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Description of document: **DOE NNSA FY 2006 Performance Evaluation Report Kansas City Plant**

Requested date: 26-January-2007

Released date: 11-September-2007

Posted date: 15-October-2007

Title of Document Performance Evaluation Report (PER) Kansas City Plant October 1, 2005 through September 30, 2006

Date/date range of document: FY 2006

Source of document: Department of Energy  
National Nuclear Security Administration  
Service Center  
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Albuquerque, NM 87185

Freedom of Information Act  
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National Nuclear Security Administration  
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SEP 11 2007

**CERTIFIED MAIL – RESTRICTED DELIVERY – RETURN RECEIPT REQUESTED**

This is in final response to your Freedom of Information Act (FOIA) request dated January 26, 2007, for *“a copy of the most recent two annual performance reviews for Pantex Site, Kansas City Site, Sandia Site, Los Alamos Site, Y-12 Site and Livermore Site.”*

I contacted the Site Offices who have oversight responsibility for the records you requested, and they are enclosed. Please note that information has been removed from portions of these documents, pursuant to Exemption 2, United States Code, Section 551(b)(2) (Exemption 2 of the FOIA).

Exemption 2 of the FOIA protects information “related solely to the internal personnel rules and practices of an agency.” The courts have interpreted the exemption to encompass two distinct categories of information: 1) internal matters of a relatively trivial nature, often referred to as “low 2” information; and 2) more substantial internal matters, such as critical infrastructure information, the disclosure of which would risk either circumvention of a legal requirement or disruption of a critical operation/activity—often referred to as “high 2” information. As described below, portions of the document are being withheld pursuant to Exemption “high 2.”

The Exemption 2 information that was deleted from these documents pertains to infrastructure information. It is believed that if any of the information described above was released, it could benefit adversaries by helping them identify possible program impacts and vulnerabilities, as well as provide them the opportunity to target these facilities. This information is predominantly internal and has not been released to the public. Disclosure of this information could possibly expose this department, as well as other departments/organizations, to a “significant risk of circumvention of agency regulations or statutes.”

The Department of Energy (DOE) regulations provide that documents exempt from mandatory disclosure under the FOIA shall be released regardless of their exempt status, unless the DOE determines that disclosure is contrary to public interest. For the reasons described above, I have determined that release of the information described above is not in the public interest.

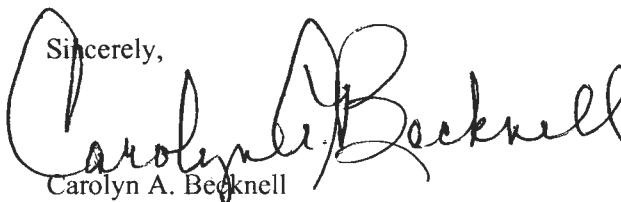
Pursuant to 10 CFR, Section 1004.7(b)(2), Ms. Tracy Loughhead is the individual responsible for the withholding of information pursuant to Exemption 2 of the FOIA.

Pursuant to 10 CFR, Section 1004.8, the denial of a FOIA request may be appealed, in writing, within 30 days after receipt of a letter denying any portion of the request, to the Director, Office of Hearings and Appeals, Department of Energy, 1000 Independence Avenue, SW, Washington, DC 20585. The written appeal, including envelope, must clearly indicate that a Freedom of Information appeal is being made, and the appeal must contain all other elements required by 10 CFR, Section 1004.8. Judicial review will thereafter be available to you in the District of Columbia or in the district where: (1) you reside, (2) you have your principal place of business, or (3) the Department's records are situated.

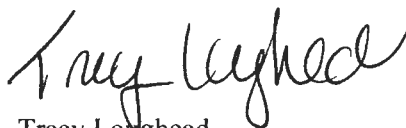
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If you have any questions, please contact Ms. Shirley L. Peterson by telephone at (505) 845-6393, by email at [speterson@doeal.gov](mailto:speterson@doeal.gov), or write to the address on the first page. Please reference Control Number FOIA 07-024-P in your communication.

Sincerely,



Carolyn A. Becknell  
Freedom of Information Act Officer  
Office of Public Affairs



Tracy Loughhead  
Manager  
Office of Public Affairs  
Denying Official

Enclosures

U. S. Department of Energy  
National Nuclear Security Administration  
Kansas City Site Office

**AWARD FEE** 2006  
**PERFORMANCE EVA**  
**REPORT**

FOR THE PERIOD:  
October 1, 2005 through September 30, 2006

Contract DE-AC04-01AL66850

**Honeywell**  
**Federal Manufacturing &**  
**Technologies, LLC**

**Kansas City Plant**

Date: \_\_\_\_\_

\_\_\_\_\_  
Steve C. Taylor, Manager  
Kansas City Site Office  
National Nuclear Security Administration

**Performance Evaluation Report (PER)**  
**Kansas City Plant**  
**October 1, 2005 through September 30, 2006**  
**Honeywell Federal Manufacturing & Technologies, LLC**

<b>Performance Area</b>	<b>Award Fee Allocation/Weight</b>		<b>Incentive Fee Allocation/Weight</b>		<b>Total Fee Allocation/Weight</b>		<b>Page #</b>
Mission	\$5,755,412	45%	\$7,000,000	53%	\$12,755,412	49%	03-11
Management	\$2,557,961	20%	\$6,150,000	46%	\$8,707,951	33%	12-21
Operations	\$4,476,431	35%	\$100,000	1%	\$4,576,431	18%	22-33
<b>Totals</b>	\$12,789,804	49%	\$13,250,000	51%	\$26,039,804	100%	

The contract between NNSA and Honeywell Federal Manufacturing & Technologies (FM&T) states that the term Kansas City Plant, or KCP, covers operations at all FM&T locations. Those locations are: Kansas City, Missouri; Albuquerque, New Mexico; Los Alamos, New Mexico; and Fort Chaffee, Arkansas. However, for the purposes of clarifying when expectations are specific to one location or organization, the following terms are used in this PER.

**Organizational References**

FM&T = the overall organization Honeywell Federal Manufacturing & Technologies, LLC (In the PER, "FM&T" is used interchangeably with the term "Honeywell.")

FM&T/KC = the organization that manages operations specifically located at the Kansas City, Missouri, facility

FM&T/NM = the organization that specifically manages operations at the facilities in New Mexico

KCSO = NNSA's Kansas City Site Office

**Location References**

Ft. Chaffee = the NNSA facility specifically located at the U.S. Army's Fort Chaffee in Ft. Chaffee, Arkansas

KCP = Kansas City Plant; in this case referring specifically to the facility in Kansas City, MO

KO = Kirtland Operations; all facilities FM&T/NM operates

NNSA has attempted to state a specific organization or location when appropriate. When no reference is made to a specific location or organization, NNSA intends for the expectation to cover all locations mentioned above.

## Summary of Performance Metrics

**Performance Area: Mission**  
**Performance Area Award Fee Weight: 45%**

**Performance Area Mission**

**Adjective Rating/Score**  
**(Good/74.75)**

### **Performance Objectives**

- PO 1 DSW Execution Plan (50%)
- PO 2 Quality Improvements (20%)
- PO 3 Campaigns (20%)
- PO 4 FM&T/NM Support (5%)
- PO 5 Nuclear Non-Proliferation Support (5%)

### **Performance Based-Incentives**

PBI 1	Secure Transportation	\$1,500,000
PBI 2	Quality Performance Index	\$2,000,000
PBI 3	Ship Quality Index	\$3,000,000
PBI 4	Development Yield Improvement	\$ 500,000
<b>Total Mission PBIs</b>		<b>\$7,000,000</b>

**Performance Objective 1:** Achieve FY06 performance targets as identified in the FY 2006 KCP Directed Stockpile Work (DSW) Execution Plan. **(Satisfactory/59)**

**Performance Measure:** NNSA will measure the successful completion of Honeywell's performance against the milestones in the FY 2006 KCP DSW Execution Plan.

**Performance Target:** Accomplish all milestones identified in the DSW Execution Plan.

**Performance Assessment:** The "FY06 Execution Document for DSW and Campaigns" identified 104 mission critical milestones targeted for completion by Honeywell Federal Manufacturing and Technologies (FM&T) during the assessment period. Of the 104 tasks, 88 were completed on or ahead of schedule; two were not accomplished; and the remaining 14 for the W80 program were cancelled. Not all milestones were of equal importance or impact on the overall DSW mission. The program risk and impact to the NNSA in not meeting the W76 milestone, and to a lesser degree the Weapon Information System (WIS) milestone, were of such significance that they warranted weighted consideration in FM&T's execution of this performance objective. Below are observations on performance against milestones not addressed elsewhere in the Performance Evaluation Report:

### W76-1 LEP

For the FY06 milestones not completed, of significant concern was FM&T's systemic failure in program management associated with scope and cost management of the W76-1 program. The results of this failure were very large cost overruns or cost "unknowns" for the KCP related to W76 production engineering, tooling and material procurements costs. The effect of this failure was the introduction of increased risk to program execution and the immediate need to implement significant risk mitigation strategies affecting not only the W76-1 program but other NNSA programs and initiatives. Funding was re-programmed from other weapon programs and campaigns which caused a significant negative impact to other important mission work.

The W76-1 funding shortfall at the KCP was identified late in February 2006 because cost management systems were not adequate to fully understand the status of the program in a timely manner. Funding budgeted to execute the program was inadequate due to causes both within and outside of FM&T's control. The following issues were within FM&T's control:

- The queries for capturing cost requirements did not capture subcontract work, long lead items and purchase orders supporting multiple programs. This amounted to \$13.2 million for FY06 which was omitted from the original budget estimate.
- Direct charging of inspection was not the practice when the budget was developed. The additional \$2.7 million for FY06 was not incorporated into a revised budget estimate.
- Accounting changes were made without revising the budget estimate which increased costs by \$.6 million for FY06.
- Funding requirements were not revised from the original design definition as design definition was received. Timely revisions to unit cost and total program cost would not have solved the cost problem as design definition was received late. However, this would have brought the cost issue to the forefront earlier.

FM&T has identified lessons learned and implemented corrective actions to preclude another program management issue such as on the W76 LEP. Significant cost management improvements, such as, baseline management, improved budget estimates with documented assumptions, and improved analysis tools for material & labor forecasting, have already been put in place. The full system upgrade is very extensive and therefore will not be completed until June 2007.

FM&T performance to support test schedules to meet the W76-1 FPU were exceptional. Significantly tighter tolerances and increased environmental testing requirements posed significant challenges to produce Shields A & B which supported the LANL Hydrodynamic test schedule. Inspection requirements were added late in the process and were much more demanding than that of the W76-0 requiring the use of a coordinate measuring machine and parts to match by weight. Three MC4700 Arming Fuzing and Firings (AF&F) were delivered to support the Follow-On CINC (Commander in Chief) Evaluation Test (FCET)-36 flight test despite an increased vibration requirement which was required late in the process for stronglinks.

### WIS

On a smaller scale, FM&T did not deploy the Weapon Information System (WIS) on time. While the WIS project had several request changes to software code, budget and resource issues,

and overall was complex, the project scope, schedule and cost were not effectively managed in a formal baseline change process which is the primary reason the project milestone was not met.

#### B61

KCP completed the milestones on or ahead of schedule to support B61 Alt 357 FPU requirements. Products in the Alt 357 include Foam Supports, Pads, Spacers, Center Case, Nitrogen Cartridge and Cables. A late design requirement for the Thermal Insulator Filler required extensive efforts in mold design and fabrication to accomplish Process Prove In (PPI) and qualification and subsequent delivery to support the B61-11 FPU. The KCP also developed reprocessing methods that enabled high yield, qualified Powder Coating processes for Center Case refurbishment and was able to work through a number of issues in order to support the B61 Alt 356/358/359 Spin Rocket Motor Retrofit.

#### LLC

FM&T achieved 100% of deliverables for Limited Life Components (LLC's). Some of the deliverables were on very short notice due to late change requests. They were very responsive to customer requests and exceeded expectations on reservoir production, forgings, Group Ten Kits, and in overall program management.

**Performance-Objective 2:** Resolve quality issues in the plant while preparing for the Life Extension Programs (LEPs). **(Outstanding/90)**

**Performance Measures:** NNSA will measure FM&T's achievement of stated targets.

**Performance Assessment:** Throughout the fiscal year, FM&T worked to resolve quality issues and continually improve upon the quality systems identified in the criteria below. To summarize, FM&T accomplished the intent of this performance objective by significantly improving quality systems to better leverage future performance for the Life Extension Programs (LEPs). This was accomplished through the following specific activities:

- Standardized work instructions provide for more consistent production and inspection processes throughout the plant;
- An improved Nonconforming Reports (NCR) system provides for production floor operators to more easily and consistently identify problems at all stages of production, reducing problems at higher level assemblies (and thereby saving time and money at the later stages of production);
- Improved quality-related business systems provide for the prevention of problems in the design and early stages of production through Qualification Engineering Release (QER) improvements, and enhances future production quality through lessons learned from inspection data and comprehensive corrective actions;
- Mistake proofing projects provide for the identification and elimination of potential errors in design, production, and inspection operations; and
- Conducting systemic corrective action analyses from the prior Quality Assurance Survey (QAS) 1.0 survey provided the opportunity to examine the overall FM&T quality system for enhancements that cross-cut all activities at the plant.

Brief summaries of each sub-element are provided below.



**Performance Targets:** NNSA expects Honeywell to:

- a. Expand the use of the new standardized work instruction format by providing 800 part number work instructions to the new format.

**Performance Assessment:** During the fiscal year, approximately 1061 work instructions were created in the new standardized format. FM&T used a risk-based approach to determine which instructions were created in the new format, such as W76-1 LEP components. FM&T improvements were evident in KCSO QAS data for FY06, which indicated a 24% reduction in findings per survey related to work instruction issues.

- b. Demonstrate improvements in the use and consistency of Nonconforming Reports (NCR) across the entire KCP by implementing enhanced NCR software tools, using them to drive improvements, and continuing the focus on the creation of NCR's at non-inspection operations.

**Performance Assessment:** Continuing its FY05 efforts to implement an improved NCR system, FM&T implemented the new NCR system plant-wide in August 2006. Improvements made include linking the NCR system to the Manufacturing Execution System (MES), auto-filling NCR fields with Production Identification (PID) and job data, creating an NCR without a shop order, allowing multiple shop orders on the same NCR, batch processing for multiple orders and/or discrepancies, splitting discrepancies, reducing the steps needed to create and revise NCRs, and making the system more "user-friendly."

FM&T also developed standard engineering reports on nonconforming material, which provide detailed defect data for review on a monthly basis. In addition, FM&T worked with Sandia Laboratories to define a new NCR report that helps engineers quickly identify the most prevalent defect problems.

- c. Implement improved business systems that reduce quality issues including enhanced QER controls, corrective action report effectiveness, inspection effectiveness, and enhanced focus on using signaling data to improve quality issues.

**Performance Assessment:** Throughout the fiscal year, FM&T established various teams to evaluate and improve several specific quality issues. More than 20 teams were chartered to pursue improvements on 75 unique items. Manufacturing yields and other cost savings from these improvements will save approximately \$595,000 in reduced per unit costs and \$10.9 million in reduced scrap costs over a five year period.

The Quality Engineering work was improved through enhanced QER controls. A team was formed to study possible mistake-proofing methods, and a solution was reached which included coding changes for the Addendum Index Wizard to eliminate common engineering mistakes made on QERs. FM&T improvements were evident in KCSO QAS data for FY06, which indicated a 43% reduction in findings per survey related to design issues.

FM&T conducted a study of its corrective action process, and developed a revised model which includes more thorough reviews for severity level 3 and 4 problems. Effectivity measures have also been established to assess the effectiveness of severity level 1 and 2 corrective actions.

- d. Expand mistake proofing for PPI and WR product and data by implementing 100 new mistake proofing projects.

**Performance Assessment:** KCSO conducted a survey of FM&T's mistake-proofing projects completed during the fiscal year, thoroughly reviewing a representative sample of completed projects. This survey identified some inconsistency in the application and definition of a mistake-proofing project. However, even with some adjustment made to the total number of validated mistake-proofing projects, FM&T can appropriately report the completion of approximately 120 new mistake-proofing projects during the fiscal year.

- e. Implement corrective actions resulting from the Quality Assurance Management Survey (QAS 1.0) conducted by NNSA Headquarters (HQ) in August 2005.

**Performance Assessment:** The corrective actions resulting from the QAS 1.0 have been completed and have been approved by NA-121.3 via memorandum dated April 12, 2006. The corrective actions taken by FM&T resolved the specific incidents identified during the survey, but FM&T also initiated global efforts to minimize the risk for similar problems in the future.

In addition to performance against the targets identified above, the following observation was noted during the performance period which had a direct effect upon meeting the performance objective, but was not directly related to the stated performance targets. The observation is addressed below.

1. In September 2006, an issue was self-identified by FM&T in which it was discovered that one inspector in the Receiving Inspection department was not performing some required inspections on reservoir-related components. Upon further investigation, it was discovered that the inspector had not only failed to perform some required inspections, but was also using incorrect equipment and failing to use the equipment properly.

To further address this concern, FM&T conducted a skills analysis of all inspectors in the department prior to continuing operations. This analysis indicated that the originally identified inspector was the only one to have significant skills gaps in performing inspection operations. Investigation into potential effects on 177 part numbers has begun, with review of the highest priority items now complete (e.g. W76-1 LEP part numbers). Initial results indicate no further concerns at this time.

**Performance Objective 3:** Effectively accomplish and prioritize funded tasks within cost, scope, and schedule through the execution of Engineering and Readiness Campaigns and the Modern Pit Facility initiative.  
**(Outstanding/91)**

**Performance Measures:** NNSA will measure FM&T's:

- a. Degree of completion of KCP FY 2006 milestones and deliverables within the Campaign and Modern Pit Facility activities.
- b. Development of a formal current operations baseline of cycle time, cost, availability and usage for Stockpile Stewardship Program activities against which future years' specific performance measures and targets can be developed for projected Campaign funded projects.
- c. Development and application of a set of performance measures and metrics.

**Performance Targets:** NNSA expects Honeywell to:

- a. Accomplish 100% of the KCP FY 2006 milestones and deliverables within the Campaign and Modern Pit Facility activities tasked and funded through the Work Authorization Process. Also accomplish as described in the Campaign Plans, Implementation Plans and Work Authorizations those activities that are critical success factors for planned FY 2007 and beyond milestones and deliverables.

**Performance Assessment:** All FY06 Level 2 milestones were met and budget authority (including carry-over) was costed/committed within 6% of funding. Due to serious budget issues on the W76-1 LEP, changes to Campaigns were required. Projects were re-baselined to prioritize process and workforce readiness, unique W80-3 activities were cancelled and equipment modernization was transferred to Readiness in Technical Base and Facilities (RTBF). These actions were necessary to overcome the cost over-run on the W76-1. Planning activities for the October 2006 Future Technologies Conference II have been supported throughout the year with increased responsibilities recently added. Critical success factors for FY06 were established with the Office of Stockpile Technology, NNSA-123, and all were met. The critical success factors were accomplished despite funding reductions. Critical success factors were accomplished in processes and product readiness, materials readiness, metrology and testing readiness, supply chain readiness and enhance surveillance. The FY06 Integrated Priority List (IPL) was performed as planned with approved baseline changes.

- b. Develop and document a formal current operations baseline of cycle time, cost, availability and usage for Stockpile Stewardship Program activities against which future years' specific performance measures and targets can be developed for projected Campaign funded projects.

**Performance Assessment:** Standardized project data was captured for completed work and will continue to be captured for on-going work for cycle time, cost, availability and utilization of plant activities. A formal baseline change process was developed and deployed for all planned Campaign projects to improve identification and monitoring of scope, schedule and cost changes and associated impacts. Campaigns also chartered Six Sigma teams to identify specific funding sources that provide product and process improvements that track, analyze and independently validate the costs.

- c. Using submitted business cases developed in support of Readiness Campaign project proposals, develop and apply a set of performance measures and metrics, or projections, to project and then determine the return on investment on Readiness Campaign funding for new equipment, processes and technology once these transition from Readiness into DSW or Readiness in Technical Base and Facilities (RTBF) routine operations.

**Performance Assessment:** Project data sheets and supporting documentation were submitted by the deadline for FY07 and future years submissions. Excellent working relationships have been developed within the Nuclear Weapons Complex (NWC) to collaborate on projects which bring new technologies and processes for current and future weapon systems. FY06 cost savings for Campaigns was validated at \$766,000. The cost to implement these savings was \$77,404 resulting in about a 10 to 1 return on investment. Improvements resulting in validated cost savings included:

- W76-1 Fireset Standard hour inspection reduction without compromising product quality and performance.
- Improving safing wheel assemblies yield rates and quality levels from a PPI yield of 0% Parts Accepted Trouble Free (PATF) to 70% PATF at qualification evaluation.
- Agile Machining and Inspection Project (FY06.0422.1) sub-projects were reviewed to allow redundant activities to be redistributed to other requirements over target.
- High Explosive Radio Telemetry (HERT) 3 High Speed Optical-to-Electrical Analog Integrated Circuits to convert very low currents from shock sensor photodiodes to necessary voltages for reliable threshold comparison.

Continued evaluations of these business case assumptions to actual results will be performed as the work is deployed to production. These and future activities are being accomplished to reduce future production costs.

**Performance Objective 4:** Manage all Honeywell FM&T/New Mexico (NM) business to achieve optimum support to the NNSA/Office of Secure Transportation (OST), the national laboratories, and other customers. **(Good/89)**

**Performance Measure:** NNSA will measure FM&T's performance against the OST Task Agreements and other reimbursable agreements.

**Performance Targets:** NNSA expects Honeywell FM&T/NM to achieve the requirements of the OST Task Agreements and other reimbursable agreements.

**Performance Assessment:** FM&T performed very well on task agreements for both on time delivery and management of Budget Authority (including carryover). FM&T/KC was 100% and 99.2% respectively and FM&T/NM was 99.6% and 99.3% respectively. FM&T/NM supported OST and other customers very well over all, but did encounter some production/delivery slips in the areas of vehicle assembly and parts. Successes included completing the Vehicle Network System (VNS) retrofit for the OST fleet ahead of schedule and providing training to all of the agents on the communications system. FM&T/KC delivered three new Safe Guard Transporters (SGTs), completed seven repairs and completed the scheduled upgrades. FM&T/NM also

supported the national laboratories on several projects and feedback from various customers was positive.

**Performance Objective 5:** Provide effective support to NNSA's Nuclear Non-Proliferation Program. **(Outstanding/92)**

**Performance Measures:** NNSA will measure:

- a. The percent of U.S. missile technology export requests reviewed within prescribed time frames.
- b. FM&T's support and execution of Global Initiatives for Proliferation Prevention (GIPP) activities, including
  - b1. Positively support the GIPP program by timely and results-oriented preparation and execution of GIPP-related agreements with institutes and other facilities in the Former Soviet Union (FSU) countries; and
  - b2. Maintain and update relevant aspects of the GIPP project management database.
  - b3. Documentation of deliverables and invoices related to GIPP project work.

**Performance Targets:** NNSA expects Honeywell to:

- a. Conduct 100% review of U.S. missile technology export requests for proliferation concern within prescribed time frames.

**Performance Assessment:** FM&T accomplished 100% of export license requests within prescribed time frames with a workload which is steadily increasing. Three hundred forty export licenses were reviewed by FM&T during FY06 and were 100% on time using part time effort from 40 engineers. Corrective actions were taken to mitigate a potential problem where a license review could be completed without review of the most recent information. In addition, FM&T improved access to the Proliferation Information Network System (PINS) and also completed a Technical Review Guide improving consistency of reviews. In addition, FM&T provided a full-time resident to NA-243 to support license reviews.

- b. Support and execute GIPP activities, including
  - b1. Maintain 90% on schedule for preparation and execution of GIPP-related agreements.

**Performance Assessment:** FM&T prepared and executed two GIPP-related agreements on time and is on schedule with five others. Three projects were developed in FY06 in anticipation of FY07 funding to expedite execution of these projects. FM&T is also exploring opportunities to expand involvement in GIPP initiatives within the closed city of Seversk, Russia, using

leveraged funding from a number of NNSA nonproliferation programs. FM&T has collaborated with Russian Weapon of Mass Destruction (WMD) entities in Seversk which resulted in one project being funded with a follow-on GIPP project being pursued. FM&T is assisting NA-24 staff to ensure Russian completion of required agreements.

In addition, FM&T/NM provided continued support to the "Radar Mapping of Geologic Structures from Drills" project which was honored by the Federal Laboratory Consortium, Mid-Continent Region with the Outstanding Partnership award for 2006.

- b2.** Keep 100% of the GIPP project management database current and accurate.

**Performance Assessment:** FM&T maintained 100% of the NA-24 GIPP project management database current and accurate and has maintained this performance through transition to an upgraded, web-based format. They proactively worked with database owners to identify and eliminate issues.

- b3.** Maintain 100% documentation of deliverables and invoices related to GIPP project work performed by FSU partners.

**Performance Assessment:** FM&T provided 100% documentation of deliverables and invoices related to GIPP for all projects performed by Former Soviet Union (FSU) partners. FM&T requires quarterly reports which itemize time and material costs from FSU project partners. Invoices are only paid after the quarterly reports are validated. The KCSO has reviewed the process and it is being accomplished per requirements. In addition, FM&T initiated an internal audit of all existing projects to identify and correct any documentation gaps that predated the implementation of the current process.

### **Mission Performance Area Summary**

<b><u>Performance Objectives</u></b>	<b><u>Weight</u></b>	<b><u>Grade/Score</u></b>	<b><u>Weighted Rating</u></b>
PO 01 DSW Execution Plan	(50%)	Satisfactory/59	29.50
PO 02 Quality Improvements	(20%)	Outstanding/90	18.00
PO 03 Campaigns	(20%)	Outstanding/91	18.20
PO 04 FM&T/NM Support	(05%)	Good/89	4.45
PO 05 Nuclear Non-Proliferation Support	(05%)	Outstanding/92	4.60
Composite PO Rating			74.75
Other Considerations			0.00
Performance Area Rating			74.75

## Summary of Performance Metrics

**Performance Area: Management**  
**Performance Area Award Fee Weight: 20%**

### Performance Area Management

**Adjective Rating/Score**  
**(Outstanding/96.00)**

#### **Performance Objectives**

- PO 6 Management & Collaboration (30%)
- PO 7 Responsive Infrastructure (60%)
- PO 8 Reimbursable Program Management (10%)

#### **Performance Based-Incentives**

PBI 5 Cost Reduction	<u>\$6,150,000</u>
<b>Total Management PBIs</b>	<b>\$6,150,000</b>

**Performance Objective 6:** Effectively manage the Kansas City Plant and collaborate with other NWC sites. **(Outstanding/93)**

**Performance Measures:** NNSA will measure FM&T's effectiveness in managing the KCP and other FM&T-managed facilities and FM&T's collaboration with other NWC sites.

**Performance Targets:** NNSA expects FM&T to manage the KCP in terms of overall operational efficiency and with specific emphasis on priority activities, such as leadership, legal/regulatory compliance, human capital planning, supply chain, financial management and multi-year workload and facility planning.

- a. Achieve a minimum score of 800 or more on Objective Matrices for Purchasing, Property, Contractor Human Resources (and other applicable areas) by year end. Year end scores below 700 will cost FM&T 2 percentage points on this PO.

**Performance Assessment:** Honeywell FM&T has exceeded expectations in the overall management and collaboration efforts with other NWC sites. The NWC integration and support efforts (26) included a collaborative effort with Sandia on the Integrated Phase Gates pilot project that could lead to a NWC wide change to the product realization process; a Six Sigma Black Belt Surveillance team that has leveraged problem solving techniques for Surveillance Transformation; VPP support; increased involvement in DOE-Wide ES&H committees; Technology Development; and, the Supplier Performance Management activities. The Plant to Plant efforts (9) included conference support, labor relations, ISO 14001, and the Special Nuclear Material Pit Cart. The Laboratory collaborations (14) range from property management reviews to material specification changes to assure timely coordination and release of DSW drawing changes. Other examples of collaboration include technical achievements and the national security arena.

Other highlights for this objective include the FY-06 business management oversight objective matrix evaluations that resulted in ratings exceeding 800 for procurement, property management, contractor human resources management; supply chain effectiveness, customer satisfaction; and employee work environment and improvement initiatives.

- b. Achieve a minimum of 2% overall average headcount reduction in FTEs in FY06 compared to the FY05 average (3022).

**Performance Assessment:** FM&T accomplished a reduction of 6.3% for FY06 from the baseline of 3,022. This was based on the NNSA Financial Information Variance Reporting System (FIVRS) report which was utilized to baseline and measure progress toward the 2% reduction target using the FY average as a baseline to avoid quarterly fluctuations. The required target was 2,961 and the FY06 average was 2,772.

- c. Collaborate with the NNSA and NWC sites on the W76, W80 and B61 Life Extension Programs (LEPs), the Reliable Replacement Warhead (RRW), Limited Life Component Exchange program deliverables, the NWC Roof Asset Management Program (RAMP), and two Technology Investment Projects - Defect Free Manufacturing and Assembly and Models-based Fabrication of Hydrodynamic Test Hardware and Parts Assembly and other concepts in accordance with the Performance Improvement and Collaboration Clause.

**Performance Assessment:** There were a number of management and collaboration issues on the W76-1 program. NNSA had to re-program funding due to cost over-runs which were not identified in a timely manner impacting other NWC programs. NWC sites did not receive timely cost data which was necessary for effective collaboration. Significant shortages in available funding were a result of the FY06 budget submission being insufficient due to a number of causes which were addressed in PO1. FM&T is taking appropriate corrective actions to prevent a similar recurrence. Otherwise, FM&T collaborated on formal KCP Site Reviews which now include LANL, SNL, SNL/CDM (Concurrent Design & Manufacturing), PX, NNSA and the Navy, Producibility Reviews for the Firing Set, Stronglinks, Arming Fuzing Subsystem and Launch Accelerometer and the pilot Phase 5 Integrated Phase Gate review of the Firing Set with SNL.

W80 – FM&T spent considerable effort in cross-site collaboration determining how best to manage the shutdown of the W80-3 program. This accomplished the appropriate shut-down reporting including shut-down checklists, material disposition and lessons learned.

B61 Life Extension Programs (LEPs) – FM&T successfully supported milestones in support of the Alt 357 First Production Unit (FPU). The Alt 357 Center Case was shipped two months in advance of the FPU deadline due to the teamwork between SNL and FM&T enabling a high yielding qualified process.

Reliable Replacement Warhead (RRW) – Design Data Packages for both design teams were submitted to NNSA along with cost estimates with the basis and assumptions. FM&T provided recommendations to the Transformation Evaluation Team and input to the design teams on



producibility, commercialization and factors which drive cost of manufacturing. FM&T's collaboration on RRW supported transformation as input to designers should allow parts to be designed more environmentally friendly, easier to manufacture, and with less schedule risk. This collaboration was unprecedented in previous weapon designs. FM&T's decades of production experience helped to ensure RRW designers knew what production parameters could be met by either the KCP or industry. Designs were reviewed extensively with the design agencies to ensure cost estimates were based on the best information available.

Limited Life Component Exchange program deliverables – FM&T continued close collaboration with the design laboratories and production facilities in the development and deployment of reservoirs. FM&T also supported a Limited Life Component (LLC) management team made up of NNSA, SNL, LANL, and SRS.

FM&T is effectively partnering with all six participating sites in the Roof Asset Management Program (RAMP). The program continues to mature and has consistently improved overall execution by incorporating lessons learned from each site. Coordination, communication and partnering with all six partner sites has led to extending RAMP as a result of effective execution. Specific program accomplishments are identified in PO9e.

Defect Free Manufacturing and Assembly – All tasks and costs were supported within schedule and budget in accordance with the project plan. Model reviews using commercial tools were presented with positive results.

**Performance Objective 7:** Contribute to implementation of a responsive and sustainable Nuclear Weapons Complex infrastructure necessary to guarantee the Nation's nuclear security in a dynamic and uncertain threat environment. **(Outstanding/98)**

**Performance Measures:** NNSA will measure:

- a. FM&T's participation and contribution to the establishment of NNSA plans and actions to implement a responsive NWC infrastructure.
- b. Development of site-specific, quantified, and objectively-measured indices that indicate current status for:
  - Site Capability/Capacity
  - Site Cost Efficiency
- c. FM&T's work with other NNSA sites to support implementation of one or more administrative or technical business practice improvements.
- d. Site-specific measures related to responsive infrastructure to include:
  - Execution of the FY05 Outsourcing Plan
  - Reduction of long lead flow times
  - Business process improvements to improve response time
  - Knowledge preservation and critical skill replacement

- e. Delivery of an acceptable transformation plan focused on reducing infrastructure and operating costs, maintaining support of mission requirements, and leveraging of commercial models.
- f. The level of non-essential inventory reduction.
- g. Support to the KCSO's Pilot of Streamlined Oversight.
- h. Delivery and implementation of an acceptable plan to establish a Supply Chain Management Center (Center for Acquisition) in Kansas City in FY07 for the benefit of the entire NWC. Evaluation of this measure will take into consideration NNSA's ability to fund this effort during FY06.

**Performance Targets:** NNSA expects FM&T to:

- a. Participate and actively contribute to the establishment of NNSA plans and actions to implement a responsive NWC infrastructure. In addition, create a roadmap by March 2006 for site-specific actions to improve responsiveness that identifies goals, timelines, and site-specific action timelines with links to the HQ responsive infrastructure plan.

**Performance Assessment:** FM&T actively contributed on NNSA plans and actions to implement a Responsive Infrastructure (RI). In addition to directly supporting the RI throughout the year, FM&T provided a full time resident to the Office of Transformation in support of RI. Honeywell identified numerous strategies which were incorporated into the Transformation Strategy Implementation Plan (TSIP) and has linked their actions to the TSIP. Initiatives proposed were improvements to the weapon program development process, technology readiness levels to ensure technologies are ready before implementation, and security clearance and Foreign Ownership, Control and Influence (FOCI) process improvements. FM&T took a leadership role in ensuring the RI team focused on what was needed to be more responsive as a complex.

FM&T also significantly participated in the Responsive Infrastructure Strategy Implementation Plan and lead a sub-group at the "January Process" to lay the foundation for the future nuclear weapons complex. FM&T developed their proposed site strategy for the KCP, "Roadmap to a Responsive Infrastructure, the Kansas City Plant - 2012". This plan proposed changes to make the KCP much more responsive and cost efficient by substantially reducing fixed costs by sourcing more products, reducing unneeded inventory and streamlining business processes.

- b. Develop site-specific, quantified, and objectively-measured indices that indicate current status:
  - Site Capability/Capacity
  - Site Cost Efficiency

In addition, it is expected that transition to a more responsive infrastructure will not degrade short term delivery and quality performance as measured by the Ship Quality Index (Performance Based Incentive - PBI 3).

Draft indices are to be proposed by January 2006. For indices that do not require new data elements, FY05 will serve as the baseline year and improvements will be evaluated for FY06. If the indices require new data elements that cannot be recovered from FY05, then FY06 will serve as the baseline year.

**Performance Assessment:** FM&T developed site specific indices and was a leader in the establishment of complex wide indices. Their draft proposal was used extensively and was the basis for the balanced scorecard methodology which is being adopted by NNSA. FM&T worked to ensure goals were leading indicators where possible and were specific, measurable, achievable, realistic and timely. The site specific metrics developed will provide data that will be used to drive efficiencies and improvements in responsiveness. Site specific indices are:

- Support Cost Ratio – The baseline for FY05 is 39.8%. FY06 data will be available after this reporting period. This index is projected to trend lower as the KCP becomes more efficient.
  - Project Cost – Nine highly critical projects have been proposed to the Office of Transformation and baselines will be established once accepted. Baselines will be tracked against original and revised baselines.
  - Product Delivery – This is an existing KCP metric and is called Ship Quality Index. FY05 performance was 98.96% and FY06 was 99.2%.
  - Project Delivery – This metric measures level 1 and 2 milestones. FM&T met 94% of the milestones in FY06 compared to 97% in FY05.
  - Capability Gaps – This measures the number of processes/products that are not fully available at the KCP. There were no gaps in FY05 or FY06.
  - Capacity – Number of processes/product technologies where demand exceeds capacity by 130%. The KCP has one area, reservoir production, which is being addressed.
- c. Working with other NNSA sites, support implementation of one or more administrative or technical business practice improvements that can be applied uniformly across the NWC to enhance responsiveness. Near-term actions in the NNSA Responsive Infrastructure Plan provide suggested topics.

**Performance Assessment:** FM&T was very active in supporting implementation of administrative or technical business practice improvements. FM&T provided leadership within the NWC to begin to drive improvements in the product realization process to better link technology maturation, weapon design, development and production. FM&T and SNL teamed together to champion the development of an Integrated Phase Gate Process. This process requires all activities for a phase gate be completed prior to moving forward which improves the design/development process. The implementation of this is being worked NWC wide and should bring better definition to the development process. This process has been chosen by NA-10 for implementation on RRW. FM&T continues to lead and support spend analysis across the NWC.

**d. Improve site specific Responsive Infrastructure such that:**

- Meaningful progress is demonstrated in the FY05 Outsourcing Plan.
- Flowtime of long lead items (>100 days) on the W76 and W80 LEP programs is effectively reduced by 20% through supplier agreement, acquisition of strategic inventory, or design agency relaxation of requirements.
- Demonstrated reductions in administrative and/or cycle time are realized through multiple business process improvements.
- Loss of critical human resource skills are mitigated through knowledge preservation initiatives and swift replacement of losses.

**Performance Assessment:** Meaningful progress was made against the FY05 Outsourcing Plan though the plan was primarily to avoid an increase in direct hourly staff for LEPs. FM&T expanded the FY05 Outsourcing Plan which was not extensive enough to transform the KCP. Therefore, extra effort was targeted at expanding this plan to evaluate all manufacturing at the KCP and to increase the processes/products sourced to vendors. FM&T broadened the outsourcing plan to address reduced foot print and infrastructure costs, and increased leveraging of the supplier base. This expanded Sourcing Plan was submitted to the KCSO on June 30, 2006 and is a significant improvement from the FY05 Outsourcing plan. This will better position the KCP to become more responsive by utilizing industry to a greater extent. Actions taken against the FY05 Outsourcing Plan were:

- FM&T pulled up the manufacturing of W87 fireset housings in the Flexible Manufacturing System (FMS) facility which will allow the facility to be shut down nine months earlier than planned at a cost savings of \$900,000 annually. Initiated shutdown actions for FMS to be decommissioned in FY07, well ahead of FY09 plan.
- Confirmed planned action to outsourcing injection molding, sheet metal fabrication, multi-wire cables, and plating. Development orders with potential vendors have been placed to establish the supply base.
- Identified more than 900 part numbers to be outsourced.
- Evaluated more than 7000 pieces of capital equipment to determine future need due to outsourcing initiatives. The evaluation determined if equipment would be excessed, moved, or replaced as part of KCRIMS transformation.

FM&T went beyond the 20% target for long lead items on the W76 LEP. Lead times have been reduced from an average of 245 days to 171 days, or 31%. The W80 LEP flowtime effort was stopped when the program was cancelled. There were a number of factors for the flowtime reduction but the primary reason was due to qualifying the Life of Program parts ahead of time.

Six knowledge preservation projects were scheduled to be completed in FY06 and all were accomplished bringing the total to 49 projects completed at the KCP. Four other projects are currently in process. The knowledge preservation project currently extends to FY2010 which may be too late to capture information. FM&T is revising the plan to determine projects which need to be pulled up, and projects which can be eliminated based on manufacturing capabilities

of industry. Streamlining of knowledge preservation is also being evaluated to capture the “critical” elements.

The critical skills occupancy rate was maintained at 99%.

- e. Develop, deliver, and begin execution of a comprehensive project plan for transformation of non-nuclear operations to realize a minimum of \$100 million of annual operational savings from FY06 Future Year Nuclear Security Plan (FYNSP) level by FY15. Required elements of the transformation project plan are as follows:
  - 1. Transition to a new facility by 2012
  - 2. Strategic sourcing and sizing of production and administrative processes
  - 3. Workforce transition
  - 4. Risk management
  - 5. WFO strategy
  - 6. Overall financial model for transformation
  - 7. Well defined scope, schedule, and budget for all related projects

**Performance Assessment:** FM&T developed a comprehensive project plan and has started execution to transform non-nuclear operations. The anticipated cost savings of approximately \$100 million annually will enable NNSA to continue to meet mission deliverables to high quality standards and significantly decrease fixed operating costs independent from production levels. The new, smaller facility, coupled with streamlined business practices, will make the KCP more variable cost driven.

The overarching Transformation Plan was submitted on June 30, 2006 along with supporting plans for sourcing and inventory reduction. The Transformation Plan has three major components; Facility, Sourcing and Business practices. These three areas are inter-dependent as changes in one area facilitate changes in the other areas. The new, smaller facility of approximately 1/3 the size of the existing facility will greatly reduce operating and maintenance costs for the KCP. This is enabled by greater leveraging of commercial industry through the sourcing of more processes/products. When the sourcing initiative is fully implemented, an additional 11% of products (900 part numbers) will be sourced to commercial industry. The Transformation Plan addressed workforce transition and projected the vast majority of reductions would be accomplished through attrition minimizing the impact on personnel and ensuring performance through the sourcing transition. The Transformation Plan addresses risk management strategies for build-aheads to minimize the potential impacts to deliveries for key production parts and for re-qualification of existing processes. The risk management strategy for RRW is to qualify and build RRW in the new facility meeting the planned FY2012 FPU.

FM&T has, in cooperation with NNSA, delayed or cancelled projects to align with transformation plans. FM&T has made significant progress towards the next significant transformation milestone of delivery of a draft business plan in December 2006.

- f. Develop non-essential inventory disposition plan by June 30, 2006 and reduce non-essential inventory by 10,000 square feet by September 30, 2006.

**Performance Assessment:** FM&T requested and obtained NA-122 support to aggressively address inventory reduction efforts as a priority for the KCP, ensuring cooperation and support of the design laboratories as fundamental for inventory reduction successes. Additional emphasis on weapon inventory reduction began in January 2006, with a joint KCSO/FM&T team. Excess authority per the Development and Production Manual chapters 4.1 and 4.2 via Office of Nuclear Weapons Stockpile Systems Division, NA-122.1 has been obtained.

Inventory at the KCP occupies approximately 300,000 square feet (sf) of storage space. There are approximately 19,997 potential surplus items occupying 39,370 sf being reviewed at the KCP to determine if they can be removed from inventory. This inventory is primarily weapon production material, tooling and test equipment. Through September 26, 2006, the KCP has submitted for excess approval, 9,971 items. Approximately 3,700 items occupying 18,566 sf have been approved and removed from inventory. There will be an associated cost savings of approximately \$26/sf when areas can be consolidated which will not be realized for a few years. The primary benefit will be realized by not having to provide leased space for obsolete inventory in the future facility. FM&T has identified in their Inventory Reduction Plan a target reduction of 225,000 sf from present levels.

- g. Prepare a plan by July 1, 2006; implement the plan by September 30, 2006 for a revision of the Contractor Assurance System (CAS) into the FM&T Management Assurance System (MAS); and establish streamlined operating requirements in support of the KCSO's new oversight model.

**Performance Assessment:** FM&T exceeded expectation by developing and deploying the "next generation" contractor assurance system that combines contractor accountability and federal visibility. This revised CAS, called Management Assurance System (MAS), is based on Honeywell International's corporate management practices including a balanced scorecard and a management accountability method. FM&T issued this revised CAS into a new Quality Plan and new electronic information system that allows FM&T and KCSO managers access to self assessment, benchmarking, corrective action, and metrics. FM&T provided KCSO with training and will be working with the Site Office to improve functional level assurance communications. In addition, FM&T has provided support in helping the KCSO develop a new model for oversight that includes streamlined oversight, reduced operating requirements, and a new change control process for directives and deliverables. This new model has been identified as a dramatic shift in the federal/contractor relationship within DOE.

- h. Develop, deliver, and begin execution of a comprehensive project plan to establish a Kansas City based Supply Chain Management Center (SCMC) in FY07 to gain efficiencies and savings from consolidation of procurement systems, supplier management, and contracting agreements.

**Performance Assessment:** FM&T has clearly led the M&O contractors on this NWC-wide initiative. FM&T developed and delivered a comprehensive project plan for the SCMC as

requested. Due to anticipated funding from HQ not arriving during FY06, FM&T was unable to go past minimal execution of its plan. However, FM&T's efforts in this initiative have exceeded NNSA's expectations. FM&T has worked closely with KCSO and HQ counterparts to draft language for NWC-wide plans and for a Multisite objective for the FY07 PEP. FM&T has also worked with individual sites to educate them on how the SCMC will work and how each site will interact with the system. With receipt of the official authorization to proceed in a memorandum from NA-10 (August 7, 2006), FM&T is now positioned to accomplish the Complex 2030 goal of establishing a Kansas City based Supply Chain Management Center in FY07 upon adequate funding.

**Performance Objective 8:** Provide effective management and long range planning to advance weapons capabilities at the KCP through reimbursable funding sources. (**Outstanding/93**)

**Performance Measures:** NNSA will measure:

- a. The consistency of proposed work with the Ten-Year Site Plan (TYSP) and the Kansas City Plant Technology Plan
- b. The degree to which proposed work supports site objectives to broaden the KCP National Security mission to support key National Security objectives.
- c. Development and execution of a methodology to quantify the net value of Work for Others (WFO).

**Performance Targets:** NNSA expects FM&T to:

- a. Ensure all work is consistent with the TYSP and the KCP Technology Plan.

**Performance Assessment:** FM&T ensured all work was consistent with the TYSP, the KCP Technology Plan which is developed with NWC input, and Kansas City Responsive Infrastructure Manufacturing and Sourcing (KCRIMS) transformation plans through use of an FM&T "business capture process" model. This model begins with a documented pre-assessment gate review to determine if the proposed project is consistent with future technology planning prior to the development of a project. If it does not meet the criteria at this initial point, it is dropped. If it does meet the criteria, it is subjected to reassessment during subsequent gate reviews by management representative teams involved in completion of the project. FM&T ensures projects are consistent with future technology planning, TYSP and KCRIMS at monthly reviews.

- b. Ensure all work supports site objectives to broaden the KCP National Security mission to support key National Security objectives.

**Performance Assessment:** FM&T ensured all work supported key National Security objectives through use of the FM&T "business capture process" model which begins with a documented pre-assessment gate review to determine if the proposed project is consistent with key national

security objectives. This process has been validated by the KCSO and is working well. FM&T also demonstrated its focus on supporting key National Security objectives through increased development of projects within the intelligence community, the Defense Threat Reduction Agency, the United States Air Force and the Department of Energy. Some examples of this are: advanced optical detection system development, distributed initiation system development, and prototype development for non-lethal projectile launcher.

- c. In the first quarter of FY06, develop an expanded methodology beyond that developed in FY05 to quantify the net value of WFO including out-year benefit, liability and risk. During the remainder of FY06 FM&T will execute the methodology to realize positive net benefits.

**Performance Assessment:** FM&T developed an expanded methodology in the first quarter of FY06 which quantified the net value of 50% overhead recovery for Work for Others (WFO) including out-year benefit, liability and risk focusing primarily on overhead offset, liability and resource utilization. WFO is burdened at prescribed rates to address overhead costs associated with work conducted within the KCP. Analysis has demonstrated WFO overhead recovery to be approximately a 50-50 split between variable and fixed overhead directly off-setting KCP overhead. The net value of WFO for FY06 is \$26.75 million. FM&T WFO project proposals ensured full cost recovery and that no liabilities are incurred by NNSA. The concept of "net benefit to NNSA" was expanded during the year to include additional benefits such as using uncleared personnel waiting for a clearance and improvements in weapons production processes. In addition, FM&T developed a process to better disseminate weapons technology improvements achieved through WFO work throughout the plant.

#### **Management Performance Area Summary**

<b><u>Performance Objectives</u></b>	<b><u>Weight</u></b>	<b><u>Grade/Score</u></b>	<b><u>Weighted Rating</u></b>
PO 06 Management & Collaboration	(30%)	Outstanding/93.00	27.90
PO 07 Responsive Infrastructure	(60%)	Outstanding/98.00	58.80
PO 08 Reimbursable Program Management	(10%)	Outstanding/93	9.30
Composite PO Rating			96.00
Other Considerations			0
Performance Area Rating			96.00



## Summary of Performance Metrics

**Performance Area: Operations**  
**Performance Area Award Fee Weight: 35%**

### **Performance Area Operations**

**Adjective Rating/Score**  
**(Outstanding/92.45)**

#### **Performance Objectives**

PO 9 Facilities Management (40%)  
PO 10 Security (25%)  
PO 11 Environment, Safety & Health (20%)  
PO 12 Cyber Security & IT (15%)

#### **Performance Based-Incentives**

PBI 6 Security – Non-Standard Storage	<u>\$100,000</u>
<b>Total Operations PBIs</b>	<b>\$100,000</b>

**Performance Objective 9:** Manage facilities operations to ensure efficient and cost effective operations in project management, facilities engineering, construction, maintenance, utilities and asset management in support of RTBF and FIRP programs. **(Outstanding/92)**

**Performance Measures:** NNSA will measure performance by FM&T's achievement of stated targets and compliance with requirements.

**Performance Target:** NNSA expects Honeywell to:

- a. Conduct a Real Property Asset Management program in accordance with DOE Order 430.1B (Planning, Documentation, Facilities Information Management Systems, Real Estate, Maintenance, Disposition and Long-Term Stewardship, and Value Engineering).

**Performance Assessment:** FM&T effectively managed the Real Property Asset Management Program in accordance with DOE Order 430.1B. Substantial work in the areas of planning, real estate, maintenance, disposition and long-term stewardship activities were accomplished in support of Kansas City Responsive Infrastructure Manufacturing and Sourcing (KCRIMS) and Kirtland Operation's Albuquerque Transportation & Technology Center (ATTC) transition projects. FM&T developed facilities planning strategies for maintaining equipment and the plant infrastructure as a result of KCRIMS. This included major changes to maintenance processes and recapitalization project plans. The changes are designed to sustain equipment, facilities, and infrastructure as transformation to KCRIMS matures until the end of LEP production. Successful integration of maintenance reliability techniques has provided substantial cost savings by avoiding capital dollars for new equipment purchases. Additionally, all reports and required updates to maintain the Facilities Information Management System were completed on schedule.

- b. Maintain facilities and infrastructure consistent with the guidance expressed in the NA-10 memorandum dated July 18, 2005, "Maintenance of the National Nuclear Security Administration (NNSA) Facilities and Infrastructure". The contractor shall dedicate the resources necessary to properly maintain their facilities, as noted in the guidance and fund maintenance of facilities and infrastructure as appropriate for the site with NNSA concurrence.

**Performance Assessment:** FM&T effectively managed the facilities and infrastructure of the KCP consistent with NNSA HQ's guidance. The KCP submitted a waiver request from the 2-4% Replacement Plant Value on maintenance and a deviation from the 5% Facility Condition Index (FCI) goals on February 6, 2006. In addition, FM&T effectively developed options in the Ten Year Site Plan (TYSP) that identified specific programmatic impacts if resources were redirected from programs or campaigns to ensure adequate maintenance and recapitalization funding necessary to prevent new deferred maintenance growth. In response to KCRIMS, FM&T developed a new strategic infrastructure model for the KCP focusing on sustaining infrastructure and equipment until the end of the LEP production and not beyond. All recapitalization projects have been suspended which will result in an increasing FCI. Run-to-fail maintenance strategies have been employed for certain systems and equipment and may result in an overall cost savings for the government given the current path forward to a smaller, state-of-the-art production facility.

- c. Develop and support the Ten-Year Site Plan (TYSP) activities to ensure full integration with the NNSA's requirements.

**Performance Assessment:** FM&T met the deliverable for submittal of the TYSP. Responses to the HQ questions on the FY06 plan were both timely and thorough and were incorporated in the submission. Overall performance was good; however, long range facility recapitalization planning needs to be more effectively coordinated prior to the TYSP submission.

- d. Manage and execute the Facilities & Infrastructure Re-capitalization Program (FIRP) including costing 65% of all FIRP dollars. Successfully execute FY06 FIRP projects within scope, schedule and cost.

**Performance Assessment:** FM&T is effectively managing and executing FIRP program requirements at the KCP. The NA-52 annual FIRP review was conducted on February 14-15, 2006. The review team indicated the program was well managed and effectively executed with the following best practices identified:

- The effectiveness of the Integrated Project Team including Honeywell, Facility Engineering Services, and KCSO personnel.
- Performing a facility needs condition assessment on an annual basis.
- Using an Earned Value Management System (EVMS) reporting system with summary reports and detailed backup schedules.
- Releasing of unneeded project contingency at the right time in project execution to allow use on other projects as needed or to start new projects.

- The completeness of the risk assessment analysis tool.

The execution of FY06 design and recapitalization projects were proactively delayed by FM&T in response to planning activities in support of KCRIMS. As a result, the program continued work on four existing projects carrying over into FY06 and started one new recapitalization project. There were no new designs executed in FY06. FM&T exceeded costing goals of the remaining FIRP work in FY06. FM&T continues to effectively support all FIRP HQ program initiatives and activities at this time.

- e. Execute the Roof Asset Management Program by partnering with the NNSA and participating M&O contractors necessary to achieve program objectives. Successfully execute FY06 design and construction projects within scope, schedule and cost.

**Performance Assessment:** FM&T exceeded expectations managing the Roof Asset Management Program (RAMP). The program continues to improve by incorporating improved facility management processes, a strong lessons learned program, and effective communication and collaboration between NNSA, the six participating sites and the construction contractor as demonstrated by the ability to effectively respond to changing program direction. Most notable were improvements in the design process by implementing a pre-design review meeting at each site, including energy management evaluations.

The program received a \$4 million funding reduction in early FY06 after designs were complete and bidding underway. Despite this significant change the project team reacted by reallocating funds, adjusted designs and obtained revised bid packages with minimal impact to the overall schedule. In fact, construction began at three sites in April 2006 and the remaining three sites in May 2006 resulting in a significant improvement over FY05. Construction was complete at five of the six sites for FY06 RAMP funding. The RAMP integrated project team continues to work effectively to meet aggressive program expectations yielding the following results for FY06:

- 337, 447 square feet roofing replaced
- \$1.244 million value added to the portfolio
- \$1.748 million direct construction cost savings
- Consolidated Average Remaining Roof Life increased from 8.11 years to 8.59 years

The program continues to mature and has consistently improved overall performance on a yearly basis. Supplemental funding, outside of RAMP, continues to increase supporting additional roofing work as a result of demonstrated value and success. FM&T is recognized for outstanding performance for effectively partnering with the NNSA, the M&O contractors, and the construction contractor.

- f. Obtain HQ certification of the Earned Value Management System (EVMS) by the fourth quarter of FY06.

**Performance Assessment:** FM&T completed development of the EVMS for construction projects necessary to obtain NNSA/HQ certification by the end of FY06. FM&T completed

training for all project personnel involved in the management of KCP construction projects and began implementation of the EVMS system, using a tailored approach, in the 3QFY06. As a result of minimal construction projects and overall low risk, HQ indefinitely delayed the certification review of the KCP EVMS.

- g.** Partner with NNSA in small business procurements for FIRP projects to meet the KCSO Small Business goal of 10% of FY06 KCP FIRP dollars.

**Performance Assessment:** FM&T effectively partnered with the KCSO in development of the KCSO Small Business initiative. Placement of the Indefinite Delivery Indefinite Quantity (IDIQ) contracts for small-business awards was imminent when the decision to cancel the program was announced. The program was cancelled when the planning for KCRIMS was initiated. There were no small business projects executed prior to termination of the program.

- h.** Provide project management necessary for successful execution of construction projects. Deliver successful projects within cost, scope and schedule. Demonstrate improved project management skills during all phases of project development and execution.

**Performance Assessment:** FM&T continues to partner effectively with KCSO on construction projects through weekly coordination meetings for the FIRP/RAMP programs and RTBF projects. In addition, all authorized projects are reviewed on a monthly basis to evaluate progress against performance baselines. The Project Status Review meeting has incorporated additional detail by reviewing change order logs and contractor's construction schedules. FM&T continues to focus on Project Management Institute certification for project managers.

FM&T demonstrated progress in the development of project documents (Design Criteria, Conceptual Design Report, Acquisition Execution Plan, and Preliminary Project Execution Plan) necessary to obtain Critical Decision 1 (CD-1) for the Computing Facility line item. FM&T also supported development of the Replace Main Switch Gear line item project. Preliminary Engineering and Design (PE&D) funding was received in FY06. However, both projects were cancelled when the planning for KCRIMS was initiated.

FM&T developed a new portfolio management tool to track project status and drive standardization in the life cycle management of all projects, irrespective of cost. The database was developed with controls necessary to drive consistent execution, independent of individual project managers and significantly improve overall visibility of projects. The database also provides the platform to easily develop and track metrics for the execution for all projects across the organization as well as an effective tool to generate customized reports.

FM&T failed to effectively plan for migration of Polychlorinated Biphenyl (PCB) contamination discovered in D/37B during removal of the contaminated concrete floor slab. Engineering controls used to control dust generated by demolition operations were ineffective. This resulted in an additional effort to remove PCB contamination from horizontal surfaces at the site. The risk assessment conducted did not adequately address this issue.

- i. Execute construction activities to maximize cost-effectiveness and incorporate industry-leading safe work practices. Analyze and implement improvements to deliver construction efficiencies.

**Performance Assessment:** FM&T is working effectively with the subcontractors to shift management of safety issues to the subcontractors. Through the use of the on-site safety professionals and other initiatives, FM&T has been able to resume its role of providing safety oversight, while the subcontractors are responsible for the safe and effective daily operation of their construction sites. The requirements to have the subcontractor representatives attend the Monthly Superintendent's Safety Meeting and give presentations on recent incidents and safety topics is a useful mechanism to share information and maintain an emphasis on good work practices. The effort to continue development of ratings for the Maturity Path to Premier Contractors will allow FM&T to build a database to rate subcontractors against given criteria such as safe operating history, company organization and support, and overall operations.

FM&T implemented several improvement initiatives resulting in overall savings and improved efficiencies in the execution of construction projects. FM&T developed a project database to track project status, improve visibility, and drive standardization in the life cycle management of all projects. The implementation of this tool, referenced in PO 9h, has simplified reporting and tracking of project performance information resulting in an overall savings of indirect labor of approximately \$400,000. FM&T also developed a new classification of construction escorts managed directly by Facility Engineering Services (FES) designed to increase flexibility and reduce costs.

- j. Prepare and implement an Energy Conservation Implementation Plan to support NNSA's goal to reduce energy at the KCP & KO by at least 10% relative to FY04 usage by the end of FY06. The Plan shall be consistent with DOE Order 430.2A and the NNSA Stretch Goal to reduce energy by at least 10% relative to FY04 usage by the end of FY06.

NNSA expects Honeywell FM&T/NM to achieve the energy conservation goals for the KCP and KO as outlined in the Implementation Plan. During the execution of the plans a progress report is due April 28, 2006 and a final report is due by October 31, 2006.

**Performance Assessment:** FM&T exceeded expectations in support of the Presidential Initiative on energy conservation. FM&T has realized a savings of 14.38% against the FY04 baseline data surpassing the goal by over 4%. This has been achieved through aggressive action by Facilities Management in establishing energy conservation partnerships with the large energy consuming production departments. Numerous steam shutdowns occurred throughout the year which required extensive coordination with production departments as well as significant cooperation to ensure no production impacts during system shutdowns. Additionally, FM&T has already surpassed the Executive Order 13123 goal of a 25% energy reduction by 2010 against the 1990 baseline, and is well on track to meet the mandated FY2015 goal for energy reductions.

**Performance Objective 10:** Provide security programs protecting people, property and information in accordance with all applicable laws, regulations, and orders.

**(Outstanding/92)**

**Performance Measures:** NNSA will measure performance by FM&T's achievement of stated targets and compliance with requirements.

**Performance Targets:** NNSA expects Honeywell to:

- a. Operate a security program at a Satisfactory level as validated by KCSO surveys and the DOE Office of Independent Oversight and Performance Assurance (OA) inspections.

**Performance Assessment:** FM&T has successfully operated the Kansas City Plant (KCP) security program at the highest level as validated by KCSO surveys, KCSO program reviews, observations and third party reviews. In November and December 2005, the DOE Office of Security and Safety Performance Assurance (SSA) conducted a comprehensive evaluation which noted that some areas "need improvement". However, the overall performance of FM&T has been satisfactory and current programs adequately protect DOE/NNSA assets.

- b. Comply with the 2003 and 2004 Design Basis Threat (DBT), meeting all cost and scheduled milestones towards completion by December 31, 2006.

**Performance Assessment:** The KCP was re-designated as a Threat Level 4 Facility in 2005. The change in facility status reduced DBT protection requirements for the KCP to "Order Compliance" for activities relating to implementation of the 2003 & 2004 DBT. As this was a drastic change from the implementation plans submitted, the KCP submitted risk assessments which demonstrated that implementation of the originally identified upgrades would not significantly reduce the identified threats. NA-70 has confirmed that all DBT implementation actions at the KCP are complete.

- c. Maintain an effective self-assessment program that identifies and corrects problems in a timely manner. Submit corrective action plans and complete actions on schedule as indicated in the Safeguards & Security Information Management System (SSIMS).

**Performance Assessment:** FM&T has maintained an effective self-assessment program that identifies and corrects problems in a timely manner. Corrective Action Plans (CAPs) for non self-assessment findings are submitted on time and necessary corrective actions have been completed on schedule as indicated in SSIMS.

- d. Effectively implement the Program Management Plan and FY06 Program Execution Guidance (PEG) and complete the Annual Operations Plan (AOP) milestones as required.

**Performance Assessment:** FM&T has effectively implemented and executed the Program Management Plan and FY06 PEG for both Cyber and Physical Security through the cyber and physical security AOP. AOP milestones were completed as required.

In addition to performance against the targets identified above, the following observations were noted during the performance period which had a direct effect upon meeting the performance objective, but were not directly related to the stated performance targets. The observations are addressed below.

1. It should be noted that FM&T was able to exceed program expectations while making significant contributions to the creation of a dramatically improved assurance system, as well as analysis and planning for building a new facility. FM&T also expended a substantial effort working with the KCSO to develop a comprehensive Site Security Standard which reduces 12,000 pages of security direction to 230.
2. It should also be noted that FM&T was able to achieve outstanding performance in a year with drastic financial and managerial challenges. The projected FY06 physical security budget was reduced by 36%; in a program where 93% of the costs are salary. Additionally, direction was given to reduce the number of armed protective force officers at the site. To accomplish both tasks, a detailed risk analysis was conducted, submitted and implemented which changed staffing levels, security posts and escorting responsibilities. The net effect, through careful planning, was that the number of personnel whose current employment at the site was affected was kept to a minimum.

**Performance Objective 11:** Provide environmental, safety, health, environmental restoration, waste management and emergency management programs that protect people, property and the environment in accordance with all applicable laws, regulations, and orders.

**(Outstanding/94)**

**Performance Measures:** NNSA will measure FM&T's achievements and programs to maintain a safe workplace in accordance with the following Targets.

**Performance Targets:** NNSA expects Honeywell to:

- a. Maintain effective ISM, VPP and ISO programs in accordance with the FY06 ES&H Management Plan. Manage the closure of findings identified in the May 2004 DOE Office of Independent Oversight and Performance Assurance (OA) audit report per the approved final corrective action plan.

**Performance Assessment:** FM&T continues to implement the Voluntary Protection Program (VPP) at the FM&T/KC and FM&T/NM operations. FM&T was awarded the "Star of Stars" award at the VPP Participants Association meeting in August 2006. FM&T is the first contractor to receive this award, for achieving the "Star of Excellence" award for three consecutive years. Both FM&T/KC and FM&T/NM passed their ISO 14001;2004 audits this fiscal year with no findings.

FM&T has successfully completed the closure of all 60 corrective actions identified in the Corrective Action Plan prepared as a result of the 11 findings from the 2004 OA audit. All actions were completed on time. FM&T supported the KCSO staff in completing Effectiveness Reviews on each of the findings.

FM&T implemented improvements to the Preliminary Hazard Analysis (PHA) and Job Hazard Analysis processes which reduced the number of PHA/National Environmental Policy Act reviews for low risk activities in support of New Business/Work for Others operations.

FM&T supported HQ Integrated Safety Management objectives by developing action plans for implementing Defense Nuclear Facility Safety Board commitments relating to 'Work Planning and Control' and 'Feedback and Improvement.'

- b. Ensure safe operating conditions throughout the plant. Ensure an appropriate level of environmental protection/pollution prevention. Ensure that ES&H operations support/accomplish programmatic objectives.

**Performance Assessment:** FM&T continues to maintain a mature and integrated approach towards waste management and pollution prevention. The KCP continues to gradually reduce their generated quantities of routine hazardous and non-hazardous waste, and systematically investigates and implements beneficial material substitutions and process improvements.

FM&T was recognized during the year with a NNSA Pollution Prevention Environmental Stewardship Award for the reclamation of Industrial Wastewater Pretreatment Facility sludge, as well as Federal Electronics Challenge and Federal Electronics Recycling and Reuse Challenge Awards for their computer donation program.

FM&T has been very proactive in supporting HQ reviews of regulatory action impacting air emissions from the KCP that will affect the Title V Operating Permit with the Missouri Department of Natural Resources. Specific work on the Defense Land Systems and Military Equipment rule will positively affect painting operations restricted by military specifications.

Safety activities are on-going and protective of worker and public safety and the environment. 10 CFR 851 implementation activities are progressing with due diligence and at an appropriate level of detail. FM&T is taking steps to remedy an omission in the KCP Radiation Protection Program and to assure that interlock checks on Radiation Generating Devices are accomplished per the germane procedures. Progress continues on assuring the accuracy of the confined space database. Changes are in progress to assure statistical accuracy of beryllium results for areas to be released to other occupancy. The FM&T Division 100 Safety Committee continues to set the standard for effective safety committees. The committee has a strong record of identifying and addressing a wide variety of plant-wide safety issues. For instance, in FY 2006, they worked on the issue related to installing gates on ladders that lead to platforms throughout the plant.

- c. Manage environmental restoration to meet milestones and activities outlined in the baseline approved by the KCSO. Implement timely and effective corrective actions to storm water PCB concerns.



**Performance Assessment:** All milestones and required deliverables to the Missouri Department of Natural Resources (MDNR) and other customers were met, timely and highly effective. The 95<sup>th</sup> Terrace Statement of Basis and a revised Resource Conservation and Recovery Act (RCRA) Post-Closure Permit were approved by MDNR in September 2006 after public notice. A final Project Closeout and Transition Package requesting Environmental Restoration Project transition to Long Term Stewardship was submitted to DOE Headquarters. These significant accomplishments conclude an 18 year, \$64 million program of active environmental clean-up at the KCP, and are the direct result of a sustained cooperative working relationship with environmental regulators and the surrounding community.

FM&T completed a project to reline the main trunk of Outfall 002, continued to inspect the Outfall 002 system on a semi-annual basis, developed future mitigation projects and delivered a PCB Bioaccumulation Study. Despite these and other ongoing and proactive flow management, diversion, system inspection and maintenance programs, two permit limit exceedances for PCBs occurred. Each of these appear to be associated with “first flush” rainfall sampling events. A Consent Judgment is in the final stages of development with MDNR and the U.S. Department of Justice will help to reduce the regulatory impact of these and similar PCB release events.

FM&T has also completed projects to maintain and reroute drains, and to replace tanks and other associated equipment at the Industrial Wastewater Pretreatment Facility (IWPF) that are part of the Industrial Wastewater and Groundwater Treatment Systems. These projects involved the coordinated notification and approval of requested temporary treatment system shutdowns and modifications of both Kansas City and State of Missouri environmental regulators. Although a Notice of Violation was received for a single Groundwater Treatment Facility discharge permit limit exceedance for PCBs, these industrial and groundwater treatment systems have consistently been operated in full compliance with permitted limits, terms and conditions.

**Performance Objective 12:** Implement a cyber security program based on the NNSA Program Cyber Security Program (PCSP) and provide effective information technology services.  
(Outstanding/94)

**Performance Measures:** NNSA will measure:

- a. FM&T’s compliance with HQ Cyber Security Program Execution Guidance as described in the Targets below.
- b1. The level of Information Technology (IT) customer service satisfaction;
- b2. The % increase in information technology management process efficiency;
- b3. The number of incidents involving vital information resource vulnerability.

**Performance Targets:** NNSA expects Honeywell to:

- a1. Maintain a comprehensive cyber security self-assessment program.

**Performance Assessment:** FM&T improved the Cyber Security self-assessment program using self-assessment improvement suggestions and processes obtained through the formation of a Six Sigma team. The teams output resulted in resources from outside the Cyber Security organization along with the entire Cyber Security team participating in a stream-lined execution of the self-assessment based on National Institute of Standards and Technology (NIST) 800-26 which by design is a comprehensive review of the Cyber Security program. The stream-lined approach utilizing a cross-functional team provided self-assessment results that were much more consistent and thorough.

- a2. Ensure the KCP intrusion detection process provides continuous monitoring and CIAC is notified of potential intrusions in a timely manner.

**Performance Assessment:** FM&T has had no Computer Incident Advisory Capability (CIAC) reportable incidents in FY06. Cyber Security has a fully implemented intrusion detection system that is monitored by Cyber Security staff during working hours. Cyber Security monitors off duty hours based on a pager notification alert. The NNSA Information Assurance Resource Center (iARC) monitors all inbound and outbound traffic 24 hours per day seven days a week.

- a3. Establish and maintain effective feedback and improvement mechanisms to identify cyber security vulnerabilities, apply patches/hot fixes as they become available to eradicate the vulnerability from site networks, and prevent the vulnerability from reoccurring.

**Performance Assessment:** FM&T Cyber Security has implemented Foundstone vulnerability scanning systems on the unclassified network. The systems are updated daily with the latest vulnerability information and all networked systems are scanned where technically feasible. A vulnerability rating system was developed by Cyber Security for new CIAC notifications along with a time frame based on the rating for corrective actions to be implemented.

FM&T's Integrated Cyber Security Tiger Team led several Nuclear Weapons Complex sites through an orientation of the installation and operation scripts for the Integrated Cyber Security environment.

As a direct result of the successful FM&T led Directory Services implementation, FM&T was awarded the Integrated Cyber Security Initiative (ICSI) work to develop a key component of user management: Security workflows at the site. This builds on ICSI Directory Services being the first application software receiving "Approval to Operation" based on a certified Security Target and Security Test results. The first customers for the ICSI Directory Services will be the Advanced Simulation and Computing (ASC) Campaign.

- a4. Close cyber security corrective action plans as scheduled.

**Performance Assessment:** Two Cyber Security corrective action plan milestones have been met in FY06 and four corrective action plans were cancelled due to the new oversight model stand-down. One of the corrective actions was to work integrally with the KCP IT organization to develop a change management process for both unclassified and classified information systems,

though the corrective action plan was for just classified. This effort yielded a change management process that is being utilized for all changes to production IT systems and has resulted in much stronger configuration management for both the unclassified and classified environments. The other corrective action plan dealt with developing a robust process for ensuring casual viewing requirements for classified monitors was followed throughout KCP.

- b1.** Achieve an average customer satisfaction rating greater than 7 (1 to 10 scale) based on Voice of the Customer (VOC) survey results.

**Performance Assessment:** Average Voice of the Customer survey results is 8.3.

- b2.** Achieve 80% total delivery performance-to-plan for medium and high rigor projects.

**Performance Assessment:** Total delivery performance-to-plan for medium and high rigor projects is 100%.

- b3.** Ensure NNSA's vital information resources are secure and protected and experience two or fewer reportable incidents due to a known vulnerability that was not addressed.

**Performance Assessment:** FM&T had no incidents involving vital information resource vulnerabilities or any reportable incidents to CIAC in FY06.

In addition to performance against the targets identified above, the following observations were noted during the performance period which had a direct effect upon meeting the performance objective, but were not directly related to the stated performance targets. The observations are addressed below.

- 1.** Honeywell FM&T presented options for hosting a proprietary issues management system, Pegasus, and assisted KCSO in selecting the most cost effective solution. Honeywell FM&T provided a Structure Query Language (SQL) and infrastructure expert to work out remaining issues with the developer, create a test environment, and integrate into production systems.
- 2.** Corrective actions for revising General Support System security plans at the Kirtland Operations (KO) were accelerated significantly to address Designated Accrediting Authority (DAA) concerns for being able to measure the effectiveness of the Cyber Security program at KO. Two new General Support System security plans were developed along with associated risk assessments and test plans in a period of three months to meet an end of calendar year (2005) deadline. This required extra effort by Cyber Security personnel at KCP and KO to achieve. The plans were reviewed and approved by the DAA.

### **Other Considerations Operations:**

- a. **(Marginal)** The plant's fire sprinkler and firewall systems were reviewed in FY 2006 to address a large number of deficiencies existing within both systems, primarily sprinkler head locations and firewall penetrations. The NNSA Authority Having Jurisdiction determined variances would be allowed in both systems where life safety and property protection were not adversely affected. Projects were identified to correct fire sprinkler and life safety related deficiencies and sixteen property protection deficiencies. During NNSA's review of the variance request it was evident that many of the deficiencies were the result of inadequate configuration management of both systems. NNSA determined management of those systems must change to assure their integrity is adequate for the intended purpose.

### **Operations Performance Area Summary**

<b><u>Performance Objectives</u></b>	<b><u>Weight</u></b>	<b><u>Grade/Score</u></b>	<b><u>Weighted Rating</u></b>
PO 09 Facilities Management	(40%)	Outstanding/92	36.80
PO 10 Security	(25%)	Outstanding/92	23.00
PO 11 Environment, Safety & Health	(20%)	Outstanding/94	18.80
PO 12 Cyber Security & IT	(15%)	Outstanding/94	14.10
Composite PO Rating			92.70
Other Considerations			-0.25
Performance Area Rating			92.45

## FEE CALCULATION

Performance Area	Fiscal Year 2005			Fiscal Year 2006		
	Weight	Adjective/Score	Weighted Rating	Weight	Adjective/Score	Weighted Rating
Management	35%	Outstanding/90.95	31.83	20%	Outstanding/96.00	19.20
Operations	25%	Outstanding/92.60	23.15	35%	Outstanding/92.45	32.40
Mission	40%	Outstanding/93.20	37.28	45%	Good/74.75	33.60
Total		Outstanding	92.3		Good	85.2

<u>Fee Summary</u>	<u>Total Available Fee</u>	<u>% Fee Earned</u>	<u>Amount Earned</u>
Award Fee	\$12,789,804 x	85.2%	\$10,896,913
PBI Fee	\$13,250,000 x	67.4%	\$ 8,927,110
Total	\$26,039,804	76.1%	\$ 19,824,023
	Fee Paid through 09/05		\$ 9,113,928
	Balance Remaining		\$ 10,710,095

**Below is a list of the acronyms that appear in this evaluation report**

AOP	Annual Operations Plan
AF&F	Arming, Fuzing & Firing
ASC	Advanced Simulation and Computing Campaign
ATTC	Albuquerque Transportation and Technology Center
CAP	Corrective Action Plan
CAS	Contractor Assurance System
CAS	Cost Accounting System
CD	Critical Decision
CDM	Concurrent Design and Manufacturing
CFO	Chief Financial Officer
CIAC	Computer Incident Advisory Capability
CINC	Commander in Chief
DAA	Designated Accrediting Authority
DBT	Design Basis Threat
DOE	U.S. Department of Energy
DSW	Directed Stockpile Work
DTRA	Defense Threat Reduction Agency
EM	Environmental Management
ES&H	Environment, Safety and Health
EVMS	Earned Value Management System
FCET	Follow-On CINC Evaluation Test
FCI	Facility Condition Index
FDO	Fee Determining Official
FES	Facility Engineering Service
FIRP	Facilities and Infrastructure Re-capitalization Program
FIVRS	Financial Information Variance Reporting System
FMS	Flexible Manufacturing System
FM&T	Honeywell Federal Manufacturing and Technologies
FM&T/KC	Honeywell FM&T/Kansas City
FM&T/NM	Honeywell FM&T/New Mexico
FOCI	Foreign Ownership Control and Influence
FPU	First Production Unit
FSU	Former Soviet Union
FTE	Full Time Equivalent
FY	Fiscal Year
FYNSP	Future Year Nuclear Security Plan
GIPP	Global Initiatives for Proliferation Prevention
HERT	High Explosive Radio Telemetry
HQ	Headquarters
iARC	Information Assurance Resource Center
ICSI	Integrated Cyber Security Initiative
IDIQ	Indefinite Delivery Indefinite Quantity
IG	Inspector General
IPL	Integrated Priority List

ISM	Integrated Safety Management
ISO	International Organization for Standardization
IT	Information Technology
IWPF	Industrial Wastewater Pretreatment Facility
KC	Kansas City
KCP	Kansas City Plant
KCRIMS	Kansas City Responsive Infrastructure Manufacturing &Sourcing
KCSO	Kansas City Site Office
KO	Kirtland Operations
LANL	Los Alamos National Laboratory
LEP	Life Extension Program
LLC	Limited Liability Corporation
LLC	Limited Life Component
LLNL	Lawrence Livermore National Laboratory
MAS	Management Assurance System
MDNR	Missouri Division of Natural Resources
M&O	Management and Operating
MES	Manufacturing Execution System
NIST	National Institute of Standards and Technology
NCR	Non-Conforming Reports
NM	New Mexico
NNSA	National Nuclear Security Administration
NWC	Nuclear Weapons Complex
OA	DOE Office of Independent Oversight and Performance Assurance
OFFM	Office of Field Financial Management
ORNL	Oak Ridge National Laboratory
OSHA	Occupational Safety & Health Administration
OST	Office of Secure Transportation
PA	Performance Area
PATF	Parts Accepted Trouble Free
PBI	Performance Based Incentive
PCB	Polychlorinated Biphenyl
PCSP	NNSA Program Cyber Security Program
PE&D	Preliminary Engineering & Design
PEG	Program Execution Guidance
PEP	Performance Evaluation Plan
PER	Performance Evaluation Report
PHA	Preliminary Hazard Analysis
PID	Production Identification
PINS	Proliferation Information Network System
PO	Performance Objective
PPI	Process Prove In
PX	Pantex
QAIP	Quality Assurance Inspection Procedure
QAS	Quality Assurance Survey
QER	Qualification Engineering Release

RAMP	Roof Asset Management Program
RCRA	Resource Conservation and Recovery Act
RI	Responsive Infrastructure
RRW	Reliable Replacement Warhead
RTBF	Readiness in Technical Base and Facilities
SCMC	Supply Chain Management Center
SF	Square Feet/Foot
SGT	Safe Guard Transporter
SNL	Sandia National Laboratories
SNL/NM	Sandia National Laboratories/New Mexico
SQL	Standard Query Language
SRNL	Savannah River National Laboratory
SRS	Savannah River Site
SSA	DOE Office of Security and Safety Performance Assurance
SSIMS	Safeguards and Security Information Management System
TL	Threat Level
TSIP	Transformation Strategy Implementation Plan
TYSP	Ten Year Site Plan
VNS	Vehicle Network System
VOC	Voice of the Customer
VPP	Voluntary Protection Program
WFO	Work for Others
WI	Work Instruction
WIS	Weapon Information System
WMD	Weapon of Mass Destruction
WR	War Reserve