



**DEPARTMENT OF ENERGY
NATIONAL NUCLEAR SECURITY ADMINISTRATION
LOS ALAMOS SITE OFFICE**

**FY 2012 PERFORMANCE EVALUATION REPORT
FOR THE
LOS ALAMOS NATIONAL SECURITY, LLC'S
MANAGEMENT AND OPERATION
OF THE
LOS ALAMOS NATIONAL LABORATORY
CONTRACT No. DE-AC52-06NA25396
PERFORMANCE PERIOD
OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2012**

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I. BACKGROUND

This report assesses the performance of Los Alamos National Security LLC (LANS) for management and operation of Los Alamos National Laboratory (LANL) from October 1, 2011 through September 30, 2012, under Contract Number DE-AC52-06NA-25396.

The contract with LANS, awarded in December 2005, reflects a change in the National Nuclear Security Administration's (NNSA) philosophy for performance based contracting. Some of the major philosophy changes reflected are:

1. NNSA specifies "what" it wants rather than dictating to the contractor "how" to get it done.
2. There is an increased reliance on contractor assurance of its systems and operations, which includes a rigorous self-assessment process and significant involvement and oversight from LANS parent companies.
3. The liability for performance is shifted from the government to the contractor.

In 2012, LANS performance evaluation relies evenly between objective performance criteria denoting the "what" that NNSA desired accomplished, and subjective measures that qualitatively assess performance. In order to focus the contractor on government priorities, NNSA's goal is to identify the critical performance areas and metrics. For 2012, 12 sets of performance-based objectives were developed representing over 74 individual milestones and deliverables each with specific performance measures and associated fee, as well as areas of subjective evaluation. Most of the objective metrics/milestones/deliverables are "pass/fail"; that is, if the contractor achieves the performance measures, it earns specific incentive fee tied to the specific measure. If performance measures are not met then partial fee may be earned in some cases or no fee earned depending on how the task was defined. The subjective measures are qualitative assessments with a starting base of FY 2011 performance ratings, then taking into consideration FY 2012 performance records, achievements, disappointments, implementation, concerns, etc, over the year. Then adjustments are made (both positive and negative implications) to arrive at a final rating and recommended fee.

In this sixth full year of performance, it was essential for LANS to maintain momentum, improve upon prior year successes, and address known deficiencies as well as new challenges. FY 2012 marks the fifth year that LANS could earn an additional year of contract term, i.e., extending the expiration date of the contract. Award Term is considered a higher-order incentive in the interests of both the contractor and the government if performance meets NNSA expectations.

To ensure integration and cooperation across the NNSA complex, NNSA Headquarters developed one common objective set (a Multi-Site Incentive) that was used as a standard across the NNSA sites measuring complex-wide goals. This multi-Site incentive was included in this FY2012 performance plan for LANS.

In producing this report, LASO considered LANS self-assessments and closure guidance, materials from monthly performance reviews held with the contractor, field assessments and audits, inspections, document reviews, facility walk downs, visual surveys, as well as DOE/NNSA Headquarters and other customers' input. Section III contains a summary of the fee awarded and award term decision. Section IV reflects LANS' achievement against the objectives and measures.

Under this contract, LANS also receives a fixed fee of 2.5% of the estimated cost of NNSA's total estimated budget for reimbursable projects. For FY 2012 the fixed fee amount for WFO is \$7,994,910. No incentive fee is paid for Work for Others (WFO) projects; however, LANS management of WFO as a portfolio and its facility and operations implications are addressed subjectively.

II. SUMMARY

LANS has had a Good performance year in the area of Programs, Science and Technology, delivering on multiple fronts while simultaneously effectively addressing projected budget reductions and uncertainty. LANS executed over \$2.1B in programmatic work authority absorbing over \$380M in reduced programmatic budget authority and managing continuing resolutions. LANL continues to deliver groundbreaking contributions to science and technology and demonstrate leadership within the Nuclear Weapons Complex in direct support of the National Nuclear Security Administration's Stockpile Stewardship and Management Program. LANS has fully supported the NNSA's Life Extension Program Strategy by developing novel concepts for insertion into LEP designs and developing high quality cost-estimates during Phase 6.2 Studies. LANL successfully executed the Gemini (Castor) Experimental series, applied state of the art diagnostic capabilities, and developed and implemented transformative diagnostic and data analysis tools in support of the weapons program. LANL effectively responded to a decision by NNSA to defer the Chemistry and Metallurgy Research Replacement Project Nuclear Facility through development of a revised Plutonium Strategy, including development and execution of the Plutonium Sustainment and Plutonium Research and Science Strategy Implementation Plans. In addition to meeting key contributions to NNSA's Getting the Job Done in 2012 List, LANL also provided direct support for NNSA Nuclear Non-Proliferation missions exceeding production goals for the DOE Mixed-Oxide Fuel (MOX) program, and delivered several key sensing instruments for use in space-based platforms. LANL achieved a world-record for a second year in a row for non-destructive magnetic pulses in addition to setting a world record for the largest neutron beam by a short-pulsed laser. LANL remains a leader in the DOE enterprise in peer-reviewed publications, with LANL Scientists receiving 94 external awards, including a Presidential Early Career Award for Scientists and Engineers, two E.O. Lawrence Awards, and four R&D 100 Awards.

Operationally, LANS continued to execute upgrades to the Plutonium Facility at TA-55, implementing an updated Documented Safety Analysis, and performing additional analysis and modeling to address potential seismic vulnerabilities. Continuous improvements to the overall safety posture of the Plutonium facility were also achieved through materials consolidation, repackaging and other facility-related upgrades. Maturation of Contractor Assurance Systems was a substantial achievement with LANS increasing transparency and integration with LASO. LANL achieved a new record for TRU Waste Shipments to WIPP for the fourth straight year with LANS exceeding commitments for both volume and overall Material-at-Risk reductions commitments in the Framework Agreement. LANS effectively implemented a Voluntary Separation Process and other flexible workforce reduction activities to mitigate reductions in budget authority and better posture the institution for FY13. Despite significant progress and achievements on many fronts, LANL experienced two significant operational disruptions during FY2012. The first involved the declaration of an Operational Emergency resulting from accidental spread of Tc-99 Radioactive Materials from the Los Alamos Neutron Science Experimental Facility (LANSCE) in August. The second involved the inability to complete construction of the Nuclear Materials Safeguards and Security, Phase II line item construction project.

FY2012 Performance Evaluation Plan wise, LANS has earned the fixed fee of \$19,954,675 as specified in Section B-2 (C) (4) of the contract. The Fee Determining Official (FDO) has awarded \$34,224,479 of performance fee, which is 74% of the LANS FY 2012 incentive fee pool of \$46,560,909. As a direct result of the operational performance score, LANS did not meet performance requirements and hence, did not achieve Award Term gateways.

NOTE: The Fee Determining Official (FDO) withheld an additional \$2,600,000 Management Fee Adjustment (reduction) beyond the base recommendations contained in this PER, based on recommendations from the LASO Site Office Manager, as reflected in the FDO letter issued December 7, 2012. This action resulted in nominal and percentage payout rates that are different by that amount from those in this document.

Highlights for general areas of performance include:

- Multi-Site: LANS continued demonstrated leadership and commitment to the complex in assisting the resolution of multiple challenges facing the Weapons Program. LANS completed all onsite deliverables required in support of the Multi-Site commitments and despite the NNSA Complex not

achieving ignition at National Ignition Facility, LANL did deliver neutron imaging and Gamma reaction history diagnostics in support of this effort. In addition, LANL continued to set an example for the NNSA complex in effective use of the Supply Chain Management System.

- Programs/Science: LANS successfully continued the LANL tradition of high mission success and achievement in weapons, nuclear non-proliferation and global security in addition to significant contributions to the advancement of science and technology. Customer feedback from NNSA and DOE headquarters continues to reflect a high level of satisfaction. Overall MRT performance was 97%, five experiments were executed at DARHT, MOX Pu Oxide production goals were exceeded, and LANL developed the Laser-Induced Breakdown Spectroscopy (LIBS) technology that was successfully deployed on NASA's Mars Science Laboratory. Environmental program performance exhibited sustained high performance levels in meeting State Environmental submissions and again setting a record for TRU waste shipments to WIPP, while also providing technical data in development of a new Framework Agreement with the State of New Mexico Environment Department.
- Operations: Activities to address PF-4 seismic vulnerabilities, implement facility safety and reliability upgrades were effective in maintaining critical NNSA and DOE mission capabilities. LANL demonstrated sustained improvements and steady performance in the Site Safeguards and Security program as evidenced during annual assessments, staff assistance visits and extent-of-condition reviews. LANS collaborated effectively with LASO in the development and implementation of a Risk Management Framework Pilot for Cyber Programs that is a first of a kind for the complex. Sustainment of prior-year initiatives continues to change the culture and condition of operations and facilities at LANL with noted improved trending in transparency, timely reporting of operational issues, event critiquing, and ORPS reporting. Overall DART and TRC reporting trends are favorable; however, sustaining formality of operations across the entire suite of nuclear and high hazard facilities has not yet been achieved. As noted, failure to deliver the NMSSUP II capital line item project on schedule is indicative of continued inability to deliver large construction projects – an area the NNSA has consistently identified as a performance area of concern. In addition to Project Management delivery, Criticality Safety Program depth and throughput capacity, implementation of Area G operational capabilities and safety basis, insufficient recapitalization of infrastructure, and configuration management remain areas of concern. Self discovery of issues and shortcomings is still not at the appropriate level.
- Business/Institutional Management: Progress in the maturation of Management Assurance System (MAS) tools and increased transparency with LASO are noteworthy achievements in 2012. LANS successfully completed FY2012 financial closing in an effective manner meeting or exceeding program goals for execution/carryover in a very tumultuous and uncertain budget environment. LANS efforts in developing a Laboratory Integrated Steering Committee were noteworthy, however, improved transparency and validation of results/effectiveness is still needed. LANS is collaboratively working with NNSA on Governance reforms and initiatives with several key accomplishments completed, including implementation of cost-saving revised two-man rule for the Plutonium Facility. LANS developed a revised cost model for FY2013 implementation and communicated across a broad range of programs and customers to address longstanding compliance concerns. LANS also made substantial progress in streamlining Work for Others (WFO) business processes/systems. Timely closure and follow-up on LANS business practice self-discovery and self-disclosure, long-term site sustainment, and improving Quality Assurance Program effectiveness remain areas of concern. MAS systems must be further matured and additional opportunities to enhance performance and cost effectiveness across the institution must be pursued by LANS.
- Chemistry and Metallurgy Research Building Replacement Project CMRR: LANS completed execution of the Radiological Laboratory/Utility/Office Building (RLUOB) Equipment Installation subproject (REI) assuming occupancy of the facility in preparation for Readiness Review activities necessary to support initiation of Radiological operations in 2013. In response to NNSA direction to defer the CMRR Nuclear Facility construction, LANS effectively developed a stand-down plan for the Nuclear Facility design and has executed this plan ahead of schedule and under budget during FY12.

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LANS also provided effective technical advice and input to NNSA in developing reprogramming recommendations for CMRR funding in support of the revised Plutonium Strategy.

- Award Term:
Not awarded.

NOTE: The Fee Determining Official (FDO) restored Award Term, as reflected in the FDO letter issued December 7, 2012.

FY 2012 Rating Scale

Attachment 2

In order to provide for consistency across the Complex, it is recommended that each site be required to utilize the four tier adjectival ratings and general definitions set forth below. The general definitions can be expanded upon as deemed appropriate by each site based on specific requirements.

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

III. FEE SUMMARY

FY 2012 FEE SUMMARY			
	Available	Awarded	% Awarded
Fixed Fee	\$ 19,954,675	\$ 19,954,675	100%
At-Risk Fee			74%
Objective	\$ 21,448,691	\$ 17,686,152	82%
Subjective	\$ 25,112,218	\$ 16,538,327	66%
Total Fee	\$ 66,515,584	\$ 54,179,154	81%

AT RISK FEE	Available	Fee Awarded	%
Multi-Site	\$4,656,091	\$4,306,885	93%
Program	\$16,681,000	\$15,166,384	91%
Operations	\$16,632,600	\$10,594,402	64%
Business	\$8,591,218	\$4,156,808	48%
Total	\$46,560,909	\$34,224,479	74%

FY 2012 SUBJECTIVE ESSENTIAL FEE SUMMARY				
Subjective At-Risk Fee	Program	Operations	Business/IM	OVERALL
Available	\$6,488,400	\$10,032,600	\$8,591,218	\$25,112,218
Earned	\$5,473,784	\$6,907,735	\$4,156,808	\$16,538,327
Unearned	\$1,014,617	\$3,124,865	\$4,434,410	\$8,573,891
% Earned	84%	69%	48%	66%
Final Adjectival Rating (Gateway)	Very Good	Good	Satisfactory	Good

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Fee Breakdown per PBI

	Essential Fee			Stretch Fee			Total Fee		
	Possible Fee	Fee Awarded	% Achieved	Possible Fee	Fee Awarded	% Achieved	Possible Fee	Fee Awarded	% Achieved
PBI 1	\$4,656,091	\$4,306,885	93%	\$0	\$0		\$4,656,091	\$4,306,885	93%
PBI 2	\$5,600,000	\$5,600,000	100%	\$600,000	\$600,000	100%	\$6,200,000	\$6,200,000	100%
PBI 3	\$900,000	\$900,000	100%	\$1,192,600	\$692,600	58%	\$2,092,600	\$1,592,600	76%
PBI 4	\$1,400,000	\$1,400,000	100%	\$500,000	\$500,000	100%	\$1,900,000	\$1,900,000	100%
PBI 4 Subjective	\$2,000,000	\$1,025,000	51%	\$0	\$0	n/a	\$2,000,000	\$1,025,000	51%
PBI 5	\$1,050,000	\$745,000	71%	\$250,000	\$0	0%	\$1,300,000	\$745,000	57%
PBI 6	\$500,000	\$375,000	75%	\$500,000	\$0	0%	\$1,000,000	\$375,000	38%
PBI 6 Subjective	\$1,750,000	\$437,500	25%	\$0	\$0	n/a	\$1,750,000	\$437,500	25%
PBI 7	\$2,100,000	\$1,316,667	63%	\$100,000	\$0	0%	\$2,200,000	\$1,316,667	60%
PBI 8	\$1,600,000	\$1,250,000	78%	\$500,000	\$0	0%	\$2,100,000	\$1,250,000	60%
PBI 9 Subjective	\$4,488,400	\$4,448,784	99%	\$0	\$0	n/a	\$4,488,400	\$4,448,784	99%
PBI 10 Subjective	\$8,282,600	\$6,470,235	78%	\$0	\$0	n/a	\$8,282,600	\$6,470,235	78%
PBI 11 Subjective	\$8,591,218	\$4,156,808	48%	\$0	\$0	n/a	\$8,591,218	\$4,156,808	48%
PBI 12									

OBJECTIVE	\$17,806,091	\$15,893,552	89%	\$3,642,600	\$1,792,600	49%	\$21,448,691	\$17,686,152	82%
SUBJECTIVE	\$25,112,218	\$16,538,327	66%	\$0	\$0	0%	\$25,112,218	\$16,538,327	66%
TOTAL	\$42,918,309	\$32,431,879	76%	\$3,642,600	\$1,792,600	49%	\$46,560,909	\$34,224,479	74%

Stretch Fee Eligibility

Stretch Fee Eligibility						
Focus Areas	STRETCH GATEWAY					
Program Essential Measures	→	Achieve ≥ 80% * Aggregate Mission Essential	PLUS	Mission Adjectival "Very Good" (Subjective Measures)	→	Program Stretch Eligible
Gateway Analysis		YES		YES		Eligible
Operations Essential Measures	→	Achieve ≥ 80% * Aggregate Operations Essential	PLUS	Operations Adjectival "Very Good" (Subjective Measures)	→	Operations Stretch Eligible
Gateway Analysis		NO		NO		Not Eligible
Business/IM Essential Measures	→	Achieve ≥ 80% * Aggregate Business Essential	PLUS	Business Adjectival "Very Good" (Subjective Measures)	→	Business/IM Stretch Eligible
Gateway Analysis		N/A		NO		Not Eligible

* Measured in Dollars

Eligibility for Fee and Award Term Consideration

Performance in Specific Award Term Objectives GATEWAY to Award Term

PBI 12	Award Term Measures	Achieved
12.1	Improve and Integrate Formality of Operations in PF-4 for Nuclear CONOOPS, Safety, Security, and Mission Execution	Met*
12.2	Reduce PF-4 Facility Offsite Consequences to less than 25 REM	Met
12.3	FY 2012 National Security Mission Requirements	Met
12.4	Sustain LANL's Science and Technology Leadership	Met
12.5	Implement LANL's Strategic Framework to Achieve Stated Objectives in the Areas of Science of Signatures in Nuclear/Radiological and Sensing/Measurement	Met

*Mandatory Award Term Measure

Determination of Award Term (AT) Eligibility

Summary of Gateways	Gateway	Achieved
Aggregate Essential Objective Measures (Gateway #1)	Total Fee % Achieved ≥ 80%	Not Met
Award Term Objective Performance (Gateway #3)	Achieve Mandatory Measure	Met
Award Term Objective Performance (Gateway #2)	Achieve 4 of 5	Met

Met All Criteria
No



Not Award Term Eligible

IV. ASSESSMENT OF FY 2012 PERFORMANCE

PBI No. 1 MULTI-SITE INITIATIVES

PBI 1: Multi-Site Initiatives

Maximum Available Fee: **\$4,656,091**
 Fee Earned: **\$4,306,885**

PBI 1: Multi-Site Initiatives		AVAILABLE FEE	AWARDED FEE
		\$4,656,091	\$4,306,885 93%
		MULTI-SITE	MULTI-SITE
1.1.1	Execute the Surveillance Program	\$698,414	\$698,414
1.1.2	Ensure W76-1 LEP Production	\$698,414	\$698,414
1.1.3	FY12 B61 LEP Phase 6.3 Development	\$698,414	\$698,414
1.1.4	Conduct Phase 6.X Activities for the W78 LEP	\$349,205	\$349,205
1.2.1	NIF	\$349,206	\$0
1.2.2	Key Experiments and Modeling	\$698,414	\$698,414
1.2.3	Subcritical Experiment at U1a	\$698,414	\$698,414
1.3.1	Cumulative Cost Savings	\$465,610	\$465,610
		\$4,656,091	\$4,306,885

Completion/Validation Statements:

Measure 1.1 Stockpile

Measure 1.1.1 Execute the Surveillance Program

Expectation Statement:

Execute the defined Surveillance Program.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 1.1.2 W76-1 LEP Production

Expectation Statement:

Ensure W76-1 LEP production for subassemblies (except the MC4700 Arming, Fuzing, and Firing Assembly) remains on schedule as identified in the W76-01 PCD. The MC4700 AF&Fs are available for Pantex assembly and W76-1/Mk4A Reentry Bodies are available for delivery to the U.S. Navy in accordance with the FPM recovery schedules

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 1.1.3 Develop the B61-12 Option 3B Program Plan

Expectation Statement:

Develop the B61-12 Option 3B program plan, including schedule and validated costs, to enable a 2019 FPU.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 1.1.4 Conduct Phase 6.X Activities for the W78 LEP

Expectation Statement:

Conduct Phase 6.X activities for the W78 LEP.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 1.2 Science

Measure 1.2.1 NIF

Expectation Statement:

Achieve ignition on the NIF.

Completion Assessment:

LANS has submitted completion evidence denoting award of no fee. NNSA review has validated that this is appropriate.

Measure 1.2.2 Key Experiments and Modeling

Expectation Statement:

Achieve advances in experimental and computational tools used in resolving Significant Finding Investigations (SFIs) and in supporting LEP activities associated with early phase primary implosion.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 1.2.3 Subcritical Experiment at U1a

Expectation Statement:

Execute the plan for subcritical experiment at U1a.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 1.3 Acquisition Management

Measure 1.3.1 Cumulative Cost Savings

Expectation Statement:

Achieve the goal established by the Secretary of Energy in FY10 of achieving cumulative cost savings over three years through strategic sourcing with a total of \$450M by the end of FY12.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

PBI No. 2 DP MISSION ACHIEVEMENT AND ENABLEMENT

PBI 2: DP Mission Achievement and Enablement

Maximum Available Fee: **\$6,200,000**
 Fee Earned: **\$6,200,000**

PBI 2: DP Mission Achievement and Enablement		AVAILABLE FEE		AWARDED FEE	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
		\$6,200,000		\$6,200,000	100%
2.1	MRT Milestones	\$5,000,000		\$5,000,000	
2.2	Capability Sustainment and Transition	\$250,000	\$250,000	\$250,000	\$250,000
2.3	Capability Risk Reduction	\$350,000	\$350,000	\$350,000	\$350,000
		\$5,600,000	\$600,000	\$5,600,000	\$600,000

Completion/Validation Statements:

Measure 2.1 MRT Milestones

Expectation Statement:

The NNSA will objectively evaluate the contractor's performance on completion of the FY 2012 MRT Milestones.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 2.2E Capability Sustainment and Transition

Expectation Statement:

LANS will demonstrate Weapons Program capability sustainment and transition in the following projects:

- Sample Management Relocation from CMR to PF-4
- Disposition of Newly Generated Waste
- Managed the Power Supply Assembly Area (PSAA) Project per the FY 2012 Power Supply PEP

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 2.2S Capability Sustainment and Transition

Expectation Statement:

LANS will demonstrate Weapons Program capability sustainment and transition in the following projects:

- Sample Management Relocation from CMR to PF-4
- Disposition of Newly Generated Waste
- Managed the Power Supply Assembly Area (PSAA) Project per the FY 2012 Power Supply PEP

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 2.3E Capability Risk Reduction

Expectation Statement:

LANS will demonstrate Weapons Program capability risk Reduction in the following projects:

- Materials Disposition Implementation Plan/Vault Work-Off
- Follow-on INP Workshop on Solid Waste

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 2.3S Capability Risk Reduction

Expectation Statement:

LANS will demonstrate Weapons Program capability risk Reduction in the following projects:

- Materials Disposition Implementation Plan/Vault Work-Off
- Follow-on INP Workshop on Solid Waste

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

PBI No. 3 NN MISSION ACHIEVEMENT

PBI 3: NN Mission Achievement

Maximum Available Fee: **\$2,092,600**
 Fee Earned: **\$1,592,600**

PBI 3: NN Mission Achievement		AVAILABLE FEE		AWARDED FEE	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
		\$2,092,600		\$1,592,600	76%
3.1	ARIES/MOX	\$300,000	\$692,600	\$300,000	\$692,600
3.2	Off Site Source Recovery Program	\$300,000	\$500,000	\$300,000	\$0
3.3	Other Nonproliferation Objectives	\$300,000		\$300,000	
		\$900,000	\$1,192,600	\$900,000	\$692,600

Completion/Validation Statements:

Measure 3.1E ARIES/MOX

Expectation Statement:

Continue progress towards ARIES and MOX goals and to transition from prototype demonstration to operations.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 3.1S ARIES/MOX

Expectation Statement:

Continue progress towards ARIES and MOX goals and to transition from prototype demonstration to operations.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 3.2E Off Site Source Recovery Program

Expectation Statement:

In support of NNSA's threat reduction initiatives, the Laboratory shall continue to support the recovery of orphaned radiological sources.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 3.2S Off Site Source Recovery Program

Expectation Statement:

In support of NNSA's threat reduction initiatives, the Laboratory shall continue to support the recovery of orphaned radiological sources.

Completion Assessment:

LANS has submitted completion evidence denoting award of no fee. NNSA review has validated that this is appropriate.

Measure 3.3 Other Nonproliferation Objectives

Expectation Statement:

Demonstrate progress on specific NNSA nonproliferation objectives.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

PBI No. 4 EM MISSION ACHIEVEMENT

PBI 4: EM Mission Achievement

Maximum Available Fee: **\$3,900,000**
 Fee Earned: **\$2,925,000**

PBI 4: EM Mission Achievement		AVAILABLE FEE \$3,900,000		AWARDED FEE \$2,925,000 75%	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
4.1	Consent Order Compliance	\$400,000		\$400,000	
4.2	Disposition Transuranic Waste from LANL	\$1,000,000	\$500,000	\$1,000,000	\$500,000
4.3	Environmental Planning, Preparation, Execution, Evaluation, and Improvement	\$1,500,000		\$975,000	
4.4	Implementation of Area G BIO	\$500,000		\$50,000	
		\$3,400,000	\$500,000	\$2,425,000	\$500,000

Completion/Validation Statements:

Measure 4.1 Consent Order Compliance

Expectation Statement:

Complete FY 2012 Consent Order Stipulated Penalty and other Key Deliverables with high quality and on schedule.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 4.2E Disposition Transuranic Waste from LANL

Expectation Statement:

Disposition of legacy and newly generated transuranic waste in coordination with the Carlsbad Field Office's Central Characterization Project. (Combines MAR reduction, and volume dispositioned to accomplish DOE/EM Goal 3 for 90% of complex legacy TRU which includes 100% of LANL Legacy TRU).

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 4.2S Disposition Transuranic Waste from LANL

Expectation Statement:

Disposition of legacy and newly generated transuranic waste in coordination with the Carlsbad Field Office's Central Characterization Project. (Combines MAR reduction, and volume dispositioned to accomplish DOE/EM Goal 3 for 90% of complex legacy TRU which includes 100% of LANL Legacy TRU).

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 4.3 Environmental Planning, Preparation, Execution, Evaluation, and Improvement

Expectation Statement:

The NNSA will subjectively evaluate the contractor's performance in the following areas: planning, preparation, execution, evaluation, and improvement of EM programs, projects, and activities, with emphasis on LANS effective, efficient, and professional relationship with the customer and Regulator.

Completion Assessment:

Subjective rating is "Good". Refer to Section V for detailed information.

Measure 4.4 Implementation of Area G Bio

Expectation Statement:

Implementation of the TA-54 Area G Basis for Interim Operations (BIO) (ABD-WRM-001, R1.0, January 2012) and Technical Safety Requirements (TSRs) (ABD, WFM-002, R1.0, January 2012) will be completed by September 30, 2012.

Completion Assessment:

Subjective rating is "Satisfactory". Refer to Section V for detailed information.

PBI No. 5 FACILITIES/UTILITIES

PBI 5: Facilities/Utilities

Maximum Available Fee: **\$1,300,000**
 Fee Earned: **\$745,000**

PBI 5: Facilities/Utilities		AVAILABLE FEE		AWARDED FEE	
		\$1,300,000		\$745,000	57%
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
5.1	Maintenance and Site Services	\$200,000		\$200,000	
5.2	Infrastructure Investment/Footprint Reduction	\$350,000		\$270,000	
5.3	Energy, Water, and Greenhouse Gas Management	\$500,000	\$250,000	\$275,000	\$0
*Stretch gateway not met for Operations		\$1,050,000	\$250,000	\$745,000	\$0

Completion/Validation Statements:

Measure 5.1 Maintenance and Site Services

Expectation Statement:

Build upon prior year maintenance improvement initiatives by expanding the Conduct of Maintenance Program to include performance based CRADs and identifying efficiencies within existing and recently implemented Conduct of Maintenance procedures. A Preventive Maintenance Instruction (PMI) initiative to review and update PMIs on a three-year rotating period will be implemented. New opportunities for efficiency and effectiveness will be explored within the LANL Maintenance Program. LANS will demonstrate comprehensive, accurate, effective, and transparent Contractor Assurance System (CAS) metrics with an appropriate suite of leading indicators that are used by LANS to manage their maintenance and site services.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 5.2 Infrastructure Investment/Footprint Reduction

Expectation Statement:

In FY 2010 the Laboratory Director initiated an institutional program to reinvest in the Lab's aging infrastructure. A multi-year plan was developed in FY 2011 to prioritize investments by year amongst the following categories: 1) New construction, 2) Life extension, 3) Footprint reduction, 4) D&D, and 5) Utility investments. The Director will determine the FY 2012 infrastructure reinvestment amount, and the FY 2012 milestones will be developed and executed. The Multi-year plan will assist with funding prioritization decisions. The plan covers items that must be completed over the next 20 – 30 years, for the program to be more efficient and effective by partnering with work executing organizations at LANL to smooth the investment curve, ensure that projects are integrated and not conflicting, and develop the ability to self-perform using internal resources which allows us to avoid acquisition process delays and costs. Through this measure, the plan will be finalized, and FY 2012 infrastructure and footprint reduction investments will be selected and executed. Efforts to continue to improve communication with our customer with regards to site planning and management will continue in FY 2012. Efforts to improve energy efficiency in our lease portfolio will continue in FY 2012.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee, however NNSA review has resulted in a differing evaluation of performance.

Measure 5.3E Energy, Water, and Greenhouse Gas Management

Expectation Statement:

LANS will continue its efforts to institute wholesale cultural change to factor Sustainability and Greenhouse Gas emissions reductions into all corporate management decisions; planning, executing, evaluating and improving operations to maximize sustainable use of energy and natural resources by implementation of the LANL Energy Management program through the Site Sustainability Plan.

LANL's Site Sustainability Plan will be developed to achieve compliance with all requirements, goals (essential and stretch), and objectives identified in the DOE Strategic Sustainability Performance Plan. LANL will implement the FY 2012 developed Site Sustainability Plan as part of LANL's Energy Management Program within the Utilities and Institutional Facilities FOD and the ISO 14001 Certified Environmental Management System.

LANS will demonstrate comprehensive CAS metrics that track site progress on these measures in order to earn any fee in this area.

Completion Assessment:

LANS has submitted completion evidence denoting award of partial fee. NNSA review has validated that this is appropriate.

Measure 5.3S Energy, Water, and Greenhouse Gas Management

Expectation Statement:

LANS will continue its efforts to institute wholesale cultural change to factor Sustainability and Greenhouse Gas emissions reductions into all corporate management decisions; planning, executing, evaluating and improving operations to maximize sustainable use of energy and natural resources by implementation of the LANL Energy Management program through the Site Sustainability Plan.

LANL's Site Sustainability Plan will be developed to achieve compliance with all requirements, goals (essential and stretch), and objectives identified in the DOE Strategic Sustainability Performance Plan. LANL will implement the FY 2012 developed Site Sustainability Plan as part of LANL's Energy Management Program within the Utilities and Institutional Facilities FOD and the ISO 14001 Certified Environmental Management System.

LANS will demonstrate comprehensive CAS metrics that track site progress on these measures in order to earn any fee in this area.

Completion Assessment:

LANS has submitted completion evidence denoting award of partial fee. NNSA review has validated that this is appropriate.

PBI No. 6 PROJECT DELIVERY AND CONSTRUCTION

PBI 6: Project Delivery and Construction

Maximum Available Fee: **\$2,750,000**
 Fee Earned: **\$812,500**

PBI 6: Project Delivery and Construction		AVAILABLE FEE \$2,750,000		AWARDED FEE \$812,500 30%	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
6.1	CMRR Project Execution	\$500,000	\$500,000	\$375,000	\$0
6.2	Site-Wide Project Management Performance	\$1,750,000		\$437,500	
*Stretch gateway not met for Operations		\$2,250,000	\$500,000	\$812,500	\$0

Completion/Validation Statements:

Measure 6.1E CMRR Project Execution

Expectation Statement:

The CMRR project shall be effectively managed.

Completion Assessment:

LANS has submitted completion evidence denoting award of partial fee, however NNSA review has resulted in a differing evaluation of performance.

Measure 6.1S CMRR Project Execution

Expectation Statement:

The CMRR project shall be effectively managed.

Completion Assessment:

LANS has submitted completion evidence denoting award of partial fee. NNSA review has validated that this is appropriate.

Measure 6.2 Site-Wide Project Management Performance

Expectation Statement:

The NNSA will subjectively evaluate the contractor's performance on CMRR and other projects. A comprehensive, effective and accurate suite of project (CAS) metrics with high quality risk registers is a requirement for any fee in this area.

Completion Assessment:

Subjective rating is "Satisfactory". Refer to Section V for detailed information.

PBI No. 7 HIGH HAZARD OPERATIONS , SAFETY AND HEALTH

PBI 7: High Hazard Operations, Safety and Health

Maximum Available Fee: **\$2,200,000**
 Fee Earned: **\$1,316,667**

PBI 7: High Hazard Operations & Emergency Management		AVAILABLE FEE \$2,200,000		AWARDED FEE \$1,316,667 60%	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
7.1	Integrate and Execute Mission and Safety Commitments	\$1,000,000		\$625,000	
7.2	Sustain Formality of Operations	\$250,000		\$250,000	
7.3	Nuclear Safety Improvements	\$250,000		\$0	
7.4	Fire Protection	\$100,000		\$0	
7.5	CMR CVD Transition to Operations	\$100,000	\$100,000	\$100,000	\$0
7.6	Conduct of Operations Maturity	\$250,000		\$191,667	
7.7	Improve Worker Safety and Health	\$150,000		\$150,000	
*Stretch gateway not met for Operations		\$2,100,000	\$100,000	\$1,316,667	\$0

Completion/Validation Statements:

Measure 7.1 Integrate and Execute Mission and Safety Commitments

Expectation Statement:

Execute an integrated set of actively managed commitments to improve the mission, safety, and security posture at LANL Nuclear and High Hazard Facilities, including but not limited to: PF-4 seismic upgrades for structure and fire suppression, safety basis commitments, criticality safety, PF-4 vault material consolidation, and excess material disposition.

Completion Assessment:

LANS has submitted completion evidence denoting award of partial fee, however NNSA review has resulted in a differing evaluation of performance.

Measure 7.2 Sustain Formality of Operations

Expectation Statement:

Demonstrate continuous improvement and maturity of Formality of Operations as measured against mature metrics and use of leading indicators to drive sustainability and continuous improvement for nuclear and high-hazard facilities.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 7.3 Nuclear Safety Improvements

Expectation Statement:

Address longstanding safety issues and demonstrate improvement by fully establishing the annual Safety Bases update process. Active management of annual DSA update submittals and implementation of the approved updates will be used to demonstrate that the annual update process required by 10 CFR 830, Nuclear Safety Management, is implemented at LANL.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee, however NNSA review has resulted in a differing evaluation of performance.

Measure 7.4 Fire Protection

Expectation Statement:

Continuation of the on-going program established in FY 2008 that identifies, prioritizes, coordinates funding, and oversees the successful resolution of long-standing fire protection deficiencies within legacy facilities at LANL. The list of legacy facility deficiencies is maintained up-to-date, reflects accurate information, and is reviewed semi-annually.

Completion Assessment:

LANS has submitted completion evidence denoting award of partial fee, however NNSA review has resulted in a differing evaluation of performance.

Measure 7.5E CMR CVD Transition to Operations

Expectation Statement:

Using the LANS readiness process, verify the CMR Containment Vessel Disposition (CVD) activity can safely and compliantly be performed.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 7.5S CMR CVD Transition to Operations

Expectation Statement:

Using the LANS readiness process, verify the CMR Containment Vessel Disposition (CVD) activity can safely and compliantly be performed.

Completion Assessment:

LANS has submitted completion evidence denoting award of no fee. NNSA review has validated that this is appropriate.

Measure 7.6 Conduct of Operations Maturity

Expectation Statement:

Maintain sustainability and continuous improvement of Conduct of Operations for the nuclear and high hazard facilities consisting of TA-55, RLW, CMR, WETF, Area G, RANT, WCRR, NES, and LANSCE.

Completion Assessment:

LANS has submitted completion evidence denoting award of partial fee, however NNSA review has resulted in a differing evaluation of performance.

Measure 7.7 Improve Worker Safety and Health

Expectation Statement:

Assess and improve IH/S Program Implementation.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

PBI No. 8 SAFEGUARDS AND CYBER SECURITY IMPROVEMENTS AND EMERGENCY OPERATIONS

PBI 8: Safeguards and Cyber Security Improvements and Emergency Operations

Maximum Available Fee: \$2,100,000

Fee Earned: \$1,250,000

PBI 8: Security Programs		AVAILABLE FEE \$2,100,000		AWARDED FEE \$1,250,000 60%	
		ESSENTIAL	STRETCH	ESSENTIAL	
8.1.1	Transition of the NMSSUP II to Operations	\$300,000		\$0	
8.1.2	Protective Force Training Facility Modernization	\$200,000		\$200,000	
8.1.3	Improved Active Shooter Response Capability		\$250,000		\$0
8.2.1	LANS Emergency Accountability System	\$100,000		\$100,000	
8.2.2	EOC Information System Improvements	\$300,000		\$300,000	
8.2.3	EOC Facility Improvements	\$100,000		\$100,000	
8.3.1	Vulnerability Management	\$250,000	\$250,000	\$250,000	\$0
8.3.2	Risk Management Framework	\$200,000		\$200,000	
8.3.3	Cyber Security Profile	\$150,000		\$100,000	
*Stretch gateway not met for Operations		\$1,600,000	\$500,000	\$1,250,000	\$0

Completion/Validation Statements:

Measure 8.1 Security and Safeguards

Measure 8.1.1 Transition of the NMSSUP II Project to Operations

Expectation Statement:

ADSS will transition the completed project into ADSS operations as the “owner/user” LANS organization.

Completion Assessment:

LANS has submitted completion evidence denoting award of no fee. NNSA review has validated that this is appropriate.

Measure 8.1.2 Protective Force Training Facility Modernization

Expectation Statement:

ADSS will modernize protective force training capabilities through design, construction, and transition into operations of two training facilities.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 8.1.3 Improved Active Shooter Response Capability

Expectation Statement:

Achieve improved capability to respond to site active shooter emergencies.

Completion Assessment:

LANS has submitted completion evidence denoting award of partial fee. NNSA review has validated that this is appropriate.

Measure 8.2 Emergency Operations

Measure 8.2.1 LANS Emergency Accountability System

Expectation Statement:

Develop and execute a project plan to acquire and implement Laboratory personnel accountability system used during site emergencies.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 8.2.2 EOC Information System Improvements

Expectation Statement:

Improvement and utilization of communication systems of emergency information during Laboratory incidents/events.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 8.2.3 EOC Facility Improvements

Expectation Statement:

Full confidence in the utilization of primary Emergency Operations Center equipment (ex. ventilation, UPS).

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 8.3 Information Systems and Security

Measure 8.3.1E Vulnerability Management

Expectation Statement:

Continued progress in integrating patching and host based monitoring with CPAT network monitoring to improve the Vulnerability Management of unclassified Windows workstations. Advance the Continuous Monitoring efforts and the Patching Implementation developed in 2011.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 8.3.1S Vulnerability Management

Expectation Statement:

Continued progress in integrating patching and host based monitoring with CPAT network monitoring to improve the Vulnerability Management of unclassified Windows workstations. Advance the Continuous Monitoring efforts and the Patching Implementation developed in 2011.

Completion Assessment:

LANS has submitted completion evidence denoting award of partial fee. NNSA review has validated that this is appropriate.

Measure 8.3.2 Risk Management Framework

Expectation Statement:

Demonstrate the effectiveness of the cyber security program as represented by the development and implementation of a Risk Management Approach to cyber security.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 8.3.3 Cyber Security Profile

Expectation Statement:

This measure has been achieved when the Contractor has demonstrated compliance in the implementation of least privilege principle, configuration management and patch management in the Cyber Security Profile.

Completion Assessment:

LANS has submitted completion evidence denoting award of partial fee, however NNSA review has resulted in a differing evaluation of performance.

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PBI No. 9 EXCELLENCE IN SCIENTIFIC AND PROGRAMMATIC PURSUITS

PBI 9: Excellence in Scientific and Programmatic Pursuits

Maximum Available Fee: \$4,488,400
 Fee Earned: \$4,448,784

PBI 9: Maximum Potential Program Subjective Fee		\$4,488,400
Program Subjective Essential Fee Assessment		
<u>Specific Subjective Fee Adjustments</u>		
Items of Significant Note		
Positive	Execution of the Gemini Experimental Series, including fielding of the transformative optical diagnostic and data analysis tools	
	Completion of 60-day Study for Chemistry and Metallurgy Research-Replacement (CMRR) Facility Deferral	
	Fielding of the ChemCam on Curiosity Rover	
Negative	Disruption/loss of programmatic activities resulting from Tc-99 contamination event at LANSCE	
	Manufacturing quality of product deliverables were less than desirable with Percent of Product Acceptable Trouble Free (PATF) of 61% - using Quality Assurance	
Items of Moderate Note		
Positive	Leading edge scientific R&D activities (R&D 100 performance, world records for Pulse MAG, and 94 external recognitions for LANL Scientists)	
	Completion of 120 Day Study of Reuse Options	
	Leadership and aggressive weapons response support for Pantex Operations	
	Strengthening of Pu Science capability through implementation of the Pu Science and Research Strategy	
	Exceeding Pu Oxide production goals and support and analysis of alternatives for Surplus Pu Disposition Supplemental Programmatic Environmental Impact Statement	
	Significant progress in Materials repackaging and disposition to support overall risk reduction in PF-4	
Negative	Inadequate integration of Quality Assurance requirements/processes during planning and implementation of operations	
	Less than adequate shipping container requirements consideration (OPSIS)	
	Department of Homeland Security/Domestic Nuclear Detection Office (DNDO) Work for Others mission execution/project delivery delays	
	Cost of program execution with resultant shift in some program activities to other sites	
Items of Note		
Positive	Continued execution and utilization of the Capability Review Process to inform and influence Scientific direction of the Laboratory	
	Support of the Joint Technical Operations Team (JTOT) Marble Challenge national exercise	
	Successful continued execution of the Isotope Program delivery of all products	
	Progress in development of the Am-241 recovery project to benefit both Pu sustainment and isotope production programs	
	Strong programmatic and technical execution performance supporting Defense Nuclear Nonproliferation Missions	
	Successful completion of significant UK mission deliverables	
	Successful implementation of the Non-destructive Laser Gas Sampling System for Surveillance Program	
	Delivery and support of the neutron imaging and Gamma reaction history diagnostics at National Ignition Facility	
	Intelligence and Counterintelligence Programs performance	
	Dual Axis Radiograph Hydrodynamic Testing Facility (DARHT) operational results and contributions to Stockpile Stewardship Programs	
Negative	Emergency Response Program resourcing (NA-40)	
	Failure to operate Direct Metal Oxidation (DMO) 3 Furnace for oxide production (NA-26)	
	Noticeable programmatic/capability impacts post Voluntary Separation Plan and other staffing reductions	
	Delay in Warhead Measurement Project Mock High Explosive (HE) fabrication (NA-22), timeliness in sample analysis and associated data delivery (NA-24), and preparatory work in support of Material Consolidation and Civilian Sites (NA-25)	
	Nuclear safety/configuration management impacts to programmatic/mission capabilities and activities at Weapons Engineering Tritium Facility (WETF)	
	Cost estimating deficiencies for Non-nuclear Component Manufacturing activities	
Materials Capability Review Board disbanded		
Final Program Subjective Fee Award & Adjectival Rating: EXCELLENT		\$4,448,784 99.1%

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PBI No. 10 EXCELLENCE IN OPERATIONS

PBI 10: Excellence in Operations

Maximum Available Fee: **\$6,282,600**
 Fee Earned: **\$4,870,235**

PBI 10: Maximum Potential Operations Subjective Fee \$6,282,600

Operations Subjective Fee Assessment

Specific Subjective Fee Adjustments

Items of Significant Note

Positive	TA-55 - Safe/prompt completion of PF-4 seismic upgrades, implementation of 2011 Documented Safety Analysis
	Chemical Metallurgy Research-Replacement(CMRR) Facility-Cost Performance on Nuclear Facility
	Exceeded FY12 above ground Transuranic shipments to Waste Isolation Pilot Plant (WIPP) (3706 Campaign, RANT shipments)
	Leadership in development of the Framework Agreement
	Cyber Security Risk Management Framework development and implementation
	LANL Safeguards and Security programs performance [Health Safety and Security (HSS) Annual Review/Extent of Conditions Review (ECR), NA-70 Sight Assistant Visits (SAVs)]
	Maintaining TA-50 Radiological Liquid Waste (RLW) operations while implementing modifications to reduce regulatory and operational risk
Negative	Implementation of 2-Person Rule in PF-4
	Deficiencies in operations and radiological material controls which resulted in Tc-99 contamination release off-site
	Continued challenges with Formality and Sustainability of Nuclear Operations; average degree of deviations remain too high; insufficient rigor and inadequate identification of safety/operational issues; efforts to address the nuclear safety culture have slowed
	Configuration Management, Engineering, and Operational issues at Weapons Engineering Tritium Facility (WETF)
	Increasing concerns with sustainable Criticality Safety Program (CSP) and less than adequate CSP implementation, throughput, and support to NNSS, including TA-35-27&2 Criticality Nature of Process Controls and CSP implementation

Items of Moderate Note

Positive	Improved trending in transparency, timely reporting of operational issues, event critiquing, and Occurrence Reporting and Processing of Operations Information (ORPS) reporting
	Cognizant System Engineers program maturation
	Fissile Material Handler certification enhancements at TA-55
	Stormwater Pollution Prevention Program maintenance and inspection performance
	Significant gains in wildland fire mitigation activities & improved communication of fire restrictions at LANL & other local DOE properties
	Information Technology system improvements, implementation of Configuration and Vulnerability Management, and risk reduction
	Development of a Threat Working Group and implementation of Table-Top exercises for broader scenarios
Negative	Achieved Sanitary Effluent Reclamation Facility (SERF) operational status
	Continued Integrated Work Management Issues
	Quality of Safety Basis submittals; speed and efficiency in addressing nuclear facility safety basis compliance [Transuranic Waste Facility (TWF) and Radioactive Liquid Waste Treatment Facility-Upgrade Project (RLWTF-UP) projects]
	Large number of Technical Safety Requirement (TSR) violations resulting from improperly implemented Surveillance Requirements
	Ineffective use of Performance Feedback and Improvement Tracking System (PFITS) for managing nuclear safety system and maintenance activities; corrective actions are not always permanent
	No executable plan for implementation of Sustainability Goals and in meeting Presidential Directives
	Implementation of the waste management cost model resulting in impacts to projects and programs
	Inability to prevent unqualified workers from performing unsupervised work
	Deficiencies in implementation of Software Quality Assurance Program
Functionality and operations of Emergency Operations Center remains less than adequate	

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Items of Note	
Positive	Radiological Laboratory Utility Office Building (RLUOB) certification as Leadership in Energy and Environmental Design (LEED) Gold
	All Fiberglass Reinforced Plywood boxes (FRPs) under fire suppression
	Maintenance of "High System Effectiveness" Safeguards and Security protection for TA-55 during NMSSUP II Construction
	Improved Environmental Liability reporting and Risk Management
	LANS proactive support in response to Y-12 security incident
	Improvement in readiness review activities
	LANS Standards and Calibration Laboratory achieved International Standards Organization (ISO) 17025 Accreditation in five areas
	LANS sponsored and resolved significant HEPA filter inspection issues with NNSA National Filter Test Facility
Negative	SIGMA Low Enriched Uranium (LEU) operations, Los Alamos Nuclear Material Accounting System (LANMAS) issues resulting in suspension of operations; reconciliation of account taking over a year
	Inability to maintain Start-up Notification Report (SNR) Schedules
	Material-at-Risk (MAR) tracking and source accountability issues (TA-54, TA-16)
	Slow response to classification in management of fire water supply pathways for nuclear facilities
	Less than adequate Plans of Action for readiness review activities
	Waste Characterization Reduction and Repackaging Facility (WCRR)F processed waste > 300 PE-Ci without fire exemption for the glovebox
	Minimal progress in resolving storage of residues/oxides stored in Chemistry Metallurgy Research (CMR) Facility Wings 5 & 7 resulting in increased dose to workers
	Delayed updates of several Emergency Planning Hazards Assessments; Corrective action plan for 2011 TSCM-identified cyber issue incomplete and not fully implemented; failed to implement cyber enterprise monitoring based on NNSA guidance from 2008
	Noticeable operational capability impacts post Voluntary Separation Plan and other staffing reductions
	Inadequate coordination of Fuel Mitigation Activities with resultant impacts to unmarked archeological sites at TA-36
	Protective Force equipment storage at TA-55
	Discontinued inspections of Los Alamos Transit Mix resulting in stand-down of concrete placement operations
	Deferred maintenance has grown to be over \$1B resulting in maintenance and configuration management impacts
Final Operations Subjective Essential Fee Award & Adjectival Rating: VERY GOOD	
\$4,870,235	
78%	

PBI No. 11 EXCELLENCE IN BUSINESS AND INSTITUTIONAL MANAGEMENT

PBI 11: Excellence in Business and Institutional Management

Maximum Available Fee: \$7,591,218
 Fee Earned: \$3,656,808

PBI 11: Maximum Potential Business Subjective Fee		\$7,591,218
<u>Business and Supporting Areas Subjective Fee Assessment</u>		
<u>Specific Business Specific Subjective Fee Adjustments (25% weighted)</u>		
Items of Significant Note		
Positive	Workforce Restructuring Plan and Voluntary Separation Plan, and flexible workforce downsizing	
	Utilization of Supply Chain Management Center (SCMC) eSourcing procurement tools with LANS exceeding goals and expectations resulting in 3.9% or \$11M cost-savings	
	Exceeded all small business goals	
	Chief Financial Officer's submission/approval of its FY 2013 Cost Model/Disclosure Statement	
Negative	Inconsistent in pursuing effective, efficient, and economic improvements in business services	
Items of Moderate Note		
Positive	Improved Acquisition Services Management (ASM) Procurement Website	
	Improved performance in sub-contract close-outs	
	LANL proactively encouraged community giving & relationship building with the community	
	Transferred >\$16M in laboratory excess equipment to external organizations for reuse	
	Completion of the Work For Others (WFO) Policy; integration of all WFO (Other Federal Agencies, Non Federal Entities and Inter-Agency Work); electronic eWFO maturation	
	Successful Craft Labor Union negotiations within economic parameters	
Negative	Slow progress in completing many agreed upon actions to address business vulnerabilities	
	FY 2007-09 Statements of Cost Incurred and Claimed (SCICs) remain unresolved and in a "Qualified" status; FY 2010 & 2011 SCICs still under review	
Items of Note		
Positive	Management of its Intergovernmental Personnel Act (IPA)/Change of Station (COS) assignments	
	Implemented a NNSA approved ASM leadership training program	
	Hosted numerous skills related procurement training events	
	American Recovery and Reinvestment Act (ARRA) subcontract close-out efforts	
Negative	Ineffective management of poor performers	

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Specific Crosscutting Institutional Management Subjective Fee Adjustments (75% weighted)

Items of Significant Note

Positive	Management of resources under volatile circumstances (Continuing Resolutions)
	Progress in Contractor Assurance System (CAS) Tool Maturation - Dashboards, Risk Register, Metrics
	Transparency and Integration of LASO/LANL; increased Involvement in Institutional Management Review Board, Executive Performance/Risk Management Reviews and other formerly internal LANS forums
Negative	Renewal of optional commitment to Community Programs
	Poor management of construction projects, inadequate cost tracking and management, inadequate management of subcontractors, and inconsistent delivery of projects on time and within budget
	Ethics and Audits Division did not fully meet contractual requirements and Defense Contract Audit Agency (DCAA) Audit Manual Standards
	Inability to validate overhead and support savings resulting from substantial staff reductions
	Inadequate internal controls for Request for Off-Site Services (ROS) Agreements
	Evidence of inadequate Control Environment (voluntary and consistent compliance with internal and external requirements)
Inadequate recapitalization of infrastructure	

Items of Moderate Note

Positive	Management of the M&O contract actions and deliverables (Performance Evaluation Plan, accelerated submission of the self assessment, draft contract modifications and Directives, Request for Impacts, and Requirements Management System/Contract Deliverable Requirements List)
	Collaboration on Governance Reform; Joint Governance Reform Committee, Joint Operating Requirements Review Board and Enterprise Operating Requirements Review Board, Requirements Analysis Study
	Rewrite of subcontract Exhibit H, Quality Requirements in support of DOE Order 414.1D enhanced procurements; other sites are modeling
	Fire Department Cooperative Agreement support
Negative	Inadequate management of Unfunded, Displaced/Transition Labor
	Failure to validate improvements in safety, effectiveness, and efficiencies from revisions to exhibits F and G
	Follow-up and closure of Office of Inspector General (OIG) and Government Accountability Office (GAO) findings and recommendations
	Inadequacies in execution of Subcontract Technical Representative (STR) support for operations and projects
	Some areas of Contractor Assurance System (CAS) lagging (trending and analysis; Performance Feedback and Improvement Tracking System (PFITS) discipline, assessment discipline, consistency in quality of metrics)
	Quality Assurance Program not fully functioning as appropriate for an independent activity
	Inadequate fiduciary management of negotiation, settlement, and administrative execution of some project Request for Equitable Adjustment (REAs)
	Key Personnel Management; coordination and delay of filling key vacancies (Clause I-119)
	Long-term site sustainment (energy/water) not driven by LANS
Emergency Operations Center not prepared to support external senior leader communications during an operational emergency	

Items of Note

Positive	Issued a revised Quality Assurance Program (QAP) to meet DOE Order 414.1D to include revision of dozens of institutional procedures
	Closure of two Pre-Existing Conditions (PECs) and one Non-Compliance Tracking System (NTS) Report related to Quality Assurance
	Demonstrated significant progress in reducing the number of open Non-Conformance Report (NCRs) from 640 to 313
	Inadequate Commercial Grade Dedication Program
Negative	No Clause H-11 submittals that demonstrated efficient and effective stewardship of site resources
	Unresponsive in management of the FY12 unallocated fee
	Poor institutional management and integration of the Protective Force subcontract

Final Business & Institutional Management Subjective Fee Award & Adjectival Rating: SATISFACTORY	\$3,656,808
	48.2%

PBI No. 12 AWARD TERM INCENTIVES

PBI 12: Award Term Incentives

Completion/Validation Statements:

Measure 12.1 Improve and Integrate Formality of Operations in PF-4 for Nuclear CONOPS, Safety, Security, and Mission Execution (Mandatory)

Expectation Statement:

1. LANS will integrate and execute the mission in program areas that distinguish the Laboratory as a premier national security institution. Focus Areas include: Defense Programs, NASA Heat Source Program, and ARIES.
2. LANS will address longstanding safety issues and demonstrate improvement on Plutonium Facility seismic safety as well as nuclear facility safety bases and controls. This includes achieving and maintaining a higher standard of CONOPS, engineering and procedural compliance on operations under a safety basis-
3. LANS will continuously improve the security of nuclear materials and classified information in PF-4, without significant detriment to ongoing production and science missions.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 12.2 PF-4 Facility Offsite Consequences to less than 25 REM

Expectation Statement:

The Contractor shall conservatively demonstrate offsite consequences from postulated nuclear accident scenarios at the LANL Plutonium Facility (PF-4) are below the 25 rem evaluation guideline.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 12.3 FY 2012 National Security Mission Requirements

Expectation Statement:

The contractor shall maintain the Los Alamos National Laboratory as a premier national security science laboratory by providing capabilities to address U.S. government national security requirements across a broad range.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 12.4 Sustain LANL's Science and Technology Leadership

Expectation Statement:

The contractor shall continue to steward and develop the Los Alamos National Laboratory as a premier national security science laboratory by providing capabilities to address U.S. government national security requirements across a broad range.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

Measure 12.5 Implement LANL's Strategic Framework to Achieve Stated Objectives in the Areas of Science of Signatures in Nuclear/Radiological and Sensing/Measurement

Expectation Statement:

An essential capability for Los Alamos National Laboratory is the measurement, analysis, and characterization of chemical and physical signatures of nuclear processes. The contractor will steward the technical capabilities in sensing and measurement by finalizing and implementing the LANL science, technology and engineering strategy for detecting and characterizing nuclear, radiological and isotopic signatures of interest to national security missions.

Completion Assessment:

LANS has submitted completion evidence denoting award of full fee. NNSA review has validated that this is appropriate.

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V. DETAILED SUBJECTIVE ANALYSIS

PBI 4.3 Environmental Planning, Preparation, Execution and Improvement

Maximum Available Fee: **\$1,500,000**

Fee Earned: **\$975,000**

PBI 4.3 Environmental Planning, Preparation, Execution and Improvement

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

Measure 4.3 Evaluation Criteria

Total Available Fee: \$1,500,000

		Weighting	Fee Earned	
	Performance Evaluation Plan Measure 4.3	100%	\$975,000	<ul style="list-style-type: none"> • Planning and Preparation: The contractor shall provide expert management of annual work plan development, planning, and preparation – including planning for success, closure of project activities, and holistic approaches. • Execution: The contractor shall demonstrate expert technical competencies, compliance, program and project management, and execution – including execution of the annual work plan, management of changes, managing variances and demonstrated risk reduction. <ul style="list-style-type: none"> ◦ Quality of Deliverables. Contractor shall demonstrate that deliverables were prepared with the necessary quality to achieve completion of major activities through acceptance by NMED including stipulated penalty documents and other key deliverables (as defined in PBI 4.1). Quality shall be assessed by LASO and may include consideration of NMED responses to submittals and specific comments against submittals and consideration of new/first-submission documents and subsequent phase/revision documents. • Evaluation and Improvement: The contractor shall demonstrate appropriate use of tools and techniques to assure proactive, effective, and efficient execution as well as application of lessons learned across the EM program, such as: deliverable preparation (from NMED), reducing variances, reducing management and overheads, and using Contractor Assurance System/Metrics. • Progress on Identifying and Implementing Innovative technologies, processes, systems, benchmarks. • Speed, Accuracy and Effectiveness addressing Operations and Program Challenges/Emergent Issues. • Integration of Projects/Operations activities for efficient execution and economies of scale including integration across LANS to assure mission success • Proactive Management of Compliance including Individual Permit for Storm Water, RCRA Permit, and Consent Order • Timely and effective notifications and communications with LASO, and adherence to established communications channels. • Public confidence in EM cleanup program. • Effective use of the 50 year Environmental Stewardship and Action Plan as the primary LANL environmental management tool.

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65%	COR Analysis	<p>The TRU Waste Program exceeded the 3706 TRU Campaign commitment of 800m3 for FY12. Continued to work with CCP to accelerate shipping for a total of 230 for the FY. This is the most made in a year from LANL. LANS in conjunction with CCP removed over 56% of the 3706 TRU Campaign MAR during the FY by emphasizing a high MAR campaign at the end of the FY. LANS provided excellent support with the realignment of the annual work plan to the Framework Agreement including working with NMED to priritize the FY12 work scope within a tight budget and meet the 3706 campaign goals. LANS CFO support was noteworthy with regards to Environmental Liability reporting and numerous funding transactions associated with a lengthy Continuing Resolution. LANS did an outstanding job in public coomunications with NMED, NNM CAB and Northern New Mexico stakeholders. LANS CPI (0.98) and SPI (1.04) were very positive for FY12.</p> <p>On the less noteworthy side, Project Management for brining additional capability on line timely to support the FY2013 repackaging and remediation effort have been disappointing and not having both facilities and DVS on line as originally planned may have a significant negative impact on FY2013 performance towards meeting the cumulative goal of 2600 m3.MTOA-3 "Environmental Services" and MTOA-4 "Technical Services" are overdue which is jeopardizing scheduled work. LANS response to the C. O. letter on LA Airport Lanfill was less than adequate. LANS improperly disposed of 672,000 gallons of rinse water into Disposal Pit 38 without obtaining the proper approvals. Inspection forms were improperly completed and required hazardous waste determinations were not performed as noted in NMED's 2012 annual RCRA inspection. LANS failed to comply with its own corrective action guidance for properly maintaining protective tarps covering waste containers at TA-54 Pad 283. Waste shipments to a Utah facility did not have adequate radiological waste release surveys prior to shipment. NMED and EPA have significant issues with operations at the TA-3 Power Plant. LANS did not complete two facility construction efforts for Dome 231/375 which are critical for meeting the 3706 campaign. LANS needs to put more emphasis in project management in BCP quality, performance reporting with associated corrective action, cost estimating, PFITS, accrual reporting, assessment communication and lessons learned. Completed 920.1 m3 of TRU waste removed from LANL.</p> <p>Additionally, regarding document quality for documents being submitted to NMED, LASO notes the following issues: One of the two P&A completion reports was not a final version - paragraphs did not roll over correctly such that half paragraphs were missing, tables on pages 36 were duplicated on page 37, Figure 3.1-1 was provided with an as-built figure for 5 P&As when there were only four (4) wells done. Version provided to LASO was different than the version the project manager had in his hand. Version control was inadequate; the deliverable "Response to the Second Notice of Disapproval for the Investigation Report for DP Site Aggregate Area Delayed Sites and DP East Building Footprints at TA-21, Revision 1, and Replacement Pages" was not the final version, Appendix G was not paginated correctly and the version was different than the version the pubs lead had in hand. Version control was inadequate; and Three documents for NMED were delivered with less than 2 work day turnarounds: EP2012-0164, Request Extension to 3rd NOD Response IR DP Delayed Sites, R2; EP2012-0167, Extension request for the tracer test for CU 16-021 (c)-99 at TA-16; and EP2012-0166, Extension request for TA-16 well network evaluation approval with modifications. In addition, one more document (EPA versus NMED) EP2012-0178, NPDES Cert Installation Control Measures 12 SMAs, was delivered requesting less than a two work day turnaround.</p>
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Total Fee: \$975,000

Overall Rating of PBI 4.3: GOOD

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PBI 4.4 Implementation of Area G BIO

Maximum Available Fee: **\$500,000**
 Fee Earned: **\$50,000**

PBI 4.4 Implementation of Area G BIO		
Adjectival Rating for Subjective Evaluation	Adjectivally Rated At-Risk Award Fee Pool Available Range to be Earned	Adjectival Rating Common Definition
Excellent	91-100%	Contractor has exceeded almost all of the significant award fee criteria and has met overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the award-fee plan for the award fee evaluation period.
Very Good	76%-90%	Contractor has exceeded many of the significant award fee criteria and has met overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Good	51%-75%	Contractor has exceeded some of the significant award fee criteria and has met overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Satisfactory	No Greater than 50%	Contractor has met overall cost, schedule and Technical performance requirements of the contract as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Unsatisfactory	0%	Contractor has failed to meet overall cost, schedule, and technical performance requirements of the contract as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.

Measure 4.4 Evaluation Criteria		Total Available Fee: \$500,000
	Weighting	Fee Earned
Performance Evaluation Plan Measure 4.4	100%	\$50,000
10%	COR Analysis	LANS IVR and MSA Hot list identifies that the IVR Target date is January 7, 2013 therefore LANS did not demonstrate Area G BIO was fully implemented. LANS was faced with various challenges in the implementation of the BIO resulting in not meeting the initial schedule to complete by the end of the FY. However, LANS did perform some work towards implementation through integration and coordination across LANS and CCP.
Total Fee:		\$50,000

Overall Rating of PBI 4.4: SATISFACTORY
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PBI 6.2 Site-Wide Project Management Performance

Maximum Available Fee: **\$1,750,000**
 Fee Earned: **\$437,500**

PBI 6.2 Site-Wide Project Management Performance

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

Measure 6.2 Evaluation Criteria

Total Available Fee: \$1,750,000

		Weighting	Fee Earned	
	Performance Evaluation Plan Measure 6.2	100%	\$437,500	<p>Project Management Performance</p> <ul style="list-style-type: none"> All project milestones are achieved in an efficient, effective, economic, and quality manner to include project CPI/SPI and portfolio EVMS. Performance of work (including subcontractor) is conducted safely and securely, and proactive safety programs are in place to measure effectiveness and mitigate unsafe work practices; proactive LANS management engagement when safety incidents or trends warrant. CAS: Effective use of management dashboards, reviews, assessments, issues management, improvements, and other management systems to demonstrate continuous improvement and improve communication between LANS/LASO with transparent common data. Effective risk identification, trending, and management are tracked for projects and reported on a monthly basis to LASO. LANS improves the Laboratory's capability in project delivery and construction by developing and implementing management systems that enable increased alignment with the strategic framework established by LASO comments to the LANS Board of Governors. This improvement will be characterized by improved real-time communication and situational awareness concerning project delivery and construction, improved management of project requirements, LANS documented and improved corporate accountability for projects that is shared with LASO, improved performance on project delivery by leveraging lessons learned and best practices from other projects, and improved institutional ownership of project delivery and construction. Holds sub-contractors fully accountable for their performance. <p>CMRR Performance</p> <ul style="list-style-type: none"> Through REI construction period (including post turnover of REI labs), effectively implement a CMRR Construction worker safety program including worker to worker observations, use of STARTR cards, DOGS assessment of safety incident data, and development & implementation of Safety, Quality & Productivity Leadership workshop.
25%	COR Analysis			<p>6.2.1 - Project Management Performance While LASO recognizes successful efforts regarding execution of some small projects, SERF, ZLD and the overall safety record, this analysis captures in priority, performance against critical infrastructure projects and against the project management framework.</p> <ul style="list-style-type: none"> Line Items Projects: LANS failed to complete a critical security project, NMSSUP, on schedule within budget. The inability to complete NMSSUP puts NNSA in a higher cost profile for an undetermined period of time. Performance on this project is unacceptable. Additionally, other infrastructure projects were not well managed: LANS failed to respond to the DNFSB comments on the RLWTF and the TWF in a timely manner which puts the CD-2 approval at risk (for TWF). GPP/IGPP: A key set of projects such as: Fire Stations, TTF, WNR, MSL, have had numerous concerns from legal contractual issues, Open NCRs, to bumping up against the established thresholds. Project Management Framework: LANS has consistently had difficulties in defining financial and earned value data to ensure "real time" project status and concerns remain with accrual process deficiencies. Integration of key functions has also resulted in delays and missed opportunities to progress the projects. Finally, LANS has struggled with controlling requirements and having a disciplined structure to manage projects. <p>6.2.2 - CMRR Performance - The CMRR construction worker safety program was well executed for the REI construction period. Some key accomplishments included the sustainment of the construction worker safety program in place from the construction of the RLUOB facility and throughout the REI construction phase of the project. REI construction subcontractors worked 33 months and more than 488,000 hours with only one recordable injury. This work was accomplished in a high hazard construction work setting. Other items of special note included the teaming of the safety and quality personnel that developed and implemented Safety, Quality and Productivity Leadership Workshops for LANS supervisors. These workshops have been viewed as best in class and provide leadership tools to effectively manage risk and improve productivity. The People Based Safety (PBS) team developed and implemented pre-task planning and screening tools and the start of each shift to better define and clarify daily tasks and resulted in exemplary safety performance in FY2012. The PBS team also completed craft-to-craft safety behavior observations which reinforced the safety program during all construction activities in FY2012. (adjectival rating for this element only would likely fall in the outstanding category)</p>

Total Fee: \$437,500

Overall Rating of PBI 6.2: SATISFACTORY

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PBI 10.9 50-Year Environmental Stewardship Plan

Maximum Available Fee: **\$2,000,000**
 Fee Earned: **\$1,600,000**

PBI 10.9 50-Year Environmental Stewardship Plan

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

Measure 10.9 Evaluation Criteria

Total Available Fee: **\$2,000,000**

		Weighting	Fee Earned	
	Performance Evaluation Plan Measure 10.9	100%	\$1,600,000	<ul style="list-style-type: none"> • Complete maturation, implementation, and demonstrate execution of a 50-Year Environmental Stewardship Plan (50Y-ESP) that meets the NNSA's requirement for long term environmental stewardship, sustainment, and viability. • Build on the FY11 foundation to complete a long-term stewardship and action plan that is the primary document and process for managing the Los Alamos National Laboratory's environmental resources, that demonstrates full management and long term stewardship to include the following: <ul style="list-style-type: none"> – Demonstrate the engagement of management organizations – Utilize as the primary tool for management of environmental resources and contamination issues – Include identification of the environmental risks, monitoring systems, and trigger points, defense in depth; from current and legacy hazards for the range of environmental media with focused attention on: <ul style="list-style-type: none"> ? monitoring contaminants from LANL with an objective of continually reducing off-site risk and maintaining contaminants within lab property ? protecting the resources such as water supply, air, biota, cultural resources, etc ? identifying and resolving regulatory compliance issues ? integrating with DOE Orders and regulatory requirements to include long term stewardship ? achieving and sustaining a restored environment through a pursuit of environmental excellence – Demonstrate long-term proactive environmental stewardship through effective use of the 50Y-ESP and Public Communication tools by: <ul style="list-style-type: none"> ? Executing a public education program using the 50Y-ESP and it's tools, ? Being oriented to protecting employees, the public, neighboring Federal or Tribal entities, ? Making it geographically oriented and presented in a fashion that a member of the public can understand – Institutionalize the plan and demonstrate its viability to manage the Site's environmental resources over multiple years • Performance expectations include the following: <ul style="list-style-type: none"> – Provide a milestone driven schedule including protocols for periodic revision and refinement – Make website and data publically accessible. – Implement a LASO approved 50Y-ESP that demonstrates utilization of the 50Y-ESP as the integrating framework with EMS for LANL environmental management activities and communications, and that it is a proactive management plan that protects the environment with a strategy of defense in depth. – Demonstrate and communicate the 50Y-ESP to a range of stakeholders & tribal governments
80%	COR Analysis			(a) Performance expectations were largely met; late FY12 submission and approval of the Plan prevented full maturation, implementation and communication to all external stakeholders; (b) Significant improvements to the original Plan submitted in 2011 but further development and refinement as the Plan is fully implemented in FY 2013; and (c) Development of the Plan has meaningfully contributed to more comprehensive evaluation of the long term environmental state of the Laboratory and resulted in the development of an impressive decision support tool and interactive communication website.

Total Fee: \$1,600,000

Overall Rating of PBI 10.9: VERY GOOD

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PBI 11.12 Quality Assurance Improvement

Maximum Available Fee: **\$1,000,000**
 Fee Earned: **\$500,000**

PBI 11.12 Quality Assurance Improvement

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

PBI 11.12 Evaluation Criteria

Total Available Fee: \$1,000,000

		Weighting	Fee Earned	
	Performance Evaluation Plan Measure 11.12	100%	\$500,000	<ul style="list-style-type: none"> Continued site-wide implementation of Quality Assurance programmatic requirements specified in DOE Order 414.1D through institutional procedural alignment and/or the development of local procedures to address gaps in adherence to implementation plan). LANS independent QA assessments demonstrate appropriate use of technical subject matter experts, defined review scope, clear findings linked to requirements, and high quality reports that provide LANS with self identification opportunities to preclude significant issues being identified by LASO. LANS to provided trending and analysis of reported metrics and objective evidence reflects that LANS has taken appropriate and documented corrective/improvement actions with realized improvements in established metrics. Effectiveness in product submittal actions resulting in reduced incorrect stamping requests Effectiveness in product submittal actions resulting in stamping requests that reflect the appropriate quality marking to be applied for the application of the item. Effectiveness in product submittal actions resulting in appropriate engineering authorizations to support the request that are accurate and in place at the time of the request. Efficiency in product submittal actions resulting in stamping requests that are in alignment with the product submittal schedule. Reduction of product submittals having incidental defects. Maintain an acceptable PATF. Sustain high performance in off-site shipments completed error-free to include all ICO and PCD deliverables, Pu-238 components, Plutonium oxide materials (ARIES/MOX and stabilized materials), Trainers, etc.
50%	COR Analysis			<p>Performance Accomplishments include the following: LANS accomplished significant improvement in the area of trending and analysis related to Nonconformance resolution overall. Current metrics and analyses accurately reflect the overall health of the QA program and highlight where additional actions are needed. Significant progress was made in meeting DOE O414.1D as evidenced by issuance of a revised QAP for LASO approval; restructuring and reissuance of approximately 30 institutional procedures in support of meeting DOE O414.1D requirements; and implementation of those requirements in multiple areas. The QPA organization completed a number of independent assessments in support of the approved vendor supplier lists and general operating activities. LANS' Product Certification team greatly improved upon the early FY12 trend of inadequate Product stamping requests. Performance deficiencies include the unsatisfactory product submittal packages and deficiencies within supporting engineering authorizations. Specifically notable weaknesses were apparent in the 1E38 product, MOX/ARIES, GTU product, UK product, and B61 JTA product. Due to a lack of coordination within LANS, achievement of deliverable timelines fell to LASO QA to facilitate and accomplish on behalf of NNSA. In addition, progress on closure of QA Corrective Action Requests continues to be lagging.</p>
		Total Fee:	\$500,000	

Overall Rating of PBI 11.12: SATISFACTORY

~ End of Document ~