor Appraisal of Accounts Payable—DOE/SF (currently in process).

Measurement Process:

The procedure of AFM/Accounts Payable is to take all available prompt-payment discounts according to purchase-order terms or invoice terms, whichever is more favorable and cost effective based on the interest rate provided by DOE/SF. The new Accounts Payable System will provide a monthly discount taken or lost report that will serve as the measurement process.

Summary of Findings from Past Reviews:

General:

The reports of discounts taken or lost from December 1, 1992, through February 28, 1993, indicate that 77% of available discounts were taken.

Strengths of Current System:

The cash-management module automatically calculates discounts and schedules invoices for payment within the discount terms when invoices are processed on a timely basis. The cost effectiveness of the discount percentage is also calculated.

Weaknesses of Current System and Related Recommendations:

The current system is not integrated with Purchasing and Receiving. Therefore, purchase orders and receiving records are coded and batched by AFM/Accounts Payable, and the data are entered by an outside service. Invoice entry may be delayed due to a delay in receiving purchase orders and receiving records.

General Recommendations:

A purchasing/receiving system is needed to integrate with the current Accounts Payable System. This system would speed up the flow of critical information into the Accounts Payable System, allowing all prompt payment discounts to be taken.

At present, the Laboratory is pursuing the acquisition of a commercial purchasing/receiving system that ultimately will integrate with the Accounts Payable System.

Corrective Action Plans:

The discounts lost were mainly for the following reasons:

- Requester did not certify invoices for payment on a timely basis.
- Expenditures exceeded the authorized purchase-order amount.

CFO/AFM staff will flag invoices for certification that have discount terms so that the requesters will know that they are to certify as soon as possible and return to AFM/Accounts Payable.

Key Milestones:

- Blanket-order conversion from manual system to automated on December 1, 1992.
- Converted regular orders from LLNL System to the LBL Accounts Payable System on February 1, 1993.

Other Comments/Future Issues:

None.

Objective Standard 8: No more than 10% of payments occur before or after the due date.

Reference to Applicable Laws, Orders and Regulations:

DOE 2200.6.

Reference to Applicable UC and Lab Policies and Procedures:

N/A

Reference to Applicable Audits/Reviews/Appraisals:

Contractor Appraisal of Accounts Payable - DOE/SF (currently in process).

Measurement Process:

The cash management module of the new Accounts Payable System automatically schedules all payments according to due date on invoices certified for payment. The due dates are calculated from date the invoice is received or the receipt-of-goods date, whichever is later.

Presently, payments after the due date are not being reported by the new Accounts Payable System. CFO/Accounting and Financial Management is working with Information Systems & Services Department to develop a report that tracks the number of invoices paid after the due date.

Performance Results:

General:

At present, only compliance with the first requirement of the above standard can be measured, i.e., no more than 10% of payments occur before the due date. The Laboratory's new Accounts Payable System includes a cash management module which automatically schedules all payment releases according to the due date for those invoices that have been certified for payment. This is an integral feature of the new system and therefore does not require any special assessment methodology. However, currently, we have no methodology in place which allows us to measure payments made after the due date. By April 1, 1993, we plan to develop a measurement process to track the late payments during the next self-assessment cycle.

Strengths of Current System:

Invoices are automatically scheduled for payment by cash management module. Prompt payment discounts are calculated automatically including a test for cost effectiveness of the discount.

Weaknesses of Current System and Related Recommendations:

ü The current system is not integrated with Purchasing and Receiving.

ü At present, there is not a measurement process to track payments made after the due date.

General Recommendations:

ü CFO/Accounting and Financial Management, Purchasing and the Information Systems & Services Departments are developing an integrated Purchasing/Receiving/Accounts Payable system.

ü In order to measure compliance with objective standard #8, a new Accounts Payable report will be developed, comparing invoice payment dates to due dates.

Corrective Action Plans:

ü The proposed implementation date for the new Purchasing and Receiving System is September 1993. This new system will help meet the requirement of paying by due date.

ü A measurement process will be developed by April 1, 1993.

Key Milestones:

N/A

Other Comments/Future Issues:

None.

Objective Standard 9: 95% of travel claims will be paid within three weeks of receipt.

Reference to Applicable Laws, Orders and Regulations:

Contract No. DE-AC03-76SF0098, Appendix F, Section A, Part 1, 4.

DOE Order 1500.3A, "Foreign Travel Authorization".

Reference to Applicable UC and Lab Policies and Procedures:

LBL Regulations and Procedures Manual, Publication 201.

UC Business and Finance Bulletin G-28.

Reference to Applicable Audits/Reviews/Appraisals:

DOE/SF Financial Review Division, "Review of Travel Operations and Costs at Lawrence Berkeley Laboratory" - Assignment Number G-92(2)-1.

Measurement Process:

Manual review of the Travel Expense Voucher log maintained by AFM/Travel and of the Berkeley Travel Report with comparison of the voucher received date to the trip settlement date.

All travel expense vouchers closed through the Berkeley Travel Report during the month of February, 1993 were identified in the monthly "closed trip" report. A special report was run from the Travel Unit data base to identify the date received for all travel expense vouchers received into AFMTravel, fiscal year to date. A manual check was performed to determine which trips closed during February had been received in earlier than three weeks before closure. For those trips an additional manual check was performed by identifying, in the full month-end Berkeley Travel Report, the date the trip settlement had actually been issued.

Performance Results:

General:

Of 384 travel expense vouchers closed during the month of February, 1993, trip settlements were issued for 379 (98.69%) within three weeks of receipt.

Strengths of Current System:

The Berkeley Travel System (BTS) tracks all trips for each division/department from the time the authorization has been established to the submission of the final travel expense voucher. All payments including

advances to the traveler, air line tickets, hotel deposits, etc., are recorded for each trip until the final trip settlement automatically closes the trip to the archive file. The estimated trip cost, the trip dates and the authorized account are also captured in the system.

In addition, the BTS generates weekly reports to indicate the current trip status. Specifically, outstanding and delinquent travel expense vouchers are identified and monitored.

Weaknesses of Current System and Related Recommendations:

The BTS does not have the capability to capture the date the travel expense voucher is submitted to the AFM/Travel Office for final trip settlement.

General Recommendations:

The BTS should be enhanced by adding a field in the data base to capture the submission date of the travel expense voucher. A report could then be generated comparing the date the travel expense voucher was submitted and the date the trip settlement was issued.

Corrective Action Plans:

A request for programming support to generate the above report has been submitted.

Key Milestones:

None

Other Comments/Future Issues:

One item that is currently open needs to be addressed: 1) DOE Order 1500.3A is being revised. The draft revision contains procedures for approval of changes in foreign trips, which, if adopted, will make it difficult to meet this objective.

Objective Standard 10: Monthly ledger closing dates will be met.

Reference to Applicable Laws, Orders and Regulations:

DOE 2200.4.

DOE 2200.8A.

Reference to Applicable UC and Lab Policies and Procedures:

General Ledger procedures for month-end/year-end ledger closing.

Reference to Applicable Audits/Reviews/Appraisals:

UC Internal Audit No. 1396, March 1992.

Measurement Process:

Review of FY1993 Ledger Closing Reports, October 1992 through February, 1993.

A schedule will indicate the dates of the planned ledger closings and a notation will be made of the actual closing times and dates.

Performance Results:

General:

The monthly ledger closings are designed around the requirement to transmit FIS information to the local DOE field office by 8:00am on the fifth workday each month for the previous month. The two exceptions are the September and October closings which are governed by special FIS submission dates. In general, a preliminary ledger closing is scheduled for the third workday with the final ledger planned for the fourth workday.

A schedule has been developed which indicates by month the planned closing dates for the preliminary and final ledgers for FY1993. Each month, the actual closing dates and times are recorded. This is supported by a copy of report GLS1000 which is the first job processed once we finalize and lock all files and instruct Information Systems and Services to run the ledger.

A review of the actual closing times for the period October 1992 - February 1993 shows that we have met our planned target. It should be noted that the only official requirement is the FIS transmission. The plan date for the

preliminary ledger is only tentative and could slip a few hours or into the next day if for instance a programming problem occurred which might result in two ledgers being run in one day. This rarely occurs.

Strengths of Current System:

1. The schedule allows time to review activities and take appropriate action if necessary before transmission of FIS. Also, it allows time to correct for any system problems.
2. Detailed procedures are available to assist in the ledger closing process.

Weaknesses of Current System and Related Recommendations:

None.

General Recommendations:

N/A

Corrective Action Plans:

N/A

Key Milestones:

N/A

Other Comments/Future Issues:

None.

Objective Standard 11: Suspense account balances will be corrected within 30 days of identification.

Reference to Applicable Laws, Orders and Regulations:

DOE Order 2200.6.

Reference to Applicable UC and Lab Policies and Procedures:

None

Reference to Applicable Audits/Reviews/Appraisals:

None

Measurement Process:

Review of suspense account journal vouchers.

ü Schedules have been developed showing activity for the suspense accounts. The schedules indicate number of items with related amounts and also show cleared activity plus remaining unresolved totals.

Performance Results:

General:

Suspense accounts are analyzed monthly and journal entries are prepared to correct items. A recap is made monthly to indicate unreconciled items.

A review of the activity for the period October 1992 through February 1993 reveals that of the \$1,387,000 charged to suspense accounts 3598-01, 3598-02 and 1840-01, 97% have been cleared. There remain 136 items totaling \$37,000 to be resolved.

In addition, the AFM/Property Accounting unit has prepared a reconciliation for 3598-06 and 3598-07. A review of these accounts shows that \$347 remain to be cleared out of a total suspense volume of \$3,905.

Strengths of Current System:

Overall, our ability to coordinate and gather information from requesters and purchasing has aided in the proper disposition of the dropout accounts. Furthermore, considering the fact that the original source documents for

purchase orders were maintained at LLNL for the period October 1992 - February 1993, we have successfully corrected most of the dropouts.

Weaknesses of Current System and Related Recommendations:

Until March 1993 most of LBL's purchase orders were processed at LLNL. This has been the major source of dropouts appearing in the suspense accounts. The LAPS program at LLNL automatically assigned invalid account number charges to the suspense account. In addition, since the files were at LLNL, there were delays in resolving these items.

Furthermore, the AFM/Accounts Payable Unit has been heavily involved in training on the new Accounts Payable System and has not been able to devote as much effort to resolving suspense items.

General Recommendations:

With the full implementation of the new Accounts Payable System in March 1993, the weaknesses mentioned above will disappear. The Laboratory's System will assign costs more accurately to divisional accounts rather than to the suspense account, thereby resulting in less dropouts. In addition, the availability of source documents should help in resolving suspense items more quickly.

Once the new system is totally operational and the staff fully trained, AFM/Accounts Payable will be able to resolve suspense items on a more current basis. The AFM/Accounts Payable staff will also be instructed to use the account checking feature of the system to resolve invalid accounts up front.

Corrective Action Plans:

AFM/Accounts Payable and AFM/General Ledger will work together to resolve all open items as of March 31, 1993.

Starting with April activity, suspense items will be reconciled each month.

Key Milestones:

All open items will be resolved by June 30, 1993.

Other Comments/Future Issues:

None.

Objective Standard 12: All accounts will be properly authorized at month-end.

Reference to Applicable Laws, Orders and Regulations:

DOE Order 2200.6.

Reference to Applicable UC and Lab Policies and Procedures:

LBL Account Authorization System.

Reference to Applicable Audits/Reviews/Appraisals:

None

Measurement Process:

The Laboratory's Account Master File has been reviewed to verify that no accounts were set up that had not been properly authorized.

Performance Results:

General:

New accounts are only approved by CFO/Budget and Resource Planning or the Office of Sponsored Research. The exceptions are balance sheet accounts which can be approved by CFO/Accounting and Financial Management in order to meet reporting requirements.

As requests to set up accounts are received, they are reviewed by AFM/General Ledger and AFM/Contract Accounting for proper approval before opening the accounts in the ledger system.

A review of the activity for the period October 1992 through February 1993 reveals no unauthorized accounts.

Strengths of Current System:

ü Authority to approve the opening of cost accounts is limited to CFO/Budget and Resource Planning for all DOE funded accounts including overhead accounts and to the Office of Sponsored Research Administration for sponsored research accounts.

ü Only nine individuals at the Laboratory, six in AFM/General Ledger plus three programmers, are authorized to access the system which allows accounts to be opened.

ü An audit is performed daily which compares account master updates to source documents.

Weaknesses of Current System and Related Recommendations:

None

General Recommendations:

N/A

Corrective Action Plans:

N/A

Key Milestones:

N/A

Other Comments/Future Issues:

Effective March 1993, the Laboratory is establishing an automated Account Authorization System which will include authorized signatures plus improved timeliness and on-line inquiry. The system will also allow Laboratory divisions and departments to request (but not approve) accounts on-line. The approval function will still be limited to the current groups and appropriate controls are being established. This new system will be implemented fully over the next several months. Procedures for the new system will also be developed.

Objective Standard 13: Subsidiary ledgers will be reconciled to the general ledger no less than quarterly, and corrections performed within 30 days.

Reference to Applicable Laws, Orders and Regulations:

DOE 2200.6.

Reference to Applicable UC and Lab Policies and Procedures:

General Ledger procedures for month-end/year-end closings.

Reference to Applicable Audits/Reviews/Appraisals:

UC Internal Audit No. 1396, March 1992.

Measurement Process:

Review of monthly closing records: the monthly Driver Control Worksheet will recap and verify the input to the ledger from the following CFO/AFM Units: Contract Accounting, Accounts Payable, Travel, Property Accounting and Payroll/Effort.

Performance Results:

General:

During the ledger closing process each month, a Driver Control Worksheet is prepared to verify input to the general ledger. The totals input by each of the major subsidiary systems (Accounts Receivable, Accounts Payable, Travel, Property Accounting, and Payroll/Effort) into the general ledger are verified against the source file to ensure that the amounts reconcile. The General Ledger Manual for Month-End and Year-End Closing details the applicable procedures.

A review of the closing reports for the periods October through December 1992 reveals that the subsidiary ledgers reconciled to the general ledger.

Strengths of Current System:

Procedures are in place to review subsidiary ledger input to the general ledger.

Weaknesses of Current System and Related Recommendations:

None

General Recommendations:

N/A

Corrective Action Plans:

N/A

Key Milestones:

N/A

Other Comments/Future Issues:

None.

Objective Standard 14: Deadlines will be met for the financial information reporting to DOE.

Reference to Applicable Laws, Orders and Regulations:

DOE Order 2200.4.

DOE Order 2200.6.

DOE Order 2200.8A.

DOE Order 2200.10A.

Reference to Applicable UC and Lab Policies and Procedures:

General Ledger procedures for month-end and year-end ledger closing.

Reference to Applicable Audits/Reviews/Appraisals:

UC Internal Audit No. 1396, March 1992.

Measurement Process:

A calendar will show the due dates set by DOE/SF for the FIS transmission as well as various quarterly and annual reports. The calendar will also indicate the actual submission dates.

Performance Results:

General:

The AFM/General Ledger unit has developed a calendar showing the due dates and submission dates for the FIS transmissions as well as for various quarterly and annual reports. For supporting documentation, a copy of the report cover letter or ISS log is provided as well as information pertaining to due dates.

A review of the activity for the period October 1992 through February 1993 reveals that LBL successfully met all deadlines for the FIS transmissions. As for the deadlines for the 24 reports due during this time frame, 20 reports were completed prior or by the deadline. The A/R Aging Reports were one day late in October due to year-end activities and two days late in January resulting from new reporting requirements. DOE/SF was alerted to these two situations and indicated that the delay was acceptable. The Financial Statement Analysis was two days late. DOE/SF was kept apprised of the situation.

Strengths of Current System:

Overall, our ability to meet DOE reporting deadlines appears commendable. For the 30 due dates reviewed during this self-assessment period, 26 of them were met on time and the other 4 were only one to two days late.

Weaknesses of Current System and Related Recommendations:

Two of the delays were caused by condensed work time. For example, the extended DOE closing schedule for September was not applied to all reporting requirements. The FIS normal fifth day due date was changed to October 13, but the A/R Aging Reports were due on October 15, the normal schedule. Since entries affecting receivables could still have been made to the ledger until the FIS transmission, only two days were allowed for completing the aging reports rather than the normal week.

As for the Financial Statement Analysis, some of the reports needed from the DOE systems to prepare the analysis were not received until November 25. This only allowed a few working days to meet the December 2 deadline. Verbal extension was provided by DOE/SF.

General Recommendations:

The Laboratory will discuss with DOE/SF allowance of at least two more days in October to complete the A/R Aging Reports considering the year-end schedule.

For preparing the quarterly A/R Aging Reports, the AFM/General Ledger unit will attempt to gather certain information needed on a monthly basis, thereby helping to insure that the due date is met.

When information is needed from DOE/SF as part of preparing LBL reports, such as the Financial Statement Analysis, some consideration should be given to revising the due date when information is produced late.

Corrective Action Plans:

N/A

Key Milestones:

N/A

Other Comments/Future Issues:

None.

Objective Standard 18: An annual financial self-assessment will be conducted.

Reference to Applicable Laws, Orders and Regulations:

Contract 98.

DOE Order 2200.6.

DOE Order 5100.3.

Reference to Applicable UC and Lab Policies and Procedures:

LBL Regulations and Procedures Manual.

Existent accounting procedural manuals.

Reference to Applicable Audits/Reviews/Appraisals:

FY1992 Summary Appraisal Report for Lawrence Berkeley Laboratory

FY1991 DOE/HQ Controller Compliance Review Report

DOE-IG Audit of Imprest Funds performed by ADC, Ltd., final report pending

UC Internal Audit Report No. 1396, General Ledger System, March 1992

Internal Audit Report No. 1403, Plant and Equipment Accounting, December 1992

Measurement Process:

The self-assessment for this first review cycle is being conducted based on the FY1992 Summary Appraisal Report for the Laboratory and the FY1991 DOE/HQ Controller Compliance Review in the areas where this review pertains to the Laboratory.

Summary of Findings:

General:

1. FY1992 Summary Appraisal

The appraisal of the financial management arena including the CFO/Accounting and Financial Management as well as CFO/Budget and Resource Planning Offices arrived at the rating of excellent.

2. FY1991 DOE/HQ Controller Compliance Review

This DOE/HQ review arrived at 29 recommendations for improving DOE/SF's financial operations, six of which directly impacted the Laboratory. On July 29, 1992 the Laboratory submitted its response to DOE/SF. Subsequently, a meeting was held on October 15, 1992 of DOE/SF and Laboratory personnel to discuss the Laboratory's response and to agree on specific actions to be taken. Furthermore, a February 2, 1993 letter from J.L. Patterson, LBL Manager of CFO/Accounting and Financial Management, to L.G. Elster, DOE/SF Director, Finance and Accounting, delineated accomplishments to date and identified open items.

Strengths of Current System:

Per the 1992 appraisal, the Laboratory's "Financial Statement Analyses, supplementary reports and other financial information are accurate and complete. Laboratory personnel monitor Laboratory activities and provided periodic accurate reports on Bank Account and Letter-of-Credit balances, Accounts Receivable, Reimbursable Work and Construction Work-in-Process accounts to DOE".

Weaknesses of Current System:

Per the DOE/HQ Compliance Review Report, the following weaknesses exist:

- ü Nonfederal invoices and delinquent invoices do not contain required information.
- ü Interest, penalties and administrative charges are not properly assessed and reported.
- ü Travel advances are not set up as accounts receivable.
- ü Not all reimbursable work is directly deposited into the Treasury.
- ü California Institute of Energy Efficiency (CIEE) payments are inappropriately deposited into the Letter-of-Credit bank account.
- ü Various other collections are inappropriately deposited into the Letter-of-Credit bank account.

General Recommendations:

The recommendations to the above enumerated weaknesses are as follows:

- ü Ensure that nonfederal invoices and subsequent demand notices contain all required information.
- ü Ensure that interest, penalties and administrative charges are assessed in a timely manner.
- ü Ensure that travel advances are established as accounts receivable.
- ü Deposit reimbursable work collections directly into Treasury.
- ü Discontinue depositing funds on behalf of the CIEE.
- ü Correctly account for collections according to policy per DOE Order 2200.6, Chapter IX. This is an issue only with gifts and Donner Patient Collections.

Corrective Action Plans:

The corrective action plan was detailed in the response to the FY1991 Controller Compliance Review, dated July 29, 1992.

Description of Progress:

- ü The Laboratory has developed a standard notice to its customers which is included with each invoice to nonfederal entities.
- ü At present, the Laboratory assesses interest penalties and administrative charges on all nonfederal receivables arising from sponsored research. A programming request has been submitted to assess interest etc., on miscellaneous receivables.

The Laboratory's receivable system is, at this point, not capable to handle the ledger posting of interest, penalties and administrative charges. To modify the system accordingly will necessitate extensive programming effort.

Furthermore, the algorithm used in assessing interest and related charges is not as prescribed by DOE Order 2200.6 based on the date of the invoice, but instead on the date the invoice became delinquent.

A programming request to correct the above noted deficiencies has been submitted to the Information Systems and Services Department on February 18, 1993.

ü The Laboratory has made the requisite system changes in order to report travel advances as employee advances under BSC 1140. This was implemented in time for the November 1992 FIS submission. The requirement to report delinquent advances as public receivables was also implemented.

ü The Laboratory is awaiting specific guidance and instructions from DOE/SF on how to deposit all reimbursable work collections directly to the Treasury.

ü A separate bank account was established with Wells Fargo Bank to deposit CIEE funds.

ü The Laboratory is awaiting further guidance from DOE/SF regarding the processing of gifts and Donner Patient collections.

Key Milestones:

The open corrective actions are in the accounts receivable arena.

- ü Submit programming request - February 18, 1993.
- ü Design new system.
- ü Write program.
- ü System and user testing.
- ü Implement.

No dates can be set for the milestones since, at this point, no resources are available for these tasks. The FTE estimate was preliminarily established at 12 FTE months.

Other Comments/Future Issues:

None.

Objective Standard 19: A Cost Accounting Standards Disclosure Statement will be submitted whenever cost accounting practices which required disclosure are revised. All cost accounting practices in accumulating and reporting contract performance cost data will be consistent with this Statement.

Reference to Applicable Laws, Orders and Regulations:

Contract 98, Article VII, Cl.8.

FAR Part 30.

Reference to Applicable UC and Lab Policies and Procedures:

N/A

Reference to Applicable Audits/Reviews/Appraisals:

The DOE/SF, Financial Review Division is currently conducting a review of the Laboratory's cost distribution system. The entrance conference for this review took place on March 2, 1993.

Measurement Process:

If the Laboratory is subject to full compliance with CAS, under the new contract, a disclosure statement will be submitted that accurately reflects current practice.

Other Comments/Future Issues:

Under the previous version of Contract 98, the Laboratory had been subject to modified coverage of CAS, i.e., compliance with CAS 401 and 402. A disclosure statement had not been required. One will be submitted to DOE/SF if it is now required.

Objective Standard 20: The annual voucher for the totals of net expenditures accrued (VANEAs) will be submitted by the date prescribed by DOE.

Reference to Applicable Laws, Orders and Regulations:

DOE Order 2200.8A.

Reference to Applicable UC and Lab Policies and Procedures:

N/A

Reference to Applicable Audits/Reviews/Appraisals:

N/A

Measurement Process:

A calendar has been developed showing due dates set by DOE/SF for all financial reporting requirements as well as the actual submission dates. The VANEAs dates are indicated on this calendar.

Performance Results:

General:

The VANEAs for FY1992 was submitted to DOE/SF on November 17, 1992.
The DOE due date was listed as November 16, 1992.

Strengths of Current System:

N/A

Weaknesses of Current System and Related Recommendations:

N/A

General Recommendations:

Effort will be made to insure that the VANEAs is completed by due date.

Corrective Action Plans:

N/A

Key Milestones:

N/A

Other Comments/Future Issues:

None.

Objective Standard 21: Policies and Procedures are documented and readily available.

Reference to Applicable Laws, Orders and Regulations:

Contract 98.

Reference to Applicable UC and Lab Policies and Procedures:

UC Accounting Manual, - various issue dates.

UC Business and Finance Bulletins, - various issue dates.

LBL Regulations and Procedures Manual (RPM), - last revision 7/92.

LBL Administrative Memos - Policy and Procedure, - various issue dates.

Reference to Applicable Audits/Reviews/Appraisals:

UC Internal Audit Report No. 1396, General Ledger System,
March 1992.

UC Internal Audit Report No. 1403, Plant and Equipment Accounting,
December 1992.

Measurement Process:

All available policy and procedure documents were reviewed to verify that they are up-to-date and complete and that they are kept in a central location readily accessible to all CFO personnel.

Performance Results:

General:

Sets of all DOE Orders pertaining to financial matters, the UC Accounting Manual and Business Bulletins, LBL's RPM and a set of all policy and procedure memos are up-to-date and readily available. However, at present, the Laboratory does not have an overall manual that systematically promulgates all financial policies and procedures.

Strengths of Current System:

Two of the most sensitive and critical areas of financial management, i.e., pay and time reporting and travel are addressed in great detail in the Laboratory's RPM, Sections 3 and 4, respectively. Being part of the RPM assures wide distribution and timely revisions, when needed.

Furthermore, procedures for specific tasks that are deemed to be particularly critical have been formalized, e.g., cashiering regulations and procedures, general ledger month-end and year-end closing procedures and employee termination procedures.

In addition, numerous written desk procedures exist in all functional areas of finance although not all of these procedures are formally maintained nor are they systematically organized into a manual.

Weaknesses of Current System and Related Recommendations:

The lack of a comprehensive financial manual as well as formal desk procedures has been criticized in the above referenced UC internal audits.

General Recommendations:

UC Audit Report No. 1396 recommended that an accounting manual will be completed and desk procedures for specific accounting functions will be prepared.

- UC Audit Report No. 1403 recommended that AFM/Property Accounting will maintain complete, organized, and up-to-date written procedures.

Corrective Action Plans:

A financial management policies and procedures manual will be developed in addition to specific detailed desk procedures.

The outline for the comprehensive manual is currently in draft form. It is anticipated that the outline will be finalized within a couple of months.

The individual chapters will be prepared, as time permits, by professional staff who are experts in the specific areas with overall support and guidance provided by the recently retired Laboratory Accounting Officer.

Specific desk procedures will be updated and systematically organized by the supervisors of each functional area and by appropriate professional staff.

Key Milestones:

Finalize outline of comprehensive financial management manual.

May 31,
1993

Assign responsibility for writing individual chapters, establish timelines, and commence writing.

June 30,
1993

Take inventory of existent desk procedures and assign responsibility for updating.

July 31,
1993

Determine need for writing new desk procedures and assign responsibility for this task.

July 31,
1993

Commence updating and writing of desk procedures.

August 1,
1993

Other Comments/Future Issues:

None.

Objective Standard 22: Banking agreement is complied with.

Reference to Applicable Laws, Orders and Regulations:

DOE Order 2200.6, Chapter I, Paragraph 7.

Special Demand Deposit Account Agreement for use with the checks-paid Letter of Credit financing between the Department of Energy, The University of California, and Bank of America.

Reference to Applicable UC and Lab Policies and Procedures:

Lawrence Berkeley Laboratory Cashier Regulations and Procedures.

Reference to Applicable Audits/Reviews/Appraisals:

Quarterly DOE/SF Review in accordance with DOE Order 2200.6, Chapter I, Paragraph 7c (4) (f).

Measurement Process:

Review of the Special Demand Deposit Account Agreement for Use with the Checks-Paid Method of Letter of Credit Financing and documentation of the Laboratory's correspondence with the Bank of America pertaining to the monthly service charge billings.

ü Verify that payment vouchers are not drawn against the Letter of Credit more frequently than once each day.

ü Verify monthly bank service charge billings against terms of agreement, prior to issuing payment.

Prepare quarterly Letter of Credit Activity Report for use by DOE/SF in their own quarterly banking agreement compliance review.

Performance Results:

General:

DOE/SF has delegated responsibility for the issuance of payment vouchers to Bank of America. However, each day the Laboratory monitors all bank transactions, including payment vouchers by using Bank of America's on-line Information Reporting System (BAMTRACS).

For the period of October 1 through February 28, our review showed only one instance (November 10, 1992) when two payment vouchers (one for \$640,000 and a second for \$135,000) were issued on the same day. We notified the Bank of this discrepancy and they informed us that the second payment voucher of \$135,000 was an erroneous duplication of the payment voucher issued on November 9, 1992. The bank apologized for the error and noted that it would be corrected automatically on the following day because their formula for computing the amount of the daily payment voucher compensates for over/under drawn balances from the previous day.

Bank of America has forwarded monthly bills to the Laboratory for bank service provided from October 1992 through February 1993. Each of these five bills did not conform with the terms of the agreement. The Laboratory returned these bills to Bank of America unpaid and requested that they be reissued in accordance with the agreement. As of this day, no corrected bills have been reissued by Bank of America. When these corrected bills are received we will review them and pay them in accordance with the agreement.

Although the Laboratory cannot identify a specific requirement to submit a quarterly Letter of Credit Status and Activity Report, this report is prepared for the quarters ending December 31, March 31, June 30, and September 30, by the AFM/General Ledger Unit and is used to reconcile the Laboratory's Letter of Credit balance with Contract 98 unexpended funds. The report also summarizes quarterly banking activity and is forwarded to DOE/SF for use in completing their own quarterly banking agreement compliance review.

Strengths of Current System:

CFO/AFM has designated a Senior Accounting Specialist to monitor all aspects of agreement compliance and to act as liaison with both DOE and Bank of America on related issues.

Weaknesses of Current System and Related Recommendations:

The Laboratory does not receive formal feedback on the findings in the DOE/SF quarterly review. This DOE/SF review represents a major portion of compliance reviews outlined in DOE Order 2200.6 Chapter I, Paragraph 7c (4)(f). Feedback could provide information which could help improve the Laboratory's understanding and overall performance in this area.

General Recommendations:

Request that DOE/SF provide feedback on the quarterly reviews.

Corrective Action Plans:

None required.

Key Milestones:

N/A

Other Comments/Future Issues:

None.

Objective Standard 23: Average daily balances are maintained as close to zero as possible.

Reference to Applicable Laws, Orders and Regulations:

DOE Order 2200.6, Chapter I, Paragraph 7.

Special Demand Deposit Account Agreement for use with the Checks-Paid Letter Of Credit Financing between the Department of Energy, The University Of California, and Bank of America.

Reference to Applicable UC and Lab Policies and Procedures:

None

Reference to Applicable Audits/Reviews/Appraisals:

Quarterly DOE/SF Review in accordance with DOE Order 2200.6, Chapter I, Paragraph 7c (4)(f).

Measurement Process:

Review of daily balances using Bank of America's on-line Information Reporting System (BAMTRACS). If unusual balances are noted, the Laboratory will discuss this with the bank.

Combine the daily BAMTRACS reports on a monthly summary to facilitate further analysis of bank activity.

Performance Results:

General:

Throughout the assessment period, Bank of America has not successfully maintained the bank account balance as close to zero as administratively possible.

The Laboratory has not exercised significant involvement in determining the daily ending balance of our bank account because the banking agreement assigns that responsibility to the bank. However, it appears that some coordination between the Laboratory and the bank would help improve the banks ability to maintain the account balance closer to zero.

Historically, the Laboratory's lack of involvement in determining the ending daily balance was the result of the extremely convoluted lines of communication between the Laboratory and our former bank, Security Pacific National Bank (SPNB). This was caused by several decentralized points of contact at SPNB based on the area of banking services involved. From the Laboratory's standpoint this situation was further complicated by SPNB contacts being located in both San Francisco and in multiple Los Angeles offices. In addition, many SPNB contacts were not always able to answer our questions with either an informed or an immediate response.

In addition, SPNB did not provide readily available information concerning the outstanding deposit float for each day. We have since learned that if the Laboratory were to be involved in affecting the daily ending balance, this information would be critical.

Most communication problems and the lack of information about deposit floats were resolved in September 1992 when Bank of America took over the Laboratory's banking services from SPNB. Bank of America provides one centralized point of contact, which is located in the immediate San Francisco Bay area. So far, Bank of America's centralized point of contact has worked much better than the SPNB's decentralized approach. In addition, BAMTRACS allows the Laboratory to monitor the outstanding deposit float which was unavailable under SPNB.

Strengths of Current System:

The bank currently uses a controlled disbursement account in order to know in advance the exact amount of vendor checks to clear the account on a given day so that it may increase that days Letter Of Credit Drawdowns by an equal amount.

Additional information and procedures are available to help Bank of America improve its performance over that of SPNB.

Lines of communications between the Laboratory and Bank of America are much better than they were with SPNB.

The Laboratory will assist Bank of America by providing what advance deposit and incoming wire information it can when it will affect the following days account balance.

Weaknesses of Current System and Related Recommendations:

The bank does not factor in unavailable deposits (deposit float) by increasing the amount of its daily Letter of Credit Drawdowns by the amount of unavailable deposits.

The bank does not factor in incoming wire transfers by decreasing the amount of its daily Letter Of Credit Drawdowns by the amount of any wires that are known in advance.

The bank uses out of date data to estimate the daily amount of cleared payroll checks in order to increase its Letter of Credit Drawdowns by an equal amount.

General Recommendations:

It is recommended that:

ü This performance standard be more clearly defined so that the bank is measured on their ability to maintain a closing available balance as close to zero as administratively possible. This will recognize the existence of the deposit float for checks deposited but for which funds are not yet available.

ü The Laboratory provide the bank with advance notice of the following bank activities to allow the bank to adjust the daily Letter of Credit Drawdowns appropriately: a) Bank of America checks included in each days deposit for which funds will be available immediately; b) any incoming wires that are known in advance; c) cash vault requests made by the Laboratory Cashier.

ü The Laboratory provide actual payroll amounts each payday to Bank of America for use in improving the accuracy of their estimate of payroll checks cleared.

ü The bank and the Laboratory also investigate options for periodically revising the percentages used to spread the payroll base over the actual number of days that the checks will clear.

Corrective Action Plans:

The Laboratory shall instruct the bank to begin using the opening available balance in place of the closing ledger balance when computing the daily Letter of Credit requirement. (This will remove the deposit float from the balance now being used.)

The Laboratory shall implement a daily worksheet to be faxed or called into Bank of America advising them of transactions which will affect that days computed Letter of Credit Drawdowns and to advise them of actual payroll amounts when appropriate.

The Laboratory will initiate discussions with the bank concerning how to best implement a periodic review and revision of the percentages for spreading total payrolls over the actual days that they will clear the bank.

Key Milestones:

By July 1, 1993, the Laboratory will obtain bank concurrence on the corrective action plans and shall have them ready for immediate implementation.

Other Comments/Future Issues:

None.

Approval Review:

Office of Primary Responsibility:

Accounting and Financial Management

Office of Primary Responsibility
Manager:

J.L. Patterson

4-29-93
Date

Functional Area:

Financial Management

Functional Manager:

C.J. Courcy

4/29/93
Date

Office of Contract
Administration:

David C. Shepherd

4/29/93
Date

*Appendix F Objective Standard of Performance
Based on Self-Evaluation*

Part III: Human Resources

This section contains the results of LBL's self-assessment of the performance measures found in Contract 98, Appendix F, Section A, Part III: Human Resources.

Objective Standard 1: A meeting of the Joint DOE/UC Planning and Evaluation Group will be held not less than quarterly for consultation on issues of mutual interest.

UC/LAO is responsible for responding to this measure.

<p>Objective Standard 2: The Laboratories will demonstrate measurable progress in improving the representation of women and minorities in under-utilized categories, consistent with approved Affirmative Action Plans.</p>
--

Applicable Laws, Orders and Regulations:

Executive Order 11246, as amended by 11375, which requires government contractors to take affirmative action in recruitment and retention of women and minorities and to have a written Affirmative Action Plan.

Contract No. 98, Appendix A, Preamble.

Contract No. 98, Appendix F, Part III, #2.

DOE Order 3220.A.

Applicable UC and Lab Policies and Procedures:

UC Policy on Nondiscrimination, LBL director's Equal Employment Opportunity/Affirmative Action Policy Statement.

LBL Annual Affirmative Action Plan.

Regulations and Procedures Manual (RPM2.01).

Applicable Audits/Reviews/Appraisals:

Department of Labor, Office of Federal Contract Administration Programs.

Measurement Process:

The Laboratory monitors its performance in this area by preparing an annual Affirmative Action Plan which includes a retrospective evaluation of the preceding year and prospective plan for the upcoming year.

The retrospective evaluation is a review of underutilized job groups and whether hiring goals were met.

The prospective plan is based on a Laboratory-wide underutilization analysis and division-based adverse impact analyses on hiring.

Six months after publication of the Affirmative Action Plan, the Laboratory conducts a review of hiring activity to update underutilization figures. The review, a report entitled Progress in Addressing Underutilization, is distributed to all divisions.

The process is measured by (1) conducting underutilization analyses and (2) monitoring hiring activity in each job group and reporting on status. Status options are: no progress in addressing, progress in addressing underutilization, elimination of underutilization.

Performance Results:

General:

Results for LBL efforts in 1992 are outlined on pages 41-43 of the 1993 Affirmative Action Plan (Attachment A).

Strengths of Current System:

After reviewing methodology used in developing former Affirmative Action Plans, the Laboratory has incorporated a series of changes that strengthen the analytical underpinnings of the Plan. The 1993 Affirmative Action Plan has benefited from restructured job groups, weighting of data at various stages in the analysis, incorporation of 1990 census data and adoption of availability data that more realistically reflect the Laboratory's recruitment and hiring practices.

The semi-annual report (first issued in 1992) gives a more complete picture of the Laboratory's efforts in address underutilization. It includes identification of (1) of Divisions making hiring decisions that promote diversity at the Laboratory and (2) of job groups in which no hiring has taken place, a fact that means the Laboratory had no opportunity to address underutilization.

Weaknesses of Current System and Related Recommendations:

Data can be weighted at one more stage in the analysis to improve the underutilization analysis. Outreach recruitment activities can be strengthened.

General Recommendations:

None

Corrective Action Plans:

The Laboratory developed a format for a formal recruitment plan to be developed as each vacancy occurs. The plan identifies underutilization figures for that job group and outlines a strategy to develop an applicant pool that will help to address underutilization.

Key Milestones:

Each Division will participate in Laboratory-wide efforts to develop recruitment materials that enhance the image of the Laboratory. Draft prototypes are being reviewed by the Diversity Committee. Target completion date: June 30, 1993.

Each Division will collaborate with the Human Resources Department, the Office of Workforce Diversity, and the Public Information Department to develop a Recruitment Resource Guide that helps Divisions to identify organizations, networks, and contacts to broaden recruitment sources when vacant positions are being filled. Target completion date: December 31, 1993.

The Office of Workforce Diversity and the Human Resources Department will develop a Resume Bank with resumes of women and minorities. These resumes will be on file in the resume screening system (Resumix) and will be available to the Human Resources Department and Divisions as vacancies are filled throughout the year. Target Completion Date: April 30, 1993

Other Comments/Future Issues:

The Laboratory has established the Office of Workforce Diversity reporting to the Director. In addition, the Laboratory is considering creating an outreach recruiter position in the Staffing Unit of the Human Resources Department.

Approval Review:

Office of Primary Responsibility:

Office of Workforce Diversity

Office of Primary Responsibility
Manager:

Harry Reed
Harry Reed

4/29/93
Date

Functional Area:

Workforce Diversity, EEO/AA

Functional Manager:

Christine Kurata
Christine Kurata

4/29/93
Date

Office of Contract
Administration:

David C. Shepherd
David C. Shepherd

4/29/93
Date

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Objective Standard 3: The Laboratories will maintain classification systems consistent with sound business practices of the Laboratory. To meet this objective, the University will undertake a review of Laboratory classification systems utilizing a nationally recognized consultant on the following basis:

1. The University will begin the review process by April 1, 1993.
2. By December 1, 1993, the initial review will be completed and program goals will be established by February 28, 1994.
3. By December 1, 1994, the University will have implemented the appropriate recommendations adopted from the review.
4. By December 1996, the University will conduct a review using the services of a consultant to assess the effectiveness of the recommendations that were implemented.

Applicable Laws, Orders and Regulations:

Contract No. 98, Appendix A, Preamble.

Contract No. 98, Appendix F, Part III, #3.

Applicable UC and Lab Policies and Procedures:

LBL Personnel Policies and Procedures Manual (RPM 2.06).

Applicable Audits/Reviews/Appraisals:

DOE compensation systems review, October 10, 1991.

Measurement Process:

The University has begun a review process which involves three phases.

Phase One involves several steps: chartering a review committee and appointing members; developing a draft RFP; and finalizing the RFP based on input/comments from UC/LAO and the Laboratories; identifying nationally recognized consultant organizations with expertise in evaluating and installing performance evaluation/management systems; posting the RFP through the UC procurement system; evaluating responses to RFP; identifying top responses and interviewing principals in the firms; selecting the top ranked firm and interviewing for the best and final offer; and awarding the contract.

Phase Two will involve the consultant analysis; completion of the initial review; developing program goals; and briefing the DOE/UC Planning and Evaluation Group.

Phase Three will be implementing the appropriate recommendations adopted from the review; and conducting a review using the services of a consultant to assess the effectiveness of the recommendations that were implemented.

Performance Results:

General:

LBL collaborated with UC/LAO, LANL, and LLNL in developing a draft RFP for the University to acquire the services of a "nationally recognized consultant". The University is currently reviewing with the Laboratories various proposals from four consulting firms. This review should be completed by April 23, 1993 with the contract awarded before May 1, 1993.

Strengths of Current System:

To be identified following the review called for in this performance measure.

Weaknesses of Current System and Related Recommendations:

To be identified following the review called for in this performance measure.

General Recommendations:

To be identified following the review called for in this performance measure.

Corrective Action Plans:

These are new requirements and corrective action plans will be developed as appropriate to meet the requirements of the objective standard.

Key Milestones:

The University has begun the review process.	April 1, 1993
The initial review will be completed.	December 1, 1993
Establish program goals.	February 28, 1994
The appropriate recommendations have been implemented.	December 1, 1994
The University will conduct a review process using the services of a consultant to assess the effectiveness of the recommendations that were implemented.	December 1996

Other Comments/Future Issues:

This is a joint project with UC, LANL, and LLNL.

Objective Standard 4: By December 1993, the Laboratories will have complete position descriptions for at least 50% of all employees, consistent with the University approved classification systems. The remainder of the position descriptions will be completed by December 1994. Thereafter position descriptions will be reviewed annually and revised, if necessary, to reflect the duties performed.

Applicable Laws, Orders and Regulations:

Contract No. 98, Appendix A, Preamble.

Contract No. 98, Appendix F, Part III, #4.

Fair Labor Standards Act.

Americans with Disabilities Act.

Applicable UC and Lab Policies and Procedures:

LBL Personnel Policies and Procedures Manual.

Applicable Audits/Reviews/Appraisals:

N/A

Measurement Process:

A verification process will be implemented to assure that the required number of position descriptions have been completed. This verification process will include a routine random sampling by Human Resources in each Division to evaluate quality and completeness. It will also be required that each Division Director provide a certification that job descriptions in their Division have been completed.

Performance Results:

General:

None

Strengths of Current System:

Job descriptions are required as part of the annual performance appraisal process.

Weaknesses of Current System and Related Recommendations:

Job descriptions are maintained in the Division or Department and there is no central verification of completion. There is a lack of guidance and training for managers and supervisors on how to prepare position descriptions.

General Recommendations:

Implement a Division Director certification process and spot audit process by the Human Resources Department.

Corrective Action Plans:**Key Milestones:**

P2R process.	June 1993
At least 50% of Laboratory career positions will have a current position description on file.	December 1993
Remainder of Laboratory career positions will have a current position description on file.	December 1994
Position descriptions reviewed annually and revised as needed.	Annually thereafter

Other Comments/Future Issues:**Approval Review:****Office of Primary Responsibility:**

Comensation Unit

Office of Primary Responsibility Manager:

Tom Taylor

4-28-93

Date

Functional Area:

Human Resources

Functional Manager:

Christine Kurata

4/29/93

Date

Office of Contract Administration:

David C. Shepherd

4/29/93

Date

Objective Standard 5: The Laboratory will establish and maintain a performance evaluation system consistent with laboratory needs and sound business practices. To meet this objective, the University will undertake a review of suitable performance evaluation systems utilizing a nationally recognized consultant on the outlined basis.

1. The University will begin the review process by April 1, 1993.
2. By December 1, 1993, the initial review will be completed and program goals will be established and the Joint DOE/UC Planning and Evaluation group will be briefed by February 28, 1994.
3. By December 1, 1994, the University will have implemented the appropriate recommendations adopted from the review.
4. By October 1996, the University will conduct a review process using the services of a consultant to assess the effectiveness of the recommendations that were implemented.

Applicable Laws, Orders and Regulations:

Contract No. 98, Appendix A, Preamble.

Contract No. 98, Appendix F, Part III, #5.

Applicable UC and Lab Policies and Procedures:

LBL regulations and Procedures Manual (RPM2.03).

Applicable Audits/Reviews/Appraisals:

EH&S Tiger Team Review.

Measurement Process:

The University has begun a review process which involves three phases.

Phase One involves several steps: chartering a review committee and appointing members; developing a draft RFP; and finalizing the RFP based on input/comments from UC/LAO and the Laboratories; identifying nationally recognized consultant organizations with expertise in evaluating and installing performance evaluation/management systems; posting the RFP through the UC procurement system; evaluating responses to RFP; identifying top responses and interviewing principals in the firms; selecting the top ranked firm and interviewing for the best and final offer; and awarding the contract.

Phase Two will involve the consultant analysis; completion of the initial review; developing program goals; and briefing the DOE/UC Planning and Evaluation Group.

Phase Three will be implementing the appropriate recommendations adopted from the review; and conducting a review using the services of a consultant to assess the effectiveness of the recommendations that were implemented.

Performance Results:

General:

To be identified following the review called for in this performance measure.

Strengths of Current System:

To be identified following the review called for in this performance measure.

Weaknesses of Current System and Related Recommendations:

To be identified following the review called for in this performance measure.

General Recommendations:

To be identified following the review called for in this performance measure.

Corrective Action Plans:

These are new requirements and corrective action plans will be developed as appropriate to meet the requirements of the objective standard.

Key Milestones:

The University has begun the review process.	April 1, 1993
The initial review will be completed and establish program goals.	December 1, 1993
Brief Joint DOE/UC Planning and Evaluation Group.	February 28, 1994
The University will implement appropriate recommendations adopted from the review.	December 1, 1994
The University will conduct a review process using the services of a consultant to assess the effectiveness of the recommendations that were implemented.	December 1996

Other Comments/Future Issues:

This is a joint project with UC, LANL, and LLNL.

Objective Standard 6: Written performance evaluations will be completed by September 1 of each year for at least 85% of all regular/career employees for whom an annual appraisal is required.

Applicable Laws, Orders and Regulations:

Contract No. 98, Appendix A, Preamble.

Contract No. 98, Appendix F, Part III, #6.

Applicable UC and Lab Policies and Procedures:

LBL Performance Appraisal Guidelines.

LBL Regulations and Procedures Manual (RPM 2.03).

Applicable Audits/Reviews/Appraisals:

None

Measurement Process:

A performance appraisal system is currently in place that requires appraisals to be completed on an annual basis. This process is monitored through each Division's administrative office.

Performance Results:

General:

On schedule to have a system in place.

Strengths of Current System:

The strength of the current system is that there are policies and guidelines in place which require performance appraisals for career employees. Laboratory line managers are expected to ensure compliance with these requirements.

Weaknesses of Current System and Related Recommendations:

There is no central process to ensure that performance evaluations are completed. There is some general dissatisfaction by managers and supervisors that the form is cumbersome.

General Recommendations:

Human Resources will require Division Director Certification of completion with the salary increase authorization. More manager and supervisor training is required on the performance evaluation process. Human Resources will conduct spot audits in each Division to ensure compliance as well as quality and completion.

Corrective Action Plans:

See General Recommendations above.

Key Milestones:

Written performance evaluations will be completed by September 1 of each year for at least 85% of all regular/career employees for whom an annual appraisal is required.

September
1, 1993

Other Comments/Future Issues:

A simplified performance evaluation form is being developed for more efficient use and to reduce completion time. The new format will be introduced during this year's annual P²R process.

Approval Review:

Office of Primary Responsibility:

Employee Relations Unit

Office of Primary Responsibility
Manager:

Gail Kato

4/22/93

Date

Human Resources

Functional Area:

Functional Manager:

Christine Kurata

4/22/93

Date

Office of Contract
Administration:

David C. Shepherd

4/29/93

Date

Objective Standard 7: The DOE-sponsored salary survey for scientists and engineers will be completed annually and included in the SIA proposal along with other relevant market data.
--

Applicable Laws, Orders and Regulations:

Contract No. 98, Appendix A, Preamble.

Contract No. 98, Appendix F, Part III, #7.

Applicable UC and Lab Policies and Procedures:

N/A

Applicable Audits/Reviews/Appraisals:

N/A

Measurement Process:

The objective measures are:

1. Does the Laboratory submit its salary data to the DOE-sponsored consultant/organization as specified in the cover letter to the survey questionnaire?
2. Does the Laboratory in its annual Salary Increase Authorization submission include analyses comparing the Laboratory to the DOE-sponsored salary for scientists and engineers, along with other relevant market data?

Performance Results:

General:

A copy of last year's salary increase authorization guidelines is available in the Human Resources Department.

Strengths of Current System:

The required salary surveys and the Salary Increase Authorization proposal are currently completed and submitted to the DOE in a timely fashion.

Weaknesses of Current System and Related Recommendations:

None

General Recommendations:

None

Corrective Action Plans:

None Required.

Key Milestones:

Data submission to DOE - sponsored survey
for scientists and engineers.

January -
February

Annual Salary Increase Authorization process
including relevant surveys.

June - July

Other Comments/Future Issues:

None

Approval Review:

Office of Primary Responsibility:

Compensation Unit

Office of Primary Responsibility
Manager:

Tom Taft

4-28-93

Tom Taylor

Date

Functional Area:

Human Resources

Functional Manager:

Christine Kurata

4-29-93

Christine Kurata

Date

Office of Contract
Administration:

David C. Shepherd

4/29/93

David C. Shepherd

Date

Objective Standard 8: The Laboratories will provide an annual report to UC management on the status of the development and implementation of mandatory training programs. Such mandatory training shall include the Drug-free Workplace Act, Americans with Disabilities Act, and other legally mandated training. Ninety-five percent (95%) of laboratory employees will meet Laboratory-mandated training requirement within three years of the date the training is mandated, or earlier if legally mandated.

Applicable Laws, Orders and Regulations:

Contract No. 98, Appendix F, Part III, #8.

Drug Free Work Place Act.

Americans With Disabilities Act.

Applicable UC and Lab Policies and Procedures:

LBL Personnel Policies and Procedures Manual (RPM 2.04 and 2.22c).

LBL implementation of Drug Free Work Place Act.

LBL implementation of Americans With Disabilities Act.

Applicable Audits/Reviews/Appraisals:

Tiger Team Assessments.

Measurement Process:

Documented attendance of participants.

Performance Results:

General:

The Drug Free Workplace Act requires employee notification and information. Documents are on file to demonstrate compliance with this requirement. The Director will issue periodic update notices to all employees as required. There is also documentation to show that the American Disabilities Act notification and information has been issued.

Strengths of Current System:

N/A

Weaknesses of Current System and Related Recommendations:

The Laboratory has not had a regular training manager or training unit since 1985. The position of Training Manager is currently being recruited for. Plans are to have a fully functional Training Unit by July 1, 1993, to include a training manager and staff resources.

General Recommendations:

Additional ongoing training will be conducted when the training manager position is filled. The Training Unit will monitor and determine when other legally mandated training is required.

Corrective Action Plans:

Establish a functioning training unit and develop a training program to meet this requirement.

Key Milestones:

Establish a functioning training unit.

July 1, 1993

Other Comments/Future Issues:

The training manager will determine when training programs are necessary or mandated by legislation or other requirements

Approval Review:

Functional Area:

Human Resources

Functional Manager:

Christine Kurata

Christine Kurata

4/29/93

Date

Office of Contract
Administration:

David C. Shepherd

David C. Shepherd

4/29/93

Date

Objective Standard 9: A statistical reporting system will be established and maintained to provide accurate annual reporting of the following:

- a. Individual salaries above or below the salary range for their classification;
- b. Starting salaries for new hires into the classified structure (i.e. employees other than scientists and engineers) that exceed the midpoint of the salary range;
- c. Salaries of individuals for whom the aggregate total increase in a fiscal year, including merit increases and any increases resulting from reclassification or promotion, exceed 15% of current salary;
- d. Salary actions approved by The Regents;
- e. Salary actions approved for Executive Program members;
- f. Salary Increase Authorization expenditures, depicting merit/promotional spending patterns by employee group;
- g. Utilization of modified work weeks for groups of employees and utilization of LBL operational work weeks;
- h. Overtime utilization;
- i. Assignments requiring dislocation allowances (semi-annual report);
- j. Approved leaves of absence from laboratory duties beyond three years;
- k. Number of employees participating in and cost of training and education programs;

l. Expenditures for award programs;

m. Fiscal year Laboratory cost expenditure reports for all health benefits programs for both active employees and retirees/survivors, etc.;

n. Fiscal year Laboratory cost expenditure reports for all pension plan contribution.

Applicable Laws, Orders and Regulations:

DOE Order 3220.4 - Contractor Personnel and Industrial Relations Reports.

Prime Contract No. 98, Appendix F, Part III, #9.

State of California Information Practices Act of 1977.

Applicable UC and Lab Policies and Procedures:

LBL Personnel Policies and Procedures Manual.

Applicable Audits/Reviews/Appraisals:

None

Measurement Process:

An automated tracking system is being developed to ensure timely submission of the required reports.

Performance Results:

General:

Currently many of the required reports are submitted as required to DOE.

Strengths of Current System:

The data is available and is being reported in the majority of cases.

Weaknesses of Current System and Related Recommendations:

An automated system is necessary to capture the required data. Much information is maintained or duplicated on separate systems.

General Recommendations:

An information system is being developed to capture the required information as well as to consolidate current reports that are being generated.

These are new requirements and corrective action plans will be developed as appropriate to meet the requirements of the objective standard.

Key Milestones:

October 15-30 annually except semi-annually for item I (dislocation allowances).

Other Comments/Future Issues:

In the course of this self-assessment, several areas have been identified where improvements could be made to facilitate generating these reports.

The three Laboratories have begun discussions regarding improved consistency in the required reports.

Approval Review:

Office of Primary Responsibility:

Compensation Unit

**Office of Primary Responsibility
Manager:**

Tom Taylor

Tom Taylor

4-28-93

Date

Functional Area:

Human Resources

Functional Manager:

Christine Kurata

Christine Kurata

4/29/93

Date

**Office of Contract
Administration:**

David C. Shepherd

David C. Shepherd

4/29/93

Date

PART III: ATTACHMENT A

AFFIRMATIVE ACTION PLANS

Lawrence Berkeley Laboratory

January 1, 1993 – December 31, 1993

SECTION II

A. INTRODUCTION AND 1992 ACCOMPLISHMENTS

Section II of the Affirmative Action Plan focuses on Laboratory-wide and division-based accomplishments for 1992 and charts the course for 1993. Future action-oriented programs are guided by the results of an underutilization analysis, using Laboratory-wide data, adverse impact analyses using data on personnel actions by division and recommendations of the Committee on Diversity.

PROGRAMMATIC ACCOMPLISHMENTS FOR 1992 - LABORATORY-WIDE

Lawrence Berkeley Laboratory Diversity Committee

In February, the Laboratory convened its first meeting of the LBL Diversity Committee. This group, chaired by Trudy M. Forte of the Life Sciences Division, consisted of a representative from each division as listed below:

Lindarae Aubert	Chemical Sciences Division
Cheryl Fragiadakis	Technology Transfer Department
Miguel Furman	Accelerator & Fusion Research Division
Maureen Jeung	Engineering Division
Zuzanna Liliental-Weber	Materials Sciences Division
Franklin Ling	Information & Computing Sciences Division
Jane Long	Earth Sciences Division
Regino Martinez	Environmental Health & Safety Division
Grazyna Odyniec	Nuclear Science Division
Roland Otto	Director's Office
Natalie Roe	Physics Division
David C. Shepard	Administration Division
Mary Worth	Life Sciences Division
Hisao A. Yokoto	Structural Biology Division

Ex-officio members were Robert Cahn, Director of the Physics Division, Harry Reed, Personnel Director, and Eileen Kraskouskas, Manager of the Office of Equal Opportunity. Christine Jue of the Office of Equal Opportunity provided administrative support.

The committee formed into three subgroups--on recruitment, laboratory environment and employee development, and education. The subgroups met and considered topics related to areas of responsibilities and convened with the larger committee to make recommendations to the Director. In 1993 the Committee will continue to review the Laboratory as a workplace and to make recommendations for improvement to the Director.

Workforce Diversity Office

In response to one of the recommendations of the Diversity Committee, in December, the Director established a Workforce Diversity Office to focus and direct senior management on developing a broadly based program for the Laboratory aimed at diversification of the work force, management of diversity issues, and enhancement of employee development practices. Harry Reed, who was appointed Director of the Workforce Diversity Office, will work with the Diversity Committee to facilitate the implementation of its recommendations.

Managing Diversity Workshops

Throughout the year, the Laboratory continued to offer a mandatory workshop for supervisors and managers that covers issues pertaining to management in an increasingly diverse workplace. To date this training has reached over ninety percent of the Laboratory's supervisors and managers.

Organization for Women Scientists and Engineers

In August, a group of women scientists and engineers formed an organization aimed at creating a forum to meet and discuss one another's research as well as mutual areas of professional concern. The group has been meeting on a monthly basis. Natalie Roe, of the Physics Division, and Pamela Coxson, of the Life Sciences Division, deserve credit for their efforts in founding this organization.

Educational Outreach Program

In September, the Center for Science and Engineering Education introduced an educational outreach program that makes Laboratory staff available to assist teachers and students in Bay area schools. Scientists, engineers, graduate students, administrators, managers, technical and support staff participate in the program. LBL's Education Outreach Coordinator, Marva Wilkins, recruits, trains, and matches volunteers as tutors, mentors, and resource specialists to classroom teachers.

Outstanding Performance Awards

In October, the Laboratory introduced an Outstanding Performance Award program. Among the criteria for selection was contribution to outstanding techniques or procedures, technical innovation or notable accomplishment in improving environmental, health or safety conditions at the Laboratory or demonstrated leadership and success in employee development, affirmative action, diversified workforce and community relations. The awards range from \$1000 to \$5000. Loretta Reese, of the Facilities Department received an award for her affirmative action efforts in hiring hearing impaired employees.

Sexual Harassment Training Program for Managers and Employees

The Office of Equal Opportunity introduced two new courses focusing on the topic of sexual harassment. A class for supervisors and managers, entitled *Responding to Complaints of Sexual Harassment: A Supervisor's Responsibility* provides information to better understand the law and to provide guidance to supervisors and managers on responding to complaints. Over 200 supervisors and managers attended classes held during the fourth quarter. The class for employees, entitled *Sexual Harassment: Employee Rights and Responsibilities* provides information on the law and on employees' rights and responsibilities as they relate to sexual harassment. Over 120 employees attended during the fourth quarter. Both classes will continue to be offered throughout the next year.

Community Relations Office

The Community Relations Office, begun in January of 1992, is helping LBL to strengthen its good-neighbor standing in the surrounding communities to find new opportunities for creating awareness of LBL in the Bay Area; and to provide tours for the general public. Shaun Fennessey is the new Community Relations Specialist.

Culture of Women and Science

In June 1992, the Laboratory joined with the National Science Foundation and the University of California at Berkeley in sponsoring a three-day workshop entitled *The Changing Culture in Science - Bringing it into Balance*. Approximately 100 participants from across the United States convened in

Berkeley to develop strategies for accelerating positive change in the environment of our schools and laboratories in order to improve, in particular, the integration of women and underrepresented minorities.

Dependent Care Survey

In July 1992, the Laboratory conducted a survey to determine employee needs in terms of child care and adult care responsibilities, the impact of these responsibilities on employees' worklives and to seek suggestions for programs and benefits that would support employees. Approximately 75 percent of the employees responded to the survey, with almost half indicating they had either child care or adult care responsibilities. The results of the survey are now under review by Laboratory management.

Commitment to People Task Force

In November 1992, the Laboratory convened a task force chaired by Roger Bangerter with a charter to identify steps the Laboratory may take to improve the quality of worklife at LBL. The task force's recommendations will be formulated and reviewed by management in 1993.

PROGRESS IN ATTAINING 1992 LABORATORY-WIDE AFFIRMATIVE ACTION GOALS

Tables 1 and 2 show the Laboratory's progress in attaining goals and addressing underutilization of females and minorities in 1992.

Underutilization of Females

The 1992 Affirmative Action Plan reported underutilization of females in 19 job groups. For each job group, the affirmative action goal (column #5) is the product of the number of vacancies filled (column #4) and the availability/placement rate (column #3). This formula for determining a goal is consistent with the Laboratory's commitment to hire or promote the underutilized class at a rate that is equal to or greater than the availability/placement rate. The results in brief are:

- In six job groups, the Laboratory attained its goals.
- In four job groups, the Laboratory made progress in attaining its goals.
- In nine job groups, the Laboratory made no progress in attaining its goals.

Table 1 shows, by job group, the results of the Laboratory's efforts.

Table 1
Progress in Attaining Affirmative Action Goals for Females in 1992

Job Group	Under-Utilization Number	Availability Placement Rate	Vacancies Filled	Goal	Females Hired	Status
A01-Directors	4	27.3	3	1	0	No progress
A03-Mgrs/Admrs	1	32.24	15	5	8	Goal attained
B02-Chemistry	1	28.5	22	1	5	Goal attained
B04-Math/Stat	3	23.05	12	2	3	Goal attained
B05-Elec & Electrn Eng	3	6.25	15	1	0	No progress
B06-Mech Eng	3	5.60	10	0	1	Progress
B11-Research Assoc	32	76.18	44	3	20	Progress
B12-Tech/Design Assoc	27	22.93	12	2	0	No progress
B15-Accel Operators	4	37.01	4	1	1	Goal attained
C01-Computer	2	38.01	1	0	0	No progress
C02-Mechanical	2	6.10	6	0	1	Progress
C03-Electronics	6	12.44	15	2	0	No progress
C04-Tech Research	6	47.71	4	2	3	Goal attained
C05-Graphics	5	31.14	4	1	0	No progress
C06-Health/Medical	9	38.14	19	77	5	Progress
E01-Machinists (entry)	5	30.12	4	1	0	No progress
E02-Machinists (journey)	4	4.13	11	0	0	No progress
E03-Blue Collar Supvs	2	5.39	2	0	0	No progress
F01-Semi Skilled	1	16.91	1	0	5	Goal attained
Total	119		204		52	

Underutilization of Minorities

The 1992 Affirmative Action Plan reported underutilization of minorities in 18 job groups. For each job group, the affirmative action goal (column #5) is the product of the number of vacancies filled (column #4) and the availability/placement rate (column #3). This formula for determining a goal is consistent with the Laboratory's commitment to hire or promote the underutilized class at a rate that is equal to or greater than the availability/placement rate. The results in brief are:

- In four job groups, the Laboratory attained its goals.
- In three job groups, the Laboratory made progress in attaining its goals.
- In eleven job groups, the Laboratory made no progress in attaining its goals.

Table 2 shows, by job group, the results of the Laboratory's efforts.

Table 2
Progress in Attaining Affirmative Action Goals for Minorities in 1992

<u>Job Group</u>	<u>Under- Utilization Number</u>	<u>Availability/ Placement Rate</u>	<u>Vacancies Filled</u>	<u>Goal</u>	<u>Minorities Hired</u>	<u>Status</u>
A01-Directors	1	12.68	3	0	0	No progress
A03-Mgrs/Admrs	1	15.51	1	0	1	Goal attained
B04-Math/Stat	3	13.99	12	1	0	No progress
B05-Elec & Electrn Eng	4	17.67	15	2	1	Progress
B06-Mech Eng	1	19.84	10	1	0	No progress
B11-Research Assoc	6	21.70	44	6	0	No progress
B12-Tech/Design Assoc	9	22.79	12	2	0	No progress
B15-Accel Operators	3	27.92	4	1	0	No progress
C02-Mechanical	1	18.90	6	1	0	No progress
C03-Electronics	3	30.61	15	3	0	No progress
C04-Tech Research	2	28.92	4	1	1	Goal attained
C05-Graphics	1	26.99	4	1	0	No progress
C06-Health/Medical	6	27.84	19	5	2	Progress
D02-Clerical Supvrs	8	35.30	63	8	16	Goal attained
E01-Machinists (entry)	3	43.88	4	1	1	Goal attained
E02-Machinists (journey)	12	32.83	11	3	1	Progress
E03-Blue Collar Supvs	3	16.60	2	0	0	No progress
F01-Semi-Skilled	2	38.0	1	0	0	No progress
Total	70		245		23	

*Appendix F Objective Standard of Performance
Based on Self-Evaluation*

Part IV: Property Management and Procurement

This section contains the results of LBL's self-assessment of the performance measures found in Contract 98, Appendix F, Section A, Part IV: Property Management and Procurement.

Portion A: Property Management

Objective Standard A.1: The Laboratory shall have and maintain a property management system, as provided in Article IX, Clause 1, "Property," of the prime contract, approved by the University and DOE.

Reference to Applicable Laws, Orders and Regulations:

Contract No. DE-AC03-76SF00098 (Effective October 1992).

Federal Property Management Regulations, 41 CFR Chp. 101.

Department of Energy Property Management Regulations, 41 CFR Chp. 109.

Department of Energy Acquisition Regulations, Part 970 DOE Management & Operating Contracts.

Reference to Applicable UC and Lab Policies and Procedures:

LBL Property Management Guide (March 1990) - DOE approved.

University of California Laboratories Joint Property Management Policies and Procedures, - Approval pending (March 1993).

LBL Regulations and Procedures Manual (July 1992).

LBL Materiel Management Standard Procedures Manual.

Reference to Applicable Audits/Reviews/Appraisals:

The following is a list of open audits/reviews/appraisals:

DOE-SF Personal Property Management Review FY89-90.

DOE-SF Personal Property Management Review FY91-92 (final report pending).

LBL Internal Audit Report No. 1401 - Sensitive Property (June 1992).

LBL Internal Audit Report No. 1403 - Plant Equipment Accounting (December 1992).

Measurement Process:

Lawrence Berkeley Laboratory has a DOE approved Property Management system. The FY89-90 Personal Property Management Review (PPMR) is the most recent review completed. DOE-SF approved the system on November 14, 1990. During FY91, functional audits of specific property areas were performed. On August 25, 1992 DOE-SF advised LBL that all recommendations from the FY89-90 PPMR were closed. The FY91-92 PPMR field work has been completed and the final report is pending. Discussions with the DOE-SF Property Administrator have defined the areas where recommendations will be made. Property Management staff had previously recognized concerns in the subcontract administration area and had initiated corrective actions. Property

Portion A: Property Management

staff are developing alternative methods to communicate Laboratory management and DOE's concerns to the Laboratory community.

Upon receipt of the final FY91-92 PPMR report, the Property Management office will respond to specific recommendations and prepare a corrective action plan. The Laboratory anticipates an overall system rating of "Satisfactory". However, the Property Management staff will continue to improve methods used for performing property management functions at LBL and perform self assessments to determine if we are satisfying both internal and external requirements.

Summary of Findings From Existing Audit/Reviews/Appraisals:

General:

The FY89-90 PPMR indicated that LBL's management of Government personal property needs improvement. Data accuracy of the Property Management and Accounting System (PMAS) database was a concern, based on the difficulty of locating a random sample of 54 items. Due to the time and effort spent during the review several areas were selected for a later functional review. They were: Borrowers, Controlled Substances, Equipment Pools, Inventory, Loans, Precious Metals, and Stores. Findings from these reviews were then closed out and accepted by DOE-SF.

Strengths of the Current System:

The strengths of LBL's senior management support to DOE's conclusions were shown by immediate steps taken to respond in a positive proactive manner. A presentation was given to the Director's Action Committee detailing the specific recommendations and identifying the Action Plan. Four specific action steps were covered in the plan and received approval. A key element in the presentation was a definition of Director and Division Director responsibilities and a detailed list of Division responsibilities.

Based on the corrective actions, DOE approved the Property Management system and recognized Property Management's staff for their exceptional cooperation and assistance.

Weaknesses of the Current System:

Change of equipment locations were not being performed by the custodian and no gate checks were being performed to deter unauthorized removal of government property. ADP and copying equipment were held in storage and not being fully utilized.

Defining equipment as sensitive was previously performed by Property Management, which allowed for a delay between when Property Accounting

Portion A: Property Management

entered the record and Property Management later identified the item as sensitive.

General Recommendations:

All recommendations from the PPMR have been closed out. It is recommended continued work with divisional personnel is necessary to remind them of their property responsibility over government property.

Corrective Action Plan:

The corrective action plan has been closed out, and all recommendations responded to. Agreement was reached to transfer the responsibility to enter data identifying an item as sensitive to Property Accounting to ensure a more timely input of that information. Due to the issues raised in the PPMR regarding PMAS accuracy, consideration was given to the feasibility of establishing an Electronic Equipment Movement Record (EEMR) application. Since then, this application has been developed and is in operation. EEMR allows for Laboratory employees to enter record changes in a paperless environment, electronically, with two separate reviews.

Description of Progress Since Existing Review:

Property Management personnel have continued to work with divisions to maintain accurate records and the draft of the FY91-92 PPMR indicated that, for both capital and sensitive equipment, all items selected in a random sample were accounted for. Not all items were found where the record indicated.

Key Milestones:

Develop Action Plan to FY91-92 PPMR.

September
30, 1993

Portion A: Property Management

Other Comments/Future Issues:

A new invisible ultraviolet dye is being applied to equipment in the receiving process to ensure a higher level of security over equipment.

Approval Review:

Office of Primary
Responsibility:

Property Management

Office of Primary
Responsibility Manager:

Gavin M. Robillard

Gavin Robillard

4/28/93

Date

Functional Area:

Property Management and Procurement

Functional Manager:

Richard Medel

Richard Medel

4/29/93

Date

Office of Contract
Administration:

David C. Shepherd

David C. Shepherd

4/29/93

Date

Portion A: Property Management

Objective Standard A.2: Beginning January 1, 1993, the Laboratory will perform an inventory of capital equipment every two years in accordance with the approved personal property management policies and procedures. Any resulting inventory write-off of the financial records shall be done in accordance with the approved personal property management policies and procedures. Property and financial records will be reconciled within 180 days after conclusion of the inventory.

Applicable Laws, Orders and Regulations:

Contract No. DE-AC03-76SF00098 (Effective October 1992).

Federal Property Management Regulations, 41 CFR Chp. 101.

Department of Energy Property Management Regulations, 41 CFR Chp. 109.

Department of Energy Acquisition Regulations, Part 970 DOE M&O Contracts.

Applicable UC and Lab Policies and Procedures:

LBL Property Management Guide (March 1990) - DOE approved.

University of California Laboratories Joint Property Management Policies and Procedures, - Approval pending (March 1993).

LBL Regulations and Procedures Manual (July 1992).

LBL Materiel Management Standard Procedures Manual - Section 70.01 (February 1993).

Applicable Audits/Reviews/Appraisals:

The following is a list of open audits/reviews/appraisals:

DOE-SF Personal Property Management Review FY91-92 (final report pending).

LBL Internal Audit Report No. 1403 - Plant Equipment Accounting (December 1992).

Measurement Process:

It is Laboratory policy that efficient use be made of all materials in its custody and that adequate care be taken to protect material from loss or damage. Each Laboratory Division is responsible for planning its own property requirements, for the allocation, use and maintaining of its property resources. Materiel Management's Property Management Section is responsible for developing, implementing, and maintaining an overall institutional process that results in the effective management, utilization, and disposition of government property.

Portion A: Property Management

The Property Management Section utilizes the Inventory-By-Exception (IBE) inventory methodology. Capital equipment is inventoried biennially. The inventory is performed in five cycles per year, with three phases per cycle. The first phase is to create an inventory list and confirm if the equipment is located in its recorded location. The inventory list is created via a computer software application that generates an equipment listing based on a comparison of the baseline survey date and the current recorded survey date. Property Management personnel go to the recorded location and verify the location. A bar code reader is used to read the bar code property number, the building and room location is entered by hand. If specific equipment is not verified in the room and the custodian provides a current location elsewhere, the Property Assistant goes to that location and confirms the location. This concludes the first phase of reconciliation.

The second phase relates only to property items not previously inventoried. A new list is created, using the original criteria, that identifies only the residual property not located during the first phase. The report is sorted on the User Account field as established in the Laboratory Account Master. A cover memo is sent to Division Administrators requesting their assistance in locating the property. Normally the Division Administrators have Property Coordinators perform the actual field work. After the equipment is located and Property Management advised, property staff then verifies the location and updates the record using the bar code reader.

If the residual equipment location is not updated during phase two, then in phase three a transaction is entered on the equipment record. This transaction identifies that the equipment has previously been searched for and was not located. The property record is still maintained on the Property Management and Accounting System asset file, and at any time during the following cycles, if it is inventoried the record is updated, identifying the current location.

At the end of the five inventory cycles for the year, a three step administrative process is initiated. These steps are similar to the previous phases except at the conclusion of step three all residual property not inventoried is subject to be written off. Step one is to produce a composite list of all unlocated property from each of the previous five cycles. This list is then distributed to Division Administrators, with an accompanying cover letter, identifying the need to locate the residual property listed on the report. During this phase both divisional and property personnel perform a dedicated search for the equipment. The bar code reader is used to verify equipment locations.

Step two is based on either the divisions locating an acceptable book value of equipment or that 180 days have passed since the completion of the inventory. Closure to this step consists of a memo being sent to each Division Director

Portion A: Property Management

requesting their concurrence on retiring the equipment on the residual discrepancy list.

Step three of the inventory process is based on the Materiel Manager concurring with the total write off and a request is submitted to Property Accounting to perform the actual write off, based on the residual discrepancy list. Concurrently, a detailed list of property items being retired is distributed to DOE-SF.

Performance Results:

General:

The Laboratory's goal is to verify at least 95% of the book value of property in the Property Management and Accounting System master file. This goal was achieved in both FY91 and FY92. Year end adjustments are performed annually for the year preceding the current inventory. Reports are submitted to DOE-SF identifying specific equipment retired as unlocated and an explanation regarding the efforts performed to verify the unlocated property. Any property retired from the master file that is located after retirement, is reacquired and placed back on the property file.

Strengths of the Current System:

LBL has utilized an automated IBE process for the last six years and it is used as a basis for defining the property that will be written off. The inventory process consists of scanning a bar coded number and then the bar code reader calculates the check digit and performs a verification against the property number read. Discrepancies are identified immediately and are resolved based on an inspection of the bar code label or a search of the property database. An item previously retired as unlocated is reacquired if found at a later date. Specific procedures have been developed for both the field work and the interface with computer application for extracting inventory reports.

Greater communication and support has been established with Division Administrators and their Property Coordinators. Property Management has hosted meetings with them and in some cases made presentations at Divisional staff meetings. Articles regarding various facets of the property life cycle frequently appear in the Business and Materiel Service Update. Property Management personnel make presentations at the bi-weekly New Employees Orientation, advising them of their responsibility regarding the control and utilization of property.

A new Electronic Equipment Movement Record (EEMR) computer application has been developed and made available to the entire Laboratory community. The EEMR allows users to go into a shadow

Portion A: Property Management

property database and modify the property location, without the use of paper or multi-part forms. The Division Administrator and/or their designee then review the modification and either approve or disapprove the transaction. All transactions approved by the divisions are then reviewed by Property Management personnel prior to their updating of the official record.

Weakness of the Current System and Related Recommendations:

There are two primary areas of concern. The first is the requirement to maintain high visibility over the use and control of equipment by employees. This weakness is being mitigated through a variety of activities, such as: articles in the Business and Materiel Service Update, contact with personnel while in the field, promotion of the new on-line software applications, changes to the employee termination process, etc. Other DOE contractors are contacted for alternative approaches to develop awareness, on the part of employees, over control of equipment.

The second is a concern which surfaced when Property Management conducted a self assessment in preparation for the DOE-SF Personal Property Management Review FY91-92. It became evident that LBL had not developed or implemented adequate procedures in either Property Management or Purchasing to ensure that government furnished property (GFP) or subcontractor acquired property (SAP) was properly identified and controlled. Refer to Objective Standard of Performance, A.6 Property for recommendations and corrective action plan applicable to GFP and SAP.

General Recommendations:

Develop recognizable benefits to the Lab community for effective property management control, accountability and utilization.

Corrective Action Plan:

Property Management is working closely with both research and administrative organizations to resolve property issues. Property Management personnel were involved in developing a new employee termination process which was recently implemented. The new procedure addresses property transfer requirements and holds the divisional Personnel Administrator and the supervisor much more accountable.

Portion A: Property Management

Key Milestones:

Submit capital equipment year end
adjustment to DOE-SF for FY93.

April 1,
1994

Other Comments/Future Issues:

None.

Approval Review:

Office of Primary
Responsibility:

Property Management

Office of Primary
Responsibility Manager:

Garvin M. Robillard
Garvin Robillard

4/28/93
Date

Functional Area:

Property Management and Procurement

Functional Manager:

Richard Medel
Richard Medel

4/29/93
Date

Office of Contract
Administration:

David C. Shepherd
David C. Shepherd

4/29/93
Date

Portion A: Property Management

Objective Standard A.3: Beginning January 1, 1993, the Laboratory will perform an inventory of sensitive equipment every year in accordance with the approved personal property management policies and procedures. Any resulting inventory write-off of the financial records shall be done in accordance with the approved personal property management policies and procedures. Property and financial records will be reconciled within 180 days after conclusion of the inventory.

Applicable Laws, Orders and Regulations:

Contract No. DE-AC03-76SF00098 (Effective October 1992).

Federal Property Management Regulations, 41 CFR Chp. 101.

Department of Energy Property Management Regulations, 41 CFR Chp. 109.

Department of Energy Acquisition Regulations, Part 970 DOE M&O Contracts.

Applicable UC and Lab Policies and Procedures:

LBL Property Management Guide (March 1990) - DOE approved.

University of California Laboratories Joint Property Management Policies and Procedures - Approval pending (March 1993).

LBL Regulations and Procedures Manual (July 1992).

LBL Materiel Management Standard Procedures Manual - Section 70.01 (February 1993).

Applicable Audits/Reviews/Appraisals:

The following is a list of open audits/reviews/appraisals:

DOE-SF Personal Property Management Review FY91-92 (final report pending).

LBL Internal Audit Report No. 1401 - Sensitive Property (June 1992).

Measurement Process:

It is Laboratory policy that efficient use be made of all materials in its custody and that adequate care be taken to protect material from loss or damage. Each Laboratory Division is responsible for planning its own property requirements, for the allocation, use and maintaining of its property resources. Materiel Management's Property Management Section is responsible for developing, implementing, and maintaining an overall institutional process that results in the effective management, utilization, and disposition of government property.

The Property Management Section utilizes the Inventory-By-Exception (IBE) inventory methodology. Sensitive equipment is inventoried annually. The

Portion A: Property Management

inventory is performed in five cycles per year, with three phases per cycle. The first phase is to create an inventory list and confirm if the equipment is located in its recorded location. The inventory list is created via a computer software application that generates an equipment listing based on a comparison of the baseline survey date and the current recorded survey date. Property Management personnel go to the recorded location and verify the location. A bar code reader is used to read the property number, the building and room location is entered by hand. If equipment is not verified in the room and the custodian provides a current location elsewhere, the Property Assistant confirms the new location and enters the new location into the bar code reader. This concludes the first phase of reconciliation.

The second phase relates only to property items not previously inventoried. A new list is created, using the original criteria, that identifies only the residual property not located during the first phase. The report is sorted on the User Account field as established in the Laboratory Account Master. A cover memo is sent to Division Administrators requesting their assistance in locating the property. Normally the Division Administrators have Property Coordinators perform the actual field work. After the equipment is located and Property Management advised, property staff then verifies the location and updates the record using the bar code reader.

If the residual equipment location is not updated during phase two, then in phase three a transaction is entered on the equipment record. This transaction identifies that the equipment has previously been searched for and was not located. The property record is still maintained on the Property Management and Accounting System (PMAS) asset file, and if it is inventoried at any time during the following cycles, the record is updated, identifying the current location.

At the end of the five inventory cycles for the year, a three step administrative process is initiated. These steps are similar to the previous phases except at the conclusion of step three all residual property not inventoried is subject to be written off. Step one is to produce a composite list of all unlocated property from each of the previous five cycles. This list is then distributed to Division Administrators, with an accompanying cover letter, identifying the need to locate the residual property listed on the report. During this phase both divisional and property personnel perform a dedicated search for the equipment. The bar code reader is used to verify equipment locations.

Step two is based on either the divisions locating an acceptable book value of equipment or that 180 days having passed since the completion of the inventory. Closure to this step consists of a memo being sent to each Division Director requesting their concurrence on retiring the equipment on the residual list.

Portion A: Property Management

Step three of the inventory process is based on the Materiel Manager concurring with the total write off and a request being submitted to Property Accounting to perform the actual write off, based on the residual list. Concurrently, a detailed list of property items being retired is distributed to DOE-SF.

Performance Results:

General:

The Laboratory's goal is to verify at least 95% of the book value of property in the Property Management and Accounting System master file. This goal was achieved in both FY91 and FY92. Year end adjustments are performed annually for the year preceding the current inventory. Reports are submitted to DOE-SF identifying specific equipment retired as unlocated and an explanation regarding the efforts performed to verify the unlocated property. Any property retired from the master file that is located after retirement, is reacquired and placed back on the property file.

Strengths of Current System:

Sensitive property definition, policies and procedures are included in the Property Management Guide. Criteria for defining property as sensitive is based on high appeal for personal use. Laboratory policy prohibits the personal use of sensitive property. In order to control sensitive property, each item is identified with a unique numeric identification label, a custodian is associated with each sensitive item, and it is inventoried annually. During the receipt and identification process a blank Equipment Movement Record form and a copy of the Policy and Procedure on Security Guidelines for Microcomputers is included with the equipment. Representatives of Property Management familiarize new Laboratory employees on the use of government property and their custodial responsibilities for the control and utilization of sensitive property, at bi-weekly orientations.

Weaknesses of Current System and Related Recommendations:

Property Management should periodically remind Laboratory employees of their responsibility for reporting custody and location changes of sensitive property assigned to them. Property Accounting should develop a process to periodically reconcile sensitive property record changes.

General Recommendations:

Property Management should continue to prepare articles to remind employees of their property responsibility utilizing LBL's weekly newspaper, the Currents, and the Business and Materiel Service Update. Alternative avenues need to be pursued to ensure Laboratory personnel understand their responsibility over sensitive property and the appropriate procedure to transfer accountability.

Portion A: Property Management

Corrective Action Plan:

The Business and Materiel Service Update will continue to be used to communicate property custodian responsibility as well as other property management issues. Property Management will regularly distribute a report to all custodians of sensitive property identifying the equipment under their control. Property Management will work with Property Accounting to determine if a quarterly reconciliation of sensitive property record changes is feasible.

Key Milestones:

Property Management will continue, to remind Laboratory employees of their responsibility regarding the control and utilization of sensitive property and it will be incorporated in Administration Division's functional Notebook.

October 31,
1993

Submit sensitive property year end adjustment to DOE-SF for FY94.

April 30,
1994

Other Comments/Future Issues:

An annual review of the equipment classified as sensitive will be considered to ensure that appropriate new state-of-the-art equipment should be identified as sensitive. The use of invisible dye mark for additional security control of sensitive items is under consideration.

Approval Review:

Office of Primary
Responsibility:

Property Management

Office of Primary
Responsibility Manager:

Gavin Robillard

4/28/93
Date

Functional Area:

Property Management and Procurement

Functional Manager:

Richard Medel

4/29/93
Date

Office of Contract
Administration:

David C. Shepherd

4/29/93
Date

Portion A: Property Management

Objective Standard A.4: Beginning January 1, 1993, the Laboratory shall ensure completion of walkthroughs of all Laboratory facilities during a two-year cycle and conducted in accordance with approved personal property management policies and procedures. Results of walkthroughs and resulting follow-up actions shall be reported to the DOE Property Administrator on a quarterly basis.

Applicable Laws, Orders and Regulations:

Contract No. DE-AC03-76SF00098, (Effective October 1992).

Federal Property Management Regulations, 41 CFR Chp. 101.

Department of Energy Property Management Regulations, 41 CFR Chp. 109.

Department of Energy Acquisition Regulations, Part 970 DOE Management & Operating Contracts.

Applicable UC and Lab Policies and Procedures:

LBL Property Management Guide, (March 1990) - DOE approved.

University of California Laboratories Joint Property Management Policies and Procedures- Approval pending (March 1993).

LBL Regulations and Procedures Manual (July 1992).

Applicable Audits/Reviews/Appraisals:

The following is a list of open /audits/reviews/appraisals:

DOE-SF Personal Property Management Review FY91-92 (final report pending).

Measurement Process:

A key element to substantiate the effective management and utilization of equipment is the process of performing a bi-annual walkthrough. In preparation for performing the walkthrough, an analysis will be performed to determine by division, the administrative and programmatic areas under their control. During the FY93 walkthrough two approaches will be used to compare and define the space occupied by each division. First a report will be extracted from the Property Management and Accounting System (PMAS) which identifies and sorts in consecutive order, each building and room where property belonging to a division is located. A second report sorted in the same manner will be obtained from the Facilities Department and used to identify the occupant of each room by division.

The two reports are compared to establish a composite list by division. After the master list is established, the Property Manager will develop an overall schedule, assigning each division a one month block of time. A meeting with

Portion A: Property Management

each Division Administrator will be conducted to review the locations identified and the schedule for performing the walkthrough, as well as, to provide guidance concerning their responsibilities during the walkthrough. Specific issues will include the need for their active participation and necessity for it, and the decision making process between themselves and other division personnel and the role of Property Management personnel. Division Administrators will be advised of follow-up actions required for effective reutilization and disposal of equipment that is determined to be idle.

Next, Property Management staff and the Division Administrator agree on a specific schedule for the walkthrough. The walkthrough may be scheduled for several days in a week, not necessarily five days in consecutive order, thus allowing the administrators to perform their normal duties. Division Administrators may distribute in advance, written notices to division staff members announcing the walkthrough and requesting the participation of specific principle investigators during review of their areas.

Department of Energy (DOE) personnel will be advised of the schedule, in advance, and invited to attend all walkthroughs. In the past, DOE representative's have participated in the walkthroughs.

The level of performance will be measured by comparing the areas inspected and documented against the total available area; typically this will be done by building. Verification of the process will be based on comparing the flow of equipment and material moving into excess, salvage, and equipment pool areas.

During the walkthrough both Property Management and divisional representatives will create a list of equipment determined to be idle. As each specific item is so designated, the disposition will be determined by the Property representative. Based on condition, applicability for reuse, and value, disposition will be to either Excess Screening, the Property Disposal Center for salvaging, or to the appropriate equipment pool. In some cases, equipment may be reassigned for other divisional use and the division representative will advise the Property Management office of this. After the walkthrough has been completed, an analysis will be performed to determine the dollar value of equipment and materials determined to be idle. Current market value estimates will be used for non property numbered equipment and materials. The acquisition value of all property numbered equipment will be determined from the Laboratory's property data base. At the conclusion of the Laboratory walkthrough a summary report will be submitted to DOE-SF identifying the total dollar value of equipment moving into either excess, salvage, or equipment pools.

Portion A: Property Management

Performance Results:

General:

The Laboratory's goal is to physically inspect all facilities and check for equipment that is idle and not being used. The walkthrough is performed every other year and is a systematic and structured process. The next walkthrough has been scheduled to start on June 1, 1993 and three Property Management staff members will participate, in conjunction with Division Administrators.

Strengths Of Current System:

A Division Administrator or their designee accompany property representatives in the inspection of all buildings, trailers, transportainers, and metal sheds on the Laboratory facility. The walkthrough is a very effective opportunity to establish communication with principle investigators and researchers. The researchers benefit by gaining access to released equipment from other areas and by reexamining their own requirements and assessing what equipment they have an active or projected requirement for in their research. It also provides an opportunity for the Division Administrator and Property Management personnel to work closely as they visit each facility at the Laboratory.

Weaknesses of the Current System and Related Recommendations:

Neither LBL's self assessment nor the DCE FY91-92 Personal Property Management Review draft report identified any weaknesses with the walkthrough process.

General Recommendations

Promote the walkthrough process by preparing articles for Currents and the Business and Materiel Service Update in advance of the walkthrough. Continue to improve the walkthrough methodology and work to gain support from the Laboratory research community.

Corrective Action Plan:

Investigate feasibility of incorporating safety inspections and/or clean-up campaigns with the walkthrough process.

Portion A: Property Management

Key Milestones:

Initiate the FY93 walkthrough process.

June 1,
1993

Close out the walkthrough process.

September
30, 1993

Other Comments/Future Issues:

None.

Approval Review:

Office of Primary
Responsibility:

Property Management

Office of Primary
Responsibility Manager:

Gavin M. Robillard
Gavin Robillard

4/28/93
Date

Functional Area:

Property Management and Procurement

Functional Manager:

Richard Medel
Richard Medel

4/29/93
Date

Office of Contract
Administration:

David C. Shepherd
David C. Shepherd

4/29/93
Date

Portion A: Property Management

Objective Standard A.5: Beginning January 1, 1993, the Laboratory shall conduct an annual review of equipment held for future use in accordance with the approved personal property management policies and procedures.

Reference Applicable Laws, Orders and Regulations:

Contract No. DE-AC03-76SF00098 (Effective October 1992).

Federal Property Management Regulations, 41 CFR Chp. 101.

Department of Energy Property Management Regulations, 41 CFR Chp. 109.

Department of Energy Acquisition Regulations, Part 970 DOE Management & Operating Contracts.

Reference Applicable UC and Lab Policies and Procedures:

LBL Property Management Guide (March 1990) - DOE approved.

University of California Laboratories Joint Property Management Policies and Procedures - Approval pending (March 1993).

LBL Regulations and Procedures Manual (July 1992).

LBL Materiel Management Standard Procedures Manual - Section 12.01 (October 1992).

Reference Applicable Audits/Reviews/Appraisals:

The following is a list of open audits/reviews/appraisals:

DOE-SF Personal Property Management Review FY89-90.

DOE-SF Personal Property Management Review FY91-92 (final report pending).

Measurement Process:

LBL Property Management personnel annually perform a review of equipment HFFP. The review evaluates the documentation to support justification of continued storage of equipment and checks for signature authority on the justification forms. In addition, as part of the recent PPMR, a DOE Property Administrator reviewed the warehouse facility and determined that the warehousing and storage operation were being performed following generally accepted storage practices.

Summary of Findings From Existing Reviews:

General:

In the prior review there were no recommendations addressing HFFP.

Portion A: Property Management

Strengths of Current System:

The annual Warehouse Review program receives senior management support and attention. Division Administrators are the primary point of contact between the divisions and the warehouse supervisor. All equipment and materials in storage are controlled via a unique storage tag number. The data is entered into a database application allowing for query access and ease of updating capability. The database may be queried on-line by Laboratory personnel via the VAX mainframe computer, on the Toolkit application.

Weaknesses of Current System:

Written justifications to retain HFFP material in storage need to be improved. Documentation needs to be more stringently reviewed.

General Recommendations:

Ensure Division Administrators are made aware of the requirement to explain in narrative the project equipment is being held for. The warehouse supervisor should institute improved review procedures. Property Management should perform a random sampling of HFFP justifications and signature authorizations.

Corrective Action Plan:

Warehouse supervisor will meet with Division Administrators and establish improved review procedures. Property Management will verify if the review procedures have been performed.

Descriptions of Progress Since Existing Review:

Warehouse supervisor advised of methodology to be used in reviewing storage requests for HFFP and Division Administrators informed of new review process.

Key Milestones:

Meet with Division Administrators to provide review documents and information.	April 16, 1993
Review all FY93 HFFP forms for adequate justification and signature authority.	September 30, 1993

Portion A: Property Management

Other Comments/Future Issues:

None.

Approval Review:

Office of Primary
Responsibility:

Property Management

Office of Primary
Responsibility Manager:

Gavin M Robillard
Gavin Robillard

4/28/93
Date

Functional Area:

Property Management and Procurement

Functional Manager:

Richard Medel
Richard Medel

4/29/93
Date

Office of Contract
Administration:

David C Shepherd
David C. Shepherd

4/29/93
Date

Portion A: Property Management

Objective Standard A.6: The Laboratory will ensure annual property management reviews of at least ninety-five percent (95%) of all subcontracts with Government property either by self-evaluation, on-site reviews, or delegation of this responsibility.

Applicable Laws, Orders and Regulations:

Contract No. DE-AC03-76SF00098 (Effective October 1992)..

Federal Property Management Regulations, 41 CFR Chp. 101.

Department of Energy Property Management Regulations, 41 CFR Chp. 109.

Department of Energy Acquisition Regulations, Part 970 DOE Management & Operating Contracts.

Applicable UC and Lab Policies and Procedures:

LBL Property Management Guide (March 1990) - DOE approved.

University of California Laboratories Joint Property Management Policies and Procedures - Approval pending (March 1993).

LBL Regulations and Procedures Manual (July 1992).

LBL Materiel Management Standard Procedures Manual - Section 70.07 (DRAFT developed as of January 1993).

Applicable Audits Reviews/Appraisals:

The following is a list of open audits/reviews/appraisals:

DOE-SF Personal Property Management Review FY89-90.

DOE-SF Personal Property Management Review FY91-92 (final report pending).

Measurement Process:

The FY89-90 Personal Property Management Review (PPMR) identified a primary concern in the subcontract administration area. Property Management had not previously been provided copies of all subcontracts when they were established with government furnished property (GFP) or subcontractor acquired property (SAP). Shortly after the conclusion of the review, the Purchasing Manager distributed a memo to all Purchasing's staff advising them of the requirement to provide a copy of subcontracts or purchase orders that involved government property, to Property Management.

A self assessment by the Property Management staff was performed on subcontracts. The objective was to identify, in phases, subcontracts that involved GFP or SAP and to establish property management controls with the subcontractors. The initial phase was limited to subcontracts over \$500,000.

Portion A: Property Management

Based on this review it was recognized that a more formal Subcontract Administration review process and additional effort was required.

Once the additional effort was assigned, the reviews continued using a lower dollar value threshold at each phase. The second phase used a \$250,000 threshold, followed by the third phase at \$100,000. The final phase included any subcontract below \$100,000. The criteria used for determining if GFP or SAP was involved was based on an examination of the subcontract documentation in Purchasing's records. In many cases the technical representative would indicate that there was no property involved. Documents from the technical representative were used to extend, close out or transfer subcontracts.

When it was determined that a subcontractor held GFP or SAP, Property Management contacted the subcontractor and requested they complete a modified version of the standard DOE Self-Evaluation Questionnaire for Subcontractors. Upon receipt of the Questionnaire, Property Management personnel evaluated the subcontractor's response and determined if they had an acceptable property management system, or if a federal auditing agency had secondary delegation authority. Subcontractors with a low dollar value of government equipment, who did not previously have an established property system, were provided documentation for a generic property system that the subcontractor could utilize and avoid significant costs. Subcontract Administration files have been established and complete documentation is maintained in the Property Management office.

Summary of Findings From Existing Audits/Reviews/Appraisals:

General:

Recommendations from the FY89-90 PPMR identified the need for Property Management to become involved early in the subcontract process to assure GFP or SAP is controlled properly and subcontractor's property systems are documented and approved.

Strengths of Current System:

Purchasing's subcontract administrators incorporate a Property clause in subcontracts when property is involved and they request guidance from Property Management on disposal of residual property prior to the close of the subcontract. Based on Property Management's review of Shipping Documents they become aware of GFP.

Weaknesses of Current System:

Property Management is not informed of SAP as it is procured by the subcontractor. However, when the subcontract administrator receives a copy of the subcontractor's equipment inventory a copy is provided to Property Management, which is normally submitted at the termination of the

Portion A: Property Management

subcontract. In such cases, no reviews of subcontractor Property Management systems are being performed.

General Recommendations:

A methodology for evaluating subcontractors Property Management systems should be established and existing subcontractors need to be brought into compliance. Property Management should perform subcontract reviews based on a random sampling of newly established subcontract/purchase orders to verify receipt from Purchasing. All open subcontracts should be reviewed to determine current contractual status and request inventory verifications by subcontractors.

Corrective Action Plans:

Property Management will develop procedures for the review of subcontractor's property systems. The procedures will include monitoring of subcontractors to ensure their property systems are maintained in an approved status.

Description of Progress Since Existing Review:

Since the FY89-90 PPMR, Property Management has expended significant efforts to establish control and utilization records for GFP or SAP at subcontractors locations and have performed subcontractor property systems reviews. Additional personnel have been added to the staff to assist in the subcontract administration area. Property Management procedures will include a thorough review of subcontract files. Previously, Property Management personnel had accepted the technical representative and/or subcontract administrator's documentation that there was no property involved. The new procedures will include a review of the subcontractor's actual invoices to verify if material and/or property is involved.

Key Milestones:

Formalize procedures for review of subcontractor's property system.	May 31, 1993
Complete response to FY91-92 PPMR recommendations.	September 30, 1993
Verify that at least ninety-five percent (95%) of all subcontracts with Government property have been reviewed.	October 1, 1993

Portion A: Property Management

Other Comments/Future Issues:

Purchasing is developing specifications for a new computer system and should consider identifying a data field to identify subcontracts that have property associated with them.

Approval Review:

Office of Primary
Responsibility:

Property Management

Office of Primary
Responsibility Manager:

Jan M. Robillard
Jan M. Robillard

4/28/93
Date

Functional Area:

Property Management and Procurement

Functional Manager:

R. Medel
Richard Medel

4/29/93
Date

Office of Contract
Administration:

David C. Shepherd
David C. Shepherd

4/29/93
Date

Objective Standard B.1: The Laboratory shall have and maintain a procurement system, as provided in Article VIII, Clause 1, "Contractor Purchasing System" of the prime contract approved by the University and DOE.

Reference to Applicable Laws, Orders, and Regulations:

Contract No. DE-AC03-76SF00098, Article VIII.

Department of Energy Acquisition Regulation (DEAR) 970.71.

Reference to Applicable UC and Laboratory Policies and Procedures:

University of California, Business and Finance Bulletin 43.

University of California, LBL/LLNL Procurement Guide.

University of California Laboratory Procurement Policy Manual (DOE approval pending).

University of California Laboratory Procurement Procedures Manual (under development).

LBL Buyer Memos - FY 1992 and 1993.

Applicable Audits/Reviews/Appraisals:

DOE Contract Purchasing System Reviews (CPSR) June 1991.

Subsequent Surveillance Reviews Since CPSR.

Measurement Process:

This self assessment is based on the June 1991 CPSR, subsequent reviews, and a review of Article 8, Clause 1 requirements, performed by both internal and external sources.

Summary of Findings From Existing Reviews:

General:

The CPSR conducted in June 1991 assessed LBL's procurement system against the criteria contained in "The Guide for Performance of DOE Contract Purchasing System Reviews (CPSR) dated October 1990. The DOE approved system of policies and procedures described in the LBL/LLNL Purchasing Instructions was the system assessed. The system was approved May 8, 1992. Subsequent Surveillance Reviews have been made against the CPSR Guidelines.

Strengths of Current System:

The final report for the 1991 CPSR conducted in June 1991 was received by LBL in October 1991. It stated "Overall, the Purchasing and Material

Portion B: Procurement

Management Departments were found to be able and competent organizations."

Weaknesses of Current Systems:

The CPSR report noted weaknesses in the procurement system's formal policies, practices and procedures that were in need of revision, updating, or strengthening.

General Recommendations:

Procurement policies and procedures need to be written to reflect the requirements of the new prime contract and the Department of Energy Acquisition Regulations (DEAR) 970.71. Once approved by DOE, these new policies and procedures will replace those previously approved and currently in effect. In the interim, LBL should modify its practices as appropriate to reflect the federal norm and address the recommendations contained in the June 1991 CPSR.

Corrective Action Plan:

LBL, LLNL, and LANL are currently writing University of California Laboratory Procurement Policy and Procedures Manuals. These manuals, when approved by DOE, will replace the existing DOE approved Procurement Guide. The policies have been written and submitted to the UC Laboratory Administration office and DOE. Approval of the Procurement Policy Manual appears to be very near. The schedule for the Procedures Manual calls for all procedures to be written and completed by October 1, 1993. As procedures are written and agreed upon by the three Laboratories, they are being submitted to the UC Laboratory Administration office and DOE for review and comment. Appropriate changes suggested by UC or DOE are then incorporated into the procedures.

Description of Progress since Existing Reviews:

Since the June 1991 CPSR, LBL has been working to address the findings and recommendations discussed during the exit conference and in the final report. LBL has deferred issuing formal revisions to policies and procedures pending implementation of the new joint laboratory manuals. In the interim, training has been held and a series of Buyer Memos issued to implement the spirit of the recommendations and new contract requirements. Once the new manuals become official and implementation begins, additional training will be conducted (See Exhibit I).

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Key Milestones:

Receive DOE approval of joint University of California Laboratory Procurement Policy Manual.	April 30, 1993
Begin training on and implementation of Policy Manual.	May 7, 1993
Complete writing joint University of California Laboratory Procurement Procedures Manual.	October 1, 1993
Receive DOE approval of Procedure Manual.	December 1, 1993
Begin training on and implementation of Procedures Manual	December 6, 1993

Other Comments/Future Issues:

None

Approval Review:

Office of Primary Responsibility:

Purchasing

Office of Primary Responsibility Manager:

J.T. Beales

4/29/93
Date

Functional Area:

Property Management and Procurement

Functional Manager:

Richard Medel

4/29/93
Date

Office of Contract Administration:

David C. Shepherd

4/29/93
Date

Portion B: Procurement

Objective Standard B.2: Beginning January 1, 1993, LBL shall conduct, document and report the results to DOE of a full assessment of the Purchasing system consistent with current DOE Contractor Purchasing System Reviews (CPSR) criteria. The initial assessment will be completed by July 1, 1993.

Reference to Applicable Laws, Orders, and Regulations:

Contract No. DE-AC03-7600098, Appendix F.

Federal Acquisition Regulation (FAR).

Department of Energy Acquisition Regulation (DEAR).

Guide for Performance of DOE Contractor Purchasing System Reviews (CPSR), (October 1990).

Reference to Applicable UC and LBL Policies and Procedures:

University of California Business and Finance Bulletin 43.

University of California, LBL/LLNL Procurement Guide.

University of California Laboratory Procurement Policy Manual (pending DOE approval).

University of California Laboratory Procedures Manual (under development).

LBL Buyer Memos - FY 1992 and 1993.

Reference to Applicable Audits/Reviews/Appraisals:

The following is a list of open audits/reviews/appraisals:

DOE Contractor Purchasing System Review (June 1991).

Follow-up Surveillance Reviews

Measurement Process:

LBL has a DOE-approved procurement system based on previous CPSR's. The most recent CPSR was performed in June 1991, and covered the review period, April 1, 1988 to March 31, 1991. A Report from this review was issued October 1991 and LBL's Purchasing System approval was continued based on a letter from DOE dated April 1992. However, twenty recommendations were offered by this 1991 Report. "The Guide for Performance of DOE Contract Purchasing System Reviews (CPSR)" dated October 1990, was the standard used for the 1991 review, and LBL's performance in all criteria set forth in the guide was measured.

PERFORMANCE RESULTS:

General:

Because of 1991 CPSR recommendations, LBL's total assessment of its Purchasing System began prior to the January 1, 1993 beginning date required by Appendix F of the Contract. Three approaches have been implemented to satisfy the contract requirement and are briefly discussed below.

1. In response to the CPSR recommendations, LBL established a list and schedule covering 48 corrective actions. (Refer to Exhibit I). The majority of these items have been completed except those related to new automated systems; those involving new policies and procedures, or revisions to existing policies and procedures; and reporting on socio-economic accomplishments.

Several of the open items depend on DOE approval of policies and procedures. Due to the Contract 98 renewal time frames, LBL deferred the rewriting of the policies and procedures from the original schedule so as to be able to reflect the changes required by the new contract.

Notwithstanding the fact that LBL's new policies and procedures are not yet approved, LBL has made the required internal adjustments to its procurement operations for compliance to the 1991 CPSR recommendations and issued "Buyer Memos" for written guidance. The Purchasing Manager has issued thirty-one Buyer Memos for Fiscal Years 1992 and 1993. Training has also been held for reinforcement of subjects. These Memos represent interim procedures until receipt of DOE approval of the proposed procurement policies and procedures. Refer to Exhibit II for the listing of Buyer Memos.

2. LBL held self assessment sessions where the procurement staff was asked to suggest ideas for improving operations. 48 items have emerged from these sessions and are being worked on. LBL next conducted a Procurement Revitalization Workshop on February 18, 1993 that was attended by senior procurement personnel and the Administration Division Director. From this Workshop came six target areas for improvement. Six Review Groups were established for study and implementation of viable ideas.

Portion B: Procurement

The areas identified were:

- (a) New Policies and Procedures;
- (b) Advance Acquisition Planning;
- (c) Interface between Divisions and Purchasing;
- (d) Low Value Procurements;
- (e) Unauthorized Procurements; and
- (f) New Computer Systems:

The Six Review Groups are working actively and are due to report back within one to six months with their findings and recommendations.

3. In accordance with Performance Measure 4, LBL is in the process of implementing a Procurement Quality Management Program. This Program will provide continuous review and improvement in LBL's Purchasing system. Please refer to Performance Measure 4 for a description of LBL's Quality Management Program.

The implementation of the CPSR recommendations; suggestions from the self assessment; Procurement Revitalization Workshop ideas; and the Quality Management Program will ensure that LBL's Purchasing System is compliant with public laws, regulations and contract clauses, conforms to efficient and effective industrial practices, provides maximum protection in the Government funds expended, and is sufficient in support program requirements.

Strengths of the Current System:

The 1991 CPSR and the current assessment of LBL's procurement system disclosed that LBL has an effective system. It is LBL's policy to implement a procurement system that is in full compliance with the contract, and as required therein, applicable laws, regulations, circulars, directives, and manuals.

LBL has established policies, personnel organization and training, internal control and review systems that provide assurance that Purchasing is in substantial compliance with program and regulatory requirements, procurement transactions are documented, and there is a structured approach developed to correct any identified weaknesses. Major deficiencies in LBL practices were not cited, though there were a number of recommendations for corrective action from the last CP3R.

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Weaknesses Of Current System:

Based upon the 1991 CPSR and the current self assessment, the Laboratory needs to:

1. Establish and implement new or revised written procurement policies and procedures and conduct Buyer training on them.
2. Complete the remaining June 1991 CPSR recommendations not related to nor dependent on new policies and procedures.
3. Revise the terms and conditions for the various subcontract types used to incorporate the new contract requirements.
4. Acquire a new data processing system to provide efficiencies in the requisitioning, procurement, and receiving operations and to provide management control functions.
5. Fully implement the Procurement Quality Management Program.

General Recommendations:

Although LBL has some weaknesses in the procurement system, none of these weaknesses have serious impact on the overall system nor preclude LBL from protecting the Government's interest. Implementation of the above cited actions using a corrective action plan and tracking system would alleviate known deficiencies.

Corrective Action Plan:

LBL should aggressively pursue the initiatives indicated above under Performance Results, in accordance with the detailed schedule provided in Exhibit 1.

Description of Progress Since Existing Reviews:

Exhibit I, Schedule of CPSR Commitments, provides a list of the corrective actions LBL intended to take relative to the CPSR recommendations, and the current status of each.

Portion B: Procurement

Key Milestones:

Receive DOE approval on joint University of California Laboratory Procurement Policy Manual.	April 30, 1993
Begin training on and implementation of Policy Manual.	May 7, 1993
Close out the remaining CPSR recommendations not related to new policies or procedures.	June 30, 1993
Complete writing joint University of California Laboratory Procurement Procedures Manual.	October 1, 1993
Acquire new data processing system and bring first phase on-line.	November 1993
Receive DOE approval of Procedure Manual.	December 1, 1993
Begin training on and implementation of Procedures Manual.	December 6, 1993

Other Comments/Future Issues:

None.

Approval Review:

Office of Primary Responsibility:

Purchasing

Office of Primary Responsibility Manager:

J.T. Beales

4/29/93
Date

Functional Area:

Property Management and Procurement

Functional Manager:

Richard Medel

4/29/93
Date

Office of Contract Administration:

David C. Shepherd

4/29/93
Date

Portion B: Procurement

Objective Standard B.3: The Laboratory shall make good faith efforts to perform against annually established goals for socio-economic and competitive subcontracting as established by the University in consultation with DOE.

a. The Laboratory will propose to the University and DOE, by July 30 of each year, socio-economic subcontracting goals consistent with DEAR 970.7104 and Public Laws 95-507 and 100-656, in the areas of:

- (1) Small Business.
- (2) Small Business Set-Asides.
- (3) Small Disadvantaged Business.
- (4) Small Disadvantaged Business Set-Asides.
- (5) Small Women-Owned Business.
- (6) Labor Surplus Area Set-Asides.

b. The annual goals in a., above, will be expressed as a percentage of the purchasing base. The purchasing base for purposes of this paragraph is all obligations incurred during the fiscal year period, excluding:

- (1) Subcontracts with foreign corporations which will be performed entirely outside of the United States.
- (2) Utilities (gas, sewer, water, steam, electricity) except telecommunications services.
- (3) Federal Supply Schedule Orders when all terms of the schedule contract apply.
- (4) GSA Orders when all terms of the GSA contract apply.
- (5) Agreements with DOE management and operating contractors and University campuses.
- (6) Federal government mandatory sources of supply: federal prison industries, industries of the blind and handicapped.

Obligations which qualify in more than one category may be counted in more than one category, e.g. small business and small business set-asides.

c. The Laboratory will propose to the University and DOE, by July 30 of each year, competitive subcontracting goals consistent with DEAR 970.7104. The annual competitive subcontracting goals will be expressed as a percentage of the purchasing base. The purchasing base for purposes of this paragraph is all obligations incurred during the fiscal year period, excluding obligations of \$25,000 or less and all exclusions listed in paragraph b. 1-6, above.

Reference to Applicable Laws, Orders, and Regulations:

Contract No. DE-AC03-76SF00098, Article VIII, Clauses 12, 13, 14, 15, 16.

Department of Energy Acquisition Regulation (DEAR) 970.71.

Federal Acquisition Regulation (FAR) Parts 19 and 20.

Public Laws 95-507 and 100-656.

Reference to Applicable UC and Laboratory Policies and Procedures:

California Assembly Bill AB-507.

University of California, Business and Finance Bulletin 43.

University of California LBL/LLNL Procurement Instructions.

University of California Laboratory Procurement Policy Manual (pending DOE approval).

University of California Laboratory Procurement Procedures Manual (under development).

LBL Buyer Memos, FY 1992 and 1993.

Applicable Audits/Reviews/Appraisals:

The following is a list of open audits/reviews/appraisals:

DOE CPSR, June 1991.

Small Business Administration Review, June 1992.

Measurement Process:

LBL's performance against annually established goals for socio-economic and competitive subcontracting is monitored through continuous management oversight of buying activities and measured and validated with computer generated reports. All procurements are included in the base with the exception of those listed in the Objective Standard above.

Summary of Findings From Existing Reviews:

General:

The June 1991 CPSR noted that LBL reported its statistics based on orders awarded and recommended that it report on the basis of obligations instead. It also noted that LBL did not conduct small business, small disadvantaged business, or labor surplus area set-asides as a Best Management Practice; that a supplement to Procurement Guide covering these topics had not been issued; and that the existing procedures needed some updating of definitions. While this was not required by the previous contract, new

Portion B: Procurement

mechanisms have now been implemented to meet new contract requirements.

In June 1992, the Small Business Administration conducted a review of LBL's program. While formal results of the review have not been received, comments from the exit conference indicated LBL's program was considered very good.

Strengths of Current System:

The Laboratory has always had a very strong socio-economic program. It has established high goals for small, small disadvantaged, and women owned business and has always met the goals in the past. It has been commended by DOE and awarded plaques and certificates attesting to this achievement.

Previous CPSR's have noted that the Laboratory has had an acceptable level of competitive subcontracts in the past.

Weaknesses of Current System:

During the June 1991 CPSR, questions were raised about the accuracy of LBL's reporting on socio-economic statistics due to the fact that LBL reported on the basis of award data. DOE criticized LBL for not reporting on the basis of obligations. LBL's computer programs that collect statistics are outdated and only collect procurement data. LBL's accounting systems, run from LLNL, could not collect and report obligations data.

General Recommendations:

In December 1992, LBL began phased implementation of a new accounts payable program, run at LBL, capable of collecting obligations data and in the near future producing reports for measuring socio-economic and competitive subcontracting achievement. FY 1993 will be a transitional year with reports that contain data based on both systems. FY 1994 reporting to DOE based on obligations is planned. LBL should continue to work with its Accounts Payable group to obtain the necessary programs and data to accurately report obligations relating to socio-economic goals.

The goals for competitive subcontracting were introduced for the first time in the new prime contract. On March 26, 1993, DOE approved LBL's goals for competition. While LBL has always encouraged competition, it should take additional measures to decrease the number of non-competitive actions and increase competitive subcontracting.

Two elements of this objective standard of performance deal with establishing socio-economic and competition goals by July 30 for the subsequent fiscal year. Between now and then, LBL should accomplish any

Portion B: Procurement

preliminary work that will be needed to allow it to submit these goals by the July 30, 1993 required date.

Corrective Action Plan:

As explained above, LBL will change the way it collects and reports socio-economic and competitive subcontracting data. Purchasing will submit reports to DOE during April covering the first half of the fiscal year.

Description of Progress Since Existing Reviews:

Discussion is ongoing between a team of representatives from LBL, LLNL, and LANL regarding standardizing definitions and on what data is collected and reported. The team, assembled primarily to address another objective standard, will produce a standardized system for reporting socio-economic and competition data.

LBL recognizes there is room for improvement and has implemented activities such as advance acquisition planning, increased advertisement in publications such as the Commerce Business Daily, more public posting, and training to increase buyer awareness of the importance of competition.

Key Milestones:

LBL's semi-annual SF 254 report to DOE in April 1993 will for the first time contain some data based on obligations under subcontracts rather than on awards.

The SF 254 report covering the second half of the fiscal year is expected to contain almost entirely obligations data.

Portion B: Procurement

Other Comments/Future Issues:

None.

Approval Review:

Office of Primary
Responsibility:

Purchasing

Office of Primary
Responsibility Manager:

J.T. Beales

4/29/93
Date

Functional Area:

Property Management and Procurement

Functional Manager:

Richard Medel

4/29/93
Date

Office of Contract
Administration:

David C. Shepherd

4/29/93
Date

Portion B: Procurement

Objective Standard B.4: Beginning January 1, 1993, the Laboratory shall implement a quality management program for assuring efficiency, effectiveness and compliance of its purchasing policies, procedures, practices, execution, and administration of subcontracts. Integral to this program shall be a program of continuous improvement of the aforementioned areas of interest.

Reference to Applicable Laws, Orders, and Regulations:

Contract No. DE-AC03-76SF00098, Appendix F.

Federal Acquisition Regulation (FAR).

Department of Energy Acquisition Regulation (DEAR).

DOE Order 5700.6C, Quality Assurance.

Guide for Performance of DOE Contractor Purchasing System Reviews (CPSR), October 1990.

Reference to Applicable UC and LBL Policies and Procedures:

University of California, LBL/LLNL Procurement Instructions.

University of California Laboratory Procurement Policy Manual (pending DOE approval).

University of California Laboratory Procurement Procedure Manual (under development).

LBL Buyer Memos - 1992, 1993.

Reference to Applicable Audits/Reviews/Appraisals:

The following is a list of open audits/reviews/appraisals:

DOE Tiger Team Assessment, February 1991.

DOE Contractor Purchasing System Review (CPSR) - June 1991.

Measurement Process:

LBL has begun the process of setting up a Procurement Quality Management Program within the Business and Materiel Department that will cover procurements handled by both the Purchasing and the Inventory Management organizations. Progress and accomplishment will be measured through periodic management reviews of the overall operations and the work output.

PERFORMANCE RESULTS:

General

The June 1991 CPSR made note of the need for more control and review of procurement actions to ensure the quality actions of all buyers. The February 1991 Tiger Team inspection made recommendations regarding

Portion B: Procurement

the need for more quality control and quality assurance in procurement related activities.

LBL has begun the process of setting up a Procurement Quality Management Program within the Business and Materiel Department that will cover procurements handled by both Purchasing and the Inventory Management organizations.

Strengths Of The Current System:

LBL's Quality Management Program is being implemented in a phased approach. Some elements have been in place for a long period of time. Others have been implemented more recently as a result of CPSR and Tiger Team findings and recommendations, or from on-going reviews.

In response to institutional deficiencies identified by the Tiger Team inspection, LBL has developed an Operating and Assurance Program (OAP) Plan. One of the elements of the Plan is to develop a series of Notebooks, one of which is called the Function Notebook. Work is already underway to develop an umbrella document for the Administration Division and its functions, one of which is Purchasing. After the umbrella document is complete, work will begin on the Purchasing Function Notebook which will include chapters on Function Related Staff Proficiency, Function Work Process, Function Document and Records Control, and Function Performance and Improvement.

Purchasing has also begun two new continuous improvement efforts as part of its quality program. There is an internal program that takes suggestions from buyers and results in more cost effective mechanisms. This is complemented by Lab-wide Task Groups that are focusing on the different "customer needs" for implementing an effective procurement program that is compliant with contract requirements. Both efforts are integrated from the standpoint of scheduling and development of action items.

Weaknesses Of Current System:

Implementation of LBL's Procurement Quality Management Program has not yet occurred.

General Recommendations:

It is recommended that the initial focus be on developing the Function Notebook and that the full Procurement Quality Management Program be implemented next.

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Corrective Action Plan:

The Procurement Quality Management Program will be based upon the approved Procurement Policy and Procedures Manuals and appropriate acquisition regulations in accordance with contract clauses. It will include a structured method to document compliance through the Notebook procedure, currently a requirement of LBL's new Operating and Assurance Program (OAP) Plan, as well as a corrective action system. Also, several recommendations and revised procedures that were identified and implemented during this interim transitional period will be incorporated into the Quality Program.

The intent of this Program is to provide a continuous objective appraisal of system performance and provide a framework to implement changes to the procurement system in response to client demand or contract revisions in the manner most suitable to program obligations, DOE requirements, and good business practices and standards.

Key Milestones:

Complete Purchasing Function Notebook.	October 1993
Complete establishment of Quality Management Program.	December 1993

Other Comments/Future Issues:

None are identified at this time.

Approval Review:

Office of Primary
Responsibility:

Purchasing

Office of Primary
Responsibility Manager:

J.T. Beales

4/28/93
Date

Functional Area:

Property Management and Procurement

Functional Manager:

Richard Medel

4/29/93
Date

Office of Contract
Administration:

David C. Shepherd

4/29/93
Date

Portion B: Procurement

Objective Standard B.5:

a. During the Fiscal Year 1993, the Laboratory shall, in conjunction with the University, develop a systems requirement definition (SRD) for automated purchasing data collection. The SRD shall be for the purpose assuring that automated purchasing data is available which, at a minimum:

- (1) Can be used to measure the relative attainment of procurement performance measures in this appendix.
- (2) Can be used to generate standard reports which integrate into DOE national reporting formats.
- (3) Can be used for statistical analysis of economy and efficiency in procurement operations.

b. During Fiscal Year 1994, the Laboratory shall perform an assessment of existing purchasing data systems capabilities against the SRD and prepare a corrective action plan for the data system for submission to DOE and the University.

Reference to Applicable Laws, Orders, and Regulations:

Contract No. DE-AC03-76SF00098, Article VIII.

Department of Energy Acquisition Regulations (DEAR) 970.71.

Reference to Applicable UC and Laboratory Policies and Procedures:

University of California Laboratory Procurement Policy Manual (pending DOE approval).

University of California Laboratory Procurement Procedures Manual (under development).

Joint Laboratory SRD for Data Collection (under development).

Reference to Applicable Audits/Reviews/Appraisals:

The following is a list of open audits/reviews/appraisals:

DOE CPSR, June 1991.

Measurement Process:

Procurement management will measure progress toward completion of this task by reviewing the documents generated against the milestone schedule.

Performance Results:

General:

The University of California, Laboratory Administration has directed the three Laboratories to develop a common SRD and work on this objective standard of performance as a team. Preliminary work has begun at each site to identify background. Several working sessions with representatives from all three sites were held and a preliminary outline was developed which included the objectives, scope and approach, issues, assumptions, risks, rewards, data elements, activities, terms, milestones, and recommendations.

Further effort will be expended at each site and more joint working sessions are planned to integrate the various pieces of the SRD.

Strengths of Current System:

This objective standard of performance covers a new initiative.

Weaknesses of Current System and Related Documents:

This objective standard of performance covers a new initiative.

General Recommendations:

Procurement management at all three sites should monitor the progress being made by their representative to the consolidated Laboratory team as well as the overall progress being made by the team. This review should be made at the end of each quarter until implementation.

LBL should continue to work with the other two Laboratories to develop a SRD that will allow it to produce accurate data based on common terms and definitions. LBL has designated an individual to represent its interest in meetings of the three Laboratory work group. This individual will be responsible for ensuring the task is accomplished and that both LBL and DOE needs are met.

Corrective Action Plan:

None. This objective standard of performance covers a new initiative.

Portion B: Procurement

Key Milestones:

The first three Laboratory meetings were held March 23-24, 1993.

The Fiscal Year 1993 phase is to be complete by September 1993.

(The full schedule which contains six milestones has been submitted to management for approval at all sites.)

The schedule for FY 1994 activities is still being developed.

Other Comments/Future Issues:

None.

Approval Review:

Office of Primary
Responsibility:

Purchasing

Office of Primary
Responsibility Manager:

J.T. Beales

4/28/93
Date

Functional Area:

Property Management and Procurement

Functional Manager:

Richard Medel

4/29/93
Date

Office of Contract
Administration:

David C. Shepherd

4/29/93
Date

**CONTRACT 98 SELF-ASSESSMENT
PART IV - EXHIBIT I
SCHEDULE OF CPSR COMMITMENTS**

SCHEDULE	ACTION TO BE TAKEN	STATUS
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SCHEDULE OF CPSR COMMITMENTS

	SCHEDULE	ACTION TO BE TAKEN	STATUS
1.	06/18/91	Change format for documenting posting of LBL-LLNL Purchase Agreements. (CPSR Recommendation #9)	Complete
2.	06/18/91	Change the LBL-LLNL Purchase Agreement format to clarify ordering cycle. The statement regarding formality has been deleted. (Recommendation #10)	Complete
3.	06/18/91	Remind LBL-LLNL Purchase Agreement writers of issues raised on Representations/Certifications form. Revise selection criteria statement. (Recommendation #11)	Complete
4.	06/19/91	Issue Purchasing and Materiel Management Buyers revised instructions regarding Representations/Certifications form. (Recommendation #11)	Complete
5.	09/27/91	Issue a memo to all buyers outlining expectations regarding subcontracting plan implementation and administration. (Recommendation #6)	Complete
6.	10/1/91	Begin buyer training to address concerns pointed out in this recommendation. (Recommendation #1)	Open
7.	10/1/91	Obtain subcontracting plans in accordance with the recommendation. (Recommendation #7)	Complete
8.	10/08/91	Solicit advise from LBL Counsel on legality of contracts without consideration (minimum guarantee) by LBL. (Recommendation #10)	Complete
9.	11/01/91	Remind buyers to include all applicable current clauses and terms. (Recommendation #10)	Complete
10.	11/13/91	Issue written notice to Buyers reminding them of their responsibility to meet the advertising requirements and to document their files. (Recommendation #9)	Complete
11.	11/14/91	Refer recommendation to LBL Patent Counsel. (Recommendation #15)	Complete
12.	11/15/91 12/09/91	Notify Purchasing and Materiel Management Buyers to document files \$25,000 and over that the seller was checked against the GSA list of Debarred, Suspended, and Ineligible Contractors. The checklist in the files will be updated upon completion of LBL's review of all CPSR recommendations. (Recommendation #11)	Complete

Key:

Open = Full implementation has not been completed.

Complete = Action item is completed.

* = Dependent on DOE approval of new policies and procedures

**CONTRACT 98 SELF-ASSESSMENT
PART IV - EXHIBIT I
SCHEDULE OF CPSR COMMITMENTS**

	SCHEDULE	ACTION TO BE TAKEN	STATUS
13.	12/15/91	Discuss this recommendation with buying staff and take corrective action regarding requisition approval. (Recommendation #2)	Complete
14.	12/20/91	Issue memo to requisitioners requiring that fully executed requisitions be used to initiate A-E procurement actions. (Recommendation #19)	Complete
	01/01/92	Implement practices on the reporting and the leasing agreements noted above. (Recommendation #7)	
15.	01/15/92	Issue a Buyer Memo to all buyers on the subject of additional named Insureds and the need to keep all certificates up to date. (Recommendation #17)	Complete
16.	01/15/92	Issue a Buyer Memo to all buyers on the subject of consulting and using GSA Schedules, and announce that training on this subject will begin soon. (Recommendation #8)	Complete
17.	01/15/92	Complete review of bid closure practices to determine if modification is required to avoid confusion to the offeror. (Recommendation #10)	Complete
18.	01/15/92	Complete buyer training regarding the use of requisitions to initiate A-E procurements and on term limitations. (Recommendation #19)	Complete
19.	02/01/92	Meet with DOE-SF representatives to review existing LBL procedures covering the annual conflict of interest statement. (Recommendation #4)	Complete
20.	02/01/92	Complete compilation of list of major FY 1992 acquisitions at LBL. (Recommendation #5)	Complete
21.	02/01/92	Issue written guidance and provide training to buyers on size standards. (Recommendation #7)	Complete
22.	02/29/92	Meet with appropriate members of the buying staff and begin to provide more training on the enumerated subjects recommendations. (Recommendation #13)	Complete
23.	02/29/92	Review with buying staff the need to have complete files in accordance with LBL Policy. Follow up with supervisory audit. (Recommendation #14)	Complete
24.	03/01/92	Training all buyers in Purchasing and Material Management on the subject of use of GSA schedules will be complete. (Recommendation #8)	Complete
25.	03/01/92	Submit revised patent and data clauses to DOE-SF for approval. Implement upon approval. (Recommendation #15)	* Open

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**CONTRACT 98 SELF-ASSESSMENT
PART IV - EXHIBIT I
SCHEDULE OF CPSR COMMITMENTS**

	SCHEDULE	ACTION TO BE TAKEN	STATUS
26.	03/01/92	Begin a study of the feasibility of the recommendation. (Recommendation #20)	Complete
27.	03/15/92	Complete a review of LBL procurement policies and procedures relating to this recommendation. (Recommendation #2)	* Open
28.	03/15/92	Make recommendations to management of any changes to staffing levels, mix and training in the Purchasing and Materiel Management Depts. (Recommendation #5)	Complete
29.	03/31/92	Submit response to recommendation regarding set-asides. (Recommendation #7)	Complete
30.	03/31/92	Complete training with the buying staff on Price/Cost Analysis in regards to the SF1411/1412. (Recommendation #12)	Complete
31.	03/31/92	Discuss this recommendation with the Department Heads of Purchasing, Materiel Management and Accounting and document findings. (Recommendation #18)	Complete
32.	04/01/92	Issue Procurement Guide supplement on the subject of Small and Small Disadvantaged Business Programs and update the definitions. (Recommendation #6)	Complete
33.	04/01/92	Complete buyer training in post-award administration with more emphasis on documentation of seller's performance and any LBL actions taken or waived relative to it. (Recommendation #16)	Complete
34.	04/01/92	Complete the insurance certificate database and implement the procedure where one individual tracks the dates of expiration for insurance certificates and notifies buyers of the need to request updated certificates. (Recommendation #17)	Complete
35.	05/31/92	Develop and implement a standardized Justification-Documentation Memo format which will ensure documentation as to details and reasonableness of the transaction. (Recommendation #13).	Complete
36.	06/01/92	Complete additional buyer training on the subject of insurance. (Recommendation #17)	Complete
37.	06/30/92	Complete update to the Procurement Guide and submit to DOE-SF Implement on approval. (Recommendation #1)	* Open
38.	06/30/92	Seek DOE-SF approval of any changes to the Procurement Guide relative to this recommendation. Implement upon approval. (Recommendation #2)	* Open

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**CONTRACT 98 SELF-ASSESSMENT
PART IV - EXHIBIT I
SCHEDULE OF CPSR COMMITMENTS**

	SCHEDULE	ACTION TO BE TAKEN	STATUS
39	06/30/92	Complete a review and develop the procedures necessary to implement the Anti-Kickback Act requirements. Implement upon DOE-SF approval. (Recommendation #4)	* Open
40.	06/30/92	Complete revisions to Instructions 11 and 13. Implement upon DOE-SF approval. (Recommendation #7)	Complete
41.	06/30/92	Clarify statement FOB point and insurance in Policy Issuance 6, page 4 as to circumstances requiring Purchasing Manager's approval. (Recommendation #10)	Complete
42.	06/30/90	Modify LBL's Desk Guide to Price and Cost Analysis to include requirement for obtaining SF1411/1412 when needed. (Recommendation #2)	Complete
43.	06/30/92	Review multi-year lease to purchase format. (Recommendation #14)	Complete
44.	06/30/92	Complete Policy Guidance if required. Implement upon DOE-SF approval. (Recommendation #18)	Complete
45.	06/30/92	Complete revisions to Procurement Guide and implement upon DOE-SF approval. (Recommendation #19)	* Open
46.	06/30/92	Complete the study and discuss the results with DOE-SF. Then take appropriate action. (Recommendation #20)	Complete
47.	07/01/93	Provide socio-economic reporting based on payments instead of commitments. (Recommendation #3)	Open
48.	12/31/94	Go on line with modules for a new purchasing and receiving function. (Recommendation #3)	Open

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LIST OF BUYER MEMOS
Fiscal Year 1992

1. Progress Payments
2. Cash Discount Terms
3. Items in warehouse Storage
4. Review of High Value Requisitions
5. Insurance Provisions
6. Public Posting
7. Subcontracting Plan Administration
8. List of Debarred, Suspended & Ineligible Contractors
9. Obtaining Re-Approval of Requisitions
10. Using GSA Schedules
11. UPS and Federal Express Rates
12. Consistency in Quotation Close Dates
13. Size Standards
14. Procurement Effectiveness and Efficiency
15. Lease Purchase
16. Ordering Graded Fasteners
17. Submitting Packages to DOE for Review
18. Using Rubber Stamp
19. Buying From the Blind
20. DOE Approval Form for Sole Source > \$100K, Evaluated Procurement >\$500K
21. File Dividers and Check Sheets
22. Revised Rubber Stamp Instructions
23. Standardized Format for Justification and Documentation Memo's
24. Sole Source Review and Approval
25. Update to Cost and Price Desk Guides
26. Standardizing Data Entry for Purchase Orders

LIST OF BUYER MEMOS
Fiscal Year 1993

1. LBL Set-Aside Programs
2. Budget Office Approval
3. New Billing Address
4. Industry Council Meeting Minutes
5. ES&H Provisions in Purchase Orders (Also Revised BM-5)

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PART I: Environment, Safety and Health

Objective Standard 1: I-1

The Laboratory will have programs in place designed to achieve compliance with applicable laws, regulations, ordinances for the protection of health, safety and the environment.

Objective Standard 2: I-2

By January 1, 1993, the Laboratory will incorporate environment, safety and health (ES&H) provisions into all appropriate Laboratory subcontracts executed thereafter.

Objective Standard 3: I-2

By December 1, 1993, the position descriptions completed as part of the human resources performance measures will contain ES&H elements. The remaining position descriptions will be completed by December 1, 1994, and will contain similar provisions.

Objective Standard 4: I-3

By December 1, 1993, ES&H requirements will be included in all laboratory performance evaluations; the University's review of the performance evaluation system in 1996 will include specific assessments to determine if all employees were routinely evaluated for the ES&H component of their jobs.

Objective Standard 5: I-3

Beginning in Fiscal Year 1994 and annually thereafter, an external audit of select ES&H programs/activities will be conducted.

Objective Standard 6: I-3

The following supplementary data, information, or reports will be presented annually to UC Management for review.

Index

PART II: Financial Management

Objective Standard 1: II-1

Direct and indirect budgets will be submitted to DOE
in accordance with DOE guidelines.

Objective Standard 2: II-3

All costs will be within DOE authorized funding levels.

Objective Standard 3: II-5

All costs for WFO programs will be within sponsor
provided revenues.

Objective Standard 4: II-7

99% of the gross pay component of all paychecks will
be produced accurately.

Objective Standard 5: II-9

100% of all paychecks will be produced on time.

Objective Standard 6: II-11

All tax reports and remittances will be submitted on
schedule.

Objective Standard 7: II-13

90% of available prompt discount will be taken.

Objective Standard 8: II-15

No more than 10% of payments occur before or after
the due date.

Objective Standard 9: II-17

95% of travel claims will be paid within three weeks of
receipt.

Index

Objective Standard 10: II-19

Monthly ledger closing dates will be met.

Objective Standard 11: II-21

Suspense account balances will be corrected within 30 days of identification.

Objective Standard 12: II-23

All accounts will be properly authorized at month-end.

Objective Standard 13: II-25

Subsidiary ledgers will be reconciled to the general ledger no less than quarterly, and corrections performed within 30 days.

Objective Standard 14: II-27

Deadlines will be met for the financial information reporting to DOE.

Objective Standard 18: II-29

An annual financial self-assessment will be conducted.

Objective Standard 19: II-34

A Cost Accounting Standards Disclosure Statement will be submitted whenever cost accounting practices which required disclosure are revised.

Objective Standard 20: II-35

The annual voucher for the totals of net expenditures accrued (VANE) will be submitted by the date prescribed by DOE.

Objective Standard 21: II-37

Policies and Procedures are documented and readily available.

Index

Objective Standard 22: II-40

Banking agreement is complied with.

Objective Standard 23: II-43

Average daily balances are maintained as close to
zero as possible.

Index

PART III: Human Resources

Objective Standard 1: III-1

A meeting of the Joint DOE/UC Planning and Evaluation Group will be held not less than quarterly for consultation on issues of mutual interest.

Objective Standard 2: III-2

The Laboratories will demonstrate measurable progress in improving the representation of women and minorities in under-utilized categories, consistent with approved Affirmative Action Plans.

Objective Standard 3: III-5

The Laboratories will maintain classification systems consistent with sound business practices of the Laboratory.

Objective Standard 4: III-8

By December 1993, the Laboratories will have complete position descriptions for at least 50% of all employees, consistent with the University approved classification systems.

Objective Standard 5: III-10

The Laboratory will establish and maintain a performance evaluation system consistent with laboratory needs and sound business practices.

Objective Standard 6: III-13

Written performance evaluations will be completed by September 1 of each year for at least 85% of all regular/career employees for whom an annual appraisal is required.

Index

Objective Standard 7: III-15

The DOE-sponsored salary survey for scientists and engineers will be completed annually and included in the SIA proposal along with other relevant market data.

Objective Standard 8: III-17

The Laboratories will provide an annual report to UC management on the status of the development and implementation of mandatory training programs.

Objective Standard 9: III-19

A statistical reporting system will be established and maintained to provide accurate annual reporting.

Index

PART IV, Portion A: Property Management

Objective Standard A.1:IV-1

The Laboratory shall have and maintain a property management system, as provided in Article IX, Clause 1, "Property," of the prime contract, approved by the University and DOE.

Objective Standard A.2:IV-5

Beginning January 1, 1993, the Laboratory will perform an inventory of capital equipment every two years in accordance with the approved personal property management policies and procedures.

Objective Standard A.3:IV-10

Beginning January 1, 1993, the Laboratory will perform an inventory of sensitive equipment every year in accordance with the approved personal property management policies and procedures.

Objective Standard A.4:IV-14

Beginning January 1, 1993, the Laboratory shall ensure completion of walkthroughs of all Laboratory facilities during a two-year cycle and conducted in accordance with approved personal property management policies and procedures.

Objective Standard A.5:IV-18

Beginning January 1, 1993, the Laboratory shall conduct an annual review of equipment held for future use in accordance with the approved personal property management policies and procedures.

Objective Standard A.6:IV-21

The Laboratory will ensure annual property management reviews of at least ninety-five percent (95%) of all subcontracts with Government property either by self-evaluation, on-site reviews, or delegation of this responsibility.

Index

PART IV, Portion B: Procurement

Objective Standard B.1: IV-25

The Laboratory shall have and maintain a procurement system, as provided in Article VIII, Clause 1, "Contractor Purchasing System" of the prime contract approved by the University and DOE.

Objective Standard B.2: IV-28

Beginning January 1, 1993, LBL shall conduct, document and report the results to DOE of a full assessment of the Purchasing system consistent with current DOE Contractor Purchasing System Reviews (CPSR) criteria. The initial assessment will be completed by July 1, 1993.

Objective Standard B.3: IV-33

The Laboratory shall make good faith efforts to perform against annually established goals for socio-economic and competitive subcontracting as established by the University in consultation with DOE.

Objective Standard B.4: IV-38

Beginning January 1, 1993, the Laboratory shall implement a quality management program for assuring efficiency, effectiveness and compliance of its purchasing policies, procedures, practices, execution, and administration of subcontracts.

Index

Objective Standard B.5: IV-41

During the Fiscal Year 1993, the Laboratory shall, in conjunction with the University, develop a systems requirement definition (SRD) for automated purchasing data collection. During Fiscal Year 1994, the Laboratory shall perform an assessment of existing purchasing data systems capabilities against the SRD and prepare a corrective action plan for the data system for submission to DOE and the University.

**DATE
FILMED**

9 / 16 / 93

END