Fiscal Year 2015

DOE/NNSA Strategic Performance Evaluation Plan (PEP)

FOR

Honeywell Federal Manufacturing & Technologies, LLC

MANAGEMENT AND OPERATION OF THE

Kansas City Plant

Contract Number: DE-NA0000622

Performance Period: October 01, 2014 through September 30, 2015

Revision 0

9/26/14

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FY 2015 PERFORMANCE EVALUATION PLAN

DOCUMENT REVISION HISTORY

Revision	Date	Change Description
0	09/24/2014	Initial release.

INTRODUCTION

The Kansas City Plant a facility owned by the United States Department of Energy (DOE), herein referenced as "Plant". It is managed by Honeywell Federal Manufacturing & Technologies (FM&T), LLC. Pursuant to the terms and conditions of the Contract, and Clause B-7 *Performance Evaluation Plan*, this Performance Evaluation Plan (PEP) sets forth the criteria in which the Plant performance will be evaluated and upon which the determination of the amount of award fee earned shall be based. The available award fee amounts for FY 2015 are specified in Section B-2 of Contract No. DE-NA0000622. This PEP promotes a strategic Governance and Oversight framework based on prudent management of risk, accountability, transparency, and renewed trust. It has been written to implement the collective governance and oversight reform principles as expressed by the DOE/National Nuclear Security Administration (NNSA).

PERFORMANCE BASED APPROACH

The performance-based approach evaluates the Plants performance through a set of performance objectives (PO). Each PO, and its associated Contributing Factors (CF) and Site Specific Outcomes (SSO) will be measured against authorized work and the respective outcomes, demonstrated performance, and impact to the DOE/NNSA mission. CFs and SSOs will be assessed in the aggregate to establish an adjectival performance rating for each PO. Notwithstanding the overall strategic framework, failure to achieve an individual SSO, the most important DOE/NNSA fiscal year objectives at the Plant, may limit the award-fee.

MISSION

Kansas City Plant

The objective of this Contract is to obtain non-nuclear production services to support National Nuclear Security Administration (NNSA) and broader national security requirements. Honeywell FM&T shall be fully responsible for functions to support NNSA Stockpile Stewardship and Management Program activities directed by the Office of Defense Programs (DP). Furthermore, Honeywell FM&T shall directly support the NNSA Offices of Safeguards Transportation and Nuclear Non-Proliferation in addition to other Department of Energy (DOE) offices. Beyond DOE/NNSA, Honeywell FM&T shall provide services to ongoing missions for other Government agencies or privately owned organizations in accordance with polices identified in the operating requirements.

MISSION PERFORMANCE

The Plant is accountable for and will be evaluated on successfully executing program work in accordance with applicable DOE/NNSA safety and security requirements consistent with the terms and conditions of the Contract. Protection of worker and public safety, the environment, and security are essential and implicit elements of successful mission performance. Accordingly, the model for this PEP is to rely on the Plant's leadership to use appropriate DOE contractual requirements and recognized industrial standards based on consideration of assurance systems, and the related measures, metrics, and evidence. **The Plant is expected to manage in a safe, secure, efficient, effective, results-driven manner, with appropriate risk management and transparency to the government, while taking appropriate measures to minimize costs that do**

not compromise core objectives and mission performance. Products and services are expected to be delivered on-schedule and within budget.

CONSIDERATION OF CONTEXT IN PERFORMANCE EVALUATION

The evaluation of performance will consider "context" such as unanticipated barriers (e.g., budget restrictions, rule changes, circumstances outside Plant control), degree of difficulty, significant accomplishments, and other events that may occur during the performance period. A significant safety or security event may result in an overall limitation to adjectival ratings. Such impacts may be balanced by the response to the incident, and by other initiatives to improve overall safety or security performance. The contractor is encouraged to note significant safety and security continuous improvements.

PERFORMANCE RATING PROCESS

At the end of each of the first three quarters, DOE/NNSA will evaluate performance and provide feedback to the Plant highlighting successes and/or needed improvement. At the end of the year, an overall performance rating will be assigned for each PO using the table in Federal Acquisition Regulation Subpart 16.401(e)(3) yielding scores of Excellent, Very Good, Good, Satisfactory or Unsatisfactory. In general, performance objectives and contributing factors are written to reflect an overall adjectival performance level of **Good**. DOE/NNSA will consider the Plant end of year self-assessment report in preparing the Performance Evaluation Report (PER) for the Fee Determining Official (FDO). The PER transmits the final recommendations on performance ratings and award fee earned for the award fee period of performance. The unilateral decision of the total award fee earned will be made by the FDO.

PEP CHANGE CONTROL

It is essential that a baseline of performance expectations be established at the beginning of the performance period to equitably measure performance, and that changes to that baseline are carefully managed. Any change to the PEP requires concurrence by the appropriate program office, the NNSA Senior Procurement Executive, and the NNSA corporate PEP manager prior to the Field Office Manager and Contracting Officer signatures. While recognizing the unilateral rights of DOE/NNSA as expressed in contract Clause B-7 *Performance Evaluation Plan*, bilateral changes are the preferred method of change whenever possible.

FINAL DECISION

The Plant General Manager can request a face-to-face meeting with the FDO to highlight their site's strategic performance. This meeting should occur in early October.

TOTAL AVAILABLE AWARD FEE ALLOCATION

Performance Category	Performance Objective	% At-Risk Fee Allocation
Programs (NA-10)	**PO-1:** Manage the Nuclear Weapons Mission	40%
Programs (NA-20, NA-40, NA-80)	**PO-2:** Reduce Global Nuclear Security Threats Mission	7.5%
Programs (FOM)	**PO-3:** DOE and Strategic Partnership Project Mission Objectives	5%
Operations & Mission Execution (FOM)	**PO-4:** Science, Technology, and Engineering (ST&E)	7.5%
Operations & Mission Execution (FOM)	**PO-5:** Operations and Infrastructure	30%
Operations & Mission Execution (FOM)	**PO-6:** Leadership	10%

UNEARNED FEE

DOE/NNSA reserves the right to withdraw and redistribute DOE/NNSA unearned fees.

INNOVATIVE SOLUTIONS

The Plant will recommend innovative, science-based, systems-engineering solutions to the most challenging problems that face the nation and the globe. The Plant will also provide evidence to support programmatic needs and operational goals tempered by risk. DOE/NNSA will take into consideration all major functions including safety and security contributing to mission success. In addition, the Plant is expected to recommend and implement innovative business and management improvement solutions that enhance efficiencies.

PO-1: Manage the Nuclear Weapons Mission – NA-10 (At-Risk Fee: 40%)

Successfully execute Nuclear Weapons mission work in a safe and secure manner in accordance with DOE/NNSA Priorities, Program Control Document and Deliverables, and Program Implementation Plans. Integrate across the site while maintaining a DOE/NNSA enterprise-wide focus to achieve greater impact on a focused set of strategic national security priorities. Provide defensible objective evidence.

Contributing Factors:

CF-1.1 Accomplish work as negotiated with program sponsors and partners, achieving the expected level of quality to ensure safe, secure, reliable weapon performance, transportation, and cost effective operations.

CF-1.2 Increase knowledge of the state of the stockpile, resulting from successful execution of the stockpile surveillance program and a robust scientific and engineering understanding for the delivery of the annual stockpile assessment.

CF-1.3 Execute stockpile work to deliver stockpile system maintenance, production, limited-life component exchanges, weapon containers, and dismantlements.

CF-1.4 Demonstrate the application of new strategies, technologies, and scientific understanding to support stewardship of the existing stockpile and future stockpile needs.

CF-1.5 Sustain and strengthen unique science and engineering capabilities, facilities, and essential skills to ensure current and future Nuclear Weapons mission requirements will be met.

CF-1.6 Execute product realization processes and activities in support of nuclear weapon life extension programs, modifications and alterations in accordance with NNSA requirements and Nuclear Weapons Council guidance.

Site Specific Outcomes:

SSO-1.1 Quality Performance Index: Achieve quality performance metrics as described in the FY15 KCP Quality Performance Index.

SSO-1.2 Execute an effective Weapon Quality Assurance Program meeting or exceeding Weapon Quality Policy, NAP 24 that includes the following initiatives;

- Implement a process to identify and mitigate systemic weapon product/process defects (nonconformance)
- Develop and implement Supplier quality management improvements for the validation of procured weapon product to design and quality requirements
- Demonstrate early weapon quality assurance integration into weapon program development and process prove-in activities

SSO-1.3 Effectively implement the FPM defined Earned Value Management System and project controls tools on the W88 Alt 370 and B61-12 LEPs to execute the program and lower risks while providing detailed program status to FPM, including deployment of Management Reserve; and to implement an effective cost control process and develop opportunities for cost reduction.

SSO-1.4 Execute production readiness and production activities in accordance with the NNSA Integrated Master Schedule on the W88 Alt 370 and B61-12 LEPs while effectively utilizing project controls tools to meet scheduled deliverables.

PO-2: Reduce Global Nuclear Security Threats Mission – NA-20, NA-40, and NA-80 (At-Risk Fee: 7.5%)

Successfully execute authorized global nuclear security mission work in a safe and secure manner to include the Non-Proliferation, Emergency Operations and Counterterrorism missions. Integrate across the contractor, while maintaining an NNSA enterprise-wide focus, to achieve greater impact on a focused set of strategic national security priorities. Provide defensible objective evidence.

Contributing Factors:

CF-2.1 Support efforts to remove, eliminate and minimize the use of proliferation-sensitive materials.

CF-2.2 Support efforts to safeguard and secure materials, technologies, and facilities.

CF-2.3 Support efforts to detect and prevent the illicit trafficking of nuclear/radiological materials, technology, information and expertise.

CF-2.4 Provide R&D technology solutions for treaty monitoring, minimizing the use of proliferation-sensitive materials, and the application of safeguards and security.

CF-2.5 Provide unique technical/policy solutions and develop programs/strategies to reduce nuclear/radiological dangers.

CF-2.6 Demonstrate effective operations and implementation of policy for mission success in support of emergency management, incident response and nuclear forensics mission support capability.

CF-2.7 Sustain and improve nuclear counterterrorism and counterproliferation science, technology, and expertise.

Site Specific Outcome:

SSO-2.1 Fully support emergency operations to include, managing and maintaining readiness for deployable response and home teams; training and developing new and existing staff to become qualified responders; supporting new technologies and capabilities to support the mission; integrating the Headquarters Emergency Management Team and Emergency Operations Center in to site exercises; and supporting Headquarters in the development of new and existing emergency management policies and practices.

SSO-2.2 Support closure of the Global Initiatives for Proliferation Prevention (GIPP) program through successful completion of remaining foreign scientist engagement activities in the Former Soviet Union (FSU). Maintain and demonstrate expertise in worldwide production equipment capabilities and apply this expertise to US Government efforts to control the trade of WMD-usable commodities and materials.

SSO-2.3 Support both diagnostic tool development and selected disablement efforts.

PO-3: DOE and Strategic Partnership Project Mission Objectives – FOM (At-Risk Fee: 5%)

Successfully execute high-impact work for DOE and Strategic Partnership Project Mission Objectives safely and securely. Provide objective evidence that demonstrates the value of the work in addressing the strategic national security needs of the U.S. Government.

Contributing Factors:

CF-3.1 Pursue and perform high impact work that strategically integrates with the DOE/NNSA mission, and leverages, sustains and strengthens unique science and engineering capabilities, facilities and essential skills.

CF-3.2 Pursue and perform high-impact Strategic Partnership Projects that strategically integrates with the DOE/NNSA mission, and leverages, sustains and strengthens unique science and engineering capabilities, facilities and essential skills in support of future national security mission requirements.

CF 3-3 Accomplish work within the budget profile, scope, cost, schedule, quality and risk negotiated with the program.

Site Specific Outcome:

None.

PO-4: Science, Technology, and Engineering (ST&E) – FOM (At-Risk Fee: 7.5%)

Successfully advance national security missions and advance the frontiers of ST&E in accordance with budget profile, scope, cost, schedule and risk while achieving the expected level of quality, safety, and security. Effectively manage Plant Directed Research and Development (PDRD) and Technology Transfer programs to advance the frontiers of ST&E. Provide defensible objective evidence.

Contributing Factors:

CF-4.1 Implement a research strategy that is clear and aligns discretionary investments (e.g., PDRD) with the research strategy and support DOE/NNSA priorities.

CF-4.2 Ensure that research is relevant, enables the national security missions, and benefits DOE/NNSA and the nation.

CF-4.3 Ensure that research is transformative, innovative, leading edge, high quality, and advances the frontiers of science and engineering.

CF-4.4 Maintain a healthy and vibrant research environment that enhances technical workforce competencies and research capabilities.

CF-4.5 Perform research to accomplish the high priority, multi-year research objectives, advance ST&E, and develop technologies for the public good through technology transfer.

Site Specific Outcome:

SSO-4.1 Expand relationships with federal agencies, academia, industry, other laboratories, state and local governments to develop innovation of processes, systems management, and support of national security missions.

PO-5: Operations and Infrastructure – FOM (At-Risk Fee: 30%)

Effectively and efficiently manage the safe and secure operations of the site while maintaining an NNSA enterprise-wide focus; demonstrate accountability for mission performance and management controls; assure mission commitments are met with high-quality products and services; and maintain excellence as a 21st century government-owned, contractor-operated facility.

Contributing Factors:

CF-5.1 Deliver effective, efficient, and responsive environment, safety and health (ES&H) management and processes.

CF-5.2 Accomplish capital projects in accordance with scope, cost, and schedule baselines.

CF-5.3 Deliver effective, efficient, and responsive safeguards and security.

CF-5.4 Maintain, operate and modernize the DOE/NNSA facilities, infrastructure, and equipment in an effective, energy efficient manner; including disposition of unneeded infrastructure and excess hazardous materials.

CF-5.5 Deliver efficient, effective and responsible business operations, systems and information technology.

CF-5.6 Deliver efficient and effective management of legal risk and incorporation of best legal practices.

CF-5.7 Deliver effective, efficient, and responsive cyber security.

Site Specific Outcome:

SSO-5.1 Property Disposition: Support KCFO/preferred planning partner pre-transfer efforts, the preparation of a draft transfer agreement, and position the Bannister Road property for transition to post-production state.

SSO-5.2 Financial Management: Continue to improve financial management reporting, including cost accounting practices (including Cost Accounting Standards compliance), budget formulation and execution, and internal controls. Achieve the goals delineated in the FY15 NSC Financial Management Implementation Plan.

SSO-5.3 Bannister Environmental Issues: Complete the actions and activities for addressing the environmental matters at the Bannister Federal Complex as agreed to with the State of Missouri and the U.S. Environmental Protection Agency and contained in the modified Hazardous Waste Management Facility Permit (RCRA Part B Permit).

SSO-5.4 Improve contractor oversight processes to ensure comprehensive and accurate reporting, timely identification and correction of issues, including metrics that provide accurate, meaningful, and timely information concerning the health of the security program. Implement consistent tools for conducting site assessments with a risk management strategy.

SSO-5.5 Ensure applicable NSC business processes, operating procedures, and systems (including security and safety) are utilized in performing Strategic Partnership Project work.

SSO-5.6 Complete the follow-on activities of the NSC transition to include KCRIMS related requalification, building modifications needed for operations (including exhaust system modifications), and development of a plant model and configuration management system for the NSC without impacting production operations.

PO-6: Leadership - (At-Risk Fee: 10%)

Successfully demonstrate leadership in supporting the direction of the overall DOE/NNSA mission, improving safety culture, the responsiveness of the contractor's leadership team to issues and opportunities for continuous improvement internally and across the Enterprise, and parent company involvement/commitment to the overall success of the site and the Enterprise.

Contributing Factors:

CF-6.1 Define and implement a realistic strategic vision for the site, in alignment with the NNSA Strategic Plan, which demonstrates enterprise leadership and effective collaborations across the NNSA enterprise to ensure DOE/NNSA success.

CF-6.2 Promote a culture of critical self-assessment and transparency across all areas; instill a culture of accountability, responsibility, and performance through the entire organization; and coordinate/communicate these key issues and concerns to DOE/NNSA leadership.

CF-6.3 Demonstrate performance results through the institutional utilization of the Management Assurance System and the leveraging of parent company resources and expertise.

CF-6.4 Work selflessly within the DOE/NNSA complex to develop, integrate, and implement enterprise solutions that maximize program outputs at best value to the government; identify innovative business and management solutions that greatly improve enterprise-wide efficiencies.

CF-6.5 Exhibit professional excellence in performing roles/responsibilities while pursuing opportunities for continuous learning.

Site Specific Outcome:

None.