

B&W Pantex
FY 2012
Performance Evaluation Summary

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FY 2012 Performance Evaluation Report

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PO #P-1S: Fiscal Year 2012 “Getting the Job Done” List Done (Pantex Anchor)

B&W Pantex substantially exceed expectations with over 100% completion of all four performance targets; 113% in Limited Life Component deliveries, 107 % in weapon surveillance deliverables, 112% completion rate in scheduled dismantlements and 101% of W76 LEP deliverables. These goals were accomplished in spite of changing baseline workload levels, technical issues, and funding challenges.

Performance Assessment:

Performance Target #P-1.1: Complete all limited life component exchanges consistent with the annual assessment to keep operational deployment systems functional.

B&W Pantex completed 113% in limited life component PCD deliveries as a result of the addition of four unscheduled kit deliveries.

Performance Target#P-1.2: Execute surveillance activities required to support annual assessment and certification.

B&W Pantex completed 170 surveillance units, 13 more than baseline schedule goal as a result of additional disassembly and inspections (D&I) in the B61, W78 and W80 programs.

Performance Target#P-1.3: Exceed planned dismantlements to include B53.

B&W Pantex completed 112% of the dismantlement baseline schedule goal. The B-53 was completed early in the fiscal year, additional dismantlements for the W76 and W80 were completed and the entire stockpile of W80-0 was dismantled this FY.

Performance Target#P-1.4: Meet W76-1 deliveries to Navy.

B&W Pantex completed 101% of the W76-1 LEP baseline schedule goal. This was accomplished in spite of several technical issues including a Significant Finding Investigation late in the fiscal year which seriously threatened production deliveries. All scheduled LEP deliveries to the Navy were met.

PO #P-2 Change 2: Directed Stockpile Work Product Planning and Delivery

B&W Pantex substantially exceeded expectations by completing almost 110% of the directed schedule deliveries, completed all Level II milestones, exceed the W76-0 dismantlements by 4%, completed the B83 tooling upgrade, completed all B83 surveillance units, achieved all milestones for the W84 Known State project, and successfully supported the W87 neutron generator exchange schedule in accordance with NA-122 direction.

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Performance Assessment:

Performance Target #P-2.1: Achieve FY12 Directed Stockpile Work (DSW) Directive Schedule quantities (excluding work evaluated elsewhere in the PEP).

B&W Pantex completed 762 weapon deliverables, 61 more than the FY12 directive schedule baseline for a completion rate of 109%. This was accomplished in spite of numerous technical and funding challenges, equipment issues and late receipt of critical components for assembly operations. Additionally, B&W Pantex played a key role as the enterprise weapon production integrator.

Performance Target #P-2.2: Complete FY2012 DSW Level 2 Milestones as defined in the Milestone Reporting Tool (MRT) database.

B&W Pantex completed all Level II milestones for the FY as identified in the Milestone Reporting Tool.

Performance Target #P-2.3: W76-0 Complete FY2012 PCD scheduled PCD W76-0 Dismantlement quantities.

B&W Pantex completed 104% of the schedule W76-0 dismantlements early in the fourth quarter of the FY. The dismantlement program experienced several technical issues which threatened the baseline schedule deliveries. Timely coordination between B&W Pantex and the design agencies resulted in development of contingency processes which successfully met these challenges.

Performance Target #P-2.4.a: B83: Complete the B83 Tooling Upgrade project milestones in accordance with the approved Project Execution Plan.

The B83 SS-21 Tooling Upgrade was authorized in April. The recovery plan for FY12 surveillance, part of the project execution plan, was completed ahead of schedule.

Performance Target #P-2.4.b: B83: Complete B83 surveillance workload in accordance with the approved schedule.

All B83 surveillance units were completed in July with delivery of the last Cycle 112 test bed to the Weapons Evaluation and Test Laboratory. D&I Quality Evaluation Tracking components were shipped by the end of September, in spite of Offsite Transportation issues. The B83 SS-21 Tooling Upgrade was authorized in April.

Performance Target #P-2.5: W84 Complete the KS project milestones in accordance with the approved project plan and schedule.

B&W Pantex completed all milestones included in the approved Known State project plan and schedule. Unavailability of technical advisors to the Nuclear Explosive Safety Study Group forced the rebaselining of the original approved schedule. W84 KS is delayed out of Pantex control.

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Performance Target #P-2.6: W87: Complete W87 Neutron Generator Exchange readiness activities to support the work in accordance with the PCD.

B&W fully supported the readiness activity schedule which is in support of the directive schedule. Unplanned technical issues being worked with Sandia National Laboratories has forced delays in implementation of readiness activities for the program.

PO #P-3S: W76-O Dismantlement – Exceed Baseline

B&W Pantex substantially exceeded expectations by completing 104% of the schedule W76-0 dismantlements early in the fourth quarter of the FY12.

Performance Assessment:

Performance Target #P-3.1S: Exceed FY2012 PCD scheduled W76-0 Dismantlement quantities.

B&W Pantex substantially exceeded expectations by completing 104% of the schedule W76-0 dismantlements early in the fourth quarter of the FY. The dismantlement program experienced several technical issues which threatened the baseline schedule deliveries. Timely coordination between B&W Pantex and the design agencies resulted in development of contingency processes which successfully met these challenges.

PO #4S Change 1: B53 CSA

B&W Pantex performance was excellent for this Performance Objective.

Performance Assessment:

Performance Target #P-4S-1: Extract and ship B53 CSAs in accordance with the FY2012 secondary shipment schedule. Fee will be earned in accordance with the following criteria:

Earn 25 percent of the available fee for extracting and shipping one-third of the total items in the directive schedule. Earn an additional 35 percent of the available fee for extracting and shipping two-thirds of the total items in the directive schedule. Earn an additional 40% of the available fee for extracting and shipping all of the total items in the directive schedule. The fee earned for increments of items shipped within each of the three categories above will be calculated proportionately.

B&W Pantex met expectations regarding this performance target. Numerous technical and logistical challenges occurred during the fiscal year, however, the M&O contractor was able to complete all of the scheduled CSA shipments per the FY12 secondary shipment directive schedule.

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PO #P-5 Change 1: Weapons Quality Assurance and NQA-1 Programs

B&W Pantex performance was excellent for this Performance Objective.

Performance Assessment:

Performance Target #P-5.1.a: Maintain a rigorous B&W Pantex Certificate of Inspection (C of I) program, including hold point inspections and product acceptance stamping that confirms delivered products meet NNSA quality requirements and incorporate the principles of continuous improvement.

B&W Pantex exceeded expectations and maintained a rigorous program for performing COI hold points and ensured that all products for which acceptance stamping is delegated met NNSA Quality Criteria. Additional personnel were trained to safeguard against losses of key personnel. PXSO Personnel were informed of issues promptly and were provided with adequate information to ensure B&W was correctly evaluating criteria in the inspections.

Performance Target #P-5.1.b: Perform Product Quality Engineering design agency definition flow down reviews for B&W Pantex weapon and weapon related products.

B&W met expectations as reviews were completed on scheduled on both weapons and JTA programs. DA personnel were present to ensure adequate understanding of requirements and intent.

Performance Target #P-5.1.c: Conduct an independent review of the corrective actions associated with the Dissipative Special Tooling Causal Factors Analysis (CFA) and Building 12-121 Machining Event August 28, 2009 CFA, to evaluate the actions appropriately completed and effective in resolving the issues.

B&W has met the expectations as both assessments were completed and appear to adequately address the issues.

Performance Target #P-5.1.d: Conduct an independent review of the corrective actions associated with the SNM Conduct of Operations (CoO) Improvement Project to evaluate the actions appropriately completed and effective in resolving the issues.

B&W has met the expectations by performing an independent assessment of the implementation of the actions, with no weakness identified.

Performance Target #P-5.1.e: Conduct a comprehensive review of the hold point inspection process including review of the hold point selection criteria, the hold point identification process and the proper placement of the Quality Hold Points in all active Weapon assembly programs, including JTAs. In addition, B&W will evaluate PXSO Engineering Signatures requirements to determine if quality hold point criteria should apply. The criteria for the review will be agreed upon by PXSO prior to commencement.

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B&W Pantex exceeded expectations by performing a comprehensive review as requested and obtained PXSO concurrence on the charter and plan. The review was completed ahead of schedule with adequate DA input to ensure complexity of the hold points was understood. B&W Pantex revised multiple procedures to improve the hold-points and ensure all critical criteria were captured. PXSO reviewed the changes to procedures and found that changes improved the hold point program.

Performance Target #P-5.2.a: Provide a workshop on NQA-1 and it's applicability at Pantex to construction contractors.

B&W Pantex exceed expectations by providing two workshops, one for construction contractors and an additional one for other vendors. PXSO QA personnel attended both workshops to determine if the work shops were adequate and determined that B&W completed that task and that the workshops should provide a better understanding of NQA-1 requirements.

Performance Target #P-5.2.b: Enhance the Site's Commercial Grade Dedication (CGD) Program in accordance with NQA-1 Requirement #7.

B&W Pantex has met expectations by performing a baseline assessment of the Commercial Grade Dedication (CGD) program and initiated corrective actions/recommendation to improve the program.

Performance Target #P-5.3: Product Stamping and Marking: Demonstrate that B&W Pantex has a sufficient number of trained and qualified individuals to verify product and apply NNSA acceptance status stamps to support weapon life extension program production schedules.

B&W Pantex has met expectations and added two additional people that have been trained and qualified to perform delegated acceptance stamping activities. This brings B&W Pantex to the highest level of trained and qualified people for the last several years.

PO #P-6: Production Integration

B&W Pantex exceeded performance in criteria areas listed below.

Performance Assessment:

Performance Target #P-6.1: Integrate the Y12 Canned Subassembly (CSA) schedule, the LANL Pit production schedule, the SRS reservoir schedule and KCP major component schedule with the Pantex Production schedule.

Schedules for key inbound components received from B&W Y-12, LANL, the SRS, and the KCP have been developed by linking them to the internal Master Production Schedule. Pantex exceeded expectations by including SNM containers to and from Y-12. Furthermore, B&W Pantex hosts a monthly Production Agency VTC to facilitate cross-site communications; enabling the contractors to resolve issues before they impact deliverables.

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Performance Target #P-6.2: Demonstrate the ability to report status of the Y12 Canned Subassembly (CSA) schedule, the LANL Pit production schedule, the SRS reservoir schedule and the KCP major component schedule at the Integrated Plan of the Day.

B&W Pantex demonstrated the ability to report component status in the IPOD. The status of the B&W Y-12, LANL, the SRS, and the KCP deliverables has been integrally incorporated into the IPOD. The component schedules are discussed weekly.

Performance Target #P-6.3: Collaborate with Y-12 through the Manufacturing Software Systems team to ensure an interface capability exists for sharing production information following the implementation of OSD&I and the Y-12 Momentum projects.

In this joint target, B&W Pantex has exceeded expectations by working with NA-122 and B&W Y-12 to not only look at synergies between the two systems and projects and also to explore inclusion of all workload planning documents into the design phase of both systems. B&W Pantex has worked closely with all stakeholders and customers in designing and implementing OSD&I.

PO #P-7: Comprehensive Core Surveillance Program in support of nuclear weapons certification

B&W substantially exceeded expectations by completing 170 surveillance units, 13 more than the baseline directive schedule. Additionally, B&W Pantex reported surveillance completions almost real time through the Quality Evaluation Requirements Tracking System (QERTS), and provided full support to the Surveillance Program Office.

Performance Assessment:

Performance Target #P-7.1: Complete FY2012 surveillance activities in accordance with the Directive Schedule.

B&W Pantex completed 170 surveillance units, 13 more than the baseline directive schedule resulting in a 107% completion rate.

Performance Target #P-7.2: Report FY2012 surveillance activities to QERTS.

B&W reported surveillance completions to QERTS on an almost real time basis with nightly updates provided automatically by the CAS/MRP system. Additionally, B&W Pantex maintained the QERTS application hosted on the Enterprise Secure Network for enterprise-wide use and released several upgrades during the year to improve system speed and reporting functionality.

Performance Target #P-7.3: Support the Surveillance Program Office (SPO) in areas requiring Pantex participation.

B&W Pantex fully supported the Surveillance Program Office (SPO) during FY12 by leading the High Explosives Component Evaluation Program Planning Committee discussions, participating in the Surveillance Integrated Requirements Working Group and the Surveillance Enterprise Steering Committee.

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PO #P-8S: Component Disposition

B&W Pantex performance was excellent for this Performance Objective.

Performance Assessment:

Performance Target #P-8S.1.a: Update the Component Disposition Plan for FY13 activities to include long-range (5-7 years) strategies and schedules for total elimination of legacy components. Develop schedule for sanitization of remaining legacy energetic components.

B&W Pantex met this expectation by submitting a well defined updated Plan and schedule for sanitizing Legacy energetics. The plan and schedule had well defined scope, costs and risks.

Performance Target #P-8S.1.b: Update the Component Disposition Plan for FY13 activities to include long-range (5-7 years) strategies and schedules for total elimination of legacy components. Evaluate commercial options for sanitization of energetic components.

B&W Pantex met this expectation by evaluating commercial options to sanitize energetics. A contract was established with Clean Harbors, which was above expectations that will allow Pantex to ship energetics for disposition.

Performance Target #P-8S.1.c: Update the Component Disposition Plan for FY13 activities to include long-range (5-7 years) strategies and schedules for total elimination of legacy components. Develop strategies for sanitization of remaining legacy non-energetic components.

B&W Pantex met this expectation by working with Nevada National Security Site (NNSS) to ship components to NNSS for on-site disposition. B&W is also working with the Oak Ridge National Laboratory for them to accept sanitized Beryllium. This has not been done before now.

Performance Target #P-8S.2.a: Reduce storage of scrap energetic components to assure adequate service magazine capacity is maintained. Establish baseline of scrap energetic components in buildings 12-58, 12-71 and 12-95 and reduce volume by 20%.

B&W Pantex substantially exceeded this target by establishing a baseline of 1543 sq. ft., and reduced the component volume by 24.85%. An additional 4.85% volume was attained to go beyond the 20%.

Performance Target #P-8S.2.b: Reduce storage of scrap energetic components to assure adequate service magazine capacity is maintained. Sanitize/dispose of 500 scrap hemis, recovering storage capacity in buildings 12-65 and 12-83.

B&W Pantex substantially exceeded expectations by sanitizing 822 scrap hemispheres, thereby exceeding the target of 500 by 322 hemispheres, and recovered storage space for buildings 12-65 and 12-83.

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Performance Target #P-8S.2.c: Reduce storage of scrap energetic components to assure adequate service magazine capacity is maintained. Sanitize 500 spin rocket motors.

B&W Pantex substantially exceeded expectations by sanitizing 604 spin rocket motors (SRMs), thereby exceeding the target of 500 by 104 SRMs. This was done through process improvements and high quality work.

Performance Target #P-8S.3.a: Reduce storage of scrap non-energetic components to assure adequate warehouse capacity is maintained. Disposition, via sanitization or shipment, 50 “PSO boxes” (box, basket, pallet) of weapon components generated from dismantlement operations or excess inventory.

B&W Pantex substantially exceeded expectations by dispositioning a total of 124 PSO boxes, exceeding the target quantity of 50.

Performance Target #P-8S.3.b: Reduce storage of scrap non-energetic components to assure adequate warehouse capacity is maintained. Characterize legacy components per the schedule developed in FY2011.

B&W Pantex substantially exceeded the target of 100 legacy components to be characterized by 28, for a total of 128 characterized.

Performance Target #P-8S.3.c: Reduce storage of scrap non-energetic components to assure adequate warehouse capacity is maintained. Complete Be sanitization melts in the microwave furnace per the schedule developed in FY2011.

B&W Pantex substantially exceeded the FY2011 sanitization melt schedule of 440 Beryllium (Be) by 70, for a total of 510 Be melts.

PO #P-9S: Component Disposition Stretch – W31 Legacy Weapon Trainers

B&W Pantex performance was excellent for this Performance Objective.

Performance Assessment:

Performance Target #P-9S.1: Receive and accept at least 14 W31 Legacy Weapon Trainers Units from Y-12. Earn 30% of allocated fee.

B&W Pantex met this expectation by receiving, accepting and entering in the Computer Associates Software (CAS) 14 W31 legacy trainers.

Performance Target #P-9S.2: Complete dismantlement of at least 14 W31 trainer units received from Y12. Characterize all components that will be yielded from the units. Disposition as many components as feasible, considering the cost effectiveness of sanitizing and shipping. Document the rationale for any components not dispositioned. Earn 5% of allocated fee for each unit dismantled and dispositioned, up to 14 units. No additional fee is earned for more than 14 dispositioned dismantlements.

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B&W Pantex substantially exceeded this target by completing the dismantlement of 17 W31 Trainers. All 17 units were completely characterized and dispositioned.

PO #P-10: Explosive Technology Program Management

B&W Pantex performance was excellent for this Performance Objective.

Performance Assessment:

Performance Target #P-10.1: Complete FY2012 milestones in the High Explosives Center of Excellence (HE CoE) Business Strategy, per the approved execution plan.

B&W Pantex met expectations on this element by completing 42 of 47 initiatives in the High Explosives Center of Excellence Business Strategy through early submittals and well defined milestones. B&W continued to improve strategies which will enable growth in their ability to perform within the High Explosives community. These high quality initiatives, with well defined cost, scope and schedule, will help foster outside money coming into Work for Others and high quality services to the Explosives Community.

Performance Target #P-10.2: Develop a plan for extending the multiple HE pressing tool from “proof of concept” to implementation, and complete FY2012 milestones in the plan.

B&W Pantex substantially exceeded expectations on this element by transitioning from “proof of concept” to full scale production in Dual Stack Pressing. This element will allow Pantex to exceed deliverables for the W-76 Life Extension Program (LEP). These high quality hemispheres will allow Pantex to exceed deliverables. All milestones are complete and Dual Stack Pressing has been conditionally accepted by the Design Agency for War Reserve parts.

Performance Target #P-10.3: Develop a plan to improve the 35-account program to improve quality and reliability of product to the production line, and complete FY2012 milestones in the plan.

B&W Pantex met expectations on this element by producing a high quality 35-Account Modernization Plan with well defined scope, cost and schedule. Metrics and forecasting meetings have been established to continue to optimize the process to gain better understanding of all demands associated with 35-Account material. Collaboration efforts were conducted with Supplier Quality and Supply Chain Management to perform an excellent Management Self-Assessment of the 35-Account program. The modernization plan has well defined risks and contingencies and is of the highest quality.

Performance Target #P-10.4: Continuous improvement of explosive operations utilizing Plant resources and processes (e.g., safety culture survey results, SS-21 like process improvements, procedure enhancements).

B&W Pantex met expectations on this element by completing the contractor readiness assessment to authorize re-start from inert record storage to moderate explosives operations. This high quality re-start of this older facility was performed in an exemplary manner with well defined milestones and contingencies. The division’s facility pre-operational checklists were reformatted to provide consistent format and verbiage for execution of steps.

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PO #P-11: Excess Explosive Material Disposition

B&W Pantex performance was excellent for this Performance Objective.

Performance Assessment:

Performance Target #P-11.1: Establish a baseline of excess explosive powders and residue in inventory.

B&W Pantex substantially exceeded expectations on this element by not only establishing, but also formally submitting a “baseline of Excess Explosives and Energetic Components in inventory”. This had never been done before at this site. Although complex in nature due to the various forms of HE, the inventory presents the information in a clear, easy to read format.

Performance Target #P-11.2: Develop a multi-year Program Plan for disposition of excess high explosives materials.

B&W Pantex substantially exceeded expectations on this element by developing and submitting a multi-year program plan for disposition of excess High Explosives (HE) materials in July 2012, almost three months early.

Performance Target #P-11.3: Complete FY2012 Milestones identified in the Plan

B&W Pantex substantially exceeded expectations on this element by achieving all FY12 milestones on or ahead of schedule. A stretch objective was added during the year to sanitize additional HE components, and those goals were exceeded. These milestones were met despite technical challenges and scheduling conflicts (weather, power outages).

PO #P-12: Nuclear Materials Program Management

B&W Pantex performance was excellent for this Performance Objective.

Performance Assessment:

Performance Target #P-12.1: Enhanced Pit Storage - Develop and implement facility enhancements, including nuclear safety documentation, that support an increase in Pantex’s ability to store pits in additional nuclear material capable facilities.

B&W Pantex met expectations regarding the management of the Nuclear Materials Program at Pantex. The M&O contractor continues to be vigilant in the staging/storage of pits at the site, including the management of available space for optimal pit storage, including the management of pit storage in Buildings 12-64 and Bldg. 12-116.

Performance Target #P-12.2: Material Staging Facility - Provide technical support in developing and finalizing business strategies for Zone 4 closures.

B&W Pantex met expectations regarding their technical support and input for the Material Staging Facility. They have continued to provide technical support as the NWC strategize options regarding long-term pit storage capabilities in Zone 4 and Zone 12 South.

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Performance Target #P-12.3: Nuclear Material Programs Communication Enhancement - Develop a Communications Management Plan and implement an information management system, such as SharePoint, that documents conversations between contractor and federal organizations program and project managers that is related to all nuclear materials management work. The information management system should be accessible to both PXSO and the contractor. Conversations between federal and contractor personnel will be documented in a clear, concise and timely manner.

B&W Pantex met expectations regarding this performance criterion. B&W Pantex initiated an improvement tool for communicating relevant Nuclear Materials information which occurred between the M&O contractor and other vested entities through the establishment of a SharePoint site. While B&W was successful in setting up the site, it was not utilized in an efficient and an effective manner; B&W continues to mature in this effort.

PO #P-13S: MOX Feedstock

B&W Pantex performance was good for this Performance Objective.

Performance Assessment:

Performance Target #P-13S.1: Provide pits to LANL per the document “Pit Campaign attachment to PMT-4-2007-154.”

B&W Pantex met expectations regarding this objective. The M&O contractor worked effectively to ensure that requested and scheduled pit shipments were accomplished in a timely manner. They worked well with their offsite customers in the accomplishment of these transportation efforts per the approved schedules. Schedule disruptions and missed schedules were thwarted due to the M&O contractor’s vigilance keeping their customers abreast of emerging anomalies.

PO #P-14S: Power Source Dismantlement Project (RTGs)

B&W Pantex performance was good for this Performance Objective.

Performance Assessment:

Performance Target #P-14S.1: Ship containers of power sources to LANL per the approved plan.

B&W Pantex met expectations regarding this objective. The M&O contractor worked effectively to ensure that requested and scheduled RTG shipments were accomplished in a timely manner.

PO #P-15: Special Nuclear Materials (SNM) Operations

B&W Pantex performance was good for this Performance Objective.

Performance Assessment:

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Performance Target #P-15.1: Nuclear Materials Operations Work Culture - Develop and implement technical, business and work place culture initiatives that will result in an improvement of formality of SNM operations without any degradation in safety, security, and quality assurance systems.

B&W Pantex met expectations regarding this objective. As results of a sustained effort on the part of B&W Pantex SNM Division Operations, there were notably fewer, less severe operational anomalies. B&W Pantex provided focused resources to strengthen the work culture within the SNM Operations Department.

Performance Target #P-15.2: Production Performance - Complete FY2012 baseline scheduled deliverables.

B&W Pantex met expectations regarding the revised baseline deliverables for SNM Operations activities. The original baseline deliverable schedule was revised to reflect fewer deliverables in the areas of LGSS and Pit Requalification. Achieving the revised scheduled deliverables reflect a B&W Pantex SNM Operations commitment in the face of some sizeable equipment downtime challenges during this fiscal year. B&W Pantex was able to overcome these challenges and meet the deliverables schedule.

Performance Target #P-15.3: Technology Refresh Planning - Update the FY 2011 SNM Technology Refresh Plan.

B&W Pantex met expectations regarding this objective. B&W Pantex SNM Division continues to identify and plan for equipment replacement and equipment refurbishment. The Technology Refresh master plan has enabled B&W Pantex to present technically sound, defensible equipment replacement budget requests which can be incorporated into the planning process.

Performance Target #P-15.4: LGSS Unit 2 Startup - Develop a project plan and schedule for pit surveillance using LGSS #2 and complete FY12 milestones in the plan.

B&W Pantex met expectations regarding this objective. During this fiscal year, the LGSS#2 project was met with some funding interruptions which caused a delay in submission of the project plan and schedule. However, the plan and schedule was submitted at the end of the year. It is expected that the project will be completed in early FY 2014. The revised plan incorporates technological advancements which have been made in laser technology in the recent past.

PO #P-16S: Improved Materials Management

B&W Pantex performance was good for this Performance Objective.

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Performance Assessment:

Performance Target #P-16S.1: Implement improved processes and controls that reduce the number of packaging, labeling and transportation errors, with emphasis on external escapes for Category 1-4 material.

B&W Pantex exceeded expectations regarding this objective. Severity and number of errors have been significantly reduced as B&W Pantex has begun implementing policy and direction changes which were put in place both last year and continued through this FY.

Performance Target #P-16S.2: Implement improvements in inventory control, including timely reconciliation of differences between the physical count and the asset record balance.

B&W Pantex exceeded expectations regarding this objective.

Performance Target #P-16S.3: Provide monthly reports/presentations of current status and improvements related to materials management including inventory sampling/accuracy, packaging, labeling, transport, and offsite shipment of materials.

B&W Pantex exceeded expectations regarding this objective. Prompt notifications and ongoing information exchanges have greatly enhanced contractor/customer relations. Status meetings have occurred frequently during this FY when emerging issues have come up. B&W Pantex is credited with making strategic organizational changes which has improved the operational efficiency.

Performance Target #P-16S.4: Complete FY2012 corrective actions associated with the JONS from the CFA of the FY2011 Transportation injury, including quarterly updates of corrective actions and effectiveness reviews.

B&W Pantex exceeded expectations regarding this objective. B&W Pantex continues to show good success in the Supply Chain Management organization in the timely disposition of issue resolution through timely closure of Corrective Actions, Problem Evaluation Requests (PERs), and Justifications of Needs (JONs). There have been instances which yielded delinquent closure when closure was dependent on cross-organizational teaming efforts.

Performance Target #P-16S.5: Improve Plant processes and information technology infrastructure that results in enhanced quality of on-site movements of materials.

B&W Pantex substantially exceeded expectations regarding this objective. Severity and number of errors have been significantly reduced as B&W Pantex has begun implementing policy and direction changes which were put in place both last year and continued through this FY.

PO #P-17: Requirements Modernization and Integration (RMI) Project

B&W Pantex performance was excellent for this Performance Objective.

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Performance Assessment:

Performance Target #P-17.1: Provide resources to complete FY2012 High Priority work in accordance with the Lead and Sub-Team detailed schedules as resources become available.

B&W PX exceeded expectations by supporting most of the 30 active teams. These teams contributed to completion of RMI content designated as High Priority work for FY2012. Pantex was one of the few sites to fully implement R002, R007, and R009. Furthermore, all of the internal flow-down documents were written and approved into the contract as required by the RMI process. Pantex also went above the requirement to simply provide resources with several individuals volunteering to be team leads.

Performance Target #P-17.2: Conduct RMI Gate Reviews on a monthly basis to ensure successful completion of FY2011 and FY2012 priority work as identified by the Lead and Sub-Teams.

B&W Pantex fully supported RMI monthly gate reviews and RMI Lead and Sub-team priority work. This required monthly travel to Albuquerque, oversight of multiple team members working on a variety of content creation, document review and gate package review. Pantex has provided insightful comments during the meetings and was at the forefront of implementing RMI documents at Pantex. In some instances, coordination with the Site Office RAC member was required and performed in a comprehensive and detailed approach.

PO #P-18 Change 1: Nuclear Safety Sustainment – Documented Safety Analysis

B&W Pantex performance was good for this Performance Objective.

Performance Assessment:

Performance Target #P-18.1.a: Safety basis metrics and performance leading indicators develop metrics & performance leading indicators by 01/15/12.

This objective was partially met. B&W transmitted AB Department metrics on January 13, 2012, thus meeting the time commitment for this part of the objective; however, the metrics were minimal and no analysis was provided. NPO staff met with B&W numerous times in support of this effort, providing a suggested suite (i.e., 29 ea.) of leading and lagging performance indicators from elsewhere in the Nuclear Security Enterprise of which B&W adopted five. Of the 7 performance indicators (PIs) B&W provided to meet the January objective, due to persistent questioning of the usefulness of the PIs to gauge the health of nuclear safety by NPO, B&W reduced the number to only four by the end of the fiscal year (i.e., TSR Violations – lagging, USQD program - leading, PISA/PUSQD – leading, and DSA submittal quality - lagging). The four remaining metrics do not fully meet the intent of this Performance Measure.

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Performance Target #P-18.1.b: Safety basis metrics and performance leading indicators implement the process for evaluating and analyze results from Metrics and Indicators by 3/15/12.

This objective was partially met. Beginning on March 15, 2012, B&W transmitted monthly Performance Indicator reports, which provided data on the specified metrics, but in general did not provide adequate analysis of potential adverse trends or what the data indicated with respect to nuclear safety. This analysis is a crucial part of enabling the achievement of the overall Performance measure. Without a thorough and accurate analysis of the data, this cannot be fully met. As discussed in the B&W end of year Performance Self-Assessment, based on critical NPO feedback, the metrics were modified in an effort to satisfactorily meet the intent of this target. In late July 2012, B&W transmitted revised nuclear safety metrics which they asserted contained an analysis of the data. This deliverable did not meet the agreed to delivery date to satisfactorily enable the completion of the final stage of this measure (i.e., using the metric data analysis to effectively manage the improvement of nuclear safety and quality). As stated in a September 28, 2012, letter from K. Ivey to B. Russell, "...performance metrics and indicators submitted to NPO lack technically defensible trending analysis and do not reflect leading indicators that can be used to forestall undesired events (i.e., AB change package rejection, ineffective TSR controls, etc.)". For example, in one particular metric regarding AB department qualified personnel staffing, which indicated a reduction in the number of qualified staff on hand, B&W ceased to provide the metric by the end of the year, did not address the issue when formally communicated from the NPO Manager to the B&W Manager, and did not address adverse impacts in maintaining compliance to requirements. At the end of the fiscal year, the AMNSE also transmitted by letter concerns regarding the adverse trend of qualified staff within the AB Department.

Performance Target #P-18.1.c: Safety basis metrics and performance leading indicators extent to which Metrics and Performance Indicators are effectively managed to improve nuclear safety and quality.

This objective was not met. B&W did not communicate to NPO any demonstrated improvements to nuclear safety and quality as a result of metrics and performance indicators. At the end of the year, B&W did transmit "improvement initiatives," which do not appear to correlate to the metrics provided and therefore do not demonstrate completion of this target because the initiatives are not a result of effective metric analysis. In fact, one initiative to "streamline the Process Hazards Analysis" which is a process used for high explosive safety, is unrelated to the metrics and not focused on nuclear safety.

Performance Target #P-18.2.a: DSA - extent that final change package submittal due dates are met in accordance with the DSA Upgrade Initiative Schedule.

This objective was partially met. The currently approved DSAUGI project plan revision 3 was submitted in May 2011 and approved by PXSO shortly thereafter. Appendix A of the plan contained the schedule for FY11 and 12 activities for submittal of change packages. Specifically, the plan targeted submittal of two major packages (LINAC SAR and Bays/Cells SAR) incorporation into the Site-wide SAR as well as 4 change packages involving multiple DSAs for specific accident scenarios. During the year NPO agreed with B&W that the DSAUGI main focus for FY 12 should be on the Nuclear Materials SAR and the removal of the Generic LCO. On September 28, 2012, B&W submitted a draft of the NM SAR following the DSAUGI

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guidance for information pending resolution of an Unreviewed Safety Question (USQ) associated with the 12-64 door design feature. The submitted document did not develop any accident analysis leading to specific accident scenarios that can be used to develop TSR level controls. Therefore, the application of DSAUGI format and content in this DSA submittal for section 3.4 (accident analysis) and chapters 4 and 5 was not accomplished and could not be evaluated against the Plan format and content guidance. Chapter 2 and section 3.3 (hazard evaluation) generally met DSAUGI project plan revision 3 expectations.

Performance Target #P-18.2.b: DSA - extent that DSAUGI packages are approvable on first review cycle.

This objective was not met. B&W submitted AB Change Package AB 11-24 (NM/SNMCRF) on September 29, 2011, which resulted in 137 technical comments from the Safety Basis Review Team (SBRT) as well as additional comments from the DNFSB staff. Complete comment disposition was not realized until June 2012. The need for a R1 package was subsequently identified in the July 26, 2012, support list transmitted by B&W. The R1 change package submittal has since been delayed by the positive USQD on the 12-64 door design feature until the end of November 2012.

Performance Target #P-18.2.c: DSA - extent that DSAUGI packages are implemented within 60 days of approval.

No DSAUGI packages were approved during the period. NPO is waiting for submittal of AB Change Package AB 11-24-R1 for review and subsequent approval. In FY12, NPO has not approved a DSAUGI change package; therefore implementation within 60 days cannot be assessed.

Performance Target #P-18.2.d: DSA - extent that the effort associated with the DSAUGI effort supports the elimination of LCO 3.0.7. by submitting the package(s) by September 30, 2012.

This objective was partially met. The Generic LCO - 3.0.7 was eliminated through approval of AB Change Packages AB-12-52 on April 30, 2012 and AB-12-58 on July 23, 2012 significantly ahead of the September 30, 2012, target. However, the LCO elimination approach used by B&W represented simple reconversion of the Specific Administrative Controls (SACs) contained in the generic LCO to directive action SACs without any rework of the Accident Analysis or Adequacy of Controls discussions. This approach returned these SACs to their status prior to November 2009, which was when the Generic LCO was first introduced. None of the directive action SACs contained in the generic LCO were dispositioned by conversion to LCO format or elimination as envisioned by the DSAUGI project plan revision 3, section 3.1. This approach was presented to NPO and concurred with such that a more timely elimination of the Generic LCO could be accomplished.

Performance Target #P-18.3.a: AB - submit AB workload plan 10/31/11.

This objective was met. Revision 0 of the Authorization Basis workload plan was transmitted to NPO by letter Young to Nester on October 31, 2012.

Performance Target #P-18.3.b: AB - extent that DSA Planned Improvements are completed.

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This objective was met. As of September 30, 2012, of the 53 Planned Improvements open at the beginning of the fiscal year, B&W closed 13. During the fiscal year, B&W added 6 new Planned Improvements and now have 46 remaining open. Of these, only 4 remaining Planned Improvements are actually under B&W's control; the remaining requires additional funding or support from the National Laboratories.

Performance Target #P-18.3.c: AB - extent to which the identified TRCs in DSA document reviews are resolved within 90 days.

This objective was met. B&W resolved the majority of new Technical Review Comments within the identified time period.

PO #P-19: Nuclear Safety Sustainment – Safety Management Programs (SMP)

B&W Pantex performance was very good for this Performance Objective.

Performance Assessment:

Performance Target #P-19.1: Implement Metrics and Performance Indicators to enhance Safety Management Program processes and documentation.

This objective was met. Performance indicators were developed and implemented for Special Tooling, Electrical Testers, and ESD Safety Management Program. These Performance Indicators were submitted to NPO on March 15, 2012. The Indicators had to be reworked because they were not focused on nuclear safety. B&W reworked the Indicators, which continue to evolve. The analysis portion (i.e., determining what the data means with respect to nuclear safety) needs improvement.

Performance Target #P-19.2: Extent that modifications and changes are initiated to ensure a positive trend in the Metrics and Performance Indicators.

This objective was met. Special Tooling, Electrical Testers, and ESD Safety Management Program Performance Indicators were submitted to NPO on March 15, 2012. Although some evidence exists that the indicators are being used to produce some improvements, more data is necessary to demonstrate effective use. For special tooling, process improvements were made to enhance feedback to Pantex shops and offsite vendors.

PO #P-20S Change 1: Reimbursables/Work for Others (WFO) Program Management

B&W Pantex performance was very good for this Performance Objective.

Performance Assessment:

Performance Target #P-20S.1: Complete High Explosives (HE) Integrated Contractor Orders (ICO) for the National Laboratories as funded and scheduled.

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B&W has provided NPO status briefings of the High Explosives (HE) Integrated Contractor Orders (ICO); Evidence provided indicates B&W has completed the HE ICO for the National Laboratories as funded and scheduled.

Performance Target #P-20S.2: Complete Work for Others (WFO) initiatives as funded and scheduled.

B&W has provided NPO status briefings of the on-going WFO initiatives; all have completed as schedule.

Performance Target #P-20S.3: Demonstrate growth of the Pantex WFO Program, continuing to share Pantex's experience, knowledge and capabilities in functional areas beyond HE manufacturing activities.

Evaluation of the Pantex WFO projects and funding from FY11 to FY12, support the position that the Pantex WFO program is expanding in all areas of service provided.

Performance Target #P-20S.4: Demonstrate improvements/efficiencies related to management of the Reimbursables Program.

B&W has conducted a Six Sigma Kaizen effort to evaluate the PX WFO processes and identify opportunities to improve customer support, process flow, support documentation, and approval cycle time; The Kaizen initiatives have been implemented resulting in an optimized process that reduces the required evaluation time for NPO Acceptance and Authorization, yet fully meets the requirements of DOE O 481.1C.

Performance Target #P-20S.5: Create a Work for Others business plan that includes: a description of the business and its elements (e.g., HE formulation/fabrication/testing, materials testing, analytical chemistry services, etc); establishing the goals of the program; marketing strategy; operating strategy, etc. by 12/31/11. Create an action plan to implement the business plan objectives that includes tasks and completion dates by 3/31/12. Complete identified actions in accordance with the action plan.

B&W has successfully completed this performance target by providing a Work for Others Business Plan, Action Plan, and Action Plan implementation. The Business Plan and Action Plan identified the FY2012 goals to improve and expand the WFO Program, each were submitted before the required date (12/31/11 and 3/31/2012). Modifications to the Action Plan were approved through change control and re-scoped the plan for FY12 activities.

PO #P-21S: Pantex Plant Sustainability Process and Procedure Improvement

B&W Pantex performance was excellent for this Performance Objective.

Performance Assessment:

Performance Target #P-21S: Complete implementation of the Independent Verification Program by 9/30/12. (The plan defining the Independent Verification Program will be provided to PXS0 by 9/30/11 per letter discussed above in the measure for this PO).

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The contractor appears to have initially underestimated the complexity of this deliverable and did not make the necessary progress during the first quarter of the FY. After significant discussion with NPO personnel the plan was revised and the essential concepts for implementation were defined. The efforts to recover schedule in the second half of the FY were focused, organized, appropriately staffed and encompassed the appropriate scope. As commendable as this effort was, a higher quality level and more mature implementation could have been achieved if time had not been lost on the front end of the effort. Weaknesses with the independent verification program presented are that activities requiring independent verification could be more clearly identified (e.g. in a list), and the training that was developed per the approved implementation plan needs to more directly address underlying formality of operations and quality issues associated with successful implementation of independent verification.

Performance Target #P-21S.2: Provide an assessment plan for evaluation of the Independent Verification Program to PXSO by 9/30/12. The assessment plan must include an evaluation of the implementation of the program for nuclear explosive and nuclear material operations including the applicable aspects of nuclear material and weapon component packaging, transportation and shipping as well as a sampling of other activities where independent verification has been applied. The Plan must be approved by PXSO prior to initiating assessment activities.

An acceptable assessment plan was provided. The assessment plan adequately evaluates independent verification for nuclear, nuclear explosive, packaging, and maintenance activities. The B&W lead for this effort maintained good communications with NPO personnel and incorporated NPO input into the final assessment plan.

PO #P-22: Operations Systems Development and Integration (OSD&I) Project

B&W Pantex performance was excellent for this Performance Objective.

Performance Assessment:

Performance Target #P-22.1: Modify and submit the OSD&I Project Execution Plan with language that reflects the proposed execution process and effectively manage in accordance with the NNSA approved plan.

During FY12, B&W Pantex modified their Project Execution Plan to reflect the NNSA-approved tailored project management approach. Activities completed before midyear included a Requirements Analysis and Functional Design and Data mapping. The contractor completed an Independent Design Review as well as an Independent Project Review. During these reviews, the OSD&I project was lauded for its ease of traceability of “requirements to design to scheduled tasks”. B&W Pantex maintains all project information on a SharePoint site that enables federal oversight to easily monitor the status of progress, and to remain current on emerging issues and resolutions of the issues.

Performance Target #P-22.2: Effectively manage NNSA Acquisition Executive approved Performance Management Baseline (Scope, Schedule, Cost and Risks).

Pantex is nine months ahead of schedule and slightly below cost. The Contractor has managed two sub-projects (OSD&I Training center and 12-37 Electrical Upgrades) at an estimated savings

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of over \$1.1 million. These savings have enabled the project to fund FY13 shortfalls without additional fund requests. Earned value metrics are reported against the planned accelerated schedule and demonstrate the project is on track to achieve the Go-Live date nine months ahead of the CD-1 baseline schedule. Final planning has started for system testing; 33 scenarios have been developed, expected results are being defined, data set has been defined and is being developed and test cases are being mapped.

PO #P-23S: Enhanced Explosive Site Plan

B&W Pantex performance was good for this Performance Objective.

Performance Assessment:

Performance Target #P-23S.1: Establish formal document configuration control for the Pantex Plant Explosives Safety Site Plan by 12/31/11.

B&W Pantex met expectations on this element by establishing formal document control for the Pantex Plant Explosives Safety Site Plan in December, 2011. The plan and associated work instructions are maintained under configuration management. This is the first document of this type produced resulting in high quality with well defined risks, contingencies and milestones.

Performance Target #P-23S.2: Develop Site Plan criteria and requirements for the Safety Analyses of explosives facilities and operations to be included in future site plans by 3/31/12.

B&W Pantex met expectations on this element by developing site plan criteria and requirements for future safety analysis plans. A letter was sent to NPO on March 29, 2012, confirming completion of this performance target. The criteria and requirements are excellent and will be shared with the DOE Explosives Community.

Performance Target #P-23S.3: Establish the format and content of the Pantex Plant Explosives Safety Site Plan that includes but not limited to: supporting information; Introduction; Revision History; Signature Authority; and applicable Safety Analysis for facility siting.

B&W Pantex met expectations on this element by issuing Revision 6 to the Explosives Safety Site Plan, establishing new format and required content. Signature authority, revision history, executive summary, and safety analyses were included.

PO #P-24S Change 1: Warhead Measurement Campaign

B&W Pantex performance was excellent for this Performance Objective.

Performance Assessment:

Performance Target #P-24S.1: Develop a plan/schedule for authorization and implementation of a process to collect weapon-related measurement data in support of the WMC Program. (Due 2/24/12)

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Original plan was submitted on time; the plan included all sub-components of a well-defined Project Plan. The section on Quality and Process Requirements was notably comprehensive. Subsequent to the issue of the Project Plan, late deliveries from LANL and ORNL necessitated a schedule revision. B&W Pantex had included late delivery of these items in their original Risk Assessment. Trigger dates were included with the risks; therefore mitigation strategies were already in place. The NPO was kept informed of all delays as well as proposed paths forward. B&W Pantex submitted an impact notification letter to NPO on 7/3/2012, and submitted a revised plan with an updated schedule to the NPO on 8/23/12.

Performance Target #P-24S.2: Complete FY2012 milestones for B53 measurements as identified in the plan.

FY12 Milestones for the WMC Project included Management Self-Assessment for the NELA build, building the B-53 NELA, Management Self-Assessment for the B-53 NELA testing, and initiation of the NELA testing. B&W accomplished all milestones in spite of major delays of components critical to the project. B&W Pantex was able to start testing of the B53 NELA in FY12 after receiving the Mock HE more than two months late and the Nuclear Material Identification System (NMIS) over three months late.

PO #P-25S (NEW): W80 Dismantlement – Exceed Baseline

B&W Pantex substantially exceeded expectations by completing 118% of the baseline W80 dismantlement schedule, three months ahead of the PCD requirement. All W80-0 weapons in the stockpile have been dismantled.

Performance Assessment:

Performance Target #P-25S: Exceed FY2012 B&W Pantex scheduled W80 Dismantlement quantities. Fee will be earned in accordance with the following criteria: Earn 25 percent of the available fee by completing 104% of the applicable W80 Dismantlement schedule. Earn an additional 35 percent of the available fee by completing 107% of the applicable W80 Dismantlement schedule. Earn an additional 40% of the available fee by completing 111% of the applicable W80 Dismantlement schedule.

B&W Pantex substantially exceeded expectations by completing 118% of the baseline W80 dismantlement schedule, three months ahead of the PCD requirement. All W80-0 weapons in the stockpile have been dismantled.

PO #P-26S (NEW): Component Disposition Stretch – Component Sanitization and Trainer Dismantlement

B&W Pantex performance was excellent for this Performance Objective.

Performance Assessment:

Performance Target #P-26S.1.a: Reduce storage of scrap energetic and non-energetic components to assure adequate service magazines and warehouse capacity is maintained:

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Reduce baseline of scrap energetic components in buildings 12-58, 12-71, and 12-95 an additional 4% to a total reduction of 24%.

B&W Pantex substantially exceeded this target by establishing the baseline of 1543 sq. ft., and reduced the component volume an additional 4.85% yielding a total by 24.85% reduction in component volume.

Performance Target #P-26S.1.b: Sanitize/dispose of an additional 50 scrap hemispheres for a total of 550 hemispheres.

B&W Pantex substantially exceeded this target by sanitizing 822 scrap hemispheres; thereby exceeding the goal of 550 by 272 hemispheres.

Performance Target #P-26S.1.c: Disposition via sanitization or shipment of 15 additional “PSO boxes” (box, basket, pallet) of weapon components generated from dismantlement operations or excess inventory resulting in a total of 65 “PSO Boxes”.

B&W Pantex substantially exceeded expectations by depositing a total of 124 PSO boxes, exceeding the target quantity of 65 by 59 boxes.

Performance Target #P-26S.2: Accept 7 additional W31 Legacy Weapon Trainer configurations from Y-12 by 7/1/12, matching W31 part number definitions (P/N 300814-00T or 301731-00T) and complete dismantlement of 3 units by 9/30/12.

B&W Pantex met this expectation with an additional seven W31 trainers (P/N 300814-00T or 301731-00T) accepted and entered in the Computer Associates Software (CAS) prior to July 1, 2012. Three of the 7 trainers were disassembled and deposited, with the remaining 4 transferred to the Nuclear Incident Response Program.

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PO #O-1: Project and Construction Management

B&W Pantex performance was excellent for this Performance Objective.

Performance Assessment:

Performance Target #O-1.a: Provide support to PXSO for Approval of Mission Need documents and CD-0s

B&W Pantex exceeded performance in many of the significant criteria areas. The Material Staging CD-0 MN and PRD were completed March 22, 2012 and submitted to NPO-Pantex. Documents were updated and transmitted to NPO-Pantex and HQ in July 2012. The Pre-Energy System Acquisition Advisory Board (ESAAB) for CD-0 was held September 17, 2012. Formal CD-0 ESAAB has been postponed to November/December time frame due to elements outside of Project Control.

Performance Target #O-1.b: Develop Mission Need documents for the Material Staging Facility project and submit to PXSO six months after receipt of authorization to proceed from Headquarters (HQ).

B&W Pantex substantially exceeded performance in almost all of the significant criteria areas. The Mission Need Statement (MNS) and Program Requirements Document (PRD) for Material Staging were transmitted to NPO-Pantex January 9, 2012, 3 months ahead of schedule.

Performance Target # O-1.2.a: High Pressure Fire Loop – Maintain and report (Project Assessment and Reporting System [PARS II]) Earned Value Management System (EVMS) data.

B&W Pantex exceeded performance in many of the significant criteria areas. B&W maintained all PARSII and EVMS reporting on a monthly basis on the High Pressure Fire Loop Project. Project has been maintained overall green for both cost and schedule.

Performance Target # O-1.2.b: Continue to support Pantex Renewable Energy Project documentation and future construction coordination.

B&W Pantex exceeded performance in many of the significant criteria areas. B&W supported Request for Proposal (RFP), provided responses to offerer's questions, and also supported proposal evaluations in Albuquerque the last 2 weeks of September. Efforts should allow award and Notice to Proceed on Project.

Performance Target # O-1.2.c: Minimize Facilities and Infrastructure Recapitalization Program (FIRP) carryover by costing 87% of Operating dollars and 50% of Capital dollars by end of the fiscal year. Costing targets to exclude the baseline amount(s) of those projects executed as Federal Small Business and FIRP Line Item funding carryover that are outside the control of B&W Pantex.

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B&W Pantex substantially exceeded all of the significant criteria. B&W exceeded 87% costing requirements by \$1.2M.

Performance Target # O-1.2.d.1: Report EVMS (PARS II) data with input from the United States Army Corps of Engineers (USACE).

B&W Pantex exceeded all of the significant criteria by working with the USACE in getting workable data to input in PARS. B&W Pantex has provided help and offered solutions to work through some of the reporting issues before they became an issue.

Performance Target # O-1.2.d.2: Provide support to PXSO/USACE as required by the established Project Execution Plan or upon request by PXSO.

B&W Pantex substantially exceeded all of the significant criteria by working with the USACE and NPO-Pantex to work issues and suggested solutions in a timely manner and has worked very well as an integral team member of the HEPF project in providing technical support as required.

PO #O-2: Develop a Reinvestment Strategy for Infrastructure

B&W Pantex performance was excellent for this Performance Objective.

Performance Assessment:

Performance Target #O-2.1: Develop and document a methodology to define importance levels for all Plant SSCs. Importance levels will be developed based on impacts to safety, security, quality, and reliability to meet the Plant's production goals.

B&W Pantex substantially exceeded performance in almost all criteria areas in investigating and documenting a methodology that takes into account importance levels for SSCs. Methodology was briefed to NPO in various stages of draft development in July and August, 2012

Performance Target #O-2.2: Develop the infrastructure reinvestment plan framework for Pantex SSCs by applying the methodology developed in number 1 along with industry life cycle replacement standards.

B&W Pantex substantially exceeded performance in almost all criteria areas in the development of an infrastructure reinvestment strategy that puts in place a schedule for software capability investigation, pilot development, and broader execution and validation. This is expected to be a multi-year effort to get to desired end-state. Infrastructure Reinvestment Strategy Plan was submitted September 26, 2012 and accepted on October 9, 2012.

Performance Target #O-2.3: Maintain existing infrastructure per agreed upon metrics established in the bi-monthly maintenance performance report (backlog, safety backlog, & fire protection).

B&W Pantex substantially exceeded performance in almost all criteria areas by maintaining backlog, safety backlog, and fire protection below agreed to baselines. Fire Protection backlog indicates an increasing trend above baseline at year end, but the overall average for year was well below baseline of 35 work orders (WO's). Safety TRC Rate ended year at .74 rate compared to 1.40 in FY11. 20 safety related WO's < 30 baseline; 40 Fire Protection WO's > 35 baseline;

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B&W Pantex safety incidents record was almost half of the record for FY11.(i.e., 3 accidents vs 7 in FY11; 4 first aid cases vs 12 in FY11, etc.)

PO #O-3: 21st Century Information Technology Infrastructure including Wireless Technology

B&W Pantex substantially exceeded expectations with an overall rating of Excellent in their modernization effort that provided Pantex with a wireless communications infrastructure, mobile worker and teleworker capabilities and enhancements, and increased system reliability, while reducing Pantex's information technology footprint.

Performance Assessment:

Execute initiatives to renew and modernize the Plant's Information Technology (IT) Infrastructure according to project plans established through the CIO Project Prioritization process.

Performance Target #O-3.1: Implement indoor Wi-Fi access for 10 buildings within the PPA, providing access to unclassified network resources.

B&W Pantex met and exceeded their commitment to implement indoor Wi-Fi access to unclassified network resources by providing an eleventh PPA building and six outside locations with this capability, in addition to providing wireless Guest Network services at these locations.

Performance Target #O-3.2: Gain approval for and implement indoor Wi-Fi access for 5 buildings within the LA, providing access to unclassified network resources.

B&W Pantex met and exceeded their commitment to implement indoor Wi-Fi access to unclassified network resources, by providing sixteen indoor locations and one outdoor area for a total of twenty-two Wi-Fi areas in the Limited Area, along with wireless Guest Network services to some locations.

Performance Target #O-3.3: Establish the mobile capabilities for ESMS Shipping/Receiving operations in Building 16-19.

B&W Pantex met and exceeded their commitment to establish the mobile capabilities for ESMS Shipping/Receiving operations in Building 16-19 by providing for the material delivery operations of the Supply Chain process.

Performance Target #O-3.4: Upgrade the Virtual Private Network (VPN) infrastructure located in the Data Center to support teleworker needs with broader clients and capabilities.

B&W Pantex met and exceeded their commitment by deploying Good Technology to Pantex Site Office (PXSO) personnel on government issued iPads, and by providing PXSO teleworkers with dedicated teleconference bridging and a more robust remote access infrastructure.

Performance Target #O-3.5: Deliver Unified Communications & Collaboration (UCC) capabilities to the unclassified enterprise network by implementing Microsoft Lync services,

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to include Instant Messaging, Presence, and Desktop Sharing and to evaluate Voicemail Integration options.

B&W Pantex met and exceeded their commitment to deliver Unified Communications & Collaboration (UCC) capabilities to the unclassified enterprise network by deploying Lync-based webcams at Pantex and by federating the Pantex and Y-12 Lync systems. In addition, an NNSA Production Office SharePoint site was developed and implemented to support site office collaboration.

Performance Target #O-3.6: Migrate data from the IBM ESS (2105-F20) storage systems and retire the units.

B&W Pantex met and exceeded their commitment to move data from the IBM Enterprise Storage Server (ESS) systems and retire the units, by eliminating an additional two IBM storage systems.

Performance Target #O-3.7: Excess 75% of the IBM xSeries servers in the 12-37 Data Center.

B&W Pantex met and exceeded their commitment to excess seventy-five percent of the IBM xSeries servers from the Data Center by eliminating three additional legacy servers for a total of fourteen servers.

Performance Target #O-3.8: Upgrade or eliminate 50% of the 12-37 Data Center servers that utilize legacy operating systems, such as Windows 2000 and Windows 2003.

B&W Pantex met and exceeded their commitment to upgrade or eliminate fifty percent of the Data Center servers that utilize legacy operating systems by upgrading or eliminating an additional ten percent of the legacy servers.

Performance Target #O-3.9: Replace 50% of the End-of-Life Cisco switches on PUCNET and PACMAN.

B&W Pantex met and exceeded their commitment to replace fifty percent of the End-of-Life Cisco switches on PUCNET and PACMAN by also replacing the remaining twenty-five end-of-life switches.

PO #O-4S: Develop Pantex Strategic Infrastructure Plan

B&W Pantex performance was excellent for this Performance Objective.

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Performance Assessment:

Performance Target #O-4S.1: Initiate information development of up to 5 key infrastructure requirements from each of the following functional areas: Manufacturing, HE Production, SNM, Security, and Utilities.

B&W Pantex substantially exceeded performance in almost all of the significant criteria areas in development of the infrastructure requirements in the five key areas. This element supports the Pantex Strategic Infrastructure Plan Deliverable that was published 1 month ahead of schedule.

Performance Target #O-4S.2: Develop document outline with PXSO concurrence.

B&W Pantex substantially exceeded performance in almost all of the significant criteria areas by briefing NPO-Pantex on March 7, 2012 and receiving concurrence with path forward. This element supports the Pantex Strategic Infrastructure Plan Deliverable that was published 1 month ahead of schedule.

Performance Target #O-4S.3: Receive key infrastructure information from the functional areas.

B&W Pantex substantially exceeded performance in almost all of the significant criteria areas by getting the necessary input in the five key operational areas and incorporate in document. This element supports the Pantex Strategic Infrastructure Plan Deliverable that was published 1 month ahead of schedule.

Performance Target #O-4S.4: Integrate information from the functional areas.

B&W Pantex substantially exceeded performance in almost all of the significant criteria areas by taking information from key elements and integrating appropriately into the Pantex Strategic Infrastructure Plan Deliverable.

Performance Target #O-4S.5: Publish FY12 Pantex Strategic Infrastructure Plan.

B&W Pantex substantially exceeded performance in all significant criteria areas in publishing the Pantex Strategic Infrastructure Plan one month ahead of schedule. Plan was published with minimal changes on August 29, 2012 and sent to HQ on September 17, 2012.

PO #O-5S: Develop Pantex Strategic Infrastructure Plan

B&W Pantex performance was very good for this Performance Objective.

Performance Assessment:

Performance Target #O-5S.1: Provide support and revisions to HE ST&E and HE P&S of mission need & program requirements documentation requests as required to support approval two months after receipt of final comments from HQ.

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B&W Pantex exceeded performance in many of the significant criteria areas in supporting the HE ST&E CD-1 alternatives analysis development effort in providing functional requirements and in supporting Enterprise Construction Management Service (ECMS) contractor site visits and tours in August, 2012. This is an on-going effort that will continue into FY13.

Performance Target #O-5S.2: Develop mission need & program requirements documentation for the HE CoE future needs; HE Formulation and HE Component Fabrication and Qualification and submit to PXSO six months after receipt of authorization to proceed from HQ.

B&W Pantex exceeded performance in many of the significant criteria areas in supporting the development of the CD-0 document for the HE CoE projects such as Packaging and Staging, even though direction was not received to proceed with the project. B&W Pantex has proposed conceptual alternatives to further this project and is currently awaiting further direction before proceeding.

PO #O-6: Multi-Site Project Performance & Execution

B&W Pantex performance was excellent for this Performance Objective.

Performance Assessment:

Performance Target #O-6: Subject Matter Expert (SME) representatives from each of the NNSA sites participate in each other's sites Peer Reviews for projects, such as; UPF at Y-12, CMRR at LANL, MOX and PDC at SRS, or other NNSA Projects within the NSE.

B&W Pantex substantially exceeded performance in almost all of the significant criteria in their participation and leadership in the development of the Complex Infrastructure Framework (CIF) which required coordination with other NNSA sites in taking their input and translating it into a capability. B&W Pantex took a leadership role in championing this effort for the Nuclear Assembly/Disassembly and HE Production/R&D/Storage Capabilities for the complex. NA-16 was complementary of B&W Pantex's effort on the CIF team. B&W Pantex also provided SME support for the Nuclear Materials S&S Upgrade II Peer Review.

PO #O-7: Nuclear Facility Safety System Upgrade

B&W Pantex performance was very good for this Performance Objective.

Performance Assessment:

Performance Target #O-7.1.a: Implement system engineering metrics and performance leading indicators representative of an HRO in support of Governance Transformation. Develop metrics & performance indicators by 11/30/11

This objective was met. NPO and B&W System Engineering teams worked together to develop Metrics and Performance indicators. The Indicators were established by 11/30/11 and sent to NPO on a monthly basis.

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Performance Target #O-7.1.b: Implement system engineering metrics and performance leading indicators representative of an HRO in support of Governance Transformation. Implement the process for evaluating and analyze results from Metrics and Indicators by 1/31/12

This objective was met. The System Engineering Metrics and Performance indicators were provided to NPO on a monthly basis for review.

Performance Target #O-7.1.c: Implement system engineering metrics and performance leading indicators representative of an HRO in support of Governance Transformation. Extent to which Metrics and Performance Indicators are effectively managed to improve nuclear safety system performance and System Engineering effectiveness.

This objective was met. Improvement Summary Reports were generated for the last two quarters of the fiscal year which demonstrated the system improvements made/recommended as well as system engineering program improvements that were accomplished. Generating this report was delayed. The original specified monthly frequency for issuance provided little value. NPO concurred with this determination.

Performance Target #O-7.2.a: Maintain & enhance System Engineering program to support accomplishment of Pantex Core Nuclear Mission. Improve quality of engineering documents.

This objective was partially met. Contractor self-assessments were performed after the mid-year review and at the end of the fiscal year. B&W's overall conclusion was that the established programs are performing satisfactorily. Some minor opportunities for improvement were noted with numerous strengths at the mid-year assessment. The end of year assessment report identified two findings, seven weaknesses, and nine observations which should help strengthen the program and engineering documents generated by system engineering. Although the issues identified by the contractor were considered valid and substantial, the additional issues identified by NPO-Pantex in an independent assessment at end of the fiscal year indicated that a more objective and critical review should have been conducted. Issues were identified in the independent assessment, which were not discovered by the contractor.

Performance Target #O-7.2.b: Maintain & enhance System Engineering program to support accomplishment of Pantex Core Nuclear Mission extent to which safety system improvements are identified and completed (Work Order/Modification completions).

This objective was met. Improvement Summary Reports were generated for the last two quarters of the fiscal year which show the system improvements made/recommended as well as system engineering program improvements accomplished. Seismic repairs as well as solenoid valve replacements are examples of system improvements accomplished this year.

Performance Target #O-7.2.c: Maintain & enhance System Engineering program to support accomplishment of Pantex Core Nuclear Mission. Timely updates to engineering documents.

This objective was met. Design change proposals (DCP) were tracked via performance indicators and B&W dedicated resources to focus on updating the engineering drawings this fiscal year. Improvement Summary Reports, which were generated for the last two quarters of the fiscal year,

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indicated that engineering documents were being updated more timely. For example, the average age of a DCP decreased from 4.2 years to 3.4 years by the end of the fiscal year.

Performance Target #O-7.3.a: Improve & enhance NPH mitigation (flood, seismic, lightning) support the mission extent that a prioritized risk based flood mitigation/prevention strategy implemented and associated Project Plan is developed.

This objective was met. The B&W Pantex Risk Based Flood Mitigation/Prevention Improvements Master Plan was submitted by 3/30/12. The plan appropriately prioritized the needed plant improvements necessary to mitigate/prevent flooding from a PC-1 storm/flood event.

Performance Target #O-7.3.b: Improve & enhance NPH mitigation (flood, seismic, lightning) support the mission extent that Seismic Planned Improvements are completed.

This objective was met. Progress was made on accomplishing Seismic Planned Improvements. Ceiling repairs were completed for three facilities and a seismic monitor was installed. Field activities were performed by NPO-Pantex which concluded that the activities were performed satisfactorily.

Performance Target #O-7.3.c: Improve & enhance NPH mitigation (flood, seismic, lightning) support the mission extent that milestones are completed in accordance with the Lightning Project Plan.

This objective was met. B&W completed all actions as scheduled in the Lightning Protection Plan. B&W submitted status reports as scheduled and provided routine briefings to the NPO to highlight potential issues.

Performance Target #O-7.4.a: Improve and enhance the Fire Protection SMP - Evaluate effective metrics and performance indicators to enhance fire protection program processes and documentation.

This objective was met. NPO and B&W System Engineering teams worked together to develop Fire Protection Program Metrics and Performance indicators by 11/30/11. These indicators and the analysis of the data to enhance nuclear safety are still evolving.

Performance Target #O-7.4.b: Improve and enhance the Fire Protection SMP - Extent that process modifications and changes are initiated to ensure a positive trend in the Metrics and Performance Indicators.

This objective was met. The Fire Protection Program Metrics and Performance indicators were provided to NPO on a Monthly basis for review. In the quarterly issues summary reports, credited fire protection system improvements are included. For Fire Protection Program issues, the data being collected was substantial; however, the analysis and prioritization needed to implement program improvements was not as effective as expected.

PO #O-8S: Enhance Energy Management and Energy Savings

B&W Pantex performance was excellent for this Performance Objective.

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Performance Assessment:

Performance Target #O-8S.1: Install system software and electric, natural gas and steam meters in Pantex Plant buildings identified in the Pantex Metering Project Plan, as practicable, to progress toward the EPACT 2005 and HPSB goals under the EMIP.

Despite significant funding issues identified with supporting this work, the contractor was able to install 13 meters in support of this effort.

Performance Target #O-8S.2: Improve the percentage of achievement in EPA's Building Portfolio Manager program for select Pantex Plant buildings. Approximately 15 Plant buildings will be fitted with the appropriate meters to increase the percentage of achievement for HPSB under Portfolio Manager.

The contractor was able to meet the goal of installation of 15 meters with no significant impact to facility operations.

PO #O-9: Contractor Assurance Program (CAS)

B&W Pantex performance was excellent for this Performance Objective.

Performance Assessment:

Performance Target #O-9.1: CAS Program Management: The CAS provides performance information that is accurate, reliable, and timely in all mission areas. Managers use the information provided by the CAS to meet mission objectives and contract requirements. The CAS effectively drives needed performance improvement. Enhance implementation of the Pantex Governance Steering Committee.

B&W Pantex met expectations in all areas of the CAS. B&W Corporate performed a revalidation of the Pantex CAS and noted improvement across all five areas of the CAS. B&WP declared readiness for federal affirmation in September 2012. The CAS Report is showing improvement and contains accurate and reliable information that is useful to both NNSA and B&WP Managers.

Performance Target #O-9.2.a: CAS Assessments Planning and Execution - Assess contractor requirements contained in a "Smart Sample" of List B directives and from 20% of the DOE Orders and Manuals listed in Attachment 1 of DOE Order 410.1.

B&W Pantex met expectations by completing seventeen prime contract list B assessments and two assessments of DOE O 410.1.

Performance Target #O-9.2.b: CAS Assessments Planning and Execution - Assess a minimum 20% of the TSR controls (includes administrative controls, specific administrative controls, surveillance requirements, and in-service inspections) and the Safety Management Programs (SMPs) in the DSA.

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B&W Pantex met expectations by completing 68 TSR assessments and two SMP assessments. A minimum of 63 TSR assessments was needed for the 20% requirement.

Performance Target #O-9.2.c: CAS Assessments Planning and Execution - Provide a DRAFT FY13 CAS Assessment Risk Model by 7/15/12 and the final Risk Model and FY13 CAS Assessment Schedule (Primavera) by 9/30/12.

B&W Pantex met expectations by delivering the FY13 CAS draft Assessment Risk Model to NPO on 7/12/12. NPO returned the model to them with the NPO shadow assessments indicated on 9/6/12 and published the final FY13 CAS assessment schedule on 9/13/12.

Performance Target #O-9.3: CAS Report: Provide quarterly CAS reports to PXSO by the last day of the month following the end of each quarter. Provide routine CAS reports to PXSO to identify emerging Plant issues having significance to B&W Pantex Senior Management; delineate actions developed to address the issues and mitigate their impact on performance; report progress toward issue resolution/reduction; and monitor performance on an ongoing basis to continuously recognize high performing processes, evaluate execution of critical-to-business processes, continuously identify emerging issues, and measure the success of improvement actions.

B&W Pantex met expectations by providing the NPO with a Quarterly CAS Report by the last day of the month following the end of the quarter. This report identified the top issues (concerns) of B&W Management. The report significantly improved from the first quarter to the fourth quarter, by B&W focusing primarily on “issues.” The issues were identified and the status of corrective actions was discussed.

Performance Target #O-9.4: Directives Reform: Schedule and administratively support meetings of the Joint Operating Requirements Review Board (JORRB) upon request by PXSO. Based on operating experience of the JORRB, revise the charter to incorporate the lessons learned, and when possible, institutionalize the JORRB in Pantex procedures approved by PXSO. Technical evaluations submitted to the NNSA/HQ EORRB Executive Operations Requirements Review Board (EORRB) will be of sufficient quality, thoroughness, and completeness that “re-work” will be minimized.

B&W Pantex met the expectations by being prepared to support the JORRB as requested.

Performance Target #O-9.5: Assessment Review Team: Reduce the ART backlog from the FY11 baseline of 3 quarters of assessments to one quarter. Increase the percentage of ART reviews from the FY11-level of 80% to 90%, exclusive of Safeguards and Security assessments and Internal Audit assessments.

The B&W Pantex ART exceeded expectation. The ART completed the backlog of FY11 assessments and reviewed approximately 90% of the FY12 assessments. The feedback that the ART is providing to the B&W Pantex assessors is providing assessments to the NPO that contain substantial improvement in the rigor and quality of the assessments.

PO #O-10: Comprehensive Emergency Management System (to include, COOP, and enhanced Emergency Operations & Response)

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B&W Pantex exceeded some of the emergency management performance targets for this Performance Objective. B&W Pantex maintained a comprehensive Emergency Management System that generally complies with DOE Order 151.1C in responding to Operational Emergencies (reference B&W Internal Audit Report). The contractor updated emergency management Handbooks however these desk aids are not implementing procedures. B&W briefed the Agreement in Principle stakeholders on Emergency Action Levels (EALs) and the Emergency Planning Hazard Assessments (EPHAs) which was viewed as positive by NPO. However, EPHAs and Hazard Surveys have not been submitted to NPO for approval in accordance with the DOE Order. Also, B&W completed a comprehensive assessment of the COOP program which was thorough, self-critical and identified a number of improvement areas. In addition, B&W completed a Kaizen of the emergency management program that was viewed as a positive gesture to continuous improvement of the program.

Performance Assessment:

Performance Target #O-10.1: Transition from volunteer organization to designated position based upon job task analysis to the depth required to ensure an effective response.

B&W Pantex developed, approved, and implemented the Emergency Response Organization Transition Plan. The Plan allowed B&W to transition from a volunteer organization to designated position with a number of tasks to be completed at an unspecified future date. Generally, a number of significant tasks/actions in the Plan have not been completed including ERO as part of performance evaluation process.

Performance Target #O-10.2: Identify training requirements and ensure training is maintained at the 90% level for this transitional organization.

B&W made admirable strides in identifying training requirements and developing metrics to monitor performance. The metric is a good idea for tracking and trending of performance but NPO could not determine if the correlation between the metric and the training matrix is effective. B&W conducted an extensive job task analysis, incorporated staffing levels in Handbook-0021, compiled the list of required positions and performed monthly training reviews of ERO personnel training that align with the new organizational structure. B&W's job task analysis (e.g., ERO Member, Joint Information Center, and ERTF Member) evaluated the initial steps taken by the group to respond to facility emergencies. However, an individual job task analysis is needed for each ERO position. Also, incorporating staffing levels in Handbook-0021 is a nice addition to the program however, the handbook is only a desk aid and more formality is required.

Performance Target #O-10.3: Develop a formalized process that will ensure the adequate staffing/deployment of emergency response facilities and functions.

B&W developed an ERO Watch Bill that allowed the transition from a volunteer to specific organizational division assigned positions. To enhance the emergency response program, B&W updated many of the Handbook(s) that incorporate checklists to better reflect the ERO role-based work-flows. Also, the ERO Watch Bill is described in a desk aid rather than a formal implementing procedure.

Performance Target #O-10.4: Conduct scheduled and off-hours/no notice response drills fully staffing emergency response (EOC, JIC, AEOC, etc.) and deployment positions.

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B&W has made significant progress to improve the number and types of drills, including off-hours/no notice from last year. However, B&W was challenged by submitting drill reports within the required thirty day of the drill and some of the drill reports contained incomplete information and signatures. In addition, the B&W post-drill critique section lacked substantiating and completed information while the Master Drill Guide did not address participant feedback, corrective actions, lessons learned, and tracking and trending of issues.

Performance Target #O-10.5: Integrate off-site authorities into the emergency response management system and develop coordination protocols.

B&W updated and verified Plant Shift Superintendent and ERO checklists for notifying stakeholders. The revised Joint Information Center Handbook-0014 formalized off-site integration processes between the various stakeholders. B&W also updated Handbook-0015 which clarified lines of communication between various organizations including roles and responsibilities between the Pantex emergency manager, oversight manager, and off-site officials during an event. B&W presented to stakeholders current EALs and EPHAs which was considered positive by all. However, more attention is needed in keeping stakeholders aware of changes/revisions to emergency planning documents. B&W revised the notification form and initial press release template which was considered a positive attempt to improve the emergency management notification process. However; stakeholders were not allowed to comment on these updates. Also, revising Handbook-0015 was a positive step to improve the program however a handbook is not an implementing procedure (i.e., desk aid).

Performance Target #O-10.6: Provide support to PXS0 in the development of a COOP Plan that focuses and addresses the response and requirements of PXS0.

B&W personnel completed an assessment of the COOP program. The COOP self-assessment was thorough and self-critical and identified a number of improvement areas. The corrective actions from the self-assessment were used by B&W during the Kaizen review to improvement the emergency management program.

PO #O-11: Environmental Protection Program

B&W Pantex performance was excellent for this Performance Objective.

Performance Assessment:

Performance Target #O-11.1: Receive no significant violations or adverse regulatory actions from noncompliance with requirements.

B&W met this target by having no significant violations or adverse noncompliance actions.

- The Texas Commission on Environmental Quality (TCEQ) conducted a comprehensive compliance audit on the Pantex Public Water System that resulted in no findings and was able to maintain a Superior Rating.
- The Texas Department of Agriculture conducted a comprehensive compliance investigation on Restricted Use Pesticide requirements implementation. No findings were identified and

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the investigator complemented on how well Pantex generated and maintained compliance documents.

- For the eighteenth consecutive year, the TCEQ's investigation of Waste Management Program (*Resource Conservation and Recovery Act*) resulted in no violations or areas of concerns.
- The comprehensive Five-Year Review of remedial actions implemented at Pantex pursuant to the *Comprehensive Environmental Response, Compensation, and Liability Act* was conducted by a joint TCEQ and Environmental Protection Agency investigation. The investigation concluded that remedial actions implemented continue to ensure protection of human health and the environment.
- The petroleum delivery certificate was received from TCEQ and is based on a compliance self-certification of regulated petroleum storage tanks, which allows the site to receive fuel delivery until June 2013. Internal review and investigation of program implementation concluded that all required compliance actions and documentation are in place
- B&W continues to demonstrate conformance with requirements necessary to maintain Gold level membership in the Clean Texas Program.

Performance Target #O-11.2: Modernize Air Compliance monitoring and tracking software that will enhance Environmental Regulatory Compliance capabilities.

This Target was met by B&W transitioning their air quality spreadsheet-based software to database software developed by an outside contractor. The new software will reduce the risk of data loss and software limitations, thereby ensuring the ability to demonstrate air quality compliance. The new software will:

- Increased capability will be provided to update emission calculations and revised or new reporting requirements to address changes in Plant operations and/or changes to existing regulations or promulgation of new regulations.
- Comprehensive review of emission factors, emission rates, and calculations during data system loading will be provided.
- Risk associated with data loss will be reduced and software limitations inherent to previous software system used.
- A definitive way was developed to demonstrate compliance with new regulations associated with stationary engines where compliance demonstration is required beginning in May 2013.
- Real-time access to reports and compliance information will be provided for NPO.

Performance Target #O-11.3: Ensure deliverables provided are timely and of quality nature to allow adequate processing by Site Office.

B&W met this target by providing quality documents in a timely manner.

- Provided written rationale and regulatory basis resulting in the TCEQ issuing a modified water quality permit (WQ000439700) April 5, 2012, allowing for subsurface irrigation at four tracts (one new tract included) and use of treated effluent resulting from environmental restoration activities for other beneficial purposes including firefighting, vehicle washing, facility washing, and utility make-up water.
- Selected as NNSA's nomination for the Migratory Bird Presidential Award based on comprehensive documentation of program accomplishments.
- Received a 2012 NNSA Best in Class P2/Sustainability Award (Pantex IT Goes Green) in the Energy category for comprehensively documenting and submitting actions associated with energy-reduction initiatives.

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- Received a 2012 DOE Sustainability award (Pantex Firing Ranges Go Green) for comprehensively documenting and submitting actions associated with waste minimization at Pantex firing ranges.
- Prepared and submitted the Annual Toxic Release Inventory (TRI) Report.
- Prepared and submitted the Calendar Year 2011 National Emission Standards for Hazardous Air Pollutant (NESHAP) Report.
- Prepared and submitted the annual compliance report required by permit WQ0004397000. The report included information on water quality, soil analyses results, and agricultural crop production. All information submitted indicated compliance with terms and conditions of the permit.
- Prepared and submitted the Pantex Site Sustainability Plan.
- Prepared and submitted the FY11 DOE Federal Archeology Report for Pantex.
- Prepared and submitted the Annual Burning Ground Monitoring Report required by permit HW-50284.
- Received closure approval from the TCEQ for three waste management units in response to the closure report prepared and submitted. No deficiencies or requests for additional information were received from the TCEQ during the review of the closure report.

Performance Target #O-11.4: Provide Template and/or Rough Draft of Long Term Stewardship 5 year report.

This Target was met by B&W providing a draft template/outline for the Long0Term Stewardship (LTS) five-year report and submitted to the NPO-Pantex, TCEQ in Austin, and the EPA in Region 6.

PO #O-12: Nuclear Incident Response Program (NIRP)

B&W has done an excellent job of maintaining Nuclear Incident Response Program (NIRP) capabilities in accordance with DOE 0 153.1 and applicable Work Authorization Statements (WAS), and has fully supported all NNSA and Other Government Agency (OGA) requests that utilize Pantex resources. The NIRP program has done an excellent job of addressing needs expressed by its principle customer at NNSA HQ.

Performance Assessment:

Performance Target #O-12.1: Implement annual operating plan for the NIRP.

B&W developed and implemented an annual operating plan for the NIRP. The NIRP manager has worked with other managers within the B&W corporate structure to ensure the plan is executed and providing the necessary resources where appropriate.

Performance Target #O-12.2: Implement plan for classified operations at the NIRP Compound.

B&W has developed an appropriate security plan for the NIRP. The security plan allows for classified operations.

Performance Target #O-12.3: Keep PXSO regularly informed of NIRP operations.

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B&W has notified the NPO of all deployments and kept us abreast of potential deployments. Monthly reports are comprehensive and document activities as appropriate. Quarterly briefings have been very good providing the necessary information about operations.

Performance Target #O-12.4: Ensure NIRP activities are covered under governance reform CAS.

The NIRP has been added to the overall assessment schedule and an assessment has been conducted. From that assessment specific strengths and weaknesses were identified as well as a number of observations. Corrective actions are underway.

PO #O-13: Implementation of HRO at the Pantex Plant

B&W Pantex has done a good job in operating as a High Reliability Organization under the four practices established in the B&W Pantex publication High Reliability Operations – A practical Guide to Avoid the Systems Accident. Somewhat contrary to the implementation of HRO, are the results of the HSS and Texas Tech safety culture survey which indicate a general lack of understanding of the basic principles of HRO within the B&W Pantex workforce. It appears to be evident from the above findings that while B&W leadership and department managers were actively engaged in improving the safety culture, the HRO initiative has not adequately reached employees at the lowest levels of the organization.

Performance Assessment:

Performance Target #O-13.1: Produce the FY12 HRO implementation plan that contains objectives for FY12 that are consistent with continuous improvement for achieving high reliability operations and achieves those objectives.

B&W accomplished a significant milestone in the development and revision of an HRO implementation plan. The activities documented in the plan were effectively accomplished but there was no apparent flow-down to the lowest levels of the organization. As noted in the HRO IP, B&W effectively used the HRO tools to effectively determine systems effectiveness in a number of areas though out the plant.

Performance Target #O-13.2: Execute the FY12 Pantex HRO implementation plan.

B&W very effectively implemented the HRO implementation plan in a number of areas to include Explosives Technology, SNM operations, and security. Within these organizations there is clear evidence, as presented to the NPO, that a shared vision was developed relating to high reliability, systems thinking, and organizational culture. B&W also began the development of a site merger framework for the NPO, and ultimately the M&O contractor, by introducing HRO concepts to senior managers at both Y-12 and Pantex and by facilitating two major Causal Factor Analyses (CFA) efforts at Y-12. These CFAs introduced a significant number of individuals to a systems approach to high reliability. In addition, B&W completed all deliverables and tasks identified in the HRO implementation plan. Through their efforts a number of deep dives and process mapping efforts were accomplished.

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PO #O-14S Change 1: Develop a Comprehensive Pantex Plant “Capabilities” Dossier

B&W effectively developed a comprehensive capabilities briefing that identifies what Pantex has to offer in terms of skills, competencies, and expertise. B&W has effectively presented this brief to a number of customers and potential WFO customers. Along with this briefing a set of Pantex capabilities brochures were developed that effectively showcase key functional areas.

Performance Assessment:

Performance Target #O-14.1: Provide a comprehensive capabilities briefing package (power point slides, handouts/brochures) that showcases Pantex competencies and expertise.

B&W exceeded expectations with the development of a capabilities briefing.

Performance Target #O-14.2: Provide a subset of the comprehensive package with a special focus on Work for Others opportunities.

B&W produced exceptional brochures for marketing the WFO community.

Performance Target #O-14.3: Conduct at least one capabilities briefing for PXSO and B&W senior managers.

B&W effectively presented the briefing to the NPO as well as other customers.

PO #O-15S: WFO/IWFO Activity Facilities

B&W identified identify and initiated the process to obtain the full-time use of appropriate “nuclear-grade” facilities in Zone 12 MAA and a non-nuclear grade facility in Zone 12 North.

Performance Assessment:

Performance Target #O-15S.1: Identify the use of a nuclear-grade facility located within the plants MAA (12/31/11).

B&W successfully identified two nuclear-grade facilities in the MAA.

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Performance Target #O-15S.2: Identify the use of a non nuclear-grade facility located within zone 12 North (3/31/12).

A Zone 12 North facility was appropriately identified.

Performance Target #O-15S.3: Provide facility upgrades/modifications within budget constraints to ensure its effective use to support IWFO activity (9/30/12).

B&W identified facilities that could perform the function without modification. Equipment necessary for use of the facilities has already been relocated (trainers, tooling, etc).

PO #S&S-1S: Defense Nuclear Security (DNS) Management Excellence

B&W Pantex performance was good in fulfilling the expectations of this Performance Objective. Continued execution of the Strategic Operations Efficiencies Review provided Pantex additional reductions to resource requirements and the ability to align with future year budgets while not degrading or compromising effective protection. Additional funding from the Defense Nuclear Security Program Office allowed for an acceleration of the SOER and realization of its benefits earlier than planned. Quarterly program reviews and AOP deliverables exceeded expectations.

Performance Assessment:

Performance Target #S&S-1.1: Maintain effective performance, completed on-time, and within budget.

In FY12 the B&W Pantex S&S Division budget formulation process was transparent and involved the NPO throughout. It was detailed, and consistent with the established costing principles as approved by both the Site Office and NA-70 leadership. Department managers provided detailed submittals for their components to include FTEs, Non-Labor requirements, and supporting data detailing budget requirements for each department, including security risks and mission impacts for requirements not funded. The Division utilized a detailed review process to obtain final approval of the budget submittal which included reviews and concurrence by B&W Pantex Senior Management, the NNSA Production Office (NPO) Assistant Manager for Safeguards and Security (AMSS), and the NPO Manager.

Performance Target #S&S-1.2: FS-20 Budget Request provides linkage of resources i.e., dollars and Full Time Equivalent (FTE) to AOP work packages/activities.

The B&W FY12 budget demonstrated clear linkage between FTEs and funding as shown on both the AOP and PF supplemental. The budget execution process is considered effective and comprehensive. B&W Pantex also ensures any changes are identified and submitted to a formal change control process that includes not only the NPO AMSS, but NA-70 depending on the dollar level involved. B&W Pantex conducts monthly budget analyses and provides various reports to PXSO for review. Additionally, B&W Pantex security management successfully conducted numerous internal budget deep dives that provide the budget highlights in each S&S functional area and is a very effective tool in the budget execution area.

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Performance Target #S&S-1.3: Progress is tracked and reported to PXSO at Quarterly Program and Budget Reviews.

B&W Pantex submitted quarterly Management Systems Assurance Program (MSAP) reports that included annual operating plan updates and performance metrics. Additionally, a quarterly briefing was presented to PXSO AMSS with status updates on budget execution, PEP objectives and targets, program health and effectiveness of each of the topical areas, accomplishments and areas of focus. As demonstrated through each of these briefings and reports there was a clear incorporation of traceability between planning and execution.

Performance Target #S&S-1.4: Final approved AOP is provided to Defense Nuclear Security by 08/01/12.

The FY13 AOP and Protective Force Supplemental were submitted to PXSO and provided to DNS on time and included all requested information.

Performance Target #S&S-1.5: Achieve full compliance with DNS Costing Principles and Budget & Reporting (B&R) categorizations in both budgeting and execution (costing).

The B&W budget formulation and execution was aligned with the DNS costing principles and B&R categorizations. Any changes or deviations were fully transparent and coordinated with both the NPO and DNS organizations.

Performance Target #S&S-1.6: Provide all DNS Planning, Programming, Budgeting and Evaluation (PPBE) deliverables according to DNS schedule and instructions.

Quarterly AOP and PF supplemental information was submitted on time and contained the requested information. Additionally, data calls throughout the FY were submitted in accordance with the request and were professional and high quality products.

Performance Target #S&S-1.7: Provide data inputs and expertise as requested by DNS in support of an Enterprise-wide lifecycle management program as described in the Physical Security Technology Management Plan (PSTMP).

B&W Pantex submitted information and participated fully in activities associated with the development and implementation of the PSTMP. Additionally, the Remedy system used by B&W Pantex was considered a best practice by DNS. At their request information on the program and process was provided to DNS as an example to follow at other NSE sites.

Performance Target #S&S-1.8: Provide data inputs and expertise as requested by DNS in support of the Security Commodity Team.

B&W Pantex personnel participated as members of the Security Commodity Team and one serves as the co-chair. B&W Pantex provided valuable data on the standardization of various components of the S&S program and led the initiative of conducting a survey specific to ammunition requirements.

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Performance Target #S&S-1.9: Implement all NAP requirements into site policies and operational practices.

NAPs 70.2 and 70.4 were fully implemented and B&W Pantex participated on working groups and review teams associated with the draft NAPs.

Performance Target #S&S-1.10: Identify and address skills gaps for S&S staff.

During FY12 B&W Pantex conducted three sessions of Lieutenant Leadership Training (LLT) designed to make the transition into management smoother and equip PF officers with administrative and leadership skills. Additionally, development of a Staff Development Training course was begun and will be a focus in FY13. B&W Pantex also has an established continuing education program designed to assist personnel in obtaining higher education. Several S&S personnel have and are taking advantage of this program.

PO #S&S-2S: Implement Operational Efficiencies

B&W Pantex performance was good in fulfilling the expectations of this Performance Objective. Through continued implementation of the strategic operations efficiency review (SOER) several posts and patrols were reduced and several processes were evaluated and improved upon to reduce variability and increase barriers to failure. Additionally, the annual review of PF planning, tactics, and training was conducted with enhancements identified to include more integration and formalized documentation of the strategy.

Performance Assessment:

Performance Target #S&S-2S.1: Site efforts are clearly articulated in a long range plan

In previous FY's B&W Pantex S&S Management conducted an initiative termed a Security Operational Efficiencies Review (SOER). The purpose of the review was to conduct a requirements-based review of all personnel assignments within the S&S Division, identify areas where new technology and revised procedures could increase PF efficiency, analyze the effectiveness of tactical command and control, and review training methodology and resourcing. Continued implementation of the SOER resulted in the elimination of positions. Throughout the implementation phase B&W Pantex continues to balance technology, tactics, and procedures in the PF with corresponding reductions in staffing while maintaining compliance with the Graded Security Protection (GSP) policy. In addition, efforts for acquiring and implementing new security related technologies to be used to increase the effectiveness of the PF are on schedule.

A Lieutenant (LT) leadership course was developed in FY11 to increase the knowledge and skills of personnel selected for LT positions. The course was designed to provide training to assist new leaders in making the transition from SPO to Officer. Classes were conducted throughout FY12 with positive feedback as to the value of the course.

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Performance Target #S&S-2S.2: Identified milestones are accomplished.

B&W Pantex completed several milestones associated with security footprint reduction such as the destruction of over 11,883 classified parts; 540,338 unclassified sensitive parts; and 22,652 classified documents.

Performance Target #S&S-2S.3: Equipment is identified and dispositioned in accordance with established procedures.

A number of lifecycle replacement activities were accomplished and included exterior gamma radiation pillars, ground surveillance radar, and the intrusion video assessment system (IVAS).

Performance Target #S&S-2S.4: New technologies are implemented.

There were several new technologies scheduled for implementation during the FY. There were concerns noted in this area as far as adequate training on the technology prior to implementation specifically UTBs. Additionally, the Zone 4 camera replacement project is behind schedule and has experience unforeseen difficulties with weather and the contractor performing the work. B&W is working the project and anticipates completion in the near term however it will not be accomplished as planned.

Performance Target #S&S-2S.5: SSSP is updated.

B&W Pantex conducts quarterly updates of the SSSP and is reviewing as part of the annual review in FY12. Change control of the SSSP and associated documents is a solid process and ensures changes are coordinated and executed appropriately.

PO #S&S-3: Effective S&S Programs in all Functional Areas

B&W Pantex performance was good in fulfilling the expectations of this Performance Objective. The B&W Pantex annual assessment included all topical areas. Over the course of the year B&W Pantex completed numerous individual performance tests and self-assessments. All topical areas were rated as satisfactory.

Performance Assessment:

Performance Target #S&S-3.1: Achieve a satisfactory, or effective, rating in Site Office surveys or assessments.

During the FY there was an increased focus on the contractor assurance system (CAS). B&W Pantex used a risk ranking methodology to determine assessment activities for all S&S topical areas. B&W worked closely with the NPO to develop a site integrated assessment plan (SIAP) and schedule for FY12. B&W Pantex provided the NPO with copies of reports and quarterly program reviews and MSAP reports. B&W Pantex has consistently focused on critical management issues and concerns communicating them to the NPO and NNSA DNS, as appropriate. The overall issues management program for S&S is well led and covers all topical areas. As necessary, Joint Issues Management Review Board meetings between B&W and NPO were convened to examine issues and support effective, comprehensive and timely resolution. As

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a result of B&W efforts in this area the Pantex Plant S&S assessment program is assisting to improve both B&W and NPO organizations.

The S&S Personnel Security sub-topical Human Reliability Program, programmatically managed by the B&W ESH&Q Division, remains a chronic anomaly; receiving two repeat external NPO-P findings related to the B&W Drug and Alcohol Testing Program during the 2012 survey. These issues are in the process of being communicated through the Joint Issues Management Review Board meetings between B&W and NPO.

Performance Target #S&S-3.2: Notify the site office of all self-assessment activities such that PXSO has the opportunity to shadow.

The notification to the NPO of all self-assessment activities improved in FY12 however there continued to be changes late in process and notification was often times immediately prior to the activity. Additionally, a share point site was established to improve the scheduling and communication of assessment activities however it was not maintained current by all B&W personnel and towards the end of the FY became a tracking device for non-assessment related activities such as medical appointments and vacation. Although an area for improvement B&W's conduct of self-assessment activities include numerous opportunities to shadow and observe thereby reducing the impact of the notification failures.

PO #S&S-4: Implement an effective S&S CAS

B&W Pantex performance was good in fulfilling the expectations of this Performance Objective.

Performance Assessment:

Performance Target #S&S-4.1: Development of implementation criteria.

B&W Pantex utilizes a risk-informed decision making process approach and draws conclusions from past performance, hazards, and the likelihood and consequences of an adverse security event(s). Through an integrated, collaborative planning process B&W Pantex and NPO SMEs qualitatively evaluated each system element to assess the impact of failure on the S&S Program mission. B&W applied this graded HRO systems approach in determining assessments to be conducted in FY12 as well as the depth and rigor of the assessment. Based on these criteria the performance assurance program plan was submitted to NPO and subsequently approved prior to the beginning of FY12.

Performance Target #S&S-4.2: Development of lines of inquiry.

B&W assessment and performance testing plans contained lines of inquiry and reports reflected those elements were considered during the conduct of the activities. Lines of inquiry were appropriate for the scope of the assessment/test.

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Performance Target #S&S-4.3: Development of a review approach as well as effectiveness criteria.

B&W Pantex implements a review approach consisting of three elements; process, system, and program level assessments. Each of the three levels are then assessed according to compliance, performance and effectiveness based criteria. Plans developed throughout the FY reflected this methodology however many were not approved prior to conduct of the assessment as described in the approved PAP plan. Overall, the conduct of assessments did adhere to draft planning criteria and met the objectives of the assessment.

Performance Target #S&S-4.4: Receive PXS0 “affirmation” of S&S CAS elements.

The affirmation of the S&S CAS program was accomplished by oversight of B&W Pantex performance throughout FY12. Although the FY12 survey report noted areas for continued improvement in planning and scheduling the overall S&S CAS is based on a system approach and ensures the elements contributing to the protection of DOE interests are reviewed and evaluated.

PO #S&S-5: Protective Force Revitalization in accordance with Tactical Response Force (TRF) requirements

B&W Pantex performance was good per this Performance Objective.

Performance Assessment:

Performance Target #S&S-5.1: Develop, execute, and sustain PF measures in accordance with revised SIRPs and SSSP.

The SIRPs were reviewed early in the FY and again at the end of the FY and updated to reflect planning and execution of the SOER. Primary changes were associated with posture changes linked to the phase in of new technology, improved tactics, and reduction of resources. B&W did not consider the changes earlier in the year as significant therefore the VA modeling, training and documentation were not as formalized and thorough. The changes made at the end of the FY however were of greater significance and B&W is integrating and coordinating to a greater degree with VA, training and management to ensure all personnel are training and effective and the new posture is validated.

Performance Target #S&S-5.2: Tailor protective force duties and training requirements to specific mission-related activities.

B&W Pantex conducted numerous reviews and implemented actions towards improving the duties and training requirements to focus on specific mission-related activities. Training was reworked to target the METL requirements as they are applicable to the mission at Pantex. Additionally, ADEPT and Protective Force leader-led training events are specifically based on the METLs. Alarm Response and Performance Tests (ARAPTs) scenarios were developed to enhance training and includes training on a variety of situations across the force continuum and threat spectrum in order to more fully replicate the range of response options. Additionally, management conducted an analysis of the current Protective Force jobs as currently bid and determined that many of the jobs were residual positions resulting from legacy situations, no

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longer relevant to operations, or created inefficiencies in personnel management. As a result, the 2012 Annual Job Bid was reduced by 35 Security Police Officer specialty positions, allowing for affected personnel and authorizations to be reassigned to the rotating groups. This measure improved control, reduced overtime requirements, and standardized the training levels for all Security Police Officers. This also provides the Shift Commander greater flexibility in routine employment, and enhanced tactical options for the Protective Force in support of the protection strategy.

B&W Pantex successfully renegotiated a new five-year labor agreement. The new contract was negotiated within the approved economic parameters and includes provisions for wage increases and benefits enhancements. In addition to those provisions, the new contract simplified the format and language for easier application and is less punitive and prescriptive toward the Company.

Performance Target #S&S-5.3: Implement protective force supervisor training.

Lieutenant Leadership Training was conducted throughout the year and established a common S&S leadership philosophy and provided practical tools to strengthen supervisor and leadership ability. Additionally, both the National Training Center and B&W corporate training has been identified for future opportunities.

Performance Target #S&S-5.4: Implementation of life-cycle management for PF equipment.

PF equipment has been included in the Remedy software system and is managed by B&W to ensure life-cycle replacement in a timely manner. There were self-identified issues with some PF body armor equipment during the FY and B&W addressed each one to ensure the program remains viable.

Performance Target #S&S-5.5: Implementation of on-shift training.

B&W Pantex increased the conduct of on-shift training. Protective Force Management developed and implemented a 6-week training schedule that is continuously updated to reflect changes and focuses on emerging priorities / deficiencies that are identified during training. Regular meetings are conducted between Shift Leads, the Training Operations Officer, the ADEPT Lead, and Operations Staff officers to integrate PF training, to include on-shift, on-post, semi-annual qualification, drills, and special focus tasks. The implementation of the ADEPT has been key in ensuring the quality and effectiveness of on-shift training specifically in areas such as the Security Incidence Response Plan (SIRP), Tactical Doctrine, equipment, and physical protection systems.

Performance Target #S&S-5.6: Evaluation of cost effective training and qualification alternatives.

During FY12 B&W Pantex successfully conducted one of the semi-annual qualifications on the M19 and M48 firearms in the firearms training simulator (FTS). This reduced costs of ammunition and impact to range facilities/berms. Additionally, B&W Pantex continues to evaluate additional capabilities in the FTS enhancing the qualification and training programs.

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Performance Target #S&S-5.7: Implement command and control enhancements.

The blue force tracking (BFT) technology began implementation in FY12 and provides real-time positioning of the armored vehicles on maps viewable in the central and secondary alarm stations. This enhances the Commanders situational awareness and overall command and control of the situation.

PO #S&S-6 Change 1: Cyber Security

B&W Pantex performance was good per this Performance Objective.

Performance Assessment:

Ensure effective performance of the classified and unclassified cyber security program(s) by:

Performance Target #S&S-6.1: Achieving milestone completions in the approved Risk Management Framework (RMF) implementation plan and effective management of ESN activities.

B&W Pantex achieved full implementation of the risk management framework and met all associated milestones. Additionally, the SIRPnet gateway access was implemented and Application Registry V2, Basic File Share V2, Phonebook V2 and Release 8 components were all successfully developed and deployed.

Performance Target #S&S-6.2: Improving CAS methodology and metrics by effectively integrating the cyber security comprehensive self-assessment into the overall integrated PMA.

Cyber security was integrated into the B&W Pantex CAS program and throughout the FY personnel completed numerous self-assessments as well as all planned management self-assessment and Red Team reviews.

Performance Target #S&S-6.3: Enhancing continuous monitoring capabilities to enable real-time visibility which will significantly improve incident response performance.

- a. Implement NNSA Continuous Monitoring**
- b. Implementation of DLP solution**

B&W Pantex achieved the congressional mandate for continuous monitoring through being the first RSA Archer production instance installation. The Cyber Security Program Plan and Pantex Common Controls & Procedures were also implemented within Archer. Splunk monitoring software was expanded by adding IDS, SEP, FireEye, IronPort and external logging. This enabled more comprehensive and inclusive searches of system log data. Lastly, BlueCoat Data Loss Prevention (DLP) security defense system was fully implemented.

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Performance Target #S&S-6.4: Achieving improved cyber defensive capabilities through:
a. Active participation in NNSA Enterprise activities (e.g. TracerFire) as funded
b. Provide analysis of SANS 20 Critical Security Controls v 3.0 based on RMF process, review gaps, and establish a supporting implementation plan within the Cyber Security Improvement Plan

A gap analysis was completed of SANS 20 Critical Security Controls based on the approved RMF process and security measures were integrated into the Cyber Security Improvement Plan.

Performance Target #S&S-6.5: Creating collaborative processes with Security and Safety departments (Cyber Security, TSCM, NES, Security Systems, CI, Explosives Safety, and IT) to enable efficient deployment of new technologies and projects.

B&W Pantex completed an integrated Wireless Incident Response plan between Cyber Security and Technical Security and established the Desktop VTC implementation plan, enabling use of webcams in conjunction with Microsoft Lync. This was a joint effort with Technical Security and OPSEC. Additionally, support was provided for authorizing Personal Electronic Devices into the Limited Area.

PO #B-1: FY12 Business Systems Oversight Plan (BSOP)

B&W Pantex performance was excellent for this Performance Objective. The ten Performance Targets below representing each Business Area are equally weighed.

Performance Assessment:

Satisfactory performance of all Business Areas captured in the LOP-BM. The Business Areas are:

Performance Target #B-1.1: Purchasing

B&W Pantex Purchasing performed at a level of very good. The Small business goals, as in past years continues to be a B&W strength as B&W Pantex has led the NNSA in Small businesses performance at over 70% for the fifth straight year, which culminated with B&W winning the Eisenhower Award in FY 11 followed by Frances Perkins Vanguard Award in FY 12. Both awards are given by the Small Business Administration (SBA). Cost effectiveness and Key Supplier On-time Delivery of Special Tooling continues to be strong performance areas. A focus area for 2013 is continued improvement in timely execution of construction modifications.

Performance Target #B-1.2: Personal Property

B&W Pantex Purchasing performed excellent in the area of Personal Property. In FY 2012 B&W implemented several initiatives which resulted in nearly 100% inventory accuracy of controlled equipment and sensitive items as well as reducing the cycle time of movement of excess property by up to 90 days resulting in reduced risk in areas of property and safety in a cost effective manner. Finally, B&W effectively reduced the level of Bench Stock and reverting the associated storage space to support maintenance operations.

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Performance Target #B-1.3: Information Resource Management

In FY2012, Pantex benefited from several information technology (IT) process improvements and systems enhancements, including a CFO accredited FY2012 cost avoidances/savings of \$1,663,891, exceeding IT's goal by a factor of five. Some of the most notable benefits were systems stability, establishment of collaborative technologies and enhancements of wireless devices for use by Pantex's shipping/receiving and the mobile worker/teleworker.

B&W IT was a strong leader in the support of NNSA's complex transformation initiatives, such as the NNSA Network Vision (2NV), PRIDE, the deployment of Archer and providing resources nationally and internationally to support NNSA's Enterprise Secure Network (ESN). As a result of these efforts, Pantex is on track for becoming one of the earliest NNSA sites to implement cloud computing for federal (NPO) employees.

Pantex IT increased its maturation level of their management of electronic information systems by incorporating electronic records management requirements and introducing a streamlined software quality assurance approach into the processes. The result will be reduced records management and software deployment costs.

The B&W Pantex CIO has been assigned to the CIO role for both Pantex and Y12. This will improve teaming efforts in support of the NPO merger and in preparation for the contract consolidation.

Performance Target #B-1.4: Internal Audit

B&W Pantex performed excellent in the area of Internal Audit. Internal Audit continues to conduct professional audits and thorough follow-up on corrective actions. B&W was able to gain the resources and training to conduct audits in specialized areas not previously audited such as Medical Claims and Legal Services as well as initiating the review of dependent eligibility performed by HR during the Open Enrollment period. The FY11 Allowable Cost Audit, and the PXSO requested Investigative Report are positive indicators that the Internal Audit Program is an integral part of the internal controls environment of the M&O organization, the CAS program, and the Cooperative Audit Strategy.

Performance Target #B-1.5: Budget Formulation and Execution

B&W Pantex performed excellent in the area of budget formulation and budget execution. In budget formulation, B&W Pantex fully supported the EPAT DSW budget tool, and the numerous programmatic data calls associated with the FY14-18 budget cycle. B&W provided excellent support of the NPO-PX indirect budget validation and provided timely and accurate submittal of Pension Management Plans for the Metal Trades Council (MTC), Pantex Guard Union (PGU) and Non-Bargaining retirement plans to HQ. In budget execution, B&W Pantex successfully recovered from a low carryover from FY11; maintained communication with NPO-PX regarding budget issues through bi-weekly meetings and conducted monthly financial status briefings for NPO Senior Management. In addition, B&W fully supported the NA-14 B&R Code restructure; provided excellent funds control during CR period while fully supporting funds transfers to ensure that the USACE Interagency Agreement was modified by NNSA to be fully comply with Corp subcontractor negotiated funding levels; fully supported OFFM inquires and operational site

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visits; and provided successful oversight of the plant's headcount activity to ensure that budget goals were achieved.

Performance Target #B-1.6: Finance and Accounting

B&W Pantex has exceeded much of the criteria for an overall rating of Excellent. During all four quarters of FY 2012, B&W Pantex' financial management has been rated Good by the Office of Field Financial Management (OFFM). B&W Pantex passed all of the OFFM core financial measures each quarter; their strategic measures input was good, with Internal Audit's self-assessments being the best of all NNSA contractors; and very few notable negatives, or negative comments have been received during the entire fiscal year. The staff has also been very cooperative and accommodating when requests have been made by OFFM and they have shown a desire to complete tasks on time and in an efficient manner. Finally, in the fourth quarter there were three notable positives and one notable negative which related to financial statements environmental liability estimates.

Performance Target #B-1.7: Records and Information Management

B&W Pantex substantially exceeded expected levels of performance in the area of Records & Information Management. B&W Pantex continued to improve processes including converting legacy weapon records to a digital format; significant achievements in the continued implementation of the Universal Records Management (URM) and migration of records from Optix to the URM system (~66K records); completed inventory, index and scheduling of the Video Collection stored in the ROC; published the first Site-Specific Records Retention Schedule; integrated records management requirements into identification and analysis of Electronic Information Systems in order to evaluate them as authorized "recordkeeping systems"; and interfaced with Emergency Management and other NSE sites to validate and protect vital records information.

Performance Target #B-1.8: Training

B&W performed excellent in the area of area of training. B&W continues to improve in training efficiency by 16%. As part of the University of Pantex initiative, the contractor routinely identifies and offers free web-based training from universities across the nation, including Massachusetts Institute of Technology (MIT), Stanford. B&W Pantex also implemented a first ever General Employee Training reciprocity agreement between Pantex and Y-12 reducing the amount of training necessary for general access to both plants.

Performance Target #B-1.9: Human Resource Management

B&W Pantex has exceeded the expected levels of performance in several areas of Human Resources Management. B&W Pantex achieved the early ratification of the PGU collective bargaining agreement without work stoppage and eliminated the need for contingency forces. B&W Pantex enhanced compliance within the EEO and FLSA program by strengthening internal controls, conducting training, and by performing self-assessments. Further, B&W Pantex established a formal succession and leadership development plan and maintained 98% of the essential skills projected for FY12. Finally, B&W Pantex initiated benefit changes resulting in cost avoidances of over \$10.7M in 2012. There was an internal control concern related to promotions inconsistent with established guidelines.

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Performance Target #B-10: Contracts

In the area of Contract Management, B&W significantly exceeded all expectations. B&W was instrumental in administering its Pantex plant Contract extensions- including a revision to the option period(s) outside the terms of the original contract in respect of external events. In addition, B&W played a key role in the implementation of numerous directives including, executive orders and policy flashes, and research on multiple contract requirements. A significant highlight was the partnering with NNSA in the review and assessment of applicable DOE directives in consideration of the changes to the “Directives Reform” initiative, including developing and implementing an Enhanced Directive Tracking Database to address Central Technical Authority (CTA) issues and coordination requirements.

PO #B-2: General Management of the Pantex Plant

B&W Pantex performance was very good for this Performance Objective.

Performance Assessment:

Performance Target #B-2:

During FY12, B&W Pantex addressed the significant funding shortfall at the Plant by implementing a hiring freeze that resulted in a reduced headcount of 150 positions. In spite of the funding shortfall, B&W Pantex exceeded work load assignments including accomplishment of the “Getting the Job Done” goals. Specifically, the contractor completed 109% of the baseline weapon deliverables, 107% of baseline surveillances activity, and baseline W76-1 LEP deliveries to the Navy. In the area of Work For Others, the contractor increased activity by 113% over FY11.

B&W revised work instructions and performed nuclear explosive operations without evaluating those changes through a nuclear explosive safety change evaluation (NCE). Further B&W did not recognize conditions within the Engineering Division that eventually lead to an inadequate response when the concern for the lack of a NCE was raised by an internal safety organization. In this case, a differing professional opinion regarding a nuclear safety process matter was not dealt with appropriately. Issues such as this are an indicator the results of the HSS safety culture survey regarding weaknesses for a safety conscious work environment and working conditions that need attention.

There were several instances where B&W did not aggressively pursue technical resolution of issues (e.g., fire penetration seals) that caused downtime for nuclear facility availability and/or operations. While safety is paramount in these situations, it is also important to pursue resolution in a timely, efficient and effective manner to reduce the time the affected facility or operation is in a not-normal condition. Facilities and operations are typically safest and most efficient when standard operating conditions and requirements are met. Recovering from off normal events as quickly as practical helps assure safety.

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PO #MS-1: Stockpile

B&W met the requirements for this Performance Based Incentive.