

**Fiscal Year 2015  
DOE/NNSA Strategic Performance Evaluation Plan (PEP)**

**FOR**

**Consolidated Nuclear Security, LLC**

**MANAGEMENT AND OPERATION OF THE  
Pantex Plant and the Y-12 National Security Complex**

**Contract Number: DE-NA0001942**

**Performance Period: October 01, 2014 through September 30, 2015**

Signature of James D. Haynes  
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30 Sep 2014  
Date  
James D. Haynes  
President and Chief Executive Officer  
Consolidated Nuclear Security, LLC

Signature of Steven C. Erhart  
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9/30/2014  
Date  
Steven C. Erhart  
Manager, NNSA Production Office  
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Signature of Richard A. Dunn  
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Richard A. Dunn  
Director, Contracts  
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Signature of Seb Klein  
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**FY 2015 PERFORMANCE EVALUATION PLAN  
DOCUMENT REVISION HISTORY**

<b>Revision</b>	<b>Date</b>	<b>Change Description</b>
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## **INTRODUCTION**

The Pantex Plant and Y-12 National Security Complex (NSC) are facilities owned by the United States Department of Energy (DOE), and are managed by Consolidated Nuclear Security, LLC (CNS). Pursuant to the terms and conditions of the Contract, this Performance Evaluation Plan (PEP) sets forth the criteria in which CNS performance will be evaluated and upon which the determination of the amount of award fee earned shall be based. The available award fee amounts for FY 2015 are specified in Section B of Contract No. DE-NA0001942. This PEP promotes a strategic Governance and Oversight framework based on prudent management of risk, accountability, transparency, and renewed trust. It has been written to implement the collective governance and oversight reform principles as expressed by the DOE/National Nuclear Security Administration (NNSA).

## **PERFORMANCE BASED APPROACH**

The performance-based approach evaluates CNS performance at Pantex and Y-12 through a set of Performance Objectives (PO). Each PO, and its associated Contributing Factors (CF) and Site Specific Outcomes (SSO), will be measured against authorized work and the respective outcomes, demonstrated performance, and impact to the DOE/NNSA mission. CFs and SSOs will be assessed in the aggregate to establish an adjectival performance rating for each PO. Notwithstanding the overall strategic framework, failure to achieve an individual SSO, the most important DOE/NNSA fiscal year objectives may limit the award-fee.

## **MISSION**

The Pantex Plant mission supports managing the nation's nuclear stockpile by performing disassembly, inspection and rebuild of weapon evaluation cycle units, assembly of Joint Test Assemblies (JTAs) and JTA post mortem analysis, assembly and disassembly of test bed units, Limited Life Component Exchange, programmatic alterations (usually defined as Alts or Mods), weapon repairs, weapon and component radiography and non-destructive evaluation, High Explosive (HE) testing and explosive component evaluation, pit and non-nuclear evaluations, electrical and mechanical tests, and surveillance and evaluation testing in support of Quality Evaluation Reports.

The Y-12 NSC supports national security programs through production of weapons components and parts; stockpile evaluation and maintenance; stockpile surveillance; dismantlement; and nuclear materials management, storage, and disposition. Its primary mission is the manufacturing of modern secondaries and processing and storage of highly enriched uranium.

Additionally, Pantex and Y-12 support several of the other NNSA missions identified, including nuclear non-proliferation, the Naval Reactors Program, emergency response, continuing management reform, and recapitalizing NNSA infrastructure.

## **MISSION PERFORMANCE**

CNS is accountable for and will be evaluated on successfully executing program work in accordance with applicable DOE/NNSA safety and security requirements consistent with the terms and conditions of the Contract. Protection of worker and public safety, the environment, and

security are essential and implicit elements of successful mission performance. Accordingly, the model for this PEP is to rely on CNS leadership to use appropriate DOE contractual requirements and recognized industrial standards based on consideration of assurance systems, and the related measures, metrics, and evidence. **CNS is expected to manage in a safe, secure, efficient, effective, results-driven manner, with appropriate risk management and transparency to the government, while taking appropriate measures to minimize costs that do not compromise core objectives and mission performance.** Products and services are expected to be delivered on-schedule and within budget.

### **CONSIDERATION OF CONTEXT IN PERFORMANCE EVALUATION**

The evaluation of performance will consider “context” such as unanticipated barriers (e.g., budget restrictions, rule changes, circumstances outside CNS control), degree of difficulty, significant accomplishments, and other events that may occur during the performance period. A significant safety or security event may result in an overall limitation to adjectival ratings. Such impacts may be balanced by the response to the incident, and by other initiatives to improve overall safety or security performance. The contractor is encouraged to note significant safety and security continuous improvements.

### **PERFORMANCE RATING PROCESS**

At the end of each of the first three quarters, DOE/NNSA will evaluate performance and provide feedback to CNS highlighting successes and/or needed improvement. At the end of the year, an overall performance rating will be assigned for each PO using the table in Federal Acquisition Regulation Subpart 16.401(e)(3) yielding scores of Excellent, Very Good, Good, Satisfactory or Unsatisfactory. In general, performance objectives and contributing factors are written to reflect an overall adjectival performance level of **Good**. DOE/NNSA will consider the CNS end of year self-assessment report in preparing the Performance Evaluation Report (PER) for the Fee Determining Official (FDO). The PER transmits the final recommendations on performance ratings and award fee earned for the award fee period of performance. The unilateral decision of the total award fee earned will be made by the FDO.

### **PEP CHANGE CONTROL**

It is essential that a baseline of performance expectations be established at the beginning of the performance period to equitably measure performance, and that changes to that baseline are carefully managed. Any change to the PEP requires concurrence by the appropriate program office, the NNSA Senior Procurement Executive, and the NNSA corporate PEP manager prior to the Field Office Manager and Contracting Officer signatures. While recognizing the unilateral rights of DOE/NNSA as expressed in contract *Section B-7, Performance Evaluation Plan (PEP)*, bilateral changes are the preferred method of change whenever possible.

### **FINAL DECISION**

CNS can request a face-to-face meeting with the FDO to highlight their strategic performance. This meeting should occur in early October.

**TOTAL AVAILABLE AWARD FEE ALLOCATION**

<b>Performance Category</b>	<b>Performance Objective</b>	<b>% At-Risk Fee Allocation</b>
Programs (NA-10)	<b>PO-1:</b> Manage the Nuclear Weapons Mission	35%
Programs (NA-20, NA-40, NA-80)	<b>PO-2:</b> Reduce Global Nuclear Security Threats Mission	10%
Programs (FOM)	<b>PO-3:</b> DOE and Strategic Partnership Project Mission Objectives	5%
Operations & Mission Execution (FOM)	<b>PO-4:</b> Science, Technology, and Engineering (ST&E)	5%
Operations & Mission Execution (FOM)	<b>PO-5:</b> Operations and Infrastructure	35%
Operations & Mission Execution (FOM)	<b>PO-6:</b> Leadership	10%

**UNEARNED FEE**

DOE/NNSA reserves the right to withdraw and redistribute DOE/NNSA unearned fees.

**INNOVATIVE SOLUTIONS**

CNS will recommend innovative, science-based, systems-engineering solutions to the most challenging problems that face the nation and the globe. CNS will also provide evidence to support programmatic needs and operational goals tempered by risk. DOE/NNSA will take into consideration all major functions including safety and security contributing to mission success. In addition, CNS is expected to recommend and implement innovative business and management improvement solutions that enhance efficiencies.

## **PO-1: Manage the Nuclear Weapons Mission – NA-10 (At-Risk Fee: 35%)**

Successfully execute Nuclear Weapons mission work in a safe and secure manner accordance with DOE/NNSA Priorities, Program Control Document and Deliverables, and Program Implementation Plans. Integrate Pantex and Y-12 operations, while maintaining a DOE/NNSA enterprise-wide focus, to achieve greater impact on a focused set of strategic national security priorities. Provide defensible objective evidence.

### Contributing Factors:

- CF-1.1 Accomplish work as negotiated with program sponsors and partners, achieving the expected level of quality to ensure safe, secure, reliable weapon performance, transportation, and cost effective operations.
- CF-1.2 Increase knowledge of the state of the stockpile, resulting from successful execution of the stockpile surveillance program and a robust scientific and engineering understanding for the delivery of the annual stockpile assessment.
- CF-1.3 Execute stockpile work to deliver stockpile system maintenance, production, limited-life component exchanges, weapon containers and dismantlements.
- CF-1.4 Demonstrate the application of new strategies, technologies, and scientific understanding to support stewardship of the existing stockpile and future stockpile needs.
- CF-1.5 Sustain and strengthen unique science and engineering capabilities, facilities and essential skills to ensure current and future Nuclear Weapons mission requirements will be met.
- CF 1.6 Execute product realization processes and activities in support of nuclear weapon life extension programs, modification and alterations in accordance with NNSA requirements and Nuclear Weapons Council guidance.

### Site Specific Outcomes:

- 1.1 – Develop an effective and robust container/Packaging & Transportation program that meets mission needs at least cost. Demonstrate to NNSA that CNS has corrected the DPP-2 packaging structural modeling and analyses deficiencies to support packaging development as a design agency for the DPP-2
- 1.2 – Effectively implement the Federal Program Manager (FPM) defined Earned Value Management System and project controls tools on the W88 Alt 370 and B61-12 LEPs to execute the program and lower risks while providing detailed program status to FPM, including deployment of Management Reserve; and to implement an effective cost control process and develop opportunities for cost reduction
- 1.3 – Execute production readiness and production activities IAW the NNSA Integrated Master Schedule on the W88 Alt 370 and B61-12 LEPs while effectively utilizing project controls tools to meet scheduled deliverables
- 1.4 – Create and integrate the Uranium mission strategy and mission requirements document and optimize scope and performance of the contract to ensure long-term stewardship of the site and effective implementation of the UPF

**PO-2: Reduce Global Nuclear Security Threats Mission – NA-20, NA-40, and NA-80 (At-Risk Fee: 10%)**

Successfully execute authorized global nuclear security mission work in a safe and secure manner to include the Non-Proliferation, Emergency Operations and Counterterrorism missions. Integrate Pantex and Y-12 Operations, while maintaining an NNSA enterprise-wide focus, to achieve greater impact on a focused set of strategic national security priorities. Provide defensible objective evidence.

**Contributing Factors:**

- CF-2.1 Support efforts to remove, eliminate and minimize the use of proliferation-sensitive materials.
- CF-2.2 Support efforts to safeguard and secure materials, technologies, and facilities.
- CF-2.3 Support efforts to detect and prevent the illicit trafficking of nuclear/radiological materials, technology, information and expertise.
- CF-2.4 Provide R&D technology solutions for treaty monitoring, minimizing the use of proliferation-sensitive materials, and the application of safeguards and security.
- CF-2.5 Provide unique technical/policy solutions and develop programs/strategies to reduce nuclear/radiological dangers.
- CF-2.6 Demonstrate effective operations and implementation of policy for mission success in support of emergency management, incident response and nuclear forensics mission support capability.
- CF-2.7 Sustain and improve nuclear counterterrorism and counterproliferation science, technology, and expertise.

**Site Specific Outcomes:**

- 2.1 – Successfully execute Pilot Line demonstration products for the UMo project supporting reactor conversions
- 2.2 – Fully support emergency incident response operations to include managing and maintaining readiness for deployable response teams, training and developing new and existing staff to become qualified responders, supporting implementation of new technologies and capabilities to support mission, supporting Headquarters in the development of new and existing emergency management policies and practices, and integrating the Headquarters Emergency Management Team and Emergency Operations Center in responses, including exercises

**PO-3: DOE and Strategic Partnership Project Mission Objectives – FOM (At-Risk Fee: 5%)**

Successfully execute high-impact work for DOE and Strategic Partnership Project Mission Objectives safely and securely. Provide objective evidence that demonstrates the value of the work in addressing the strategic national security needs of the U.S. Government.

Contributing Factors:

- CF-3.1 Pursue and perform high impact work that strategically integrates with the DOE/NNSA mission, and leverages, sustains and strengthens unique science and engineering capabilities, facilities and essential skills.
- CF-3.2 Pursue and perform high-impact Strategic Partnership Projects that strategically integrates with the DOE/NNSA mission, and leverages, sustains and strengthens unique science and engineering capabilities, facilities and essential skills in support of future national security mission requirements.
- CF-3.3 Accomplish work within the budget profile, scope, cost, schedule, quality and risk negotiated with the program.

#### **PO-4: Science, Technology, and Engineering (ST&E) – FOM (At-Risk Fee: 5%)**

Successfully advance national security missions and advance the frontiers of ST&E in accordance with budget profile, scope, cost, schedule and risk while achieving the expected level of quality, safety and security. CNS will effectively manage the Plant Directed Research and Development (PDRD) and Technology Transfer programs to advance the frontiers of ST&E. Provide defensible objective evidence.

##### **Contributing Factors:**

- CF-4.1 Implement a research strategy that is clear and aligns discretionary investments (e.g., PDRD) with the research strategy and support DOE/NNSA priorities.
- CF-4.2 Ensure that research is relevant, enables the national security missions, and benefits DOE/NNSA and the nation.
- CF-4.3 Ensure that research is transformative, innovative, leading edge, high quality, and advances the frontiers of science and engineering.
- CF-4.4 Maintain a healthy and vibrant research environment that enhances technical workforce competencies and research capabilities.
- CF-4.5 Perform research to accomplish the high priority, multi-year research objectives, advance ST&E, and develop technologies for the public good through technology transfer.

##### **Site Specific Objective:**

- 4.1 – Develop technology and transition plans to support Lithium and Uranium Strategies in support of customer expectations

## **PO-5: Operations and Infrastructure – FOM (At-Risk Fee: 35%)**

Effectively and efficiently manage the safe and secure operations of Pantex and Y-12 while maintaining an NNSA enterprise-wide focus; demonstrate accountability for mission performance and management controls; assure mission commitments are met with high-quality products and services; and maintain excellence as a 21<sup>st</sup> century government-owned, contractor-operated facility.

### Contributing Factors:

- CF-5.1 Deliver effective, efficient, and responsive environment, safety and health (ES&H) management and processes.
- CF-5.2 Accomplish capital projects in accordance with scope, cost, and schedule baselines.
- CF-5.3 Deliver effective, efficient, and responsive safeguards and security.
- CF-5.4 Maintain, operate and modernize the DOE/NNSA facilities, infrastructure, and equipment in an effective, energy efficient manner; including disposition of unneeded infrastructure and excess hazardous materials.
- CF-5.5 Deliver efficient, effective and responsible business operations, systems and information technology.
- CF-5.6 Deliver efficient and effective management of legal risk and incorporation of best legal practices.
- CF-5.7 Deliver effective, efficient, and responsive cyber security.

### Site Specific Outcomes:

- 5.1 – Aggressively and responsibly manage Y-12 and Pantex infrastructure to deliver on cost efficiency savings while minimizing operational, security and safety risks and increasing the viable use of facilities and equipment in the best interest of the NNSA
- 5.2 – CNS will set viable goals, develop criteria and demonstrate tangible improvements in the discipline of operations across the key functional areas of Operations, Security, Maintenance, and Engineering at the Pantex and Y-12 plants
- 5.3 – Implement programs that promote the safe execution of nuclear and nuclear explosive safety (NES) operations. Documented Safety Analyses (DSA) reports will be developed and reviewed against the criteria derived from the DSA Improvement Plan. Technical Safety Requirements will be clear and concise. At Pantex, the NES program will be executed to support mission deliverables and the NNSA NES Program. At Y-12, CNS will execute Nuclear Criticality Safety Improvement plan commitments; develop a plan and show demonstrable, measurable progress in downgrading nuclear facilities; and Area 5 de-inventory/Material at Risk reductions
- 5.4 – Implement Safety Culture Sustainment Plan that includes Quality of Life workplace improvements that takes advantage of reinvestment opportunities. Complete a baseline safety culture assessment of employees and revise the Sustainment Plan to address any new issues.

## **PO-6: Leadership - (At-Risk Fee: 10%)**

Successfully demonstrate leadership in supporting the direction of the overall DOE/NNSA mission, improving safety culture, the responsiveness of the CNS leadership team to issues and opportunities for continuous improvement internally and across the Enterprise, and parent company involvement/commitment to the overall success of Pantex, Y-12 and the Enterprise.

### Contributing Factors:

- CF-6.1 Define and implement a realistic strategic vision for CNS, in alignment with the NNSA Strategic Plan, which demonstrates enterprise leadership and effective collaborations across the NNSA enterprise to ensure DOE/NNSA success.
- CF-6.2 Promote a culture of critical self-assessment and transparency across all areas; instill a culture of accountability, responsibility, safety and performance through the entire organization; and coordinate/communicate these key issues and concerns to DOE/NNSA leadership.
- CF-6.3 Demonstrate performance results through the institutional utilization of the Management Assurance System and the leveraging of parent company resources and expertise.
- CF-6.4 Work selflessly within the DOE/NNSA complex to develop, integrate, and implement enterprise solutions that maximize program outputs at best value to the government; identify innovative business and management solutions that greatly improve enterprise-wide efficiencies.
- CF-6.5 Exhibit professional excellence in performing roles/responsibilities while pursuing opportunities for continuous learning.

### Site Specific Outcomes:

- 6.1 – Support a seamless, effective contract transition for the SRTO option, if exercised.
- 6.2 - Develop and implement a Nuclear Security Enterprise (NSE) integration strategy consistent with NNSA objectives