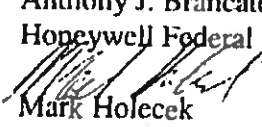




Department of Energy
National Nuclear Security Administration
Kansas City Site Office
2000 E. 95th Street
Kansas City, Missouri 64131-3030

DEC 08 2010

MEMORANDUM FOR: Anthony J. Brancato III, President
Honeywell Federal Manufacturing & Technologies (FM&T)

FROM: 
Mark Holecek
Manager

SUBJECT: Performance Evaluation Report, FY2010

FILE No: 610.B1a

In accordance with Contract No. DE-AC04-01AL66850, I hereby determine that FM&T has achieved an adjectival rating of "Excellent" for FY 2010. The attached Performance Evaluation Report for the period October 1, 2009 through September 30, 2010, provides the basis for NNSA's determination.

FM&T has received \$9,695,004 in advance fee payment. Therefore, FM&T may withdraw funds, in the amount of \$16,722,461, from the FM&T Special Bank Account.

If you would like to discuss the report please contact me at extension 3341.

Attachment

cc: w/attachment:

J. Waddell, NA-63, FORS, HQ
B. Stearrett, NA-63, FORS, HQ
S. Law, NA-63, FORS, HQ
S. Clemons, NA-63, FORS, HQ
R. Lewis, NA-12, FORS, HQ
L. Potts, Service Center, M&O Contract Support Div.
P. Hoopes, KCSO
S. Kinsey-Cannon, KCSO
J. Shoulta, KCSO
M. Roberts, KCSO
R. Tennant, KCSO
A. Guarino, KCSO
C. Karney, KCSO
J. Wienberg, KCSO
B. Schmidt, KCSO
P. Dieckmann, KCSO
L. Hautala, KCSO
M. Drury, KCSO
N. Gorn, KCSO

U. S. Department of Energy
National Nuclear Security Administration
Kansas City Site Office

**AWARD FEE
PERFORMANCE EVALUATION
REPORT**

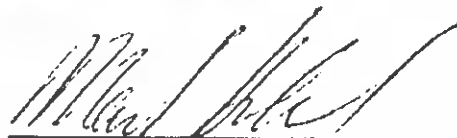
**FOR THE PERIOD:
October 1, 2009 through September 30, 2010**

Contract DE-AC04-01AL66850

**Honeywell
Federal Manufacturing &
Technologies, LLC**

Kansas City Plant

Date: DEC 08 2010



Mark Holecek, Manager
Kansas City Site Office
National Nuclear Security Administration

**Performance Evaluation Report (PER)
 Kansas City Plant
 October 1, 2009 through September 30, 2010
 Honeywell Federal Manufacturing & Technologies, LLC**

Essential Targets	60%	\$16,670,000
Stretch Targets	30%	\$ 8,260,000
Multisite Targets	10%	\$ 2,770,000
Total		\$27,700,000

Performance Area	Award Fee (PO) Allocation/Weight		Incentive Fee (PBI) Allocation/Weight		Total Fee Allocation/Weight	
	Mission – Essential	\$5,555,000		\$2,070,000		\$7,625,000
Mission – Stretch	\$0		\$2,070,000		\$2,070,000	
Mission Total	\$5,555,000	32%	\$4,140,000	40%	\$9,695,000	35%
Oper. – Essential	\$6,285,000		\$220,000		\$6,505,000	
Operations – Stretch	\$2,970,000		\$220,000		\$3,190,000	
Operations Total	\$9,255,000	53%	\$440,000	4%	\$9,695,000	35%
IM&B – Essential	\$2,540,000		\$0		\$2,540,000	
IM&B – Stretch	\$0		\$3,000,000		\$3,000,000	
IM&B Total	\$2,540,000	15%	\$3,000,000	29%	\$5,540,000	20%
Multisite – Essential	\$0		\$2,770,000		\$2,770,000	
Totals	\$17,350,000	63%	\$10,350,000	37%	\$27,700,000	
Essential/Stretch/MS	Essential =	60%	Stretch =	30%	Multisite=	10%

The contract between NNSA and Honeywell Federal Manufacturing & Technologies (FM&T) states that the term Kansas City Plant, or KCP, covers operations at all FM&T locations. Those locations are: Kansas City, Missouri; Albuquerque, New Mexico; Los Alamos, New Mexico; and Fort Chaffee, Arkansas. However, for the purposes of clarifying when expectations are specific to one location or organization, the following terms are used in this PER.

Organizational References

FM&T = the overall organization Honeywell Federal Manufacturing & Technologies, LLC (In the PER, "FM&T" is used interchangeably with the term "Honeywell.")

FM&T/KC = the organization that manages operations specifically located at the Kansas City, Missouri, facility

FM&T/NM = the organization that specifically manages operations at the facilities in New Mexico

KCSO = NNSA's Kansas City Site Office

OFFICIAL USE ONLY	
May be exempt from public release under the Freedom of Information Act (5. U.S.C. 552). Exemption number and category: _____	
3 Statutory Exemption	
Department of Energy Review required before public release	
Name/Org: <u>Jerry Wienberg</u>	Date: <u>10/12/10</u>
Guidance (if applicable): <u>Source Selection Information, FAR 2.101 and 3.104</u>	

Location References

Ft. Chaffee = the NNSA facility specifically located at the U.S. Army's Fort Chaffee in Ft. Chaffee, Arkansas

KCP = Kansas City Plant; in this case referring specifically to the facility in Kansas City, MO

KO = Kirtland Operations; all facilities FM&T/NM operates.

NNSA has attempted to state a specific organization or location when appropriate. When no reference is made to a specific location or organization, NNSA intends for the expectation to cover all locations mentioned above.

2010 Performance Summary Statements

I. Performance Area - Mission

Adjective Rating/Score
(Excellent/91.6%)

Performance Summary: FM&T was outstanding in their performance of the Mission during a challenging year in which the Kansas City Plant not only faced numerous production issues, but also the ongoing planning and evaluation activities related to the KCRIMS project. In response to these challenges, FM&T continued the trend of exemplary ship performance by supporting the Mission with over 57,200 weapon related components at a 99.6% on-time delivery rate. In addition, Requirements Modernization and Integration (RMI) and Integrated Phase Gate (IPG) goals were exceeded, and all OST Task Agreements were completed.

Noteworthy accomplishments for FY10 include:

- Success in completing the 31 Directed Stockpile Work (DSW) milestones in the KCP's DSW Execution Plan within budget;
- Short turnaround procurement and shipment of the first lot of H1700 containers and inserts to Pantex;
- FM&T provided exemplary schedule support and issue resolution on the W76-1 LEP despite numerous technical challenges (e.g. MC4710 Intent Stronglink, MC4713 Launch Accelerometer, Dinghy and Dory). All W76-1 PCD requirements were achieved and the program ended the year on full lead. Other customer required AF&F deliveries were renegotiated in order to meet PCD needs;
- Design, fabrication and delivery to Prove-In status of the MC2901 tester in support of the B61 program. The tester is on schedule to be the first production tester in the Nuclear Security Enterprise (NSE) to support the NNSA's Common Tester Architecture initiative.;
- Support of the Mission's surveillance program by taking an NSE leadership role in alignment of the Integrated Weapon Evaluation Team (IWET) Surveillance Evaluation Plans with dismantlement and associated weapon component availability;
- Completion of the W87 MSAD production ahead of schedule;
- Completed all L2 MRT Readiness and Engineering Campaign milestones on or ahead of schedule to develop and deploy capabilities to DSW and RTBF below cost, which allowed additional scope to be performed;
- Demonstrated capability to produce Radio Frequency Integrated Circuit (RFIC) based Low Temperature Co-fired Ceramic (LTCC) and Multi-Chip Modules (MCMs);
- A NNSA HQ and KCSO baseline validation review held at KCP identified six areas of best practices for Readiness Campaign project management;
- Completed accelerated aging and testing of several polymer types from fielded systems to establish initial Nuclear Explosive Package (NEP) component lifetimes for W80 and W88; and,
- FM&T has continued to be a leader for the RMI initiative. Two projects above the required were completed: Surveillance and Product Definition and Control.

In other areas, FM&T has continued to support the relocation of PRIDE application hosting to SNL and has continued hosting three production applications, WIS, IPSS, and PCD at KCP. FM&T also conducted Enterprise Resource Planning support activities at Pantex, Savannah River Site and at the KCP that resulted in validated savings of \$3,774,000 savings, exceeding expectations. FM&T's willingness to share expertise throughout the NSE is noteworthy.

FM&T managed weapon production activities in a manner that exceeds Weapon Quality Policy, QC-1 requirements. FM&T's dedication and commitment to Quality Assurance management was highlighted by receipt of the Malcolm Baldrige National Quality Award. Other performance highlights include:

- Certification to new ISO 9001:2008 Standards;
- KCRIMS product qualification evaluation support;
- Enterprise Quality Improvement Process (EQIP) initiatives to reduce scrap, defects and rework, and improve yield have resulted in approximately \$600,000 in savings;
- Job Orders Accepted Trouble Free (JOATF) FY10 average of 86.45% was well above the lower control limit value of 83.1%; and
- Innovative formation and utilization of Supplier Commodity Teams resulting in savings and efficiencies associated with a streamlined supply base and a 25% reduction in Supplier Performance Index (SPI) deficiencies over FY09.

FM&T continued implementation of the Corrective Action Effectiveness process to mitigate recurring quality deficiencies. However, FM&T received an Unsatisfactory finding when KCSO determined that a Level 4 CAR was ineffective at precluding continued recurrence of systemic training deficiencies. FM&T diligently performed a reassessment and analysis of the root cause and developed a comprehensive corrective action plan for implementation of a remedy to the plant training system deficiency.

FM&T achieved a composite score of 109 out of 120 (140 possible including stretch fee) for the FY10 Quality Index. This score indicates that the FY10 Quality Index goals (equivalent to a score of 120) were not met on a composite basis. However, this was due primarily to the scrap of almost \$500,000 for a single product. Had it not been for this one significant issue, FM&T would have earned a higher score.

Other Considerations - Mission:

- a. **(Excellent)** In FY10, FM&T agreed to accept delegation of additional NNSA acceptance status stamps (Star and Diamond). FM&T's quality organization provided excellent support working through this process. The KCP was the first site to work through the new NA-10 Weapon Quality Assurance Procedures Manual (March 2009) requirements with NA-122.13 Quality Branch. FM&T was required to prepare and execute an implementation plan. Execution involved procedural reviews and modifications, process changes, training, stamp transition and implementation of interim delegation. KCSO and NA-122.13 conducted a QAS 2.0 audit of FM&T stamp management system. Audit results were positive validating effective management and control of NNSA delegated acceptance status stamps.

- b. **(Excellent)** In FY10, Honeywell FM&T was recognized as a high quality organization by receiving the Malcolm Baldrige National Quality Award. FM&T was the only manufacturing plant to receive this award, and was one of only five recipients in the United States.
- c. **(Unsatisfactory)** The following quality issue was noted during FY10: FM&T failed to properly incorporate product specification requirements into inspection instructions for W76-1 insert plugs. This resulted in the failure to check a critical design requirement, and the need to re-inspect quality evidence on product already shipped to the customer.

<u>Mission Rating:</u>	Milestone Composite Percentage:	90.1%
	Other Considerations:	+01.5%
	Performance Area Rating	91.6%

II. Performance Area - Operations

Adjective Rating/Score
(Excellent/96.5%)

Performance Summary: FM&T was outstanding in performance with regard to the Kansas City Responsive Infrastructure Manufacturing and Sourcing (KCRIMS) project. The 13 objectives in the FY10 KCP Transformation Plan were completed by the end of the Fiscal Year. While the GSA/CPZ lease agreement was finalized later than scheduled, the financing/closing was completed and construction was initiated in mid-July. Meaningful progress this year included: National Environmental Policy Act (NEPA) resolution earlier than was anticipated, approval of the Planned Industrial Expansion Authority (PIEA) development agreement, and final approval of core and shell design layouts. KCRIMS related outsourcing is now complete. Project spending for the year was within budget and plant-wide labor & expense spending was below Functional Transformation Initiative (FTI) targets.

During this evaluation period, FM&T focused on disposition planning and all scheduled FY10 activities were completed. Additionally, FM&T delivered the FY10 draft update to the KCP Disposition of Real and Personal Property Disposition Plan in July, and the estimated cost for disposition was reduced by \$24 million, including \$9 million of cost savings through value engineering. The NNSA Service Center rated FM&T as Outstanding in Personal Property through adoption of industrial standards.

FM&T continued solid performance in facilities management, physical security, environment, safety and health, information technology and cyber security. These basic support programs were controlled and measured to provide high-level services. Honeywell FM&T Security has done an exceptional job in balancing facility and programmatic needs with scarce resources. The security division has actively supported NSE security reform initiatives, conducted an effective self assessment program, implemented innovative practices, and successfully negotiated a protective force labor contract without a work stoppage. FM&T met expectations for ES&H at both KCP and KO. The DOE VPP Star Program, ISO 14001, and corporate oversight continues to provide external validation of excellence. All regulatory submittals have been completed on

schedule. Illness/Injury statistics for the year were especially noteworthy. The Total Recordable Cases (TRC) for FY10 was 0.25, the Days Away From Work Case (DAFWC) was zero and the "hidden hazards" campaign resulted in noteworthy safety improvements. Routine waste generation decreased below FY09 levels, with hazardous waste down by 30.6%, while non-hazardous waste decreased by 18.9%.

FM&T did an outstanding job managing the Roof Asset Management Program (RAMP) which continues to demonstrate outstanding value and responsiveness to the NSE needs. The Secretary of Energy recognized RAMP as Best-in-Class for its leadership in Cool Roofs and for the life-cycle management. FM&T effectively supported expansion of the RAMP model in the Department of Energy at the Idaho National Laboratory completing \$1.5 million of roof work and saving \$600,000.

FM&T met the requirements for the NC-135 Closeout Plan but experienced a slip in the Craddock facility modification at Kirtland Operations (KO). Cost estimates exceeded the baseline budget. To be successful and return to schedule, design modification and corrective actions were required. The management and execution of the Craddock tenant improvement project was a significant concern throughout FY 10. The initial design incorporated unauthorized provisions and failed to get project authorization from the KCSO. Management of KO needs to be improved to ensure project and facilities management are strengthened.

The NSE sourcing objectives were approved by the Office of Transformation and will help to drive efficiencies throughout the complex. The KCP supplier capability catalog was provided to other NSE sites and will be a great aid in developing new vendors. KCP vendors already are familiar with NNSA and can be brought on board much quicker.

Other Considerations - Operations:

- a. (Good) FM&T has provided outstanding leadership within NNSA in both Information Technology programs and Cyber Security. KCP's CIO has worked with NNSA's CIO to develop and implement a plan to increase integration between Sites. FM&T has established the model for risk management in cyber security implementation throughout the NSE. KCP is demonstrating integration between NNSA IT systems and Intelligence Work for Others.
- b. (Unsatisfactory) Kirtland Operations continues to struggle with program management issues - not only in the physical security program, but in general. Several integration and project management issues have been identified with the Craddock A project. The security failures were not the cause of these issues, but were undoubtedly contributing factors.

Operations Rating:

Milestone Composite Percentage: 96.5%
Other Considerations: 0%
Performance Area Rating 96.5%

III. Performance Area – Institutional Management and Business (IM&B)
Adjective Rating/Score (Excellent/97.7%)

Performance Summary: FM&T has effectively managed the Business program areas, supporting mission requirements in a cost effective manner and in accordance with applicable laws, regulations and directives. FM&T's efforts to support numerous initiatives and share best practices with NSE-wide implications, such as KCRIMS, Supply Chain Management Center (SCMC), the KCP Oversight Model, Congressional Affairs and Contractor Human Resources, demonstrate FM&T's understanding of the KCP posture to drive future improvements throughout the NSE. The management of business areas has remained positive with a trend that is continuously moving upward.

Several Highlights include:

- Exceeded cost savings target of \$12 million, with savings being reapplied to future KCP scope;
- Effectively led and coordinated SCMC applications processing \$945 million of spend through the eSourcing tool generating \$81 million in savings; estore users transmitted over 12 thousand orders directly to supplies, and total NSE savings generated from the use of SCMC tools exceeded \$109 million;
- Exceeded FM&T targets in support of the SCMC, increasing utilization spend to \$26 million surpassing the goal of \$15 million;
- Maintained NNSA Capabilities in Work for Others generating \$54.5 million in overhead recovery;
- The FY10 business oversight objectives matrix performance resulted in an "Outstanding" rating for procurement. Contractor human resources management was rated as "Excellent";
- Successfully negotiated a six year collective bargaining agreement with the Security and Fire Professionals of America (Guards) significantly below approved NNSA parameters and without a work stoppage;
- The Communications and Congressional/Public Affairs office continue to support internal and external requirements, congressional activities, community groups and strategies. FM&T provided support to significant public affairs activities, e.g. development and deployment of a communication plan to address the Bannister Federal Complex Workers Safety and Health issue; provided corporate support to media strategies concerning Bannister Federal Complex worker health issues, successful planning and coordination of the KCRIMS ground breaking ceremony, VIP tours and briefings; increased activity and responsiveness to FOIA requests; and, responsiveness to IG and Employee Concerns issues;
- Recipient of the NNSA Administrator's Award for Excellence in Internal Controls, recognizing FM&T for effective financial management; and,
- Recipient of the 2009 Malcolm Baldrige National Quality Award recognizing FM&T for outstanding management, leadership and results.

FEE CALCULATION

Performance Area	Fiscal Year 2009			Fiscal Year 2010		
	Weight	Adjective/Score	Weighted Rating	Weight	Adjective/Score	Weighted Rating
Mission	40%	Outstanding/93.3	37.32	35%	Excellent/91.6	32.06
Operations	30%	Outstanding/95.7	28.71	35%	Excellent/96.5	33.78
Business	20%	Outstanding/95.5	19.10	20%	Excellent/97.7	19.54
Multisite	10%	Outstanding/99.5	9.95	10%	Excellent/100	10.00
Total		Outstanding/95.0			Excellent/95.4	

<u>Fee Summary</u>	<u>Total Available Fee</u>	<u>% Fee Earned</u>	<u>Amount Earned</u>
Essential Fee	\$16,670,000	x 96.1%	\$16,021,465
Stretch*	\$ 8,260,000	x 92.3%	\$ 7,626,000
Multisite	\$ 2,770,000	x 100 %	\$ 2,770,000
Total	\$27,700,000	95.4%	\$26,417,465
	FY10 Provisional Fee Paid		\$ 9,695,004
	Balance Remaining		\$ 16,722,461

*Stretch Fee earnings: A "gateway" approach related to Essential performance was used to determine stretch fee. Irrespective of performance in Stretch, to be eligible to earn any Stretch fee, the Essential performance had to be at least 80% success.

Attachment I – KCP FY10 PEP Milestone Final Performance Report

(see attached Excel milestone spreadsheet)

Attach 1: KCP FY10 PEP Milestone Final Performance Report

PO/PS# MRT ID#	Performance Target	Comments
MISSION PO		
Mission PO 01 DSW Execution Plan	<p>NNSA will measure the successful completion of Honeywell's performance against the elements in the FY 2010 KCP DSW Execution Plan. NNSA will take into consideration all major functions contributing to mission success. Achieve FY10 performance targets as identified in the FY 2010 KCP Directed Stockpile Work (DSW) Execution Plan.</p>	<p>Essential: Excellent FM&T was successful in completing the 31 Directed Stockpile Work (DSW) milestones in the KCP's DSW Execution Plan within budget. The Kansas City Plant shipped 98.6% of the required 57,200 weapon components on-time in support of the Mission. Noteworthy accomplishments included: • Short turnaround procurement and shipment of the first lot of H1700 containers and inserts to Pantor. • Critical support to address W78-1 LEP technical challenges (e.g. MC4710 Inert Stronglink, MC4713 Launch Accelerometer, Dingly and Dory). W78-1 POD requirements were achieved. Other AF&F deliveries were renegotiated to meet FCD needs. • Design, fabrication and delivery to Prove-In status of the MC2801 tester in support of the B61 program. The tester is on schedule to be the first production tester in the Nuclear Security Enterprise (NSE) to support the NNSA's Common Tester Architecture initiative. • Support of the Mission's surveillance program by taking an NSE leadership role in alignment of the Integrated Weapon Evaluation Team (IWET) Surveillance Evaluation Plans with disarmament and associated weapon component availability. FM&T's Risk Management process lacked rigor as it related to early detection and subsequent formal documented communication of risk with potential impacts to the KCP and NSE, particularly W78-1 issues.</p>
Mission PO 02 Weapon Quality Management	<p>2a1. Manage weapon production in a manner that meets or exceeds Weapon Quality Policy, QC-1 requirements. 2a2. Develop, implement, and manage system and process improvements to mitigate (versus detect) weapon product defects. 2a3. Perform effective root cause analysis for quality deficiencies, determine systemic applicability, develop and implement corrective actions that preclude recurring quality deficiencies.</p>	<p>Essential: Excellent 2a1. Honeywell FM&T continued to manage weapon production activities in a manner that exceeds Weapon Quality Policy, QC-1 requirements. FM&T's dedication and commitment to Quality Assurance management was highlighted by receipt of the Malcolm Baldrige National Quality Award. Other performance highlights include: 1) certification to new ISO 9001:2008, 2) KCRIMS product qualification evaluation support, and, 3) continued measurement systems evaluation of inspection personnel and instructions. 2a2. Enterprise Quality Improvement Process (EQIP) initiatives to reduce scrap, defects and rework, and improve yield have resulted in approximately \$600 thousand in savings, Job Orders Accepted Trouble Free (JOATF) FY10 average of 86.45%, was well above the lower control limit value of 83.1% and, innovative formation and utilization of Supplier Commodity Teams resulting in savings and efficiencies associated with a streamlined supply base and a 25% reduction in Supplier Performance Index (SPI) deficiencies over FY09 2a3. FM&T continued implementation of the Corrective Action Effectiveness process to mitigate recurring quality deficiencies. FM&T received an Unsatisfactory finding when KCOSO determined that a Level 4 CAP was ineffective at precluding continued recurrence of systemic training deficiencies. FM&T diligently performed a reassessment and analysis of the root cause and developed a comprehensive corrective action plan for implementation of a remedy to the plant training system deficiency.</p>
Mission PO 03 Campaigns 3347,3348, 3349	<p>a. Accomplish all milestones identified in the Engineering and Readiness Campaigns Execution Plan. b. Ensure Honeywell's Plant-Directed Research & Development (PDRD) program follows the intent of the legislation per NNSA guidance and peer review and the program provides tangible research outcomes.</p>	<p>Essential: Excellent a. All L2 MRT Readiness Campaign milestones were completed ahead of schedule to develop and deploy capabilities to DSW and RTBF below cost which allowed additional scope to be performed. Demonstrated capability to produce Radio Frequency Integrated Circuit (RFIC) based Low Temperature Co-fired Ceramic (LTCC) and Multi-Chip Modules (MCMs). Production flow times were reduced and process characterization improved yields from 50% to 90%. Developed and constructed a tester to validate conceptual designs and performed functional testing as specified on each MCM manufactured. LTCC cracking issues from RF isolation techniques has required additional characterization, which led to the replacement of the ceramic tape punch. Demonstrated a rapid build COTS system for manufacturing of electrical systems using joint processes and tools for new NSE weapon systems. Developed functional test capability for the B61 Interface Control Unit (ICU -MC3636) on the PT3770. The PT3770 replaced six legacy testers, eliminating the need to send these old testers to the new Bots facility. Also this is one of the first testers to deploy features of the Common Tester Architecture supporting an NSE wide desire to improve test data correlation for production and surveillance. A NNSA HQ and KCOSO baseline validation review held at KCP identified six areas of best practices for Readiness Campaign project management. FM&T completed required deliverables to support Engineering Campaigns. Submitted the FY09 Enhanced Surveillance Annual Report to support the annual assessment process and Technical Basis for Stockpile Transformation Planning (TBSTP). Completed accelerated aging and testing of several polymer types from fielded systems to establish initial NEP component lifetimes for W80 and W88. Supported the Enhanced Collaboration 12 by producing 40 prototype parts for testing with the United Kingdom (UK). Supplied presentation and supporting integrated schedule updates to support the ESC FY2010 First Quarter Program Update. b. All PDRD program objectives were met. Twenty three of the 32 FY10 research projects have been completed as planned and the remaining nine projects have a second year planned in FY11. FY11 proposals were reviewed by FM&T and presented to KCOSO with focus on replacement of obsolete or aging design and manufacturing technologies and development of innovative agile manufacturing techniques and processes.</p>

Attachment 1: KCP FY10 PEP Milestone Final Performance Report

PO/PBI/ MRT ID#	Performance Target	Comments
Mission PO 04 RMI 3394	<p>a. Complete the following top priority and funded RMI projects: (Operate Business System, Program/Project Management, Risk Management, Requirements Engineering, Product Realization Process, and 6x Process content ready for approval and release).</p> <p>b. Deliver approved Revised Project Execution Plan indicating updated High & Med Priorities for FY10 by 1QTR2010.</p>	<p>Essential: Excellent</p> <p>a. Targets were fully met and FM&T continues to be a leader for the RMI initiative. Two projects above the required were completed: Surveillance and Product Definition and Control. More than 60 MOCA's have been reviewed at KCP. FM&T provided excellent leadership on the following teams: Operating Business Systems; Technology Readiness Levels/Manufacturing Readiness Levels (TRLs/MRILs); Transition; and Integrated Phase Gates (IPGs).</p> <p>Extensive work has been done on the IPG team to complete RMI's Stakeholder Review, pass Gate 2, and ensure documents were ready for Site review. The integration effort was significant. FM&T, at NNSA's request, actively participated on the Core Mission Lead Team and currently co-leads this team. FM&T also participated on the Federal team developing the requirements for the Product Realization Process.</p> <p>FM&T's comment resolution process and internal integration process is a model for other sites.</p> <p>b. The revised Project Execution Plan was completed and signed by all sites in December, 2009. This requirement has been achieved.</p>
Mission PO 05 PRIDE 3405	<p>a. Attend and participate in PRIDE Program Management Team meetings leading the NSE in implementing the IDE for improved product realization.</p> <p>b. In collaboration with other sites; plan, coordinate and accomplish prioritized preservation of weapon product realization historical data for use across the NSE. (KCP SDAA).</p> <p>c. Lead efforts for optimization and standardization of Consolidate, Transform and Enhance (CTE) activities. (CTE).</p> <p>d. Maintain existing PRIDE portfolio including WIS Version 1 (until transitioned to SNL), IPSS & PCD (until transitioned to SNL), MCAD, Matrix.</p>	<p>Essential: Excellent</p> <p>a. FM&T has completed all project management deliverables including finalizing the FY11 project plan. FM&T participated in the evaluation of impact and adjustment for reduced scope and funding for FY11. Deliverables completed support improved product realization.</p> <p>b. FM&T has restored all of the electronic data required by the SDAA priority list, from the design agency, for FY10, ahead of the FY10 project plan. FM&T is also moving to address aperture card and paper data recovery.</p> <p>c. FM&T did an excellent job supporting the relocation of all KCP developed PRIDE applications hosting to SNL, within the original project timeline, despite numerous technical obstacles.</p> <p>d. FM&T provided effective hosting services for the three PRIDE production applications, WIS, IPSS, and PCD, at KCP. Additionally FM&T supported NSE intercommunication and interdevelopment of the MCAD and Matrix programs to ensure resource compatibility and assist with improved product realization.</p>
MISSION PBI Mission PBI 01 Quality Performance Index	<p>NNSA will measure performance through the use of a composite score of four quality indicators: Customer Escapes, Cost of Nonconformance, Process Yield, and Vendor Escapes. The composite score will be calculated based on the FY2010 Quality Performance Index Composite Measures document and using the Rating Category FY2010 table. Achieve a baseline composite score of 120. Stretch: Achieve a baseline composite score of 140.</p>	<p>Essential: 89 Stretch: 0</p> <p>FM&T's composite score was 109 for FY10. Scores for each of the quality indices were: Escapes 110, CONG 60, Yield 140, Scrap 70, Rework 130 and Vendor PATF 110. Challenging performance goals were established in FY10 for Escapes, CONG, Yield and Vendor PATF. FM&T performed well but had a major component level issue that significantly impacted scrap.</p>
Mission PBI 02 OST	<p>a. Accomplish 95% of the milestones identified in the OST Task Agreements on time.</p> <p>b.1. Update, on a quarterly basis, the shipping requirements forecasted in the Transportation Resource Integrated Planning System (TRIPS), so that 90% are accurate 180 days prior to shipment, 80% are accurate 1 year prior to shipment, and 70% are accurate beyond 1 year.</p> <p>b.2. Submit Transportation Shipping Requests to the Office of Secure Transportation (OST), NA-15, in accordance with time and data requirements of DOE Order 461.1a, unless an exemption to the requirements has been authorized by the Assistant Deputy Administrator for OST in agreement with the cognizant Site Office Manager.</p> <p>b.3. Provide loading/off-loading support to OST according to scheduled workload.</p>	<p>Essential: 100 Stretch: 100</p> <p>a. FM&T has met 100% of production and mission support milestones for FY 2010. DY3S performed a significant amount of unexpected fleet maintenance work in FY 2010; thus, the SGT Refurb work was delayed by approximately 90 days and scheduled to restart at the end of October 2010. The SGT Refurb work delay was implemented in accordance with guidance received from OST and did not impact the OST mission.</p> <p>b. FM&T met all requirements associated with TRIPS with 100% accuracy.</p>

Attec' 1: KCP FY10 PEP Milestone Final Performance Report

POPB# MRT IDJ	Performance Target	Comments
Mission PBI 03 Critical Business Process Improvement	<p>NNSA will measure critical business process maturity improvements. NNSA expects Honeywell to achieve the defined progress for critical business process improvements.</p> <p>a. Improvement in Scope-to-Cost processes for DSW and Campaigns.</p> <p>b. Improve Risk Management Maturity and Processes</p> <p>c. Share KCP programmatic business practices and benchmark practices at other production sites.</p>	<p>Essential: 100 All goals were met for all three objectives.</p> <p>Stretch: 100</p> <p>a. FM&T completed the assessment of the Baseline Change Management process. Three options were developed and assessed for improvements in FM&T's scope-to-cost processes. A recommended option was selected, implemented and training has been completed.</p> <p>b. FM&T developed and implemented an improved risk management process for increased risk integration and accountability. This improved linkage with baseline management and cost estimate processes. A process was established for escalating common risks from KCRIMS implementation. Risk Management Plans, the risk register, and program communications were improved. FM&T effectively supported RMI risk management activities in FY10, and completed the study for options for an enterprise-level risk management system. FM&T is proceeding with procurement of Strategic Thought's Active Risk Manager (ARM) application and will pilot it on DSW and Campaign programs.</p> <p>c. FM&T shared programmatic business practices and benchmark practices with LANL, SRS, NNSA/HQ, and PX. The work was received positively and is ongoing.</p>
Mission PBI 04 Export Control Compliance Program	<p>4a. Development and submission of an NSE-level Export Control Compliance Program to the SMT, including recommendations for supplier assurance processes. As a part of this task, FM&T will conduct an analysis of options and constraints for an NSE-level risk-based review process consistent with governing export control laws and regulations, and guidance provided by NNSA. Resulting recommendations will be included in the proposed compliance program submitted to the SMT. Final outcome will be dependent on SMT and legal review.</p> <p>4b. Development and implementation of KCP-level marking procedure for new documents. Marking of legacy documents will be in accordance with SMT directions.</p> <p>4c. Development and implementation of a KCP-level marking procedure for new documents. Marking of legacy documents will be in accordance with SMT directions.</p> <p>4d. Development and implementation of a KCP-based-level Red Flag determination process and associated training for KCP staff.</p> <p>4e. Upgrading of KCP contract language with vendors.</p>	<p>Stretch: 100</p> <p>4a) Honeywell FM&T was first to identify the need and led the effort by the M&O Contractor General Counsels to develop the NSE-level Export Control Compliance Program. FM&T was able to leverage its corporate capabilities and in-house export control policies and procedure in order to successfully accomplish this task. The implementation of the FM&T developed program is awaiting the completion of the Administration review of current export control regulations and further guidance from NNSA. This is unlikely before FY 2011.</p> <p>4b) An interim marking procedure has been developed and is being implemented until HQ approves a permanent solution. The marking will consist of the OJO marking required by DOE Orders and equivalent export control information (ECI) box and marking for documents determined to be ECI.</p> <p>4c) A documented determination process has been completed and was presented at the KCP plant-wide training starting the first week in April. The process will require determination of information on originalton.</p> <p>4d) A red flag process has been completed and was presented at the KCP plant-wide training starting the first week in April.</p> <p>4e) A new contract language has been developed and was implemented as part of the rollout of the training starting the first week in April. This contract improvement puts greater focus and accountability on the vendor.</p>
Mission PBI 05 Multi-Site ERP Support	<p>5a. Conduct initial assessment of current system and business system interfaces to identify current improvement opportunities and requirements for the new ERP system.</p> <p>5b. Implement appropriate improvements in current system base.</p> <p>5c. Ensure improvement and integration opportunities from current state assessment are considered in future systems requirements base.</p>	<p>Stretch: 100</p> <p>a. FM&T conducted the initial assessment of systems and interfaces at SRS and PX. These assessments identified a number of opportunities for improvement and exceeded PBI expectations. Over \$3.5 million of savings were identified.</p> <p>b. FM&T conveyed CASL and PQR software and documentation to PX. FM&T held a joint meeting with PX to discuss business process changes needed to implement CASL. FM&T established a team of 11 SME's to work PeopleSoft capability issues with PX ensuring mission requirements are met.</p> <p>c. FM&T ensured that improvement and integration opportunities from the current state assessment were considered in future systems requirements base and recommended including the ability to create flash reports as well as using a 2 bin system for minimum/maximum quantities.</p>

Attec 1: KCP FY10 PEP Milestone Final Performance Report

POP/BS MRT ID#	Performance Target	Comments
5d. Assist in generation and validation of future system requirements to support vendor evaluation.	5d. Assist in generation and validation of future system requirements to support vendor evaluation.	d. FM&T supported the PX review of CD-1 documentation for ERP acquisition and demonstrated in-house capabilities to visitors from SRS. This review greatly aided the project team ensuring mission requirements at the lowest investment.
5e. Support vendor evaluation and selection as appropriate.	5e. Support vendor evaluation and selection as appropriate.	e. FM&T provided support for SRS ERP procurement and concurred with the use of PeopleSoft software as the most cost effective choice.
5f. Ensure communication and integration with PRIDE, Multi-Site, and IT Modernization initiatives.	5f. Ensure communication and integration with PRIDE, Multi-Site, and IT Modernization initiatives.	f. FM&T provided support to the Office of the CIO to lead a design review of the OSD&I project. This review validated CD-0 and CD-1 requirement were supportive of PRIDE, Multi-site and IT initiatives in the complex.
OPERATIONS POCPO	NNSA will measure the successful completion of Honeywell's performance against the elements in the FY2010 KCP Transformation Plan. Accomplish Essential milestones identified in the Transformation Plan.	Essential: Excellent Stretch: Excellent The 13 objectives in the FY10 KCP Transformation Plan were completed. The Integrated Project Plan was baselined in May and is under change control. While the GSAC/PZ lease agreement was executed later than scheduled, the financing/closing was completed and construction was initiated in mid-July. None of the delays were caused by FM&T. Their support was essential to achieving the lease signing with minimal delay. The facility acquisition team is now focused on design/construction schedules and change control. Other meaningful progress this year includes: NEPA resolution earlier than anticipated, approval of the PIEA development agreement, and final signoff of core and shell design layouts. KCRAMS related outsourcing is now complete. Build-aheads are ahead of plan and will focus on the W78 LEP in the coming months.
Operations PO 07 Property Disposition	a. Complete all FY2010 activities and milestones as scheduled and update the KCP Disposition of Real and Personal Property Disposition Plan to capture changes as agreed to with NNSA. b. Accelerate completion of planned activities to better position the overall success of the disposition process while reducing the risks associated with costs and scheduled disposition end dates. (Stretch) c. Implement a comprehensive Personal Property Management improvement initiative with increased emphasis on adopting industrial standards while being consistent with NNSA	Planning for relocation requalification continues with new engagement from SNL systems engineering making good progress since the June summit meeting. Project spending is under budget. Plant-wide labor & expense spending is 6% below FTI targets. Budgets for KCRIMS support in the FY12-16 FYNSP have been formulated and submitted. In addition, the subcontract for relocation management has been placed and the subcontractor is proceeding with final analysis of an 18.7 month duration macro plan. Multiple Congressional inquiries continue to be supported. Essential: Excellent Stretch: Excellent
Operations PO 08 RAMP	a. Effectively manage the NNSA RAMP program by meeting scope, cost and schedule milestones. b. Effectively plan and support expansion of the RAMP model throughout the Department of Energy as directed consistent with required funding. (Stretch)	a. All activities scheduled to be completed in FY10 have been completed on schedule as documented in the FY10 Target Agreement. Additionally, FM&T delivered the FY2010 draft update to the KCP Disposition of Real and Personal Property Disposition Plan on July 25, 2010 for review and comment. KCSO provided comments and FM&T incorporated KCSO comments into the final submission which was provided to KCSO on schedule and the overall quality of the document exceeded expectations. Estimated costs to complete disposition activities reduced by approximately \$24 million from FY09 estimates. b. As part of the \$24 million, FM&T successfully identified \$9 million of future cost savings to planned disposition projects by better project definition through value engineering studies providing more efficient and effective project designs. The project designs for PCB cleanup activities were re-evaluated to target cleanup of contamination areas in lieu of cleanup of the entire areas in the affected Departments thereby reducing both scope, costs and scheduling impacts. c. FM&T successfully accomplished performance expectations as established in the FY2010 Personal Property Objective Matrix as documented in the Service Center's year end assessment of performance. The Service Center rated contractor performance as Outstanding in Personal Property Improvement Initiatives by recognizing increased emphasis in adopting industrial standards while being consistent with NNSA expectations/ requirements for property management.

Atiac 1: KCP FY10 PEP Milestone Final Performance Report

POPS/IR MIRT ID#	Performance Target	Comments
<p>Operations CPO 08 NC-135 Transition</p>	<p>a. Develop and maintain the FM&T transition plan, schedule, and cost estimate.</p> <p>b. Manage activities surrounding the relocation of segregated transporter (SGT) refurbishment to the new/modified FM&T NM facility in Albuquerque, NM. Ensure activities are appropriately scaled and executed to allow for a smooth transition with the essential equipment, supplies and property.</p> <p>c. Meet all requirements as outlined in the Kirtland Air Force Base (KAFB) approved amended NC-135 Closeout Plan.</p> <p>d. Develop an integrated project plan and support matrix for the NA-40 compound transition. Meet milestones for FY10.</p>	<p>Essential: Satisfactory</p> <p>a. FM&T experienced a slip in the Cradcock modification project schedule as the cost estimate for construction significantly exceeded project funding. The project had to be re-scoped in order to bring it within budget. After revising the design, construction bids received were well within the newly developed cost estimates. The conversation was completed on time and within budget. The first SGT refurbishment and associated qualification started on schedule. FM&T implemented a number of corrective measures such as, obtaining City of Albuquerque approvals simultaneously with going out for bids, in order to regain the baseline schedule.</p> <p>b. Management and execution of the Cradcock tenant improvement project was a significant concern throughout FY 2010. The initial design incorporated unauthorized provisions for classified machining operations. Some of the costs associated with the design for classified machining capabilities were inadvertently paid from OST funds. The classified machining capabilities were eliminated from the final design and changes to OST were reversed as FM&T paid for their own volition. The modification of Cradcock A was started without obtaining proper project authorization from KCSC. Although both instances have been remedied, functional management of KO still needs to be strengthened.</p> <p>c. FM&T met all requirements for FY 2010 as outlined in the Kirtland Air Force Base (KAFB) approved amended NC-135 Closeout Plan.</p> <p>d. FM&T completed turnover of Buildings No. 135 and No. 136 to NA-42 within the budget and 25 percent ahead of schedule. The execution of the NA-42 building relocation project was changed to use a Service Center small business contractor. The project is nearing successful completion.</p>
<p>Operations CPO 01 Facilities Management</p>	<p>NNSA expects Honeywell to provide effective and efficient management of facility operations to include project management, facilities engineering, construction, maintenance, utilities, energy management and asset management while reducing the direct cost.</p>	<p>Essential: Excellent</p> <p>FM&T continued sustained high performance managing Facility Operations. The KCSC and FM&T meet and discuss performance of construction, project management, maintenance, real and personal property activities to track performance. FM&T continues to manage to the approved phase plan and has been effective in maintaining overall plant operations despite a reduced RTBF budget. Planning activities in support of KCRIMS continues. During FY10 FM&T delivered \$7.8M in additional RT&F funding in support of the KCRIMS project.</p>
<p>Operations CPO 02 Security</p>	<p>NNSA expects Honeywell to plan, resource and operate an effective and efficient physical security program in accordance with the Annual Physical Security Operating Plan.</p>	<p>Essential: Excellent</p> <p>FM&T has done an exceptional job in balancing facility and programmatic needs with scarce resources. The security division has actively supported NSE security reform initiatives and implements innovative practices that balance risk and improve efficiency. The most significant negative security event of the year was the directed shut-down of the armory on Kirtland Air Force Base. Honeywell responded to both the security & operational concerns quickly and appropriately. The protective force labor contract was successfully negotiated with future labor costs negotiated at significantly less than the NNSA average increase. Security continues to work to integrate security operations both vertically within security and horizontally across business functions - while maturation is highly evident in some areas, more work is needed in others. Security has actively supported the KCRIMS initiative and works to keep KCSC apprised of relevant information. Security self-identifies issues, is responsive to concerns identified and seeks out opportunities to improve. Security exemplifies a learning organization & is committed to improving the effectiveness & efficiency of Site, NSE & DOE security programs.</p>
<p>Operations CPO 03 Health, Safety & Environment</p>	<p>NNSA expects Honeywell to provide health, safety, environmental, long-term stewardship, waste management and emergency management programs that protect people, property and the environment in accordance with the FY10 HS&E Management System Description.</p>	<p>Essential: Excellent</p> <p>FM&T continued sustained high performance for HS&E at both KCP and KO as measured by the FY10 HS&E Management System Description. The DOE VPP Star Program, ISO 14001, and strong Corporate requirements continue to provide externally-validated bases for HS&E excellence. Environmental Programs are effectively managed by FM&T and all regulatory submittals have been completed on schedule. FM&T continues to effectively respond to DOE initiatives and to support necessary permit negotiations. Formal assessments, operational awareness activities, and injury/illness statistics indicate that HS&E programs are being managed responsibly to meet safety goals. Illness/injury statistics for the year were especially noteworthy. The TRC for FY10 was 0.25, and the DAFWC was 0. There was a significant increase in OWA claim requests effectively processed by in-house staff. Dialogue continues between KCP management and labor in the context of multiple safety committees with a shared VPP commitment. Significant progress was made during the year toward resolving an identified gap in NRTL regulatory compliance.</p> <p>The "hidden hazards" campaign resulted in noteworthy safety improvements. Routine waste generation decreased below FY09 levels with hazardous waste down by 30.6%, while non-hazardous waste decreased by 18.9%. The emergency management program conducted required training for the emergency response organization and for the plant population. The emergency response organization training included successful completion of a full participation emergency response exercise including responders from the Kansas City, MO fire department. All required program documents were submitted on or ahead of schedule.</p>

Source Selection Information: See FAR 2.101.3.104
OUO

Attachment 1: KCP FY10 PEP Milestone Final Performance Report

PO/PB# MRT ID#	Performance Target	Comments
Operations CPO 04 Cyber Security	NNSA expects Honeywell to plan, resource and operate an effective and efficient cyber security program in accordance with the Annual Cyber Security Operating Plan.	Essential: Excellent FM&T Cyber Security (Cyber) has done an exemplary job in balancing operational needs with security. Utilizing a documented risk-based decision-making approach. Cyber has led the NSE Risk-Based Cyber Security reform initiative. The mature KCP risk model is being used as the basis for the NNSA policy currently in development. Additionally, Cyber is leading the DOE with the deployment of continuous monitoring and cyber performance assurance tools - making real-time risk data and security assurance available to various customers. Cyber has fully integrated operations within security - resulting in increased standardization and efficiencies across the business. Mid-year concerns with certification and accreditation schedule slippage were successfully resolved - partially through temporary reassignment of Information Technology personnel. Cyber has actively supported NSE security reform initiatives & implements innovative practices that balance risk & improve efficiency.
Operations CPO 05 Information Technology	NNSA expects Honeywell to plan, resource and operate an effective and efficient information technology program in accordance with the Annual IT Implementation Plan.	Essential: Excellent FM&T has done an outstanding job in ensuring Service Satisfaction, IT Reliability, Project Delivery, IT Efficiency and Cyber Security. IT and cyber security functional integration, utilizing risk-based cyber decisions and projects like the Super Firewall, demonstrates integrated working relationships which improve functionality and efficiency and serves as an example for the entire NSE. Additionally, integration of IT management into the WFO and WFO organizations provides effective and efficient IT planning and execution of resources.
OPERATIONS FBI Operations PBI 06 NSE Sourcing	a. Formally share KCP's non-nuclear component supply capabilities and strategy with the other seven NSE sites. b. Derive NSE agencies current and future non-nuclear part supply needs and capabilities. (Stretch) c. Deliver a synopsis/consensus on the NSE's future enterprise approach for delivering non-nuclear components including potential synergies and opportunities. (Stretch)	Essential: 100 Stretch: 92 a. The NSE strategy sourcing initiative has been successfully achieved with development of a Supplier Catalog that was completed in May and was accepted by the NNSA Office of Planning and Programming for implementation and execution. The sites received it favorably. This will be a valuable tool for determining sourcing strategies and selection of future sourcing suppliers. b. The non-nuclear production capability needs for other sites were evaluated based on available information. A number of recommendations for future year actions for realignment or sourcing opportunities were identified which may prove to be very cost effective. The report was done at a high level as insufficient information was available to get very detailed. However, the opportunities identified are estimated to have a \$50+M annual cost savings. Full participation from the NSE was not able to be accomplished, which limited the detail in the report. c. Honeywell identified several sourcing strategies within the NSE that could be implemented to reduce costs, improve efficiency, and reduce capitalization while staying within an acceptable risk envelope.
Institutional Mgmt & Bus. PORCPO IM&Business PO 10 SCMC	a. Lead multi-site commodity teams utilizing the SCMC Strategic Sourcing Process. Interface with multi-site functional groups (i.e. IT, Security, HR, Finance) to identify demand management opportunities. b. Define and develop an SCMC contract utilization tracking method. c. Deploy eStore enhancements to improve user interface and functionality. d. Provide training to NSE sites on use of SCMC tools and acquisition vehicles.	Essential: Excellent FM&T led the NSE sites in achieving and exceeding SCMC goals and objectives. Through FM&T/SCMC's leadership the NSE saved over \$100 million in FY10. That amount is higher than all three previous years of the SCMC's existence. a. FM&T successfully led multi-site commodity teams through the award of five commodity agreements (Fax glasses, Laboratory Equipment & Supplies, RSA Tokens, Hotel Services, and Air Purifying Masks) in FY10 worth \$177 million over multiple years. Cost savings estimates for the five agreements total just over \$28 million, which equates to a 16% savings rate. SCMC staff encountered unexpected difficulties with the electrical supply agreement. Award of that agreement would have increased savings even more. b. FM&T defined and developed a contract utilization tracking method. This progress will be the foundation for implementation in FY11 to enable site utilization of SCMC contracts to be monitored. This allows SCMC to focus on the right problem-solving issues and allows sites to revise goals or see opportunities to increase use that might not be evident otherwise. c. FM&T deployed eStore improvements at all seven sites. Through this initiative the eStore host company enhanced capabilities at the sites, which led to a 500% increase in eStore utilization NSE-wide over FY09. d. SCMC staff provided outstanding training services throughout the NSE. Over 2800 hours of training were logged by users in a variety of topics including: overview of the SCMC tools & governance; e-Catalog upgrades; eSourcing; MarketPlace training; and Arriba Buyer Upgrade training. FM&T continues to implement customer feedback and customize training for sites as needed.

Attec' 1: KCP FY10 PEP Milestone Final Performance Report

POPS# MRT ID#	Performance Target	Comments
IM&Business PO 11 Supply Chain Management	<p>a. Optimize utilization of E-procurement tools and specifically those provided by the Supply Chain Management Center or resident equivalent tools.</p> <p>b. Provide personnel who actively participate and contribute to commodity teams.</p> <p>c. Optimize the utilization of SCMC developed acquisition vehicles.</p> <p>d. Improve the percentage of procurement actions fulfilled without direct procurement action (i.e. "paperless contracting").</p> <p>e. Enhance commodity demand management activities.</p> <p>f. Assist in development of complex-wide procurement training requirements and, at a minimum, support one multi-site class.</p>	<p>Essential: Excellent</p> <p>a. FM&T has a current spend of \$27 million to the \$15 million goal. Forty eight auction events have been awarded.</p> <p>b. Eighteen FM&T buyers have been assigned to commodity teams, nine have been completed.</p> <p>c. Proactive steps taken by FM&T to optimize SCMC acquisition vehicles include: e-store-catalog training, Portal news articles, portal spend tracking and analysis, e-catalog order evaluation, pilot buyer programs and spend report analysis.</p> <p>d. FM&T has developed a plan to increase LTA utilization. Currently 55.57% of LTA items released are on contract to a goal of 50%.</p> <p>e. A team to support this target has been formed, comparing MRO inventory items with property system records. The team identified 335 Capital Equipment parts valued at \$59,000 for excess. An additional team involved reengineering of purchasing office supply inventory processes, resulting in standardization and reduced inventory.</p> <p>f. FM&T participated in multi-site training classes (e.g. Cost Analysis Workshops, Service Contract and Davis Bacon Act). The FM&T human capital team will identify additional training.</p>
IM&Business PO 12 Work for Others	<p>a. Ensure WFO activities offset operational/overhead costs for WFO customers and NNSA, and develop new WFO work to offset operating costs for new NSMC facility</p> <p>b. Ensure WFO activities help maintain critical NNSA capabilities</p> <p>c. Ensure WFO products are delivered on time with High quality as demonstrated by WFO customer satisfaction (Voice of the Customer) results.</p> <p>d. Utilize financial controls to ensure direct costs and applicable indirect costs are allocated to WFO customers consistent with disclosed practices.</p>	<p>Essential: Excellent</p> <p>a. WFO business generated \$54.5 million in overhead recovery. NSMC is currently positioned to enter FY11 with a 67% increase over FY10 in identified, funded projects.</p> <p>b. NSMC products and services focus on replacement systems, training programs and production of special tools to exercise capabilities to close technical gaps and advancing technology and manufacturing readiness levels (TRL and MRL). At the request of the Office of Institutional and Joint Programs, FM&T Six Sigma focused on streamlining the WFO process.</p> <p>c. FM&T is conducting WFO Voice of the Customer surveys (VOC). Current VOC rating is at 92.57% for end of September. The TD5 project was recently put on hold in order to avoid overrunning the project's funding. This issue was identified in July 2010. Communication of project funding issues to the customer was delayed until August 2010. A change in cost accounting practices at the KCP directly impacted this project as reporting of some indirect activities are now required to be charged as a direct cost. The net impact to the TD5 project resulted in increased cost, however, a reduction in indirect charges also occurred. As a result, this analysis revealed: 1. NSMC should have identified the cost impact earlier and 2. Communication with the customer could have been expedited once the cost impact was identified.</p> <p>d. NSMC has incorporated site accounting requirements into their operations. Direct costs and applicable indirect costs are allocated to WFO customers consistent with site practices.</p>
IM&Business PO 13 Financial Management	<p>a. Achieve a rating of Satisfactory or better for all FY10 OFFM Performance Measures.</p> <p>b. Monitor results of internal controls testing for the new cost model and cost accounting changes implemented in FY09 for effectiveness; incorporate corrective actions as necessary.</p> <p>c. Continue to communicate and implement policies and procedures to ensure costs are appropriately forward-priced, allocated, and accumulated across all business units managed by Honeywell FM&T.</p> <p>d. Develop future FYNISP budget requests utilizing FY09 cost model changes, NNSA guidance, and OMB guidelines, to accurately reflect planned direct and indirect costs.</p> <p>e. Develop a Financial Roadmap that rightly leverages information technology to improve organizational effectiveness, efficiency, integration and transparency within KCP and with NSF.</p>	<p>Essential: Excellent</p> <p>Significant advancements in financial management were achieved during FY10 by FM&T.</p> <p>a. The KCP received overall ratings of Good for the FY10 OFFM Performance Measures.</p> <p>b. Cost model automation was completed during FY10. An internal audit of the cost model was completed revealing there are no significant operational issues for use in managing costs by FM&T. They also received the NNSA Administrator's Award for Excellence in Internal Controls.</p> <p>c. Rate updates were performed during the FY to appropriately allocate/accumulate indirect costs. Finance developed and presented rate training for FM&T and KCISO personnel. Pass-through procurements for two special projects were processed and approved by the NNSA Field CFO.</p> <p>d. Cost Disclosure Statement Revision No. 10 was prepared well in advance of FY11. This revision and the cost model were both used in developing FY11 Forward Pricing Rates. Development of the FYNISP budget was enhanced by the ability to estimate costs using enhancements from model development.</p> <p>e. Improvements in financial reporting were completed which include Gross Cost Reports and Funding Summaries for all FM&T business operations.</p>

1: KCP FY10 PEP Milestone Final Performance Report

POP/PBI# MRT ID#	Performance Target	Comments
IM&B Business CPO 06 Business Management	Maintain effective business operations and management of human resources, legal, procurement, public and Congressional affairs, records management and other support program areas. NNSA will measure FM&T's compliance based on reported performance on the Enterprise Balanced Scorecard, Purchasing Objective Matrix, Human Resources Objective Matrix, and operational awareness of business programs. NNSA expects Honeywell to maintain business management services that support mission requirements, are cost effective and are in accordance with all applicable laws, regulations, and directives.	Essential: Excellent Business Operation functions continue to be managed effectively. High priority activities are receiving appropriate attention and are being reported timely such as: Successful completion of Guard contract negotiations within NNSA parameters and without a work stoppage; Freedom of Information requests; Financial metrics and assessments; record management reductions, contractor purchasing surveillance plan performance results; management of pension funding shortfalls; Site Office and HQ review of the Honeywell Legal Management plan finding no deficiencies; development of a communications strategy and white papers regarding safety and health issues at the Bannister Federal Complex, successful groundbreaking activity, VIP tours and briefings, and, responsiveness to IG requests have been noteworthy.
Institutional Agent & Exec. PBI		
IM&B PBI 07 Cost Savings/ Productivity	NNSA will measure the amount of cost savings/productivity. NNSA expects Honeywell to achieve productivity efficiencies and savings.	Stretch: 100 FM&T has met the \$12 million savings goal through submitted savings. KCSO validated the savings and concurs the objective has been met.
MultiSite PBI		
MS PBI No. MS PBI 1 Stockpile 3340 3341	Multi-Site Target 1.1. Achieve the W76-1 LEP scheduled deliveries.	PBI achieved as evaluated by NNSA/HQ.
3342	1.2. Perform for and accomplish Phase Gate B for the B61 LEP Phase 6.2ZA study by 30SEP10.	PBI achieved as evaluated by NNSA/HQ.
3344	1.3. Deliver limited life components and Alteration Kits to the DoD in accordance with the MNS Volume III. 1.4. Execute Surveillance Program defined by the SESEC.	PBI achieved as evaluated by NNSA/HQ.
MS PBI 2 Enterprise Integration 3346	2.1 Successful complete NNSA-approved priority activities in support of Enterprise Reengineering	PBI achieved as evaluated by NNSA/HQ.
3347	2.2. Implement Elements from the approved FY10-15 Multi-Site IT Strategic Plan Targets:	PBI achieved as evaluated by NNSA/HQ.
3407	2.3. Support business process transformation and relocation of the Kansas City Plant.	PBI achieved as evaluated by NNSA/HQ.



.

7