



Department of Energy
National Nuclear Security Administration
Kansas City Site Office
P.O. Box 410202
Kansas City, Missouri 64141-0202

September 1, 2011

MEMORANDUM FOR: CHRISTOPHER C. GENTILE
PRESIDENT
HONEYWELL FEDERAL MANUFACTURING &
TECHNOLOGIES - MS 2A50

FROM:


MARK L. HOLECEK

SUBJECT:

FY 2012 KCP Performance Evaluation Plan (PEP)
Contract No. DE-NA0000622

In accordance with contract clause "Total Available Fee: Base Fee Amount and Performance Fee Amount," the Kansas City Site Office (KCSO) hereby establishes the attached Performance Evaluation Plan (PEP) for the period October 1, 2011, through September 30, 2012.

KCSO appreciates Federal Manufacturing & Technologies (FM&T) efforts, to date, to establish effective goals and targets for the FY 2012 PEP. Should the KCSO and FM&T mutually decide to make further changes to the milestones and fee provisions prior to September 30, 2011, the KCSO will issue a revised PEP to replace this document.

If you have questions or need additional information please call me at extension 3341 or Ralph Tennant, Contracting Officer, at extension 3249.

Attachment(s)

Email cc w/attachment(s):

Mark Holecek, KCSO
Pat Hoopes, KCSO
Jeff Shoulta, KCSO
Sherry Kinsey-Cannon, KCSO
Mike Roberts, KCSO
Ralph Tennant, KCSO
Jerry Wienberg, KCSO
Dianna Gibson, FM&T/1D40
Kim Gallegos, NA-APM-10/FORS
Dan Saiz, NA-APM-10/ABQ

**KANSAS CITY PLANT
FY 2012 PERFORMANCE
EVALUATION PLAN (PEP)**

October 1, 2011 through September 30, 2012

**Honeywell Federal Manufacturing &
Technologies, LLC**

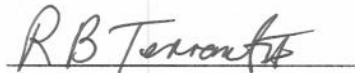
Contract No. DE-NA0000622

Issued By:



Mark L. Holecek
Manager
Kansas City Site Office

9/1/11
Date



Ralph B. Tennant II
Contracting Officer
Kansas City Site Office

9/1/11
Date

Accepted By:

Christopher C. Gentile
President
Honeywell FM&T

Date

Kansas City Plant – Performance Evaluation Plan

FY 2012 PERFORMANCE EVALUATION PLAN (PEP) October 1, 2011 through September 30, 2012 Honeywell Federal Manufacturing & Technologies, LLC

INTRODUCTION

- A. Pursuant to the terms and conditions of the Contract, this Performance Evaluation Plan (PEP) sets forth the criteria upon which the Contractor’s performance of work under the contract will be evaluated and upon which the determination of the total available fee amount of award fee earned shall be based.
- B. The PEP is composed of subjective Performance Objectives (PO) and objective Performance-Based Incentives (PBI). All POs and PBIs are categorized into four Performance Areas (PAs): Program, Operations, Institutional Management & Business, and Multi-site. Some of the POs/PBIs are further designated as either Essential targets or Stretch targets. .
- C. All performance incentives developed for Fiscal Year (FY) 2012 and covered in this PEP are linked to the National Nuclear Security Administration (NNSA) Strategic Plan, FY2012 NNSA Program Office Performance Priorities and Deliverables, and other key inputs that are aligned with the Planning, Programming, Budgeting and Evaluation Process.
- D. The following matters, among others, are covered in the contract.
1. The Total Available Award Fee is allocated as follows:

Performance Area	Award Fee (PO) Allocation/Weight		Incentive Fee (PBI) Allocation/Weight		Total Fee Allocation/Weight	
Program – Essential	\$8,160,000		\$1,500,000		\$9,660,000	
Program – Stretch	\$340,000		\$500,000		\$840,000	
Program Total	\$8,500,000	%	\$2,000,000	%	\$10,500,000	35%
Oper.– Essential	\$6,745,000		\$0		\$6,745,000	
Operations – Stretch	\$2,755,000		\$1,000,000		\$3,755,000	
Operations Total	\$9,500,000	%	\$1,000,000	%	\$10,500,000	35%
IM&B – Essential	\$3,750,000		\$0		\$3,750,000	
IM&B – Stretch	\$250,000		\$2,000,000		\$2,250,000	
IM&B Total	\$4,000,000	%	\$2,000,000	%	\$6,000,000	20%
Multisite –Essential	\$0		\$3,000,000	%	\$3,000,000	10%
Totals	\$22,000,000	73%	\$8,000,000	27%	\$30,000,000*	

*((\$30,000,000 is the negotiated amount of annual Available Fee for the life of the contract)

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In accordance with the NNSA fee policy, Honeywell FM&T can also earn fee separate from this PEP amount related to Reimbursable work and Work for Others.

2. The total award fee earned and payable will be determined at the conclusion of the evaluation period by the FDO within 70 days after the end of the evaluation period.
3. Assessment of performance against the PEP will be reported in a Performance Evaluation Reports (PER). During the fiscal year KCSO will perform one interim performance evaluation and one final evaluation as follows:

<u>Evaluation</u>	<u>Date Conducted</u>	<u>Period Covered</u>
Interim Evaluation	April 2012	October – March
Final Evaluation	October/November 2012	October – September

As part of the evaluation process the Contractor will submit to KCSO Contractor Performance Feedback on April 10, 2012 and October 3, 2012 unless the Contracting Officer designates an alternate date. This Feedback is the Contractor's report of progress against the POs and PBIs contained in the PEP. It shall be a balanced report containing both the positive and negative aspects of performance.

In addition, the KCSO will issue a monthly performance status report. This report will feature a color-coded (red/yellow/green/blue) status indicator for each PO/PBI so NNSA and Honeywell FM&T will know whether KCSO considers performance to be meeting performance expectations or not. KCSO and FM&T will work together to establish a quarterly schedule of meetings in which progress against each PEP milestone will be discussed.

- E. The contract between NNSA and Honeywell FM&T states that the term Kansas City Plant, or KCP, covers operations at all FM&T locations. Those locations are: Kansas City, Missouri; Albuquerque, New Mexico; Los Alamos, New Mexico; and Fort Chaffee, Arkansas.
- F. The FDO is the Administrator, NNSA (NA-1). Fee determinations are unilateral decisions made solely at the discretion of NNSA.
- G. Some Targets may be dependent on the performance of national laboratories or other production plants or on the commitments of the government to contribute to performance. This interdependency should be taken into consideration and identified when evaluating performance in order to enable a fair and equitable performance evaluation. Additionally the KCP will undertake union workforce negotiations in FY12 in which DOE/NNSA/FM&T interdependent issues will be

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addressed. Any direct or indirect impact on PEP deliverables, resulting from workforce negotiations, should be taken into consideration and identified when evaluating performance in order to enable a fair and equitable performance evaluation.

H. Method for Determining Earned Award Fee

1. Essential Targets:

The Contractor's earnings for Essential targets will be derived by assessing performance against milestone (PO/PBI) grading criteria. Individual milestones may be weighted and assigned a fee amount based on the priority/importance of the milestone subject. If so, then performance against each milestone will be evaluated to determine whether the target(s) was achieved. If the target was achieved, that milestone will be counted as complete. If NNSA assigns a scoring method to an individual milestone (other than pass/fail), then NNSA will evaluate performance against the milestone and subsequently assign a grade and score to that milestone in accordance with the table displayed in Section H.7 below.

For those PO/PBIs where no distinction is made between Essential or Stretch performance (Targets or Fee), the performance score will be calculated as Essential.

Scores will be grouped into the four PAs: Program, Operations, Institutional Management & Business, and Multi-Site to derive four individual PA scores. Each PA may be weighted and, if so, the four scores will be rolled up into one final PER score.

2. Stretch Targets:

The Contractor's earnings for Stretch targets will be derived the same way Essential targets are derived. NNSA will assess performance against milestone targets. However, NNSA will employ a "gateway" related to Essential performance. Irrespective of performance in Stretch, to be eligible to earn any Stretch fee the Essential performance must be at least 80% success with a corresponding grade of "Very Good". NNSA will use the same rating table to assign grades and scores to Stretch used for Essential milestones.

3. Other Considerations:

Should there be aspects of performance directly associated with a particular PO but not a performance target, they may be included as part of the PO evaluation.

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Aspects of performance not directly related to any particular PEP objective or milestone can be evaluated in a section at the end of each PA called “Other Considerations.”

4. Comprehensive Performance Objectives:
 - a. The Comprehensive Performance Objective (CPOs) are included as part of the Essential section of the PEP and will be subjectively evaluated to determine if the Contractor performed at an overall pass or not pass basis.
 - b. During this evaluation period, achievement of the CPOs will provide the Government the assurance that the general site operations are effectively and efficiently executed and managed. The preponderance of the total fee available under the contract is tied to specific mission requirements and objectives. The CPOs are designed to permit the contractor to focus its resources and contract funds on the requirements and products identified in Program and Multisite sections while retaining accountability for successful performance of the balance of the site operations.
 - c. A pass grade is determined when the Contractor performed satisfactorily on all elements of a CPO, and will earn the available fee assigned to that CPO. This determination will be made by the Contracting Officer (CO). A not-pass grade is determined when the Contractor performed unsatisfactorily on some key or all elements of a CPO and no fee will be earned for that CPO. However, the CO may determine an overall pass grade when one or more elements may not meet NNSA expectations if the adverse impact was determined minimal on meeting programmatic requirements, the health and safety of the public and workers, security, and any financial impacts.
 - d. The contractor shall receive no earned fee allocated to the CPOs rated not-pass (unsatisfactory). The following are examples of the kinds of performance issues that can lead to a not-pass rating in CPO fee:
 - Unacceptable performance in a majority of the CPO targets;
 - A performance failure within the CPO that significantly impacts programmatic; health, safety or security mission requirements.
 - A performance failure that results in significant additional cost or loss;
 - Failure to address a documented, continuing, systemic problem.

This list is not intended to be all-inclusive, but is intended to illustrate the magnitude of performance issue that can lead to a not pass decision.

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Absence of a performance issue from the list of examples set forth above does not create any presumption or evidence that the event does not constitute a performance failure sufficient to lead to a CPO not pass rating. Alternatively, one or more of these elements can be present and the KCSO Site Office Manager/Contracting Officer may still rate the contractor at a pass level for the CPO, justifying the award at the allocated fee.

5. Multi-Site Performance Objectives:

The Multi-Site PBIs (MSPBI) will be evaluated by HQ Program officials to determine if the Contractors worked together to achieve the stated objectives. The MSPBIs listed in this PEP will apply to all Nuclear Security Enterprise (NSE) sites and the achievement of which will determine if any or all contractors earn fee. If the overall goal is not achieved, none of the participating contractors will earn fee regardless of any individual site's achievements toward the end goal.

6. Cash Flow:

During the fiscal year, the Contractor will only be allowed to draw down 3% of the maximum available fee amount monthly. This is regardless of when individual POs or PBIs are achieved or validated. This 3% limitation does not apply to the separately earned fee related to Work for Others referenced in D.1 above. Any fee overpaid to the Contractor at the end of the fiscal year shall be returned to the NNSA. Conversely, the difference between any award fee owed to the Contractor after the final fee earned determination and the fee already drawn down will be paid to the Contractor in accordance with D.2 above.

7. Grades and Scores:

For those POs that receive an adjectival grade and numerical score the following table will be used to define the different levels of performance and the corresponding grade/score that goes with the evaluation thereof.

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Adjectival Rating for Subjective Evaluation	Adjectivally Rated At-Risk Award Fee Pool Available Range to be Earned	Adjectival Rating Common Description
Excellent	91-100%	Contractor has exceeded almost all of the significant award fee criteria and has met overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the award-fee plan for the award fee evaluation period
Very Good	76%-90%	Contractor has exceeded many of the significant award fee criteria and has met overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period
Good	51% - 75%	Contractor has exceeded some of the significant award fee criteria and has met overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period
Satisfactory	No Greater than 50%	Contractor has met overall cost, schedule and technical performance requirements of the contract as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period
Unsatisfactory	0%	Contractor has failed to meet overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period

Kansas City Plant – Performance Evaluation Plan

FY 2011 PERFORMANCE INCENTIVES
October 1, 2011 through September 30, 2012
Honeywell Federal Manufacturing & Technologies, LLC

Summary of Performance Metrics

Performance Area: Program
Performance Area Award Fee Weight: 35%

Performance Objectives

- PO 1 DP Level II Milestones
- PO 2 Weapon Quality Management
- PO 3 B61 LEP, W88 ALT and W78 LEP Quality
- PO 4 Office of Secure Transportation Support
- PO 5 Critical Process Improvement

Performance Based-Incentives

PBI 1 Quality Performance Index	<u>\$2,000,000</u>
Total Program PBIs	\$2,000,000

Performance Objective 1: Accomplish the NNSA Mission within cost, scope, and schedule through the effective resource allocation and prioritization of funded tasks identified in the NNSA HQ Level II Milestones. The KCP Milestones will be grouped into the following categories and documents:

- FY 2012 Directed Stockpile Work Execution Plan
- FY 2012 KCP Engineering and Readiness Campaigns Execution Plan
- Plant-Directed Research & Development (PDRD) program guidance
- Product Realization Integrated Digital Enterprise (PRIDE) Program Plan Volumes and site implementation plans
- Other milestones

Performance Measure/Grading Criteria: NNSA will measure Honeywell's performance against the elements in the tasking documents and milestones.

Performance Targets:

- 1a.** Complete all FY12 Level 2 Milestones for Directed Stockpile Work.
- 1b.** Develop, implement, and manage program communications.
- 1c.** Provide budget formulation, baseline establishment, scope management and associated documentation for all programs.
- 1d.** Identify, evaluate, and implement risk mitigation strategies before impact to the program.
- 1e.** Effectively manage the resources required to execute a program.
- 1f.** Establish and maintain program schedules.

Specific to PRIDE:

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- 1g. Complete Phase 1 of the Product, Process Test Data/Failure Analysis Upgrade – Implementation Plan.
- 1h. Capture “high-value, at-risk media” supporting Surveillance Data Delivery (SDD) as prioritized in the Data Needs Matrix documented by the NSE Surveillance Team.

NNSA/HQ POC	Various	
KCSO POC	DSW – Dave Donahue	816-997-2410
KCSO POC	Campaigns & PDRD– Kent Davis	816-997-3916
KCSO POC	RMI – Paul Dieckmann	816-997-2335
KCSO POC	PRIDE – Eric MacEwen	816-997-3570
FM&T POC	Matt Smith	816-997-4612
MRT #		
MYSO Reference		
MYSO Reference		

Performance Objective 2: Execute an effective weapon quality assurance program.

Performance Measures: NNSA will measure FM&T's performance against Weapon Quality Policy, QC-1.

Essential Performance Targets: NNSA expects FM&T to accomplish the following:

- 2a. Manage weapon production in a manner that meets or exceeds Weapon Quality Policy, QC-1 requirements including:
 - Improve Acceptance Technology and Methodology
 - Improve Supplier Quality
 - Develop the people and talent within FM&T’s Quality Division
- 2b. Develop a Quality Assurance Plan for the KCRIMS transformation executing applicable quality elements in FY12
- 2c. Strengthen Quality Assurance Partnerships with:
 - Kansas City Site Office
 - Design Agency and Production Agency NSE counterparts
- 2d. Implement the Honeywell Operating System (HOS), following the Standard Implementation Framework (SIF), in alignment with FM&T HOS strategy.

NNSA/HQ POC	Mike Ulshafer, NA121.3	816-997-3914
KCSO POC	Paul Dieckmann	816-997-2335
FM&T POC	Brian Tuttle (D. Schoenherr)	816-997-3828
MRT #	N/A	
MYSO Reference	N/A	

Performance Objective 3: Identify, analyze, and implement continuous product quality improvements for authorized B61 Life Extension Program (LEP), W88 ALT and W78 LEP activities.

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Performance Measure: NNSA will measure FM&T's performance against continuous improvements driven by the Targets below.

Essential Performance Targets: NNSA expects FM&T to accomplish the following:

- 3a. Identify and demonstrate integration of lessons learned from W-76 LEP to prevent recurrence of similar product quality issues during the B61 LEP, W88 ALT and W78 LEP.
- 3b. Continue development and implementation of qualification planning and strategy for the B61 LEP.

NNSA/HQ POC	Mike Ulshafer, NA121.3	816-997-3914
KCSO POC	Paul Dieckmann	816-997-2335
FM&T POC	Bob Clewell (Schoenherr)	816-997-5350
MRT #		
MYSO Reference		

Performance Objective 4: Achieve FY12 performance targets as identified in the FY 2012 Office of Secure Transportation (OST) Task Agreements and promote the efficient and effective use of NNSA transportation resources (Secure Transportation Asset).

Performance Measure: NNSA will measure the successful completion of Honeywell's performance against the elements in the FY 2012 OST Task Agreements.

Essential Performance Targets: NNSA expects FM&T to:

- 4a. Accomplish the milestones identified in the OST Task Agreements on time.
- 4b. Staff, equip, and operate a Vehicle Maintenance Facility (VMF) and two Mobile Electronics Maintenance Facilities (MEMF), and provide mechanical and electrical services to the STA fleet. Provide mission-ready vehicles and trailers to meet STA operational and training schedules.
- 4c. Maintain the Electronic Systems Depot and provide engineering support for all communication Relay Stations.
- 4d. Manage the Missouri and New Mexico Relay Stations so that they remain operational 24-hours per day, 7-days per week with unscheduled downtime less than 1% throughout the year.
- 4e. Staff, equip, and operate modification/refurbishment facilities to meet the annual targets for Safeguard Transporters and other transport systems as required. Deliver prototypes and First Production Units as scheduled, when required.
- 4f. Provide training-realism support and training simulation systems that maintain Federal Agent readiness.
- 4g. Provide integrating business services (quality assurance, web, graphics, document management, etc.).

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NNSA/HQ POC	Jeff Boyer, NA-152.3	505-845-6569
KCSO POC	Nathan Gorn	816-997-4197
FM&T/NM POC	Dean Stoor (J. Fuller)	505-845-1420
FM&T/KC POC	David Spieker	816-997- 5559
MRT #		
MYSO Reference		

Performance Objective 5: Continue to improve critical processes related to best practices and share them with other sites in the NSE.

Performance Measure/Grading Criteria: NNSA will measure:

- 5a.** Achievement of continuous improvement in critical processes.
- 5b.** Achievement and support of FM&T’s sharing and collaboration of best practices with other NSE sites not addressed in other performance objectives.

Essential Performance Target: NNSA expects Honeywell to:

- 5a.** Achieve continuous improvement and process automation in critical processes.

Stretch Performance Target: NNSA expects Honeywell to achieve the defined progress for critical process improvements for the following areas.

- 5b.** Share KCP’s best practices and collaborate with other National Security Enterprise (NSE) sites to help drive improved practices and better integration in the areas of:
 - Business Processes
 - Technical Capabilities
 - Sourcing Strategies
 - Miscellaneous Other Areas

NNSA/HQ POC	TBD	TBD
KCSO POC	David Lee	816-997-3566
FM&T POC	Brad Keefe	816-997-3311
MRT #		
MYSO Reference		

Performance-Based Incentive 1: Quality Performance Index

Incentive Objective: Maintain a cost effective quality program that ensures safety, security and reliability of the nuclear weapons stockpile.

Performance Measures: NNSA will measure FM&T's performance through the use of a composite score of five quality indicators: Escapes, Scrap, Rework, Process Yield, and Vendor Escapes [Percent Accepted Trouble Free (PATF)]. The composite score will be

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calculated based on FY2012 Quality Performance Index Definition document and the FY2012 Rating Category Table.

Essential Performance Target: Achieve a baseline composite score of 120.

Stretch Performance Target: Achieve a baseline composite score of 140.

Incentive Fee Amount: The maximum available fee for this incentive is \$2,000,000. \$1,500,000 is allocated to Essential and \$500,000 is allocated to the Stretch portion.

NNSA/HQ POC	Mike Ulshafer, NA121.3	816-997-3914
KCSO POC	Paul Dieckmann	816-997-2335
FM&T POC	Bob Clewell (Schoenherr)	816-997-5350
MRT #	N/A	
MYSO Reference	N/A	

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Summary of Performance Metrics

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

Performance Objectives

- PO 6 KCP Transformation
- PO 7 KCRIMS Occupancy
- PO 8 Property Disposition
- PO 9 Roof Asset Management Program (RAMP)
- PO 10 NC-135 Transition
- PO 11 Energy and Environmental Sustainability

Comprehensive Performance Objectives

- CPO 1 Facilities Management
- CPO 2 Cyber Security
- CPO 3 Security
- CPO 4 Health, Safety & Environment (HS&E)
- CPO 5 Information Technology

Performance Based-Incentives

- PBI 2 Functional Transformation Initiative (FTI) \$1,000,000
- Total Operations PBIs \$1,000,000**

Performance Objective 6: Achieve FY12 performance targets as identified in the FY2012 KCP Transformation Plan.

Performance Measure/Grading Criteria: NNSA will measure the successful completion of Honeywell’s performance against the elements in the FY2012 KCP Transformation Plan.

Essential Performance Target: Accomplish Essential milestones identified in the Transformation Plan. The Essential milestones will be worth 50% of the fee associated with the Transformation PO.

Stretch Performance Target: Accomplish Stretch milestones identified in the Transformation Plan. The Stretch milestones will be worth 50% of the fee associated with the Transformation PO.

NNSA/HQ POC	Dino Herrera, NA-16	202-586-5366
KCSO POC	Jim Breed	816-997-3918
FM&T POC	Rick Lavelock	816-997-5139
MRT #		
MYSO Reference		

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Performance Objective 7: Effectively manage all activities associated with the Kansas City Responsive Infrastructure Manufacturing and Sourcing (KCRIMS) and NSMC Occupancy Project.

Performance Measures/Grading Criteria: NNSA will measure FM&T’s project execution performance and achievement of FY12 KCRIMS Occupancy milestones.

Essential Performance Target: NNSA expects Honeywell to:

- 7a. Finalize and incorporate FM&T resources into a cost loaded schedule, to insure adequate internal support, for all phases of relocation (Transition Readiness, Relocation, and Production Readiness). Identify any resource gaps and propose mitigation solutions.
- 7b. Manage the NNSA KCRIMS Occupancy project using effective project management systems and processes necessary to meet scope, cost and schedule milestones.
- 7c. Complete detailed planning milestones and activities on schedule.
- 7d. Award remaining relocation subcontracts on schedule.
- 7e. Review and report risk mitigation activities on a monthly basis to ensure mitigation strategies are both current and effective.

NNSA/HQ POC	Sheila Feddis, NA-164	202-586-0823
KCSO POC	Bob Schmidt	816-997-3922
FM&T POC	Mike Ginder (Jeffries)	816-997-5511
MRT #	N/A	
MYSO Reference	N/A	

Performance Objective 8: Position the KCP for Disposition with an emphasis on identifying opportunities for rapid reuse or redevelopment of the property.

Performance Measure/Grading Criteria: NNSA will measure FM&T’s progress against KCP disposition planning and National Environmental Protection Act (NEPA) development.

Essential Performance Target: NNSA expects FM&T to:

- 8a. Support NNSA and the federal NEPA contractor in the development of NEPA documentation for disposition of the KCP real property.
- 8b. Schedule and complete mitigating actions once they are identified in the Memorandum of Agreement with the Missouri State Historic Preservation Office.
- 8c. Support evaluation of reuse and redevelopment proposals received for the KCP, and, if appropriate, the property transfer agreement associated with a favored proposal.

NNSA/HQ POC	Dino Herrera, NA-16	202-586-5366
KCSO POC	Mark Drury	816-997-4798
FM&T POC	Rick Lavelock	816-997-5139

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MRT #	N/A
MYSO Reference	N/A

Performance Objective 9: Effectively manage the NNSA Roof Asset Management Program (RAMP) by supporting NNSA program direction and meeting scope, cost and schedule milestones.

Performance Measures/Grading Criteria: NNSA will measure FM&T’s achievement of FY12 RAMP milestones.

Essential Performance Target: NNSA expects Honeywell to effectively manage the NNSA RAMP program by meeting scope, cost and schedule milestones.

NNSA/HQ POC	Dino Herrera, NA-16	202-586-5366
KCSO POC	Bob Schmidt	816-997-3922
FM&T POC	Mike Ginder (Jeffries)	816-997-5511
MRT #	N/A	
MYSO Reference	N/A	

Performance Objective 10: Perform activities to transition Kirtland Operations.

Performance Measure/Grading Criteria: NNSA will measure FM&T’s performance against the plans and projects below.

Performance Targets: NNSA expects FM&T to:

- 10a.** Establish Detailed Design Criteria for each functional area on the selected properties.
- 10b.** Initiate high level relocation planning consistent with NC135 Timeline.
- 10c.** Proceed with lease negotiations according to preferred lease strategy.
- 10d.** Support the NNSA Site Office Disposition & Closeout Activities for NC- 135.

NNSA/HQ POC	Jeff Boyer, NA-152.3	505-845-6569
KCSO POC	Nathan Gorn	816-997-4197
FM&T POC	Mike Ginder (Jeffries)	816-997-5511
MRT #	N/A	
MYSO Reference	N/A	

Performance Objective 11: Update and continue implementation of a plan to address Departmental multi-year energy and environmental sustainability goals through 2016.

Performance Measure/Grading Criteria: NNSA will measure performance in accordance with the criteria outlined in the Kansas City Plant Energy and Environmental Sustainability Site Standard and participation in NSE-wide planning activities to address modernization, transformation, energy and environmental sustainability.

Essential Performance Targets: NNSA expects FM&T to:

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- 11a. Implement actions identified in the multi-year plan for FY2012 and update the multi-year plan to capture changes as agreed to with NNSA
- 11c. Support HQ requests for information and participate in initiatives involving Energy and Environmental Sustainability, Long-range Integrated Infrastructure planning, D&D planning, EMC, and other initiatives that span the NSE.
- 11d. Develop a strategy for reducing KCP and KO Scope 3 Green House Gas Emissions that could include initiatives for the increased use of telecommuting, ridesharing and the use of energy efficient private vehicles for commuting to the KCP.

NNSA/HQ POC	Dino Herrera, NA-16	202-586-5366
KCSO POC	David Caughey	816-997-3449
FM&T POC	Mike Ginder (Jeffries)	816-997-5511
MRT #		
MYSO Reference		

Comprehensive Performance Objective 1: Maintain effective cyber security operations.

Performance Measure/Grading Criteria: NNSA will measure FM&T’s compliance with Cyber Security Operating Plan requirements.

Performance Target: NNSA expects Honeywell to plan, resource and operate an effective and efficient cyber security program in accordance with the Annual Cyber Security Operating Plan, including KCP-applicable OCIO/Cyber MYSO elements.

NNSA/HQ POC	Wayne Jones, NA-IM-1	202-586-9728
KCSO POC	Eric MacEwen	816-997-3570
FM&T POC	Art Wegener	816-997-3435
MRT #	N/A	
MYSO Reference	N/A	

Comprehensive Performance Objective 2: Maintain effective facility operations.

Performance Measures/Grading Criteria: NNSA will measure FM&T’s compliance with operating requirements.

Performance Target: NNSA expects Honeywell to provide effective and efficient management of facility operations to include project management, facilities engineering, construction, maintenance, utilities management and asset management while reducing the direct cost.

NNSA/HQ POC	Mike Thompson, NA-16	202-586-5091
KCSO POC	Bob Schmidt	816-997-3922
FM&T POC	Jim Jeffries	816-997-4405
MRT #		

Kansas City Plant – Performance Evaluation Plan

MYSO Reference	
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Comprehensive Performance Objective 3: Maintain effective security operations.

Performance Measure/Grading Criteria: NNSA will measure FM&T’s compliance with Security Operating Plan requirements.

Performance Target: NNSA expects Honeywell to plan, resource and operate an effective and efficient physical security program in accordance with the Annual Physical Security Operating Plan, which includes KCP-applicable DNS (NA-70) MYSO elements.

NNSA/HQ POC	Ted Wyka, NA-71	202-586-3519
KCSO POC	Laurel Hautala	816-997-5109
FM&T POC	Jim Jeffries	816-997-4405
MRT #		
MYSO Reference		

Comprehensive Performance Objective 4: Maintain effective health, safety & environmental (HS&E) operations.

Performance Measure/Grading Criteria: NNSA will measure FM&T’s compliance with the KCSO approved FY12 HS&E Management System Description.

Performance Target: NNSA expects Honeywell to provide health, safety, environmental, long-term stewardship, waste management and emergency management programs that protect people, property and the environment in accordance with the FY12 HS&E Management System Description, including KCP-applicable NA-SH MYSO elements as agreed between KCSO and FM&T.

NNSA/HQ POC	H&S – Deborah Monette OTS EM – Vickie Locklair NA-43	505-845-5298 301-903-9744
KCSO POC	Mike Roberts	816-997-3908
FM&T POC	Don Fitzpatrick	816-997-5899
MRT #		
MYSO Reference		

Comprehensive Performance Objective 5: Maintain effective information technology (IT) operations.

Performance Measure/Grading Criteria: NNSA will measure FM&T’s compliance with IT Implementation Plan requirements.

Performance Target: NNSA expects Honeywell to plan, resource and operate an effective and efficient information technology program in accordance with the Annual IT Implementation Plan, including KCP-applicable NA-IM MYSO elements.

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NNSA/HQ POC	Bob Osborn, NA-IM-1	202-586-5242
KCSO POC	Eric MacEwen	816-997-3570
FM&T POC	Bob Ottesen	816-997-2773
MRT #	N/A	
MYSO Reference	N/A	

Performance-Based Incentive 2: Functional Transformation Initiative (FTI).

Incentive Objective: Achieve FY12 FTI Plan goals and objectives.

Performance Measure/Grading Criteria: NNSA will measure the rate achievement of FM&T’s goals related to the Targets below.

Stretch Performance Target: NNSA expects Honeywell to achieve total labor and expense spending within the FY12 cost targets established in the KCRIMS FTI plans published in the FY12 Adjusted “FTI Plan” baseline of the FTI Financial Baseline Summary document located in ECM plus any approved baseline change documents. FM&T will meet the objective if it meets or exceeds its FTI plan plant cost target for FY12.

Incentive Fee Amount: The maximum available fee for this incentive is \$1,000,000.

NNSA/HQ POC	TBD	
KCSO POC	Jim Breed	816-997-3918
FM&T POC	Rick Lavelock	816-997-5139
MRT #	N/A	
MYSO Reference	N/A	

Kansas City Plant – Performance Evaluation Plan

Summary of Performance Metrics

Performance Area: Institutional Management & Business
Performance Area Award Fee Weight: 20%

Performance Objectives

- PO 12 SCMC Leadership
- PO 13 Financial Management
- PO 14 Purchasing Management
- PO 15 Work for Others

Comprehensive Performance Objectives

- CPO 6 Business Management

Performance-Based Incentives

PBI 3	Cost Reduction/Productivity	\$2,000,000
	Total IM&B PBIs	\$2,000,000

Performance Objective 12: Lead the NSE in achieving Supply Chain Management Center (SCMC) goals and objectives.

Performance Measure/Grading Criteria: NNSA will measure the successful completion of Honeywell's performance against the Targets stated below.

Essential Performance Targets: NNSA expects FM&T to:

- 12a.** Lead multi-site commodity teams utilizing the SCMC Strategic Sourcing Process. Interface with multi-site functional groups (i.e. IT, Security, HR, Finance) to identify demand management opportunities.
- 12b.** Complete FY12 SCMC projects. The list of projects will be identified and agreed to by November 30, 2011.
- 12c.** Provide training to NSE sites on use of SCMC tools and acquisition vehicles and DOE sites/organizations as needed.

Stretch Performance Target: NNSA expects FM&T to:

- 12d.** Support DOE-EM strategy to expand the use of "SCMC-like" tools and processes to include DOE-EM contractor sites as identified by DOE-EM and concurred by NNSA. Target SRNS Implementation Project if approved by DOE-EM.

NNSA/HQ POC	Dan Medlin, NA-OAM-10	202-586-8838
KCSO POC	Ralph Tennant	816-997-3249
FM&T POC	Wallis Spangler	816-997-4955
MRT #	N/A	
MYSO Reference	N/A	

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Performance Objective 13: Continue to improve financial management reporting, including cost accounting practices, budget formulation and execution, and internal controls.

Performance Measures: NNSA will measure FM&T’s performance against the FY12 KCP Financial Management Implementation Plan

Essential Performance Targets: NNSA expects Honeywell to achieve the goals delineated in the FY12 KCP Financial Management Implementation Plan. Topics include the FY12 OFFM Performance Measures, enhanced reporting and transparency through the FY12 Financial Roadmap, the CAS project plan, and standardized financial and cost reporting structures.

NNSA/HQ POC	William Stenseth	505-845-4677
KCSO POC	Cathy Karney	816-997-5691
FM&T POC	Gloria Zarrella	816-997-3308
MRT #	N/A	
MYSO Reference	N/A	

Performance Objective 14: Support all supply chain management goals and objectives.

Performance Measure/Grading Criteria: NNSA will measure the successful completion of Honeywell’s performance against the Targets stated below.

Essential Performance Targets: FM&T shall continue supporting Supply Chain Management Center (SCMC) functions by the following.

- 14a.** Optimize utilization of e-Procurement tools with an emphasis on SCMC provided tools (i.e. eSourcing, eStore) or resident equivalent tools as a means to drive supply chain cost savings.
- 14b.** Provide personnel who actively participate on SCMC commodity teams.
- 14c.** Optimize the utilization of SCMC-developed acquisition vehicles as a means to drive supply chain cost savings.
- 14d.** Achieve the site’s eSourcing spend goal of x% of its total site spend.

NNSA/HQ POC	Dan Medlin, NA-APM-10	202-586-8838
KCSO POC	Jerry Wienberg	816-997-3912
FM&T POC	Curtis Mears (B. Hughes)	816-997-4805
MRT #		
MYSO Reference		

Performance Objective 15: Effectively manage Interagency Work (IAW)/Work For Others (WFO) within established site operating parameters.

Performance Measure/Grading Criteria: NNSA will measure Honeywell’s compliance with DOE Order 481.1 and IAW/WFO customer expectations.

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Performance Targets: NNSA expect FM&T to:

- 15a.** Ensure IAW/WFO activities offset operational/overhead costs for IAW/WFO customers and NNSA.
- 15b.** Manage IAW/WFO work to assure the new National Secure Manufacturing Center (NSMC) is fully funding its operational costs.
- 15c.** Ensure IAW/WFO activities help maintain critical NNSA capabilities.
- 15d.** Ensure IAW/WFO products are delivered on time with high quality as demonstrated by IAW/WFO customer satisfaction (Voice of the Customer) results.
- 15e.** Utilize financial controls to ensure direct costs and applicable indirect costs are allocated to IAW/WFO customers consistent with disclosed practices.
- 15f.** Evaluate the Institutional Programs of IAW/WFO and Technology Transfer for potential process improvement opportunities.

NNSA/HQ POC	Jamileh Mogin, NA-111	202-586-2104
KCSO POC	Shekita Robinson	816-997-7305
FM&T POC	Bill Ross	816-997-4151
MRT #		
MYSO Reference		

Comprehensive Performance Objective 6: Maintain effective business operations and management of human resources, legal, procurement, public and Congressional affairs, records management and other support program areas.

Performance Measure/Grading Criteria: NNSA will measure FM&T’s compliance based on reported performance on the Enterprise Balanced Scorecard, Purchasing Objective Matrix, Human Resources Objective Matrix and operational awareness of business programs, including Legal Management.

Performance Target: NNSA expects Honeywell to maintain business management services that support mission requirements, are cost effective and are in accordance with all applicable laws, regulations, and directives.

NNSA/HQ POC	Ken Powers, NA-MB	202-586-8115
KCSO POC	Sherry Kinsey-Cannon	816-997-5321
FM&T POC	Barb Rich (H. Parente)	816-997-4355
MRT #	N/A	
MYSO Reference	N/A	

Performance-Based Incentive 3: Cost Savings/Productivity.

Incentive Objective: Generate validated program cost savings/productivity per the established baseline.

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Performance Measure/Grading Criteria: NNSA will measure the amount of cost savings/productivity and achievement of FM&T's goals related to the Targets below.

Stretch Performance Target: NNSA expects Honeywell to achieve programmatic productivity efficiencies and savings.

The definition of Programmatic Cost Savings/Productivity is the productivity and/or cost savings achieved through improvements in the development or execution of program, product, or service requirements. Included are cost/productivity achievements in the areas of:

- Program and/or Project Management
- Product design, development, production and/or post production process/hardware improvements
- Material and/or labor savings while still achieving required program, product or service scope
- Material procurement and/or outsourcing strategies
- Requirements management to more efficiently complete required scope
- System, product, and/or component-level testing/evaluation
- Functional and/or Enterprise-level Quality process improvements
- Functional and/or Enterprise-level business, engineering, and/or operations processes
- RTBF facility management and operations processes

Incentive Fee Amount: The maximum available fee for this incentive is \$TBD.

NNSA/HQ POC	Ed Maestas, OFFM	505-845-4123
KCSO POC	David Lee	816-997-3566
FM&T POC	Brad Keefe	816-997-3311
MRT #	N/A	
MYSO Reference	N/A	

Kansas City Plant – Performance Evaluation Plan

Summary of Performance Metrics

Performance Area: MultiSite
Performance Area Award Fee Weight: 10%

Performance Based-Incentives

Item	Weight/ Fee	MRT	KCSO POC	FM&T POC
Stockpile – 100%				
1. Execute the defined Surveillance Program.	25%/\$750,000			
2. Work with Navy to re-plan PCD and execute a way ahead that will enable NNSA and Navy to meet adequate W76-1 deliveries in the short term and get back on full delivery levels in the long term. KCP and SNL will meet revised FY12 PCD delivery requirements.	25%/\$750,000			
3. Complete all the FY 2012 Level 2 Milestones for the B61 LEP on schedule.	25%/\$750,000			
4 Conduct Phase 6.X activities for the W78 LEP.	25%/\$750,000			
Science – 0%				
5. Achieve ignition on the NIF in FY12.	0%			
6. Work with Navy to re-plan PCD and execute a way ahead that will enable NNSA and Navy to meet adequate W76-1 deliveries in the short term and get back on full delivery levels in the long term.	0%			
7. Achieve advances in experimental and computational tools used in resolving Significant Finding Investigations (SFIs) and in supporting LEP activities associated with early phase primary implosion.	0%			
8. Execute the plan for subcritical experiments at U1a.	0%			
Total MultiSite PBIs	100%/\$3,000,000			

List of Attachments:

1. FY12 NNSA Multi-Site Targets