



Department of Energy

Oak Ridge Operations Office
P.O. Box 2001
Oak Ridge, Tennessee 37831—

January 8, 1999

Dr. Richard K. Genung, Deputy Director
Oak Ridge National Laboratory
Lockheed Martin Energy Research Corporation
Post Office Box 2008
Oak Ridge, Tennessee 37831-6241

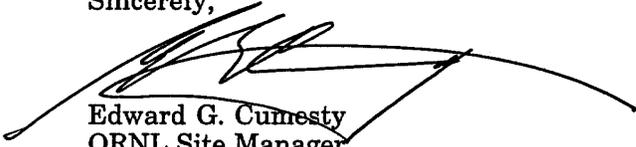
Dear Dr. Genung:

OAK RIDGE NATIONAL LABORATORY (ORNL) FY 1999 CRITICAL OUTCOMES PLAN

Enclosed is the subject item which is the result of negotiations between Lockheed Martin Energy Research Corporation and the Department of Energy (DOE). This plan defines expectations and provides a basis for evaluation of performance by the DOE. Included with the plan you will see a schedule of meetings which are intended to foster open discussions of accomplishments and progress toward meeting DOE expectations. The critical outcomes were incorporated in the contract by Modification No. M049 as provided for in Clause H.24. My staff and I look forward to working with you to assure the continued success of ORNL.

If there are any questions or you need additional information, please contact me or George Manthey of my staff at (423) 576-0952.

Sincerely,



Edward G. Cumeasty
ORNL Site Manager

LM-112:Ginn

Enclosure

cc w/enclosure:

M. A. Krebs, SC-1, HQ/FORS
A. G. Joseph, SC-7, HQ/FORS
S. G. Hiser, AD-424, ORO
R. E. Ross, FM-73, ORO
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Dr. Richard K. Genung

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bc w/enclosure

M. J. Kass, LM-111, ORO

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99-1598

Oak Ridge National Laboratory FY1999 Critical Outcomes Plan

Introduction

In January 1996 the Department of Energy (DOE) and Lockheed Martin Energy Research Corporation (LMER) entered into a performance based contract for the management and operation of the Oak Ridge National Laboratory. This implemented the major initiative of performance based management contracting for the Laboratory with a fixed-fee contract containing performance metrics. Attachment 1 provides the critical outcomes and performance objectives contemplated in clause H.24 of the contract. The critical outcomes are based on six performance areas identified in the memorandum from Martha Krebs, Director, Office of Science, to DOE Field and Headquarters elements dated July 13, 1998. Taken together, the critical outcomes and the related performance objectives define DOE expectations and provide a basis for evaluation of contractor performance for FY 1999. The contractor is encouraged to create and exploit opportunities to exceed DOE expectations while fully respecting contractual, regulatory, financial and programmatic requirements.

Evaluation of the Contractor

The DOE will monitor contractor performance and maintain an open dialogue with the contractor during the year. At year's end DOE will produce a narrative report of its evaluation of contractor performance to include the assignment of adjective ratings to each performance objective and an overall rating. The ratings will be based on input from various elements within the DOE. Performance Objective 1.1 will be evaluated by DOE/HQ sponsors and selected work for others sponsors. This objective will account for 50 percent of the overall rating. The remaining performance objectives will account for the other 50 percent of the contractor rating and will be evaluated by DOE/ORO. The evaluation of the objectives will be expressed using the following definitions:

Outstanding—Significantly exceeds the standard of performance. Achieves noteworthy results. Accomplishes very difficult tasks in a timely manner.

Excellent—Exceeds expectations and standard of performance. Accomplishes difficult tasks in a timely manner.

Good—Meets expectations and standard of performance. Actions are carried out in an efficient and timely manner, and deficiencies do not affect performance.

Marginal—Below the standard of performance. Deficiencies require corrective action. Schedules are adversely affected.

Unsatisfactory—Well below the standard of performance. Deficiencies cause serious delays and rescheduling. Corrective action requires high level management attention.

Numerical scoring of the objectives is based on the following point count scheme:

Outstanding	4 points
Excellent	3 points
Good	2 points
Marginal	1 point
Unsatisfactory	0 points

The final rating for the critical outcomes plan will be determined from the following table:

Outstanding	above 3.5
Excellent	2.6 to 3.5
Good	1.6 to 2.5
Marginal	0.6 to 1.5
Unsatisfactory	0.5 or less

Modifications to the Critical Outcomes and Performance Objectives

Both DOE and the contractor recognize that changes in the scope of work or areas of emphasis may necessitate modification, additions, or deletions to the critical outcomes and performance objectives in this plan. Any such changes will be mutually agreed upon by the DOE and LMER. Changes may be made at any time during the fiscal year.

Reporting

The contractor will periodically meet with DOE to present and discuss its progress on meeting the Performance Objectives contained in this plan. The mechanism for this is the Bimonthly Research Information Exchange Forum (BRIEF). The schedule for BRIEF meetings is given in Attachment 2. The contractor will also provide a report to DOE reflecting fiscal year performance (through September 1999 unless otherwise noted by a specific performance objective) not later than November 15, 1999.

Attachments

1. Critical Outcomes and Performance Objectives for FY 1999
2. Schedule of BRIEF Meetings for FY 1999

Oak Ridge National Laboratory
FY 1999
Critical Outcomes and Performance Objectives

1.0 SCIENCE AND TECHNOLOGY

Provide high-quality research and develop leading edge, enabling technologies that are critical to DOE's mission and the nation.

- 1.1 Achieve positive results from sponsor surveys in their evaluation of research quality, relevance to DOE mission or national need, effective and efficient research management, construction and operation of research facilities, work for others programs, and all designated user facilities.
- 1.2 Execute the SNS project in accordance with approved project authorizations, financial controls, and baselines.
- 1.3 Achieve 60 percent availability and a predictability/reliability performance indicator value greater than or equal to .85 for HFIR operation.
- 1.4 Activities associated with the HFIR upgrade projects are conducted in an effective and efficient manner supportive of the extended outage in FY 2000.
- 1.5 Establish a functioning neutron users group within FY 1999.
- 1.6 Secure 50 new patents, execute 5 new licenses/License Executive/year, and increase running royalties by 15 percent in FY 1999 over FY 1998.
- 1.7 Assist the DOE in providing a high visibility forum for DOE funded science and technology, with an emphasis given to programmatic results of the Office of Science.
 - 1.7.1 By May 30, 1999, develop a strategic plan for future operation of the AMSE which identifies/implements potential sources of support and integrates other DOE Office of Science laboratory displays
 - 1.7.2 Integrate ORNL public tours with the AMSE.
- 1.8 Achieve 20 percent electronic delivery of new (received/finalized after October 1, 1998) full-text Scientific and Technical Information from document originators to OSTI by September 30, 1999.

2.0 LEADERSHIP

Provide leadership that ensures excellence, relevance, and stewardship in all aspects of the conduct of assigned programs.

- 2.1 ORNL will use a continuous and systematic strategic planning process to support decision making about intended future outcomes, to define how outcomes are to be accomplished, and to specify methods for measuring and evaluating success.
- 2.2 Achieve maximum benefit from reengineering efforts without causing disruptions in the area of research and development management.
- 2.3 Implement and maintain innovative and results oriented Human Resources and Diversity programs as specified in the ORNL Human Resources combined Balance Score Card and Business Management Review process for FY1999, including all goals and performance measures under items 2, 3, and 4.
- 2.4 Enhance socioeconomic development through placement of subcontracts with small businesses (50 percent), small disadvantaged businesses (15 percent), woman-owned small business (8 percent), and HBCU/MEI (7 percent of total educational subcontract dollars).
- 2.5 Provide an assessment report on accomplishment of the **CRITICAL OUTCOMES** and **PERFORMANCE OBJECTIVES** through September 30, 1999 by November 15, 1999.
- 2.6 The Laboratory management will demonstrate that all divisions/offices/programs have an effective self-assessment program that improves performance. Criteria for effectiveness is to be developed and mutually agreed upon by DOE and ORNL. The number of corrective actions in each division that are past due each month will be less than 10 percent of the total outstanding corrective actions assigned to that division. The Laboratory will report those corrective actions that are rescheduled.

3.0 ENVIRONMENT, SAFETY AND HEALTH (ES&H)

LMER will integrate ES&H into research, operations, and management practices such that work is performed in a manner that protects the environment and the safety and health of the workforce and the public.

3.1 Implement ORNL's Integrated Safety Management System by 09/99. Implementation Schedule:

- Submit ISM Program to DOE-ORNL - October 98.
- Perform gap analysis and develop action plan - November 98.
- Ready for DOE verification of ISM Program - February 99
- Ready for DOE validation of ISM Program implementation - August 99.

3.2 Exposures to toxic and physical hazards will be kept below permissible exposure limits (PEL)/threshold limit values(TLV) by the use of engineering controls, administrative controls, and personal protective equipment

**3.3 The DOE Safety Index (SI), as defined below, will be less than 15.
SI = 100 (1,000,000 D + 500,000 T + 2,000 LWC + 1,000 WDL + 400 WDLR + 2,000 NFC)/Total Workhours**

3.4 The Radiological Control Index will be less than 9.

RCI = A + B + C + D + E + F where:

A = number of radiation workers that exceed their ALARA goal

B = number of rad workers exceeding 30% of any 10CFR835 dose limit

C = (number of occurrences in Group 4)/20

D = (number of occurrences in Group 1D)/12

E = (1 - (RWP dose/TLD dose)) x 10

F = (number of internal exposures)/10

3.5 The Nuclear Safety Violation Index (NSVI) will be less than 18.

NSVI = 18(A+B+C) + 3(D+E) + F where,

A = # of Category (Cat) 1 Nuclear Criticality Safety (NCS) Violations

B = # of Price-Anderson Amendments Act (PAAA) noncompliances resulting in the issue of a Notice of Violation

C = # of Cat 2 NCS Violations

D = # of Technical Safety Requirement (TSR) Violations <= 3 (TSR includes Technical Specifications and Operational Safety Requirements)

E = # of Cat 3 NCS Violations

F = # of Cat 4 NCS Violations

This NSVI applies only to LMER violations and PAAA noncompliances.

- 3.6 The Safety Analysis Reports and Technical Safety Requirements documents for facilities 3019 and 7920 will be submitted to the Site Office per the schedule delineated in the joint implementation plan for DOE Orders 5480.22 and 5480.23, Change 1.
- 3.7 Imminent danger situations (RAC 1) will be mitigated immediately. Situations that pose a serious controlled hazard to employees (RAC 2) will be mitigated within two days or corrected in accordance with an agreed-upon schedule. Medium risks hazards (RAC 3) will be abated according to plans developed by the divisions. Compensatory measures will be in effect for uncorrected RAC 2 and RAC 3 situations until such time as mitigation occurs.
- 3.8 Comply with all applicable environmental laws, regulations, ordinances and associated permits, including timely document submittals to DOE/regulators and monitoring requirements.

4.0 INFRASTRUCTURE

Maintain the infrastructure to support operations in safe, environmentally responsible, and cost-effective manner.

- 4.1 LCAM Comprehensive Planning Index will be equal to or greater than 90.
- 4.2 LCAM Project Management Index will be equal to or greater than 90.
- 4.3 LCAM Operations and Maintenance Management Index will be equal to or greater than 90.
- 4.4 LCAM Real and Personal Property Management Index will be equal to or greater than 90.
- 4.5 Provide deliverables to DOE (ORNL Site Office) as specified in the LCAM Implementation Plan.
- 4.6 Implement the reengineering strategy for providing "best in class" research support services (P&E) for ORNL.
- 4.7 Streamline and reduce cost in waste management so that rejected or reworked Form 2109s are less than 10 percent; waste characterization/packaging failures to meet waste acceptance criteria are less than 5 percent; and \$100,000 is invested in Pollution Prevention activities with a cost savings index of 3 or less.

- 4.8 Implement ORNL Training Program, as described in the ORNL Training Program Description, and track progress against the schedule. Ensure that the Training Integration Office is empowered to perform its functions, as specified in the Training Program and in accordance with specific negotiated performance measures.

5.0 BUSINESS OPERATIONS

Use efficient and effective corporate management systems and approaches to guide decision making, streamline and improve operations, align resources and reduce costs, improve the delivery of products and services.

- 5.1 Implementation of SAP achieves precision, simplicity, isolation of true G&A, establishment of causal-beneficial pools for site overhead, visibility of burden cost, reduction of circular charges, and exploitation of SAP inherent capabilities.
- 5.2 Complete Phase 2 SAP Implementation, consisting of the Human Resources functions and the business function separability by 10/1/99, in accordance with the total project cost estimate of \$30.55 million.
- 5.3 Ensure timely and effective management of overhead rate control, budget formulation and execution, cost control, and improved operations.
- 5.4 Complete all actions required to ensure Laboratory programs and systems are prepared for the Year 2000 transition.

6.0 STAKEHOLDER RELATIONS

Be a good neighbor. Work with customer, stakeholders, and neighbors in an open, frank, and constructive manner.

- 6.1 Continue to offer public and customized tours, speakers' bureau presentations, and Community Day activities. Continue to produce and distribute information about ORNL research and development activities and about the achievements of Laboratory people and programs. Maintain and enhance relationships with area media representatives through personal visits and contacts.
- 6.2 Provide leadership to ensure success of partnerships with the University of Tennessee, e.g., Joint Institutes, Science Alliance, and graduate programs. Maintain and enhance partnerships with the state in activities that can create new, mutual opportunities. Maintain positive relationships with congressional staff and local and regional governmental officials.

Attachment 1

- 6.3 Support important community service programs through employee and company involvement in activities such as United Way, Medic blood drives, Friends of the Great Smoky Mountains National Park, and other projects.
- 6.4 Maintain cooperative program between ORNL Communications and Public Affairs and ORO Public Affairs Office.

Schedule of FY 1999 BRIEF Meetings

<u>Dates</u>	<u>Location</u>	<u>Time</u>
January 28, 1999	Chem Tech Conference Room	9:00 a.m. - 11:00 a.m.
April 15, 1999	Bldg 2033 Conference Room Mid Year Review	9:00 a.m. - 12:00 p.m.
July 22, 1999	Bldg 2033 Conference Room	9:00 a.m. - 11:00 a.m.
October 14, 1999	Bldg 2033 Conference Room End of Year Review	9:00 a.m. - 12:00 p.m.
