



## Fiscal Year (FY) 2023 Performance Evaluation Summary

**Contractor:** Honeywell Federal Manufacturing & Technologies, LLC (FM&T)

**Contract:** DE-NA0002839

**Evaluation Period:** October 1, 2022 – September 30, 2023

**Basis of Evaluation:** FY 2023 Performance Evaluation and Measurement Plan (PEMP)

The FY 2023 PEMP for this contract is available at: <https://www.energy.gov/nnsa/articles/fy2023-performance-evaluation-and-measurement-plan-honeywell-federal-manufacturing>

The Contract is available at: <https://www.energy.gov/nnsa/kansas-city-national-security-campus-contract>

### Award Fee Scorecard

Goal	Rating		At Risk Available	Final
	Adjectival	Percent		
Goal-1: Mission Delivery: Nuclear Weapons	Excellent	91%	\$19,231,200	\$17,500,392
Goal-2: Mission Delivery: Global Nuclear Security	Excellent	95%	\$ 4,807,800	\$ 4,567,410
Goal-3: Mission Innovation: Advancing Science and Technology	Excellent	100%	\$ 2,403,900	\$ 2,403,900
Goal-4: Mission Enablement	Very Good	85%	\$14,423,400	\$12,259,890
Goal-5: Mission Leadership	Very Good	89%	\$ 7,211,700	\$ 6,418,413
<b>Total Award Fee</b>		<b>90%</b>	<b>\$48,078,000</b>	<b>\$43,150,005</b>

In addition, the fixed fee and total fee summaries are provided below:

	Available	Final
Fixed Fee	\$ 0	\$ 0
SPP (Fixed Fee)	\$19,307,000	\$19,307,000
Total Fixed Fee	\$19,307,000	\$19,307,000
<b>Total Fee (Award Fee and Fixed Fee)</b>	<b>\$67,385,000</b>	<b>\$62,457,005</b>

Overall, FM&T earned a Very Good (90 percent) rating for FY 2023, exceeding many of the objectives and key outcomes under the PEMP goals, meeting overall cost, schedule, and technical performance requirements with accomplishments that greatly outweighed issues. FM&T earned Excellent ratings for Goals 1, 2, and 3, and Very Good ratings for Goals 4 and 5.

Performance issues and accomplishments were present throughout FY 2023. Performance accomplishments in Goals 1 through 5 were noteworthy this reporting period. The FM&T Plutonium Modernization Team delivered required items ahead of schedule, enabling the program to stay on track for First Production Unit (FPU) (Goal 1). FM&T provided effective operational and logistical support to the Nuclear Emergency Support Team’s (NEST) response to Russia’s War on Ukraine (Goal 2). FM&T advanced national security missions through innovation by expanding the frontiers of Science, Technology, and Engineering (ST&E) (Goal 3). With the support of FM&T, the NNSA completed the purchase of Building 23 (Goal 4). FM&T maintained a strong leadership presence on multiple Enhanced Mission Delivery Initiative (EMDI) working teams and fully embraced NNSA’s EMDI goals (Goal 5).

FM&T’s performance issues included not effectively managing critical production processes or resolution of the subsequent, production issue which drove increased design agency leadership, technical and safety

Subject Matter Expert (SME) work scope, initiated substantial actions from multiple NNSA federal offices, and ultimately required senior level NNSA adjudication (Goal 5).

**Accomplishments:**Goal 1

- Shipped the Last Production Unit (LPU) Arming, Fusing & Firing (AF&F) assembly, marking the completion of the W76-1 Life Extension Program.
- Completed LPU for both the B61-12 Type 3C/E Trainers and ALT 941 on-time and one month early for the Nitrogen Cartridge.
- Achieved LPU milestones early to plan for the W88 ALT 370 Lightning Arrestor Connector (16 months early), Forward Mount (one month early), and Desiccant Assembly (19 months early).
- Partnered with Lawrence Livermore National Laboratory (LLNL) to significantly improve production yield on a critical W80-4 component.
- FM&T's W87-1 team contributions led to the successful on-time completion of 14 of 14 Conceptual Design Gates (CDG) and 22 of 22 Conceptual Design Reviews (CDR) with passing results.
- Exceeded Federal Program Office (FPO) expectations with the support and implementation of a collaboration tool now used across the W93 program.
- Completed Mk21 FPUs ahead of schedule for Missile Interface and Controller Module (five days), Firing Set Interface Module (eight days), Launch Safety Device (seven days), and Arming and Fuzing Assembly Trainer (nine days).
- FM&T's Plutonium Modernization Team delivered all small tube items ahead of schedule, successfully transitioned to the new design and enabled the program to stay on track to the Calendar Year 2024 FPU.

Goal 2

- Completed essential tests and experiments in support of the new test-article, physics-based modeling and simulation capability for the Office of Defense Nuclear Nonproliferation (DNN) Research and Development (R&D) mission.
- Increased product deliveries by over 37 percent from FY 2022 rates to meet the FY 2023 Office of Material Disposition surplus plutonium disposition program schedules and milestones.
- Provided excellent leadership and planning in support of the Office of Nuclear Export Controls International Nonproliferation Export Control Program (INECP) engagements with Malaysia, Vietnam, Tunisia, Brazil, Ukraine, India, and Taiwan.
- Completed numerous technical and intelligence-based assessments in support of the NNSA's Weapons of Mass Destruction interdiction programs.
- Provided assessments and recommendations on 130 export license cases submitted to NNSA by the Department of Commerce.
- Provided effective operational support to the Nuclear Emergency Support Team's (NEST) response to Russia's war on Ukraine for radiological monitoring.
- Significantly contributed to production, deployment, and monitoring of NEST's sensor networks deployed into Ukraine and the surrounding region.
- Effectively managed the 100 percent watch bill requirements in support of NEST.
- Delivered successful equipment management, maintenance, procurement, and depot operations in support of NEST, DOE Forensics Operations, other federal agencies, and international partners.

Goal 3

- Maximized technology maturation investments, through the introduction of its Insertion Readiness Process (IRP), maturing idea-to-rate-production technology, and rendering it faster and more predictable.
- Validated the quality of FM&T's foundational R&D through publication in Science Magazine which highlighted accomplishments in fundamental defect generation mechanisms in Metal

Additive Manufacturing (MAM) and related inspection methodology using artificial intelligence (AI).

- Expanded the FY 2023 Technology Maturation Portfolio delivering results in critical radar testing advancements, connected factory manufacturing for pads and cushions, and full deployment of the Priority Signal Alert System (PSAS) using machine learning technology.
- The Center of Excellence Council demonstrated achievements in publications and Intellectual Property through 125 invention disclosures, 33 patent applications filed, 29 patents issued, and 75 products submitted to the Office of Scientific and Technical Information (OSTI).
- FM&T's External R&D Team managed an FY 2023 portfolio of external R&D collaborations totaling 142 contracts to include 115 with universities and 27 with companies and Other Government Agencies.

#### Goal 4

- With the support of FM&T, the NNSA completed the purchase of Building 23, which provides increased manufacturing capabilities.
- FM&T security successfully led the design and deployment of a facility-wide Security System; this is the first implementation of this type in a classified space of this size (in excess of 1 million square feet) within NNSA.
- Achieved a passing score (89 percent) for the Command Cyber Readiness Inspection (CCRI) on the Enterprise Secret Network (ESN). The inspection results convey assurance that the ESN network is protected from cyber risks.
- Successfully supported the KCFO in the development of scope, cost, and schedule information for three different Courses of Action (COAs) for KC NEXT. The information provided by FM&T ensured KC NEXT phases were adequately accounted for within the Future Years Nuclear Security Program (FYNSP) to support scheduled delivery.

#### Goal 5

- Maintained a strong leadership presence on multiple Enhanced Mission Delivery Initiative (EMDI) working teams and fully embraced NNSA's EMDI goals.
- Collaborated with multiple NNSA sites to establish the framework for an integrated, enterprise digital ecosystem and continued to advance and deploy elements of its Digital Transformation strategy in targeted production areas.
- Enabled NNSA mission success by sharing its Project Management Academy curriculum and Management Operating System (MOS), by enhancing Polymer Enclave partnership and supporting Pu Modernization solutions.
- Led the Supply Chain Management Center, which awarded multiple enterprise-wide agreements supporting high performance computing, Original Equipment Manufacturer (OEM) and Title I-III architecture and engineering services which led to cost savings across the NSE.
- Launched a two-year retention program targeting critical roles for specific programs, increased employee recognition program budget, and employee referral program communication.

#### **Issues:**

##### Goal 1

- One level 2 milestone remained "not met" at the end of the year on the B61-12 LEP.
- Failed to update chemical storage control limits after a requirement change, resulting in chemicals experiencing temperatures outside of requirements. The issue required resource commitment from the Production Agency and Design Agencies to resolve.

##### Goal 2

- None

##### Goal 3

- None

Goal 4

- NA-MB-64 identified a \$678 million material error in FM&T's environmental liability Long Term Stewardship (LTS) estimate for FY 2022 and FY 2023 due to use of incorrect inflation factors. NA-MB-64 recorded a prior period adjustment in FY 2023 to correct the financial statements.
- Did not provide realistic cost projections for Safety, Infrastructure, and Operations (SIO) operations and did not complete the 6+6 mid-year analysis on schedule. Inconsistent project costs, carryover, and performance data impacted NNSA's ability to assess funding needs.
- Quality workmanship escape of weapon hardware across two programs resulted in unprecedented action to meet some mission deliverables.
- FM&T did not meet the requirements for vulnerability patching within required timeframes.

Goal 5

- Did not proactively promote accountability and transparency for a production issue that drove NNSA Design Agency and federal actions and ultimately required federal adjudication to meet critical mission needs.
- FM&T employee concerns escalated to NNSA have trended negatively over the last two years, relative to historical data. It is NNSA's expectation that FM&T manage its workforce in a way that motivates and retains employees and complies with all applicable laws.