



Department of Energy
National Nuclear Security Administration
Washington, DC 20585
November 17, 2008



MEMORANDUM FOR STEVE C. TAYLOR, MANAGER
KANSAS CITY SITE OFFICE

FROM:


JOSEPH M. ODER
ACTING DIRECTOR
NUCLEAR WEAPONS STOCKPILE DIVISION

SUBJECT:

FY 2008 Kansas City Plant (KCP) Performance
Evaluation

We appreciate the opportunity to provide you with the Nuclear Weapons Stockpile Division's insights and input to the FY 2008 Honeywell Federal Manufacturing and Technologies (HFM&T), LLC KCP's Performance Evaluation concerning their Directed Stockpile Work (DSW) mission.

We have discussed the KCP's FY 2008 performance with our senior weapons program managers in Albuquerque as well as Defense Programs (DP) Headquarters Program Managers and have concluded that HFM&T has performed in a truly outstanding manner, having met all critical DSW production plant deliverables as well as exceeding several Headquarters key expectations in enhancing their plant management for weapons programs product output.

Of particular significance to DP is KCP's exemplary support of our "Top Ten Deliverables" whereby all on-time W76 Life Extension Program (LEP) critical parts deliverables were made despite several ongoing difficult challenges, including but not limited to, the Canned Sub-Assembly issue. The HFM&T developed technical and management collaborative solutions to overcome these obstacles and completed the necessary deliverables, supporting the achievement of W76 LEP First Production Unit (FPU), by fiscal year end. Additionally, HFM&T provided B61-7/11 LEP sub-systems to the Department of Defense (DoD) as scheduled in the Planning and Production Document. They also met and exceeded all scheduled DSW dismantlement requirements and achieved approval of the W88 Seamless Safety for the 21st Century Hazard Reduction Report.

The HFM&T KCP was outstanding in FY 2008 in support of the W87. One of the primary activities was supporting the Joint Test Assembly (JTA) 4 FPU, an extremely tough task, where two cables were especially challenging. Not only did they overcome weaknesses in the design, poor production, and quality control by outside vendors, but they also re-worked purchased parts, and coordinated additional Sandia National Laboratories/CA qualification requirements into the build plan at the last minute. Outstanding hardly describes how well they did. In

addition, KCP machined out W87 body sections under a work-for-others contract with the DoD to support future W87 JTA4 builds. This was work the Air Force (AF) has been trying to accomplish for years; KCP having never handled one of these body sections before, received them, modified them, and returned them to Pantex on an aggressive schedule and under budget. We returned the extra money to a very pleased AF customer.

As part of their plant management enhancements, KCP successfully executed multi-year purchases for weapon parts and critical materials that will ultimately drive down overall program execution costs. Continuous improvement in HFM&T DSW program management, including Six Sigma, lean/agile manufacturing, new baseline control process implementation and variance analysis to name a few, is a recognized hallmark of the KCP.

We applaud HFM&T's recent application of enhanced cost estimating methods as well as their use of their unique Program Performance Index. We view their current approach to managing and reporting cost, scope, and schedule as an excellent model or "best-in-class" for further promulgation among our other production sites.

Since HFM&T has established their new DSW programmatic risk assessment program, we are confident that current and future identified risks will be addressed in a timely and appropriate manner with early and proactive DP Headquarters involvement. In support of KCRIMs, KCP moved forward toward completing the Mechanical Safing & Arming Detonator build. They provided the W87 Weapons Program Manager a project plan to complete production before the move in order to avoid costly relocation and qualification expenses. Then, they smartly used W87 funds to produce on schedule. This HFM&T KCP build-ahead strategy for required W87 weapon program parts deliverables, in anticipation of the future KCRIMs plant relocation and attendant re-qualification costs, is an excellent example of HFM&T management of future DSW programmatic risk.

Overall, the Nuclear Weapons Stockpile Division rates the HFM&T KCP as "Outstanding" in their performance of DSW during FY 2008. We look forward during FY 2009 in working closely with your staff at the Kansas City Site Office and HFM&T in continuing to closely monitor and document ongoing KCP DSW performance as well as provide you with our ongoing timely evaluation input from our weapon program managers.

cc: M. Pitt, NA-121.31
P. Neeley, NA-122.21
P. Krumpke, NA-122.21
D. Rose, NA-122.22
J. Pape, NA-122.23
R. McKay, NA-122.24
T. Tomasi, NA-122.25