



**NEVADA SITE OFFICE**

**FY 2009 Performance  
Evaluation Report**

**OCTOBER 1, 2008, THROUGH SEPTEMBER 30, 2009**

**for**

**CONTRACT NO. DE-AC52-06NA25946**

**with**

**NATIONAL SECURITY TECHNOLOGIES, LLC**

**FY 2009 PERFORMANCE EVALUATION REPORT (PER)  
OCTOBER 1, 2008, THROUGH SEPTEMBER 30, 2009  
CONTRACT NUMBER DE-AC52-06NA25946  
NATIONAL SECURITY TECHNOLOGIES, LLC**

**I. EXECUTIVE SUMMARY**

This Award Fee Report includes an assessment of National Security Technologies, LLC's (NSTec) overall performance, responsiveness, senior management involvement, partnerships and teamwork in support of the National Nuclear Security Administration (NNSA) Nevada Site Office (NSO) Strategic Initiatives and site priorities against twelve Performance Based Incentives (PBI) (including Multi-Site performance measures) and twenty three Performance Objectives (POs) identified in the Fiscal Year 2009 (FY 2009) Performance Evaluation Plan (PEP). The PEP was a combination of base, stretch and multi-site performance measures with breakout values as follows.

- Base Fee = 60%
- Stretch Fee = 30%
- Multi-Site Fee = 10%

Fee under this PEP is earned commensurate with performance as measured by the aggregate percentage of success in achieving the base performance targets as a category and then the stretch performance targets as a category. In order to be eligible to earn any of the stretch pool fee at risk, the base performance must be at least 85% or higher in each performance category (Mission, Operations, Management), irrespective of performance against the stretch performance measures.

The overall performance of NSTec is deemed "Outstanding" for FY2009. For Fiscal Year (FY) 2009, NSTec's performance was excellent in some areas, while other areas still require additional work to satisfy NSO's expectations. Key highlights for the year revolved around mission success and effective management of potentially significant budgetary issues. Key achievements included:

- Development and successful campaign to designate the NTS as the National Center for National Security
- Supported several key experiments with excellent data returns, including the Phoenix Full Functional Tests 3 and 4, the multi-agency Full Toss, Cygnus dual-axis shots, and the confirmatory for Barolo
- Preparation for Fall Classic
- Completion of the Transuranic Waste Project
- Substantial completion of the Mercury Highway to include achieving 11.5 miles of additional scope based on savings that resulted from innovate subcontract clauses
- Initiation of the Fire Stations project two months ahead of schedule

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- Initiation of a Management Realignment initiative, under the direction of NSO, to look at ways of improving resource utilization and improve overall efficiency of their operations
- Dealt with multiple diverse financial issues ranging from Pension funding to significant funding shortfalls identified in the Stockpile Stewardship programs
- Worked collaboratively with NSO, NNSA Headquarters, and the national laboratories to develop reasonable solutions to funding thereby avoiding workforce restructuring and maintaining the unique resources that set the NTS apart from other national testing centers

It is significant to note that NSTec achieved these accomplishments, like last FY, without any major safety or security issues.

## II. ESSENTIAL PERFORMANCE MEASURES

### A. MISSION BASE

<b>PBI</b>	<b>MIS08I-01 Campaigns/DSW Level 1 &amp; 2 Milestones</b>	<b>Met</b>
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<b>MIS09A-02 RTBF Planning &amp; Performance Documents</b>
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#### Introduction

The contractor did an outstanding job in preparing three documents critical to the Readiness in Technical Base and Facilities (RTBF) program. The final products were extremely well written, meeting all HQ requirements, and did not require additional work

#### Achievements

Each of the documents presented a different set of challenges to NSTec.

Revision 1 of the FY 2009 Site Execution Plan was due 20 business days after receipt of the final FY 09 targets from HQ. The budget was not approved until early March and the number for Operations of Facilities was significantly different from those in the initial Authorized Financial Plan as it was based on the lower of the House and Senate numbers. This required NSTec to make adjustments. While revising the plan, NSTec realized that there would be significant carry-over into FY10 and started the process to identify this to HQ.

The RTBF Integrated Plan was prepared to identify the long-range facility requirements. NSTec developed this plan using an activity-based cost (ABC) method, extending and improving on what had been previously completed for the DAF to the other RTBF facilities. One of the major achievements of this plan is that it laid out in one document the near and long-term investment strategy for the facilities. This is a tremendous improvement over past years and required a significant commitment by NSTec to develop this plan.

The initial FY 2010 RTBF Site Execution Plan required NSTec to develop the document in a relatively short period of time. Guidance was received in early August with a due date to HQ of August 28<sup>th</sup>.

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Because of the good foundation laid by the Integrated Plan, portions of the document were easier to prepare. One of the challenges NSTec faced was to clearly articulate the large carry-out, the need for it, and identify the planned work. This was done clearly and succinctly in the plan.

The benefit of having these plans and supporting documentation was clearly demonstrated in late September when a short-suspense request was received from HQ on our FY-11 RTBF facilities budget requirements. Had NSTec not put the effort into the preparation of these documents that it did, the response would have taken significant effort and additional time, which we did not have. This information was only requested for NTS and Sandia's activities at TTR. In an email commenting on the response HQ stated: "The responsiveness by both Sandia and Nevada was outstanding and the CFO staff was clearly surprised with the level of information provided and timeliness. As one who has done these kind of reviews in the past the responsiveness of sites leads one to draw the conclusion that entity being reviewed clearly has its act together and the funding required is clearly supported by full documentation and thoughtful analysis."

### **Areas Requiring Improvement**

None Identified.

## **MIS09A-03 Nuclear Explosives Operations**

### **Introduction**

The contractor's overall performance of this measure was good. The goal of this measure was to ensure the Device Assembly Facility was prepared to accept a nuclear explosive operation (NEO) mission. Due to a change in HQ directions, three of the five sub-measures were not completed. The two sub-measures completed were the Fire Suppression System Reliability Project and activities related to the Nuclear Explosives Safety Study.

### **Achievements**

**3.1** NSTec consolidated the NEO-related issues as described above. Early in FY09 NSTec rearranged the project structure in a manner that became more effective in identifying and solving issues. A PEP was revised to reflect the scope for FY09, the baseline was revised accordingly, and execution of the FY09 project scope took place. In May 2009 the resources allocated for the NEO project were redirected and the work was stopped. The project team evolved into a self-motivated team, provided timely financial reports to NSO, and established periodic project meetings to maintain execution effectiveness. The overall project team performance through May was good.

**3.2** The NEO Program QC-1 WBS elements were adequately defined in the NEO PEP. The QC-1 activities included the completion of a Gap Analysis and an Implementation Plan. NSO was briefed in the contents of the Gap Analysis. The Gap Analysis identified all of the requirements not currently met, which needed resolution for declaring QC-1 implementation. NSTec provided to NSO the QC-1 Implementation Plan which was intended to lay out the schedule and specific scope for addressing each requirement not being met, which once addressed would enable the full QC-1 implementation. The NSO QA SME performed the review of the IP and provided significant comments. Project work stopped before more programmatic elements or activities were completed. Overall QC-1 implementation efforts

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were good, within budget and schedule.

**3.3** The contractor completed the Fire Suppression System Reliability Project in November 2008. The report was of good quality. In March NSTec delivered an Action Plan documenting the actions necessary to address the FSSRP issues. NSTec identified a Project Manager who established an Integrated Project Team, developed a PEP, and a baseline schedule. Overall project execution was good.

**3.4** NSTec revised the PEP at the beginning of the FY09 to accommodate for the new year baseline activities. The PEP was a good document. In October 2008 NSO received a tasking letter from HQ giving NSO direction to adjust the NEO Program according to the new NNSA mission needs. NSTec modified the PEP again, to reflect the new HQ direction. NSTec properly organized and allocated resources to complete the FY09 activities. The revised PEP was of good quality. NSTec performed activities thereafter as described in the revised PEP and within the baseline schedule. Communications from the NSTec NEO PCE were outstanding. Through May, with the exception of QC-1 activities (covered in another PO) the NEO Program met its objectives. At the end of May the majority of the NEO funding was redirected and the weapons disassembly program work ended.

**3.5** NSTec prepared the input documents as needed and supported the timely conduct of the study, done by the external NESSG, by enabling the facilities and individuals to be available to the NESSG. The study was completed in early June (5<sup>th</sup>), prior to the June 30 date established in the PO. The 2004 Master Study findings were closed by a letter from Younger to Mellington (E000-SY- 09-0176) dated Aug. 30, 2009, one month ahead of schedule. The Corrective Action Plan for the 2009 Master Study findings was submitted to NSO by its 9/30/09 due date. Overall, the Master Study was successful and the PO elements were met primarily because of the outstanding DAF level of readiness. Completion of the DAF Master Study enables DAF to maintain its mission of being a potential site for conducting nuclear explosive operations.

### **Areas Requiring Improvement**

**3.1** An effective and responsive project team structure established early in the project life prevents delays and inefficiency. Issue identification required considerable NSO involvement to develop a the final set of NEO-related issues. Issues should be sorted as either facility or project to aid in the planning and budgeting process.

**3.2 – 3.5** None identified.

## **MIS09A-04 NERP Readiness & Effectiveness**

### **Introduction**

The NSTec Remote Sensing Laboratories (RSL) have done an outstanding job of supporting the National Security Response Programs of NA-40. They have effectively maintained their readiness to deploy to any situation, they have been notably successful in deploying to both exercises and real world situations in the past year, and, in addition, RSL is gaining world renown in the international community through their work with NA-46.

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### **Achievements**

RSL was a major planner and a major executor of the consequence management (CM) exercise, EMPIRE 09. This exercise was a national level CM exercise sponsored by NNSA and having a number of federal agencies, such as the Environmental Protection Agency, the Department of Homeland Security, the Department of Defense, and others participate. The exercise was located in the State of New York, involving all of their state agencies and included Vermont, as well, as a player. This complex activity succeeded as a result of an outstanding effort by the personnel of RSL. Both NSO and NA-40 were pleased with RSL's efforts and the outcome of the exercise.

The RSL has been providing support through the direction of NA-46 to foreign emergency response groups. Their success and expertise has developed a world-wide reputation for nuclear emergency response capability. Those groups supported this year included the International Atomic Energy Agency (IAEA), Morocco, NATO, Spain, Brazil, and Argentina. Their reputation in emergency response has come to the attention of National Geographic. This group has included RSL in filming for their television programming at the direction of NA-40.

A significant national security event occurred during the summer of 2009. RSL was requested to send scientists and technical personnel on a sensitive deployment. The complexity and seriousness of this effort required timely and accurate coordination. It was successfully handled, and the deployment reflected well on RSL, NSTec, and NSO.

### **Areas Requiring Improvement**

None Identified.

## **MIS09A-05 Criticality Experiments Facility (CEF)**

### **Introduction**

NSTec did a very good job of coordinating with LANL and WSI to complete construction and start the contractor Management Self Assessment on schedule. NSTec exceeded expectations for the year by overcoming several issues, both externally and internally created, to successfully complete all project milestones for Fiscal Year 2009.

### **Achievements**

**General:** At the end of September, NSTec performance on the project was on schedule and budget with a cumulative Schedule Performance Index (SPI) of 1.00 and a cumulative Cost Performance Index (CPI) of 1.00. Through the first four months of the year, NSTec's cost and schedule performance on the project resulted in the loss of the efficiencies gained through the end of Fiscal Year 2008. However, limitations on available funds due to the continuing resolution did not allow NSTec the opportunity to recover. Due to the limitation of funds, NSTec worked with the Federal Project Director to develop a slow down and recovery plan. NSTec effectively implemented the plans to successfully meet the end of year milestone.

**Construction:** NSTec worked closely with LANL to complete the relocation of the critical assembly machines three weeks ahead of schedule. In addition, NSTec continued to provide support to LANL for the installation and testing of the machines enabling LANL to meet their milestones. Start-up and

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beneficial occupancy was completed and approved by all project participants on July 30, 2009. Construction, including closure of all punch list items, was completed on August 27, 2009. All of the construction documentation was completed and closed out on September 17, 2009. In addition, NSTec demonstrated great teamwork and commitment to success by overcoming two instances of locked doors which impacted the completion of construction.

Authorization Basis/Readiness Review: NSTec coordinated closely with LANL to develop and submit a revision to the CEF Documented Safety Analysis/Technical Safety Requirements (DSA/TSRs) to address NSO conditions of approval. In addition, NSTec promptly developed and submitted a late change notice to the CEF DSA/TSRs requested by LANL. NSTec completed the DSA/TSR Implementation Plan on December 15, 2008 and completed the implementation of the DSA/TSRs on September 21, 2009. All personnel training and qualifications were completed on July 20, 2009. The implementation plan for the contractor Management Self Assessment (MSA) was completed on March 30, 2009. In agreement with the Federal project Director, the milestone for the Contractor Operational Readiness Review Implementation Plan was moved to fiscal year 2010. NSTec declared readiness and the contractor MSA started on September 21. Considerable effort by both DAF and CEF personnel was applied to ensure that both NSTec and LANL were able to declare readiness to start the MSA and meet the milestone.

**Areas Requiring Improvement**

In the process of developing the construction turnover package for penetrations, it was discovered that the required Quality Control (QC) documentation associated with the sealing of the penetrations did not exist. This turnover package and the required QC documentation cover work performed in both FY 2008 and FY 2009. This issue had the potential to be a major impact to the project in both cost and schedule. NSTec developed and implemented a plan to address this issue which allowed the turnover package to be completed with only minor impact to project. However, this did result in a PAAA reportable. In addition, it was identified that NSTec had not performed any management assessments associated with QC throughout the entire construction phase of the project. As Quality Assurance and QC are critical in the construction and operation of nuclear facilities, NSTec needs to address this issue.

<b>PBI</b>	<b>MIS09I-09</b>	<b>FFACO Milestones</b>	<b>Met @ 95%</b>
<b>PBI</b>	<b>MIS09I-10</b>	<b>TRU Project Completion</b>	<b>Met</b>
<b>PBI</b>	<b>MIS09I-11</b>	<b>Radioactive Waste Management Complex Operations</b>	<b>Met</b>
<b>PBI</b>	<b>MIS09I-39</b>	<b>American Recovery &amp; Reinvestment Act (ARRA)</b>	<b>Met</b>
<b>PBI</b>	<b>MIS09I-40</b>	<b>Orphan Source Disposition</b>	<b>Met</b>

**B. OPERATIONS BASE**

<b>OPS09A-12</b>	<b>DBT/GSP Implementation (Option 2)</b>	<b>CANCELLED</b>
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## **OPS09A-13 Line Item Project Execution**

### **Introduction**

NSTec provided outstanding support in executing two line item construction projects this year, the Fire Stations and the Mercury Highway. NSTec excelled on the Fire Stations project by awarding the construction contract two months ahead of schedule, procuring an exceptional construction contractor, and evaluating design changes to obtain LEED Gold certification. NSTec's performance on the Mercury Highway project was more than outstanding, it was phenomenal! NSTec delivered 60% more scope more than 15% under budget ahead of schedule, which far exceeded all expectations.

### **Achievements**

#### **13.01, Fire Stations**

NSTec's exceptional efforts during the procurement process with an excellent firm-fixed-price contract in hand resulted in receipt of CD-3B approval on schedule with no conditions. NSTec was proactive in their efforts to continue with the procurement process regardless of the issues related to Executive Order 13202 and the use of the project labor agreement. NSTec's continued efforts positioned the project for construction award as soon as authorization to proceed to award was received from the NNSA Head of Contracting. NSTec excelled by working with prospective bidders to keep them from withdrawing their bids due to delays in the procurement process.

Coordination efforts between NSTec support organizations (Contracts, Safety, Quality Assurance) was superior. NSTec integrated Engineering and Environmental Resources in a manner that resulted in the timely approval of the water and sewer permits by the state. Engineering has also provided timely responses to a large number of Requests for Information (RFIs) in order to keep this project on schedule. NSTec was very proactive in the planning and integration of site security and safety for the badging of 20 concrete truck drivers that resulted in successful pours at both stations.

NSTec successfully met all project milestones for FY 2009. The Life Cycle Cost Performance Index (CPI) has consistently been above 1.0 during the duration of this project. The Life Cycle Schedule Performance Index (SPI) has been consistently at 1.0 regardless of design changes driven by the effort to obtain Leadership in Energy and Environmental Design (LEED) Gold certification.

#### **13.02, Mercury Highway**

During the year, five Baseline Change Proposals (BCP) were processed to increase the scope from 19.2 miles to 30.8 miles. NSTec was able to design, price, process contract changes including development of one new contract, and construct the additional mileage without extending the schedule. The additional scope also required a radiological survey of eight miles of roadway. The effort involved far exceeded anything contemplated at the onset of the project.

Over the course of the year, the project budget was reduced from \$19.7 million to \$17.5 million by NNSA Headquarters. The final cost is expected to be about \$16 million, which is more than a \$3 million savings over the initial budget and about \$1.5 million under the current budget.

All milestones were met or exceeded over the course of the year, with both CPI and SPI exceeding 0.95 on all monthly reports. The CD-4 approval date is not until December 31, 2009 which will be far exceeded since final project acceptance was signed on September 29, 2009 with only two minor punch list items, which is exceptional for a project of this size.

There was only one safety incident on the project, which involved the illegal passing of an asphalt truck operated by a subcontractor. This was immediately addressed by the subcontractor, who barred the driver from the project. Traffic control was handled very well, with the subcontractor being extremely sensitive to delays and NSTec keeping employees well informed.

**Areas Requiring Improvement**

None Identified.

<b>PBI</b>	<b>OPS09I-14</b>	<b>Energy Management</b>	<b>Met</b>
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<b>PBI</b>	<b>OPS09I-15</b>	<b>Work Management Improvements</b>	<b>Met</b>
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<b>OPS09A-16</b>	<b>Emergency Management</b>
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**Introduction**

NSTec performed in an outstanding manner to improve the Emergency Management Program and completed several performance targets well ahead of schedule. At the request of NNSA Headquarters, Emergency Services and Operations Support (ESOS) converted a functional exercise into a full-scale exercise, which required extensive re-planning and preparation. This exercise, which included HQ play as well as interaction with offsite medical facilities, was well executed and a great success. In all, three emergency management functional exercises and three full-scale exercises were conducted in accordance with the FY09 plan, and NSTec exceeded expectations in planning work for FY10.

**Achievements**

The Emergency Response Organization (ERO) training program was consolidated to include all ERO functions, which significantly improved qualification training. This performance target was completed well ahead of schedule.

The alternate location for the Emergency Operations Center (the NTS Emergency Management Center) was completed and operational in January 2009, eight months ahead of schedule. An exercise was conducted to ensure the facility was functional and no issues were noted. This accomplishment improved alternate emergency response times and operations.

The NSO-149 Notification and Update Form was revised and training completed to ensure accurate and timely information is transmitted during emergencies in the NNSA/NSO complex. There has been a significant improvement in emergency information transmission. This performance target was completed five months ahead of schedule.

The Duty Manager training program is being revised to include best practices from other sites. Duty Manager checklists have been updated and the training program now meets all DOE O 151.1C

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requirements. Protective Action determination and GeoCast operation are now conducted by the Duty Manager instead of other Operations Coordination Center (OCC) staff, leading to greatly improved protective action implementation. This performance target was completed ahead of schedule.

An NSTec Continuity of Operations (COOP) plan was completed ahead of schedule and meets all DOE O 150.1 requirements.

Additionally, in September, Emergency Services and Operations Support (ESOS) coordinated an FY10 approach to the performance plan that will provide additional savings and improved performance. The FY10 exercise schedule was rearranged to better utilize available personnel and allow scenario input from the National Level Exercise to be used for a concurrent Emergency Management/COOP exercise. This will result in a significant savings in labor and planning efforts for FY10.

### **Areas Requiring Improvement**

None Identified.

## **OPS09A-17 Project & Construction Management**

### **Introduction**

NSTec provided good support to ensure that projects met cost, scope, and schedule objectives with an appropriate level of engineering and project management. NSTec also supported the Energy Savings Performance Contract (ESPC) and Department of Homeland Security (DHS) contractors, improved project subcontracting, utilized the NNSA complex-wide software tools, and increased the development and use of Lessons Learned.

### **Achievements**

The Office of Secure Transportation Cafeteria (OST) 12-30 project was done very well, within budget, and under a very tight time schedule. OST was very pleased with the results. NSTec project support to other contractors was also excellent. Support for the DAF reroofing project was outstanding and earned recognition from NNSA Headquarters. This project was the largest one done under the national Roof Asset Management Program in 2009. NSTec also provided good support to the DHS Radiological/Nuclear Countermeasures Test and Evaluation Complex (RNC TEC) project and met all the project parameters. Likewise, support of the ESPC projects met all contractor needs.

NSTec procurement of subcontracts was very effective. NSTec Procurement did outstanding work for the Mercury Highway and Fire Stations Line Item projects. The subcontracting for the Badge Office in Building B-3 was done quickly and the contractor performed well, meeting the stringent customer deadline within budget.

The Castle Rock substations and Area 12 Protective Interruptive Device (PID) electrical projects, as well as the DAF security projects, were all done in a satisfactory manner. The new Small Project Implementation Plan was well done and is already providing needed controls for small projects to prevent unexpected cost escalation.

Management of the Facilities and Infrastructure Recapitalization Program (FIRP) was outstanding, with all reports produced in an accurate and timely manner. Briefings for Headquarters site visits were excellent and resulted in no adverse findings.

### **Areas Requiring Improvement**

Engineering design and management of the crafts for in-house projects need more control. Two boiler projects, the Cafeteria boilers and the dorm boiler replacement project, encountered unexpected funding issues delaying their completion, which were partly due to design. The P300 fence is an example of lack of control of the in-house work. The cost overruns and design leading to the lengthy shutdown of the Area 6 Water Tank project was unsatisfactory.

Generation of Lessons Learned should be increased because, except for the large RNC TEC and B-3 Projects, only a few relatively simple Lessons Learned were produced.

## **OPS09A-19 Facility Management**

### **Introduction**

Overall, NSTec delivered good performance in implementing facility management activities and evaluating existing operations for optimization and increased effectiveness. NSTec was self-directed in the development and promulgation of the FY2009 Infrastructure Sustainability Plan and proactively pursued numerous activities related to improving maintenance efficiency. NSTec adequately managed deferred maintenance and reviewed records to remove obsolete projects and deficiencies. NSTec performed above expectations in the management of facility data. Although issues were identified during the annual Facilities Information Management System (FIMS) Validation, NSTec proactively completed corrective actions to close the issues before the end of the fiscal year.

### **Achievements**

NSTec developed, published, and promulgated a new approach to facility management to Facility Managers, published as the Sustainability Plan, dated September 17, 2009. This approach considers mission priority, as well as the projected lifespan of the facility to focus maintenance funds on higher-priority facilities. Facility Managers now track maintenance expenditures at the facility level and have developed FY10 facility maintenance plans that reallocate funds based on the analysis in the Sustainability Plan, a process that will result in an extended lifespan for enduring facilities. NSTec presented this approach to other DOE elements at the 2009 Energy Facility Contractors Group-Infrastructure Management Working Group (EFCOG/IMWOG) meeting and the annual Condition Assessment Group Meeting.

In addition, NSTec implemented changes to the Formal Workplace Inspection Program (FWIP) with improved inspection checklists, inspection frequencies, and assignment of personnel. NSTec has also established several related initiatives that demonstrate their efforts to improve maintenance cost effectiveness, including the Management Realignment and the forward area warehouse, craft, and fleet operations consolidation.

NSTec achieved and maintained the NNSA corporate goals for Facility Condition Index (FCI). The final FY09 FCI for Mission Critical (MC) facilities is 1.78%, well below the targeted maximum of 5%. The

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FCI for Mission Dependent, Not Critical (MDNC) facilities is 5.79%, also below the targeted maximum of 7%. Due to the receipt of above-target funding for maintenance during the fiscal year, the ratio of actual-to-planned maintenance funding was at 110%, indicating that maintenance funding was at an adequate level in FY09.

NSTec exceeded expectations during the annual FIMS Validation. In preparation for the FY09 FIMS Validation, NSTec completed the addition of Other Structures and Facilities (OSFs) records to FIMS. The validation was conducted on June 15, 2009, and NSTec earned status ratings of “Green” for both facilities and OSFs. A progress rating of “Yellow” was given for OSFs due to data quality issues, but NSTec developed a corrective action plan and completed all actions within the fiscal year. As a substantial collateral duty, NSTec used FIMS data to support the annual update to DOE’s Active Facility Data Collection System, which calculates NNSA/NSO’s environmental liability.

### **Areas Requiring Improvement**

NSTec needs to improve quality assurance of facility data to ensure NNSA/NSO is provided with accurate data. During the conduct of the annual FIMS Validation, it was apparent that some data had not been consistently reviewed for accuracy by Subject Matter Experts or the FIMS Manager. The power system equipment primary quantity fields used the wrong unit of measure, Replacement Plant Value (RPV) site factors had not been updated in several years, and the source document for FY08 actual maintenance costs was a derivative product and not directly auditable. Although NSTec closed these issues before the end of FY09, a sense of data ownership and self-direction to correct errors is expected of NSTec in the management of facility data.

## **OPS09A-21 Engineering Improvement**

### **Introduction**

NSTec demonstrated good performance in improving Engineering for facilities and infrastructure systems. The key areas of improvement included training and qualification, configuration management, design quality, and technical communications.

### **Achievements**

NSTec issued the Nuclear Facility Engineering Manual in July 2009, which includes procedures for performing engineering activities. NSTec required all engineers to take the integration of safety into nuclear facilities training to improve recognition of nuclear safety culture expectations. A formal Training and Qualification Plan that includes a training matrix of required courses is used to provide guidance for engineering personnel. Engineering also trained and certified three of their personnel as Geographic Information System (GIS) professionals.

Improvement in NSTec’s design planning and review process rigor of in-house designs has been demonstrated by the strong involvement of Engineering with the DAF Stand-Alone Fire Suppression System Project. Engineering has been proactive in communicating their design approach and producing and reviewing design documents. NSTec also provided excellent review comments in a timely manner for the Energy Savings Performance Contract, Delivery Order 2 scope of work and equipment submittals.

Configuration Management is another initiative that NSTec is striving to improve with quarterly board

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meetings. The Configuration Management Boards include Roads, Power, Sewer, Water, Communications, Land, and Facilities. The Configuration Management System (CMS) was evaluated to include only significant changes to the system, such as power loads or water system pressures. The locations of such items as outlets or panel boxes are not documented, which has reduced the cost of producing CMS drawings.

With the exception of the design issues associated with the Fire Stations project, reduction of rework and increased quality has improved based on monthly reports that have tracked design errors during construction. Also, standard specifications are being used to reduce design costs. Engineering has improved their response time to two days for work requests, which exceeds their target time of five days or less. The plans for the changes to add the Mercury Camp and the northern nine miles to the Mercury Highway project were done expeditiously and with high quality, requiring no corrections during construction.

Technical communications have improved, as was demonstrated on several water and sewer permits that required approval by the State of Nevada. The Engineering Division worked closely with Project Management, Environmental Services, and NSO for the new Fire Stations and several other projects. They resolved state comments in a timely manner for the Fire Stations sewer permit as well as the Water Tanks project in order to maintain project schedules.

### **Areas Requiring Improvement**

During monthly status meetings, AMSO repeatedly requested an Engineering organizational chart with names, which has not yet been provided. The chart was requested in order for AMSO to gain a better understanding of how nuclear engineering was integrated into the Engineering organization. It is unclear if the Chief Engineer will also have control of the Nuclear Engineering group.

A graded approach has been identified but not fully implemented for Configuration Management.

The Fire Stations design issues demonstrate the need for more review of designs completed by consultants.

## **OPS09A-22 Environment, Safety, Health & QA**

### **Introduction**

In FY09, NSTec significantly exceeded the standard of performance for demonstrating excellence in ES&H by continuing to meet applicable laws, standards and regulations through the implementation and maintenance of the systems, programs, and processes described in their approved ISMS Description document. In addition, NSTec developed and implemented a variety of management systems, including external certifications, which resulted in improved work planning and execution. Throughout the year, NSTec ES&H milestones and deliverables exceeded either or both the budget and schedule expectations.

NSTec demonstrated good performance in Quality Assurance (QA) by providing a revised QA Program and associated implementing mechanisms with some further improvements needed. Baseline QA Independent Assessments of two nuclear facilities and the Software QA program were completed on schedule. NSTec successfully achieved continued ISO9001- 2000 certification and were recommended

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for certification upgrade to the ISO9001:2008 well ahead of schedule. NSTec also made efforts to improve employee understanding of the nuclear industry commercial grade dedication and overall nuclear regulatory framework.

### **Achievements**

In FY09, NSTec experienced a significant decrease in both the Total Recordable Case (TRC) Rate and the Days Away from Work, Restriction or Transfer (DART) Case Rate. At the end of FY09, NSTec's cumulative average TRC was 1.18, 31% lower than the FY08 average of 1.70. At the end of FY09, NSTec's cumulative average DART was 0.45, 41% lower than the FY08 average of 0.77. This performance target was exceeded.

During FY09, NSTec did not receive any notices of violations, administrative penalties, or reportable releases to the environment. This performance target was met.

NSTec achieved DOE Voluntary Protection Program (VPP) STAR certification for six of its seven nationwide sites. This was achieved on their initial effort and six months ahead of schedule. NSTec received 3 DOE VPP Contractor champion awards for leadership and furthering advancement of the program.

NSTec completed all actions listed on the Electrical Safety Improvement Plan (ESIP), which addressed a series of improvement actions focused on electrical safety. This was achieved 2 years ahead of schedule and has resulted in significant reductions of electrical safety events at the Nevada Test Site.

NSTec received various DOE and Federal Aviation Administration (FAA) awards for excellence in Aviation Safety performance. These included excellence in aviation program management and the aviation maintenance program.

The Radiation Protection Task Plan milestone to provide NSO with an implementation plan for the 2007 updates to 10 CFR 835 was completed almost two months ahead of schedule. The execution of this plan during FY09 involved revisions to 70 documents, redesign of the Internal Dosimetry program, upgrade of neutron dosimetry, and adjustment of site postings and labeling. In addition, NSTec performance during the Oversize Box repackaging project in Area 5 was an outstanding example of high hazard work performed safely and effectively with no radiological incidents.

During this year, the NSTec Industrial Hygiene group completed Health Hazard Evaluations (HHEs) of all 66 high hazard facilities under the NSO purview. This has resulted in an overall increase in health and safety of both federal and contractor workers at the NTS and other locations.

The NSTec Industrial Hygiene group obtained American Industrial Hygiene Association accreditation of their laboratory and successfully completed their ISO follow-up review this year.

NSTec obtained and implemented the use of a computer program used by the US Air Force for the purpose of preparing explosive safety site plans. The program fulfills requirements of the DOE Explosives Safety Manual and has resulted in NSTec's ability to generate site plans more rapidly, and enabled NSTec to have increased confidence in the accuracy of these site plans.

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NSTec maintained ISO 14001 certification for their Environmental Management System (EMS). Audits and assessments indicate that the EMS is fully implemented and effective, and demonstrates continual improvement. The emphasis NSTec has placed on EMS implementation ensured that NSO was able to meet their deliverable to Headquarters of declaring that the NTS EMS fully conforms to DOE O 450.1A requirements.

The Quality Assurance Requirements Document (QARD) was revised to bring the QA program into compliance with ISO 9001:2008 requirements and to correct issues identified during an NSO assessment. NSTec also developed and implemented QA Awareness briefings for employees, completed independent assessments to provide a baseline of future activities, and successfully maintained ISO 9001 certification.

Lloyds Register Quality Assurance (LRQA) completed the ISO 9001 bi-annual surveillance and recommended NSTec for certification upgrade to the ISO9001:2008 standard well ahead of the planned milestone date of January 29, 2010. During this surveillance, NSTec was complimented on their QMS improvement effort, QMS management reviews, and ISO 9001:2008 gap analysis.

In addition to the established targets, NSTec also enhanced their understanding of Commercial Grade Dedication by bringing in an expert from the Electric Power Research Institute (EPRI) to provide a Nuclear Vendor Procurement Training Course. Additionally, the QA department teamed with the Performance Analysis and Improvement Division (PAID) to present two nuclear QA training courses in the areas of Lead Assessor Training and DOE Nuclear Standards Orientation. These training initiatives were well received and attended.

Throughout the fiscal year, QA Department personnel teamed with project personnel to develop and implement innovative alternative and economical methods to qualify suppliers and or supplier products. NSTec successfully evaluated, accepted, and placed TEMET OY of Finland on the Qualified Suppliers List (QSL) for the QG1 Blast Valves for DAF. By implementing innovative measures for the document review and supplier history attributes of supplier evaluation, QA was able to evaluate and determine that this company is currently ISO 9001 certified, has a similar QA Program in place, and has the history of manufacturing and supplying products in a reputable manner to other NNSA sites and commercial companies.

### **Areas Requiring Improvement**

NSTec needs to develop a meaningful set of radiation protection program metrics to monitor the overall health of the radiation protection program.

Through much of FY 2009, the NSTec Radiological Control Department was fully staffed, but the organization had six vacancies at the end of FY 2009. Although the vacancies are not resulting in any work delays or inability to support critical NTS mission activities, improvement is needed to regain full staffing.

No effort has been made by NSTec Quality Assurance to discuss corrective action strategies or progress with NSO, holding only final discussions to close out issues identified during the NSO QA assessment. This is in stark contrast to NSTec efforts by the Information Systems Department, Engineering Department, Performance Assurance Division, and Documents and Records Department, who self-

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initiated efforts to obtain customer buy-in to the corrective action strategy, which is a customer focus attribute required under ISO 9001.

The QMS submitted in December 2008 was found to contain many instances of inconsistent references, internal inconsistencies, and poor document integration. While the overall QAP was approved, NSTec has had to expend additional resources to correct these weaknesses. In addition, the new QARD revision, dated October 1, 2009, is inconsistent with the NSTec QAP in specifying the applicability of QC-1 to Quality Grade 1 and 2 work.

The QA Department was responsive to the submission of selected QA performance metrics in response to Headquarters requirement for reporting Contractor Assurance System metrics. However, the key metric, Pareto analysis of issues, is limited to only QA issues found through QA assessments and surveillances. It is expected that the QA organization analyze all company issues to help the entire corporation understand the key areas of QA weakness.

## **OPS09A-23 Nuclear Safety**

### **Introduction**

Overall, the contractor met or exceeded a majority of the individual performance targets associated with the Nuclear Safety performance measures, including criticality safety, safety basis documentation, safety analyst training and qualification, unreviewed safety question process, and fire protection. In general, work was executed in accordance with applicable regulatory directives, standards and guidance throughout the evaluation period. However, based on the level of NNSA/NSO involvement required and rework necessary to address deficiencies, additional management oversight is necessary to ensure deliverables are developed using processes that enable effective solutions, promote efficiency and ensure validation of deliverables.

### **Achievements**

**A – Nuclear Criticality Safety:** All deliverables and actions associated with Performance Target 1 were completed in accordance with schedule requirements. NSTec previously revised applicable company directives to implement the expectations of DOE-STD-3007-07, "Guidelines for Preparing Criticality Safety Evaluations at Department of Energy Non-Reactor Nuclear Facilities." Programmatic improvements include a process to evaluate the collection of controls developed in the Criticality Safety Evaluation (CSE) and determine their importance in the safety basis, and explicit direction on the Criticality Control Review (CCR), a linking document used to summarize the results of this evaluation process for criticality hazards and controls. Criticality safety staff subsequently performed a technical review of all criticality safety evaluations for activities at the DAF, On-Site Transportation and RWMC, and determined specific criticality safety controls that should be incorporated into the associated facilities safety basis documentation.

Performance Target 2 was not fully met. NTS nuclear facility safety basis documents were not revised to incorporate applicable criticality safety controls as required by September 15, 2009. Furthermore, the process necessary to ensure nuclear criticality safety controls identified in the CCR are incorporated into the DSA and TSRs has not yet been implemented. On September 16, 2009, NSTec formally transmitted a white-paper that "...provides a strategy for furthering the CCR process with specific emphasis regarding

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the implementation of appropriate criticality safety controls into the DSA.” Although NNSA/NSO expected to receive a documented solution to the problem, the white paper stated that “Various implementation approaches are described to allow opinions to be developed.” NSTec had not yet decided on an acceptable implementation methodology. Moreover, the white paper did not present a cogent discussion that satisfies expectations of DOE Standards 3007 and 3009, leading an external independent reviewer (i.e., NNSA/Service Center Criticality Safety Engineer) to conclude that there were fundamental misunderstandings associated with criticality safety analysis and nuclear safety analysis.

Later in the evaluation period, NSTec did present what appeared to be a reasonable approach to ensure that criticality safety controls identified in the CCR are incorporated into the DSA and TSRs. The methodology will be implemented in the next revision of NSTec OP-NOPS.018, “Integration of Nuclear Criticality Safety Evaluation with Safety Basis Documents.”

Communications with NNSA/NSO have been good throughout the last year, however, prolonged internal debate and opposing opinions among NSTec’s workforce significantly delayed progress in meeting expectations associated with this performance target. While NNSA/NSO recognizes the task is further complicated by a general lack of agreement throughout the DOE complex in how to execute the CCR/safety basis integration task, NSTec should have been proactive in developing a viable, rule-compliant methodology suitable for use at the NTS.

Performance Target 3 was not met. NSTec did not provide fully qualified Senior Criticality Safety Engineering coverage dedicated to the DAF as required by June 30, 2009. NNSA/NSO recognizes that NSTec conducted a thorough country-wide search for candidates to fill the senior position, but due to the shortage of criticality safety engineers across the DOE complex an acceptable candidate was not available to be hired. Furthermore, NSTec did obtain a qualified criticality safety engineer with a Masters and PhD in Nuclear Engineering with multiple years of experience performing criticality safety duties at multiple DOE sites to fill the lead position for the criticality safety program. Although NNSA/NSO remains concerned that the current staffing levels associated with the CSP may be less than that necessary to maintain effective implementation to support mission needs, NSTec is committed to hiring additional personnel and is actively pursuing candidates.

**B – Nuclear Facility Safety Basis Documentation:** The contractor developed and maintained most nuclear facility safety basis documents in accordance with approved methodologies. In most cases, the approval bases were adequate and consistent with §2.0 of DOE-STD-1104-96, “Review and Approval of Nuclear Facility Safety Basis Documents (Documented Safety Analyses and Technical Safety Requirements).”

The following significant safety basis documents were formally submitted to NNSA/NSO in a timely manner (i.e., consistent with project plan) for review and approval:

1. Joint Actinide Shock Physics Experimental Research (JASPER) Facility Documented Safety Analyses (DSA)
2. Visual Examination and Repackaging Building (VERB) DSA Change Notice
3. Criticality Experiments Facility (CEF) DSA
4. Area 5 Radioactive Waste Management Complex (RWMC) DSA

5. Evaluation of the Safety of the Situation (ESS) for Joint Actinide Shock Physics Experimental Research (JASPER) Facility
6. Justification for Continuing Operation (JCO) to address corrosion-related vulnerabilities associated with Device Assembly Facility (DAF) Fire Suppression System (FSS)
7. DAF DSA Change Notice-07 to support transportation within DAF Yard
8. DAF DSA Change Notice-08 to support Fall Classic experimental campaign
9. CEF DSA Change Notice
10. Barolo Subcritical Experiment DSA Change Notice
11. Safety Design Strategy (SDS) to support the DAF FSS Standalone Unit major modification
12. DAF DSA Change Notice-09 to support transportation within the DAF Yard
13. Integrated Area 3 and Area 5 Radioactive Waste Facility (RWF) DSA

Overall quality of the final documentation was good and the associated Safety Evaluation Reports were issued with minimal or no Conditions of Approval (COAs), consistent with the guidance in §2.6 of DOE-STD-1104-96. In most cases the deliverables met the established baseline standards of acceptability (i.e., compliant with safe harbor methodology and associated approval bases) with less than <5% rework for the associated development phase.

Issues were identified in some of the interim and final safety basis deliverables causing rework, and in some cases, the need for NNSA/NSO involvement to ensure efficient and effective solutions were implemented. One safety basis document submitted for approval was rejected due to significant deficiencies that resulted in a lack of appropriate preventive and mitigative hazard controls associated with the accident scenarios evaluated. There were at least two cases where the contractor did not execute a final quality assurance review in accordance with their safety basis review manual.

Late in FY09, the contractor initiated timely and comprehensive corrective actions to improve safety basis performance. These actions included an assessment and realignment of organizational roles and responsibilities and a causal analysis to identify and understand the reasons behind NNSA/NSO's rejection of a significant safety basis deliverable.

**C – Nuclear Safety Analyst Training Program:** In accordance with the agreed upon performance objective, the following performance targets were met:

1. A high-quality Nuclear Safety Analyst training and qualification program was developed and includes the following programmatic elements:
  - A defined process for selection and assignment of personnel to the position of Nuclear Safety Analyst
  - A qualification process shall be defined in terms of education, experience, training, examination, and any special requirements necessary for performance of assigned responsibilities
  - Training developed to support the qualification process shall be based on the systematic approach to training (SAT) process
2. Each operational HC-2 and 3 nuclear facility qualified at least one Nuclear Safety Analyst by September 18, 2009. Three NSTec analysts were qualified under the program, as well as the nuclear safety manager.

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The following specific deliverables were completed in accordance with, or exceeding, schedule expectations:

- Project schedule
- Safety basis training and qualification Program Development Plan
- Nuclear Safety Analyst Job Descriptions (provided for various experience levels)
- Safety basis preparation manual (CM-NOPS.005)
- Safety basis qualification card, training class, and course material

**D – Unreviewed Safety Question Process:** NSTec performed two thorough independent assessments of their USQ process. (Although an independent assessment was conducted on the USQ training, this assessment was in response to a late start of the first independent assessment. Such a late start compressed the remaining time in the performance period for conducting the second independent assessment of the NSTec USQ process. Thus, no penalty or credit is assigned to the first independent assessment and the training assessment.)

One set of lessons learned sessions were conducted between July 22 and August 3, 2009, to update personnel on the results of the first independent assessment’s issues.

**E – Fire Protection:** NSTec provided high quality deliverables that met or exceeded expectations (i.e., quality and schedule) documented in the performance objective. All associated tasks were accomplished in a manner that has substantial positive impact on NTS facility post-transition activities and fire protection programmatic improvements. In meeting this performance objective, the DOE O 420.1B gap analyses were conducted and determined to be outstanding for the U1a Complex, JASPER facility and the DAF facility. In those areas where non-compliant conditions were identified, the following measures addressed the deficient conditions:

- NSTec submitted a request for an U1a exemption from fire suppression requirements. (Approved 10/1/09)
- NSTec submitted an U1a fire protection strategy to NNSA/NSO that included three exemptions and one equivalency to DOE O 420.1B fire protection requirements.
- NSTec submitted two JASPER fire protection equivalencies that were approved by NNSA/NSO.

Issues identified in the DAF gap analysis were appropriately addressed through the DAF Fire Suppression System Reliability Project actions.

### **Areas Requiring Improvement**

**A – Nuclear Criticality Safety:** NSTec must finalize a strategy that ensures criticality safety controls identified in CCRs are incorporated into the DSA and TSRs. The methodology should be implemented in the next revision of NSTec OP-NOPS.018, “Integration of Nuclear Criticality Safety Evaluation with Safety Basis Documents.”

**B – Nuclear Facility Safety Basis Documentation:** Contractor management oversight is necessary to ensure safety basis documents are developed using processes that enable effective solutions, promote efficiency and ensure validation of deliverables.

**C – Nuclear Safety Analyst Training Program:** None identified.

**D – Unreviewed Safety Question Process:** No weaknesses were noted in the first independent assessment report; however, the following weaknesses were noted in the second report regarding use of conjecture that may jeopardize a negative conclusion and use of draft screening criteria. However, USQ process performance remains weak as indicated by the repeat findings. To be fair, this situation is a result of the limited time provided to implement corrective actions since the first assessment but that was a conscious decision by NSTec management to proceed with the second assessment so close to the end of the performance period and before all corrective actions could be implemented.

**E – Fire Protection:** None identified.

## **OPS09A-24 Security Operations**

### **Introduction**

The contractor provided security services in the areas of Security Planning Activities, Information Security, Cyber Security, Security Operations, Personnel Security, & Program Management. Their overall performance was rated **GOOD** when using the performance standard established in the PEP. Performance in critical and mission areas remain at a high level although there is room for improvement in some areas. Program/Project milestones and deliverables exceed either or both of the budget and schedule expectations.

### **Achievements**

#### **A. Security Planning Activities**

The security office worked in coordination with NSO, PAI, and WSI to provide the consolidated budget decrement and impact statements for submittal to Headquarters and presentation at the Baseline Budget Review in Albuquerque. The information was favorably received by DNS.

NSTec assisted in the development and preparation of the quarterly DNS FY09 Budget Execution, DNS midyear budget review, FY 2011-2015 Defense Nuclear Security (DNS) Budget call, and Future Years Nuclear Security Program (FYNSP) Field Security (FS) Funding data call. All information was provided in an accurate and timely manner.

NSTec Security successfully completed the move of the NSF badge office to Building B3. NSTec security also continued to provide budget support to PAI to complete punch-list items finalizing the Badge Office move from the NSF to Building B3. The move was completed without undue delays in customer service.

#### **B. Information Security**

NSTec supported the reduction of ACREM by having laborers sandblast 72 media for destruction. In addition, NSTec assumed responsibility for processing classified mail at no additional cost to NSO. They completed a 100% inventory of classified documents in the Classified Material Control Center in preparation for the transition over to NSTec. This action was completed prior to the December 1, 2008 deadline date.

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Security staff and Stockpile Stewardship personnel continue to review and have made progress in the review of 5,134 historical documents to determine which ones can be destroyed, sent back to the labs, or sent to the classified archives. Such reductions reduce the potential for security incidents and the NSO classified footprint. NSTec has, to date, coordinated the transfer of 89 historical ACREM from the CMCC to Los Alamos National Laboratory.

The NSTec classification website continues to surpass the NSO expectations, including derivative classifier listings, reference material, training classes, and guidance.

### **C. Cyber Security**

In FY2009 NSTec cyber security has began attending the NNSA Cyber Security Program Reviews and presenting their own budget projections, accomplishments and challenges; this will better prepare the NSTec Cyber Security Division for meeting the growing needs of the NCNS. NSTec cyber security was instrumental in the certification and accreditation of the first classified network for the NTS and remote facilities, this new network will reduce ACREM, support new missions and allow for exponentially greater collaboration of with other NNSA sites.

### **D. Information Technology**

The contractor provided security services in the area of support of secure communications to other NNSA sites that met the standard of performance established in the PEP. Their initiatives, tasks, and activities were accomplished in a manner that had a substantial, positive impact on the mission of the NSO and were accomplished within budgeted costs. All other significant requirements were performed at the satisfactory level and non-incentivized efforts meet minimum acceptable levels.

ISD has been actively participating and supporting the network migration of the WSI, SNJV and ARL networks off of the DOECOE owned federal network. This is critical to ensure the continuity between each of the contractors and the NNSA/NSO. ISD has built and designed a network to allow this to happen.

### **E. Personnel Security**

Security staff initiated an effort to close out 48 historical records that had been pending in FACTS (foreign national tracking) for several years. All actions have now been completed. Host reports continue to be received in a timely manner and visits continue to be promptly closed out in FACTS.

The contractor provided satisfactory support to the NNSA/NSO Human Reliability Program (HRP). They satisfactorily met HRP implementation policy standards by submitting the NSTec HRP Implementation Plan (IP), attending mandatory HQ and NSO HRP meetings, supplying data as requested through the quarterly CI data call and were initially responsive in supporting DAF access policy issues by coordinating meetings with the appropriate stakeholders. NSTec Occupational Medicine (OCCMED) however has been outstanding regarding the timely and appropriate coordination and communication efforts regarding medical issues that arise reflecting HRP certified personnel.

WSI completed the annual self assessment of NLVF, RSL, and the NTS. All topical areas were rated Satisfactory; satisfactory is the highest achievable rating. NSTec Security received the highest possible rating of Satisfactory on the Periodic Security Survey conducted October 20 through November 20, 2008.

During July, 2009, NSTec self reported 3 incidents of security concern, 2 of which resulted in infractions. Because all three incidents occurred in the same organization, the Manager scheduled a security stand down to reinforce security policies for all of his employees. This proactive approach clearly demonstrates the desire to reduce or eliminate future incidents of security concern.

#### **F. Program Management**

Safeguards and Security Self Assessments conducted by WSI, and Safeguards and Security Surveys resulted in composite ratings of Satisfactory. Submission of Corrective Action Plan (CAP) updates were submitted on or before the due deadline date. The CAP formats were correct and the CAP action Items (Milestones) were either completed by the due deadline date or a new completion date was provided with acceptable rationale for the delay. NSTec has numerous registered facility clearances that were modified several times in the past year. These FDARs contain accurate information and all changes were completed by the NSTec Security personnel ahead of schedule.

Due to the positive trend of receiving satisfactory ratings on the most recent self assessment and periodic security survey, the NLVF, NTS, and RSL/N were approved for a 24 month extension to the period security survey.

The NSTec FSO completed a three year trend analysis of all survey and self assessment findings. Data gathered from this trend analysis indicated that Information Protection, in particular Classified Matter Protection and Control (CMPC), was a systemic program weakness. NSTec has been aggressively pursuing a series of site assistance visits to correct the issues identified by the assessment process. Subsequent information received from self assessments and surveys has indicated that CMPC is improving and the number of findings in this sub-topical area appears to be on the downward trend. Cyber Security however is now trending upwards with the number of findings identified during surveys and self assessments increasing.

NSTec ended Fiscal Year 2009 trending well below FY2008 in the areas of Infractions and Incidents of Security Concern. FY2009 saw a sharp drop in both security infractions (7) and incidents of security concern (8). This drop is attributed to aggressive security education and awareness, immediate discipline, and corrective actions. NSTec maintains a robust, Security Homepage for NSTec employees. The site has links to required security forms, procedures, security announcements and Employee Security Guides.

NSTec completed the DAF power end-to-end test, identified as being required a year ago, where they spent a Saturday killing power to the substation, seeing if the generators automatically started and the transfer switch worked to take the power load, and then killing the generators to see if the DAF Uninterruptible Power System (UPS) would take the load automatically and hold for at least 45 minutes. This test resulted in positive results.

The Security Office proactively published a Lessons Learned as a result of an Incident of Security Concern reported in February where NSTec self identified a weakness/possible vulnerability with the purchase of Laptop computers that were to have the recording devices removed or disabled by the manufacturer. A double-check system was not in place to ensure the manufacturer performed the removal or disabling of the device. NSTec now purchases laptop computers that do not contain recording devices.

## **Areas Requiring Improvement**

### **Personnel Security**

Though NSTec has satisfactorily met the above criteria, they have failed to meet specific performance assurance standards by allowing a visitor access into the DAF without the appropriate HRP transfer and in contrary to specific direction not to allow access resulting in an IMI-4. This was further compounded by missing the required corrective action date associated with this. Additionally, their good faith effort to correct on-going DAF access issues has also failed to meet substantial corrective actions.

### **Program Management**

The NSTec Safeguards & Security Division Manager needs to improve communication with his senior management and with his peers in other organizations to ensure a comprehensive understanding of the roles and responsibilities of his organization. In a recent NSO retreat, the NSTec General Manager was unaware of the contributions that his organization had made and their level of participation in the NSO security budgeting process.

Earlier this year, an NSTec employee that was being processed for a Q clearance was arrested and incarcerated for domestic violence. NSTec supervision did not immediately report the arrest as required and the incident went unreported until a hotline call was received. Once known, NSTec security was still reluctant to report the incident to NSO. In a second incident, personnel in Waste Operations buried classified waste in a cell without prior approval from AMSS. All physical security measures were implemented prior to the burial, however, the security plan required AMSS approval.

### **Cyber Security**

The contractor provided security services in the area of Cyber Security that failed to meet the standard of performance established in the PEP. Their initiatives, tasks, and activities were accomplished in a manner that had a disruptive impact on the mission of the NSO. Over 10% of the 66 cyber security data calls from NA-2.2 were submitted late to the NNSA/NSO DAA. Multiple Certification and Accreditation packages were submitted late to the NNSA/NSO and almost all were incomplete and lacking the appropriate detail required. In one instance these late and incomplete packages resulted in a "Denial to Operate" for the Counter Terrorism Operations Support System. The NSTec cyber program needs to continue working with the Project Control Engineers to ensure funding is appropriately managed and costed appropriately.

### **Information Technology**

Continuing support of the Nevada Throughput Improvement Project (NTIP) Information Technology Team. ISD needs to formalize relationships for IT services provided to other NNSA/NSO contractors. This formalization should include Service Level Agreements, Recharge Models, and centralized IT services for all contractors for classified and unclassified IT.

## **OPS09A-25 Material Control & Accountability**

### **Introduction**

The contractor provided security services in the area of Material Control and Accountability (MC&A) that substantially exceeded the standard of performance established in the PEP. Their initiatives, tasks, and

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activities were accomplished in a manner that had a substantial, positive impact on the mission of the Nevada Site Office and were accomplished on time and within budgeted costs. All other significant requirements were performed at the satisfactory level or above and non-incentivized efforts meet or exceed minimum acceptable levels.

### **Achievements**

The NSTec MC&A department performed additional assessments and performance tests that were not on the approved schedule. MC&A performed 4 additional assessments and 194 performance tests above and beyond the ones on the approved schedule. The increased testing provides the NSO MC&A Program Manager data to help evaluate the system effectiveness of all elements of the MC&A program. The MC&A department also created some performance metrics using the performance test data to evaluate the effectiveness of specific program elements.

The MC&A department conducted quarterly tabletop exercises that allowed personnel to react and respond to various simulated events. Individuals performed as required, and the anomalies were satisfactorily resolved in accordance with DOE requirements and NSTec procedures.

The installation of the DAF Effluent Waste Monitor was being monitored by the NSTec MC&A department. The installation was to be completed by September 30, 2009. When it became apparent that the effluent monitor would not be installed by the due date, the NSTec MC&A Manager sought out alternative means of meeting the requirement for monitoring effluent waste leaving the Material Access Area (MAA). She was successful in establishing a sampling program that occurs in conjunction with other effluent waste sampling that was already being done. This pro-active approach to solving the problem provided a satisfactory resolution to meeting the requirement until the effluent monitor installation is complete. It also provides a back-up to a single point failure.

The NSTec Fissile Material Handling program started opening containers and supporting the MC&A measurements of backlog TA-18 material in March 2009. The project is currently ahead of schedule with over half of the scheduled items measured. The due date for all items to be measured is September 30, 2010.

In addition, NSTec has produced a substantial cost avoidance by modifying an TA-18 early move Shipper/Receiver Agreement to eliminate measurements on almost 100 items of Category IV E nuclear material.

NTS has been nationally recognized for the success of the Safeguards First Principals Initiative (SFPI) and their organization has been requested to support SFPI implementation at DOE sites throughout the complex.

MC&A continues to be responsible for the quarterly performance testing of the DAF Special Nuclear Material (SNM) portal monitors and handheld SNM monitors.

### **Areas Requiring Improvement**

None Identified.

## C. MANAGEMENT BASE

### **MGT09A-26 General Management**

#### **Introduction**

The General Management objective is global in nature and considers activities important to NSO senior management. Performance Objectives were identified for focused evaluation and special attention was given to the performance of the NSTec management team in how they responded to requirements, issues, and strategic initiatives. The overall performance of NSTec's senior management team during this period was deemed "Good". NSTec's performance in some areas was excellent, while other areas will require additional work in the future in order to ensure continued success in serving as the Nevada Test Site's (NTS) M&O contractor.

The General Management objective is global in nature and considers activities important to NSO that require NSTec senior management to work collaboratively, both internal and externally to the organization, in order to achieve desired results. The performance objectives identified represent areas of importance to the NSO senior management team, especially from a strategic viewpoint focused on the long-term viability of the Nevada Test Site (NTS). The overall performance of NSTec's senior management during this period was deemed "Good." For Fiscal Year (FY) 2009, NSTec's GM performance was excellent in some areas, while other areas still require additional work to satisfy NSO's expectations. Key highlights for the year revolved around mission success and effective management of potentially significant budgetary issues. One of the key achievements for the NSTec senior management team was the development and successful campaign to designate the NTS as the National Center for National Security, focused on supporting national security initiatives that can leverage the unique capabilities of the site. In addition, several key experiments were supported by NSTec, with excellent data returns, including the Phoenix Full Functional Tests 3 and 4, the multi-agency Full Toss, Cygnus dual-axis shots, and the confirmatory for Barolo. Other key project milestones included the completion of the Transuranic Waste Project, substantial completion of the Mercury Highway that achieved 11.5 miles of additional scope based on savings that resulted from innovative subcontract clauses, and the initiation of the Fire Stations project two months ahead of schedule. NSTec performed a Management Realignment initiative, under the direction of NSO, to look at ways of improving resource utilization and improve overall efficiency of their operations. NSTec has identified \$6M in annual savings through this effort and will provide NSO with data to verify these savings in FY 2010. Finally, NSTec effectively dealt with multiple diverse financial issues ranging from Pension funding to significant funding shortfalls identified in the Stockpile Stewardship programs. NSTec worked collaboratively with NSO, NNSA Headquarters, and the national laboratories to develop reasonable solutions to these issues that avoided workforce restructuring and maintains the unique resources that set the NTS apart from other national testing centers. It is significant to note that NSTec achieved these accomplishments, like last FY, without any major safety or security issues. However, it is noted that issues identified in the FY 2008 GM write-up (such as communications, procurement, engineering, quality of documents, and nuclear safety) continued to be evident throughout the performance period. While these continue to be significant concerns for NSO, when balanced against mission execution accomplishments being done in a safe and secure manner, they do not invalidate or marginalize the substantial achievements of NSTec during the performance period. For their overall performance, NSTec's management team exceeded NSO's expectations.

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## **Achievements**

### **National Security Programs – Achievements**

NSTec management has made significant changes in the Defense Experimentation and Stockpile Stewardship organization, which has resulted in increased efficiency, reduced cost and improved collaboration between organizations. This has resulted in a coherent approach to work and identifying new opportunities. Approximately 16 FTEs were identified and transferred to other projects. Senior management has done an excellent job in providing support to proposed future missions at the NTS and is partnering across all internal organizations to ensure the full complement of NSTec capabilities are showcased to meet new opportunities. NSTec management has also improved its work for others base demonstrating the technical and scientific capabilities of its organization. It continues to meet and exceed customer expectations and, as a result, has increased this work. In spite of some issues related to RNC TEC construction early in the year, NSTec Management was successful in starting up the facility as a less than hazard category-3 nuclear facility and successfully supported a Department of Homeland Security project.

NSTec management has been proactive in meeting various challenges during the year. On several projects including facilitating emergency repairs to a roof damaged by high winds and expediting sampling of the interior coating on the Combating Terrorism Infrastructure Water Project water tank, management quickly recognized opportunities to minimize delays to ongoing activities. In the case of the water tank this action significantly reduced the schedule impact and resulted in cost savings. Throughout the year, NSTec management has been very proactive in addressing budget issues in the Stockpile Stewardship area. Senior management has spent time working with the HQ program offices and the Nuclear Security Enterprise Integration Council to ensure everyone is aware of the issues. This has resulted in additional funding being identified in several key areas and recognition that significant carry-over in Readiness in Technical Base and Facilities – Operations of Facilities is necessary for successful execution of the FY-10 program. In spite of all the budget issues, NSTec met their programmatic goals in “getting the job done.”

### **Environmental Management – Achievements**

In general, NSTec successfully completed their assigned annual work scopes for EM within the respective cost and schedule metrics. Moreover, NSTec carried out their activities in such a manner so as to maintain and improve NSO’s safety and health workplace objectives.

NSTec met the organization’s goals of completing the TRU project this past fiscal year. Despite ever changing guidance from external customers, NSTec managed their resources and built coalitions throughout the complex thus enabling the project to be successfully completed. In addition, in response to the new American Recovery and Reinvestment Act, NSTec was able to secure additional funds for the NSO which will enable the EM program to not only accelerate work but also stimulate the economy, as envisioned by HQ’s.

NSTec had repetitive issues related to water/septic system submittals that did not meet NSO’s and the State regulator expectations. During the year, however, as a result of several meetings with NSO where organizational vision and goals were discussed, NSTec was able to implement the needed improvements.

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As a result, the last two submittals have met customer expectations which in turn resulted in an improved level of cooperation with the State regulator.

### **Nuclear Safety Achievements**

With respect to Nuclear Safety, the contractor's overall performance was good as the majority of individual performance targets associated with the Nuclear Safety performance measures were met or exceeded. In general, work scope was executed in accordance with applicable regulatory directives, standards and guidance throughout the evaluation period. However, based on the level of NNSA/NSO involvement required and rework necessary to address deficiencies, additional management oversight was necessary to ensure deliverables were developed using processes that enable effective solutions, promote efficiency and ensure validation of deliverables. Late in the evaluation period, the contractor initiated timely and comprehensive corrective actions to improve safety basis performance. These actions included an assessment of organizational roles and responsibilities and a causal analysis to identify and understand the reasons behind NNSA/NSO's rejection of the Area 3 & 5 Radioactive Waste Facilities documented safety analysis. Management needs to remain vigilant and ensure company directives developed as a result of the Safety Basis Improvement Initiative are fully implemented to promote continuous quality improvement in safety basis deliverables.

### **Safety & Operations – Achievements**

NSTec has consistently met customer expectations in safety and site operations, demonstrating excellent performance and coordination with other organizations to produce high-quality results. Emergency roof repairs for Building 25-3123 were deftly coordinated across several organizations to ensure minimal operational impact during the eight-day repair. NSTec also actively worked with Chugach McKinley, Inc. to maintain portions of the Nevada Support Facility high-voltage power system, resulting in cost savings for NSO. In addition, NSTec management provided outstanding support to the Office of Secure Transportation during a series of emergency response exercises and received a highly positive response from the customers.

NSTec's outstanding performance resulted in multiple external awards and recognition, including:

- Two national awards from the DOE Office of Energy Efficiency and Renewable Energy (EERE)
- The Aviation Maintenance Technician Awards Program Special Recognition Plaque from the Federal Aviation Administration
- Highest possible ratings in a Compliance Review, Security Contact Review, and a Hazardous Materials Shipper Review from the Department of Transportation
- The Secretary of Energy's Improvement Award for project management excellence
- Accreditation from the American Industrial Hygiene Association for conducting Metals Analysis
- An NNSA Defense Programs Award of Excellence for the NTS Wildland Fire Helicopter Response Development Team
- Recognition from NA-17 and NA-52 for teamwork and cost savings on the DAF roof repair.

### **Safeguards & Security – Achievements**

The contractor's security related initiatives, tasks, and activities were accomplished within Cost, Scope, & Schedule per the FY2009 Annual Operating plan and Task Plans. Results met the standard of performance established in the PEP. The NSTec Security Office published numerous security related articles in the Front Page, their company newsletter. As a result of these efforts, NSTec employees have shown a significant increase in self-reporting security incidents to include taking cell phones into limited

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areas. Cyber Security experienced a downward trend but all other requirements were performed at the satisfactory level and non-incentivized efforts meet and in some cases exceed acceptable levels

## **Business and Contract Management – Achievements**

### **Financial Mgmt**

The NSTec CFO has been proactive in meeting various challenges during the year, which have included pension, procurement and cost model redesign issues.

NSTec responded timely to numerous pension calls throughout FY 2009. Due to the requirement to fund pension plans at 80%, NSTec had a FY 2009 pension budget shortfall of approximately \$31M. After careful consideration, NSTec changed their existing pension valuation methodology which in turn reduced the FY 2009 budget shortfall to approximately \$8M. NSTec was able to absorb the remaining \$8M pension shortfall without additional funding from HQ freeing up funding for other NNSA sites.

NSTec managed the FY 2009 indirect variance to an over recovery of \$1.4M on a total direct spend of \$566.4M. Total indirect expenditures for FY 2009 totaled \$168.3M vs. an adjusted indirect baseline of \$168.6M. Additionally, NSTec developed a new cost model for FY 2010. This new cost model will increase the visibility of cost for Nuclear Operations, Engineering, and Construction Management; result in a more causal-beneficial relationship; and reduce inconsistency.

### **Property Mgmt**

NSTec continued to perform at a very high level in the area of personal property management. Ongoing assessments, operational awareness, as well as a number of internal or external audits confirmed the existence of appropriate internal controls and compliance with applicable laws, regulations, and agency orders. The NNSA Headquarters (NA-63)/NNSA Service Center Contractor Assurance System Baseline Review of the NSTec Personal Property Management System resulted in the identification of a number of best practices that will be shared with the remainder of the NNSA enterprise.

### **Supply Chain Mgmt**

In support of the NNSA Supply Chain Management Center (SCMC), NSTec Procurement has provided exceptional support of site wide goals by meeting or exceeding all targets as prescribed by the SCMC. In particular, NSTec realized an average savings of 16.5% on more than 58 eSourcing events valued at more than \$126M. Additionally, NSTec efforts helped to reduce operational costs by increasing the volume of “paperless” transactions to 73%, an increase of 4% over FY08. NSTec’s successful connectivity and utilization of its first eStore catalog demonstrates their continued support of all SCMC tools and will continue to increase this utilization in FY10.

### **Legal – Achievements**

NSTec provided very effective legal services across a broad spectrum of areas. This was evidenced by cost effective addressing legal claims, including in-house representation (both hearings and appeals) of workers compensation claims, careful management of outside counsel for specific lawsuits, effective negotiation of appropriate settlements on legal matters, etc. Provision of legal services have included effectively coordinating extensively with NSO Site Counsel on a number of sensitive issues and legal

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claims, as well as on numerous contract matters, including implementation of American Recovery and Reinvestment Act requirements, specialized Work for Others issues (process for responding to broad agency announcements; use of indemnification, etc.), research of factual and legal issues in support of NSO's pursuit of a Secretarial exemption from E.O. 13202 to allow for continuation of the Project Labor Agreements at the NTS, responses to DOE/HQ litigation discovery requests, intellectual property matters, legal issues connected with resolution of subcontracts, etc. NSTec Legal further provided important in-house training and mentoring to NSTec management and employees on highly specialized areas with continuously evolving legal requirements, including intellectual property, employment law, labor law, procurement, etc., focused upon improving current knowledge base and capabilities, as well as mitigating the development of potential legal issues.

### **Public Affairs – Achievements**

The NSTec Public Affairs organization did an outstanding job in furthering the programs and activities of the NSO during FY2009.

#### **Emergency Public Information**

With the departure of a number of people associated with both the maintenance and staffing of this program, the EPI program was faltering. The NSTec Public Affairs Manager assigned a dedicated person to this program in order to re-staff the organization, get procedures and policies fixed, and assure through drills and exercises that the program was where it should be. NSTec immediately did a recruitment blitz with all federal and contractor organizations that resulted in a large number of new volunteers coming into the EPI program. From this a series of position specific drills were held that led to the clarification and modification of position specific procedures and check lists.

These activities have not only increased the confidence of the volunteers to do their jobs, but led to the streamlining of many past practices.

NSTec was also able to procure a “mobile JIC in the box” system that allows the EPI function to be done outside the facilities if the need arises. This proactive effort to get the necessary computers, printers, air-cards, television monitors, and other associated equipment greatly enhances the program.

#### **Science Bowl**

With continued diminishing funds available for donations the NSO Science Bowl was faced with a potential degradation in the quality of this program. In addition with the addition, by an outside source, of a Junior Science Bowl the competition for donations was further impacted. The NSTec Science Bowl coordinator found a number of gains in efficiency in the program and was able to complete a very successful competition. The coordinator saved a large amount of the budget by working a deal with the University to house the students in campus dormitories; savings were gained by holding a pizza style party at the Atomic Testing Museum. The savings in space and food costs were substantial. The coordinator also was able to work closely with several of the sponsors and have them provide art work, t-shirts and other promotional material. This also resulted in substantial cost savings.

#### **Tours**

The tours program continues to operate at an extreme high-level of efficiency. The NSTec tour program coordinator was extremely capable in handling many high level VIP tours that were constantly changing. The program coordinator serves, in many cases, as the first point of contact for individuals and groups wanting to see the NTS. Her professionalism, attention to detail and expertise make this program the continued high success it is.

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### Sitelines

All deadlines were met. All articles were done with a minimal need of editing and change. Sitelines is continually produced at a high degree of quality.

### Overall Public Affairs Management

NSTec, through the management efficiency program, consolidated external and internal communications. In addition the organization dedicated a graphic artist to the program. This realignment should allow for a greater use of resources by NSTec to not only meet their corporate needs for internal and external public interactions, but continue meeting and perhaps enhancing the ongoing support they have committed to the NSO Office of Public Affairs.

### Counterintelligence – Achievements

The contractor provided outstanding support and results to the Counterintelligence Directorate (CID). They have substantially exceeded expectations in several critical areas and ensured that CID requirements were achieved.

Program deliverables have significantly exceeded expectations for budget and schedule. After the Federal Senior Counterintelligence Officer (SCIO) departed in Feb 2009, the contractor assumed the responsibilities as the SCIO, and performed in an exemplary manner.

The contractor supports all DOE/NNSA interests in Nevada under the DOE Counterintelligence (CI), Las Vegas Field Office (LVFO). This performance measure requires the contractor to “Detect, deter, and mitigate foreign intelligence collections and espionage efforts and international terrorist threats against NNSA personnel, classified and other sensitive programs, and information architecture”, and they have exceeded expectations.

During this period of performance, the contractor:

- Provided daily CI oversight to all related entities associated with the NNSA/NSO, NTS, and the Office of Civilian Radioactive Waste Management.
- Provided travel briefings and debriefings, Foreign Visit and Assignment Host Briefings and Debriefings, CI Awareness Briefings, and New Hire Orientation Briefings.
  - Provided 45 New Hire Orientation Briefings to 505 individuals.
  - Provided 34 CI/Cyber/Counterterrorism threat briefings to 1,669 individuals.
  - Provided 119 counterintelligence awareness briefings to 4,675 individuals.
  - Provided 629 briefings and 238 debriefings of DOE/NNSA Nevada individuals traveling outside the country or hosting foreign nationals.
- Conducted monthly joint briefings with the Nevada Intelligence Center for the NNSA/NSO Executive Staff during their Executive Intelligence Briefings.
- Provided NTS-oriented threat briefing to the Underground Nuclear Weapons Testing Orientation Program class, as part of the curriculum.
- Provided a NTS Tour and briefing for the LVFO Intelligence community counterparts.
  - Attendance included the local FBI/Foreign CI division, Las Vegas Metro Police Homeland Security personnel, AFOSI Detachment 206, and Department of Homeland Security Personnel within Nevada.

- Hosted the DOE IN-20 SCIO Conference and Cyber Summit.
  - The Acting Directors of the Office of Counterintelligence and Intelligence (IN-1) and the Counterintelligence Directorate (IN-20), and SCIOs and Senior Cyber Specialists from across the DOE/NNSA complex were in attendance.
  - The Cyber Summit was the first of its kind within the DOE CI Community
- Answered all Issue Memorandums from the September 2008 inspection.
  - All deficiencies cited in the inspection were corrected and the Acting SCIO took the appropriate action to improve the CI program; thus, confirming the contractor's commitment to the DOE CI Program

## **General Management – Areas Requiring Improvement**

### **Environmental Management**

As identified at the end of the fiscal year, the late submission of cost estimates as well as poorly communicated technical rationale resulted in the inability of NSO to complete full reviews and make fully informed decisions. NSTec has committed to improve their delivery and quality of estimates and technical rationale.

NSTec experienced several environmental regulatory issues this past fiscal year which exposed their apparent failure to understand the government owner/operator relationship, the lack of necessary management intervention, and accountability for this significant area of potential liability. NSTec needs to be more responsive with regard to accountability, assessment of risk, and self initiation of a path forward to remedy these concerns from a systemic management paradigm.

### **Safety & Operations**

NSTec is not consistently meeting NSO expectations in terms of communications, both within and external to the company. Examples of poor internal communications resulting in adverse effects included the disjointed response to the NNSA pension reprogramming effort in April and an uncoordinated presentation on the Geothermal Project in July. In addition, there were multiple instances throughout the year when NSTec management had not been aware of safety incidents that had taken place at NTS facilities. NSO Facility Representatives have not consistently been included on distribution lists for pertinent correspondence.

### **Safeguards & Security**

While NSTec has a work policy defining the appropriate disciplinary actions to be taken with craft employees, there appears to be no such policy for non-craft employees.

### **Business & Contract Management**

While performance is commendable in many of the business areas, there were a couple of incidents that show there is still room for improvement. Earlier this year, an NSTec employee reported perceived ethics issues with the use of government vehicles. NSTec supervision did not immediately recommend a solution but instead called for a new audit. Once known that there might be issues with how the fleet was being utilized, NSTec management was reluctant to report the findings to NSO. In the last quarter of the

FY NSTec released an internal auditor. Although NSTec has the authority to layoff personnel within the work force restructuring plan (3161); NSTec did not follow the requirements for removing an internal auditor and as a result received an unsatisfactory rating on their fourth quarter review.

### **Legal**

In association with lingering concerns in the environmental compliance area this year, NSO has identified a need for NSTec management to further focus, both through words and actions, on reflecting a stronger culture of accountability and identification with NSO organizational interests. Furthermore, the requisite expertise must be developed and available to identify and address regulatory compliance issues on an ongoing basis, both proactively, as well as in prompt and effective response to regulatory inquiries.

## **MGT09A-27 Contractor Assurance System**

### **Introduction**

NSTec has exceeded the performance objective to implement an effective Contractor Assurance System that provides the assurances that NSO has requested. The CAS description document was delivered to NNSA/NSO on September 30, 2009. While the document received only a cursory review, key elements were found in the document as well as descriptive language to address NNSA/NSO's FY 2010 expectations for enhanced CAS data analysis and reporting. This is considered very proactive as it was accomplished prior to formal direction and attests to the organization's customer focused interactions and cooperation with NNSA/NSO. NSTec has matured its key self-assessment and cause analysis processes. Of most significance is NSTec's achievement of ANSI 748 Earned Value Management System and Voluntary Protection Program certifications. These certifications are in addition to the ISO 9001 Quality Management System and ISO 14001 Environmental Management System certifications achieved last year. These industry certifications engender high confidence in NNSA/NSO's ability to rely on NSTec's CAS to refocus federal oversight on nuclear and high-hazard activities. NSTec also exceeded expectations in its implementation and support for the NNSA LOCAS metric development effort driven by HQ, complete restructuring of the Office of Enforcement reporting processes, and the transfer of independent assessment functions from diverse organizations to a single division to maximize resources and build on organizational and personnel strengths. Of notable mention is the improvement between NSTec and NNSA/NSO counterparts regarding issues management, assessment methodologies, and improved communications.

### **Achievements**

NSTec was to implement and maintain an acceptable Contractor Assurance System (CAS) Description Document. The CAS description document was delivered to NNSA/NSO on September 30, 2009. Efforts were made in advance to discuss and understand customer (NNSA/NSO) strategic objectives. However, only a cursory review of the document could be made in time to provide this evaluation. Based on this limited review, a number of improvements were made including fielding improved issues management software, coordinated occurrence reporting process system interface with the national laboratories, and maintenance of NNSA LOCAS metrics. Of particular note, NSTec has established descriptive information to drive improved analysis and reporting of feedback and improvement information consistent with DOE O 226.1, CRD section 1.c. This topic was discussed at length with NSTec and a corresponding incentive metric for FY10 was developed.

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NSTec was to implement a documented methodology for assessments. NSTec CAS processes for self-assessment are primarily implemented through the requirements of CCD-QA09.001, Management Assessment and CCD-QA10.001 Independent Assessment. These processes provide for the identification of assessment topics based on contractual requirements, risk, and emerging concerns. They provide a structured and consistent methodology to conduct performance based assessments against requirements using appropriately trained and qualified personnel. CCD-QA03.001, Quality Improvement provides a system for categorization of findings and weaknesses. In FY09, these processes were enhanced as follows:

### **Management Assessment**

- NSTec established a management assessment feedback processes with dedicated personnel assigned to program improvement. This process provides management with immediate independent feedback on the quality of assessment reports together with recommendations on improving line assessment processes.
- Implementation of NNSA/NSO Facility Representative notifications in CCD-QA09.001, Management Assessment Program to support the NSO assessment processes and to improve NSO's ability to gain assurance in the adequacy of NSTec processes.
- Strengthening the management assessment processes of CCD-QA09.001 in the areas of effectiveness verification and Safety Management Programs by including specific expectations for these areas.

### **Independent Assessment**

- Enhancement of the Independent Assessment planning processes by revising CCD-QA10.001 to require input from the assessed organization to the assessment plan. This allows the assessed organization to recommend areas of concern for assessment that might be otherwise unknown to the assessment team during the planning stage of the assessment
- The QA Independent Assessment and Surveillance Group was transferred to the Performance Analysis and Improvement Division (PAID) to work directly with PAID's pre-existing technical and safety assessment group. This has already achieved economies of scale, improved coordination, and improved the ability to field cross-trained technical/QA teams.
- The assessor/lead assessor training and qualification programs for independent assessment personnel were upgraded in accordance with the NSTec Training Program to reflect the Systematic Approach to Training, incorporated into the Plateau Training System, and assessment personnel were qualified to the new process.
- PAID assessment personnel completed updated NQA-1 Lead Assessor Training, which included examination and certification. Assessment personnel are now qualified to both NQA-1 and technical assessment processes. This will further enhance assessment capabilities in FY 2010.

### **Cause Analysis**

- The cause analyst training and qualification program was upgraded in accordance with the NSTec Training Program to reflect the Systematic Approach to Training, incorporated into the Plateau Training System, and analysts were qualified to the new process.

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- Cause Analysis training to the American Society for Quality Root Cause Processes and the Phoenix Methodology was provided to a range of analyst candidates during FY09 and qualification is in progress to allow for expanded line investigation and analysis.

### **Third Party Assessments**

- NSTec underwent a rigorous certification assessment of its project control systems in FY09 and its Earned Value Management System received ANSI 748 EVMS certification.
- NSTec underwent a rigorous certification assessment of its Safety Management Systems in FY09 and its Voluntary Protection Program certification.
- NSTec's ISO 9001 Quality Management System underwent a series of program validation assessments in FY09 resulting in continuing certification to ISO 9001 originally received in FY08.
- NSTec's ISO 14001 Environmental Management System underwent a series of validation assessments in FY09 resulting in continuing certification to ISO 14001 originally received in FY08.

NSTec was to fully implement and maintain a fully functional CAS program. NSTec effectively manages and tracks corrective actions through the well established caWeb issues management process which has been operated as a common system with NSO for the past six years. Mated with the issues management processes of CCD-QA03.001, this is a user friendly, readily accessible system available to all Site personnel with the capability for unlimited configurable and customizable reports pertaining to issues management. The system provides data sorting features to support corrective action tracking metrics. Supporting documentation is included with issue/action entries providing transparency to federal personnel; further information is available upon request. In FY09, NSTec upgraded caWeb to the latest version that improved operability and configurable options with virtually no disruption to service.

In addition to the specified targets, NSTec achieved other accomplishments. NSTec is continuing its implementation and support for the NNSA LOCAS Metric Portal. As part of this effort, delivered a requested data call to NSO two days ahead of schedule and ensured that the data posted on the HQ portal on schedule. NSTec has initiated a Sitewide survey of Human Performance Indicator tools that are being used in the field.

Most notable was a complete restructuring of the Office of Enforcement reporting processes and the transfer of independent assessment functions from diverse organizations to a single division to maximize resources and build on organizational and personnel strengths. Also, the NSTec PAID organization has established and maintained collaborative communications with the NNSA/NSO counterpart that contributes to effective and efficient work products, which require little rework.

### **Areas Requiring Improvement**

None Identified.

## **Introduction**

NSTec demonstrated good performance in their support of activities under the NV Throughput Improvement Project (NTIP). NSTec's support to the NSO goals and objectives were furthered through their performance in this area.

## **Achievements**

Throughout the last year, NSTec has continued to demonstrate a shared depth of commitment to excellence in their support of NTIP related projects and missions. NSTec's substantial contributions are directly responsible for the success of NSO missions. As our office evolves to meet new and sophisticated challenges, we will require leaders with vision and resolve. NSTec continuously demonstrates these characteristics through their efforts to support NSO goals and objectives.

NSTec has a representative on the Nevada Throughput Improvement Process (NTIP) Security Enhancement Team (SET) steering committee and two representatives (Security and DAF) on the working group. NSTec has the lead on eight of the twenty-five improvement issues the NTIP SET has identified within its purview. One issue has been transferred to another NTIP team, two have been closed by NTIP leadership, four have been completed and one is currently delayed. In some cases NSTec has stepped up to the plate to volunteer to be the lead on an improvement issue that has several stakeholders that could have been designated as the lead.

## **Areas Requiring Improvement**

Although NSTec frequently surpasses measurable standards in their performance, NSO believes they should continue to move towards more solid strategic planning to enhance continued improvement in their response to project needs.

### III. STRETCH PERFORMANCE MEASURES

Based on the achievement of an aggregate score above 85% on the Base Performance Measures, NSTec is eligible to earn stretch fee. The following is a summary of NSTec's performance against the FY08 Stretch Performance Measures.

#### A. MISSION STRETCH

<b>MIS09A-06 JASPER – STRETCH</b>
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##### Introduction

The intent of this performance measure was to have NSTec complete the Documented Safety Analysis (DSA) and Technical Safety Requirements (TSRs) and to “assist the secondary REOP holder with the investigation, clean-up, and de-inventorying of the JASPER facility within the approved budget.” Due to a high level of performance, NSTec significantly exceeded expectations as demonstrated by accomplishing all targets in a timely manner and under budget.

##### Achievements

The performance target required NSTec to complete the DSA and TSRs by December 1, 2008, within the approved budget. The DSA and TSRs were submitted as required on December 1, 2008. NSTec exceeded expectations by completing this work under budget. NSTec dedicated appropriate resources to meet this stretch objective by balancing the significant and demanding input from NSO with the project budget constraints and resolved NSO issues in time to meet the milestone schedule. The resulting NSO Safety Evaluation Report identified only 3 minor concerns that were resolved with no impact to the implementation schedule.

NSTec demonstrated a high level of performance in their interactions with the Nuclear Weapons Laboratory (NWL). With NSTec's initiative, support, and experience, the facility was de-inventoried of special nuclear material in August. This involved the removal of the contaminated Primary Target Chamber (PTC) from the contaminated Secondary Confinement Chamber (SCC) and return of the unused target assemblies to the DAF. NSTec collected clear contamination data from the JASPER systems under technically and physically challenging circumstances. The efforts of the JASPER facility personnel to expedite the collections, while achieving accurate data, provided the NWL with sound information to facilitate the decision to decontaminate or replace with the SCC. NSTec also assisted in the hot break at the Acceleration Reservoir (AR) and testing of the pump tube to determine usability. NSTec's machining capability will allow the pump tube to continue to be used with only minor modifications.

With the de-inventory of the facility, NSTec assumed operational control of the facility and has proactively engaged the NWL in developing the return to operations baseline. The progress NSTec made on the decontamination and DSA implementation has established the foundation for the facility to return to operations in FY10.

##### Areas Requiring Improvement

None Identified.

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**MIS09A-07 Nuclear Explosives Operations – STRETCH****CANCELLED****MIS09A-08 Nuclear Material Handling & Measurement – STRETCH****Introduction**

The contractor did an outstanding job in accomplishing this measure and significantly exceeded the number of items to be measured.

**Achievements**

This measure required NSTec to establish the capability to handle, move, unpack and repack special nuclear material packages for Material Control and Accountability (MC&A) measurements on the backlog of items shipped to the NTS as part of the TA-18 relocation effort. These items were received under a waiver and there was a requirement to complete the measurements as quickly as possible. Laboratory personnel were becoming more involved in programmatic activities and could not devote the necessary time to perform these activities. This measure required NSTec to: stand up a building within the DAF to conduct these activities; develop and coordinate a measurement schedule with AMNS that identified the items to be measured; maintain the schedule under change control; perform the required measurements on 448 of the TA-18 items and any other items that might be received. There was a stretch goal to measure an additional 49 items over and above those 448. NSTec accomplished all the above within schedule and exceeded the stretch goal by measuring a total of 81 additional items, 32 above the stretch target, thus further reducing the measurement backlog.

**Areas Requiring Improvement**

None Identified.

**MIS09A-36 DAF Facility Stand Alone Fire Suppression System – STRETCH****Introduction**

This PO was intended to accelerate the development of design documentation necessary for procuring the FSS stand-alone-unit (SAU). The contractor completed the two deliverables which were the Safety Design Strategy (SDS), and the Preliminary Safety Design Report (PSDR). The final SDS was delivered to NSO on July 20, and a draft PSDR was delivered to NSO on 9/30. NSO reviewers identified several technical deficiencies within the PSDR submittal. However, the overall quality was good.

**Achievements**

NSTec submitted the Safety Design Strategy document to NSO on July 20, 2009 (letter AD00-DP-09-0178). The formal submittal of the SDS was determined to be good by the NSO reviewers. The SDS contained the information agreed upon and as described in the DOE STD 1189-2008.

The second deliverable under this PO was the Preliminary Safety Design Report (PSDR). The PSDR has been reviewed by NSO for technical content and some inconsistencies were identified. Some examples of inconsistencies are listed below:

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- The PSDR is inconsistent in stating if the SAU is redundant, supplemental, or primary to the existing DAF FSS.
- The PrHAs containing the SAU as a control need to be revised to ensure the SAU is presented either as a primary, redundant, or supplemental system.
- The PSDR provides a quantitative reliability target although NSTec and NSO held several meetings where the quantitative reliability target was discussed and was not to be used.

The overall quality of the deliverables and performance from NSTec for this PO was good.

**Areas Requiring Improvement**

None

**MIS09A-37 FSS Strainers, Blast Valves & CWCS Work Acceleration – STRETCH**

**Introduction**

NSTec significantly exceeded expectations in the completion of this performance objective. The intent of this PO was to close several open issues related to safety systems. This PO accelerated the installation of nine Blast Valves, the installation of 13 FSS strainers, and the completion of calculations to close HS-64 findings related to the Contaminated Waste Collection System (CWCS).

**Achievements**

Blast Valves (BV): NSTec procured the BVs from Temet, the manufacturer of the original BVs. NSTec was initially tasked with re-certifying the BVs however, upon evaluation of the costs of recertifying vs. purchasing new valves it was readily apparent that the purchase path was more cost-effective. NSTec procured the new valves, which resulted in savings compared to the refurbishment, and installed these in three DAF buildings.

Strainers: NSTec identified the need for installing code-compliant strainers to prevent clogging with coal-tar enamel and enhance the FSS performance. NSTec procured the strainers and installed a total of 15 strainers. This PO incentivized the installation of only 13 before the end of the FY because two had been installed prior to developing the PO. The work was completed on schedule.

CWCS: NSTec completed the analysis required to address the cross-contamination concerns identified by HS-64. The analysis was also included in the DSA/TSR submittal. NSO evaluated the information provided and determined that the calculations were good and that the issues could be closed.

All three actions above were completed by 9/30/09.

**Areas Requiring Improvement**

None Identified.

**MIS09A-38 Recertification of 9977 Containers at Savanna River Site – STRETCH**

**Introduction**

NSTec executed this performance objective in an outstanding manner. The work involved the NSTec PER 11-20-09

identification of and shipment to the Savannah River Site (SRS) selected 9977, Type B shipping containers for annual maintenance and certification. These containers are required to support critical Domestic Nuclear Detection Office (DNDO) operations.

**Achievements**

1. By July 15, 2009, work with Laboratory and Federal personnel and identify three or four 9977 containers for recertification or exchange SRS.
  - NSTec coordinated with LANL and identified four 9977 Type B containers for shipment to SRS on 07/13/2009, two days ahead of schedule. This effort required working with the LANL CEF Project Team during the middle of a pressing schedule that required NSTec to perform much all of the coordination and planning.
  - NSTec recognized the opportunity to avoid future costs in an ancillary project and included a 9977 Type B container trainer in the shipment. By shipping this trainer with this effort, NSTec was able to avoid \$900 in Project cost.
  
2. By September 30, 2009, coordinate with Laboratory and Federal personnel and prepare and ship to the SRS Container Program up to five 9977 containers.
  - NSTec exceeded performance standards by awarding a Purchase Order (PO) to SRS after late identification of funding and during a very busy end of fiscal year environment to allow early shipment of the containers.
  - NSTec significantly exceeded expectations by coordinating early preparation and staging of the packages, including the 9977 Type B container trainer, for shipment prior to award of the Purchase Order with SRS. These forward planning actions resulted in identifying a shipper in two work days and shipment of the containers five work days after PO award.
  - NSTec exceeded schedule expectations by shipping the packages on 09/23/2009, 7-days early, and supporting the critical mission requirement for certified 9977 Type B shipping containers at the NTS.

NSTec has continued to develop a positive working relationship with the National Weapons Laboratories and establish itself a true service provider for efforts such as this. This effort took the rapid integration of many functional areas across NSTec such as Procurement, Business Systems (CFO), Transportation, and Facility Operations.

**Areas Requiring Improvement**

None Identified.

**B. OPERATIONS STRETCH**

<b>PBI</b>	<b>OPS08I-18</b>	<b>Project &amp; Construction Management – STRETCH</b>	<b>Met</b>
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## **OPS09A-20 Facility Management – STRETCH**

### **Introduction**

NSTec provided outstanding efforts and results in implementing the Integrated Resource Management Plan (IRMP), which identified eight recommendations and 31 sub-recommendations. The primary objectives of the IRMP were to improve facilities & infrastructure management and to enhance cost and operational efficiencies.

### **Achievements**

In summary, the IRMP elements covered a broad spectrum of cross-cutting NSO activities. This project began in June 2007, with final close-out occurring in September 2009. NSTec worked closely with federal personnel to thoroughly review the recommenders and outlined a strategy and means to achieve results for each recommendation. NSTec conducted extensive interviews with staff and stakeholders, which produced substantial operational efficiencies and significantly increased customer satisfaction. NSTec identified and resolved issues in a very professional manner; all milestones and deliverables were received on a timely basis. After a rigorous review of data, NSTec developed and executed strategies for each recommendation.

NSTec did an outstanding job developing a formal process which updates and maintains facility databases which substantially improves the managing and reporting status of facilities. NSTec also developed a tracking and reporting system that identifies and prioritizes facility disposition projects, which will significantly reduce the Deferred Maintenance (DM) backlog.

NSTec reviewed, and a joint federal- contractor team validated, DM values, administrative charges, and the newly developed work breakdown structure capturing maintenance and operating costs for facilities in accordance with HQ requirements.

NSTec successfully realized an operating cost reduction of \$69K per year as a result of power system efficiencies. A comprehensive project database was successfully developed, identifying and prioritizing F&I projects (ongoing and proposed projects) which generates numerous reports including the Comprehensive Project List (CPL).

### **Areas Requiring Improvement**

None Identified.

## **C. MANAGEMENT STRETCH**

## **MGT09A-29 Management Realignment – STRETCH**

### **Introduction**

The overall intent of this measure was for the contractor to begin to develop an innovative and creative management structure that will result in a more competitive organization. Overall, NSTec delivered good performance in completing the initial analysis and beginning to implement identified changes.

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### **Achievements**

NSTec was charged with maintaining the cost efficiencies gained in FY 2008 by the Nevada Site Office. As a result, NSTec initiated a Management Realignment study designed to identify and implement operational efficiencies that would maintain or gain upon the \$15M cost savings achieved in FY 2008. NSTec reviewed their organizational structure, resource capabilities and utilization, supervisory ratios, and several operational processes ultimately identifying and making changes that should generate \$6M in annual saving starting in FY 2010. This review is probably one of the most comprehensive of its kind done within the NNSA community and, if executed properly, should result in substantial costs saving to the government and the taxpayers.

### **Areas Requiring Improvement**

None Identified.

#### IV. MULTI-SITE PERFORMANCE MEASURES

<b>MULT08I-30 – NA-10 Incentives</b>		
32.1	Continue to Deliver our Products for DOD on Time Per Production & Planning Directive.	Met
32.2	Remove 11 Metric Tones of SNM from NNSA Sites.	Met
32.3	Support completion of the Final Complex Transformation Supplemental Programmatic Environmental Impact Statement (SPEIS).	Met
32.4	Implement RMI Project Execution Plan, Rev 2	Met
<b>MULT08I-31 – Complex Transformation</b>		Met
<b>MULT08I-33 – Science</b>		99%

## V. AWARD TERM PERFORMANCE MEASURES

### ATI08-34 – Contractor Assurance System

#### **Introduction**

NSTec has exceeded the performance objective to demonstrate an effective contractor assurance system (CAS) and management accountability for performance. NSTec scheduled and completed 206 management assessments and 20 independent assessments. Many were found to be thorough indicating an improving ability to self-identify issues. NSTec annual Integrated Self-Assessment Schedule reflected an appropriate balance given NSTec's resource availability. Baseline independent assessments were conducted in a number of areas. Management assessments were performed that covered the majority of Safety Management Programs consistent with their assessment history and relative importance of the program to risk mitigation. The NSTec CAS reflected a rigorous and effective self-identification of compliance or performance issues and aggressive correction. The population of management and independent assessments has shown progressive improvement in rigor over the last year with an improving emphasis on observation of field performance. The cause analysis process has been improved and management has taken a keen interest in closing overdue corrective actions. At this point, NSTec has not identified any recurrence of an issue that was corrected in FY08 or FY09. NSTec's issue self-identification rate was well over 80%. NSTec has also taken on the development and maintenance of a Joint Assessment Schedule designed to discourage duplicate assessments between NSTec and NNSA/NSO. Additionally, a yomen's effort to acquire and report CAS metrics on schedule was accomplished by NSTec with extensive coordination between NSTec - NNSA/NSO counterparts.

#### **Achievements**

The NSTec CAS was to ensure the systematic internal self-assessment of compliance and performance against contractual requirements. NSTec scheduled and completed 206 management assessments and 20 independent assessments. These assessments included baseline and emerging condition assessments; contractual or performance measure mandated assessments, and safety management and functional area assessments. Many were found to be thorough indicating an improving ability to self-identify issues.

The NSTec annual Integrated Self-Assessment Schedule was to reflect an appropriate balance between defined factors identified in the target. The NSTec assessment schedule contains an appropriate mix of management and independent assessments to be performed during the year based on requirements provided in CCD-QA09.001 and guidance provided during schedule development by the NSTec Assessments and Special Projects Manager. This guidance requires the consideration of risk, resources, effectiveness of prior corrective actions, emerging concerns, and contractual requirements. Overall the balance was appropriate given NSTec's resource availability.

Baseline independent assessments were conducted in a number of areas. Specifically, QA baseline assessments were performed at DAF, Area 5 RWMC, and for Software QA. In addition, Safety Management Program independent assessments were performed for hoisting and rigging, fire protection, the Unreviewed Safety Question Process, and Emergency Management. External organizations were contracted to perform SME-led assessments of the criticality safety, nuclear explosives safety program, and cyber security programs. Management assessments were performed that covered the majority of

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Safety Management Programs consistent with their assessment history and relative importance of the program to risk mitigation.

The NSTec CAS was to reflect a rigorous and effective self-identification of compliance or performance issues and aggressive correction. NSTec CAS processes for self-assessment are primarily implemented through the requirements of CCD-QA09.001, Management Assessment, and CCD-QA10.001 Independent Assessment. They provide a structured and consistent methodology to conduct performance based assessments against requirements using appropriately trained and qualified personnel. The population of management and independent assessments has shown progressive improvement in rigor over the last year with an improving emphasis on observation of field performance. The cause analysis process used to develop corrective plans has been extensively revised over the last two years to provide timely and effective feedback to management regarding the underlying causes of conditions. NSTec management identified that corrective actions plans were not being completed in a timely manner and performed a cause analysis. Management has taken aggressive action to address these issues. There are no known instances where there was a recurrence of an issue that was corrected in FY08 or FY09, although instances of similar problems in other areas and individual failures continue to be identified.

NSTec was expected to self identify most issues (>80%). The cumulative FY 2009 self-identification rate of Priority Level 1–4 non-compliance or performance problems exceeded 80%. This rate was based solely on caWeb data and did not take into consideration other NSTec identified issues that are tracked in secondary systems independent of caWeb. These systems include, but are not limited to, equipment, housekeeping, and facility maintenance issues entered into MAXIMO; security findings that do not meet Safeguards and Security Issues Management System criteria but are not suitable for caWeb visibility; spill log entries; and Safety Management System entries. During FY09, NSTec Executive Management and the NSTec Board of Managers continually monitored the status of the NSTec self-identification rate and provided aggressive management direction regarding performance expectations. One outcome of this direction was the establishment of the NSTec “Find and Fix” program which was widely disseminated and allowed the use of existing processes to quickly identify, correct, and document minor noncompliances that did not reflect systemic, programmatic, or significant safety issues.

NSTec was to enforce organizational management accountability for performance improvement. The cumulative FY 2009 corrective actions completion rate for Priority Level 1–4 issues exceeded 90%. During FY09, NSTec Executive Management and the NSTec Board of Managers continually monitored the status of the NSTec correction rate and provided aggressive management direction regarding performance expectations. One outcome of this direction was the establishment of requirements for the Chief Operating Officer or Director to approve issue extensions. Another outcome was the presentation of a cause analysis to NSTec Executive Management at the CAS Executive Leadership Council for overdue issues and actions as a systemic and cultural issue. The Root Cause was determined to be the development of unattainable corrective action plans due to poor pre-development research and unrealistic resource loading.

In addition to those accomplishments driven by targets in this fee measure, NSTec has taken the lead at the request of NSO management on the development of a Joint Assessment Schedule (JAS) for NSO and all NTS Contractors. The JAS provides NSO and all Site Contractors with a single platform overview of all assessment activities at the NTS and provides NSO with improved data required for tailoring oversight activities across the Site. As part of this effort, NSTec implemented improvements in schedule control

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and assessment performance to enhance effectiveness of NNSA/NSO oversight of the NSTec self-assessment processes throughout the year. Ongoing data entry to the JAS, located on the PAID website, is being entered at near real time.

### **Areas Requiring Improvement**

None identified.

## **ATI08-35 – Work-for-Others Performance**

### **Introduction**

The contractor significantly exceeded expectations for Work-for-Others project execution during FY 2009. In most cases, these activities were conducted on schedule and under budget.

### **Achievements**

NSTec Work-for-Others activities were outstanding in FY 2009. The accomplishments of Special Technologies Laboratory, Nonproliferation and Test and Evaluation Complex (NPTEC), and Counter Terrorism Operations Support (CTOS) continue to exceed customer expectation levels validated by numerous letters of appreciation. Program execution from Special Activities Support, Remote Sensing Laboratory, and Test & Evaluation also exceeded customer expectation levels in meeting scope, schedule, and budget requirements. Work for Others continues to implement lessons learned and feedback mechanisms to provide continuous improvement to the products delivered. All Work for Other activities were executed safely, securely, and met all applicable environmental and other regulatory requirements. As issues arose during the execution of various projects over the course of the year, NSTec professionally addressed and resolved these issues to meet customer expectations.

Specifically, STL's performance has been outstanding during FY 09. The laboratory has been a leader within the DOE/NNSA complex in formulating Science and Technology (S&T) partnerships with other government agencies and national laboratories and plants, which has resulted in a stronger and more cohesive S&T intelligence capability in a period of declining resources. STL's exceptional performance has earned written commendations from various DOE/HQs/IN-10 Program Managers and other government agencies, praising the lab for "doing an outstanding job in providing sponsors with timely products and professional support", for their technical knowledge and enthusiasm, and for being the "best value" for government tax dollars with respect to resources and time. The fact that the IWFO program at STL continues to expand is a direct result of their excellent commitment to their work and reputation in the community.

NPTEC completed a full schedule of testing requirements for multiple customers. Various tests were completed on schedule and within budget while implementing complex customer requirements. NPTEC staff did an outstanding job of ensuring that appropriate hazard controls are identified and implemented to ensure worker safety. The NPTEC staff also performed an outstanding job in the identification of authorization basis issues which must be addressed prior to the execution of a specific test.

Additionally, CTOS has performed an outstanding job in completing the DHS sponsored training activities. CTOS efforts are not only praised by DHS, but customer surveys from class attendees

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recognize the professionalism and quality of the training provided. CTOS also has worked closely with DHS to minimize funding issues for FY 10.

Test and Evaluation successfully completed the opening of the RNCTEC facility while simultaneously supporting initial test preparations for Eland. Opening RNCTEC marked the successful accomplishment of a very challenging project. NSTec displayed tremendous dedication and professionalism in completing required deliverables while adjusting to fluctuating customer expectations, meeting project schedule and budget commitments.

**Areas Requiring Improvement**

NSTec Work for Others should continue improvement efforts in cost estimating, construction project execution, and business systems processes.