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Service Center
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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.

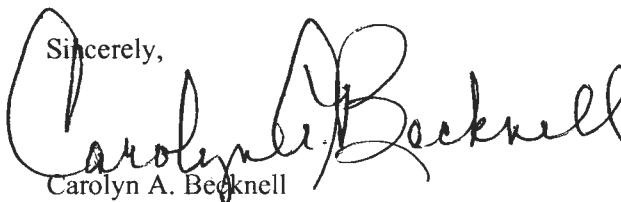
Pursuant to 10 CFR, Section 1004.7(b)(2), Ms. Tracy Loughhead is the individual responsible for the withholding of information pursuant to Exemption 2 of the FOIA.

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.

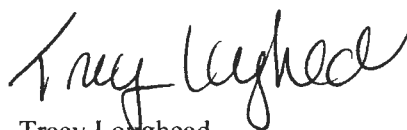
There are no fees chargeable to you.

If you have any questions, please contact Ms. Shirley L. Peterson by telephone at (505) 845-6393, by email at 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

Pantex Plant Performance Evaluation Report

BWXT Pantex, LLC

Fiscal Year 2005

October 1, 2004 Through September 30, 2005

Summary of Performance Areas/Fee Availability

Performance Area	<u>Award Fee Allocation/Weight</u>	<u>PBI Allocation/ Weight</u>	<u>Total Allocation/ Weight</u>
Management	\$2,814,057/10.00%	\$0/0.00%	\$2,814,057/10.00%
Mission	\$11,345,735/40.32%	\$4,975,792/17.68%	\$16,321,527/58.00%
Operations	\$8,301,467/29.50%	\$703,514/2.50%	\$9,004,981/32.00%
Total	\$22,461,258/79.82%	\$5,679,306/20.18%	\$28,140,565/100.00%

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Pantex Plant Performance Evaluation Report

Performance Area: Management

Award Fee Weight: 10.00%

PBI Fee Weight: 0%

Total Fee Weight: 10.00%

Fiscal Year 2005
October 1, 2004 Through September 30, 2005

Performance Area: Management

Award Fee Adjectival Rating: Outstanding

Numerical Rating: 92.0%

PO #1: Effectively manage the Pantex Plant

Performance Assessment:

BWXT substantially exceeded expected levels of performance for this objective by providing effective leadership in the management and operations of the Pantex Plant. In FY05, the Pantex Sight Office formally recommended that the option contained in the current contract with BWXT Pantex LLC, be exercised based on performance since assuming the Pantex Plant contract in FY01.

This level of performance was sustained in FY05 with BWXT meeting 102% of Directed Stockpile Work (DSW) adjusted delivery performance¹; successfully executing the most aggressive Facilities and Infrastructure Recapitalization Program (FIRP) in the NNSA complex; outstanding performance in maintaining an appropriately sized and staffed Safeguards and Security program; demonstrating continuous improvement of injury rates and personnel safety metrics; exceeding performance of established Campaign milestones; and effective execution of the Readiness in Technical Base and Facilities program.

BWXT continues to substantially exceed NNSA's expectations in regards to effective business systems, community involvement, participation in public meetings, support of the Texas Agreement in Principle, meeting small business goals, participating and serving as board members on several non-profit and community organizations, and continuation of an overall good neighbor policy. BWXT leadership role in the community reflects positively on the NNSA in general and BWXT in particular.

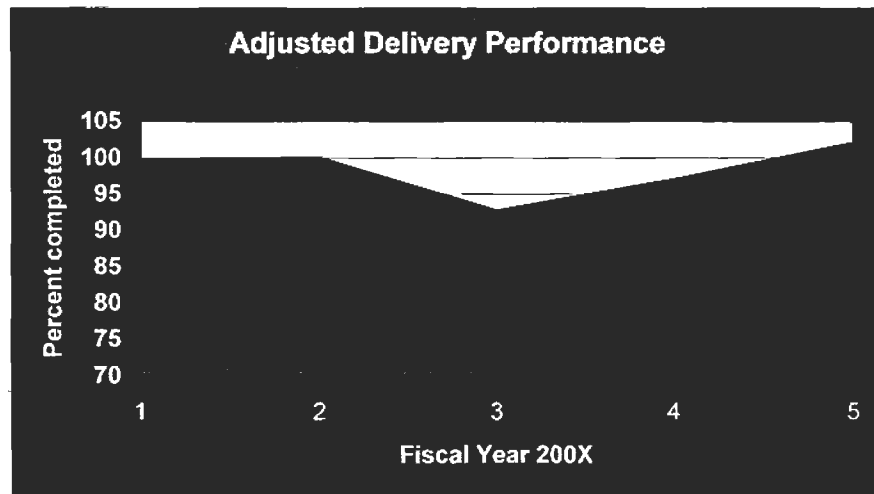
¹ Adjusted delivery performance factors-in performance slippage resulting from actions or issues deemed outside the control of BWXT, as well as, work that was accelerated from FY06.

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Additionally, BWXT continued to seek opportunities to improve operational efficiencies and enhance effectiveness in performing work at the Pantex Plant. Two specific initiatives continued and undertaken in FY05 to improve Plant performance and operations are the Management Development Program and the conversion of Plant Standards to the BRAIN format. BWXT has made a significant commitment to the success of the Management Development Program by investing in the selection, training, and performance of the entire BWXT management team. Conversion of Plant standards to the BRAIN format was a critical first step taken in FY05 to enhance day-to-day use of written procedures and practices. It is the expectation of PXSO, that strict quality controls be followed during final conversion, transition, and application of the BRAIN format.

In FY05, BWXT management provided effective leadership and coordination in working with the Pantex Sight Office, Office of Field Financial Management, and appropriate NNSA Program Offices to address a significant DSW funding shortfall. Additionally, BWXT effectively integrated operating requirements internal and external to the plant by strengthening the Integrated Plan of the Day and Long Term Operating Plan. These efforts resulted in a continuous positive trend in adjusted delivery performance as depicted in Graph 1 below.

Graph 1 – Adjusted Delivery Performance



During FY05, BWXT continued its strong partnership with the NNSA in meeting FIRP project costing goals, assisting PXSO in surpassing NNSA goals for FIRP Federal Small Business work by supporting PXSO and accomplishing an additional \$4.5M of deferred maintenance above the planned amount forecasted in the FY05 Ten Year Comprehensive Site Plan. Management direction and efforts resulted in a continuous positive trend as evidenced by: 1. FIRP costing of 51% in FY03, 65% in FY04, and 72.9% in FY05; and 2. demolishing more than 100,000 square feet of Pantex footprint between FY02 and end of FY05.

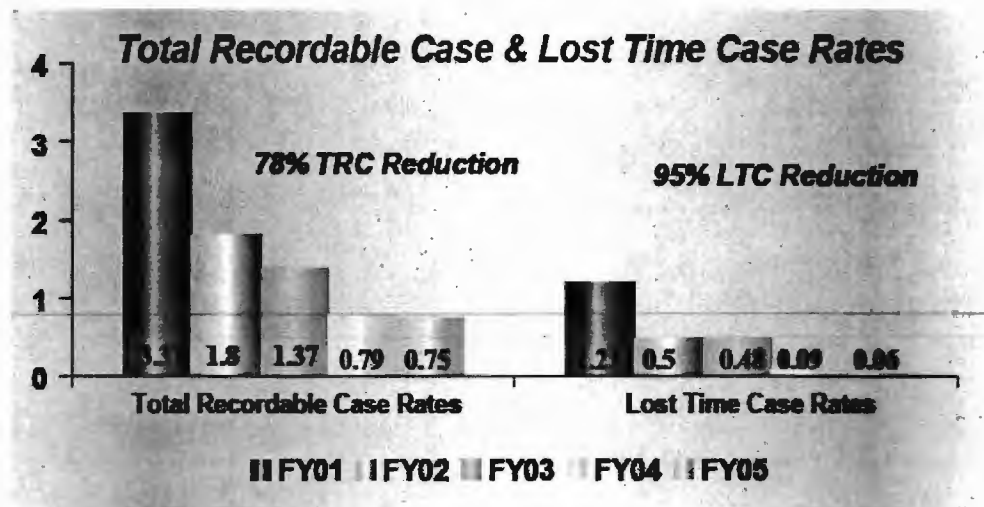
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Also in FY05, BWXT continued to use innovations to maintain an effective safeguards and security program and provided effective management and leadership in addressing stringent requirements and making steady progress toward implementing changes to the Design Basis Threat. BWXT continues to maintain an effective safeguards and security program since assuming the Pantex Plant contract, receiving "Outstanding" ratings in each of the years including FY05.

Recognizing this high level of sustained performance in safeguards and security, an area requiring additional management attention is the area of firearms safety. During this evaluation period, BWXT experienced a continuation from FY04, of an incident of accidental firearm discharge. While BWXT took immediate and aggressive actions in FY04 to address each accidental discharge, the actions taken did not prevent a similar incident.

In the area of safety, BWXT's management philosophy of "Target Zero" that establishes a goal of zero accidents, incidents, and injuries, has resulted in continuous decreases of injury rates and personnel safety at the Pantex Plant as depicted in Table 1 below. In FY05, the Total Recordable Case Rate finished at 0.75 and the Lost Time Case Rate finished at 0.06 with both figures being the lowest in the recorded history at Pantex.

Table 1 – Total Recordable Case & Lost Time Case Rates



In the area of improving the safety of weapons operations, BWXT did not achieve the FY05 commitment of implementing 107 controls captured and committed to in the Integrated Implementation Plan (IIP). Of the 107 controls targeted for implementation, only 66 were implemented with 39 of the 66 made effective within the last week of the Fiscal Year. A follow-on PXSO Readiness Assessment could not be conducted on these 39 controls before the end of the appraisal period to verify

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adequate control implementation. Performance of this commitment was and is within the control of BWXT and additional management attention should be placed to ensure implementation of the IIP.

In FY05, BWXT exceeded the Department of Energy's expectation for delivery of the Pantex Environmental Management System (EMS). Independent validation of an effective and compliant Environmental Management System was provided by a team comprised of members from the PXSO, Kansas City Site Office, NNSA Service Center, and Honeywell FM&T. BWXT, in partnership with Bell Helicopter, hosted an Environmental Management System Open House to introduce the public to what has been achieved and the goals for the future in Environmental Management Systems.

In relation to Business Systems, BWXT met or exceeded expectations for all business areas in FY05, with the exception of Property. Specifically, issues in the area of property excess practices were identified and continue to exist. BWXT has implemented corrective actions to improve processes and enhance controls; however, further enhancements are required. BWXT has directed the appropriate level of management attention and are implementing the results of a Kaizen study to address the areas for improvement identified by the PXSO and NNSA Service Center. Table 2 below depicts performance trends since implementing the PXSO/BWXT jointly developed Business Systems Oversight Program.

Table 2 – Business Management Performance Trend

	FY 04 Mid-Year	FY04 EOY	FY05 Mid-Year	FY05 EOY
Contracts				
Internal Audit				
Information Technology				
Procurement				
Budget/ Accounting				
Training				
Property				

- **Performance Exceeds Expectations**
- **Performance Meets Expectations**
- **Issues But Recovery Anticipated**
- **Major Concerns – Significant Issues
Recovery Uncertain**

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While overall performance in the area of General Management exceeded expected levels of performance in FY05, BWXT has not met expectations towards comprehensive project management. BWXT has continued to exhibit difficulties in administering and executing construction contracts in accordance with the contract requirements. Deficiencies in the areas of scope, schedule, and quality for a variety of projects were made evident this appraisal period. Performance in this area continues to fall short of expectations. It is the NNSA expectation that BWXT management place continued emphasis on improving project management in FY06.

In addition, at the PEP Mid-Year Review, PXSO raised a concern that BWXT was not as far along in the development of an integrated chemical tracking-system as they should be by their own schedule. PXSO indicated that this item could affect the FY-05 PEP award since this issue was a carry-over issue from the FY-04 PEP. A year-end assessment indicates that there continues to be slippage in the schedule for the implementation of a fully integrated chemical tracking system that includes the MSDS Module in PassPort. PXSO recognizes that much progress has been made since the Mid-Year Review and that the slippage is not within the control of EMD, but is a BWXT Pantex collaborative effort involving a number of organizations. However, PXSO expectations have not been realized as of this evaluation period. Consequently, PXSO is compelled to factor this into its overall evaluation of this programs performance.

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**Performance Area: Mission
Award Fee Weight: 40.32%
PBI Fee Weight: 17.68%
Total Fee Weight: 58.00%**

Fiscal Year 2005
October 1, 2004 Through September 30, 2005

	<u>PO Percent/PBI Dollars</u>
PO #2 – Improve the Safety of Weapon Operations	4.65%
PO #3 – Improve the Efficiency of Nuclear Explosive Operations	3.50%
PO #4 – Meet DSW Directive Schedules	13.77%
PO #5– Safely and Effectively Manage Nuclear Materials	4.35%
PBI #6 – Complete FY05 Rebaseline Commitments	\$3,649,500
PBI #7 – Dismantlement of Legacy Material	\$ 185,896
PBI #8 – Projects to Support Nuclear Material Program Requirements	\$ 253,265
PBI #9 – DNFSB 99-1 Implementation/Pit Repackaging	\$ 492,460
PO #10 – Meet Campaign Milestones	3.50%
PO #11 – Robust Quality Assurance Program	6.00%
PO #12 – Reduce Legacy Material	4.55%
PBI #13 – Reserved	
PBI #14 – Integrated Implementation Plan Controls	\$ 394,671

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Performance Area: Mission
Performance Area Award Fee Weight: %

Fiscal Year 2005
October 1, 2004 Through September 30, 2005

Performance Area:
Award Fee Adjectival Rating: Good
Numerical Rating: 85.6%

PO #2: Improve the Safety of Weapon Operations.

Performance Assessment

BWXT met expected levels of performance for this Objective. The Nuclear Weapons Complex had several setbacks this year (CREM, continuing resolution, Electro-Static Discharge (ESD), weapons response) resulting in a revision to the Integrated Weapons Activities Plan (IWAP). BWXT worked with the National Laboratories and NNSA to identify areas of improvement and opportunities to perform SS-21 recovery. BWXT participated in the Value Streaming effort in support of the value streaming decisions. A setback within BWXT's control was the distribution of tooling resources. BWXT had to re-allocate tooling resources to higher priority programs throughout the year. BWXT needs to continue improvements in meeting their commitments for the IWAP, to include effective strategic planning, risk management, and integration of lessons learned.

Several Authorization Basis (AB) submittals necessitated considerable rework (e.g., B61 Hazard Analysis Report (HAR), B83 HAR, W88 Bay HAR, W87 HAR). BWXT Change Control Requests (CCRs) for these setbacks were not submitted timely. There appears to be significant planning, performance and integration issues with HAR development, SS-21, NESS, and OSR that are placing mission accomplishments at increased risk.

BWXT committed in the Integrated Implementation Plan (IIP) to implement 107 controls of which 66 were implemented. The lack of progress throughout the year in implementing controls necessitated compressing the readiness activity efforts at the end of FY05. As originally planned, AB changes for control implementation were to be submitted to the PXSO by June. This was to be followed by an orderly four-month implementation process that included readiness verification and a Contractor Readiness Assessment (CRA). In many cases, the needed AB changes were not prepared and submitted to PXSO for approval prior to June, resulting in many of the controls receiving a very short readiness verification and CRA process. Approximately 39 controls were made effective within the last week of the FY. Also, BWXT did not provide NNSA a schedule for the remaining IIP controls and

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needs to continue with the IIP project to ensure timely implementation of IIP controls. These delays validate previous PXSO concerns that BWXT developed and published controls without considering the operational perspective on how the controls would be effectively implemented. As a consequence additional IIP AB changes need to be submitted in FY06.

A few annual Documented Safety Analysis (DSA) updates were not submitted as originally scheduled to meet the requirements for annual updates. For example, the Paint Bay Safety Analysis Report (SAR), Linear Accelerator (LINAC) SAR, Vacuum Chamber SAR, and the Mass Properties SARs have not been updated since September 2004 and are not scheduled to be updated by BWXT until FY06. In addition, the Mass Properties SAR was submitted but was rejected for poor quality.

PO #3: Improve the efficiency of nuclear explosive operations by implementing equipment and infrastructure upgrades.

Performance Assessment

BWXT exceeded expected levels of performance for this Objective. BWXT made significant improvement in operations. The performance indicator went from a negative ~29,000 (due to an early FY05 impacts from CREM, lifting and rotating fixture design discrepancy, ESD issues, continuing resolution uncertainties, and timely release of weapons responses) to a negative ~5000 by the end of FY05. With regard to the lifting and rotating fixture design discrepancy, BWXT took strong proactive actions in response to questions raised by a subcontractor, including suspending all weapon operations that used lifting and rotating fixtures. Additionally, BWXT developed and implemented a program plan that formalized procedures for lifting and rotating fixture design, obtaining AB reviews, redesigning affected fixtures, and verifying design features and functionality of the fixtures.

Another impact in early FY05 was a special tooling assessment conducted by the NNSA in November of 2004 that failed to meet expectations. This assessment identified weaknesses in BWXT's tooling program, and prompted BWXT to conduct further internal self-assessments of the various aspects of the tooling program. BWXT suspended operations in response to concerns that were raised and subsequently prepared a corrective action plan that addressed the problem areas. Initial actions resulted in severe impacts in December and January. For example, operational facilities were reduced to 42% and completion rates dropped 73%. Additionally, the suspension caused impacts to deliverables both internal and external to the Nuclear Weapons Complex. BWXT redesigned the Pantex Plant tooling program instituting new policies, procedures, work behaviors, and training. From February to March, BWXT was able to increase the available number of operable facilities to 58%. Production throughput increased to a March high of 84%. By the end of the fiscal year, BWXT exceeded delivery performance expectations.

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Implementing controls and instituting management approaches for tooling process changes have improved the efficiency of nuclear explosive operations. The NNSA performed an assessment of the effectiveness of BWXT's new tooling program in September of 2005. It was determined that BWXT has made significant progress in the redesign of their tooling program.

Interactive Electronic Procedures (IEPs) are expected to increase efficiency of nuclear explosive operations. BWXT successfully completed the NESS Master Study for IEPs, a major accomplishment. Unfortunately, BWXT was unable to submit IEPs for two War Reserve weapon systems for Design Agency approval as planned. Late discovery of a misreported specification (touch screen voltages) and software changes have caused, and will cause, delayed deployment of this technology on War Reserve weapon systems for at least another year.

Other successes in this Performance Objective include the development of the above-mentioned performance indicators to measure the efficiency of operations; the expansion of the Integrated Plan of the Day (IPOD) to include a Hot List, a Production Scorecard, SS-21 projects, facility construction projects, and nuclear material projects. These tools have enabled the contractor to better prioritize and focus resources. The "FY05 Efficiency Chart – Monthly Efficiency Factor" and "Operational Facilities vs. Completions" charts were developed to provide tracking and trending of operations. BWXT also improved the efficiency of nuclear explosive operations by applying actual Weapon Response in the Safety Analysis Reports instead of generic Weapon Response, thus eliminating unnecessary controls.

PO #4: Meet all DSW directive schedules in a safe and efficient manner.

Performance Assessment

BWXT has substantially exceeded expected levels of performance for this Objective by aggressively addressing safety-related issues while exceeding the FY04 dismantlement work by 350%, and Disassembly and Inspections (D&Is) workload by ~20%. The D&I deliverables were the highest in 13 years. BWXT also made 102% of FY05 adjusted delivery performance and 58% of FY05 on-time deliverables. Adjusted performance excludes those items deemed outside of BWXT's control. Adjusted delivery performance also includes work that was accelerated from FY06 workload and any adjustments made from PBI 6.0 of the FY05 PEP. All impacts were processed and concurred by NNSA/NA-122.

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Evidence of emphasis on safety was the support BWXT provided to the Pantex Plant Significant Finding Investigation (SFI) actions.

EXEMPTION B2

Furthermore, BWXT maintained a weapon program SFI database that tracks all SFIs and Pantex assignments. BWXT is an active participant in quarterly Program Review Meetings where SFI actions are reviewed and statuses are provided.

EXEMPTION B2

Progress toward the goal of improving safety as well as performance was demonstrated through the upgrading BWXT initiated in Conduct of Operations. This effort focused on line management accountability for safety, confirmation that competency is commensurate with responsibility, ensuring a uniform and appropriate response to off-normal events, and ensuring that procedure use and compliance is evident in the workplace.

BWXT has effectively supported safe accomplishment of DSW directive schedules. Two examples are the Operational Safety Review of the Electrical Equipment Control Program and the NES Master Study of the Paint Bay Facility. Unfortunately, this achievement is somewhat offset by the rescheduling of the NES Master Study of New Mass Properties Equipment and all other NES Master Studies to FY06. Also, BWXT did not meet the expectation of providing NESS findings quarterly reports for FY05.

During the Continuing Resolution and funding resolutions, meeting DSW directive schedules was a challenge that BWXT aggressively and consistently addressed. The budget impacts required numerous iterations and at times made it difficult for BWXT to complete scheduled deliverables.

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Due to a multitude of issues, BWXT encountered difficulties in meeting Level I and Level II milestones. This was exacerbated by their inconsistency in timely submittal of change control requests. BWXT management attention is needed to ensure timely submittal of change controls when a monthly directed deliverable is missed, or cannot be met.

To further improve efficiency of meeting directive schedules, BWXT sponsored program management training and encouraged certification of its program managers. Although this is recognized as a positive step, a PXSO Program Management assessment identified that there are still a number of weaknesses including: documenting senior management approval to include functional resource allocations, clearly defined roles and responsibilities, project continuity, and implementation and maintenance of a Program Manager Training and Qualification Program.

BWXT met a number of other DSW deliverables.

EXEMPTION B2

Further, BWXT successfully completed the
W76 Life Extension Program (LEP) First Dismantlement Unit (FDU).

PO #5: Safely and effectively manage nuclear materials.

Performance Assessment

BWXT's performance was below expected levels of performance for this Performance Objective.

Some successes measured against the Performance Targets are noted:

- BWXT Pantex and BWXT Y-12 worked together to ensure there was no accumulation of CSA backlog inventory. Even though FY05 Dismantlement & Inspection (D&I) rates were higher than in previous years, CSA shipments were accelerated to support the additional workload. There was also no accumulation of component backlog.
- BWXT Pantex completed planned pit storage surveillances, MH2800 container refurbishments, Sealed Insert (SI) container surveillances, and SI cleanliness inspections. In addition, BWXT Pantex performed 11 percent more container cleanliness verifications than were scheduled, and completed all pit D&I surveillances within 30 days as planned.
- BWXT effectively supported non-proliferation activities and initiatives, including a visit by foreign nationals.

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- Additionally, BWXT packaged ~40 more pits than incentivized in PBI 9.

However, BWXT struggled with integrating internal resources and establishing a prioritization that supported quality and timely completion of start-up projects critical to the management of Nuclear Materials, specifically the Coordinate Measurement Machine (CMM), Automated Guided Vehicle (AGV), and Pit Cleaning. The lack of quality implementation of these projects was evident in the number of findings BWXT received during the NNSA Readiness Assessments for these projects. With respect to timeliness, according to the Startup Notification Reports submitted for these projects, NNSA Readiness Assessments were anticipated to be conducted in 9/02 for the AGV, 10/02 for the CMM, and 3/03 for the Pit Cleaning process.

Another example of ineffective management of nuclear material is the storage of Radio-Isotopic Thermal Generators (RTGs).

EXEMPTION B2

Additionally, the management of storage capacity for nuclear materials is an area PXSO identified in the FY04 PER as a weakness. This subject area was identified as having the potential to impact operations, optimization of storage/staging for WR activities, and the efficiency of OST support. In FY05, there were continued impacts to the NNSA OST.

EXEMPTION B2

BWXT has

not provided a plan to manage pit and weapon storage to maximize flexibility.

Another continued area of weakness in BWXT is the Thermal Monitoring Program (TMP); this also was previously identified as a concern in the FY04 PER. BWXT did not submit the Thermal Monitoring TSR timely; PXSO needed to approve an extension of the Justification for Continued Operations twice to allow the contractor additional time to update their AB documentation. Also, although no material was identified as being at risk, the vulnerability of the TMP resulted in BWXT receiving two Technical Safety Requirement (TSR) Violations in FY05. BWXT needs to resolve the Thermal Monitoring Program issues.

BWXT has acknowledged the above deficiencies in their management of nuclear materials and is developing corrective actions.

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PBI #6: Complete FY05 rebaseline commitments.

Performance Assessment

BWXT earned 100% of the total available fee of \$3,649,500.

PBI #7: Dismantlement of Legacy Material.

Performance Assessment

BWXT earned 79.5% of the total available fee of \$185,896.

PBI #8: Ensure necessary projects are supported to meet nuclear materials program requirements.

Performance Assessment

BWXT earned 87% of the total available fee of \$253,265.

PBI #9: Repackage pits into Sealed Insert containers. (DNFSB 99-1 Implementation / Pit Repackaging)

Performance Assessment

BWXT earned 100% of the total available fee of \$492,460.

PO #10: Meet established campaign milestones as defined and funded in the Implementation Plans for Advanced Design and Production Technologies (ADAPT), Enhanced Surveillance (ESC), and High Explosives and Weapon Operations (HEWO) programs that support Directed Stockpile Work, with a focus on the W76 and W80 refurbishment.

Performance Assessment

BWXT has exceeded expected levels of performance for this objective. BWXT successfully supported the ADAPT, ESC, and HEWO mission plans. For ADAPT and HEWO, BWXT did not have the funds to match the original plans, thereby starts of the projects were delayed and the plans were eventually revised. Although changes to the plans were approved/adjusted, BWXT did not timely submit Change Control Requests (CCRs). BWXT supported nuclear weapon complex initiatives for the ADAPT program

EXEMPTION B2 The management of Readiness

Campaign activities continues to improve, but a shortage of tooling resources resulted in several milestones being missed.

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For Readiness, BWXT completed two of four HEWO milestones and four of eight ADAPT milestones. One other HEWO milestone was almost completed (seven of eight workstations deployed), and should complete by December 2005. The main reason for these missed milestones was lack of tooling resources within BWXT.

EXEMPTION B2

BWXT also successfully demonstrated optical 3-D imaging system capabilities for automated, full-image surface analysis in support of the W76 LEP and core stockpile surveillance. The BWXT Applied Technology Division completed pressing, machining and testing of six sets of universal hemispheres. BWXT completed start-up of the CMM. BWXT also completed machine-tool controller upgrades in the High Explosive (HE) Machining Facility to support the start-up of the Insensitive High Explosive (IHE) machining capability. BWXT offered exceptional support and performance on the W80-3 campaign tasks.

Enhanced Surveillance Campaign (ESC) funded scope was completed to support the Level II milestones defined in the implementation plan. Additional tasks and Level III milestones were completed to support long-term objectives for HE lifetime studies relevant to the W76 and W80 refurbishment. BWXT supported nuclear weapon complex initiatives for the ESC. BWXT provided data on the aging characteristics of HE and polymeric materials to the design laboratories. This enabled development of improved component aging models for HE main charge, and HE initiation systems to support material and weapon lifetime assessments. The scope for the 1-2 mil pit computed tomography upgrade was partly completed although the milestone was not achieved.

EXEMPTION B2

PO #11: Demonstrate a robust quality assurance program through effective and continuous quality improvements and initiatives.

Performance Assessment

BWXT has exceeded expected levels of performance for this objective. BWXT made improvements to the Critique Process by revising the procedure and by being more methodical, orderly, asking the proper questions, and clearly identifying the facts. The critique procedure had not been updated since the initial issue two years ago. An Event Fact Sheet was created to document initial information, and to document the critique summary. BWXT initiated Event Fact Sheets to formalize determination of need for critique and basis of determination, and to record initial facts of event. BWXT has been inconsistent in performing critiques on weapon system issues on tooling and process anomalies and non-conforms. A Desk Aid was also created to clearly identify when a critique is required and to provide instructions to complete

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justification for not conducting a critique on the Event Fact Sheet. However, too frequently, PXSO has had to request/suggest BWXT hold critiques. BWXT needs to meet PXSO's expectations by re-evaluating their process.

BWXT has also improved the analysis of events and issues by making refinements to the BWXT Pantex Causal Analysis/Mistake Proofing (CA/MP) process. The Plant Standard concerning the CA/MP process was updated for the first time in two years and was replaced by a new Work Instruction. The Desk Aids, Lists, and updated PX-forms simplify the process and ensure consistency and continued success of the CA/MP system. The CA/MP process has been used not only after an event (when deemed necessary), but also for plant wide issues such as Special Tooling Program and Conduct of Operations. These causal analyses were effectively performed using a prescribed approach and methodical application of PHOENIX CA/MP tools.

BWXT has effectively managed operations. The single Unsatisfactory Report (UR) chargeable to BWXT Pantex in FY05 was quickly resolved and was determined not to have affected unit reliability or functionality. BWXT critiqued the UR event and conducted a causal analysis. Also, BWXT supported DoD and Design Agency inspections of DoD-supplied hardware that had become suspect due to lack of environmental controls during storage. BWXT developed and implemented corrective actions to preclude recurrence.

BWXT developed performance indicators for the Price-Anderson Program to establish a baseline to demonstrate improvements in the timeliness of screening and reporting Price-Anderson issues. Price Anderson performance indicators were developed and deployed in January 2005 and have been revised and updated during the subsequent months. The Indicators are discussed monthly with the NNSA PXSO Price-Anderson Amendment Act (PAAA) Coordinator.

NNSA/NA-121.3 conducted a Quality Assurance Survey (QAS) 1.0 of the overall BWXT QA program. BWXT achieved a rating of "Managed Performance" for ten of the areas assessed. As part of that same review, NA-121.3 extended "Stamping Delegation" to BWXT PX for another year. Additionally, the DOE Primary Standards Laboratory (PSL) Technical Survey Team assessed the BWXT Standards and Calibration Program. BWXT achieved a rating of "Noteworthy Achievement" for six of the areas assessed. Both these external reviews indicated positive improvements from several initiatives BWXT took during the year.

To implement procedural adherence Management Initiatives, BWXT has developed a plan to improve Conduct of Operations (CoO) that provides both short and long-term activities. This plan included teaming arrangements between management and union. The status of the actions is periodically briefed to NNSA. BWXT is performing CoO surveillances to identify areas for improvement.

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To address the issues of DNFSB 2002-1 recommendations, SQA assessments have been made a regular part of the annual review process. Two assessments related to SQA were performed in FY05.

In FY05 the Software Quality Assurance Program was improved; this is demonstrated by the significant increase of SQA documentation including SQA Plans, Test Plans, Materials Lists, and Requirement Specifications

EXEMPTION B2

BWXT developed the Contractor Assurance System (CAS) in FY04 and continued implementation in FY05. BWXT has demonstrated improvements through an effective self-assessment (management assessment) program across all business elements and through enhanced training. BWXT has performed over 400 assessments, including trending and data analysis by division, or area of assessment.

PO #12: Reduce the inventory of legacy material.

Performance Assessment

BWXT has substantially exceeded expected levels of performance for this Objective. BWXT disposed of over twice the amount of FY04 tools and components, including B28 cases and neutron generators. BWXT has made improvements in the development and refinement of legacy material disposition project plans. BWXT continued developing a disposition path for Beryllium (Be) from FY04 utilizing FY05 PDRD funds. BWXT is reducing the inventory of legacy nuclear and non-nuclear components from the approved FY04 baseline. Currently, most legacy disposition initiatives/projects are completing as scheduled with some showing additional/stretch objectives completed in the FY05 time frame. Integrating the BWXT legacy disposition effort supports the conclusion that Pantex is making measurable progress towards accountability and effective removal of legacy materials. BWXT supplied PXSO with an inventory including square footage of legacy material. PXSO reviewed the information and after raising several questions, BWXT determined that the original list did not contain the breakdown of materials and locations that was requested. A warehouse and system validation was completed for Legacy Materials and a new list was provided to PXSO that detailed by P/N, location, weapon systems source and space accommodation for all legacy material/components.

PBI #13: Reserved

PBI #14: Implement controls in accordance with approved Pantex Plant Technical Safety Requirements Integrated Implementation Plan.

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Performance Assessment

BWXT earned 100% of the total available fee of \$394,671 for the 60 controls implemented during FY05. The fee and scope associated with the remaining controls, scheduled to be implemented in FY05, was transferred and evaluated under Performance Objective No. 2. This transfer was done due to the following reasons: problems and issues with SAR documents; need for additional information from the National Laboratories; and, possible production related interferences. The overriding management principle of the IIP project, as specified in the project plan and as reinforced in Performance Objective No. 2, has been accurate implementation of the right set of controls.

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Mission - Other Considerations

- + BWXT successfully completed sanitization of components for OST Rail Car effort. Although this effort was a reimbursable project, this project was completed on schedule and significantly under budget.

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Performance Area: Operations
Award Fee Weight: 29.50%
PBI Fee Weight: 2.50%
Total Fee Weight: 32.00%

Fiscal Year 2005
October 1, 2004 Through September 30, 2005

	<u>PO Percent/PBI Dollars</u>
PO #15 – Complete All FY05 FIRP Projects	2.00%
PO #16 – Accomplish Deferred Maintenance Goals	3.50%
PO #17 – Safeguard and Security	14.00%
PO #18 – Integrated Safety Management Program	4.50%
PBI #19 – Environmental Restoration Activities	\$422,108
PO #20 – Effectively and Efficiently Manage Waste	1.00%
PBI #21 – Convert Administrative Plant Standards	\$140,703
PO #22 – Emergency Management	2.00%
PO #23 – Develop Earned Value Management System	2.00%
PBI #24 – Line Item Projects	\$140,703
PO #25 – Line Item Projects	\$140,703

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Performance Area: Operations
Performance Area Award Fee Weight: %

Fiscal Year 2005
October 1, 2004 Through September 30, 2005

Performance Area: Operations
Award Fee Adjectival Rating: Good
Numerical Rating: 88.9%

PO #15: Complete all FIRP projects as required by the current FIRP Project Execution Plan.

Performance Assessment

BWXT exceeded NNSA expectations in execution of the Facilities and Infrastructure Recapitalization Program (FIRP). BWXT did not receive total FY05 Recapitalization funding until February 8, 2005, instead of the target date of January 15, 2005. BWXT successfully committed 50% of the FY05 Recapitalization funding by June 2005 substantially ahead of the target date of August 7, 2005 (180-days from receipt of funding). Due in part to funding reductions in FY05 and low return on investment of deferred maintenance; designs to be completed by September 30, 2005, for FY06 Recapitalization FIRP projects identified in the FY05 Ten Year Comprehensive Site Plan were reduced from five to one. BWXT met the September 30, 2005, date for the remaining design. Since total FIRP funding was not received until February 8, 2005, instead of the target date of January 15, 2005, Change Control Request RTBF-05-3268 was accepted to revise the program carryover from the original target of 25% to 30%. BWXT managed program carryover to 27.1%.

PO #16: Accomplish NNSA Corporate Deferred Maintenance (DM) reduction goal to stabilize DM for all Pantex Plant facilities by FY 2005 and maintain progress toward reaching industry standard Facility Condition Index (FCI) for mission essential and mission support facilities. FCI for mission essential facilities and infrastructure shall be less than 5% by FY 2009. FCI for mission support facilities and infrastructure shall be less than 10% by FY 2009.

Performance Assessment

BWXT exceeded NNSA expectation by accomplishing an additional \$4.5 million of deferred maintenance above the planned amount forecasted in the FY05 Ten Year Comprehensive Site Plan. However, BWXT has not funded Maintenance at 2% of the Replacement plant Value.

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PO #17: Maintain appropriately sized and staffed Safeguard & Security program as required in DOE Orders.

Performance Assessment

The Safeguards and Security program at Pantex continues to use innovation to maintain a high level of vigilance in the face of more stringent requirements. BWXT's program planning and management has performed well by making steady progress toward implementing changes to the Design Basis Threat. The MC&A and Personnel Security programs continue to maintain effective programs in support of the overall protection of vital information and strategic materials at Pantex. BWXT Pantex continued its efforts to implement cost effective measures to address the new design basis threat. BWXT has maintained an effective safeguards and security program and aggressively pursued changes and modifications necessary to address increasing requirements. In addition, BWXT continues to demonstrate an appropriate appreciation for the future of the safeguards and security program by developing creative and innovative approaches and solutions to changing and ever increasing requirements.

BWXT effectively maintained a "satisfactory" rating from the PXSO safeguards and security periodic survey for fiscal year 2005. Each of the five topical and sub topical areas was rated satisfactory. The results of this survey indicate that the safeguards and security program within BWXT Pantex is being effectively managed and is adequately protecting NNSA security interests. Each major protection element is performing effectively, and there is integration among individual safeguards and security program elements. In addition, the BWXT self-assessment program effectively addressed all critical elements as identified by the PXSO as well as many other compliance related areas. Results of the BWXT self-assessment program have been appropriately shared with PXSO.

BWXT continues to implement new weapons systems and technologies to address the new DBT. Planned approaches to protective force response were validated as a part of the Site Assistance Visit and BWXT conducted vulnerability analyses, to include tabletop analysis, simulations, and force-on-force exercises. BWXT identified, and is maintaining, a significant cost avoidance in terms of protective force manpower by the selection and deployment of various technologies. Protective Force training objectives for the deployment of new technologies and weapons were effectively met allowing early deployment of various pieces of equipment. BWXT developed individualized training for training staff and protective force personnel. This "hip pocket" training program has enabled SPOs to quickly refer to key aspects of critical job assignments. BWXT continues to complete the development of a dedicated

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training cadre for the protective force. Creation of the training cadre has reduced overtime costs associated with “off shift” training and has made additional training possible.

BWXT has exceeded expectations in the number of force-on-force exercises conducted during the performance period. With few exceptions BWXT executed at least one FOF each month. BWXT not only effectively planned and executed these exercises but collected data for analytical purposes in support of SSSP development.

The BWXT cyber security program continues to provide evidence of an effective overall program. During the periodic safeguards and security survey the program received a rating of satisfactory. BWXT continues to manage an effective CREM program.

BWXT developed an Annual Operating Plan (AOP) that addressed the major elements of the overall safeguards and security program. BWXT continues to execute the elements of this plan in a timely and cost effective manner. Overall budget execution was very effective with less than 1% of the overall budget identified at year’s end as uncosted/uncommitted.

BWXT’s efforts in the development of a comprehensive SSSP were commendable. BWXT initiated efforts early in the year to plan and execute the activities necessary to develop an appropriate SSSP. Subject matter experts (SMEs) were identified from within and external to BWXT Pantex. The SMEs were used to develop highly credible scenarios and assist in the evaluation of tasks and timelines.

BWXT worked diligently with the PXSO in the development and implementation a new method to address the safety/security interface. BWXT met PXSO established program goals and ensured critical details were included in the Pantex Plant SSSP, as well as appropriate evidence files and safety documentation.

EXEMPTION B2

BWXT identified a location, planned, procured and installed a security weapons simulator facility. Protective force use of the simulator facility will enhance protective force skills on various weapons systems improving probability of hit/kill as well as weapons manipulation. In addition, a significant cost avoidance will accrue because of the use of the simulator facility.

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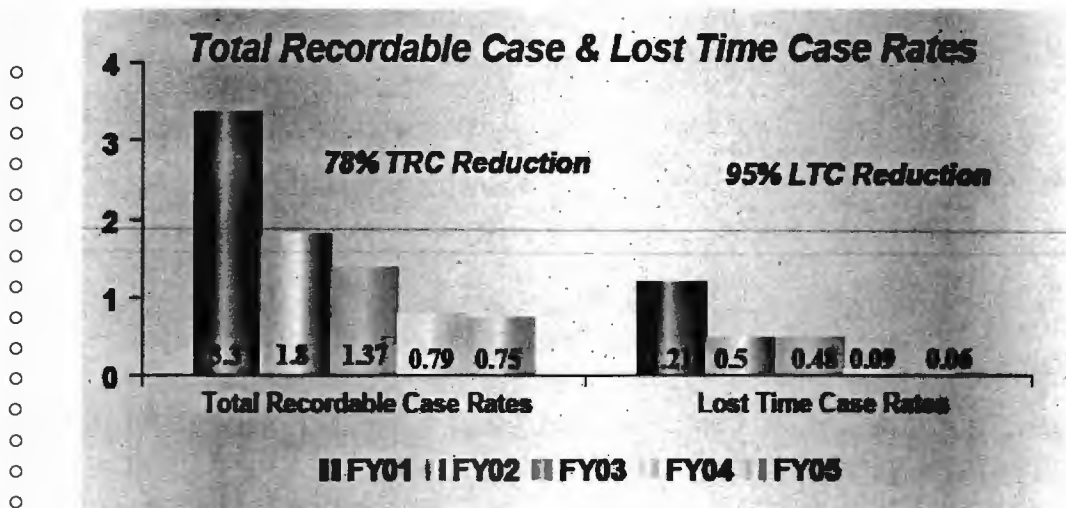
During this evaluation period BWXT very effectively supported a HQ requested visit to the Pantex Plant of a foreign delegation. Given the nature of this visit, preparation and accomplishment of activities fell principally on the BWXT safeguards and security organization. The visit was very successful and BWXT met all expectations from both PXSO and NNSA HQ.

One area requiring additional management attention is the area of firearms safety. During this evaluation period, BWXT experienced a continuation from FY04, of an incident of accidental firearm discharge. BWXT took immediate and aggressive actions in FY04 to address each accidental discharge. Lessons learned were developed however were not applied globally through the S&S Division. Subsequently, a similar event occurred in another location.

PO #18: Maintain an effective, efficient and compliant Integrated Safety Management Program.

Performance Assessment

BWXT substantially exceeded expected levels of performance in its continuous improvement of injury rates and personnel safety. BWXT Pantex improved overall safety performance over FY04. From October 2004 to September 2005, both the Total Recordable Case Rate and the Lost Time Case Rate were the lowest in recorded history at Pantex. The table below depicts BWXT performance for the past four fiscal years.



However, specific occurrences involving radiation safety, fall protection and electrical safety issues during the year should serve as a reminder that in addition to having a positive improvement in injury rates and personnel safety indicators, continued focus in these areas is warranted. Having and maintaining a healthy safety

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culture requires affirming safety work practices by anyone and everyone performing work at the Pantex Plant. It should be noted that for each of the specific cases mentioned above, BWXT did pursue appropriate actions to address and remedy those issues.

During the rating period, BWXT successfully passed a key review of its Occupational Medicine Program. This review was the third-party certification review by the American Association for Ambulatory Healthcare (AAAHC). The AAAHC review had previously been paid for by the DOE Office of Environment, Safety & Health (DOE/EH). Late in FY04, DOE/EH advised all DOE sites that the EH funding was being discontinued. As part of its Contractor Assurance System (CAS) implementation, BWXT did fund this year's re-certification effort. BWXT received its third consecutive three-year renewal of AAAHC certification. This level is the maximum level granted by AAAHC. By achieving this rating, BWXT was recognized not only for its daily medical services, but also for helping reduce future potential for worker injury claims.

BWXT received no significant violations or adverse actions in any programs from environmental regulators. All regulatory inspections of environmental programs were successful. Notably, this was the eleventh consecutive, successful, annual Resource Conservation and Recovery Act (RCRA) inspection. With few exceptions, regulatory submittals were timely and of high quality.

BWXT received two Pollution Preventions Awards: NNSA Biodiesel and NNSA Best in Class Environmental Partnership. NNSA submitted the latter for a White House Closing the Circle Award, and Pantex was one of only three DOE sites to receive Honorable Mention. Generation of hazardous, low-level, and mixed low-level wastes remains below the Secretary's goals. A nearly 10-year long solvent substitution study (conducted primarily at Pantex) culminated with the design laboratories allowing Pantex to substitute, on a weapon in the enduring stockpile, an environmentally friendly, non-ozone-depleting, non-flammable solvent that does not produce a hazardous waste.

PBI #19: Exceed Secretary Abraham's delivery date of December 2005 for the Pantex Environmental Management System (EMS).

Performance Assessment

BWXT earned 100% of the total available fee of \$422,108.

PO #20: Effectively and efficiently manage waste.

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Performance Assessment

BWXT exceeded NNSA expectations of no net growth in the volume of mixed, low-level, or hazardous waste in storage at the end of FY05, as compared with end-of-year FY04. BWXT averaged a 48% reduction (mixed waste 91%; low-level waste 7.4%; hazardous waste 46%) in year-end inventory for these waste types.

PBI #21: Convert administrative Plant Standards to the BRAIN format.

Performance Assessment

BWXT earned 100% of the total available fee of \$140,703.

PO #22: Provide and implement a comprehensive Emergency Management Program consistent with the requirements of DOE Order 151.1B, Comprehensive Emergency System and NNSA approved plans and schedules.

Performance Assessment

BWXT has continued to progress forward with the mobile AEOC concept. They have successfully performed equipment set-ups at each of the alternate sites, and have conducted the associated drills according to schedule. Groundwork for the signing of the Memoranda of Understandings has progressed to the final signature stage.

BWXT conducted all ERO drills and exercises according to the prescribed schedule. Particularly noteworthy, was the willingness of BWXT to assist and support local emergency management organization with their drills and exercises. BWXT continues to demonstrate strong leadership in providing emergency mutual aid to the local community and providing emergency assistance during a regional crisis situation in southeast Texas and the Louisiana Gulf Coast areas.

BWXT achieved a unique milestone in training. They are to be commended for successfully completing required classroom and CBT five months ahead of schedule.

BWXT went beyond the requirement to conduct self-assessments of the 15 Emergency Management Program elements, by conducting a number of additional self-assessments to help strengthen the program. It is apparent that the EMD has a rigorous and effective self-assessment program. There is also an excellent corrective action tracking system associated with the self-assessment program that is a useful management tool for action tracking to closure.

BWXT has developed a number of program health indicators that will be utilized in FY-06 to quantitatively measure program progress in all major aspects of the Emergency Management program.

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The BWXT Emergency Management Program continues to demonstrate its high-state of readiness posture. It consistently takes the lead in performing at its best in exercises like the national "Dingo Bay" ARG exercise at Kings Bay Georgia and the RAP participation in the WIPPTREX exercise in Fort Worth Texas.

BWXT submits revised plans on schedule that of excellent quality and complete in their content. They are always responsive to PXSO comment and take the initiative to make improvements based on corrective actions and lessons learned.

- PO #23:** Develop and implement an Earned Value Management System (EVMS) that is comparable to the ANSI/EIA-748A standard. This EVMS, and the supporting project management systems, will be implemented by September 30, 2005.

Performance Assessment

For the candidate list of projects, BWXT exceeded the intent of NNSA expectations with respect to this performance objective. However, the DSW candidate project documented in the BWXT self-assessment reflects further strengthening is needed to fully satisfy the assessment criterion.

As part of the assessment of EVMS capability, BWXT identified the need for and implemented major procedural and systems improvements. Most notably among these was the conversion of all projects to the new Primavera Enterprise Environment (P3e), in which all schedules and resources are maintained in a shared Oracle database. A common resource and project coding structure was also implemented. Cost Management, Primavera's cost processor and performance measurement system, which directly interfaces with P3e, was also brought on line. In addition, procedures were evaluated to the ANSI/EIA 748A criteria and converted to the BRAIN format.

- PBI #24:** Accomplish significant deliverables for Line Item projects.

Performance Assessment

BWXT earned 50% of the total available fee of \$140,703.

- PO #25:** Accomplish significant deliverables for Line Item projects.

Performance Assessment

BWXT exceeded NNSA expectations in accomplishing deliverables associated with the Line Item projects identified in the performance objective. Change Control Request CST-05-2846 for High Explosives Processing Facility (HEPF) was accepted to revise the target date for the notice to proceed for the design from December 16,

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2004, to July 15, 2005. The basis for the revision was NNSA direction to BWXT to develop a Life Cycle Cost and High Explosive Capability Study. The HEPF notice to proceed for the design was issued on June 29, 2005. The Component Evaluation Facility (CEF) Conceptual Design Report (CDR) was submitted on May 27, 2005, ahead of the original target date of May 30, 2005. Change Control Request CST-05-2989 Revision – 2, for the Gas Main Distribution System Upgrade project was accepted to revise the performance objective from “Notice to Proceed for design subcontract by September 30, 2005,” to “CD-1 Approval by September 30, 2005.” The basis for this requested revision involved circumstances beyond BWXT’s immediate control. BWXT submitted the relevant CD-1 documentation on July 29, 2005. However, due to circumstances beyond BWXT’s control, the target date of September 30, 2005, for CD-1 approval could not be achieved. The initial Alternatives Analysis was corrected by BWXT and PXSO to reflect HQ input. After the revision was submitted, HQ recommended its use as a Department model.” The Electrical Distribution System Upgrade notice to proceed for design was issued by the original target date of January 27, 2005. The High Pressure Fire Loop CDR was completed by the original target date of June 7, 2005.

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Operations – Other Considerations:

- + BWXT innovatively installed solar-powered, remotely monitored equipment to ensure acquisition of real-time precipitation data and confirmation of storm water sampling, and purchased a specialized vehicle and equipment to ensure soil samples could be collected in a timely manner during adverse weather conditions to meet permit requirements.
- + BWXT conveyed approximately 30 million gal. of water (9.8 million gal. of treated groundwater from the pump and treat system) to beneficial use on 300 acres of Pantex land farmed by Texas Tech University. No chlorination was required from June through September, while discharging solely through the irrigation system. This resulted in reductions in operating and transportation costs, air emissions, and health and safety risks from handling chlorine cylinders.
- + BWXT developed information for NNSA HQ to successfully secure funding to maintain compliance with the Programmatic Agreement/Cultural Resources Management Plan (PA/CRMP) in compliance with the National Historic Preservation Act (NHPA), Section 106 involving the preservation of Building 12-17 as a future classified museum. Additionally, BWXT successfully enhanced compliance with the Endangered Species Act, the Migratory Bird Treaty Act, and Executive Order 13186 *Responsibilities of Federal Agencies to Protect Migratory Birds* via a variety of studies performed with West Texas A&M University, Texas Tech University, and various state and national working groups.
- + BWXT exceeded NNSA expectations with its execution of the Environmental Restoration Program. The site wide RCRA Investigation Report for nature and extent of legacy releases to soil and groundwater was determined sufficient by the Texas Commission for Environmental Quality and the Environmental Protection Agency, Region VI. This is a significant project milestone that allows other regulatory deliverables such as the Baseline Risk Assessment to be finalized.
- + BWXT exceeded NNSA expectations in preparation of the FY05 Final TYCSP, FY06 Limited Update, and FY06 Final TYCSP. The submittals were on time, met all requirements of the guidance and the quality of the documents continues to exceed headquarters expectations.
- BWXT has not met expectations towards comprehensive project management. Since assuming the Pantex contract, BWXT has exhibited difficulty in the administration and execution of construction contracts in accordance with the contract requirements. It is not evident that BWXT has developed a reliable quality assurance inspection process to assure contract requirements and the personnel hazards associated with

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performing definable features of construction activities are fully understood and addressed before, and as construction activities progress. Specific examples that has led PXSO to this conclusion are listed below:

- Deficiencies noted by PXSO on the Records Storage Facility and the New Administration Facility.
- Lack of formality of responsibility required by the construction contractor for the execution of required lift plans as was experienced with the North Substation Upgrade project.
- Work practices, which had the potential to affect worker safety, were observed and challenged by PXSO at the New Administration Facility. Subsequently, BWXT undertook action to correct. PXSO increased surveillance activities to provide additional confidence that construction safety requirements were being followed.
- BWXT has been unsuccessful securing a contract compliant project schedule on the Building 12-44 Phase I line item project. This has impeded the ability to reasonably assess progress of the ongoing construction work and evaluate the effect of modifications to baseline scope needed to correct design errors, omissions, or conflicts. In addition, many of the non-compliant characteristics that were accepted by BWXT in the Building 12-44 Phase I construction schedule had been previously identified to BWXT by PXSO on a previous project as being unacceptable.
- BWXT has not been timely in addressing potential changes to the Building 12-44 Phase I construction contract scope of work.
- The PXSO conducted a Biddability, constructability, operability and environmental review of the B12-64 final Plans and specifications. Over 100 comments were documented to BWXT. Also, several meetings were conducted with BWXT to resolve discrepancies and conflicts present in the final Division 1 specifications for the B12-64 project.
- It is not clear to PXSO how BWXT has responded to input from an independent consultant about BWXT's current project management practices.