



**DEPARTMENT OF ENERGY**  
National Nuclear Security Administration  
Los Alamos Site Office  
Los Alamos, New Mexico 87544



DEC 09 2009

Mr. Rueben M. Rafferty  
Prime Contract Office  
Los Alamos National Security, LLC  
P.O. Box 1663, MS-M722  
Los Alamos, NM 87545

Dear Mr. Rafferty:

Reference:

- 1.) Contract Number DE-AC52-06NA25396, Los Alamos National Security, LLC and the Department of Energy, National Nuclear Security Administration

Subject: Contract No. DE-AC52-06NA25396 Fee and Award Term

In accordance with Prime Contract Clause B-2, entitled "Contract Type and Value", the Los Alamos Site Office has completed its assessment of Los Alamos National Security, LLC performance in meeting expectations established in the Fiscal Year (FY) 2009 Performance Evaluation Plan for the period from October 1, 2008 through September 30, 2009, and has made its recommendation to the National Nuclear Security Administration (NNSA) Fee Determining Official. The results from the NNSA review and assessments of the FY 2009 Performance Evaluation Report are enclosed.

If you have any questions regarding this letter, you may contact Robert Poole at (505) 665-1244.

Sincerely,

Robert M. Poole  
Contracting Officer *RP*  
12/9

BA:19RP-217642

Enclosure

cc w/enclosure:

D. Winchell, OOM, LASO  
R. Snyder, OOM, LASO  
J. Oliver, CAS, LASO  
P. Gonzales, DIR, LANS, MS-A100  
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Official Contract File, LASO



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

**FY 2009 PERFORMANCE EVALUATION REPORT**

**FOR THE**

**LOS ALAMOS NATIONAL SECURITY, LLC'S**

**MANAGEMENT AND OPERATION**

**OF THE**

**LOS ALAMOS NATIONAL LABORATORY**

**CONTRACT No. DE-AC52-06NA25396**

**PERFORMANCE PERIOD**

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

DEPARTMENT OF ENERGY NATIONAL NUCLEAR SECURITY ADMINISTRATION  
FY 2009 PERFORMANCE EVALUATION REPORT

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## I. INTRODUCTION

This report assesses the performance of Los Alamos National Security LLC (LANS) for management and operation of Los Alamos National Laboratory (LANL) from October 1, 2008 through September 30, 2009, under Contract Number DE-AC52-06NA-25396.

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

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

Assessment of contractor performance under this contract is different from the performance evaluation process used with the prior contractor, University of California (UC). UC's performance was evaluated using subjective adjectival ratings, which suited its nonprofit status and academia-based environment. The prior contract had \$8,500,000 of fee associated with it, about one-eighth of the current fee of \$73,280,000.

LANS' performance evaluation relies predominantly on objective performance criteria denoting the "what" that NNSA desired accomplished. In order to focus the contractor on government priorities, NNSA's goal was to identify the critical performance areas and metrics. For 2009, 14 sets of performance-based objectives were developed, representing over hundreds milestones and deliverables each with specific performance measures and associated fee, as well as five areas of subjective evaluation. Most of the objective metrics/milestones/deliverables are "pass/fail"; that is, if the contractor achieves the performance measures, it earns specific incentive fee tied to the specific measure. If it does not, then it may earn partial fee in some cases or no fee depending on how the task was defined up front and the final performance. The subjective measures are qualitatively assessed.

In this third full year of performance, it was essential for LANS to maintain momentum, improve upon prior year successes, and address deficiencies as well as new challenges. FY 2009 marks the second year that LANS could earn an additional year of contract term, i.e., extending the expiration date of the contract. Award Term is considered a higher-order incentive in the interests of both the contractor and the government if performance meets NNSA expectations.

Lack of integration and cooperation across the NNSA complex has been problematic in prior years. To remedy this, NNSA Headquarters developed one common objective set (a Multi-Site Incentive) that was used as a standard across the NNSA sites measuring complex-wide goals. The multi-site incentive was included as one of the subjective measures with explicit expectations and fee allocations.

A strict change control process was used for the performance-based measures. Once a measure was completed, the contractor submitted a formal request for closure. Headquarters, LASO and/or the NNSA Service Center, as appropriate, then validated the completion of each measure. Documentation on change control and closure is maintained by LASO and the contractor.

During FY 2007, a reallocation of fee occurred to address contractor success in responding to anomalies and events that occurred during the evaluation period and integration of different LANS activities and organizations to facilitate site performance. For FY 2008 and FY 2009 this concept was instituted upfront and tracked throughout the year through the subjective measures.

In producing this report, LASO considered LANS' own assessments and closure guidance, materials from monthly performance reviews held with the contractor, field assessments and audits,

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inspections, document reviews, facility walk downs, visual surveys, as well as DOE/NNSA Headquarters and other customers' input. Section III contains a summary of the fee awarded and award term decision. Section IV reflects LANS' achievement against the objectives and measures.

Under this contract, LANS also receives a fixed fee of 2.5% of the estimated cost of NNSA's total estimated budget for reimbursable projects. For FY 2009 the fixed fee amount for WFO is \$6,885,864. No incentive fee is paid for Work for Others (WFO) projects; however, LANS management of WFO as a portfolio and its facility and operations implications are addressed subjectively.

## II. SUMMARY

NNSA's expectation levels for LANS' performance continue to be very high. LASO anticipated that mission and some areas of business performance would, with diligent management, produce outstanding results with steady improvement throughout the year in most operational areas. These expectations were generally met. LANS has earned the fixed fee pool of \$21,984,000 as specified in Section B-2 (C) (4) of the contract. The Fee Determining Official (FDO) has awarded \$43,263,510 of performance fee, which is 84% of the LANS FY 2009 incentive fee pool of \$51,296,000. Furthermore, in recognition of LANS overall performance and satisfaction of the Award Term objectives and gateways, the FDO has awarded/not awarded a one-year term extension to LANS for the LANL contract.

LANS' performance reflects another step along the journey of the multi-year effort that is needed. LASO acknowledges that LANS has made inroads to improve contractor operations, modernize practices and address cultural paradigms during FY 2009, while maintaining outstanding performance in NNSA's core mission areas.

Highlights for general areas of performance include:

- Multi-Site: LANS demonstrated solid leadership and commitment to the complex in assisting the resolution of multiple potential roadblocks for success. LANS completed all onsite deliverables required in support of the Multi-site commitments. In whole, the complex was very successful with only one initiative incomplete at yearend.
- Mission: LANS has successfully continued the LANL history of high mission success and achievement. Customer feedback on science continues to improve. A direct correlation is seen between customer satisfaction and program growth area. MRT performance was 95%. The Office Science Scorecard derived a GPA in the B+ range denoting solid overall performance when compared to other institutions. Work planning and integration concerns continue. Environmental program performance exhibited substantial improvement.
- Operations: Although site operation is still considered a work in progress, substantial improvement was observed which aided mission capability. Radioactive liquid waste operation and project management remained areas of concern. Substantial LASO involvement and intervention was required throughout the year. LANS expertise is clearly changing the culture and condition of operations and facilities at LANL. LANS is continuing to pursue improvement goals and objectives. Notable successes include VPP application submission, achievement of the one million square foot goal, RLUOB beneficial occupancy, formality of operations, etc.
- Business: Business processes, systems, and performance are intertwined with, and to some degree, underlie mission and operational performance. While many end states are ultimately supported, the overall effect is not well coordinated within and across LANS. Integration and effectiveness remain a concern. Clearly, opportunities remain to be mined for benefit to the institution.
- ARRA (EM-funded): This area was added late in FY 2009 to address and assess LANS implementation, coordination and execution of EM-funded ARRA funded efforts. While putting forth a good effort, many areas of heightened expectations were not fully met.\
- Award Term: Completion of 4 of 5 of the discrete Award Term objective measures denotes both strategic and tactical success. Overall success in Mission, Multi-Site Initiatives, Operations, Business and Management satisfied Award Term eligibility gateways.



**FY 2009 Rating Scale**

**Attachment 2**

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

<b>Adjectival Rating</b>	<b>Numerical Performance Rating</b>	<b>Definition</b>
Outstanding	90-100	Substantially exceeds the standard of performance in many areas. Performance in critical and mission areas is at a high level and is accomplished in a manner that has substantial positive impact on the mission. Program/Project milestones and deliverables significantly exceed either or both of the budget and schedule expectations.
Good	80-89	Exceeds the standard of performance in many areas. Performance in critical and mission areas remain at a high level although there may be room for improvement in some areas. Program/Project milestones and deliverables exceed either or both of the budget and schedule expectations.
Satisfactory	60-79	Meets the standard of performance although there may be some areas requiring improvement but do not substantively affect overall performance. Program/Project milestones and deliverables are accomplished within budget and schedule.
Unsatisfactory	0-59	Does not meet the standard of performance in one or more areas. Deficiencies are serious, may affect one or a combination of mission, operations or cost.

\* It is noted that the numerical performance ratings are optional and do not necessarily translate into the percentage of incentive fee earned contingent upon specific contract language.

**III. FEE SUMMARY**

<b>FY 2009 FEE SUMMARY</b>			
	<b>Available</b>	<b>Earned</b>	<b>% Earned</b>
Fixed Fee	\$ 21,984,000	\$ 21,984,000	100%
At-Risk Fee			84%
Objective	\$ 27,962,800	\$ 23,794,376	85%
Subjective	\$ 23,333,200	\$ 19,469,155	83%
Total Fee	\$ 73,280,000	\$ 65,247,531	89%

<b>AT RISK FEE</b>	Possible Fee	Fee Awarded	%
<b>Multi-Site</b>	\$5,129,600	\$4,873,120	95%
<b>Mission</b>	\$17,775,100	\$15,810,585	89%
<b>Operations</b>	\$21,674,700	\$18,375,356	85%
<b>Business</b>	\$6,716,600	\$4,204,470	63%
Total	\$51,296,000	\$43,263,531	84%

<b>FY 2009 SUBJECTIVE FEE SUMMARY</b>						
Subjective At-Risk Fee	<b>Multi-Site</b>	<b>Mission</b>	<b>Operations</b>	<b>Business</b>	<b>(EM) ARRA</b>	<b>OVERALL</b>
Initial Adjectival Rating	NOT ASSESSED	GOOD	SAT	GOOD	SAT	NOT ASSESSED
Available	\$ 5,129,600	\$ 8,230,100	\$ 4,593,900	\$ 5,129,600	\$ 250,000	\$ 23,333,200
Earned	\$ 4,873,120	\$ 7,635,585	\$ 3,699,480	\$ 3,109,470	\$ 151,500	\$ 19,469,155
Unearned	\$ 256,480	\$ 594,515	\$ 894,420	\$ 2,020,130	\$ 98,500	\$ 3,765,545
% Earned	95.0%	92.8%	80.5%	60.6%	60.6%	83.4%
Final Adjectival Rating	OUTSTANDING	OUTSTANDING	GOOD	SAT	SAT	GOOD

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Fee Breakdown per PBI

	Base Fee			Stretch Fee			Total Fee		
	Possible Fee	Fee Awarded	% Achieved	Possible Fee	Fee Awarded	% Achieved	Possible Fee	Fee Awarded	% Achieved
PBI 1	\$5,129,600	\$4,873,120	95%	\$0	\$0	0%	\$5,129,600	\$4,873,120	95%
PBI 2	\$2,500,000	\$2,428,000	97%	\$920,000	\$920,000	100%	\$3,420,000	\$3,348,000	98%
PBI 3	\$1,200,000	\$1,100,000	92%	\$0	\$0	0%	\$1,200,000	\$1,100,000	92%
PBI 4	\$1,300,000	\$1,300,000	100%	\$0	\$0	0%	\$1,300,000	\$1,300,000	100%
PBI 5	\$1,610,000	\$1,410,500	88%	\$1,000,000	\$200,000	20%	\$2,610,000	\$1,610,500	62%
PBI 6	\$1,800,000	\$1,692,308	94%	\$600,000	\$572,728	95%	\$2,400,000	\$2,265,036	94%
PBI 7	\$2,449,860	\$1,762,890	72%	\$2,020,840	\$1,233,400	61%	\$4,470,700	\$2,996,290	67%
PBI 8	\$1,462,100	\$1,253,550	86%	\$500,000	\$500,000	100%	\$1,962,100	\$1,753,550	89%
PBI 9	\$1,400,000	\$1,298,000	93%	\$0	\$0	0%	\$1,400,000	\$1,298,000	93%
PBI 10	\$1,820,000	\$1,770,000	97%	\$850,000	\$800,000	94%	\$2,670,000	\$2,570,000	96%
PBI 11	\$900,000	\$900,000	100%	\$638,000	\$603,000	95%	\$1,538,000	\$1,503,000	98%
PBI 12	\$1,700,000	\$1,350,000	79%	\$940,000	\$940,000	100%	\$2,640,000	\$2,290,000	87%
PBI 13	\$792,000	\$300,000	38%	\$395,000	\$395,000	100%	\$1,187,000	\$695,000	59%
PBI 14	\$400,000	\$400,000	100%	\$0	\$0	0%	\$400,000	\$400,000	100%
PBI 15	\$8,230,100	\$7,635,585	93%	\$0	\$0	0%	\$8,230,100	\$7,635,585	93%
PBI 16	\$4,593,900	\$3,699,480	81%	\$0	\$0	0%	\$4,593,900	\$3,699,480	81%
PBI 17	\$5,129,600	\$3,109,470	61%	\$0	\$0	0%	\$5,129,600	\$3,109,470	61%
PBI 18	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
PBI 19	\$515,000	\$515,000	100%	\$250,000	\$150,000	0%	\$765,000	\$665,000	87%
PBI 19 Subj	\$250,000	\$151,500	61%	\$0	\$0	0%	\$250,000	\$151,500	61%

OBJECTIVE	\$ 19,848,960	\$17,480,248	88%	\$ 8,113,840	\$6,314,128	78%	\$27,962,800	\$ 23,794,376	85%
SUBJECTIVE	\$ 23,333,200	\$19,469,155	83%	\$ -	\$ -	0%	\$23,333,200	\$ 19,469,155	83%
TOTAL	\$ 43,182,160	\$36,949,403	86%	\$ 8,113,840	\$6,314,128	78%	\$51,296,000	\$ 43,263,531	84%

**Eligibility for Fee and Award Term Consideration**

**Performance in Specific Award Term Objectives**  
**GATEWAY to Award Term**

PBI 18	Award Term Measures	Achieved
18.1	Energy Security	Met
18.2	Support to the National Security Enterprise	Met
18.3	Implementation of a Site Risk Identification Process	Met
18.4	Demonstration of Nuclear Facility Maintenance	Met
18.5	Formality of Operations Implementation	Met

**Determination of Award Term (AT) Eligibility**

Summary of Gateways	Gateway	Achieved
Aggregate Essential and Subjective Performance (Gateway #1)	Total % Achieved ≥ 80%	Met
Award Term Objective Performance (Gateway #2)	Achieve 4 of 5	Met

Met Both Criteria
YES

► Award Term Eligible

Based on LASO's determination of LANS' Award Term eligibility in accordance with the FY 2009 Performance Evaluation Plan as well as LANS' overall performance, the FDO has/has not opted to award LANS a one-year contract extension.

**IV. ASSESSMENT OF FY 2009 PERFORMANCE**

**PBI No. 1 MULTI-SITE PERFORMANCE**

**PBI 1: Multi-Site Performance**

Maximum Available Fee: **\$5,129,600**

Fee Earned: **\$4,873,120**

<b>PBI 1: Maximum Potential Multi-Site Performance Subjective Fee</b>		<b>\$ 5,129,600</b>	
<u>Multi-Site Performance Subjective Fee Assessment</u>			
		AVAILABLE FEE	AWARDED FEE
<u>Specific Subjective Fee Adjustments</u>		\$5,129,600	\$4,873,120
1.1.1	W-76-1 Deliveries	512,960	\$512,960
1.1.2	B61-7/11 ALT 357	205,184	\$205,184
1.1.3	Perform B61 LEP Phase 6.2/2A Study	512,960	\$512,960
1.1.4	Weapon Dismantlement	410,368	\$410,368
1.1.5	Limited Life Components	410,368	\$410,368
1.2.1	Complex-wide Performance Priority Activities	769,440	\$769,440
1.2.2	Supply Chain Management Center	256,480	\$256,480
1.2.3	Removal of SNM	256,480	\$256,480
1.2.4	Implement Elements from NNSA Developed Multi-Site IT Strategic Plan	256,480	\$256,480
1.3.1	First Principles Physics Models	256,480	\$0
1.3.2	Integrated NTS Program of Work	256,480	\$256,480
1.3.3	National Ignition Facility	256,480	\$256,480
1.3.4	Advanced Initiation System	256,480	\$256,480
1.3.5	Advanced Power-Supply Systems	256,480	\$256,480
1.3.6	Advanced Simulation and Computing	256,480	\$256,480
<b>Final Multi-Site Performance Subjective Fee Award &amp; Adjectival Rating: OUTSTANDING</b>		<b>\$ 4,873,120</b>	<b>95.0%</b>

**Completion/Validation Statements:**

**Measure 1.1 Stockpile**

**Measure 1.1.1 W76-1 LEP Deliveries**

**Expectation Statement:**

Achieve the W76-1 LEP scheduled deliveries to the U.S. Navy.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 1.1.2 B61-7/11 ALT 357**

**Expectation Statement:**

Complete the B61-7/11 ALT 357 LEP program Pantex builds by December 2008.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### Measure 1.1.3 Perform B61 LEP Phase 6.2/2A Study

**Expectation Statement:**

Perform B61 LEP Phase 6.2/2A study to include completion of Requirements Development/ Analysis Stage.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### Measure 1.1.4 Weapon Dismantlement

**Expectation Statement:**

Exceed the scheduled weapon dismantlement quantities at Pantex and Secondaries at Y-12.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### Measure 1.1.5 Limited Life Components

**Expectation Statement:**

Deliver limited life components and alteration kits to the Department of Defense and complete all scheduled surveillance activities per authorized program management documents, i.e., PCDs LLC Volume III.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### Measure 1.2 Accelerate Complex Transformation

#### Measure 1.2.1 Complex-wide Performance Priority Activities

**Expectation Statement:**

Successfully complete NNSA-approved priority activities in support of Complex/Enterprise Transformation. Activities will be transformational in nature both in direct and indirect, not currently budgeted, and funded through contractor efficiencies.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

#### Measure 1.2.2 Supply Chain Management Center (SCMC)

**Expectation Statement:**

Promote the development and implementation of world-class supply chain attributes of the SCMC and purchasing organizations on a Complex-wide basis with substantial participation and collaboration from all sites. Reduce the cost of product/service commodities, increase the efficiency

of the NNSA-Complex supply chain, and improve the quality and retention of the NNSA-Complex contractor wide integration of SCMC tools and processes. Enhance acquisition workforce.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 1.2.3 Removal of SNM**

**Expectation Statement:**

Remove eight (8) metric tons of SNM from NNSA sites between October 1, 2008 and September 30, 2009 to proper storage facilities for non-weapons use.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 1.2.4 Implement Elements from NNSA Developed Multi-Site IT Strategic Plan**

**Expectation Statement:**

Implement Elements from NNSA developed Multi-Site Information Technology (IT) Strategic Plan. Specifically complete the following:

1. Develop 2010 – 2016 Multi-Site IT targets
2. Develop and communicate an integrated IT/Cyber roadmap to strengthen integration between IT and Cyber Security
3. Define a IT services framework for the nuclear weapons complex
4. Complete cross-complex comparison of IT costs and identify best practices and potential cost reductions
5. Develop complex-wide information sharing environment implementation plan
6. Develop a real-time or near real-time out-of-band incident and response network which can support unclassified incident management complex-wide

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 1.3 Science**

**Measure 1.3.1 First Principles Physics Models**

**Expectation Statement:**

Complete a cumulative 50% progress in replacing key empirical parameters in the nuclear explosive package assessment with first principles physics models assessed by validation with experiments as demonstrated by completion of appropriate L1 and L2 milestones. (Science)

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

**Measure 1.3.2 Integrated NTS Program of Work**

**Expectation Statement:**

Prepare an integrated program of work at the NTS which prioritizes all of the diagnostic development and capability maintenance independent of the particular laboratory or specific subprogram being supported. (Science)

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 1.3.3 National Ignition Facility (NIF)**

**Expectation Statement:**

Complete the National Ignition Facility Construction Project on schedule (CD-4 March 2009). (ICF)

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 1.3.4 Advanced Initiation System**

**Expectation Statement:**

Demonstrate all of the components of an advanced initiation system that when integrated would provide a new level of safety for future weapon firing-systems with the goal of removing any exception to the Major Assembly Release (MAR). (Engineering)

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 1.3.5 Advanced Power-Supply Systems**

**Expectation Statement:**

Demonstrate an advanced power-supply system (proto-typical) for future stockpile applications. (Engineering)

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 1.3.6 Advanced Simulation & Computing (ASC)**

**Expectation Statement:**

Deliver a validated suite of Advanced Simulation & Computing (ASC) models & databases that can be applied to a range of nuclear security applications such as nuclear forensics by establishing the capability to model debris signature to within operational requirements to support DTRA's 2010 Full Operational Capability. (ASC)

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.



**PBI No. 2 SCIENCE AND MISSION INITIATIVES**

**PBI 2: Science and Mission Initiatives**

Maximum Available Fee: **\$3,420,000**  
 Fee Earned: **\$3,348,000**

PBI 2: Weapons Program Execution		AVAILABLE FEE \$3,420,000		AWARDED FEE \$3,348,000 98%	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
2.1.1	Implementation of INP Processes for Management and Integration of TA-55 Activities	200,000		\$200,000	
2.1.2	Implementation of INP Processes for Enduring Waste Management Activities	300,000		\$300,000	
2.1.3	Execute Consolidated Waste Capability Pre-Conceptual Design		\$240,000		\$240,000
2.2	Implementation of Multi-Customer Cost Recovery Processes and Cost Recovery Implementation Validation	100,000		\$100,000	
2.3	CMR Facility Consolidation/Risk Mitigation	1,000,000		\$1,000,000	
2.4	Implement Cerrillos		\$460,000		\$460,000
2.5	Improve Mission Generated TRU Waste Practices	400,000		\$400,000	
2.6E	Reduction of Excess material in PF-4/CMR Facilities	200,000		\$200,000	
2.6S	Additional Reduction of Excess Material in PF-4/CMR Facilities (Deleted)				
2.7	Reduced Mission Risks Associated with Waste Operations	300,000		\$228,000	
2.8	Emergent Issues Management		220,000		\$220,000
		<b>\$2,500,000</b>	<b>\$920,000</b>	<b>\$2,428,000</b>	<b>\$920,000</b>

**Completion/Validation Statements:**

**Measure 2.1 Integrated Nuclear Planning (INP) Implementation**

**Measure 2.1.1 Implementation of INP Processes for Management and Integration of TA-55 Activities**

**Expectation Statement:**

Use INP Program Management processes to support management and integration of TA-55 program and infrastructure activities.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### **Measure 2.1.2 Implementation of INP Processes for Enduring Waste Management (EWM) Activities**

**Expectation Statement:**

Utilize INP Program Management processes to establish/validate the strategic direction for the enduring waste management mission; establish and conduct implementation plans.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### **Measure 2.1.3 Execute Consolidated Waste Capability Pre-Conceptual Design**

**Expectation Statement:**

Based on INP outcomes, balance program needs, execution risk, and resource availability to advance the consolidated waste capability in support of enduring waste management and Area G closure requirements.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### **Measure 2.2 Implementation of Multi-Customer Cost Recovery Processes and Cost Recovery Implementation Validation**

**Expectation Statement:**

Validate the implementation of the approved Cost Recovery processes for key nuclear facilities and operations at LANL.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### **Measure 2.3 CMR Facility Consolidation/Risk Mitigation**

**Expectation Statement:**

Demonstrate effective utilization of resources in balancing operational and program risks while maintaining minimum essential, mission critical CMR Facility capabilities needed in support of the core NNSA mission and other DOE nuclear programs.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### **Measure 2.4 Implement Cerrillos**

**Expectation Statement:**

Develop a Cerrillos open science computing capability based on the ASC Roadrunner architecture that will distinguish the Laboratory as a leading computer and computational science laboratory. This open science capability enables LANL to leverage application software and hardware development in the computer and computational science community.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 2.5 Improve Mission Generated TRU Waste Practices**

**Expectation Statement:**

Improve mission-generated TRU waste (i.e. non-EM funded legacy waste activities) practices in accordance with DOE Requirements and Waste Acceptance Criteria (WAC) so as to reduce costs to the missions and facilitate timely removal from the site. Newly generated TRU waste requires no repackaging (e.g. no noncompliant/prohibited items).

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 2.6E Reduction of Excess Material in PF-4/CMR Facilities**

**Expectation Statement:**

Excess and/or surplus materials stored in vaults and other storage locations within PF-4 and CMR shall be expeditiously prepared for consolidation and disposition.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 2.6S Deleted.**

**Measure 2.7 Reduce Mission Risks Associated with Waste Operations**

**Expectation Statement:**

Completion of critical infrastructure projects and activities essential to support nuclear operations.

**Completion Assessment:**

LANS has submitted completion evidence for award of partial fee. NNSA has validated appropriate and timely completion.

**Measure 2.8 Emergent Issues Management**

**Expectation Statement:**

Aggressively and effectively address emergent issues to mitigate risk to the program.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**PBI No. 3 QUALITY ASSURANCE PROGRAM**

**PBI 3: Quality Assurance Program**

Maximum Available Fee: **\$1,200,000**  
 Fee Earned: **\$1,100,000**

PBI 3: Quality Assurance		AVAILABLE FEE		AWARDED FEE	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
		\$1,200,000		\$1,100,000 92%	
3.1	Demonstrate Progress Toward a Comprehensive Quality Assurance Assessment Program Capability	200,000		\$200,000	
3.2	Demonstrate Implementation of a Comprehensive, Effective, Corrective Action and Quality Improvement Program Across LANL	500,000		\$500,000	
3.3	Demonstrate Programmatic Proficiency in in Quality Assurance	500,000		\$400,000	
		\$1,200,000	\$0	\$1,100,000	\$0

**Completion/Validation Statements:**

**Measure 3.1 Demonstrate Progress Toward a Comprehensive Quality Assurance Assessment Program Capability.**

**Expectation Statement:**

1. LANL will demonstrate a fully functioning formal assessment program that includes completion of formal assessments of institutional and weapons activities.
2. LANL will demonstrate utilization of NQA-1 standards, where appropriate, using trained and certified auditors.
3. LANL will demonstrate that LANL's formal training program requirements provide LANL with a continuing resource of trained and certified Quality Assurance auditors.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 3.2 Demonstrate Implementation of a Comprehensive, Effective Corrective Action and Quality Improvement Program across LANL**

**Expectation Statement:**

1. LANL will demonstrate a continued emphasis on Cost of Nonconformance associated with the LANL Production Agency activities.
2. LANL will demonstrate implementation of the LANL Nonconformance Reporting process per P. 330-6 by applicable LANL organizations.
3. LANL Quality Assurance Division will demonstrate utilization of a non-conformance reporting (NCR) reporting system.
4. LANL Quality Assurance Division will demonstrate continuing improvements initiatives through Nonconformance Trending Data and Quality Assurance metrics at the LANL institutional and Division levels.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### Measure 3.3 Demonstrate Programmatic Proficiency in Quality Assurance

**Expectation Statement:**

1. LANL will demonstrate that personnel are trained and are prepared to ensure implementation of a Quality Assurance program that provides compliance and integration with other programs such as Conduct of Operations, Integrated Safety Management, etc.
2. LANL will demonstrate proficiency in submitting error-free weapon and weapon related product in FY 2009.
3. LANL will demonstrate proficiency in delivery of weapon and weapon related products per established schedules.
4. LANL will demonstrate proficiency in compliance with the DOE Order 414.1c.
5. LANL will demonstrate proficiency in compliance with LANL's internal Software Quality Assurance inventory per established requirements.
6. LANL will demonstrate proficiency in meeting major milestones associated with the site-wide weapon and weapon related classified parts system that precludes shipment of material errors.

**Completion Assessment:**

LANS has submitted completion evidence for award of partial fee. NNSA has validated appropriate and timely completion.

**PBI NO. 4 THREAT REDUCTION INITIATIVES**

**PBI 4: Threat Reduction Initiatives**

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

PBI 4: Threat Reduction Initiatives		AVAILABLE FEE		AWARDED FEE	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
		\$1,300,000		\$1,300,000 100%	
4.1	Domestic Radiological Sealed Sources	250,000		\$250,000	
4.2	Ultra High resolution X-Ray and Gamma Ray Spectrometer	100,000		\$100,000	
4.3	Nuclear Detonation Detection Space Sensors	400,000		\$400,000	
4.4	HEU Transparency Program/Blend Down Monitoring System	100,000		\$100,000	
4.5	Second Line of Defense	300,000		\$300,000	
4.6	International Safeguards Cooperation	150,000		\$150,000	
		\$1,300,000	\$0	\$1,300,000	\$0

**Completion/Validation Statements:**

**Measure 4.1 Domestic Radiological Sealed Sources**

**Expectation Statement:**

Recover an incremental 2,250 radiological sealed sources from domestic locations completing transfer of ownership to NNSA.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 4.2 Ultra-high Resolution X-Ray & Gamma-Ray Spectrometer**

**Expectation Statement:**

Demonstrate a 64-pixel X/gamma micro-calorimeter array.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 4.3 Nuclear Detonation Detection Space Sensors**

**Expectation Statement:**

Have available seven (7) fully functional Burst Detector Verification (BDV) electromagnetic pulse sensors, and, seven (7) Combined X-Ray Spectrometer Particle Dosimeter (CXD) instruments, and complete the SABRS schedule through the integrated system test of the flight unit. In addition, provide NA-22 with the results of a study of methods (1) to incorporate “store-and-forward” capability into the SABRS design and (2) to modify the SABRS design to provide a “raw data stream” to a proposed experimental payload.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 4.4 HEU Transparency Program/Blend Down Monitoring System**

**Expectation Statement:**

Maintain operation of the HEU Transparency Program/Blend Down Monitoring System (BDMS) at three (3) sites in Russia.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 4.5 Second Line of Defense**

**Expectation Statement:**

By September 30, 2009, LANL will test five (5) pieces of radiation detection equipment and will support deployments for at least 70 sites.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 4.6 International Safeguards Cooperation**

**Expectation Statement:**

Develop or implement at least three (3) safeguards technologies for application in foreign nuclear facilities as directed by the International Safeguards Cooperation Program (NA-242).

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**PBI No. 5 ENVIRONMENTAL INITIATIVES**

**PBI 5: Environmental Initiatives**

Maximum Available Fee: **\$2,610,000**  
 Fee Earned: **\$1,610,500**

PBI 5: Environmental Initiatives		AVAILABLE FEE		AWARDED FEE	
		\$2,610,000		\$1,610,500	62%
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
5.1.1	Stipulated Penalty Deliverables	700,000		\$700,000	
5.1.2	Special Consent Order Deliverables		\$300,000		\$200,000
5.1.3	Other Key Consent Order Deliverables	550,000		\$550,000	
5.1.4	Compliance Deliverables-Document Quality Improvements	60,000		\$60,000	
5.2	Well Completions	300,000		\$100,500	
5.3	MDA-B Remediation - Deleted				
5.4	Project Efficiencies		\$700,000		\$0
		<b>\$1,610,000</b>	<b>\$1,000,000</b>	<b>\$1,410,500</b>	<b>\$200,000</b>

**Completion/Validation Statements:**

**Measure 5.1 Consent Order Compliance**

**Measure 5.1.1 Stipulated Penalty Deliverables**

**Expectation Statement:**

Meet FY 2009 Consent Order Stipulated Penalty deliverables on schedule. *NOTE: FY 2009 Stipulated Penalty deliverables for MDA T Vapor Monitoring Report, Upper Los Alamos Canyon Aggregate Area Investigation Report, and Canada del Buey Investigation Report are excluded from this measure and included in PBI Measure 5.1.2.*

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 5.1.2 Special Consent Order Deliverables**

**Expectation Statement:**

Meet FY 2009 Consent Order Stipulated Penalty deliverables on schedule for MDA T Vapor Monitoring Report (4<sup>th</sup> Quarter), Upper Los Alamos Canyon Aggregate Area Investigation Report, and Canada del Buey Investigation Report.

**Completion Assessment**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

**Measure 5.1.3 Other Key Consent Order Deliverables**

**Expectation Statement:**

Meet other major deliverables, supporting cleanup under the Consent Order.



**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 5.1.4 Compliance Deliverables – Document Quality Improvements**

**Expectation Statement:**

Implement measures and a data quality objective process to improve quality of submittals to NMED resulting in a reduction in deficiencies, modifications and quality-related comments from NMED.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 5.2 Well Completions**

**Expectation Statement:**

Complete well installations identified in the FY 2009 Work Plan that are not included in PBI Measures 5.1.1, 5.1.2, or 5.1.3.

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

**Measure 5.3 Deleted**

**Measure 5.4 Project Efficiencies**

**Expectation Statement:**

Identify and implement initiatives to improve efficiency and reduce lifecycle cost.

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

**PBI No. 6 PROJECT MANAGEMENT**

**PBI 6: Project Management**

Maximum Available Fee: **\$2,400,000**  
 Fee Earned: **\$2,265,036**

PBI 6: Project Management		AVAILABLE FEE \$2,400,000		AWARDED FEE \$2,265,036 94%	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
6.1	Execute Construction Projects	300,000		\$300,000	
6.2.1	CMRR RLUOB Performance	500,000		\$500,000	
6.2.2	CMRR NF/SFE Performance	300,000		\$300,000	
6.2.3	Mission Critical Infrastructure Projects	700,000		\$592,308	
6.3	Project Management Improvement Projects		300,000		\$272,728
6.4	Enhance Project Execution		300,000		\$300,000
		\$1,800,000	\$600,000	\$1,692,308	\$572,728

**Completion/Validation Statements:**

**Measure 6.1 Execute Construction Projects as Identified and Agreed Between NNSA and LANL within Scope, Schedule and Budget.**

**Expectation Statement:**

Meet annual schedule commitments based on agreed to set of projects.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 6.2 Proactively Manage Large Mission Critical Projects**

**Measure 6.2.1 CMRR RLUOB Performance**

**Expectation Statement:**

Complete the RLUOB facility construction in accordance with the approved baseline. RLUOB Equipment Installation (REI) is initiated and executed in accordance with performance baseline established at CD-2/3.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 6.2.2 CMRR NF/SFE Performance**

**Expectation Statement:**

Laboratory effectively manages CMRR NF/SFE progress in support of NNSA strategic objectives. Project will advance design and safety basis documentation while in interim/final design.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### Measure 6.2.3 Mission Critical Infrastructure Projects

**Expectation Statement:**

The Laboratory will effectively manage the selected projects in support of NNSA/LASO strategic objectives.

**Completion Assessment:**

LANS has submitted completion evidence for award of partial fee. NNSA has validated appropriate and timely completion.

### Measure 6.3 Project Management Improvement Project

**Expectation Statement:**

The Project Management Improvement Project (PMIP) represents collective strategy for Project Management Improvement at the Laboratory.

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

### Measure 6.4 Enhance Project Execution

**Expectation Statement:**

To enhance execution of construction projects, LANS will conduct four workshops to identify topical areas that are a benefit to LANL. The initial workshop will define which topics will be included in this effort. During the initial workshop, milestones to be accomplished during the balance of FY 2009 will be identified and tracked during future workshops. Following the initial workshop in which the topical areas will be identified, the subsequent workshops will review the status and progress towards the FY09 milestones for each of the topical areas. The outcome of the workshops will be to prepare a position report for each of the topical areas, with recommendations, that will include a proposed implementation plan including implementation milestones for consideration by LASO. These reports could address issues such as: construction market survey results, direct hire options, establish a Laboratory owned concrete batch plant, startup and readiness process improvements, benefits of synergy resulting from in-sourcing of existing contracts, small project execution process, etc. LASO will submit proposed topics as part of the initial workshop. LASO and LANL will jointly agree on topics to be studied following the first workshop.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**PBI No. 7 NUCLEAR AND HIGH HAZARD OPERATIONS**

**PBI 7: Nuclear and High Hazard Operations**

Maximum Available Fee: **\$4,470,700**  
 Fee Earned: **\$2,996,290**

PBI 7: Nuclear and High Hazards Operations		AVAILABLE FEE \$4,470,700		AWARDED FEE \$2,996,290 67%	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
7.1.1	Implement Conduct of Operations, Engineering and Maintenance Milestones	800,000		\$666,800	
7.1.2	Implementation of Conduct of Training Milestones	100,000		\$100,000	
7.1.3	Accelerated Implementation of Conduct of Training Milestones		\$300,000		\$300,000
7.2.1	Conduct of Operations Performance Index Improvement	100,000		\$0	
7.2.2	Conduct of Operations Performance Leading Indicator		\$300,000		\$233,400
7.3.1	Safety System Baseline and Operations	400,000		\$219,400	
7.3.2	Additional Safety System Baseline and Operations		\$670,840		\$0
7.4.1	Implement DSAs/SADs in a Timely Manner+B116	374,860		\$374,860	
7.4.2	Seismic Analysis of Facilities and Evaluation of Risk (SAFER) (Deleted)				
7.5.1	Criticality Safety Improvement	100,000		\$0	
7.6.1	Safety Basis Academy Plan	100,000		\$100,000	
7.6.2	Safety Basis Academy- Additonal FY 2008 Pilot Courses		\$200,000		\$200,000
7.7.1	Fire Protection Deficiencies Within Legacy Facilities at LANL	300,000		\$133,500	
7.7.2	Fire Hazard Analysis	100,000		\$93,330	
7.8.1E	TA-55 Integrated Priority List to Improve Nuclear Safety Posture	75,000		\$75,000	
7.8.1S	TA-55 Integrated Priority List to Improve Nuclear Safety Posture		\$550,000		\$500,000
		<b>\$2,449,860</b>	<b>\$2,020,840</b>	<b>\$1,762,890</b>	<b>\$1,233,400</b>

**Completion/Validation Statements:**

**Measure 7.1 Implement Formality of Operations**

**Measure 7.1.1 Implement Conduct of Operations, Engineering and Maintenance Milestones**

**Expectation Statement:**

Implement Formality of Operations (including Conduct of Operations, Engineering and Maintenance) Core Requirement Implementation Plan, FY 2009 Level 1 milestones, for nuclear and high hazard facilities.

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

**Measure 7.1.2 Implementation of Conduct of Training Milestones**

**Expectation Statement:**

Implement Conduct of Training requirements at LANL Cat 2 and Cat 3 nuclear facilities.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### **Measure 7.1.3 Accelerated Implementation of Conduct of Training Milestones**

**Expectation Statement:**

Accelerate implementation of Conduct of Training requirements at Cat 2 and Cat 3 nuclear facilities.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### **Measure 7.2 Conduct of Operations Improvement**

#### **Measure 7.2.1 Conduct of Operations Performance Index Improvement**

**Expectation Statement:**

Continued improvement in operating performance as measured by the Conduct of Operations Performance Index.

**Completion Assessment:**

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

#### **Measure 7.2.2 Conduct of Operations Performance Leading Indicator**

**Expectation Statement:**

Continued improvement in operating performance as measured by LANL response to Conduct of Operations related ORPS management concerns. The goal is to develop a leading indicator(s) to anticipate and potentially prevent ORPS reportable Conduct of Operations events (per Conduct of Operations Performance Index in 7.2.1, above).

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

### **Measure 7.3 Improve Conduct of Engineering**

#### **Measure 7.3.1 Safety System Baseline and Operations**

**Expectation Statement:**

Upgrade System Design Descriptions (SDD), complete Vital Safety System (VSS) Assessments, implement System Health Reporting, and complete operability/functionality evaluations when identified necessary in accordance with the negotiated schedule for FY 2009.

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

#### **Measure 7.3.2 Additional Safety System Baseline and Operations**

**Expectation Statement:**

Upgrade System Design Descriptions (SDD), complete Vital Safety System (VSS) Assessments, implement System Health Reporting, and complete operability/functionality evaluations when identified as necessary. Full completion of this PBI results in all VSS having completed SDDs, VSSAs, and SHRs by the end of FY 2009.

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

**Measure 7.4 Documented Safety Analyses (DSAs)/Safety Assessment Documents**

**Measure 7.4.1 Implement DSAs/SADs in a Timely Manner**

**Expectation Statement:**

Requirements in approved DSAs/SADs will be implemented in a timely manner.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 7.4.2 Deleted**

**Measure 7.5 Criticality Safety Performance**

**Measure 7.5.1 Criticality Safety Improvement**

**Expectation Statement:**

Maintain or accelerate completion of the Criticality Safety Improvement Plan (CSIP) with appropriate change control.

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

**Measure 7.6 Safety Basis Academy**

**Measure 7.6.1 Safety Basis Academy Plan**

**Expectation Statement:**

Submit and execute the FY 2009 Safety Basis Academy Plan.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 7.6.2 Safety Basis Academy Additional FY 2008 Courses**

**Expectation Statement:**

Present four additional NTC accepted Safety Basis Academy courses to the DOE/NNSA complex.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 7.7 Fire Protection**

**Measure 7.7.1 Fire Protection Deficiencies within Legacy Facilities at LANL**

**Expectation Statement:**

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

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

**Measure 7.7.2 Fire Hazard Analysis**

**Expectation Statement:**

Manage the scheduling and preparation of Fire Hazard Analysis (FHA) including ensuring compliance, completeness and timeliness of delivery, and timely resolution of identified deficiencies.

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

**Measure 7.8 Nuclear Safety**

**Measure 7.8.1 TA-55 Integrated Priority List to Improve Nuclear Safety Posture**

**Expectation Statement:**

Based on the TA-55 Integrated Priority List, including ventilation studies developed in response to DNFSB recommendation 2004-2, "Active Confinement Systems", LANL will begin early implementation of activities to improve engineered safety systems and the safety posture at TA-55, including early actions toward achieving a reliable active confinement ventilation system at TA-55 (reference: LANL memorandum ADSMS-08-020, June 26, 2008).

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

**PBI No. 8 SAFEGUARDS, SECURITY, AND EMERGENCY OPERATIONS EXECUTION**

**PBI 8: Safeguards, Security, and Emergency Operations Execution**

Maximum Available Fee: **\$1,962,100**  
 Fee Earned: **\$1,753,550**

PBI 8: Safeguards, Security, and Emergency Operations Execution		AVAILABLE FEE \$1,962,100		AWARDED FEE \$1,753,550 89%	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
8.1	Execute the FY09 Annual Implementation Plan	600,000		\$600,000	
8.2	Execute the MASS Project Replacement Project Plan		\$300,000		\$300,000
8.3	Eliminate Non-Standard Storage of Classified Parts		\$200,000		\$200,000
8.4	Materials Controls and Accountability	387,100		\$193,550	
8.5	Emergency Planning Hazards Assessments (EPHAs) Completion	125,000		\$110,000	
8.6	Demonstrate LANL Emergency Response Capabilities	125,000		\$125,000	
8.7	24/7 Operations Management Center	125,000		\$125,000	
8.8	LANL Wildland Fire Management	100,000		\$100,000	
		<b>\$1,462,100</b>	<b>\$500,000</b>	<b>\$1,253,550</b>	<b>\$500,000</b>

**Completion/Validation Statements:**

**Measure 8.1 Execute the FY09 Annual Implementation Plan**

**Expectation Statement:**

Provide FY2009 Annual Implementation Plan (AIP) deliverables, as scheduled, in the following functional areas: Protective Forces, Security Systems, information Security, Personnel Security, program management, and Graded Security Protection (GSP) Implementation Plan.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 8.2 Execute the MASS Replacement Project Plan**

**Expectation Statement:**

Execute the Materials Accountability Safeguards System (MASS) Replacement Project Plan.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 8.3 Eliminate Non-Standard Storage of Classified Parts**

**Expectation Statement:**

Eliminate the use of non-standard storage of classified parts throughout the Laboratory.



**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 8.4 Materials Control & Accountability**

**Expectation Statement:**

Provide key MC&A program deliverables on schedule, and demonstrate effective MC&A program performance during the FY 2009 DOE or NNSA Survey.

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

**Measure 8.5 Emergency Planning Hazards Assessments (EPHAs) Completion**

**Expectation Statement:**

Complete approved Emergency Planning Hazards Assessments for required Los Alamos National Laboratory facilities, activities, and environmental sites.

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

**Measure 8.6 Demonstrate LANL Emergency Response Capability**

**Expectation Statement:**

Implement a LANL exercise program that demonstrates effective Emergency Operations Center (EOC) responses.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 8.7 24/7 Operations Management Center**

**Expectation Statement:**

The purpose of this measure is to incentivize the establishment of a 24/7 Operations Management Center. The purpose of the Operations Management Center is to ensure 24-hours-a-day, seven-days-a-week contact for the laboratory facilities and operations. The Center will provide for a central contact for all lab personnel and services and ensure response to abnormal and emergency situations.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 8.8 LANL Wildland Fire Management**

**Expectation Statement:**

Improve implementation of the LANL wildland fire management plan consistent with DOE Guide 450-1.4 and risk-based principles.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**PBI No. 9 INFORMATION SYSTEMS AND CYBER SECURITY**

**PBI 9: Information Systems and Cyber Security**

Maximum Available Fee: **\$1,400,000**  
 Fee Earned: **\$1,298,000**

<b>PBI 9: Information Systems and Cyber Security</b>		AVAILABLE FEE \$1,400,000		AWARDED FEE \$1,298,000 93%	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
9.1	Deployment of IT Governance Program	100,000		\$100,000	
9.2	Establish an Effective and Efficient Portfolio Management program	200,000		\$200,000	
9.3	Cyber Security AOP Execution	600,000		\$498,000	
9.4	Development of a FY 2010 Cyber Security Program	100,000		\$100,000	
9.5	LASO Annual Assessment of LANL Cyber Security Program	300,000		\$300,000	
9.6	Computer Equipment Accountability, Cyber Health, and Cyber Incident Management	100,000		\$100,000	
		<b>\$1,400,000</b>	<b>\$0</b>	<b>\$1,298,000</b>	<b>\$0</b>

**Completion/Validation Statements:**

**Measure 9.1 Deployment of the IT Governance Program**

**Expectation Statement:**

Execute the FY 2009 milestones for implementing the IT Governance Program at LANL.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 9.2 Establish an Effective and Efficient Portfolio Management Program**

**Expectation Statement:**

The Laboratory shall establish an effective and efficient IT portfolio management program.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 9.3 Cyber Security AOP Execution**

**Expectation Statement:**

Execute the Work break down milestones identified in the AOP.

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

#### **Measure 9.4 Development of a FY2010 Cyber Security Program**

**Expectation Statement:**

The Laboratory shall develop a quality, risk based plan and presentation for the FY2010 NNSA CIO Cyber Security Program Review.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

#### **Measure 9.5 LASO Annual Assessment of LANL Cyber Security Program**

**Expectation Statement:**

LANL shall achieve no less than a “satisfactory” on the LASO annual assessment of the Laboratory’s Cyber Security Program.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

#### **Measure 9.6 Establish Effective and Efficient Computer Equipment Accountability, Cyber Health, and Cyber Incident Management.**

**Expectation Statement:**

The Laboratory shall establish effective and efficient computer equipment accountability, including the development and use of tools to track location, mobility, protection of SUI, security health, and cyber incident management for computer equipment that has the capability to store information.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**PBI No. 10 ENVIRONMENTAL OPERATIONS AND WASTE**

**PBI 10: Environmental Operations and Waste**

Maximum Available Fee: **\$2,670,000**  
 Fee Earned: **\$2,570,000**

PBI 10: Environmental Operations and Waste		AVAILABLE FEE \$2,670,000		AWARDED FEE \$2,570,000 96%	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
10.1.1	Reduce Volume of Legacy TRU Waste	630,000		\$630,000	
10.1.2	Reduce Additional Waste Volume of Legacy TRU Waste		550,000		\$500,000
10.1.3	Dispose of 16 cannisters of legacy, Remote-handled TRU Waste		300,000		\$300,000
10.2.1	Newly Generated Waste Reduction	200,000		\$200,000	
10.2.2	Additional Newly Generated Waste Reduction (Deleted)				
10.3.1	Dispose of Stored Mixed Low level Waste (MLLW) and Reclassified TRU Waste	360,000		\$360,000	
10.4	Storm Water Individual Permit Implementation	100,000		\$50,000	
10.5	RCRA Compliance	180,000		\$180,000	
10.6	Construction Storm Water Compliance	100,000		\$100,000	
10.7	NPDES Permit Implementation	250,000		\$250,000	
		<b>\$1,820,000</b>	<b>\$850,000</b>	<b>\$1,770,000</b>	<b>\$800,000</b>

**Completion/Validation Statements:**

**Measure 10.1 Legacy TRU Waste**

**Measure 10.1.1 Reduce Volume of Legacy TRU Waste**

**Expectation Statement:**

Reduce Volume of Legacy TRU Waste.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 10.1.2 Reduce Additional Waste Volume of Legacy TRU Waste**

**Expectation Statement:**

Reduce Additional Volume of Legacy TRU Waste.

**Completion Assessment:**

LANS has submitted completion evidence for award of partial fee. NNSA has validated appropriate and timely completion.

**Measure 10.1.3 Dispose of 16 Canisters of Legacy, Remote-Handled TRU Waste**

**Expectation Statement:**

Dispose of 16 canisters of legacy, remote-handled TRU waste to WIPP.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 10.2 Newly Generated Waste**

**Measure 10.2.1 Newly Generated Waste Reduction**

**Expectation Statement:**

Reduce Inventory of Newly Generated TRU Waste (TRU waste generated after October 1, 1998).

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 10.2.2 Deleted**

**Measure 10.3 Mixed Low Level Waste and Reclassified TRU Waste**

**Measure 10.3.1 Dispose of Stored Mixed Low Level Waste (MLLW) and Reclassified TRU Waste**

**Expectation Statement:**

Disposition of Mixed Low Level Waste while ensuring only waste without a disposition path gets added to the Site Treatment Plan (STP).

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 10.4 Storm Water Individual Permit Implementation**

**Expectation Statement:**

Maintain an effective program for the implementation of the new Storm Water Individual Permit

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

**Measure 10.5 RCRA Compliance**

**Expectation Statement:**

Enhance the Resource Conservation and Recovery Act (RCRA) assessment program

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### Measure 10.6 Construction Storm Water Compliance

**Expectation Statement:**

Enhance the effective Construction Storm Water Compliance Self Inspection Program

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### Measure 10.7 NPDES Permit Implementation

**Expectation Statement:**

Effectively implement the new NPDES Outfall Permit

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**PBI No. 11 SAFETY AND HEALTH PERFORMANCE**

**PBI 11: Safety and Health Performance**

Maximum Available Fee: **\$1,538,000**  
 Fee Earned: **\$1,503,000**

PBI 11: Safety and Health Performance		AVAILABLE FEE		AWARDED FEE	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
		\$1,538,000		\$1,503,000 98%	
11.1	Execute Voluntary Protection Program		\$350,000		\$315,000
11.2	Improve Electrical Safety	150,000		\$150,000	
11.3E	Complete Baseline Exposure Assessments	100,000		\$100,000	
11.3S	Accelerate Baseline Exposure Assessments		\$150,000		\$150,000
11.4	Improve Integrated Work Management	300,000		\$300,000	
11.5.1	10CFR835 RPP Implementation	100,000		\$100,000	
11.5.2	Institutional Radiation Safety Committee		\$138,000		\$138,000
11.6	Improve Explosive Safety Program	250,000		\$250,000	
		\$900,000	\$638,000	\$900,000	\$603,000

**Completion/Validation Statements:**

**Measure 11.1 Execute Voluntary Protection Program**

**Expectation Statement:**

Meet FY 2009 VPP milestones, as agreed to by LANS and LASO.

**Completion Assessment:**

LANS has submitted completion evidence for award of partial fee. NNSA has validated appropriate and timely completion.

**Measure 11.2 Improve Electrical Safety**

**Expectation Statement:**

Demonstrate improvement of electrical safety through independent assessment.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 11.3 Complete and Accelerate Baseline Exposure Assessments**

**Expectation Statement:**

Meet and accelerate FY 2009 milestones in the Baseline Exposure Assessment Project Execution Plan as agreed to by LANS, LLC, and LASO.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.



#### **Measure 11.4 Improve Integrated Work Management**

**Expectation Statement:**

Improvements in Integrated Work Management (IWM) will be demonstrated in LANL operations based on improved use of post-job feedback, improved work planning tools, and continued emphasis of human error prevention.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

#### **Measure 11.5 Improve Radiation Protection Program Implementation**

##### **Measure 11.5.1 10CFR835 Radiation Protection Plan Implementation**

**Expectation Statement:**

Complete FY 2009 actions for 10CFR835 Implementation Plan on schedule.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

##### **Measure 11.5.2 Institutional Radiation Safety Committee (IRSC)**

**Expectation Statement:**

Demonstrate effectiveness of the Institutional Radiation Safety Committee

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

#### **Measure 11.6 Improve Explosives Safety Program**

**Expectation Statement:**

Implement Explosives Safety Program improvements in training and site plans.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**PBI NO. 12 FACILITIES, INFRASTRUCTURE, AND SITE SERVICES**

**PBI 12: Facilities, Infrastructure, and Site Services**

Maximum Available Fee: **\$2,640,000**  
 Fee Earned: **\$2,290,000**

PBI 12: Facilities, Infrastructure, and Site Services		AVAILABLE FEE \$2,640,000		AWARDED FEE \$2,290,000 87%	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
12.1.1	Facilities Data and Information	300,000		\$300,000	
12.1.2A	Space Utilization and Allocation (Part A)		\$120,000		\$120,000
12.1.2B	Space Utilization and Allocation (Part B)		\$120,000		\$120,000
12.1.2C	Space Utilization and Allocation (Part C) (Deleted)				
12.1.3	Site Transformation and Disposition		\$250,000		\$250,000
12.1.4	Maintenance Stewardship of LANL Facilities	400,000		\$400,000	
12.1.5	Process Improvement KSL Phase III		\$150,000		\$150,000
12.1.6	Fire Protection Facilities and Infrastructure	300,000		\$300,000	
12.2.1	DOE TEAM Initiative Implementation	500,000		\$150,000	
12.2.2	Develop Energy Flow and Energy Cost Models		\$300,000		\$300,000
12.2.3	Implement WECC/NERC Requirements	200,000		\$200,000	
		<b>\$1,700,000</b>	<b>\$940,000</b>	<b>\$1,350,000</b>	<b>\$940,000</b>

**Completion /Validation Statements:**

**Measure 12.1 Improve Site Facilities and Infrastructure Stewardship**

**Measure 12.1.1 Facilities Data and Information**

**Expectation Statement:**

Make significant improvement to the LANL facilities database in response to the Deferred Maintenance Assessment completed in August 2008 by defining the overall scope in a comprehensive manner. Prior to allocating resources to pursue condition assessments and addressing deferred maintenance in an integrated and prioritized manner, a comprehensive list of the overall scope must be developed.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 12.1.2 Space Utilization and Allocation**

**Expectation Statement:**

The purpose of this measure is to document and improve data associated with the management of facilities and space as well as improve the utilization of space, specifically office space, at the Laboratory. A subset of data related to the management of facilities and space will be identified and prioritized and processes will be established to ensure that this data is owned and updated appropriately. This measure drives improvement in both internal allocation practices and the leased space program.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 12.1.3 Site Transformation and Disposition**

**Expectation Statement:**

LANS execution of TA-3 SM-43 demolition and the Transformation Disposition (TD) program are critical to meet expectations relative to support of the DOE Complex Transformation and to reduce operational burdens as well as properly and sustainably size the LANL footprint.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 12.1.4 Maintenance Stewardship of LANL Facilities**

**Expectation Statement:**

- A. A longer term strategy establishing a Maintenance Program Improvement Plan will be developed to make significant progress in our stewardship. This will be initiated with a benchmarking effort looking at work performed at other sites and identifying feedback/improvements that could be utilized by LANL. A comprehensive LANL maintenance assessment including deferred maintenance will be completed and integrated with the benchmarking improvements strategies to make improvements structured against the 18 criteria of DOE O 433.1A (i.e. 1-Maintenance Organization and Administration, 2-Training and Qualification for Maintenance Personnel, 3-Maintenance Facilities/Equipment/ and Tools, 4-Types of Maintenance, 5-Maintenance Procedures, 6-Planning/Scheduling/and Coordination of Maintenance, 7-Control of Maintenance Activities, 8-Post-maintenance Testing, 9-Procurement of Parts/Materials/Services, 10-Receipt/Inspection/Handling/Storage/Retrieval/Issuance/and Disposal Turn-In of Personal Property, 11-Control and Calibration of Measuring and Test Equipment, 12-Maintenance Tools and Equipment Control, 13-Facility Condition Inspection, 14-Management Involvement, 15-Maintenance History, 16-Analysis of Maintenance Problems, 17-Modification Work, 18-Seasonal Facility Preservation.) A plan will be finalized and work will be initiated in FY 2009 on a consolidated list of actions to make a step change in our performance.
- B. Ongoing progress on regular activities/efforts will be maintained in FY 2009.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 12.1.5 Process Improvement KSL Phase III**

**Expectation Statement:**

Make significant improvement of systems and process integration of the SSS In-Sourcing Project.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### Measure 12.1.6 Fire Protection Facilities and Infrastructure

**Expectation Statement:**

As Fire Protection is a critical component of safety and risk mitigation, the facilities and infrastructure that provide and house this critical capability must be assured.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### Measure 12.2 Energy and Utilities Management

#### Measure 12.2.1 DOE TEAM Initiative Implementation

**Expectation Statement:**

LANL will demonstrate implementation of the FY 2009 Action Plans specified in the LANL's Energy Management Program document and evaluate energy management progress toward meeting the DOE O 430.2B requirements. LANL will develop FY 2010 Action Plans to further progress toward meeting the goals for energy management defined in DOE O 430.2B. LANL will also develop a long range energy management and infrastructure reinvestment project portfolio to ensure that LANL's utilities are sustained consistent with the Ten Year Site Plan (TYSP) that LANL's energy usage meets the 2015 goals, and infrastructure is adequate to support future mission.

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

#### Measure 12.2.2 Develop Energy Flow and Energy Cost Models

**Expectation Statement:**

Fully functional energy flow and energy cost models will bring an improved level of sophistication to the interpretation of energy related information essential to optimize (i.e. minimize) operational costs associated with energy use patterns, processing/evaluation of energy cost information and ensure appropriate cost allocation to tie energy usage with cost. These models will provide an accurate context for evaluating the energy settlement statements from LANL's energy partners, ensure appropriate cost accounting for energy and demand charges to programs, and inform operational decisions about power generation, energy systems development, ESPC contracting, and energy purchasing.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

#### Measure 12.2.3 Implement WECC/NERC Requirements

**Expectation Statement:**

Operate and maintain the LANL transmission, distribution, and generation assets in accordance with the applicable Western Electric Coordinating Council (WECC)/ North American Electrical Reliability Corporation (NERC) requirements in accordance with the Energy Act of 2005.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**PBI No. 13 BUSINESS OPERATIONS**

**PBI 13: Business Operations**

Maximum Available Fee: **\$1,187,000**  
 Fee Earned: **\$695,000**

PBI 13: Business Operations		AVAILABLE FEE \$1,187,000		AWARDED FEE \$695,000 59%	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
13.1	Complete the following 3 areas (Aggregate)	\$100,000	\$140,000	\$100,000	\$140,000
13.1.1	Implement New Time Entry System				
13.1.2	Implement Plateau Training System				
13.1.3	Implement Site-Wide EDMS				
13.2.1	Apply a Site-Wide Acquisition Planning process	492,000		\$0	
13.2.2	Implement PIP Recommendations in Procurement	100,000		\$100,000	
13.3.1	Complete Lean Six-Sigma Program Implementation Projects (PIPs)	100,000		\$100,000	
13.3.2	Complete Additional Lean Six-Sigma Program PIPs		255,000		\$255,000
		<b>\$792,000</b>	<b>\$395,000</b>	<b>\$300,000</b>	<b>\$395,000</b>

**Completion /Validation Statements:**

**Measure 13.1 Business Systems Improvements**

**Expectation Statement:**

LANL will achieve successful performance in the following three (3) areas:

- 13.1.1 Implement New Time Entry System
- 13.1.2 Implement Plateau Training System
- 13.1.3 Implement Site-Wide EDMS for three projects

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 13.1.1 Implement New Time Entry System**

**Expectation Statement:**

Implement new time entry system for the Laboratory by March 31, 2009.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 13.1.2 Implement Plateau Training System**

**Expectation Statement:**

Begin implementation of the Plateau Learning Management System in FY 2009.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### Measure 13.1.3 Implement Site-Wide EDMS

**Expectation Statement:**

Establish Document Control Service Centers with processes, procedures, and tools to support three projects.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### Measure 13.2 Procurement Processes

#### Measure 13.2.1 Apply a Site-Wide Acquisition Planning Process

**Expectation Statement:**

In order to ensure appropriate resources are dedicated to procuring mission-essential products and services, acquisition planning within each directorate/program must occur. To enable success, a process for generating, aggregating, and maintaining a lab-wide acquisition plan (list of priority procurements required for mission execution) is needed. LANS will create the process and generate the FY 2009 acquisition plan that will be utilized throughout the year to manage the procurement of goods and services. Additionally, LANS will define the process to generate spend analytics for FY 2008 by organization (Associate Directorate level). In conjunction with the FY 2009 acquisition plan, the spend analytics results will be utilized throughout the year to manage the procurement of goods and services.

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

#### Measure 13.2.2 Implement PIP Recommendations in Procurement

**Expectation Statement:**

The Supply Chain Improvement Project (SCIP) was initiated to (1) improve the procurement spend rate (throughput of Purchase Requisitions) at LANL to enable appropriate FY 2008 procurements to support the mission and (2) to improve the customer interface processes to ensure adequate spend rates in subsequent years. Sustainable throughput is imperative; therefore the identified changes will be necessary for continued, long-term success. The SCIP Report (to be issued by September 30, 2008) will include all of the identified improvement actions in an Implementation Plan.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

### Measure 13.3 Lean Six Sigma Program Implementation

#### Measure 13.3.1 Complete Lean Six Sigma PIPs

**Expectation Statement:**

Complete three (3) Lean Six Sigma Process Improvement Projects in areas pre-approved by the COR.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 13.3.2 Complete Additional Lean Six Sigma PIPs**

**Expectation Statement:**

Complete two (2) additional LSS PIPs, also in areas pre-approved by the COR.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**PBI No. 14 CONTRACTOR ASSURANCE**

**PBI 14: Contractor Assurance**

Maximum Available Fee: **\$400,000**  
 Fee Earned: **\$400,000**

<b>PBI 14: Contractor Assurance</b>		AVAILABLE FEE		AWARDED FEE	
		ESSENTIAL	STRETCH	ESSENTIAL	STRETCH
		\$400,000		\$400,000	100%
14.1	Contractor Assurance System- Performance Index	\$400,000	\$0	\$400,000	\$0
		\$400,000	\$0	\$400,000	\$0

**Completion /Validation Statements:**

**Measure 14.1 Contractor Assurance System Performance Index**

**Expectation Statement:**

The Laboratory Contractor Assurance System (CAS) should yield improved reliability and responsiveness in institutional performance as well as improved ability to anticipate and avoid problems through self-identification of issues and effective corrective action. The effectiveness of CAS is captured at a summary level in a CAS Performance Index that covers: reliable and responsive performance (weight = 20%) as well as the ability to anticipate issues (weight = 35%), mitigate risk (weight = 25%), and fix issues (weight = 20%). The Contractor is expected to achieve the targeted levels of performance against this index measure.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.



**PBI No. 15 SCIENCE AND MISSION EXCELLENCE**

**PBI 15: Science and Mission Excellence**

**PBI 15: Maximum Potential Mission Subjective Fee \$ 8,230,100**

Mission Subjective Fee Assessment

Specific Subjective Fee Adjustments

Items of Significant Note

Positive	TRU & MLLW Waste Shipment Success
	Scientific Program, Awards & Publications
Negative	Pit Production Execution
	Work Planning and Integration

Items of Moderate Note

Positive	Design Authority Assistance to Complex
	Overall Support to the Weapons Complex
	RTBF Maturation and Institutionalization
	Code Blue Support to Complex
	Overall Success in Nonproliferation Mission Support
	Support to International Security Efforts/Activities
	Complex Integration and Leadership
Negative	User Facility Performance
	Risk Due to Management of Room 60
	DARHT Disappointments
	SAP Assessment, Findings & CAP Follow-Thru
	Non-Weapons Nuclear Missions Interface Management
Negative	Lack of a Central Waste Program
	Engineering Support to Projects

Items of Note

Positive	Integrated Nuclear Planning Outcomes
	Overall MRT Performance
	Voice of the Customer Results
	H1N1 Support to DHS
	Response to DARHT Cathode Failure and Mode Resumption
	LANS Response/Technical Support for PDRK Incident
	LDRD Program Maturation
Negative	Quality of Post-Doc program
	Design authority internal disconnects/missteps

**Final Mission Subjective Fee Award & Adjectival Rating: OUTSTANDING \$ 7,635,585 92.8%**

**PBI No. 16 OPERATIONAL EXCELLENCE**

**PBI 16: Operational Excellence**

**PBI 16: Maximum Potential Operations Subjective Fee \$ 4,593,900**

Operations Subjective Fee Assessment

Specific Subjective Fee Adjustments

Items of Significant Note

Positive	Fire Department Training Effort
	CMRR RLUOB Completion
	Stored Pu238 Being Aggressively Repackaged
	Overall Progress/Maturity of Formality of Operations
	Overall Safety Improvements in TA-55 Enable Mission
	LAMCAS and Energy Reduction Implementation
	CMRR Nuclear Facility Development
	Significant Reduction in Cost of Non-Conformances
	Significant Reduction in Mission Product Submittal Errors
Negative	Defects discovered by Formal LASO Oversight Assessments
	MC&A Program Deficiencies & Assessment Rating
	Pu238 Issues Were Not Self Identified
	Cyber Security Findings & Corrective Action Challenges
	Sufficiency of Project Management Progress\Implementation

Items of Moderate Note

Positive	Efforts in Support of a New NPDES/RCRA Permit
	VPP Application Submittal
	Improved Radio Coverage Supporting EOC Operations
	Safety Basis IVR process
	Efforts to Assure Security Compliance Order Completion
	Emergent Issue Management Process
	WMRM Recovery Management
	Physical Security Exercise Results
	CSE Staffing Increases are Showing Benefits
	KSL Transition Management
	Reduction in Site ACREM
	EPHA Progress Supporting EOC Operations
	Million Square Foot Reduction Goal Attainment
Negative	Risk Due to Management of Room 60
	Failure to Complete Cyber Security Program Plan
	Safety Basis DSA Submittal Delays & Quality
	Cost of Project Management vs Performance
	Limited Depth/Capability of Project Management Bench
	Costs of Well Drilling & Re-Drilling Efforts
	Lagging Expectations in Conduct of Engineering & Maintenance
	Inadequate Closure of a CAT 1 Fire Protection Issues
	Operational Support area Maturity Has Lingering Impacts
Management of Computing Resources/Configuration Control	
Engineering Support to Projects	

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Items of Note	
Positive	Pursuit of a Single Waste Tracking Database
	Operational Maturity and Operability Improvements
	Efforts in Support of ESPC
	Efforts to Improve Construction Bid Competition
	Beryllium Response
	Response to MC&A Program Deficiencies Once Raised
	Efforts to Address Legacy Fire Deficiencies
	Rigor Addressing Non-Standard Storage of Classified Parts
	RLUOB Lost Work Day Accidents
	Maintenance Program Maturation
	Student Accidents/Incidents
Negative	Safety & Security Concerns of Leased Space
	Degradation in Safety Record
	Changes in TA-50 Management 2 years After Recommendation
	Number of NOVs
	PCB Incident
	Readiness Review Process Effectiveness Issues
<b>Final Operations Subjective Fee Award &amp; Adjectival Rating:    GOOD</b>	
<b>\$ 3,699,480</b>	
<b>80.5%</b>	

**PBI No. 17 BUSINESS EXCELLENCE**

**PBI 17: Business Excellence**

**PBI 17: Maximum Potential Business Subjective Fee \$ 5,129,600**

Business and Supporting Areas Subjective Fee Assessment

Specific Business Specific Subjective Fee Adjustments (25% weighted)

Items of Significant Note

Positive	Complex Leadership in Pension Issues
Negative	Ineffective Procurement Program Implementation
	Quality of Procurement Plan
	Ineffective Procurement of Quality Affecting Work

Items of Moderate Note

Positive	CAS Implementation Progress & Maturation
	Improved Lease Management
	Efforts to Secure Six Sigma Savings
Negative	Degree of Rework Required for Procurement Consent Packages
	Configuration Control of Procurement Proforma
	Lack of Robust Records Management Progress
	Execution of Work without Work Authorizations
	Extended Travel & Change of Station Management
	CAS Toolset Usage Inconsistencies Across Organization

Items of Note

Positive	Efforts to Improve Procurement Package
	Efforts to Improve Parent Oversight
	Contract Communication and Zipper Plan
	Hackett Benchmarking Effort
	ASM Customer Integration Efforts
	Integration with LLNL

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<u>Specific Crosscutting Business Subjective Fee Adjustments (75% weighted)</u>	
Items of Significant Note	
Positive	Scientific Program, Awards & Publications
	Spirit of Cooperation
	ARRA Office Establishment and Macro-Level Process
	Complex Leadership in Pension Issues
	Beryllium Response
	Weapons Complex Leadership/Support
Negative	Degree of LASO Management Intervention Required
	Sufficiency of Project Management Progress & Implementation
	Procurement Concerns
	Quality of Submittals & Results of LASO assessments
	Reactive vs. Proactive Organizationally
Items of Moderate Note	
Positive	WMRM Recovery Management
	Management Involvement in Operation of the Laboratory
Negative	Engineering Support to Projects
	Lack of Formality in Regulatory Interface
	Contract Non-Compliances
	Risk Due to Management of Room 60
	Lack of Sustainment in Some Areas of Safety Improvement
	Conduct Operation and Work Control on Programmatic Activities
	Non-Weapons Nuclear Missions Interface Management
Items of Note	
Positive	Revitalized Management Commitment to Infrastructure
Negative	Turnover of Key Personnel
	Changes in TA-50 Management 2 year After Recommendation
<b>Final Business Subjective Fee Award &amp; Adjectival Rating: SATISFACTORY</b>	
<b>\$ 3,109,470</b> 60.6%	

## PBI No. 18 AWARD TERM INCENTIVES

### PBI 18: Award Term Incentives

#### **Completion /Validation Statements:**

##### **Measure 18.1 Energy Security**

###### **Expectation Statement:**

Develop an integrated energy security science strategy and implementation plan, including creating an external energy review team that validates the plan. Identify energy security growth areas and program opportunities, including new external project funding and alignment of the LDRD selection process to facilitate strategic investment in LANL capabilities.

###### **Completion Assessment:**

LANS has submitted completion evidence demonstrating objective met. NNSA has validated appropriate and timely completion.

##### **Measure 18.2 Support to the National Security Enterprise**

###### **Expectation Statement:**

Lead by example in Strategic Initiatives through execution of LANL activities in support of the national security enterprise.

###### **Completion Assessment:**

LANS has submitted completion evidence demonstrating objective met. NNSA has validated appropriate and timely completion.

##### **Measure 18.3 Implementation of a Site Risk Identification Process**

###### **Expectation Statement:**

LANS will establish a process by which risks related to safety, security, environmental and potential future liabilities are evaluated and identified to LASO:

1. Development with LASO of a process to identify individual and collateral aspects of risk for non-NNSA work.
2. Pilot implementation by second quarter for work from a single customer, mutually chosen by LASO and LANL.
3. Streamlining and process improvement based on pilot implementation, with implementation for agreed-upon non-NNSA work by September 30, 2009.

###### **Completion Assessment:**

LANS has submitted completion evidence demonstrating objective met. NNSA has validated appropriate and timely completion.

## Measure 18.4 Demonstration of Nuclear Facility Maintenance

### Expectation Statement:

#### 18.4A

- A. Develop budgetary and execution guidance to assure nuclear facilities (specifically identified as TA-55, WETF, CMR, Area G, WCCR, RANT and TA-50) are operated in a manner in which safety, security and all environmental permits requirements are met. Provide a detailed and operational definition by facility that will define and establish a base-level of facility funding by facility and be integrated with all programmatic efforts (for use by appropriate Nuclear Facility RADs/FODs).
- B. Demonstrate implementation of the Maintenance Program at the nuclear facilities (specifically identified as TA-55, WETF, CMR, Area G, WCCR, RANT and TA-50) in FY 2009.

#### 18.4B

- A. Develop budgetary and execution guidance to assure nuclear facilities (specifically identified as TA-55, WETF, CMR, Area G, WCCR, RANT and TA-50) are operated in a manner in which safety, security and all environmental permits requirements are met. Provide a detailed and operational definition by facility that will define and establish a base-level of facility funding by facility and be integrated with all programmatic efforts (for use by appropriate Nuclear Facility RADs/FODs).
- B. Demonstrate implementation of the Maintenance Program at the nuclear facilities (specifically identified as TA-55, WETF, CMR, Area G, WCCR, RANT and TA-50) in FY 2009.

### Completion Assessment:

LANS has submitted completion evidence demonstrating objective met. NNSA has validated appropriate and timely completion.

## Measure 18.5 Formality of Operations Implementation

### Expectation Statement:

LANS will implement FY 2009 Level 1 core requirement milestones for Formality of Operations at the Laboratory Nuclear and High Hazard Facilities in FY 2009. RADs, FODs and supporting functions will certify that implementation to the Core Criteria, scheduled for FY 2009, have been achieved. Implementation will be verified via an independent verification in accordance with P315-2. For the purposes of this performance measure, Formality of Operations encompasses: Conduct of Operations, Conduct of Maintenance and Conduct of Engineering.

### Completion Assessment:

LANS has submitted completion evidence demonstrating objective met. NNSA has validated appropriate and timely completion.

**PBI NO. 19 ENVIRONMENTAL MANAGEMENT STIMULUS**

**PBI 19: Environmental Management Stimulus**

Maximum Available Fee: **\$1,015,000**  
 Fee Earned: **\$816,500**

PBI 19: Environmental Management Stimulus		AVAILABLE FEE \$1,015,000			AWARDED FEE \$816,500 80%		
		ESSENTIAL	STRETCH	SUBJECTIVE	ESSENTIAL	STRETCH	SUBJECTIVE
19.1	MDA-B Remediation	\$220,000			\$220,000		
19.2	Building(s) Removal	\$175,000			\$175,000		
19.3	Acquisition Implementation	\$120,000			\$120,000		
19.4	Well Drilling Program		150,000			\$150,000	
19.5	Planning, Preparation and Execution			\$250,000			\$151,500
19.6	Establish EM Recovery Act Baseline		100,000			\$0	
		\$515,000	\$250,000	\$250,000	\$515,000	\$150,000	\$151,500

**Completion /Validation Statements:**

**Measure 19.1 MDA-B Remediation**

**Expectation Statement:**

Execute MDA-B project activities.

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 19.2 Building(s) Removal**

**Expectation Statement:**

Execute TA-21 Building Decontamination and Demolition

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 19.3 Acquisition Implementation**

**Expectation Statement:**

Establish competitively bid contracts to execute ARRA projects using small businesses

**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 19.4 Well Drilling Program**

**Expectation Statement:**

Execute a compliant and cost-effective well drilling program.



**Completion Assessment:**

LANS has submitted completion evidence for award of full fee. NNSA has validated appropriate and timely completion.

**Measure 19.5 Planning, Preparation and Execution**

**Expectation Statement:**

Demonstrate excellence and professionalism in the planning, preparation, and execution of EM ARRA programs, projects and activities. The NNSA will subjectively evaluate the contractor's performance in areas that enable it to meet ARRA work objectives.

**Completion Assessment:**

<b>PBI 19.5: Maximum Potential (EM) ARRA Subjective Fee</b>		<b>\$ 250,000</b>
<u>ARRA Subjective Fee Assessment</u>		
<u>ARRA Specific Subjective Fee Adjustments</u>		
Items of Significant Note		
Positive		
Negative	Independent Review Findings & Results	
	BCP Adequacy	
Items of Moderate Note		
Positive	Expertise of Resources/Management	
	Public Interaction	
	SPI/CPI Performance	
Negative	Contracting Concerns	
	Cost to Perform MDA-B	
Items of Note		
Positive	Fostering of a Safety Culture	
Negative	Quality of Deliverables	
	Formality in Tracking and Submitting Deliverables	
	Resource Integration/Utilization of LANS Expertise	
<b>Final (EM) ARRA Subjective Fee Award &amp; Adjectival Rating: SATISFACTORY</b>		<b>\$ 151,500 60.6%</b>

**Measure 19.6 Establish EM Recovery Act Baseline**

**Expectation Statement:**

Establish EM Recovery Act Baseline to allow EVMS performance measurement.

**Completion Assessment:**

LANS has submitted completion evidence denoting a fee award; however, NNSA review has resulted in a differing position.

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