



Department of Energy
National Nuclear Security Administration
Pantex Site Office
P. O. Box 30030
Amarillo, TX 79120



DEC 10 2007

Dan J. Swaim
General Manager
Babcock and Wilcox Technical Services Pantex, LLC
P.O. Box 30020
Amarillo, TX 79120-0020

SUBJECT: Contract No. DE-AC04-00AL66620, Fiscal Year 2007 (FY07) Performance Evaluation Report (PER)

Dear Mr. Swaim:

Enclosed is the FY07 PER, which provides the results of the National Nuclear Security Administration's (NNSA) assessment of Babcock and Wilcox Technical Services Pantex, LLC (B&W Pantex LLC) performance from October 1, 2006, through September 30, 2007.

B&W Pantex LLC's overall performance in the area of Directed Stockpile Work (DSW) substantially exceeded the Pantex Site Office's (PXSO's) expectations. Significant accomplishments included: exceeding the established DSW production goal of 1000 units; achieving a 146% increase in the number of units dismantled; and, exceeding the planned quantity of components dispositioned. In other performance areas, significant accomplishments included: sustaining "outstanding" safeguard and security performance; and, reducing the Total Recordable Case Rate to .60 and the Lost Time Case Rate to .15; and increased Business System performance. In addition, B&W Pantex LLC completed several tasks in contributing to the overall reliability improvement of the electrical systems infrastructure at Pantex. As a result of these accomplishments and others, B&W Pantex LLC would have achieved their highest score to date. However, project management continued to be a significant concern. This was most evident in the failure to meet expectations for the construction of the two security buildings.

As such, based on PXSO's assessment of B&W Pantex LLC's FY2007 performance B&W Pantex received an overall adjective rating of "Outstanding" and a score of 91.9%. For the Base portion of the FY07 Performance Evaluation Plan (PEP), BWXT Pantex LLC achieved a rating of 95.22% and earned a Total Fee of \$19,189,003. For the Stretch portion of the FY07 PEP, B&W Pantex LLC achieved a rating of 91.2% and earned \$8,007,232 of the fee available. For the Multi-Site Incentive

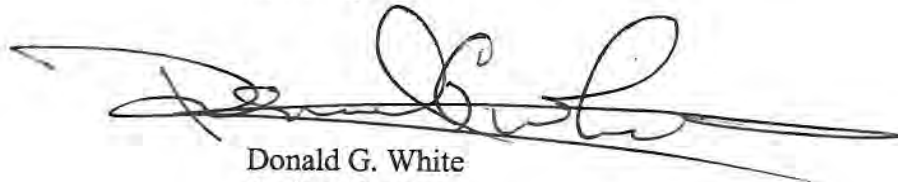
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portion of the FY07 PEP, B&W Pantex LLC achieved a rating of 92.70% and earned \$2,979,924 of the available fee. In regards to the fee related to the construction of the two security buildings, B&W Pantex earned \$0 of the \$1,250,000 fee available. In recognition of B&W Pantex LLC's overall performance, the Fee Determining Official increased the award fee earned by \$500,000 for a total earned fee of \$30,676,159.

You may withdraw funds not to exceed the amount of \$18,987,598.20 from your Special Bank Account for the remaining un-invoiced FY07 total earned fee. This amount represents the difference between the total earned fee of \$30,676,159 and the provisional fee of \$11,688,560.80 which has already been drawn down from BWXT's Special Bank Account.

I am available to meet with you to discuss B&W Pantex's FY2007 performance assessment. Should you desire a meeting, please contact me at (806) 477-3180.

Sincerely,

A handwritten signature in black ink, appearing to read 'Donald G. White', written over a horizontal line.

Donald G. White
Acting Manager
Pantex Site Office

Enclosure

cc w/enclosure:

M. Padilla, PXSO, 12-36A
B. Bidwell, BWXT, 12-138

cc w/o enclosure:

J. Guelker, PXSO, 12-36A
M. Blackburn, PXSO, 12-36A
K. Waltzer, PXSO, 12-36A
G. Wisdom, PXSO, 12-36A
S. Erhart, PXSO, 12-36A
C. Alvarado, PXSO 12-36A

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BASE PERFORMANCE ASSESSMENT

**BWXT Pantex LLC
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**Base Performance Area: Mission
Base Award Fee Weight: 48.86%
Base PBI Fee Weight: 0.00%
Base Total Fee Weight: 48.86%**

Fiscal Year 2007
October 1, 2006 Through, September 30, 2007

<u>PO/PBI # AND TITLE</u>	<u>PBI/PO FEE WEIGHT %</u>
PO #1: Continued delivery of DSW products to the Department of Defense (DoD) by completing the approved FY07 BWXT Pantex Baseline Production Plan Commitments.	37.33%
PO #2: Meet established Campaigns milestones as defined and funded in the Implementation Plans for Readiness (ADAPT and HEWO) and Enhanced Surveillance.	1.91%
PO #3: Manage component and tooling disposition resulting from dismantlement operations.	1.91%
PBI #4: RESERVED	0.00%
PO #5: Configuration management/control to the Pantex Documented Safety Analyses (DSAs) and maintain configuration control over Safety Basis changes.	2.92%
PO #6: Demonstrate a robust Quality Assurance program through effective and continuous quality improvements and initiatives.	.96%
PO #7: Safely and Effectively Manage Nuclear Materials (NM) and Critical NM Support Programs.	3.83%
Base Mission Total Fee Weight	48.86%

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Pantex Plant Performance Evaluation Report

**Base Performance Area: Mission
Base Award Fee Weight: 48.86%
Base PBI Fee Weight: 0.00%
Base Total Fee Weight: 48.86%**

Fiscal Year 2007
October 1, 2006 Through, September 30, 2007

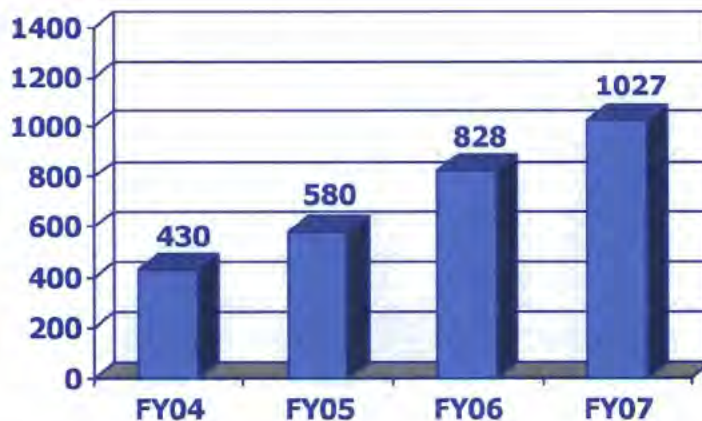
**Base Performance Area: Mission
Base Award Fee Adjectival Rating: Outstanding
Base Numerical Rating: 95.7**

PO #1: Continued delivery of DSW products to the Department of Defense (DoD) by completing the approved FY07 BWXT Pantex Baseline Production Plan Commitments.

Performance Assessment:

BWXT performance substantially exceeded expectations in continued delivery of DSW products to the DoD by completing the approved FY07 BWXT Pantex Baseline Production Plan Commitments. BWXT had an enormously successful year in providing deliverables on time in accordance with Program Control Documents. Pantex exceeded the goal of 1000 total deliverables by 2.7%.

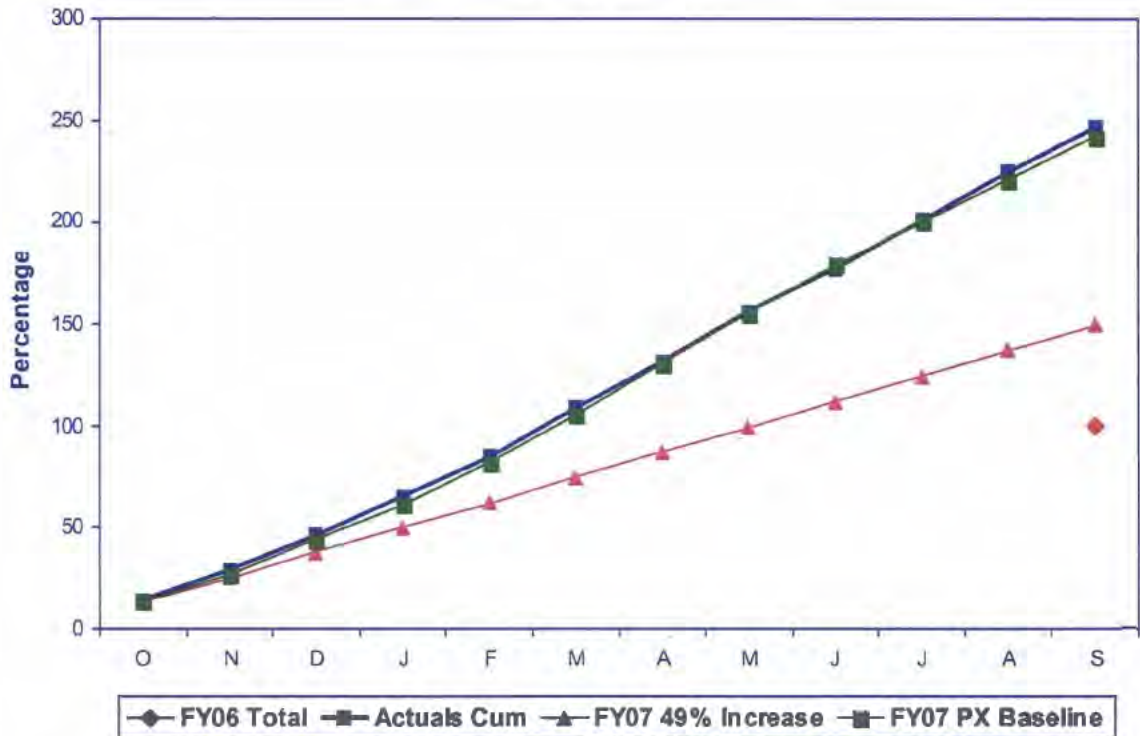
Annual Workload Comparison



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BWXT also increased dismantlements by 146% over what had previously been done in FY06.

Pantex FY07 Dismantlement Activity Status
Actuals through 9/30/07



BWXT completed 59 out of 60 Level 2 milestones contained in the Stockpile Management Implementation Plan. In addition, BWXT developed a staging configuration to receive B53 units at Pantex that met all applicable Nuclear Explosive Safety rules and requirements. As a result, the initial shipment of B53 units was received in March 2007 and the final shipment was received in July 2007. Further, a classified action item tracking matrix was developed as part of the Stockpile Evaluation Transformation Leadership Team (SETLT) review and was used to capture agreements made between NNSA, BWXT Pantex, Sandia National Laboratory (SNL), and Los Alamos National Laboratory (LANL). Since the action items were documented as part of the review process, the determined and proposed drawing changes to the design agencies were established at the conclusion of the SETLT review.

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PO #2: Meet established Campaign milestones as defined and funded in the Implementation Plans for Readiness (ADAPT and HEWO) and Enhanced Surveillance.

Performance Assessment:

BWXT exceeded expectations in meeting established Campaign milestones. All Integrated Contract Orders issued to BWXT were completed in FY 07. Nearly \$500,000 work was performed by the contractor. Collaboration with the United Kingdom weapon establishment was started to enhance work between both countries. BWXT met all five level 2 milestones for ADAPT and HEWO programs by the end of FY 07. Some examples are: pit requalification for the W-76 program; systems engineering dynamic modeling; W-88 JTA TestWorks to cut down on cycle time and costs, and; Microwave sanitization for classified metal parts by melting. BWXT met two of the three level 2 milestones for Enhanced Surveillance Campaign and has made significant progress on the third. The efforts of BWXT will ensure the life time of high explosives stockpile will remain viable for the future.

PO #3: Manage component and tooling disposition resulting from dismantlement operations.

Performance Assessment:

BWXT substantially exceeded NNSA's expectations in managing component and tooling disposition resulting from dismantlement operations. BWXT developed the Component Disposition Program Plan and coordinated its approval through the system. The planned and actual quantity of components for disposition was 79,970 and 81,816 respectively, and the storage volume reduction planned and actual was 99,422 cu ft and 110,307 cu ft respectively. Targets regarding moratorium components were not considered, as Pantex had not received formal approval from HQ. However, BWXT worked with PXSO and NNSA HQ in developing plans and processes to address moratorium components and scrap metals.

PBI #4: RESERVED

PO #5: Configuration management/control to the Pantex Documented Safety Analyses (DSAs) and maintain configuration control over Safety Basis changes.

Performance Assessment:

BWXT exceeded expectations in their performance related to configuration management/control to the Pantex DSAs and maintaining configuration control over Safety Basis changes.

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BWXT implemented and made effective approximately 179/254 or ~70% of the controls identified for implementation in the Endstate DSA plan. Technical issues with establishing a control acceptable to PXSO (i.e., crediting the facility structure versus a safety management program) for external explosion scenarios with consequences that exceed evaluation guidelines have been and still are unresolved since January. In addition, technical issues regarding the specification of design features resulted in extending further the completion of control implementation.

BWXT began the process of regaining configuration control of the DSAs with respect to the ~70 PXSO approved but outstanding DSA change packages. At the end of the FY, BWXT has posted 17 of those change packages in the Record Copy of the DSA resulting in ~21% completion.

As part of the performance target for this objective, PXSO established that all newly approved DSA change packages must be posted within 30 days of approval unless an alternate date was established through a PXSO approved implementation plan. According to BWXT's last bi-monthly status report of FY07 dated 9/28, there is at least one change approved by PXSO that was not implemented within the 30 day time-frame (i.e., AB-07-04).

BWXT successfully reestablished a baseline DSA for the SNMCRF and Staging SARs and four Weapon Program Hazard Analysis Reports. Since the Pantex Plant DSA is fully integrated with ~20 DSAs, this represents ~30% of the Plant's DSAs being completely posted and effective.

BWXT provided a plan to resolve the outstanding COAs, TRCs, and Findings on August 3, 2007. This plan covered ~441 COAs and 213 TRCs with additional findings identified by BWXT totaling 695. PXSO concurred with the closure of ~276 comments (both COAs and TRCs) based on the fact that they were; 1) in an approved plan, 2) had already been addressed by previous changes but were not previously noted as such, or 3) required no action due to the actual or potential archiving of the DSA. This represents the closure of about 40% of the outstanding comments, many of which have been outstanding for years. The remaining comments are planned to be resolved over the next two years.

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PO #6: Demonstrate a robust Quality Assurance program through effective and continuous quality improvements and initiatives.

Performance Assessment:

Overall, BWXT exceeded NNSA's expectations for demonstrating a robust Quality Assurance (QA) program. PXSO conducted a survey to validate BWXT conformance to existing NNSA Stamping Delegation requirements and found BWXT to be compliant. PXSO observed the BWXT review of its Special Tooling program and found that program to be meeting NNSA expectations for initiating and sustaining programmatic improvements. During the rating period, however, BWXT did receive a total of six (6) Unsatisfactory Reports (UR's), most of which were related to a single process. BWXT initiated the proper actions to remedy the issues and this was validated by a PXSO QA survey. For all other QA objectives, BWXT continued to work with NNSA to improve the QA program and support mission needs.

PO #7: Safely and Effectively Manage Nuclear Materials (NM) and Critical NM Support Programs.

Performance Assessment:

BWXT exceeded expectations in safely and effectively managing NM and critical NM support programs. In the area of NM storage/staging: Beneficial Occupancy of 12-116 Rooms 120/121 was completed by 12/20/2006 and Pits were moved into 12-116 Rooms 120/121 within three months of Beneficial Occupancy. BWXT completed work on Doors and Approaches for the Modified Richmond Magazines in Zone 4 during September 2007. In addition, BWXT met the PXSO expectations for thermal monitoring updates.

In the area of NM packaging and transportation: BWXT completed all FY07 Nuclear Material Container and Pit surveillance objectives. BWXT also updated the plan to obtain replacement trailers to move nuclear material on-site using OST refurbished replacement trailers. Two obsolete Pantex trailers have been replaced in FY07. However, BWXT did not meet all deliverables in the CSA Container Project Plan schedule. In addition, BWXT did not get the change package associated with the 9977 procedure approval submitted in time to meet the 9977 Project schedule. This missed milestone ultimately lead to the delay of the 9977 CRA and PXSO RA by approximately two months. (Negative Performance -)

In the area of NM analysis: BWXT was able to meet specific requirements for having the Integrated Pit Inspection Station fully operational. However, BWXT could not meet the requirements to have Laser Gas Sampling (LGS) approved for operations during FY07 due to LSG equipment not being repaired in a timely manner.

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In the area of NM process support: BWXT performed significantly above expectations by leading the development effort for a container that could meet the critical elements of need for a breached pit incident: (1) Immediate materiel stabilization/contamination control of the damage pit, 2) The ability of the container to be carried in a Type B container in an approvable configuration for off-site transport, and 3) The ability to interface with the receiver sites recovery line. The BWXT container accommodated each of the three critical elements needed to minimize the hazards to the worker, the facility, and the environment. The Pantex development effort refocused the complex (Laboratories and Container Program Manager) on the vital need to resurrect this container development effort that had been dissolved three to four years ago due to budget cuts. BWXT has brought this development effort to its maximum fruition; given the external limitations presented by the laboratories (LANL & LLNL). At present, BWXT has three prototypes that address all identified Laboratory issues/needs.

However, BWXT under-scoped the safety related changes needed to relocate the pit packaging line. The mistake has resulted in a cost escalation for (100 to 300)%. To use the less costly solution proposed by BWXT would eliminate approximately 250 pit storage locations which are vital to the near and long term efficiency of Pantex operations.

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Base Mission – Other Considerations

- (-) Two years ago BWXT purchased over 30 new ASME NUM 1B hoists to replace the equipment in Bays. Since that time, only three of the hoists have been installed. The rest remain in a warehouse during which time maintenance requirements were unaddressed until questioned by the Site Office Manager and the warranty for the hoists expired. BWXT did not adequately plan resources to install these hoists and provide the intended safety benefit.
- (-) Troubleshooting and resolution of recurrent deficiencies in credited safety systems have not been performed in a timely and efficient manner. During this appraisal period recurrent problems surfaced on the safety-related bays Blast Door Interlock system in 12-104 and on the safety-class 12-84E LaMarche Battery Charger for the deluge fire suppression system. Initial troubleshooting efforts lacked sufficient depth to identify the root causes for these deficiencies and subsequent repair efforts/plans lacked the thoroughness and rigor needed to expeditiously correct the problems. NNSA Headquarters also noted these as recurrent problems.
- (-) Inadequate timely resolution of degraded safety-related Steel Arch Construction and Modified Richmond magazine earth overburden was evident during this performance period. Although the eroded earth overburden was self-identified by BWXT personnel in September 2006, subsequent action to evaluate and repair the conditions was not timely and appropriate. The degraded conditions have not all been corrected at the end of this FY.

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**Base Performance Area: Operations
Base Award Fee Weight: 29.88%
Base PBI Fee Weight: 1.44%
Base Total Fee Weight: 31.32%**

Fiscal Year 2007
October 1, 2006 Through, September 30, 2007

<u>PO/PBI # AND TITLE</u>	<u>PBI/PO FEE WEIGHT %</u>
PO #13: Maintain an effective safeguards and security program that is appropriately staffed and executed in accordance with the Pantex Safeguards and Security Plan.	15.31%
PO #14: Effectively manage and safely conduct Maintenance Operations to responsively meet the NNSA Mission.	0.47%
PBI #15: Effectively manage a Deactivation and Decommissioning Program to reduce Pantex Plant footprint as defined in the Facilities Information Management System (FIMS) in accordance with Congressional, DOE and NNSA goals.	0.47%
PO #16: Complete Line Item (LI) Project Critical Decisions (CD's)	1.28%
PO #17: Line Item Project cost and schedule performance.	0.47%
PO #18: Facilities and Infrastructure Recapitalization Program general performance.	0.36%
PO #19: Execute the Environmental Restoration Program as required by the approved baseline.	0.96%
PO #20: Ensure appropriate levels of environmental protection and pollution prevention equal to or better than requirements of Environmental Laws, Regulations, Commitments, and DOE orders.	1.91%
PO #21: Maintain an effective, efficient, and compliant Integrated Safety Management (ISM) Program.	1.91%
PO #22: Ensure appropriate levels of public and worker safety and health.	0.96%
PO #23: Maintain an integrated contractor assurance system (CAS) that will identify and address program and performance deficiencies, opportunities for improvement, provide the means and requirements to report deficiencies to the responsible managers and authorities, establish and implement a process for documenting corrective and preventive actions, and share lessons learned across all aspects of Pantex operations.	0.96%

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PO #24: Develop and implement a Comprehensive Emergency Management System that complies with the requirements of DOE Order 151.1C, <i>Comprehensive Emergency Management System</i> , Attachment 2, CONTRACTOR REQUIREMENTS DOCUMENT.	0.96%
PO #25: Maintain Emergency Response Programs (ERP) capabilities, to include: responding to drills and/or actual mobilizations, supporting requests from NNSA and OGA (Other Government Agencies) for ERP expertise, and conducting training (to include specific Work for Others activities), in accordance with NA-40 directives and/or guidelines.	0.96%
PO #26: Meet 75% of the negotiated and approved Comprehensive Energy Management Program (CEMP) initiatives and meet DOE O 430.2A requirements.	0.96%
PBI #27: Reduce Inventory of Legacy Material.	0.96%
PO #28: RESERVED.	0.00%
PO #29: Line Item Projects – Obtain CD-0 approvals by September 30, 2007.	0.96%
PO #30: Detect, deter, and mitigate Foreign Intelligence collections and espionage efforts and international terrorist's threats.	0.96%
PO #31: Reduce Total Deferred Maintenance	0.50%
Base Operations Total Fee Weight	31.32%

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Pantex Plant Performance Evaluation Report

Base Performance Area: Operations

Base Award Fee Weight: 29.88%

Base PBI Fee Weight: 1.44%

Base Total Fee Weight: 31.32%

Fiscal Year 2007

October 1, 2006 Through, September 30, 2007

Base Performance Area: Operations

Base Award Fee Adjectival Rating: Good

Base Numerical Rating: 89.05

PO #13: Maintain an effective safeguards and security program that is appropriately staffed and executed in accordance with the Pantex Safeguards and Security Plan.

Performance Assessment:

Overall BWXT has effectively maintained the safeguards and security (S&S) program by ensuring it is appropriately staffed and has executed all responsibilities consistent with the approved Site Safeguards and Security Plan (SSSP).

Performance Targets:

Operate a satisfactory safeguards and security program for FY 2007 as validated by the Pantex Site Office periodic survey program.

The overall rating achieved by the BWXT S&S program was the highest attainable. Each topical and subtopical area was rated as satisfactory through the Site Office S&S survey program. Two major accomplishments contributed to BWXT's successful completion of the performance period: 1) Effective implementation of a long-term vision that addresses policy implementation considerations, and 2) full utilization of existing resources to address essential elements of the overall S&S program.

Ensure continued compliance with security systems and programs necessary to meet the 2003 Design Basis Threat (DBT) policy.

BWXT has adequately and appropriately addressed the continued implementation/maintenance of a protective posture to meet 2003 DBT requirements. Limited scope performance testing and the BWXT Performance Assurance Program provided the necessary assurances that the 2003 DBT requirements continue to be met. Additional evaluation by BWXT of manpower utilization in the 2003 DBT posture

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enabled the changes necessary to address 2005 DBT implementation plans. BWXT ensured an effective protection program and infrastructure to meet the 2003 DBT and has appropriately incorporated these requirements into the funding base-line.

Continue activities necessary to implement the 2005 DBT (as funded).

BWXT has developed a comprehensive 2005 DBT Implementation Plan (IP). Quarterly status reports have been timely and contain the necessary information. Implementation Plan activities have been executed in accordance with the plan and have exceeded expectations. BWXT took independent actions to “projectize” the implementation plan and has revised the plan to address implementation of many aspects of the revised DOE manual requirements/expectations. Additional actions are planned to fully integrate the implementation plans for the 2005 DBT and DOE M 470.4-1 and 470.4-3.

Maintain an effective self-assessment program of all security functional areas that identify and correct problems in a timely manner.

The BWXT self-assessment and performance assurance programs address all topical and subtopical areas. BWXT’s work in developing “essential elements” far exceeds NNSA requirements and expectations. BWXT’s application of the essential elements has created a strong base for determining what is important and has focused the protection program on the key aspects of an effective program. This base is being used for the development of training and well as other critical activities within the protection program. Comprehensive self-assessment assessments have been conducted in each of the specified areas as indicated in the schedule and have been appropriately constructively critical. This degree of candor has enabled continuous improvement of the various and given the Site Office a very thorough perspective of BWXT’s performance and corrective actions.

Accomplish all Level 1 and Level 2 milestones contained in the approved FY 2007 Annual Operating Plan (AOP).

All FY 2007 AOP Level 1 and 2 milestones were successfully accomplished. Additionally, change controls were submitted to the Site Office for Level 3 changes, as appropriate.

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Ensure a formal risk management program governing all activities in the site security program consistent with DOE M 470.4-1, Section C, Site Safeguards and Security Plan (SSSP).

BWXT updated the Pantex SSSP addressing the changes necessary to include requirements and references. In addition, BWXT re-implemented a formal SSSP Steering Committee to ensure management buy-in on assumptions and scoping. BWXT held various steering committee meetings to ensure continuity and consistency with management direction and address the various changes in protection program staffing. BWXT successfully integrated performance requirements for the 2005 DBT, TYCSP, and the AOP. This integration establishes continuity and tracibility for requirements and ensures formality of risk management. The tie to essential elements also assures risk management program focus and continuity.

Develop a new SSSP methodology and revise the current SSSP.

BWXT developed and received approval for a new SSSP methodology. Using this methodology BWXT revised the analytical work contained in vulnerability assessment report (VAR). These revisions will enable the Plant to meet expectations for 2008 DBT implementation. The new methodology increases the number of layers in the systems model allowing better definition of detection and delay components of the various protection elements. This work is being used by NNSA HQ as the basis for work performed at other NNSA sites. The new methodology enabled the successful completion of the "Peer Review" and will allow the site to address various questions that will be proposed as complex transformation progresses.

Employ technologies to reduce manpower.

Many of BWXT's longer range plans and long term procurements are now beginning to yield reductions as a result of technology deployment. Sighting and manipulation systems have now been received and are being incorporated into the overall protective posture. AB and NES approvals were obtained for additional laser systems. Certain devices will be assigned to a much smaller group in order to address tactical considerations within the protective force. In light of various deployments of technology BWXT evaluated the need for certain post and patrol assignments which yielded additional reductions as well as the restructuring of the priority list for non-SSSP positions. Additionally, new "over-watch" cameras were installed and routed to the appropriate alarm stations.

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Reduce protective force overtime as planned in the FY07 AOP.

As a part of collective bargaining agreements were reached between labor and BWXT management that will continue to reduce overtime. Additionally, the training cadre was fully implemented and is now being used to meet semi-annual qualification and training requirements. The offsetting cost avoidance has already been factored into a rate adjustment for all labor in 2007 and 2008.

Develop a new cyber security program systems effectiveness process.

BWXT developed and implemented the Cyber Security Programs Systems Effectiveness Rating (CSPER) process. This new tool is unique to DOE/NNSA. It identifies computer security risks and provides management with the information necessary to make critical decisions concerning rapidly changing (tactical) threats as well as forms a basis for strategic cyber security planning. BWXT is now successfully exporting this process tool to other NNSA sites where it is being very well received. CESPR may in fact become the tool for all sites within the NNSA for the determination of cyber security systems effectiveness. Additionally, BWXT effectively implemented the requirement to prevent unauthorized writing to media from all classified work stations.

Enhance Human Reliability supervisor training program.

BWXT conducted training for all Human Reliability Program (HRP) supervisors. All aspects of the training were pertinent to HRP supervisors and their responsibilities. The content focused on the importance of their responsibilities and specific actions requiring additional attention based on prior issues/trending. A booklet was referenced which was sent to all supervisors. Supervisors were also briefed on the upcoming HRP website available on the Pantex Intranet. Previously identified areas requiring additional management attention such as documentation and importance of supervisor signature were discussed. The training provided practical examples on the emphasis placed on the supervisor signature by the management and certifying officials. It also emphasized the need for documentation however it did not specify timelines or the CFR requirement for written notification to the employee after removal. The training was more comprehensive than previous iterations however continued emphasis on the requirements and importance of the supervisor role is needed to address supervisory responsibilities contained in 10CFR712.

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PO #14: Effectively manage and safely conduct Maintenance Operations to responsively meet the NNSA Mission.

Performance Assessment:

BWXT substantially exceeded NNSA's expectations by affectively managing safety related maintenance backlog. BWXT lowered the number of active safety related Work Orders (WO) from 97 in March of 2007 when 80 new WO's where added between December and March to 28 in September of 2007. BWXT maintained a 99.8% (Between 90 and 95%) building availability for mission critical and Mission dependent/not critical facilities. In addition, BWXT maintained utilities at 96.8% (Between 90 and 95%) meeting the requirements of the PO.

PBI #15: Effectively manage a Deactivation and Decommissioning Program to reduce Pantex Plant footprint as defined in the Facilities Information Management System (FIMS) in accordance with Congressional, DOE and NNSA goals.

Performance Assessment:

BWXT earned 100% of the available fee of \$96,438.

PO #16: Complete Line Item (LI) Project Critical Decisions (CD's)

Performance Assessment:

BWXT exceeded NNSA's expectations in completing Line Item Project Critical Decisions (CD); however NNSA took actions to allow satisfactory completion of the performance objective. Component Evaluation Facility was placed on hold until transformation decisions were made and the Laser Gas Sampling Station of the SNMCRF was removed from the project scope to allow completion. BWXT did complete the HE Pressing CD-2 on schedule.

PO #17: Line Item Project cost and schedule performance.

Performance Assessment:

BWXT exceeded NNSA's expectations by maintaining Line Item Project Cost and Schedule performance for the Electrical Distribution System Upgrade and HE Pressing Facility. The SPI and CPI for both projects were maintained within acceptable ranges as required.

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PO #18: Facilities and Infrastructure Recapitalization Program general performance.

Performance Assessment:

BWXT substantially exceeded NNSA's expectations by achieving an FY07 Recapitalization funding carry-over of 21.5% (less than 30%) by committing \$4.5M of all FY07 Recap and Excess facility funds within 180 days of receipt of funding. They completed designs and RFPs for the following Recapitalization projects by September 30, 2007. (Electrical Task Part 2, Roof Replacements (Bldg. 12-64), and Bldg. 11-7 Production Storage Facility Replacement)

PO #19: Execute the Environmental Restoration Program as required by the approved baseline.

Performance Assessment:

BWXT substantially exceeded NNSA's expectations for the requirements within their control. The Corrective Measures Study (CMS) was completed and submitted to the regulators in June of 2006 for review and approval. Through numerous Core Team meetings the document has been agreed to by the regulators as being approvable. The PO was not met but the issues controlling their ability to meet the milestones were outside their control. BWXT has taken numerous actions within the regulations to continue to maintain the Environmental Restoration schedule and keep the project working within the baseline.

PO #20: Ensure appropriate levels of environmental protection and pollution prevention equal to or better than requirements of Environmental Laws, Regulations, Commitments, and DOE orders.

Performance Assessment:

BWXT substantially exceeded NNSA's expectations regarding compliance with existing environmental protection and pollution prevention endeavors. Environmental programs were investigated by the regulators for waste, wastewater, drinking water, air, and petroleum storage tanks and found to be in compliance with requirements. Due to the fact of undergoing years of environmental inspections without significant violations is indicative of well-established programs having the support of the entire workforce. Three environment stewardship awards for the Environmental Management System energy conservation program, the greening the cafeterias endeavor, and the Pantex recycling program successes were received by Pantex.

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PO #21: Maintain an effective, efficient, and compliant Integrated Safety Management (ISM) Program.

Performance Assessment:

BWXT substantially exceeded expectations in maintaining an effective, efficient, and compliant ISM Program. BWXT completed work area hazards analysis training for work planners in Maintenance, Manufacturing, Applied Technology, and Engineering divisions. BWXT completed forty-four management observations of work activities and interaction with workers in the field and on the shop floor. This work allowed BWXT managers an opportunity to observe all phases of their work processes and include direct worker feedback to improve operational efficiency. During the rating period, BWXT improved work activity planning by re-evaluating and updating the planning and control processes associated with subcontractor work. These updates were primarily reflected in the Division I Specifications that are part of the contract package for subcontractors. These changes allowed BWXT to verify and enhance the proper flow down of contractual obligations.

PO #22: Ensure appropriate levels of public and worker safety and health.

Performance Assessment:

BWXT substantially exceeded PXSO's expectations in ensuring appropriate levels of public and worker safety and health. BWXT achieved a site-wide injury and illness rate that was better than the average of the previous five years. The TRC rate achieved was: 0.60 versus the required rate of 1.62. The LTC rate achieved was 0.15 versus the required rate of 0.47. BWXT also maintained an American Industrial Hygienist Association Laboratory certification for the entire year by achieving a proficiency rating of greater than the 75 percent necessary to maintain certification for each analyte group. In addition, BWXT submitted the Final Pantex Worker Safety & Health Plan and the 10 CFR 851 Flow Down Matrix to the Site Office on February 26, 2007 as required. Further, BWXT maintained the Occupational Medicine Program Accreditation Association for Ambulatory Healthcare (AAAHC) certification and readiness for recertification for the entire year by completing eleven Program Element Reviews.

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PO #23: Maintain an integrated contractor assurance system (CAS) that will identify and address program and performance deficiencies, opportunities for improvement, provide the means and requirements to report deficiencies to the responsible managers and authorities, establish and implement a process for documenting corrective and preventive actions, and share lessons learned across all aspects of Pantex operations.

Performance Assessment:

BWXT exceeded performance expectations in maintaining an integrated contractor assurance system. BWXT successfully met all of the performance targets for this performance objective. The FY07 BWXT Pantex Management Assessment Risk Model was provided to PXSO in mid October 2006. The Risk Model was enhanced by adding Nuclear Safety Oversight, Integrated Safety Management, and Financial Internal Control to the consequences in the effort to help direct focus to these areas. A Primavera Project Planner (P3e) Site-wide FY07 CAS Schedule of Assessments was provided to PXSO on October 17, 2006 to allow PXSO to integrate Federal Line Oversight activities with BWXT Pantex CAS assessment activities. The process to provide PXSO staff access to BWXT Pantex final CAS assessment reports was implemented in mid October 2006. BWXT Pantex configured PXSO's CAS shared driver folders to receive FY07 assessment reports by Division per quarter. BWXT Pantex's performance of the FY07 CAS Schedule was exemplary, with few cancellations and reschedules, and very few missed due dates. The FY07 Quarterly CAS reports were expanded during FY07 to include more information on identified assessment issues and CAS activities. The final FY07 CAS quarterly report was submitted to PXSO per the commitment date.

While PXSO agrees that the quantity of work performed by BWXT substantially exceeded expectations, the quality of the work is much harder to discern. For example, the fourth quarter report contained 92 pages of issues discovered by CAS assessments, however these issues do not appear to have been graded out in any fashion, therefore making it difficult to discern what the key issues discovered by the CAS program were. Meticulous review of these reports is necessary to discern if the effort put into the very numerous assessments documented provided added value in the function of the plant. Two areas for improvement are the format of the reports, to make them more visual and better organized, and a clear grading of issues each quarter to assure that the most significant issues receive adequate visibility.

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PO #24: Develop and implement a Comprehensive Emergency Management System that complies with the requirements of DOE Order 151.1C, *Comprehensive Emergency Management System*, Attachment 2, CONTRACTOR REQUIREMENTS DOCUMENT.

Performance Assessment:

BWXT substantially exceeded expectations in the area of emergency management. BWXT, in anticipation of complying with DOE Order 151.1C, made advanced preparations in FY06 to position itself to support the implementation of the new Order. BWXT also met their 100% goal for ERO training by the October 31, 2006 which included the Limited Scope Performance Tests that satisfied a practical training requirement/expectation identified in the DOE Guide. BWXT completed all scheduled NNSA/PXSO approved site-level drills on schedule, and BWXT also responded to a site-level real security related event with outstanding performance. BWXT conducted the required reconstitution COOP drill and the AEOC drill. BWXT provided useful monthly and periodic program metrics, assessments and performance data to PXSO on a timely basis. BWXT continued to excel in its Readiness Assurance programmatic assessment program. BWXT put forth a concerted effort to convert old emergency plans and procedures to a new format that conforms to the Brain Business Model. BWXT successfully conducted an annual site-wide exercise.

PO #25: Maintain Emergency Response Programs (ERP) capabilities, to include: responding to drills and/or actual mobilizations, supporting requests from NNSA and OGA (Other Government Agencies) for ERP expertise, and conducting training (to include specific Work for Others activities), in accordance with NA-40 directives and/or guidelines.

Performance Assessment:

BWXT substantially exceeded expectations in maintaining ERP capabilities. BWXT exceeded the 90% expectation for deployable equipment operability and availability. BWXT also exceeded customer expectations in its training provided to other government agencies. BWXT continued to maintain a "Ready-to Deploy" response readiness posture for deployment in accordance with NA-40 guidelines. In addition, BWXT identified personnel to be the primary responders to the ERTF outside of other established RAD Response Teams. These individuals were trained and participated in an exercise with VA ERTF Teams, and participated in a Limited Scope Performance Test. Further, BWXT accomplished a great deal during the time it actually took possession of the NIRP Facility and the actual move from Pantex to the NIRP Compound. During this same time it also maintained its "Ready-to-Deploy" status which was paramount to the mission, and met all of its commitments for WFOs. There was confusion, however, as to what DOE standards applied to the leased facility and

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how the standards would be applied to the NIRP Facility. There was also confusion as to who was responsible for ensuring that the proper standards were followed. Clarification of these issues has been forthcoming, and the BWXT has responded accordingly to ensure compliance.

PO #26: Meet 75% of the negotiated and approved Comprehensive Energy Management Program (CEMP) initiatives and meet DOE O 430.2A requirements.

Performance Assessment:

BWXT Pantex exceeded expectations by meeting six of the performance targets and met DOE O 430.2A requirements. Building Commissioning at Pantex has the potential to dramatically affect energy use at the plant in the future. This process will be applied not only to new construction, but to renovations as well. BWXT personnel were afforded training classes on sustainable design and contracting for new buildings. Eighteen water leaks were repaired in FY07, including repairs to 8-inch and 10-inch domestic water lines in Zone 12 North. BWXT purchased RECs with a value of 3,500 megawatt hours that represent approximately 4.9% of the estimated total use of 72,000 megawatt hours of energy.

BWXT Pantex replaced old, energy inefficient equipment to achieve the performance target. Equipment such as electric-powered aerators in the waste water lagoon were replaced with solar-powered aerators; a pilot test for using ultra violet light (UV) in HVAC to improve indoor air quality was initiated; old x-ray machines were replaced with new digital technology; new clothes dryers were placed in the laundry to improve efficiency; and test model light switches were installed to reduce energy consumption with positive results.

Energy consumption increased in FY07, mainly due to the occupation of four new buildings. These buildings replaced buildings that used little energy before being decommissioned. In addition, each building requires system adjustments to obtain optimum energy use. Energy use for the plant is estimated to rise an estimated 2% from that used in 2006.

PBI #27: Reduce Inventory of Legacy Material.

Performance Assessment:

BWXT earned 100% of the available fee of \$192,875

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PBI #28: RESERVED

PO #29: Line Item Projects – Obtain CD-0 approvals by September 30, 2007.

Performance Assessment:

BWXT exceeded NNSA's expectations by submitting CD-0 packages for the UV to IR and the Cell 1 and 8 Upgrade projects. Due to funding constraints, NNSA requested that the documents not be submitted until those issues could be resolved. This was outside of BWXT's control, therefore allowing successful completion.

PO #30: Detect, deter, and mitigate Foreign Intelligence collections and espionage efforts and international terrorist's threats.

Performance Assessment:

BWXT substantially exceeded expectations for this performance objective. BWXT provided Counterintelligence (CI) awareness training to more than 4,000 personnel throughout the year. BWXT conducted (CI) investigations to the fullest extent allowed by procedure, regulation and law. In addition, by working closely with federal and contractor cyber security personnel and sharing information, the CI Cyber program continued to develop in areas related to foreign threats to the BWXT Pantex cyber systems. Further, the CI Analysis program wrote two CI notes for publication, updated the site threat assessment, updated the sensitive technologies list on the site, and wrote Intelligence Reports of value to the United States Intelligence Community.

PO #31: Reduce Total Deferred Maintenance

Performance Assessment:

BWXT substantially exceeded NNSA's expectations by achieving a reduction of \$11.1M of Deferred Maintenance. The base requirement for FY07 was \$8M.

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Base Operations – Other Considerations

- (+) **Leadership In Operational Excellence:** The contractor exhibited a clear and continued trend of Operational Excellence in the Manufacturing Division. This organization continues to spearhead the effort towards HPO thinking. The most notable elements in this area are a culture of conservative decision making, clear roles and responsibilities, formality of operations at the floor level and commitment to accuracy and clarity in technical documentation of safety and production issues. Although still of concern, lack of timeliness and organizational inertia are now being recognized. One positive area outside of Manufacturing, appears to be recognition by top tier Maintenance Division management that improvements in maintenance operations formality can and should be made.
- (+) **Conservative Decision Making:** Conservative decision making in the Manufacturing Division has become institutionalized with non-conservative decision making becoming the exception to the rule from the top of the organization to the floor level. Clear expectations for response to abnormal events have been set and documented in operating practices by the Manufacturing Division Manager. Senior management in the Engineering, Maintenance, and Applied Technology Divisions clearly have accepted this philosophy but it is not clear that it is accepted at the floor level of any of these organizations.
- (+) BWXT met NNSA expectations by provided information off camera and on camera regarding Pantex Plant operations during World War II for PBS 15-hour presentation, “The War”, and coordinated interviews of plant employee(s) and filming in Zone 3 on TTU land for the PBS presentation.
- (-) BWXT did not meet NNSA expectations in assuring verification of asbestos amendment submittals by the subcontractor. BWXT’s Regulatory Compliance Department had no knowledge of several amendments that were submitted by BWXT’s subcontractor (e.g., Building 12-01, 12-19 Roofing Projects). BWXT’s Work Instruction requires the Texas Department of Health receive a completed Demolition/Notification Form after the asbestos abatement contractor submits the Form to BWXT Regulatory Compliance Department and subsequently to PXS Environmental Compliance for review and concurrence.
- (-) BWXT did not meet NNSA expectations for NEPA documentation submittals. This is evident by: NEPA Review Forms were not submitted before project commencement for a) the temporary strike gate b) the leveling of the railbed with spreading of ballast in the areas of the VMF, Zone 4, other discrete areas, and the stockpiling of some railbed material in areas not designated for stockpiling c) establishment of the Nuclear Incident Response Program command center at Amarillo International Airport d) removal of railroad bridges on railbed.

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- (-) BWXT did not meet NNSA expectations due to quality of documents provided. The Information Documents (Safety Information Document, Environmental Information Document, and Programmatic Information Document) had substandard technical editing, which required several iterations before the finals were delivered, requiring more site office time spent on editing than should have been necessary.

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Base Performance Area: Business/Management

Base Award Fee Weight: 19.82%

Base PBI Fee Weight: 0.00%

Base Total Fee Weight: 19.82%

Fiscal Year 2007

October 1, 2006 Through, September 30, 2007

<u>PO/PBI # AND TITLE</u>	<u>PBI/PO FEE WEIGHT %</u>
PO #36: General Management of the Pantex Plant	15.99%
PO #37: RESERVED	0.00%
PO #38: Meet Business System attributes, performance measures, and integration/interconnectivity expectations captured in the Business System Oversight Program (BSOP).	3.83%
Base Business/Management Total Fee Weight	19.82%

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Pantex Plant Performance Evaluation Report
Base Performance Area: Business/Management
Base Award Fee Weight: 19.82%
Base PBI Fee Weight: 0.00%
Base Total Fee Weight: 19.82%

Fiscal Year 2007
October 1, 2006 Through, September 30, 2007

Base Performance Area: Business/Management
Base Award Fee Adjectival Rating: Outstanding
Base Numerical Rating: 93.84

PO #36: General Management of the Pantex Plant.

Performance Assessment:

BWXT Pantex substantially exceeded expectations in the General Management of the Plant.

Directed Stockpile Work:

BWXT demonstrated outstanding delivery performance of the Directed Stockpile Work (DSW) Directive Schedule commitments in FY07 by successfully completing 1027 deliverables, exceeding the established production goal of 1,000 units. Sustainment of reliable daily operations with continual improvement in production was the primary driver in raising the number of weapon completions over last year's total of 828.

BWXT Pantex also successfully completed the FY07 Defense Program (DP) "Getting the Job Done" Top 10 goal of increasing dismantlements by 49% more than four months ahead of schedule. At year's end, BWXT Pantex achieved a 146% increase in dismantlements. The Dismantlement & Inspection backlog was eliminated. In addition, a number of Seamless Safety for the 21st Century (SS-21) and Alteration (ALT) projects were completed on or ahead of schedule, allowing NNSA to meet its commitments to the Department of Defense for a safe and credible nuclear deterrent.

Safeguards and Security:

BWXT continues to provide a world class safeguards and security program. This performance period was particularly challenging. DBT and new order implementation required BWXT to manage multiple and sometimes conflicting priorities in a highly responsive and very visible way. BWXT's success is directly attributable to organizational leadership and effective communications with the site office.

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Safety and Health:

BWXT Pantex continued to enhance the level of safety and health at the Pantex Plant and as a result achieved a level of safety that ranks among the top "safety leaders" in the NNSA complex for the last three years. From FY01 through FY07, the TRC rate for BWXT Pantex has improved 82%; and the LTC has improved 88%. The TRC and LTC rates are two common ways industry measures safety success. In FY07, BWXT Pantex achieved the lowest ever TRC rate at .60, while the LTC rate was .15. These numbers are significant because as the level of safety has increased (meaning that the number of injuries and accidents have decreased), the level of production has almost doubled in the same time period.

Contractor Assurance System:

A review of the CAS quarterly reports for FY07 indicates that they are substantially accurate. These reports clearly show BWXT commitment to the CAS program. The quantity of work is evident in the report data. The quality of the work is much harder to discern. The fourth quarter report contained 92 pages of issues discovered by CAS assessments, however these issues do not appear to have been graded out in any fashion, therefore making it difficult to discern what the key issues discovered by the CAS program were. Meticulous review of these reports is necessary to discern if the effort put into the very numerous assessments documented provided added value in the function of the plant. Two areas for improvement are the format of the reports, to make them more visual and better organized, and a clear grading of issues each quarter to assure that the most significant issues receive adequate visibility.

Causal Factors Analysis:

BWXT took considerable effort in FY07 to develop and pilot a new Causal Factors Analysis approach for the plant. The final deliverable for this effort is a new Causal Factors Analysis Manual. However, it is the process used to develop this manual that deserves recognition. BWXT senior management championed a cradle to grave study of how the plant reacts to abnormal events to determine necessary changes in the process needed to improve the effectiveness of Causal Factors Analysis at the plant. In addition to this study, nine seminars were presented to BWXT senior management in order to broaden their view of the subject and provide them with additional tools for decision making when responding to abnormal events. A graded study of plant critiques was conducted to determine the strengths and weaknesses of the current process. Finally, the new process was piloted by using it on two safety significant abnormal event investigations with lessons learned from each investigation fed back

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into the process to improve the final product. This effort took most of the fiscal year to complete, and has the potential to enhance the ability for organizational learning plant wide.

Electrical Distribution System:

During FY 2007, BWXT Pantex has completed several major tasks in contributing to the overall reliability improvement of the electrical systems infrastructure at Pantex. The following is a brief list of Efforts completed in FY07:

- Completion of North Electrical Substation (NES) Outage on June 16, 2007: This outage was conducted as part of scheduled preventive maintenance (inspection, cleaning and repair as needed) for 12.47 KV main switchgear at the NES.
- Completion of Site-wide Electrical Outage during the week of October 8, 2007: This outage was a scheduled maintenance activity (inspection, cleaning, and repair as needed) for the medium voltage (12.47 KV) switching equipment on site: Switchgear at North and South substations; and Interconnects for Zone 12 East, Zone 12 West, and Zone 11; and designated ATSS and MTSS.
- Completion of 12-37 Telephone Power System Upgrade Project: The scope of this project is the design and installation necessary to improve the Emergency Power Supply System for the Pantex plant telephone system – new 150 KW diesel generator, upgraded distribution panels and etc.
- Completion of Site-wide Short Circuit Study: The purpose of the SCCS is to determine the proper interrupting rating of electrical equipment and settings for protective devices throughout the plant. This project also provided an Arc Fault Hazards Analysis and drawings that will improve configuration control for the Pantex electrical infrastructure.

In addition to the aforementioned activities, there have been several training sessions conducted by BWXT Electrical Crafts personnel, as a part of the roll-out of CMD-010: Pantex Plant electrical Distribution Configuration Management Data document. These training sessions provided a good management level overview of the Pantex electrical distribution system.

The Employee Concerns Program (ECP):

BWXT Pantex met the requirements of DOE Order 442.1A by ensuring its employees are advised they have the right and responsibility to report concerns relating to the environment, safety, health or management of Pantex Plant activities by. A noteworthy element of BWXT's ECP is the No More Surprises Program, a very popular

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mechanism for BWXT employees to file concerns on a variety of topics ranging from management practices to safety issues. Questions and answers are posted on the BWXT Intranet or everyone to read. Issues appear to be handled in a timely manner using this mechanism.

Business Communications/Public Affairs:

The Business Communications staff promoted and maintained positive relationships with stakeholders, employees, neighbors and the community. Noteworthy efforts over the past year included:

- Providing excellent protocol support for over 45 plant visits, tours and special visitors this year;
- Coordinating eleven important meetings including four Quarterly Groundwater Meetings, two “special topic” meetings, four Agreement-in-Principle (AIP) meetings, plus a special meeting to discuss Hazards Assessments.
- Outstanding effort in providing accurate information to the public. Coverage for FY07 was 40% positive, 24% neutral, and 36% negative;
- Providing creative and quality visual communications products to PXSO.
- Outstanding educational and community activities included Science Bowl, Nuclear Science Merit Badge for Boy Scouts and Girl Scouts, and the Annual Armed Forces Day Celebration.

Awards/Recognitions:

During the Fiscal Year BWXT Pantex received numerous awards and recognitions for their accomplishments. Awards/recognitions included: BWXT received the 2007 Environmental Protection Agency Waste Wise Honorable Mention Award for federal facilities due to the ongoing commitment to environmental stewardship, which included recycling versus disposal and the development of environmental partnerships with local communities. BWXT Pantex also won Four Pollution Prevention Awards from the NNSA including Electronics Stewardship, Recycling, Environmental Management System and Waste Minimization/Pollution Prevention. Three of the awards were NNSA Environmental Stewardship Awards and one Best-In-Class award. These programs were submitted for the White House Closing-the-Circle competition. In addition, The American Society for Training & Development (ASTD) named BWXT Pantex a winner in the annual American BEST Awards competition. Recipients of BEST awards are organizations that achieve success through enterprise-wide learning by creating and supporting learning opportunities for their employees. Further, BWXT Pantex received three National Safety Council Awards. These included: 1) National Safety Council - Prestigious Member Recognition; 2) National Safety Achievement Award for

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Displaying Exemplary Leadership and Safety Performance in the Workplace, and; 3) National Safety Achievement Award in Recognition of your Outstanding Commitment to Safety in the Workplace.

Project/Construction Management:

BWXT has not met NNSA expectations in project/construction management activities during the rating period. Several Line Item Projects managed at Pantex by BWXT were **RED** during the rating period. (12-44, PCU and SNMCRF specifically) NNSA had to take actions to close the projects and allow them to be removed from the **RED** projects list maintained in PARS. BWXT also settled the prime contractors claim for the 12-44, PCU project. Documentation provided by the claims consultant, indicated 100 days of delay were attributable to BWXT management of the project.

Support to Energy Savings Performance Contract:

During the rating period, BWXT did not meet NNSA expectations for supporting the DOE-direct ESCO contract. The basic approach to handling the work started as a "Construction" effort when the previous phase of the same type of work had been appropriately managed as a "Maintenance" effort. BWXT's initial approach caused delays included varying levels of actual, timely support from key project personnel such as Project Subcontractor Technical Representatives, Construction Security, and crafts personnel to support lockout/tagout efforts for lighting and steam work. These delays included longer BWXT process times to obtain permits, facility personnel hazards information, and access to conduct facility walkdowns.

Configuration Control of Authorization Basis Documents

In January 2007, PXSO identified that Safety Basis (SB) changes submitted by BWXT for approval had been developed from the wrong baseline documents. This resulted in BWXT self-identifying a management concern involving authorization basis document configuration control on 2/09/2007. That concern resulted in a determination that there had been a loss of configuration control of the Pantex Plant Documented Safety Analysis (DSA). There were approximately 70 SB change packages that had been approved by PXSO, but not posted to the record copy of the DSA. In addition, implementation of over 250 controls was required to be revalidated or, in some cases, initially validated due to the unposted change packages.

PO #37: RESERVED

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PO #38: Meet Business System attributes, performance measures, and integration/interconnectivity expectations captured in the Business System Oversight Program (BSOP).

Performance Assessment:

In FY07, BWXT’s performance in the business areas increased over FY06, receiving “Exceeding Expectations” in four of the eight areas as depicted in Table XX below.

Table XX – Business Management Performance Trend

	FY 04 EOY	FY 05 EOY	FY 06 EOY	FY 07 EOY
Contracts	Dark Blue	Dark Blue	Dark Green	Dark Blue
Procurement	Dark Green	Dark Green	Dark Green	Dark Green
Property	Dark Green	Yellow	Dark Green	Dark Blue
Information Technology	Dark Green	Dark Blue	Dark Green	Dark Green
Internal Audit	Dark Blue	Dark Blue	Dark Green	Dark Blue
Budget/Accounting	Dark Green	Dark Green	Dark Green	Dark Blue
Training	Not Rated	Not Rated	Dark Green	Dark Green
Records Management	Not Rated	Not Rated	Dark Blue	Dark Green

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

In the area of Contract Management, BWXT provided exceptional support in response to numerous NNSA ad-hoc requests. The Contract Management Staff worked with PXSO on coordinating numerous revisions and upgrades to the Contract Management Plan (CMP) that significantly improved the quality of this document. NNSA HQ indicated that they would use the CMP as the model for the other Sites. During the rating period, BWXT’s Contract Management Staff teamed with PXSO Contracting members to provide training on Contract Administration roles and responsibilities to the Pantex Site Office. Their support helped to make this presentation and training a success. An area of focus for FY08 is the linkage of all LO/CAS functional areas to the CMP.

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In the area of Procurement, BWXT met or exceeded 16 of 26 Procurement Performance Objective Matrix Goals, the identified attributes, exceeded all but one of the negotiated small business goals, and did an exceptional job of awarding the Electrical Distribution System Upgrade contract on short notice. An area of focus for FY08 is the enhancement of documentation of all procurement activities and meeting or exceeding all Performance Objective Matrix Goals.

In the area of Property, BWXT exceeded all identified attributes and all property measures captured in the Objectives Matrix. During the rating period, BWXT implemented several initiatives that resulted in: improving its rating from “yellow” to “blue” in two years and receiving System Approval for the term of the BWXT contract; development and execution of a successful plan to clean up unneeded or idle materials and property at the plant; and attaining the highest degree of inventory accuracy for total dollar value (99.98%) and items located (99.96%) for sensitive property ever recorded at the plant. An area of focus for FY08 is full compliance with DOE Order 580.1.

In the area of Information Technology, BWXT Information Resources Program met the identified attributes. Several system enhancements or new installs were accomplished, increasing plant efficiencies. Budget and planning processes continue to improve. System security and disaster recovery/mitigation have been strengthened, and several strategies for recruiting and retaining critical skills were pursued. Areas of focus for FY08 include closeout of FY07 audit findings, continuous efforts to recruit and retain critical skills, and working towards meeting CD0 and CD1 for the MRP Project.

In the area of Internal Audit, BWXT met all identified attributes of a sound Internal Audit Program. All audits planned for FY07 were completed and all other deliverables were met. Internal Audit continues to be a Pantex asset, identifying areas for improvement Plant-wide and playing a key role in the success of the contractor’s Contractor Assurance Program. Internal Audit continues to provide outstanding follow-up to special requests received from outside audit organizations. An area of focus for FY08 is continuous support of the Cooperative Audit Strategy, specifically, involvement in Peer Review participation of another Site.

In the area of Budget Formulation and Budget Execution, BWXT met all identified attributes, and the Office of Field Financial Management rated budget execution performance measures as generally outstanding. This success was achieved within the particularly challenging FY07 budget environment of recurring periodic continuing resolutions and minimal uncosted balances. In addition, BWXT received an “Outstanding” overall rating for the Finance and Accounting Systems Performance Measures evaluated by the Office of Field Financial Management. During the rating period, BWXT’s Budget and Accounting Staff teamed with PXS0 for the budget and accounting presentation and training to the Pantex Site Office. Their support helped to

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make this presentation and training a success. An area of focus for FY08 is the continuous improvement in the integration of budgeting, procurement, and construction planning.

In the area of Records and Information Management, BWXT met all identified attributes, continued to meet expectations through their initiatives to improve records management processes and efforts to further institutionalize the Records and Information Management program. The Records Operation Center was fully utilized in FY07 contributing to improved operations and efficiencies, and the climate control systems were corrected. Training efforts were outstanding and provided low cost training opportunities for both BWXT and PXSO. The Universal Records Management (URM) module was installed and is operational. An area of focus for FY08 is further progress and increased efficiency and utilization of the URM model.

In the area of Training, BWXT met all eight identified attributes and exceeded expectations on six of the eight. BWXT made several improvements in visitor training, including enabling people to do computer-based training remotely before coming to Pantex. The American Society for Training and Development recognized BWXT Pantex with a 2007 BEST Award. In several instances, BWXT did not initiate timely communications with NNSA technical and training counterparts regarding training, content, frequency, and target audience.

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STRETCH PERFORMANCE ASSESSMENT

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Stretch Performance Area: Mission

Stretch Award Fee Weight: 47.23%

Stretch PBI Fee Weight: 0.00%

Stretch Total Fee Weight: 47.23%

Fiscal Year 2007

October 1, 2006 Through, September 30, 2007

<u>PO/PBI # AND TITLE</u>	<u>PBI/PO FEE WEIGHT %</u>
PO #8: Optimum efficiency of nuclear explosive operations.	2.20%
PO #9: Achieve accelerated dates for identified activities.	16.47%
PO #10: Incorporation of high quality Trainer Unit into Weapons Training Programs.	8.79%
PO #11: Increase weapon training program fidelity by incorporating and utilizing MAA facilities to conduct weapon/weapon related training activities.	8.79%
PO #12: DP Top Ten (Enabler)	10.98%
Stretch Mission Total Fee Weight	47.23%

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Pantex Plant Performance Evaluation Report

Stretch Performance Area: Mission
Stretch Award Fee Weight: 47.23%
Stretch PBI Fee Weight: 0.00%
Stretch Total Fee Weight: 47.23%

Fiscal Year 2007
October 1, 2006 Through, September 30, 2007

Stretch Performance Area: Mission
Stretch Award Fee Adjectival Rating: Good
Stretch Numerical Rating: 86.19

PO #8: Optimum efficiency of nuclear explosive operations.

Performance Assessment:

BWXT Pantex substantially exceeded expectations for this performance objective. PXSO's assessment for each target is provided below.

Implementation of Improved Master Equipment List (MEL) process by March 2007.

BWXT Pantex's System Engineering Department revised and upgraded the evaluation of electrical equipment used in Nuclear Explosive Areas (NEAs) by revising and expanding the previous MEL evaluation processes prior to March 2007. Category 2 MEL equipment is now evaluated for 1) National Electric Code Electrical Safety 2) Electromagnetic Radiation, 3) Electrostatic Discharge, 4) Lightning Safety, and 5) these individual evaluations are then summarized and documented on a PX-5218 Category 2 Electrical Equipment Evaluation and then added to Appendix VIII in P7-0804 MEL (U) when complete. In addition, a Design Engineering Department Transition Plan to Enhanced Category 2 and 3 Equipment Evaluations for MEL Equipment Used in NEAs dated June 2007 has been issued. This plan describes how the transition to a more rigorous evaluation process for approving electrical equipment for use in NEAs will be managed and prioritized for previously evaluated equipment. This plan also outlines the transition to the new evaluation processes and documentation and allows production operations to continue with current procedures without interruption.

Identification and evaluation of potential improvement to the Lightning Detection and Warning System (LDWS) (NEXRAD, static potential monitoring) by Sept 2007.

Progress was made in the identification/evaluation of improvements for the LDWS. Planned improvements for adding LDWS sensors, improving system display equipment and software, updating the SPMS system, and utilization of multiple radar tilts were

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complete. Those improvements helped reduce downtimes due to equipment problems. However, the upgraded equipment/systems have not been incorporated into the safety basis as part of the credited lightning protection control set.

Use of Lean, Six Sigma tools on current assembly, disassembly and surveillance operations in 2007 to increase throughput for selected operations/activities.

BWXT Pantex utilized six sigma tools on several current assembly, disassembly and surveillance operations in 2007. For example: W62 Dismantlement process improvements identified during Bay and Cell Kaizen Events were implemented via publication of revised Bay and Cell Nuclear Explosive Operating Procedures (NEOPs) in December, 2006. The improvements have yielded a throughput time reduction of 30%. BWXT Pantex also completed implementation of process improvement action items from the W76-0 D&I Kaizen Event. The total number of operations was reduced by 31% and a 43% reduction in total cycle time per unit is projected. In addition, BWXT Pantex conducted "Technical Procedure Approval Process" Kaizen Event and "Technical Procedure Development and Validation Process" Kaizen Event to support all weapon programs. The result of implementation is the projected reduction of procedure change approval time by 50% and a projected reduction in the number of changes to procedures by 25%. Further, BWXT Pantex conducted "Special Tooling Process" Kaizen Event in March 2007 to support all weapon programs. The major action item to implement Phase I and Phase II of iTools software is complete. The benefit of iTools is the reduction of software used to manage Special Tooling. Improvements in ordering, tracking and inventory have been realized. Conducted "Accountability of Vacuum Cleaners on the Production Line" Kaizen Event to support all weapon programs.

PO #9: Achieve accelerated dates for identified activities.

Performance Assessment:

BWXT substantially exceeded expectations for this performance objective. PXSO's assessment for each target is provided below.

Authorize operations on B61-11 ALT 357/9 process by December 21, 2006.

BWXT Pantex exceeded expectations for this performance target. BWXT Pantex completed appropriate readiness activities, and PXSO authorized B61-11 ALT 357/9 operations on December 14, 2006.

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Declaration of Readiness to commence NNSA RA for W76-1 by May 2007 in accordance with prerequisites.

BWXT Pantex provided a Declaration to Proceed for W76-1 Assembly operations on June 4, 2007. The four day delay had no impact on future operations.

Complete B61-11 ALT 357/9 FPU ahead of planned schedule.

BWXT Pantex exceeded expectations for this performance target by initiating parent unit disassembly for the First Production Unit (FPU) shortly after authorization, and completing the FPU assembly on January 18, 2007, approximately two weeks ahead of the scheduled due date.

Complete B61 ALT 358 FPU ahead of planned schedule.

BWXT Pantex exceeded expectations for this performance target. The B61-7 ALT 358 expanded the successes from the B61-7 ALT 357 authorization in FY06 and B61 ALT 356 authorization in November 2006. The B61-7 ALT 358 incorporated a new spin rocket motor design into B61-7 nuclear bombs. FPU assembly was completed on December 13, 2006, approximately two and a half weeks ahead of the scheduled due date.

PO #10: Incorporation of high quality Trainer Unit into Weapons Training Programs.

Performance Assessment:

BWXT exceeded expectations in incorporating a high quality Trainer Unit into Weapons Training Programs. BWXT developed and provided to PXSO a W80 Trainer Upgrade Project Plan that included the project's associated schedule for the W80 Type 5B Trainer Unit. BWXT also completed all Pantex activities, according to the approved plan and schedule.

PO #11: Increase weapon training program fidelity by incorporating and utilizing MAA facilities to conduct weapon/weapon related training activities.

Performance Assessment:

BWXT's performance in increasing weapon training program fidelity by incorporating and utilizing MAA facilities to conduct weapon/weapon related training activities met PXSO's expectations. Although BWXT was able to deliver the 12-64 Utilization plan to PXSO in July of 2007 it is not clear that this product would have been delivered without prompting by PXSO. Additionally, although BWXT did put some level of effort into meeting the performance target, it appears to have been the minimum level

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of effort. Further, although all of the FY07 milestones in the Building 12-64 Utilization Plan were met, they were the least challenging goals in the plan. Most notably, even though Building 12-64 Bays 3,6,7,8, and 9 were converted to training bays, training was only conducted in one of these bays, and only for a fraction of the FY. As such, the overall effect of the 12-64 Utilization Plan and completion of the FY07 milestones had minimal impact on increasing weapon program fidelity.

PO #12: DP Top Ten (Enabler)

Performance Assessment:

BWXT's overall performance substantially exceeded expectations. PXSO's assessment for each target is provided below.

1(a) Meet scheduled completion dates and quantities for deliveries to DoD per BWXT PX FY07 production baseline.

BWXT Pantex exceeded the established goal of 1000 deliverables by successfully completing 1027 deliverables. This was almost 200 more deliverables than what was completed in FY06.

1(b) Support IWAP requirements to ensure scope, cost, and schedule of the SS21 programs are maintained in accordance with approved project plans.

BWXT Pantex revised the project management-related Process Document (PD) and Work Instructions (WIs) in FY07. As part of this revision activity, the PD and WIs were modified, as appropriate, to include the guidance and expectations from the Technical Business Practice (TBP) 901 and Development and Production Manual (D&PM), Chapter 11, for the Integrated Weapons Activity Plan (IWAP) SS-21 projects. With this revision, the IWAP requirements have been flowed into the Pantex Plant SS-21 planning, scheduling, execution and control activities, which ensure that the projects will meet the IWAP requirements.

In addition, throughout FY07, the SS-21 projects (B83, B53, W80 and W88) were planned, scheduled, and executed in accordance with these WIs. These projects have remained on schedule and within budget.

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- 1(c) *Complete planned Pantex Authorization Basis activities per the negotiated action plans approved by NNSA.*

The following four Annual Updates were submitted to PXSO on time:

<i>Title</i>	<i>Submitted Date</i>
<i>W78 Annual Update</i>	<i>1/31/07</i>
<i>W76 Annual Update</i>	<i>2/28/07</i>
<i>Separations Testing SAR Annual Update</i>	<i>2/28/07</i>
<i>W62 Step II HAR Annual Update</i>	<i>4/02/07</i>

As agreed with PXSO, the remaining Annual Updates will be submitted to PXSO upon completion of Phase I of the ESDSA Project.

The W88 Step I HAR Annual Update will be archived upon approval of AB Change Package AB-07-48 submitted on September 5, 2007.

2. *Disassembly and inspection (D&I) of full up weapons as identified in the BWXT PX FY07 production baseline complete at Pantex by the end of September 2007.*

All planned D&I deliverables were completed in FY07.

3. *Accelerate dismantlement of retired weapons at Pantex by 49% from FY06 actual completions per the BWXT Pantex production baseline.*

BWXT Pantex significantly exceeded this performance target. BWXT Pantex completed 146% more dismantlements than in all of FY06.

4. *B61-11 ALT 357 FPU completed by the end of January 2007.*

BWXT Pantex exceeded expectations for this performance target. The completion of the B61-11 ALT 357/9 First Production Unit marks another significant accomplishment for BWXT Pantex and the entire NWC in FY07. The B61-11 ALT 357/9 expanded the successes from the B61-7 ALT 357 authorization in FY06 and B61 ALT 356 authorization in November 2007. B61-11 ALT 357/9 operations were authorized on December 14, 2007. BWXT Pantex

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initiated parent unit disassembly for the First Production Unit (FPU) shortly after authorization, and completed the FPU assembly on January 18, 2007, approximately two weeks ahead of the scheduled due date.

5. *W76-1 FPU completed by the end of September 2007.*

BWXT Pantex conducted all activities necessary to support the FPU on the W76-1 receiving authorization for Mod-1 assembly activities on July 2, 2007. This includes the SNMCRF construction project. However, due to issues beyond BWXT Pantex's control and responsibility, the FPU for the W76 was moved to FY08. As such, for FY07, NNSA directed the assembly of the W76 First Prototype Build (FPB). The FPB build was completed on September 26, 2007 using approved Mod-1 procedures and processes.

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**Stretch Performance Area: Operations
Stretch Award Fee Weight: 47.28%
Stretch PBI Fee Weight: 5.49%
Stretch Total Fee Weight: 52.77%**

Fiscal Year 2007
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	<u>PBI/PO FEE WEIGHT %</u>
<u>PO/PBI # AND TITLE</u>	
PO #13.1: Maintain an effective safeguards and security program that is appropriately staffed and executed in accordance with the Pantex Safeguards and Security Plan.	10.98%
PO #14.1: Effectively manage and safely conduct Maintenance Operations to responsively meet the NNSA Mission.	1.10%
PBI #15.1: Effectively manage a Deactivation and Decommissioning Program to reduce Pantex Plant footprint as defined in the Facilities Information Management System (FIMS) in accordance with Congressional, DOE and NNSA goals.	1.10%
PO #20.1: Support Secretarial pollution prevention policy and goals set forth in DOE O 450.1, <i>Environmental protection Program</i> and specific objectives for the Pantex Environmental Management System goals and objectives as updated for FY07.	4.39%
PO #21.1: Maintain an effective, efficient, and compliant Integrated Safety Management (ISM) Program including special emphasis on implementing Human Performance Initiative (HPI) Program deliverables.	4.39%
PO #26.1: Exceed 75% of the negotiated and approved Comprehensive Energy Management Program (CEMP) initiatives and meet DOE O 430.2A requirements.	2.20%
PO #27.1: Reduce Inventory of Legacy Material	4.39%
PO #29.1: Line Item Projects – Obtain CD-0 approvals by September 30, 2007.	2.20%
PO #31.1: Reduce Total Deferred Maintenance	1.14%
PO #32: Implement and manage an effective and efficient DOE Model Electrical Safety Program as detailed in the DOE Handbook Electrical Safety (DOE-HDBK-1092-2004, Appendix A).	16.48%
PO #33: Achieve GOLD level of recognition for its Environmental Management System (EMS) by the State of Texas Commission on Environmental Quality (TCEQ).	2.20%
PO #34: Reduce the Fire Protection related maintenance backlog.	1.10%

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PO #35: Improve facility/utility system reliability, quantifying benefits to plant mission through increased facility/system availability.

Stretch Operations Total Fee Weight

1.10%
52.77%

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Stretch Performance Area: Operations
Stretch Award Fee Weight: 47.28%
Stretch PBI Fee Weight: 5.49%%
Stretch Total Fee Weight: 52.77%

Fiscal Year 2007
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Stretch Performance Area: Operations
Stretch Award Fee Adjectival Rating: Outstanding
Stretch Numerical Rating: 92.52

PO #13.1: Maintain an effective safeguards and security program that is appropriately staffed and executed in accordance with the Pantex Safeguards and Security Plan.

Performance Assessment:

1. Reduce the overall FY07 Plant Security Costs by \$1 million using the FY07 Safeguards and Security Budget as the baseline.

BWXT successfully accomplished the reduction in excess of \$1 million. The cost avoidance was achieved in three areas: 1) a reduction in the number of construction escorts, 2) 2005 DBT positions were reduced and redirected to the training cadre, and 3) the 03 DBT baseline program was adjusted as a part of Tactical Response Force implementation.

2. Implement “elite force” concepts as documented in the Pantex Plant Elite Force Plan.

BWXT has very appropriately worked with PXSO and NNSA HQ in the resolution and clarification of policy concerning “elite force.” BWXT has reworked the staffing assignments matrix which has allowed BWXT management, PXSO, and NNSA HQ to clarify elite force concepts. Given recent direction from NNSA HQ, additional work is on-going that will further clarify progression planning and ensure viability of an elite force within the protective force structure. A comprehensive implementation plan for 470.4-1 and 470.4-3 have also been developed that addresses these changes. The end-state results in the establishment of a dedicated response team consistent with elite force planning. The dedicated response team was established early in the performance period. As in many of the other areas, BWXT is at the forefront and leading the NNSA complex in implementation of the new tactical doctrine.

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PO #14.1: Effectively manage and safely conduct Maintenance Operations to responsibly meet the NNSA Mission.

Performance Assessment:

BWXT substantially exceeded NNSA's expectations by exceeding the requirements of the Base

PBI #15.1: Effectively manage a Deactivation and Decommissioning Program to reduce Pantex Plant footprint as defined in the Facilities Information Management System (FIMS) in accordance with Congressional, DOE and NNSA goals.

Performance Assessment:

BWXT earned 100% of the available fee of \$96,438.

PO #20.1: Support Secretarial pollution prevention policy and goals set forth in DOE O 450.1, *Environmental protection Program* and specific objectives for the Pantex Environmental Management System goals and objectives as updated for FY07.

Performance Assessment:

BWXT substantially exceeded NNSA's expectations for supporting Secretarial pollution prevention policy and goals set forth in DOE O 450.1. Plans and strategies were developed to address moratorium hold scrap metal, computer disposition through recycling was instituted and accomplished with cyber security coordination, waste generator training was enhanced to include tools linking training to waste generator qualifications, and Bronze level award was secured in the Federal Electronics Challenge.

PO #21.1: Maintain an effective, efficient, and compliant Integrated Safety Management (ISM) Program including special emphasis on implementing Human Performance Initiative (HPI) Program deliverables.

Performance Assessment:

BWXT's performance in this area exceeded expectations. BWXT took considerable effort in FY07 to develop and pilot a new Causal Factors Analysis (CFA) approach for the plant. The final deliverable for this effort is a new CFA Manual. However, it is the process used to develop this manual that deserves recognition. BWXT senior management championed a cradle to grave study of how the plant reacts to abnormal events to determine necessary changes in the process needed to improve the effectiveness of CFA at the plant. In addition to this

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study, nine seminars were presented to BWXT senior management in order to broaden their view of the subject and provide them with additional tools for decision making when responding to abnormal events. A graded study of plant critiques was conducted to determine the strengths and weaknesses of the current process. Finally, the new process was piloted by using it on two safety significant abnormal event investigations with lessons learned from each investigation fed back into the process to improve the final product. This effort took most of the fiscal year to complete, and has the potential to enhance the ability for organizational learning plant wide.

While significant progress was made during the FY toward implementing and integrating the causal analysis process into BWXT business operations, the CFA process has not been fully institutionalized at every level. For example, the CFA process and principles are not currently being used at the appropriate times at critiques and Cause Analysis/Mistake Proofing (CA/MP). In addition, regarding the integration of HPI Pre-Cursor tools into Behavior-Based Safety (BBS) observations, PXSO found, after research, that to date, some BWXT departments have integrated HPI Pre-Cursor tools into the BBS program (data analysis worksheets), while others have not. However, PXSO did note that BWXT met the performance target for completing initial HPI Fundamentals training for plant employees (employed as of October 1, 2006) by September 30, 2007.

PO #26.1: Exceed 75% of the negotiated and approved Comprehensive Energy Management Program (CEMP) initiatives and meet DOE O 430.2A requirements.

Performance Assessment:

BWXT exceeded expectations by accomplishing more than 75% of the negotiated and approved Comprehensive Energy Management Program (CEMP) initiatives and meeting DOE O 430.2A requirements. See written assessment under PO No. 26.

PBI #27.1: Reduce Inventory of Legacy Material

Performance Assessment:

BWXT earned 100% of the available fee of \$385,751.

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PO #29.1: Line Item Projects – Obtain CD-0 approvals by September 30, 2007.

Performance Assessment:

BWXT exceeded NNSA's expectations by submitting CD-0 packages for the Fire Protection Lead-ins and FICAM projects. Due to funding constraints, NNSA requested that the documents not be submitted until those issues could be resolved. This was outside of BWXT's control, therefore allowing successful completion.

PO #31.1: Reduce Total Deferred Maintenance

Performance Assessment:

BWXT substantially exceed NNSA's expectations by achieving an additional \$3.1M total deferred maintenance reduction above the \$8M base objective.

PO #32: Implement and manage an effective and efficient DOE Model Electrical Safety Program as detailed in the DOE Handbook Electrical Safety (DOE-HDBK-1092-2004, Appendix A).

Performance Assessment:

The contractor (BWXT) Management Assessment has implemented and is managing an Electrical Safety program based on the Model safety program found in the DOE-HDBK-1092-2004 *DOE Handbook Electrical Safety*. A documented BWXT Pantex self-assessment using the Handbook Model Safety program criteria was conducted and a report was forwarded to PXSO before then end of the rating period. The self-assessment contained a crosswalk analysis and evaluation of the model program criteria against the BWXT electrical safety program. Included in the self-assessment was an independent assessment conducted by a National Electrical Code expert. In addition, contactor assessments of the electrical program and electrical safety compliance have continued to improve in their approach, rigor and appropriateness of their scope.

Objective evidence of accomplishing the performance target includes, but is not limited to, a significant revision to the implementing program document (BWXT Electrical Safety Manual), the establishment of an Electrical Safety Program Office and the staffing of a code compliance inspection group, and an increased emphasis on and number of electrical safety self-assessments.

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PO #33: Achieve GOLD level of recognition for its Environmental Management System (EMS) by the State of Texas Commission on Environmental Quality (TCEQ).

Performance Assessment:

BWXT substantially exceeded NNSA's objectives by achieving the Gold level of recognition for the Environmental Management System from the Texas Commission on Environmental Quality.

PO #34: Reduce the Fire Protection related maintenance backlog.

Performance Assessment:

BWXT substantially exceeded NNSA's expectations in working off the Fire Protection related maintenance backlog. The performance objective required BWXT to reduce the backlog by 20% and they actually accomplished 32% during the performance period.

PO #35: Improve facility/utility system reliability, quantifying benefits to plant mission through increased facility/system availability.

Performance Assessment:

BWXT substantially exceeded expectations by making three systems upgrades using under runs. Changes to temperature and humidity controls in Building 12-52 have been effected to maintain humidity levels below 50%. Approximately 50 duct detectors were replaced in six facilities that have reduced nuisance alarms. The 12-109 chiller plant was renovated using a mobile air-cooled chiller, however this work temporarily mitigates a longer term problem that requires future planning and work to correct.

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MULTI-SITE PERFORMANCE ASSESSMENT

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**Multi-Site Performance Area: Mission
Multi-Site Award Fee Weight: 0%
Multi-Site PBI Fee Weight: 74%
Multi-Site Total Fee Weight: 74%**

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October 1, 2006 Through, September 30, 2007

	<u>PO/PBI # AND TITLE</u>	<u>PBI/PO FEE WEIGHT %</u>
PBI #39:	DP Top 10	73%
PBI #40:	Nuclear Materials Consolidation	1%
	Multi-Site Mission Total Fee Weight	74%

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**Multi-Site Performance Area: Mission
Multi-Site Award Fee Weight: 0%
Multi-Site PBI Fee Weight: 74%
Multi-Site Total Fee Weight: 74%**

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PBI #39: DP Top 10

Performance Assessment:

BWXT earned 90% of the available fee of \$2,346,650.

PBI #40: Nuclear Materials Consolidation

Performance Assessment:

BWXT earned 100% of the available fee of \$32,146.

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Multi-Site Performance Area: Business/Management
Multi-Site Award Fee Weight: 0%
Multi-Site PBI Fee Weight: 26%
Multi-Site Total Fee Weight: 26%

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<u>PO/PBI # AND TITLE</u>	<u>PBI/PO FEE WEIGHT %</u>
PBI #41: Information Resources Management	6%
PBI #42: Implement a NNSA Supply Chain Management Center	20%
Multi-Site Business/Management Total Fee Weight	26%

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**Multi-Site Performance Area: Business/Management
Multi-Site Award Fee Weight: TBD%
Multi-Site PBI Fee Weight: TBD%
Multi-Site Total Fee Weight: TBD%**

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PBI #41: Information Resources Management

Performance Assessment:

BWXT earned 100% of the available fee of \$192,875.

PBI #42: Implement a NNSA Supply Chain Management Center

Performance Assessment:

BWXT earned 100% of the available fee of \$642,918.

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**ASSESSMENT
OF
PANTEX PLANT SECURITY CONSTRUCTION
PROJECTS**

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Performance Area: Pantex Plant Security Construction Projects

Award Fee Weight: 0%

PBI Fee Weight: 100%

Total Fee Weight: 100%

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<u>PO/PBI # AND TITLE</u>	<u>PBI/PO FEE WEIGHT %</u>
PBI #43: Execute two security projects (Change House and Muster/Armory) within total project cost and schedule.	80%
PBI #43.1 Execute two security projects (Change House and Muster/Armory) within total project cost and schedule.	20%
Pantex Plant Security Construction Projects Total Fee Weight	100%

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Performance Area: Pantex Plant Security Construction Projects
Award Fee Weight: 0%
PBI Fee Weight: 100%
Total Fee Weight: 100%

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PBI #43: Execute two security projects (Change House and Muster/Armory) within total project cost and schedule.

Performance Assessment:

BWXT earned 0% of the available fee of \$1,000,000.

BWXT did not meet expectations in managing the construction of the 2 security buildings to allow use and possession by September 30, 2007. Although BWXT has taken some actions to remedy unsatisfactory performance by the sub-contractor, it was taken very late in the contract performance period (August-September time frame), even though it was obvious that the contractor was not meeting his schedule and was getting further behind each reporting period. Schedule slippage was obvious as early as January-February 2007 time frame. BWXT's actions were not aggressive and timely in taking appropriate contracting actions that would have likely improved contractor performance and/or minimized schedule delays. BWXT forecast is for the buildings to be complete by late second quarter, almost 6 months late.

PBI #43.1 Execute two security projects (Change House and Muster/Armory) within total project cost and schedule.

BWXT earned 0% of the available fee of \$250,000.

Performance Assessment:

BWXT did not meet NNSA expectations. See PBI #43 for more detailed explanation.