

## ***Balanced Scorecard Performance Assessment Program***

### ***Guiding Principle***

✓ The Balanced Scorecard program ensures that there is an established and consistent approach utilized by Departmental procurement and purchasing organizations in assessing accomplishments, and managing performance.



*[This guidance was previously included in Acquisition Letter 98-10]*

### **Overview**

This section provides guidance and instruction to Departmental contracting personnel regarding the implementation and administration of the Balanced Scorecard procurement performance assessment programs used by the Department's federal procurement offices and major site and facility management contractors.

The Balanced Scorecard is the most acceptable alternative to the Contractor Purchasing System Reviews. Contracting Officers, as part of their overall responsibility for oversight of the performance of major site and facility management contractors, including their purchasing activities, are to encourage contractors to implement the Balanced Scorecard methodology described herein. Use of the Balanced Scorecard is consistent with the contractor's responsibility for developing management control systems that meet the requirements of [DEAR 970.0370-1](#).

### **Background**

In previous Acquisition Letters, the Department established its policy concerning the conduct of performance assessment applicable to the Department's federal procurement offices. That policy

described the Department's changed approach to oversight of its federal contracting activities. DOE implemented an assessment program that focused on results - promoting and encouraging dramatic and sustained improvement in the quality of the Department's procurement activities relative to the previous process-oriented review program.

This assessment program was later expanded to include all ***acquisition related*** business functional components and included procedures for utilizing a Balanced Scorecard approach to performance assessment.

This Guide section amplifies previously issued guidance, but deals strictly with application of the Balanced Scorecard assessment methodology for the federal procurement and contractor purchasing business functions. It does not address personal property or contractor human resource.

### **Balanced Scorecard Program**

A complete description of the Balanced Scorecard program applicable to our federal procurement and contractor purchasing functions can be found in the document entitled "*Balanced Scorecard Performance Measurement and Performance Management Program.*" This document is conveniently located at:

<http://professionals.pr.doe.gov/ma5/MA-5Web.nsf/Business/BSC+for+Management>

Among other business systems, this document explains the business systems assessment program applicable to procurement/purchasing offices. It was developed to assist all Department and contractor personnel involved with assessing performance of the Department's procurement, and contractor purchasing systems. It describes the implementation procedures, evaluation standards, reporting process, and other administrative issues.

The Department's Heads of Contracting Activities (HCAs) are to ensure that the described assessment program is implemented in their federal procurement offices. Additionally, for those contractor purchasing systems covered by [DEAR 970.4402-2](#), HCAs are to promote acceptance of the described assessment methodology by the major site and facility management contractors under his/her cognizance as part of the DOE review of contractor management control systems described at [DEAR 970.0370-1](#).

This guidance will be maintained and updated by the Office of Contract Management, ME-62.