



Department of Energy
 National Nuclear Security Administration
 Pantex Site Office
 P. O. Box 30030
 Amarillo, TX 79120



J. G. Meyer
 General Manager
 Babcock and Wilcox Technical Services Pantex LLC
 P.O. Box 30020
 Amarillo, TX 79120-0020

SUBJECT: Contract no. DE-AC04-00AL66620, Fiscal Year 2009 (FY09) Performance Evaluation Report (PER)

Dear Mr. Meyer,

Enclosed is the FY09 PER, which provides the results of the National Nuclear Security Administration's (NNSA) assessment of Babcock and Wilcox Technical Services Pantex, LLC (B&W Pantex) performance from October 1, 2008 through September 30, 2009.

B&W Pantex's overall performance substantially exceeded the Pantex Site Office (PXSO) expectations. Based on PXSO's assessment of B&W Pantex's FY09 performance B&W Pantex received an overall adjective rating of "Outstanding" and a score of 95%. The table below breaks down the fee available and earned by Mission, Operations, Business Management, and Multi-Site.

	Available Fee	Earned Fee	Earned Fee %
Mission	14,281,113	13,701,055	96%
Operations	9,076,892	8,313,625	92%
Business/Management	6,772,716	6,457,515	95%
Subtotal	\$30,130,721	28,472,195	94%
Multi-Site	3,347,858	3,342,858	99%
Total	\$33,478,579	31,815,053	95%

You may withdraw funds not to exceed the amount of \$20,097,545 from your Special Bank Account for the remaining un-invoiced FY09 total earned fee. This amount represents the difference between the total earned fee of \$31,815,053 and the provisional fee of \$11,717,508 which has already been drawn down from B&W's Special Bank Account.

Meyer

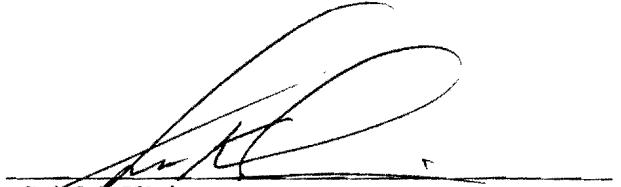
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I am available to meet with you to discuss B&W Pantex's FY09 performance assessment. Should you desire a meeting, please contact me at 3180



Steven C. Erhart
Manager
Pantex Site Office



Seb M. Klein
Contracting Officer
Pantex Site Office

cc w/enclosure:

M. Padilla, PXSO, 12-36A
B. Bidwell, B&W, 12-138D

cc w/o enclosure:

G. Beausoleil, PXSO, 12-36A
K. Waltzer, PXSO, 12-36A
J. Guelker, PXSO, 12-36A
B. Jones, PXSO, 12-36A
G. Wisdom, PXSO, 12-36A
C. Alvarado, PXSO, 12-36A
D. Nester, PXSO, 12-36A
F. Cruz, PXSO, 12-36A

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**B&W Pantex
FY 2009
Performance Evaluation Summary**

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Pantex Plant Performance Evaluation Report

Fiscal Year 2009
October 1, 2008 through September 30, 2009
Summary of Performance Areas/Fee Availability

Essential Performance Area	Award Fee Allocation	% Weight	PBI Allocation	% Weight	Total Allocation	Weight
Mission Operations	\$10,334,837	43%	-		\$10,334,837	43%
	\$6,749,282	28%	-		\$6,749,282	28%
Business Management	\$6,772,716	28%	-		\$6,772,716	28%
Total	\$23,856,835	100%	-		\$23,856,835	100%

Stretch Performance Area	Award Fee Allocation	% Weight	PBI Allocation	% Weight	Total Allocation	Weight
Mission	\$3,584,707	63%	\$361,569	67%	\$3,946,276	63%
Operations	\$2,146,826	37%	\$180,784	33%	\$2,327,610	37%
Total	\$5,731,533		\$542,353		\$6,273,886	100%

Multi-Site Performance Area	Award Fee Allocation	% Weight	PBI Allocation	% Weight	Total Allocation
Multi-Site			\$3,347,858	100%	\$3,347,858

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Break-down by Incentives

	Essential	Stretch	Total
Mission	\$10,334,837	\$3,946,276	\$14,281,113
Operations	6,749,282	2,327,610	9,076,892
Business/ Management	6,772,716		6,772,716
Subtotal	\$ 23,856,835	\$ 6,273,886	\$30,130,721
Multi-Site	3,347,858		3,347,858
Total:	\$27,204,693	- \$6,273,886	\$33,478,579

B&W Pantex Fee breakdown:

	Available Fee	Earned Fee	Earned Fee %
Mission	14,281,113	13,701,055	95.9%
Operations	9,076,892	8,313,625	91.6%
Business/Management	6,772,716	6,457,515	95.3%
<i>Subtotal</i>	\$30,130,721	28,472,195	94.5%
Multi-Site	3,347,858	3,342,858	99.9%
Total	\$33,478,579	31,815,053	95.0%

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2009 PEP Ratings:

OUTSTANDING (Percentage Score Range 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. Performance substantially exceeded expected levels of performance against Performance Objectives identified in this PEP. All other contract requirements, not addressed by the Performance Objectives in this PEP, were performed at or above minimum acceptable levels.

GOOD (Percentage Score Range 80%-89.9%): 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. Performance exceeded expected levels of performance against Performance Objectives in this PEP. All other contract requirements, not addressed by the Performance Objectives in this PEP, were performed at or above minimum acceptable levels.

SATISFACTORY (Percentage Score Range 60%-79.9%): 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. Performance met expected levels of performance against Performance Objectives in this PEP. All other contract requirements, not addressed by the Performance Objectives in this PEP, were performed at or above minimum acceptable levels.

UNSATISFACTORY (Percentage Score Range 0%-59.9%): 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. Performance against Performance Objectives in this PEP was unacceptable. Actual or potential negative impacts on mission capabilities resulted from performance. Many contract requirements, not addressed by the Performance Objectives in this PEP, were performed below minimum acceptable levels.

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MISSION

Fiscal Year 2009
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		PO/PBI # and TITLE	PO/PBI Fee
PO #1	ESSENTIAL	Continued Delivery of DSW Products to the DoD	\$ 6,327,450
PO #2	ESSENTIAL	Meet Established Readiness Program Level 2 Milestones	\$ 210,915
PO #3	ESSENTIAL	Manage Component and Tooling Disposition Resulting from Dismantlement Operations	\$ 421,830
PO #4	ESSENTIAL	Improve Nuclear Safety System Performance	\$ 527,288
PO #5	ESSENTIAL	Improvements to the Lightning Detection and Warning System (LDWS)	\$ 421,830
PO #6	ESSENTIAL	Update and Maintain the Pantex Documented Safety Analyses (DSAs)	\$ 738,203
PO #7	ESSENTIAL	Continue to Improve and Maintain a Robust Quality Assurance Program	\$ 210,915
PO #8	ESSENTIAL	Safely and Effectively Manage Nuclear Materials (NM) and Critical NM Support Programs	\$ 421,830
PO #9	ESSENTIAL	Incorporation of High Quality Trainer into Weapons Training Programs	\$ 421,830
PO #13	ESSENTIAL	Develop, Submit and Execute an Approved Management Assessment Plan to Reduce Material Movement Issues	\$ 210,915
PO #15	ESSENTIAL	Support National Laboratory High Explosive Initiatives and Complete Integrated Contract Orders in the HE Areas	\$ 210,915
PO #16	ESSENTIAL	Execute Site-based Activities per the Product Realization Integrated Digital Enterprise (PRIDE) Project Plans	\$ 105,458
PO #18	ESSENTIAL	Effectively Manage Special Tools for Production	\$ 105,458
		ESSENTIAL TOTAL	\$10,334,837
PO #10	STRETCH	DSW Deliverables (Pantex Anchor)	\$ 1,500,000
PO #11	STRETCH	Incorporation of High Quality Trainer into Weapons Training Programs	\$ 301,307
PBI #12	STRETCH	Disposition Additional Components from All Categories	\$ 361,569
PO #14	STRETCH	Upgrade Nuclear Facility Safety System	\$ 1,000,000
PO #17	STRETCH	Effectively Manage Production Support Operations	\$ 783,400
		STRETCH TOTAL	\$ 3,946,276
		TOTAL	\$14,281,113

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Performance Area: Mission
Award Fee Adjectival Rating: Outstanding
Numerical Rating: 96%

Performance Objective #1: Continued delivery of DSW products to the Department of Defense (DoD)

B&W PX performance was outstanding per the Performance Objectives contained in the PEP.

Performance Assessment:

Performance Target #1:

B&W completed all DSW Directive Schedule quantities and achieved 109% of the FY09 Pantex Baseline Production Plan delivery commitments, in spite of budget and technical issues which had to be overcome.

Performance Target #2:

B&W completed 45 of 45 (100%) Level 2 Milestones identified in the Stockpile Management Implementation Plan. Completed 118% of scheduled dismantlements, delivery quantities were exceeded and in some cases completed ahead of schedule.

Performance Target #3:

B&W aggressively managed the B53 SS-21 Program/Project plan despite a major change in a postulated hazard event in the LANL Weapons Response, released in July, 2009, which required major process changes and complete retooling. Although the original SS-21 schedule could not be met, B&W was successful in meeting all revised milestones.

Performance Target #4:

Four Power-free Gas Samplers were fabricated, associated new tooling was entered into the Pantex tooling system, and a NES Change Evaluation was completed in June. Technical difficulties and changes in testing requirements, outside B&W control, prevented achievement of this performance objective. However, in a memo to PXSO dated September 18, 2009, the Federal Program Manager responsible for the project specifically recognized B&W's diligent and aggressive work to attempt to keep the project on schedule.

Performance Target #5:

The W76-1 JTA1 First Production Unit was delivered to the Navy for flight testing in May, 2009. Engineering Evaluation activities for the W76-1 High Fidelity JTA2 were completed in September, 2009. A QER will be issued by the Design Agency during the first quarter of FY10 allowing build operations to begin in January, 2010.

Performance Target #6:

The Electrostatic Discharge (ESD) plan and schedule were submitted to PXSO in December, 2008, W78 D&I operations were authorized in June and five Cycle 39 D&I units were completed in September, ahead of schedule. The W78 JTA5 build plan and schedule was submitted to

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PXSO in July and all Engineering Evaluations for the JTA5 build, Mass Properties and System Level demonstrations were completed in September.

Performance Target #7:

Both requirements of the performance target were completed ahead of schedule, exceeding expectations, with the disassembly of the first Aft Assembly completed in October, 2008 and DJTA post mortem complete in April, 2009.

Performance Target #8:

Successful authorization to begin W88 SS-21 Cell and Mass Properties operations in March, 2009, substantially exceed performance expectations. The NESSG specifically identified the W88 Special Tooling and processes as typifying SS-21 principals. The W88 JTA2 Refresh FPU was completed in June and shipped to the Navy for flight testing.

Performance Target #9:

Receipt of the HQ NNSA and PXSO approved Tempest change in August allows CMS PAL operations in multiple facilities which will permit making the Central PAL Facility available for other uses.

Performance Objective #2: Meet established Readiness Program Level 2 milestones as defined and funded in the Implementation Plans for Readiness (ADAPT, HEWO and Enhanced Surveillance Campaigns [ESC]).

B&W Pantex exceeded performance in many areas for this performance objective.

Performance Assessment:

Performance Target #2.1:

B&W Pantex exceeded performance in many areas for this performance target.

All FY09 Level 2 (L2) Readiness Campaign milestones were completed on or ahead of schedule and within budget, as listed below.

- Completed the Advanced Inventory and Material Management system milestone on September 25, 2009, by wirelessly tracking tagged tooling at three locations in the limited area. Favorable weapon response was received for the system and preliminary NES analysis for system use in the MAA during FY10. This was completed on schedule and under budget (\$200K). (L2# 3015)
- Completed the Non-Destructive Density Determination System milestone on March 24, 2009, by performing density measurements on Lexan, LM-17-0 mock, and a W-76 aft hemisphere. Actions were completed to allow the system to progress from development to production phase in FY10. The system will ultimately permit non-destructive density measurement of pressed HE billets. This milestone was completed one week ahead of schedule with a cost savings of \$100K. (L2# 2530)
- Completed HE Booster & Detonator milestones on July 24, 2009. The process will be used to predict the results of process changes on final products to minimize the need to conduct multiple trial runs in advance of process qualifications. This milestone was completed two

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months ahead of the original due date of September 30, 2009, and within the planned budget. (L2 #2534)

- Directed a cooperative initiative with Kansas City Plant (KCP) and SNL to deliver a Design Guide for Common Tester Architecture and place it under configuration control. The Design Guide provides information on common tester architecture that will be referenced by system engineers at SNL in the development of testers required to support program needs.

Enhanced Surveillance Campaign (ESC)

B&W Pantex completed all key deliverables in support of FY09 ESC L2 milestones:

- Completed installation and equipment qualification of the high-resolution CT radiography system (CoLOSSIS), supporting surveillance transformation. The system was used to image B83 and W87 pits. (L2 #1872)
- Provided data to the Design Laboratories on booster performance as a function of LX-07 age, detonator performance as a function of Pentaerythritol Tetranitrate (PETN) age, and main charge explosive performance as a function of PBX 9501 age. This initiative supported the annual Stockpile Reliability Assessment. (L2 #3145)
- Evaluated advanced tools and diagnostics for surveillance transformation by completing two full scale command disable tests, two W88 PBX 9501 onionskin tests, two PBX 9502 thin-shell onionskin tests, two PBX 9502 enhanced onionskin tests. (L2 #3148)

Performance Objective #3: Manage component and tooling disposition resulting from dismantlement operations.

B&W Pantex substantially exceeded NNSA expectations in many areas of the performance targets.

Performance Assessment:

Performance Target #3.1:

B&W substantially exceeded NNSA expectations for disposition of components. B&W dispositioned approximately 67% more component than established by the goal.

Performance Target#3.2:

B&W exceeded NNSA expectations by microwave becoming operational. Certain stack tests for air quality are either pending or will be completed in the near future. The microwave is not certified for Beryllium parts but is operational as required by the goal.

Performance Target#3.3:

B&W exceeded NNSA expectations by disposition of classified material at a treatment vendor's facility.

Performance Objective #4.0: Improve Nuclear Safety System Performance

B&W Pantex exceeded the standards of performance for this performance objective.

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Performance Assessment:

Performance Target #4.1:

B&W Pantex exceeded performance for this performance target. B&W Pantex completed back-fit analyses for the critical safety systems as specified in the approved plan. The plan was submitted to accomplish the analyses and training was provided to System Engineers on conducting the analysis. System Engineers completed many refinements to the analyses and the revised documents were found to address PXSO comments. This was validated during the FY09 System Engineer (SE) Program assessment completed toward the end of the year.

Performance Target #4.2:

B&W Pantex has exceeded expectations for improving the dissemination of safety system maintenance data. A rudimentary process has been established to provide System Engineers (SEs) with the electronically recorded nuclear safety system maintenance activity records.

Performance Target #4.3:

B B&W Pantex exceeded performance for this performance target. Weekly summary reports from work order (PX-3170) comment sections are being generated and distributed to SEs. Also, the periodic preventive maintenance (PM) performed for the High Pressure Fire Loop and Uninterruptible Power Supply systems are being distributed to SEs to trend operational data. WI 02.06.04.02.04 has been revised to formalize this activity. Quarterly Tracking and Trending Reports have been updated to include the information from the PX-3170s and will include the PM data.

Performance Objective #5.0: Improvements to the Lightning Detection and Warning System (LDWS)

B&W Pantex exceeded the standards of performance for this performance objective.

Performance Assessment:

Performance Target #5.1:

B&W Pantex substantially exceeded performance for this performance target. B&W Pantex purchased and implemented Iwatch software in the Emergency Operations Center which enables the Plant Shift Superintendents to examine specific aspects of the weather data and hear an automatic audible alert indicate that the Next Generation Weather Surveillance Radar (NEXRAD) is indicating a cloud density above 30 dbz within 35 mile radius of the Plant.

Performance Target #5.2:

B&W Pantex substantially exceeded performance for this performance target. B&W Pantex completed the renovation of the antiquated Static Potential Monitoring System (SPMS). They installed three new Field Mills designed to preclude false indications of elevated electric fields developing over the plant, and established configuration management for the System. Configuration management of SPMS system documentation was confirmed during a PXSO FY09 System Engineering Program assessment.

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Performance Target #5.3:

B&W Pantex substantially exceeded performance for this performance target. B&W Pantex designed the engineering logic to incorporate the SPMS into the Lightning Detection and Warning System (LDWS). With this update, the data from three engineered systems, i.e., SPMS, NEXRAD, and the Lightning Location and Protection System (LLPS), will be used as input to a Specific Administrative Control which delineates the decision logic for determination of declaring lightning warnings. Once approved by PXSO, this will result in a reduced number of declarations of lightning warnings due to system malfunctions and reduce the duration of the Plant being under lightning warnings. B&W Pantex completed the update to Chapter 2 of the Sitewide Safety Analysis Report describing the components and logic of the LDWS per schedule. In addition, four additional LLPS sensors were added to the system to enhance the lightning detection capabilities and also reduce down time due to the Plant owned sensors becoming inoperative.

Performance Target #5.4:

B&W Pantex exceeded performance for this performance target. B&W Pantex completed the development of a Specific Administrative Control for determination of when to declare lightning warnings based on various combinations of input data from these three systems described above; SPMS, LLPS, & NEXRAD. This target was completed substantially ahead of schedule.

Performance Objective #6.0: Update and maintain the Pantex Documented Safety Analyses (DSAs)

B&W Pantex exceeded the standards of performance in many areas for this performance objective.

Performance Assessment:

Performance Target #6.1.1:

B&W Pantex substantially exceeded performance for this performance target. B&W Pantex processed all identified issues, within their control, through the New Information process within the goals established in this target. This was validated via the quarterly reports provided to PXSO.

Performance Target #6.1.2:

B&W Pantex substantially exceeded performance for this performance target. B&W Pantex processed all Potential Inadequate Safety Analysis issues, within their control, within the goals established in this target. This was validated via the quarterly reports provided to PXSO.

Performance Target #6.2.1:

B&W Pantex substantially exceeded performance for this performance target. B&W Pantex corrected all new Conditions of Approval (COA) identified in Safety Evaluation Reports approving Documented Safety Analyses within the goals established in this target. For the most part, B&W Pantex actually resolved the deficiencies upon detection and provided the PXSO reviewer a revised package for approval, eliminating cycling paperwork and expediting the review, approval, and implementation process.

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Performance Target #6.2.2:

B&W Pantex exceeded performance for this performance target. B&W Pantex worked diligently to correct new Technical Review Comments (TRCs) by the next annual update and achieved an 86% completion.

Performance Target #6.2.3:

B&W Pantex exceeded performance for this performance target. B&W Pantex closed out 41% of the COAs/TRCs and 45% of the Planned Improvements which were open at the beginning of the fiscal year. This was a significant accomplishment considering all the other Nuclear Safety work completed by the B&W Pantex Authorization Basis Department this fiscal year.

Performance Target #6.3:

B&W Pantex exceeded performance for this performance target. B&W Pantex established a Documented Safety Analysis Upgrade Initiative Plan to lay out the path for accomplishing this target. They updated ten Documented Safety Analyses (DSAs) in line with the Plan objectives, completed a campaign to heighten awareness of Technical Safety Requirement compliance at the plant, and have accomplished a number of initiatives (e.g., Generic Limited Condition of Operation for Specific Administrative Controls per DOE STD 1186), in furtherance of accomplishing this objective.

Performance Target #6.4.1:

B&W Pantex exceeded performance for this performance target. B&W Pantex transmitted the required seismic change packages to PXSO on the established date.

Performance Target #6.4.2:

B&W Pantex substantially exceeded performance for this performance target. B&W Pantex provided PXSO the necessary DSA change packages to complete this objective significantly ahead of schedule.

Performance Objective #7: Continue to improve and maintain a robust Quality Assurance program.

B&W Pantex exceeded performance in many areas for this performance objective.

Performance Assessment:

Performance Target #7.1:

B&W Pantex exceeded performance for this performance target. B&W Pantex submitted a Quality Assurance Program Description (QAPD - CD-00079 Issue 6, Revision 2), that incorporated PXSO comments, on April 3, 2009. The PXSO concurred with CD-00079 Issue 6 on April 23, 2009. This version of the QAPD established electronic links to the Business Requirements and Instruction Network (BRAIN) Requirements Management System (RMS) and Plant implementing procedures. Additionally, although there were numerous editorial errors, the quality of the QAPD was good, and was improved from submittals in previous years.

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Performance Target #7.2:

B&W Pantex substantially exceeded performance for this performance target. Pantex has not received any Unsatisfactory Reports (URs) that affect unit reliability and functionality, and Pantex has not received any Significant Finding Investigations (SFIs) that are chargeable to B&W Pantex on initiated shipments. This is an important achievement in that it demonstrates Pantex's capability to deliver quality product.

Performance Target #7.3:

B&W Pantex exceeded performance for this performance target. B&W Pantex completed drawing reviews of the following operations: W88 JTA-2, W87 Test Bed, W76-1 JTA-1, W-80 JILT Test Bed, W78-0 WES, W76-0 JTA 2F, and the B83 Test Bed. These drawing reviews led to identification and correction of numerous procedural and process deficiencies and weaknesses, and the drawing reviews helped ensure that quality products were produced.

Performance Target #7.4:

B&W Pantex met performance for this performance target. Two assessments of Applied Technology HE activities were included on the FY09 Independent Assessment baseline schedule: A-09-09 and A-09-14. A-09-09 was changed from a B83 snowball activities Assessment to an Assessment of HE Mechanical Testing activities, and this change was coordinated with PXSO. B&W Pantex conducted the second HE assessment, A-09-14, Firing Site Operations, during the Third Quarter of FY09. Both assessments evaluated compliance to elements of DOE/NNSA Weapon Quality Policy (QC-1). Assessment Reports were posted to the S: Drive, and Problem Evaluation Reports were initiated for one finding, three weaknesses, and one observation.

Performance Target #7.5:

B&W Pantex met performance for this performance target. B&W Pantex created two new WIs and two Desk Aids to standardize the process to ensure tooling and testers destined for United Kingdom meet NNSA expectations for product definition prior to presentation to the NNSA for acceptance. The process was fully implemented by September 30, 2009.

Performance Target #7.6:

B&W Pantex exceeded performance for this performance target. Two SQA assessments were performed, and reports were provided to PXSO. The first assessment was conducted on a weapon tester and shadowed by PXSO. The second assessment was performed on a safety software product used in the analysis of the AB. With these SQA assessments, B&W completed a comprehensive and critical self evaluation of performance.

Performance Target #7.7:

B&W Pantex met performance for this performance target. Two assessments of Special Nuclear Material Component Requalification Facility (SNMCRF) activities were included on the FY09 Independent Assessment baseline schedule: A-09-12 and A-09-15.

The first SNMCRF assessment, A-09-15, *CMM Operations in the SNMCRF*, was performed January 26, 2009 through February 20, 2009 to assess the activities associated with the operations of the Coordinate Measuring Machine (CMM) against selected criteria identified in DOE/NNSA

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QC-1, DOE/NNSA Weapon Quality Policy, Revision 10. The report was published in March 2009.

B&W Pantex conducted the second SNMCRF assessment, A-09-12, SNMCRF Weigh Station, during the Fourth Quarter of FY09. The assessment evaluated activities associated with the operations of the SNMCRF Weigh Station against selected criteria identified in DOE/NNSA QC-1, DOE/NNSA Weapon Quality Policy, Revision 10. The report was published in September 2009.

Performance Objective #8: Safely and Effectively Manage Nuclear Materials (NM) and Critical NM Support Programs.

B&W Pantex exceeded performance in many areas for this performance objective.

Performance Assessment:

Performance Target #8.1:

B&W Pantex met the performance standard for this performance target. B&W Pantex submitted project plans to PXSO on November 20, 2008, but these plans had inadequacies related to cost data, operational priorities, and schedules. The inadequacies were addressed and the plans were revised and re-submitted on December 31, 2008. Monthly meetings have been conducted between B&W Pantex and PXSO to discuss the progress on the project plans. These meetings have resulted in improved communications on progress and issues concerning Nuclear Material Program status. Changes to program and project plans were generally briefed to PXSO Subject Matter Experts in a timely manner. However, there are continued instances in which B&W Pantex has performed activities and/or expended resources in advance of receiving concurrence/approval of program/project plans. While this does show initiative and forward thinking, there is still room for improvement in this area.

Performance Target #8.2:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex delivered an SNM Storage/Staging Contingency Plan to PXSO on December 19, 2008, ahead of schedule. B&W Pantex also responded to PXSO and NNSA/Headquarters request for low-cost options for increasing pit storage capacity at Pantex in response to a potential NNSA SNM and pit staging/storage shortfall for out-years. Not only did B&W Pantex respond to the request, but they have also initiated procurement activities with funding gained through efficiencies throughout the year to begin addressing the potential staging/storage shortfall. These activities received approval/concurrence through the site office. Also, the B&W Pantex option was endorsed by the PXSO Site Office, is receiving positive consideration/reviews as a possible option to relieve an NNSA concern, and should result in substantial cost savings to the government over the next thirty years, if the plan proves to be feasible.

Performance Target #8.3 a:

B&W Pantex exceeded the performance standard for this performance target. B&W performed qualification activities throughout the year, and a final Qualification Evaluation Release (QER) was received in September 2009 to qualify laser gas sampling operations for W78 pit

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surveillance. Qualification of this process proved to be challenging since problems were encountered with repeatability and obtaining desired weld quality.

Performance Target #8.3.b:

B&W Pantex significantly exceeded the performance standard for this performance target. The existing W78 pit surveillance backlog was reduced by 53%. This significantly exceeded the 10% reduction target.

Performance Target #8.3.c:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex provided an aggressive Laser Gas Sampling (LGS) Plan addressing SIER 20082219LA to PXSO in November 2008, and B&W Pantex executed the plan.

Performance Target #8.4:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex successfully coordinated with the Laboratory to determine early in the process (October 2008) the appropriate RTG selection and subsequent shipment. Component selection is a critical precursor to shipment and has been problematic in past years. This Laboratory controlled function is outside of B&W control but essential to shipment scheduling and execution. B&W Pantex completed shipments of the selected RTGs to the Laboratory for evaluation in May 2009.

Performance Target #8.5:

B&W Pantex exceeded the performance standard for this performance target. Most of the planned deliverables within this Performance Target were achieved even though there were resource (manpower) challenges to meet planned deliverable goals.

Performance Objective #9: Incorporation of High Quality Trainer Unit Into Weapons Training Program.

B&W Pantex substantially exceeded the performance for this Performance Objectives.

Performance Assessment:

Performance Target #9.1:

The W88 TYPE 5B, S/N L304, Trainer Upgrade Project Plan was submitted to PXSO in November, 2008, and received approval ahead of schedule.

Performance Target #9.2:

W88 TYPE 5B, S/N L304 was completely disassembled to facilitate a piece-by-piece comparison of each part to the drawings and the record of assembly. The Advance Change Order (ACO), Final Change Orders (FCO) and the Complete Engineering Release (CER), associated with the issue of a new drawing to ensure proper configuration of the trainer, were updated and issued by the Design Agencies. Each part was evaluated for conformance to quality and fit, form, and function, and replaced as necessary to meet the drawing definition. Assembly of this trainer will occur during execution of the Plan of Instruction (POI) of an ongoing weapons training class. The decision to defer assembly of the trainer unit was coordinated with NNSA/PXSO and NNSA/NA-122.22.

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Performance Objective #10: DSW Deliverables (Pantex Anchor)

B&W PX performance was outstanding per the Performance Objectives contained in the PEP.

Performance Assessment:

Performance Target #1:

B&W delivered the first W76-1 LEP units to the Navy in August, 2009 despite many technical issues that threatened to shut down production. In spite of the fact that critical components were received at less than "full-lead" time, B&W was still able to complete units on schedule.

Performance Target #2:

B&W Pantex completed B61 ALT 357 LEP in November, 2008, significantly ahead of schedule, meeting a DP "Getting the Job Done" objective.

Performance Target #3:

B&W Pantex provided full support to the B61 LEP Phase 6.2/2A study. The project completed Integrated Phase Gate A in August, 2009.

Performance Target #4:

B&W completed 118% of planned dismantlements, exceeding baseline commitments.

Performance Target #5:

B&W Pantex completed 100% of the deliverables required by Program Control Documents and the Master Nuclear Schedule Volume III. The included Alteration Kits, Limited Life Components to the DoD, 109% of D&I deliverables and 1000% scheduled JTA deliveries to the military for flight tests.

Performance Objective #11: Incorporation of High Quality Trainer Unit Into Weapons Training Program.

B&W Pantex substantially exceeded the performance for this Performance Objectives.

Performance Assessment:

Performance Target #11.1:

The W88 TYPE 5B, S/N L581, Trainer Upgrade Project Plan was submitted to PXSO in November, 2008, and received approval ahead of schedule.

Performance Target #11.2:

W88 TYPE 5B, S/N L581 was completely disassembled to facilitate a piece-by-piece comparison of each part to the drawings and the record of assembly. The Advance Change Order (ACO), Final Change Orders (FCO) and the Complete Engineering Release (CER), associated with the issue of a new drawing to ensure proper configuration of the trainer, were updated and issued by the Design Agencies. Each part was evaluated for conformance to quality and fit, form, and function, and replaced as necessary to meet the drawing definition. Assembly of this trainer will

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occur during execution of the Plan of Instruction (POI) of an ongoing weapons training class. The decision to defer assembly of the trainer unit was coordinated with NNSA/PXSO and NNSA/NA-122.22.

Performance Based Incentive #12: Disposition additional components (excluding hardware) from all categories (legacy and current dismantlement).

B&W Pantex substantially exceeded NNSA expectations in all areas of the performance target.

Performance Assessment:

Performance Target #12.1:

They exceeded the disposition of components in the incentive by 200% of the required 20,000 additional components. This specific target had three graded approached each and the main target each worth \$90,392.25 each.

Performance Objective #13: Develop, submit, and execute an approved comprehensive Management Assessment Plan which includes quarterly assessments to achieve a reduction in the movement and tracking issues associated with onsite and offsite material moves.

B&W Pantex substantially exceeded performance in many areas for this performance objective.

Performance Assessment:

Performance Target #13.1:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex completed three Management Self-Assessments as follows:

- MFG-09-08, Z12 MAA and Zone 11 Material Moves.
- MFG-09-09, Z4 and Transportation Material Moves assessment.
- MFG-09-02, Material Moves completed in the Second Quarter.

In addition B&W Pantex completed Independent Assessment A-09-16, Material Move Process. All assessment reports were posted on the S: Drive.

Performance Target #13.2:

B&W Pantex exceeded the performance standard for this performance target. Material Move Metrics were presented at the monthly PEP meetings. These metrics demonstrated that material moves are conducted with a low error rate that approaches six sigma. In addition, B&W Pantex developed a severity index to grade the severity of errors when they are detected.

Performance Target #13.3:

B&W Pantex substantially exceeded the performance standard for this performance target. B&W Pantex completed all corrective actions from the B&W Pantex Material Moves Causal Factors Analysis scheduled to be completed in FY 2009. In addition B&W Pantex continued to identify and implement additional opportunities for improvement of the material movement process. Identification and completion of corrective actions have resulted in a better understanding and

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control of the material movement process, and has also led to a vast improvement in performance in nuclear material movement, safeguards, and security.

Performance Target #13.4:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex completed a thorough verification and validation of corrective actions from the B&W Material Moves Causal Factors Analysis on September 15, 2009.

Performance Objective #14: Upgrade nuclear Facility Safety System

B&W Pantex substantially exceeded the standards of performance for this performance objective.

Performance Assessment:

Performance Target #14.1:

B&W Pantex substantially exceeded performance for this performance target. B&W Pantex completed modifications for all the seismic outliers in 12-98 Cell 4 ahead of the performance target schedule. This was verified during the FY09 SE Program assessment. This was accomplished in spite of not having a funding source identified for this activity at the beginning of the fiscal year.

Performance Target #14.2:

B&W Pantex substantially exceeded performance for this performance target. B&W Pantex completed seismic repairs in nine bays this FY (12-84 Bays 9, 11, 12, 13, 16, and 20; and, 12-99 Bays 3, 4, and 5). This was verified during the FY09 SE Program assessment. This was accomplished in spite of not having a funding source identified for this activity at the beginning of the fiscal year.

Performance Target #14.3:

B&W Pantex substantially exceeded performance for this performance target. B&W Pantex completed the installation of NUM-1B hoists was completed in 12 bays this fiscal year. This was verified during the FY09 SE Program assessment. This was accomplished in spite of not having a funding source identified for this activity at the beginning of the fiscal year.

Performance Target #14.4:

B&W Pantex substantially exceeded performance for this performance target. B&W Pantex completed the installation of Electrostatic Dissipative (ESD) flooring substantially exceeding the established goal. Although the goal was twelve, B&W Pantex actually installed sixteen ESD floor coverings this fiscal year. This was verified during the FY09 SE Program assessment. This was accomplished in spite of not having a funding source identified for this activity at the beginning of the fiscal year.

Performance Target #14.5:

B&W Pantex substantially exceeded performance for this performance target. B&W Pantex completed the installation of new emergency lights in 12-98 Cell 4 and 12-44 Cells 5&6. This was verified during the FY09 SE Program assessment. This was accomplished in spite of not having a funding source identified for this activity at the beginning of the fiscal year.

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Performance Objective #15: Support National Laboratory High Explosive (HE) initiatives and complete existing and FY09 Integrated Contract Orders (ICOs) issued to B&W Pantex in the HE areas.

B&W Pantex substantially exceeded performance in many areas for this performance objective.

Performance Assessment:

Performance Target #15.1:

B&W Pantex substantially exceeded the performance standard for this performance target.

B&W Pantex established themselves as the NSE Center of Excellence for HE Manufacturing and Testing. B&W Pantex provided outstanding support for completion of NSE HE initiatives. Nine Integrated Contract Orders (ICOs) were approved in FY09 and all commitments were completed, including:

- Provided 16,000 lbs of TATB to the DoD to support fuse munitions production in conjunction with the Plant's participation in NNSA Nuclear Weapons Stockpile Division's TATB Supply Study.
- Provided leadership for the Insensitive High Explosives (IHE) Enhanced Collaborative effort with AWE and Design Agencies to determine the path forward for TATB and TATB-based plastic bonded explosives.
- Co-authored the "Final Report of the NNSA –DSW Triamino-Trinitrobenzene (TATB) Supply Requirement and Options Evaluation Study" provided to NNSA NA-122 and DoD.

In addition, the following commercial HE ICOs were completed:

- Fluid jet machining of EDC-37 for AWE.
- Pressing, machining, radiographing, packaging, and shipping LX-14 charges and 100 grams of LX-17-1 to AWE.
- Packaging and shipping 3 lbs of HNS-FP and 10 lbs of HNS-1A to Hi Shear Technology.
- Providing material and technical support to LANL for isostatic pressing of HE.
- Packaging and shipping 70-grams of HNS-IV to Teledyne RSI.
- Performing slapper sensitivity testing on RDX loaded 250 grain/foot copper sheath linear shape charge for SNL.

Performance Objective #16: DSW Product Realization Integrated Digital Enterprise (PRIDE) Project—Execute FY09 site-based activities in accordance with the approved PRIDE project execution plan and site implementation plans.

B&W Pantex exceeded performance in many areas for this performance objective.

Performance Assessment:

B&W Pantex Performance Target #16.1:

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B&W Pantex exceeded the performance standard for this performance target. B&W Pantex secured site approval for use of a common tool developed to uniformly assess proposed NSE information architecture and systems application solutions against the Product Realization Integrated Digital Enterprise (PRIDE) vision. B&W Pantex also sponsored Project Realization Team (PRT) training and certification in The Open Group Architecture Framework (TOGAF) program. Significant progress was made on this project during the year, including development of the capability to go from stand alone systems to networked systems. This project enables better data sharing between nuclear security sites.

Performance Target #16.2:

B&W Pantex exceeded the performance standard for this performance target.

B&W Pantex developed and implemented a Production Quality Evaluation Requirements Tracking System (QERTS) Phase 1 Application, on the Enterprise Secure Network (ESN). QERTS is the first NSE full-production application to successfully operate on the ESN. QERTS enables Surveillance Program integrated planning capability across the entire NSE.

B&W Pantex also established a Pantex site Sigma 15 classified system network capability on June 17, 2009, ahead of schedule. The network establishment was a coordinated effort involving B&W Pantex and PXSO personnel. This network enables electronic sharing of Sigma 15 data between authorized personnel across the NSE, while reducing the need for creation and management of Accountable Classified Removable Electronic Media (ACREM). One area of performance that could have been improved was in identifying the proper project scope and requirements, and in coordinating work with all the proper organizations.

Performance Target #16.3:

B&W Pantex met the performance standard for this performance target. B&W Pantex established and configured, per the NSE requirements defined in PRS12005, a classified MCAD data management and sharing system. This system will allow for the NSE exchange of product data definition under configuration control, and is required to enable the migration of tooling and HE manufacturing data into PDMLink. B&W Pantex also completed the analysis and design to implement tooling review workflows in PDMLink. The approach will simplify implementation and reduce the overall maintenance required on the system when future releases are incorporated.

Performance Target #16.4:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex developed an Unclassified Proof of Concept for web application technology. B&W Pantex also provided access to the Nuclear Explosive Operating Procedure (NEOP) Data Mart, as required in the project scope, and provided access to the Variables Data and Unit Folder Data Mart information, exceeding the FY09 project scope.

Performance Target #16.5:

B&W Pantex met the performance standard for this performance target. B&W Pantex participated in the writing of Federal Level 2 requirements and tool documents for the unified business process utilizing the RMI process. B&W Pantex also participated with ESN in the

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development of a cross-site workflow to begin changing the technical approach to the new business process.

Performance Objective #17: Effectively Manage Production Support Operations

B&W Pantex performance was outstanding per the Performance Objectives contained in the PEP.

Performance Assessment:

Performance Target #1:

B&W established a baseline metric in November 2008. Improved focus on reducing the components in a backlog status had a highly desirable impact. The goal of 10% reduction in the number of production inventory items in ship status was achieved early in the second quarter. By the end of FY09, B&W Pantex had reduced the number of production inventory items in ship status by 9,819 items which was a 48.5% reduction from the previous year.

Performance Target #2:

Based on the FY09 workload, a 12-month forecast was generated by October 31, 2008; this far surpassed the goal of a 90-day forecast. Due to approved changes in the FY09 workload, this forecast was updated before the end of the second quarter for the remainder of the year. In FY08, B&W Pantex had an on-time ship performance of only 19%; in FY09, this figure improved by 28%, significantly beating the goal of 10%.

Performance Target #3:

B&W Pantex established a baseline for Inventory Record Accuracy (IRA) for War Reserve (WR) and developed a metric for tracking early in the First Quarter of FY09. This early completion of the goal enabled them to focus on enhancements that resulted in an IRA for FY09 that exceeded the industry standard of 95%.

Performance Objective #18: Effectively Manage Special Tools Required for Production Activities

B&W Pantex performance was outstanding per the Performance Objectives contained in the PEP.

Performance Assessment:

Performance Target #1:

A metric to measure on-time special tooling delivery on a monthly basis was developed in the First Quarter using the requested date and delivery date in the i-Tools system. The implementation of i-Tools has greatly increased the tracking and efficiency of special tooling delivery to the production line.

Performance Target #2:

The use of i-Tools made visible the number of special tools requested each month varied from 600 to over 1400. Although on-time delivery of tooling in the beginning of FY09 was only 88%, B&W Pantex improved this rate to 95% during the fourth quarter – exceeding the goal of 90% established by the PEP. Even with the slow start to FY09, B&W Pantex achieved an overall on-time delivery for special tooling of 94%.

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OPERATIONS

Fiscal Year 2009
October 1, 2008 through September 30, 2009

		PO/PBI # and TITLE	PO/PBI Fee
PO #19	ESSENTIAL	Effectively Perform Project Management Activities Associated with all FIRP, Line Item and Operations of Facilities	\$ 316,372
PO #20	ESSENTIAL	Effectively Manage, Implement, and Convert the Central Fire Receiving Station to One Monitoring System	\$ 210,915
PO #21	ESSENTIAL	Effectively Manage and Safely Conduct Maintenance Operations to Responsively Meet the NNSA Mission	\$ 105,458
PO #22	ESSENTIAL	Complete Line Item (LI) Project Critical Decisions (CDs) Description	\$ 140,610
PO #23	ESSENTIAL	Facilities and Infrastructure Recapitalization Program (FIRP) General Performance and Deferred Maintenance Reduction	\$ 210,915
PO #24	ESSENTIAL	Meet Specific Environmental and Energy Objectives	\$ 105,458
PO #25	ESSENTIAL	Pantex Renewable Energy Project	\$ 492,135
PO #26	ESSENTIAL	Maintain a Comprehensive Emergency Management System that Complies with DOE O 151.IC	\$ 210,915
PO #27	ESSENTIAL	Maintain Nuclear Incident Response Program (NIRP) Capabilities in Accordance with DOE O 153.1	\$ 105,458
PO #28	ESSENTIAL	Plan and Resource an Effective and Efficient Safeguards and Security Program. (DNS Goal 1)	\$ 1,265,490
PO #29	ESSENTIAL	Operate an Effective and Efficient Safeguards and Security Program. (DNS Goal 1)	\$ 1,265,490
PO #32	ESSENTIAL	Plan for a Site Security "Footprint" and Capacity Requirements to Meet Weapons Program Complex 2030 Goals	\$ 421,830
PO #33	ESSENTIAL	Environmental Protection and Pollution Prevention	\$ 210,915
PO #34	ESSENTIAL	Maintain and Enhance the Environmental Management System (EMS)	\$ 210,915
PO #35	ESSENTIAL	Develop a Pantex-Specific HRO Manager Education Series	\$ 105,458
PO #36	ESSENTIAL	Use CAS to Access Flow-down and Implementation of TSRs	\$ 210,915
PO #38	ESSENTIAL	Upgrade Safety Systems	\$ 210,915
PO #39	ESSENTIAL	Disposition of Scrap Metal	\$ 210,915
PO #40	ESSENTIAL	Eliminate Chlorine Gas as a Disinfectant for Water at Pantex	\$ 105,458
PO #41	ESSENTIAL	Effective Counterintelligence Program	\$ 210,915

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PO #43	ESSENTIAL	Execute the Environmental Restoration Program as Required by the Approved Baseline	\$ 421,830
			<i>Base Total</i> \$ 6,749,282
PO/PBI # and TITLE			PO/PBI Fee
PO #30	STRETCH	Analyze and Plan Implementation of 2008 Graded Security Protection (GSP)	\$ 1,483,950
PO #31	STRETCH	Implement a Security Infrastructure modernization Program. (DNS Goal 2)	\$ 361,569
PBI #37	STRETCH	Convert the Central Fire Receiving Station to One Monitoring System. Panels in Addition to 20 in PO 20.	\$ 180,784
PO #42	STRETCH	Eliminate Chlorine Gas as a Disinfectant for Water at Pantex	\$ 301,307
			<i>Stretch Total</i> \$ 2,327,610
			TOTAL \$ 9,076,892

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Performance Area: Operations
Award Fee Adjectival Rating: Outstanding
Numerical Rating: 92%

Performance Objective #19: Effectively Perform Project Management Activities Associated with all FIRP, Line Item and Operations of Facilities

B&W Pantex exceeded NNSA expectations in the area of Project Management expectations.

Performance Assessment:

Performance Target 19.1.a:

B&W Pantex met expectations by providing project baselines were established for all active projects.

Performance Target 19.1.b:

B&W Pantex exceeds PXSO expectations by provided detailed monthly reports.

Performance Target 19.1.c:

B&W Pantex exceeded expectation by maintaining all projects in a green status. This is a significant improvement over past years.

Performance Target 19.2.a:

B&W Pantex met expectation in the management of the HEPF.

Performance Target 19.2.b:

B&W Pantex met expectations in maintaining EVMS data green for the Gas Main Project.

Performance Target 19.2.c:

B&W Pantex exceeded expectations in the management of the Electrical Distribution Upgrade project and has been responsive to emerging issues and management of work.

Performance Target 19.3:

B&W Pantex has met expectations regarding site support for the Gas Main Distribution System and the High Explosive Pressing Facility as it relates to the Corps of Engineers.

Performance Objective #20: Effectively Manage, Implement, and Convert the Central Fire Receiving Station to One Monitoring System

B&W Pantex significantly exceeded NNSA expectations by completing 21 panels 5 months ahead of schedule. This allowed B&W Pantex to complete 15 additional panels as part of their stretch objective plus 1 additional challenging and difficult panel in Bldg 12-5.

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Performance Objective #21: Effectively Manage and Safely Conduct Maintenance Operations to Responsively Meet the NNSA Mission

B&W Pantex exceeds NNSA expectations in managing and safely conducting Maintenance Operations.

Performance Assessment:

Performance Target 21.1:

B&W Pantex met PXSO expectations in managing safety and fire protection backlogs while meeting facility and equipment reliability.

Performance Target 21.2.a:

B&W Pantex exceeded expectations by maintaining mission critical and mission dependent/not critical facility availability greater than 99%.

Performance Target 21.2.b:

B&W Pantex exceeded expectations by maintain utility availability greater than 99%.

Performance Objective #22: Complete Line Item (LI) and Expense Project Critical Decisions (CD's) Description

B&W Pantex met NNSA expectations by completing all Line Item and Expense Project Critical Decisions (CD's).

Performance Assessment:

Performance Target 22.1:

B&W Pantex met expectation by achieving HPFL Project CD-3 on July 9, 2009.

Performance Target 22.2:

B&W Pantex met expectation by submitting FSLI CD-0 2/09.

Performance Target 22.3:

Deleted Admin Building CD-1 placed on hold pending PREP project development.

Performance Target 22.4

Deleted USF CD-0 Pending NPR

Performance Target 22.5:

Deleted WSF CD-0 Pending NPR.

Performance Target 22.6:

B&W Pantex met expectation by achieving OSD&I CD-0 approval by 2/25/2009

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**Performance Objective #23: Facilities and Infrastructure Recapitalization Program (FIRP)
General Performance and Deferred Maintenance Reduction**

B&W Pantex substantially exceeded NNSA expectations in FIRP management and Deferred Maintenance Reduction.

Performance Assessment:

Performance Target 23.1.a:

B&W Pantex met expectation for Building 12-021 Mechanical/Electrical/Interior Refurbishment by issuing RFP. Award expected in FY 10.

Performance Target 23.1.b:

B&W Pantex met expectation for completing the 70% design on September 22, 2009.

Performance Target 23.2:

B&W Pantex substantially exceeded 87% costing goals by achieving a 94% costing of operating funds. 52% of capital funds were also spent even with delays in contract awards outside of their control.

Performance Target 23.3:

B&W Pantex exceeded expectations by committing 50% of funds within the first 180 days after funds were received.

Performance Target 23.4:

B&W Pantex substantially exceeded the \$6M deferred maintenance reduction goal by achieving a \$22.6 M reduction in deferred maintenance.

Performance Objective #24: Meet Specific Environmental and Energy Objectives

B&W Pantex met NNSA expectations in meeting specific environmental and energy objectives.

Performance Assessment:

Performance Target 24.1:

B&W Pantex met expectations by submitting Strategic Plan for Energy Management on December 31, 2008.

Performance Target 24.2:

B&W Pantex met expectations by achieving a 2.23% energy intensity reduction this year and a 17.2% reduction since 2003. This progress is in alignment with the 30% goal by 2015.

Performance Target 24.3:

B&W Pantex substantially exceeded expectations by achieving a 17.4% reduction in water usage from the 2007 baseline. This effort exceeds the 16% goal to be achieved by 2015.

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Performance Target 24.4:

B&W Pantex met expectations for incorporating LEED criteria to the maximum extent possible on new construction.

Performance Target 24.5:

B&W Pantex met expectation for complying with the energy savings “guiding principles” for buildings costing less than \$5M. No new buildings were designed during year.

Performance Target 24.6:

B&W Pantex met PXS0 expectations for ESPC DO-III by providing a technical feasibility review of six new energy conservation measures suggested by the ESPC, but it will not be pursued at this time.

Performance Objective #25: Pantex Renewable Energy Project (PREP)

B&W Pantex substantially exceeded NNSA expectations in supporting deliverables, filing applications, and responding to questions.

Performance Objective:

Performance Target 25.1:

B&W Pantex substantially exceeded expectations by achieving CD-1 approval on August 26, 2009. (Performance Target was August 31, 2009). This effort was completed within one year of conception of the project.

Performance Target 25.2:

B&W Pantex exceeded expectations in working with INL to support wind farm layout, design, and major equipment purchases. Met towers were installed, wind farm layout was designed, and all necessary permits and FAA applications were submitted. These efforts have been accomplished under budget constraints & within a very short time frame.

Performance Target 25.3:

B&W Pantex has exceeded expectations by installing a second MET tower and SODAR system by June 22, 2009 ahead of the performance target objective of July 31, 2009.

Performance Objective # 26 Maintain a Comprehensive Emergency Management System that complies DOE O 151.1C

The B&W Pantex Emergency Management Program substantially exceeded expectations during this performance period. B&W Pantex took on additional work in various areas to support continuity of operations requirements were effectively implemented ensuring both B&W and the PXS0 needs were met through the emergency management program. The annual exercise was a significant effort that was well planned and executed. Additionally, B&W Pantex has taken measures to ensure alignment within the emergency management organization, as well as with PXS0.

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Two particular events warrant special mention. B&W did an excellent job of preparing a significant snow storm that could have temporarily degraded mission requirements in some areas. Through immediate and deliberate actions on the part of B&W Pantex emergency management senior leadership, the site was well prepared and able to “weather” the storm with very little impact to operations. The second event was the planning and preparedness evident in the preparation for the H1N1 pandemic.

Performance Assessment:

Performance Target 26.1:

26.1 Implement DOE O150.1 Continuity Programs

B&W Pantex has made significant progress in developing a comprehensive site-wide continuity of operations (COOP) plan. B&W has also finalized a Pandemic Plan according to the schedule set by DOE/NNSA Headquarters. The Pandemic Plan was considered by DOE HQ as one of the best-in-class and was put forth by HQ as a model for pandemic planning.

Performance Target 26.2:

26.2 Ensure that B&W ERO participants are trained in accordance with SCH-0002

The Pantex emergency management program continues to make great efforts to assure B&W ERO members are adequately trained and qualified for duty during the first month of the new Fiscal Year in accordance with SCH-0002. This effort is in keeping with the DOE Order 151.1C and Guidance, and HS-63 expectations.

Performance Target 26.3:

26.3 Conduct site-level ERO drills and the annual exercise in accordance with SCH-0002

The B&W Pantex emergency management program was responsible for very effectively conducting twenty-two emergency management drills of which four were site-level ERO drills. In addition, emergency management organization has also conducted eleven operational drills. All drills were in accordance with the approved Training and Drills Schedule.

Performance Target 26.4:

26.4 Implement an effective Readiness Assurance Program utilizing SCH-0001

The Emergency Management Division continues to invest in a strong Readiness Assurance program. PXSO Line Oversight consistently identifies “strengths” associated with this program. The EMD self-assessment process is well implemented and meaningful in terms of program self improvement. This year, EMD conducted an Internal Independent Self-Assessment in the HSHA Program Element. This demonstrated a commitment to program excellence that substantially exceeds performance expectations.

Performance Target 26.5:

26.5 Submit EM related documentation for approval in accordance with SCH-0004

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The emergency management organization was very busy this year updating a number of key planning documents, ensuring the quality and focus of the overall EM program. Such documents like the NIRP Program Plan, the NIRP Compound Security Plan, the EPHS, the Emergency Communication Plan, and Pandemic Plan are examples of planning documents that were developed on time and were reflective of a high quality product that exceeds expectations.

Performance Target 26.6:

26.6 Submit monthly performance indicator data and quarterly analysis reports

B&W Pantex submitted all required metrics for LOCAS and program specific Health Indicators according to the agreed upon schedule. Other reports submitted according to schedule were the ES&H Monthly Program Review and the Emergency Management Financial Reports. Additional reports were furnished PXSO like the Weekly Findings Report which provided status of both internal and external corrective actions. EMD worked closely with the PXSO and NA-43 and NA-41 in developing new metrics that gives Complex-wide conformity to program assessment.

Performance Target 26.7:

26.7 Implement Emergency Communications Network (ECN) enhancements in accordance with project schedule

B&W Pantex submitted a Project Design Agreement (Spectrum Relocation Project/Emergency Communications Network Project) to PXSO in March and conducted a walk-down of the project locations/phases with the Project Manager.

Performance Target 26.8:

26.8 Submit documentation of hazardous material change reviews/analyses conducted to maintain Technical Planning Basis currency

B&W Pantex revised the Emergency Planning Hazards Survey and submitted the Plan for approval. Again, EMD took extra steps, substantially exceeding expectations, to assure that efforts toward this program element were correctly focused on the areas that needed attention, and to validate corrective actions that were designed to address HS-63 Findings. Such rigor in the Readiness Assurance Program will result in high dividends in the future within this program element.

Performance Target 26.9:

26.9 Implement corrective actions associated with HS-63 Office of Emergency Management Oversight findings

The Pantex emergency management continues to significantly exceed expectations making consistent progress towards implementing the corrective actions identified in the approved Corrective Action Plan and providing a completion status on a monthly basis to PXSO.

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Performance Objective #27: Maintain Nuclear Incident Response Program (NIRP) capabilities in accordance with DOE O 153.1

The B&W Pantex NIRP program continues to receive exceptionally high marks from all of its customers. B&W Pantex has substantially exceeded expectations with their work at the NIRP and support of the Pantex Plant and others. NIRP leadership hosted a number of high level visits and ensured various program objectives were met.

Performance Assessment:

Performance Target 27.1:

27.1 Maintain NIRP deployable equipment and teams in a “ready to deploy” status

The NIRP exceeded all of its “Ready to Deploy” obligations during planned and no-notice NA-42 drills and exercises. Feedback from the DOE customer continues to indicate that their expectations were substantially exceeded especially in terms of punctuality and capability. Inventory sheets indicate NIRP achieved a 100% availability/operability level for supplies and equipment.

Performance Target 27.2:

27.2 Provide emergency response training to Other Government Agencies (OGAs)

The NIRP Team continues to provide high quality training for a variety of Other Government Agencies. Many of these customers are repeat customers that have gone on record (After Action Reports) as receiving excellent/exceptional training by the Pantex NIRP Team.

Performance Target 27.3:

27.3 Enhance assets and capabilities at the NIRP Compound

The NIRP Team continues to substantially exceed expectations in making investments in the NIRP Compound to ensure it is compliant and more functional as a deployment staging area, training facility, and routine place of business. This year, upgrades were accomplished in fire protection, security, and electrical systems.

Performance Target 27.4:

27.4 Ensure notifications are made immediately and as appropriate, for any actions taken in support of the NIRP

NIRP made every effort to keep PXSO management informed of NIRP activities (scheduled and non-scheduled activities). The use of the OC, communicator, and pager system were exercised regularly to assure connectivity.

Performance Target 27.5:

27.5 Provide quarterly status reports summarizing the activities of the NIRP

B&W Pantex, NIRP provided the PXSO Emergency Preparedness Manager with NIRP Quarterly Summary Reports. Inventory Equipment Reports. Drill and NNE results. After-Action Reports.

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and Variance Reports according to approved schedule and as information became available. These reports exceeded expectations both in content and quality.

Performance Target 27.6:

27.6 Implement an effective Readiness Assurance Program, utilizing SCH-0001

Through B&W Pantex efforts the NIRP, as well as the emergency management program have extended the Readiness Assurance program to include the self-assessment of the NIRP program. In FY09, a Level II Self-Assessment was conducted in the third quarter. This assessment was effective in that it identified areas that need improvement. These findings and associated corrective actions are also tracked in the ESTARS/PERS system.

Performance Objective #28: Plan and resource an effective and efficient safeguards and security program.

B&W Pantex has substantially exceeded expectations in the area of safeguards and security planning. All site security planning activities effectively integrated requirements and resources across the S&S topical areas. B&W fully supported NNSA PPBE initiatives within the programmatic constraints. Through various efforts, B&W Pantex exceeded expectations in integrating leadership initiatives and initiating high performance organization principles.

Performance Assessment:

Performance Target 28.1.1:

28.1.1 Requirements traceability is incorporated across all security planning documentation

B&W Pantex effectively demonstrated their ability to incorporate requirements traceability across all security planning documents. The end-of-year strategic plan (S&S Program Vision, Status, and Action Plan) fully addressed concerns identified early in the performance period.

Performance Target 28.1.2:

28.1.2 Prepare analysis to support implementation of a revised SSSP

B&W has appropriately prepared the analysis to support implementation of the revised SSSP, briefing PXSO management on each step of the process. Initial planning assumptions were good and fulfilled the requirements for scenario development and GSP base-line development. Site

Performance Target 28.1.3:

28.1.3 FY10 Site Implementation Plan is developed, approved by the Site Office and provided to DNS in time to support PPBE timelines

Implementation plans were appropriate and change controls were submitted as appropriate to ensure a balanced and cost effective approach to S&S planning.

Performance 28.1.4:

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28.1.4 Site FS-20 Budget Submission is performance-based and clearly links resources to outcomes

The preparatory (preplanning) and planning activities to support the FS-20 budget exceeded expectations and became the basis for critical decisions concerning funding/resource needs.

Performance Target 28.1.5:

28.1.5 Manage the cumulative monthly S&S baseline operating costs to <5% variance and <5% carryover

Operating costs and commitments were held to less than 5% throughout the performance period. Quarterly reports were provided ensuring a firm understanding of financial status throughout the year.

Performance Target 28.2.1:

28.2.1 Participate in leadership alignment activities

B&W Pantex did an excellent job of participating in leadership and alignment activities sponsored by both the PXSO and Department. B&W supported the S&S leadership coalition efforts at various meeting throughout the year to include briefing all NNSA S&S security managers on the basic principles of High Reliability Operations.

Performance Target 28.2.2:

28.2.2 Train all organizational elements and supervisors in basic leadership principals for high performance organizations

A significant contribution was evident in the activities supporting a continuing leadership development program for all Pantex security personnel. While organizational elements were introduced, as required, to the basic leadership principles, additional or follow on activities have been identified and are continually working to modify existing cultural issues.

Performance Objective #29: Operate an Effective and Efficient Safeguards and Security (S&S) Program

For this performance period B&W Pantex exceeds the standard of performance in many areas. Performance in critical safeguards and security areas remain at a high level although there is room for improvement in some areas. Program milestones and deliverables in SSSP development exceed schedule expectations. Performance generally exceeded expected levels of performance against this year's Performance Objectives. All other contract requirements, not addressed by the Performance Objectives in this PEP, were performed at or above minimum acceptable levels as evidenced by the results of the annual safeguards and security survey results.

Performance Assessment:

Performance Target 29.1:

29.1 Topical and sub-topical areas are rated as satisfactory

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B&W Pantex achieved topical ratings of satisfactory in all S&S topical areas providing reasonable assurance that an appropriate and adequate security program is provided for NNSA assets.

B&W has made strides in the development, formality and integration of the Performance Assurance Program (PAP). The FY09 PAP Plan was submitted and approved by PXSO. The plan was well written and contained the required elements. New management identified further improvements to the program and submitted a revised plan to reduce the number of assessments/tests completed during the FY while improving the quality and usefulness of the assessments/tests.

B&W received a finding in FY08 which stated that the PAP did not effectively test elements of the site's protection strategy. This finding was closed early in the FY based on evidence that critical system and essential elements had been identified and that an appropriate schedule had been developed to test those elements. However, the schedule for testing these elements slipped when resources and priorities within the testing department were reallocated as a result of changes in management and organizational structure. B&W made several attempts to recover the testing schedule and obtain the necessary data. In the last quarter of the FY, the Performance Testing Department Manager, in conjunction with the recently hired Division Manager and other Department Managers, developed a strategy to prioritize performance testing, consolidate and review past testing, determine gaps that require additional testing, and test those areas in accordance with the newly developed plan. B&W's gap analysis identified that a validation force-on-force and various command post and joint exercises had not been conducted. B&W assigned additional resources to the performance testing group to help accomplish the required compliance and performance testing. B&W is on schedule to perform FOF exercises as well as the quarterly testing of SPOs which includes written tests, range qualifications, LSPTs, run qualifications, and testing SPO knowledge of the use of deadly force. While the results of this testing indicate the performance of PF is improving, it also identified some shortfalls in knowledge of deadly force and SNM recognition. Subsequent testing has demonstrated improvement in these areas.

B&W's own review of their performance assurance program revealed that shortfalls in assimilating, documenting and integrating data from various tests prevented them from drawing definite conclusions regarding the status of the S&S program. There is at least informal evidence which indicates that the S&S Program is performing effectively overall and continually improving. Some of that evidence includes recently conducted FOF exercises and weekly testing by the Shift Commanders Working Group.

The self-assessment program has demonstrated marked improvement toward the end of the FY. Two previously issued findings were closed in the areas of timely submission of corrective action plans and the adequacy of the actions in resolving the identified issue. Additionally, B&W developed an Issues Management Process and associated Issues Management Review Board (IMRB) to identify corrective actions and standards of evidence for closure so that the actions can be validated and closed in a timely manner. The Board analyzes available data as well as findings.

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deviations, etc., from a high level strategic view to determine the overall health of the S&S Program. PXSO began to see the benefits of this process almost immediately and anticipates that the Board will continue to enhance the self-assessment program and health of the overall Safeguards and Security Program.

The B&W Pantex S&S organization has embraced the principles and attributes of a High Reliability Organization (HRO). In concert with these principles B&W has worked to reduce overall costs to the S&S program, to include protective force over-time. In March of 2009, B&W Pantex submitted a resource plan that provided for significant cost reductions. A zero-based budget review was conducted that identified the base-line requirements for the overall program. Impacts of operating at reduced funding levels were identified and provided to PXSO. B&W Pantex personnel did an excellent job of developing the FY2011 budget and presenting costs and impacts at various quarterly program reviews, to include those conducted for NNSA HQ. The submittal of the Annual Operating Plan represented an acknowledgement of cost reductions required to ensure a continuing focus on the overall resources required to effectively implement an efficient overall S&S program.

B&W has demonstrated a willingness and ability to overcome significant, non-routine issues and has invested heavily in developing the personnel and capital resources necessary for a fully effective program. Oversight activities during this period have shown that those enhancements are continuing and are being appropriately implemented providing a good foundation for the continued growth of the program.

Performance Target 29.2.1:

29.2.1 Reduce Protective Force Overtime costs

B&W continues to negotiate with labor to address significant budget reduction and reduce overall program costs. But in the mean time significant cost savings were generated by reducing staffing levels and addressing possible overtime scenarios.

Performance Target 29.2.2:

29.2.2 Improve Call Out and Unable to Fill processes for Protective Force overtime

Because of collective bargaining agreement constraints, B&W did not provide a plan to specifically address protective force overtime costs. They did instead provide an overall budget and resource allocation that effectively reduced overall program costs. PXSO will continue to oversee B&W actions to ensure an appropriate management approach to reducing PF overtime in 2010.

Performance Objective #30: Analyze and plan implementation of 2008 Graded Security Protection (GSP)

Performance Assessment:

Performance Target 30.1:

30.1 GSP implementation plan submitted on time and with appropriate quality and fidelity

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Overall, B&W Pantex has effectively accomplished S&S program planning objectives for the GSP in various ways within the S&S Division that are intended to integrate the technical disciplines, as well as provide consistent and unified implementation.

Performance Target 30.2:

30.2 Quarterly status reports are submitted on time and with appropriate quality and fidelity

To ensure program direction, PXSO and B&W held weekly meetings at the project plan working group level, and a SSSP/VAR meeting at the Site Manager and General Manager level. B&W has continued to progress in these areas. Outside resources and experts in the conduct of VAs, along with the B&W VA staff, have been instrumental in developing and improving the overall program.

Performance Target 30.3:

30.3 Implementation executed according to schedule

Both PXSO and the DOE Office of Independent Oversight (OIO) have issued findings to address concerns with the SSSP and supporting VA program. The major concerns were maintenance of the default settings in modeling database, quality and availability of evidence files, insider analysis and overall lack of formality in the VA process. In particular, the OIO noted that the VA process was insufficient to produce a reliable assessment of the risks, and that the inexperience of the VA staff contributed to this weakness early in the performance period.

To address these concerns B&W contracted with an outside VA expert to mentor the B&W VA staff and assist in completion of an insider analysis that considered the full spectrum of the threat. The analysis was complete and thorough, and the SSSP accurately reflects the information in the analysis. The improvements in the program demonstrate the increased knowledge of the VA staff.

As a result of extensive work by the VA staff, all findings against this program were closed during FY09. B&W's Program Integration Department has implemented a process for continued review of the SSSP with formal change control and annual submission to PXSO.

At one point in the improvement process, B&W changed all VA modeling values back to their default settings, and put a process into place to document and justify changes to those values and link them to evidence files which explains the justification for each change. The critical system elements and other values in the ATLAS model are being evaluated "element by element" to assure accuracy and to document the justification for the value. The Performance Assurance Testing, Protective Force and Systems Departments are all contributing to the validity and sustainment of the values used in the VA analysis. A thorough and consistent system was put into place to ensure each value, assumption, and/or conclusion used in calculating systems effectiveness is justified and backed by documented evidence.

At the beginning of FY09, B&W began efforts to analyze the GSP and re-write the Site Safeguards and Security Plan and associated Vulnerability Assessment Report. During this survey period, the VA staff developed a nine-step scenario development process that generated

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numerous scenarios. This process and the scenarios were presented during the DOE/NNSA sponsored GSP workshop. B&W was one of two sites requested to prepare a presentation and provide information to other DOE and NNSA sites in support of the GSP.

During April 2009, the Vulnerability Analysis Review Team from NA-70 visited Pantex to review the progress made towards implementation of the Graded Security Protection (GSP). The team identified issues with the analysis supporting the implementation of the GSP. The budget and associated GSP IP planning documents reflected upgrades necessary to fully implement the GSP. These upgrades are not considered necessary for GSP, but they were intended to address the aging and degradation of the systems in place. Rather than associating the upgrades with implementation of the GSP, B&W should have identified this aging and degradation issue in life cycle planning. Since B&W did not have a robust life cycle planning process, the VA staff documented the needs as “upgrades.” The PXSO immediately rated B&W performance as “marginal” in GSP implementation and “unsatisfactory” in the program management topical area, then tasked B&W to prepare a recovery plan with associated actions and milestones to address concerns. B&W developed a formal project plan which outlined the tasks associated with completing the SSSP and associated Vulnerability Assessment Report to support implementing the GSP.

B&W VA and SSSP personnel have demonstrated significant improvement and have implemented numerous processes geared towards making safeguards and security planning at the Pantex Plant the best in the Nuclear Security Enterprise. The required knowledge and experience of the personnel performing these duties is vast and the VA experience isn’t obtained quickly. The willingness of the B&W personnel coupled with help from outside experts is expanding their abilities at a steady pace. Continued diligence is necessary to ensure the program and the staff continues to evolve. The progress and formalization of the program provides reasonable assurance that protection objectives are being met.

Performance Objective #31: Implement a security infrastructure modernization program.

Performance Assessment:

Performance Target 31.1:

31.1 Identification of actions necessary for continued implementation of modernization plan

B&W Pantex substantially exceeded expectations by leading Plant organizations in providing S&S information concerning modernization efforts for the Pantex Plant. Construction support was provided in excess of the allocated security police officers assigned to escort duties.

Performance Target 31.2:

31.2 Completion of actions necessary to complete modernization plan

B&W efforts to construct and bring on-line the new automated security portals were significant. Three new automated portals were constructed during this evaluation period. While not fully operational at the close of this period, the modernization of access control for the limited area has the potential for significant process improvement as well as reduction of costs. Additional

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activities in the issuance of site-specific access control badges and the implementation of HSPD-12 badges are very valuable to the overall site modernization plan.

Another significant aspect of B&W's modernization of security is the creation of a lifecycle management approach to security systems. This was a significant focus area for B&W for this performance period. B&W analyzed all critical security systems and identified lifecycle needs and requirements. The analytical work produced a prioritized list of selected systems requiring replacement in order to sustain systems performance. Performance expectations and standards were also established for various security systems throughout the Plant. Included in the prioritization are detection systems, optics, firearms, imaging systems and fixed point cameras. B&W also took specific action to investigate and procure a specialized canine program that fully modernizes the Plants detection capability in that area.

Performance Objective #32: Plan for a site security "footprint" and capacity requirements to meet weapons program complex 2030 goals.

Performance Assessment:

Performance Target 32.1:

32.1 Provide the necessary security support to assembly/disassembly projects designed to sustain Pantex throughput

B&W Pantex substantially exceeded expectations in support of meeting program complex 2030 goals. The S&S division continues to integrate with Plant operations and mission focus areas to ensure adequately daily and long term support. An internal assessment performed by B&W Pantex identified requirements compliance and performance to ensure support of the DOE M 470.4-1 requirements. In addition, B&W security personnel were active and integrated with the Plant's internal integration meetings to include the Plant-wide Integrated Plan of the Day (IPOD) meetings.

Performance Target 32.2:

32.2 Support the upgrade and modernization of Pantex for the long-term

B&W Pantex also reviewed the security foot print identified in the Comprehensive Ten Year Site Plan and consolidated various projects previously list in that plan. Through this review and consolidation activity, various S&S projects were removed for consideration for funding and other projects were started or procured with FY09 funding.

The focus on the use of technology and upgrading existing technologies provides the plant with a footprint that ensures a sound foundation for future budget years.

Performance Target 32.3:

32.3 Support the consolidation of large-scale, high-explosive production pressing and machining operations at the Pantex Plant

The high-explosive production pressing facility project was cancelled.

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Performance Target 32.4:

32.4 Support the Zone 4 replacement project

B&W supported efforts towards the planning and design of the Zone 4 replacement project.

Performance Target 32.5:

32.5 Conduct a formal review of escort requirements

B&W Safeguards and Security coordinated with other organizations to ensure adequate support of construction activities and the most efficient use of existing resources.

Performance Objective #33: Ensure appropriate levels of environmental protection and pollution prevention equal to or better than requirements of Environmental Laws, Regulations, Commitments, and DOE orders.

B&W Pantex substantially exceeded NNSA expectations in many areas of the performance target.

Performance Assessment:

Performance Target #33.1:

They substantially exceeded for compliance with environmental regulations, laws and requirements by demonstrating successful implementation of expectations through regulatory environmental audits, i.e., 15th consecutive year of successful RCRA inspections.

Performance Objective #34: Maintain and enhance the Environmental Management System (EMS).

B&W Pantex exceeded NNSA expectations in many areas of the performance targets.

Performance Assessment:

Performance Target #34.1:

They met by internal training endeavors and development of Work Instructions for recycling.

Performance Target #34.2:

They met by configuration of network printers for duplex printing.

Performance Target #34.3:

They met by maintaining trend in reduction of petroleum product usage and increasing usage of non-petroleum based fuel, i.e., E-85 Fleet.

Performance Target #34.4:

They met by the preparation, submittal and follow up of letter to TCEQ seeking alternative characterization and usage of treated pump & treat groundwater.

Performance Target #34.5:

They met by changing the power supply grid for the pump & treat electrical system.

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Performance Target #34.6:

They met by reconfiguring water consumption using recirculated water.

Performance Objective #35: Develop a Pantex-specific High Reliability Organization (HRO) manager education series made available and specialized for PXSO managers only and presented to B&W Pantex department managers (note joint classes will be encouraged where appropriate).

B&W Pantex substantially exceeded performance in many areas for this performance objective.

Performance Assessment:

Performance Target #35.1:

B&W Pantex substantially exceeded the performance standard for this performance target. A Pantex-specific HRO Lesson Plan and learning materials were developed in December 2008. These documents were outstanding for explaining the theory of HRO and provide a foundation for Pantex to transform into a HRO. Additionally, and due to the quality and relevance of this information, HRO seminars using the information developed as the lesson plan, have been requested by several DOE activities as well as outside agencies such as the DNFSB.

Performance Target #35.2:

B&W Pantex substantially exceeded the performance standard for this performance target. An HRO seminar was presented to all B&W Pantex department managers in August 2009. This has led to observable performance improvement, especially in the area of questioning attitude, and analysis of causes for operational events.

Performance Target #35.3:

B&W Pantex substantially exceeded the performance standard for this performance target. Three seminars were presented to PXSO managers and employees, one in December 2008; the second in February 2009; and a third in April 2009. Additional seminars were conducted, as follows:

- HRO seminar presented to NA-70 and all security senior managers within NNSA (Feds and Contractors) in Albuquerque in February 2009;
- HRO seminar to DOE/HQ (NA 17 & Health, Safety & Security (HSS)) in Washington in March 2009;
- HRO seminar presented to Federal and Contractor senior managers at NTS in May 2009;
- HRO and CFA seminars presented to DOE and Contractor organizations in August 2009; and
- HRO seminar presented to DNFSB in September 2009.

Performance Objective #36: Use the CAS to formally assess the flow-down and implementation of TSRs

B&W Pantex exceeded performance in many areas for this performance objective.

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Performance Assessment:

Performance Target #36.1:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex provided a revised CAS Assessment Schedule in December 2008. This schedule was aggressive and included additional TSR Control Assessments, List B, DOE O 410.1 Assessments, and Safety Management Program Assessments, as required. B&W performed to this schedule, and the quality of assessments was good.

Performance Target #36.2:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex published standardized formats for both assessment plans and for assessment reports, and these formats were used for assessments completed in FY 2009. For TSR assessments, B&W instituted the use of CRADS. PXSO noted that improvements were made in the quality and content of the FY09 B&W Pantex assessments during FY09, which was partially attributed the use of quality CRADS.

Performance Target #36.3:

B&W Pantex met the performance standard for this performance target. Assessments of List A, List B, and Technical Safety Requirements are identified in the FY 2010 PEP. One area for improvement is to institutionalize inclusion of List A, List B, and Technical Safety Requirements into the Contractor Assurance System, and to stop relying on the PEP to ensure that these areas are adequately assessed.

Performance Target #36.4:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex completed assessments for the flow-down and implementation of contractor requirements from 1/5 of the DOE Orders and Manuals listed in attachment 1 of DOE Order 410.1. It was noted that improvements were made in the quality and content of the B&W Pantex assessments performed during FY09.

Performance Target #36.5:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex completed assessments for the flow-down and implementation of 1/5 of all TSR controls in the Pantex Documented Safety Analysis. It was noted that improvements were made in the quality and content of the B&W Pantex assessments performed during FY09.

Performance Target #36.6:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex completed assessments for the flow-down and implementation of the content of 1/5 of the Safety Management Programs in the Documented Safety Analysis. It was noted that improvements were made in the quality and content of the B&W Pantex assessments performed during FY09.

Performance Target #36.7:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex completed required assessments for the flow-down and implementation of contractor

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requirements contained in the List B directives. It was noted that improvements were made in the quality and content of the B&W Pantex assessments performed during FY09.

Performance Target #36.8:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex developed an aggressive assessment schedule, and populated the PXSO S: Drive folders monthly with approved CAS assessment reports.

Performance Target #36.9:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex transmitted quarterly *CAS Schedule Performance Status and Identified Issues* reports to PXSO. The quality of these submittals was good.

Performance Target #36.10:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex transmitted the draft Risk Model to PXSO on August 14, 2009. The quality of the risk model was good.

Performance Target #36.11:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex provided PXSO with the Final FY10 Risk Models on September 25, 2009. The quality of the risk model was good, and this risk model is available on the Pantex intranet.

Performance Target #36.12:

B&W Pantex exceeded the performance standard for this performance target. B&W Pantex provided PXSO with the Final FY10 baseline CAS Assessment Schedule on September 25, 2009. The FY10 baseline CAS Assessment Schedule is aggressive and ensures assessment in appropriate areas.

Performance Based Incentive #37: Convert the Central Fire Receiving Station to One Monitoring System. Panel in Addition to 20 in PO 20.

B&W Pantex exceeded expectation by completing 15 additional panels above the base performance target.

Performance Assessment:

Performance Target 37.1:

B&W Pantex met expectation by completing the first set of 5 additional 5 panels.

Performance Target 37.2:

B&W Pantex met expectation by completing a second set of 5 additional panels

Performance Target 37.3:

B&W Pantex met expectation by completing a third set of 5 additional panels.

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Performance Objective #38.0: Upgrade Safety System

B&W Pantex exceeded the standards of performance for this performance objective.

Performance Assessment:

Performance Target #38.1:

B&W Pantex substantially exceeded performance for this performance target. B&W Pantex completed a feasibility study covering the installation of a CCTV initiated fire protection system in the nuclear and nuclear explosive facilities at Pantex. They performed a thorough cost benefits evaluation and went on to discuss possible alternatives. Since the obvious conclusion was that the installation was NOT feasible, B&W did not pursue the second target, which was to build a prototype of the system, but rather, after discussions and demonstrations to PXSO of a prototype RAMS system, identified a recommendation which resulted in the final performance target #38.2 below.

Performance Target #38.2:

B&W Pantex exceeded performance for this performance target. B&W Pantex completed a project plan and CD-0 type document to provide closed circuit television capability for first responders in the event of an emergency. The project would provide remote monitoring at the Emergency Operations Center and the Tactical Operations Center and the ability to tie into the system from the ramps located outside the facility.

Performance Objective #39: To document the success and disposition of moratorium scrap metal from the on-going dismantlement of programs worked. To implement the capability to prevent/minimize the moratorium scrap metal from accumulating a large inventory by managing the release of scrap metal impacted by DOE Secretarial Metals Moratorium. Programs utilizing the implementation of real-time postings and the segregation of legacy components currently stored in the warehouse will be targeted. The second objective will be to minimize the amount of hazardous waste that will be disposed by further segregation of the moratorium scrap metal, (i.e. segregation at accumulation sites of Buildings 11-50 and 11-20).

B&W Pantex substantially exceeded NNSA expectations in many areas of the performance targets.

Performance Assessment:

Performance Target #39.1:

They substantially exceeded by maintaining a manageable scrap metal inventory. This effort fed on the back of the highly successful endeavor in eliminating the legacy of scrap metal accumulated due to the Secretarial scrap metal moratorium/suspension.

Performance Target #39.2:

They substantially exceeded by continuation of scrap metal management and in fact, substantially exceeded at times by processing/dispositioning sanitized material in a timely manner to the Nevada Test Site.

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Performance Objective #40: Eliminate the required use of chlorine gas as a disinfectant for water at Pantex thereby significantly reducing risks associated with the gas to both Plant personnel and Plant neighbors.

B&W Pantex substantially exceeded NNSA expectations within these performance targets.

Performance Assessment:

Performance Target #40.1:

They established and met the development of adequate and appropriate documentation for TCEQ review.

Performance Target #40.2: They provided submittal for TCEQ approval of the design.

Performance Target #40.3:

They ensured approval was received from TCEQ.

Performance Target #40.4:

They addressed any prestart findings and further ensured the creation of disinfectant media.

*All required elements of these targets being met allowed final operation of the MIOX system and eliminating the use of Chlorine gas for disinfection of plant drinking water.

Performance Objective #41: Effective Counterintelligence Program

The Pantex Counterintelligence (CI) Program is a significant member of the overall DOE national effort to detect, deter and neutralize adversaries targeting our resources and information. During FY09 the Pantex program exceeded expectations by accomplishing the following:

The Pantex CI Program has had a successful year in the investigative area and has developed collaborative and professional relationships throughout the US Intelligence Community (USIC). Pantex CI is in the forefront of this effort.

The Pantex CI Program provided 92 awareness training presentations to 4,055 personnel throughout this reporting period. These presentations consisted of Annual Counterintelligence (CI) Refresher, New Hire, Threat Briefings, and Special Presentations. The Pantex CI Program has been very innovative when it comes to making the Pantex personnel aware of CI/Counter terrorism events, and they have been used as a benchmark for other CI Program offices. In FY09, the Pantex CI Program was awarded the "Creativity Award" by the CI Directorate for their innovative counterintelligence efforts and innovations. The program has developed a "Spy of the Month" and distributed "Busted" articles. They have also initiated a tip line that has been very successful in generating CI issues to be resolved.

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Performance Objective #42: Eliminate the required use of chlorine gas as a disinfectant for water at Pantex thereby significantly reducing risks associated with the gas to both Plant personnel and Plant neighbors.

B&W Pantex substantially exceeded NNSA expectations in this area of performance.

Performance Assessment:

Performance Target #42.1: B&W established and started operation of the new MIOX disinfectant system, which eliminated the future need for Chlorine gas.

Performance Objective #43: Execute the Environmental Restoration Program as required by the approved baseline.

B&W Pantex substantially exceeded NNSA expectation for this performance target.

Performance Assessment:

Performance Target #43.1

B&W substantially exceeded expectations for the completion of the corrective measure construction endeavors by completing these activities several months ahead of schedule.

Performance Target #43.2

B&W substantially exceeded expectations by submitting construction complete reports to EPA and TCEQ ahead of plans and scheduled delivery. This facilitated the Regulator's review and approval process regarding the construction close out declaration.

Performance Target #43.3

B&W Pantex substantially exceeded expectations for the submittal of CD-4 to DOE-HQ several months ahead of schedule. Additional demonstrations of substantial success include the rapport developed and maintained with regulators, success for DOE-HQ EM program elements, and successful transition to Long Term Stewardship.

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BUSINESS/MANAGEMENT

Fiscal Year 2009
October 1, 2008 through September 30, 2009

		PO/PBI # and TITLE	PO/PBI Fee
PO #44	ESSENTIAL	General Management of the Pantex Plant	\$ 6,034,513
PO #45	ESSENTIAL	Business System Oversight Program	\$ 738,203
		TOTAL	\$ 6,772,716

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Performance Area: Business Management
Award Fee Adjectival Rating: Outstanding
Numerical Rating: 95%

Performance Objective #44: General Management of the Pantex Plant

B&W Pantex General Management performance for Fiscal Year 2009 was at the *Outstanding* level, resulting from meeting all deliverables to the Department of Defense and exceeding NNSA Defense Program targets for production, surveillance, and dismantlements. Successful accomplishment of mission deliverables was achieved while maintaining safe, secure, legal, business, and environmentally sound operations. Further, “*Getting the Job Done in ‘09*” was achieved during a fiscal year that presented significant funding, technical, and infrastructure challenges.

In the area of production, B&W Pantex completed 109% of the planned weapon baseline deliverables; completed the B61 ALT357 ahead of schedule; and completed and delivered the first W76-1 Life Extension Program (LEP) units to the Navy. Further, B&W Pantex delivered First Production Unit (FPU) Joint Test Assemblies (JTA) for the W76-1, W80-1, and W88; and accomplished the First Disassembly Unit for the B83 AFT Assembly. Additionally, B&W Pantex obtained authorization to perform W78 Disassembly and Inspection activities in a 5kV environment, as well as, authorization to perform W88 SS21 Cell and Mass Properties Operations. B&W Pantex completed the majority of planned Special Nuclear Material activities including Radio Thermal Generator shipment, Laser Gas Sampling, container surveillances, and pit surveillances.

In the area of stockpile surveillance, B&W Pantex exceeded the planned Stockpile Laboratory Test/Stockpile Flight Test (SLT/SFT) Disassembly and Inspection deliverables for a total of 47 for the fiscal year. In addition, B&W Pantex completed and delivered all planned JTAs on time in support of the scheduled military flight tests.

Finally, in the area of dismantlements, B&W Pantex completed 118% of planned dismantlements. The total dismantlements were accomplished under budget and with minimal overtime. Additionally, B&W’s proactive use of existing production resources coupled with integration of the Nuclear Security Enterprise support for early weapons deliveries and early delivery of containers from the Y-12 Plant was commendable.

Successful completion of the Pantex Plant mission deliverables as described above reflected B&W Pantex effective management and operations of the Pantex Plant, commitment to the overall success of the Nuclear Security Enterprise, and focus in carrying out corporate responsibilities inherent in government owned and contractor operated facilities.

Management and Operations of the Pantex Plant

Fiscal Year 2009 presented significant funding shortfalls that could have precipitated a work stoppage at the Pantex Plant had B&W Pantex not taken prudent business measures to address. These measures included implementation of a Voluntary Separation Package during the first

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month of the fiscal year together with effective workforce planning and management throughout the fiscal year. B&W Pantex proactive management of its fringe rates resulted in the ability to meet the escalating pension costs and requirements of the Pension Protection Act without additional funding being provided by the NNSA or Congressional Reprogramming Actions. Further, B&W Pantex initiative to move to self health insurance resulted in bending the cost curve growth direction and slowing the growth of projected health care costs. Finally, B&W Pantex implemented numerous cost saving and cost avoidance initiatives including the "Pay-for-Performance Unreviewed Safety Question Program." This represents the first ever B&W Pantex cost saving initiative approved for shared savings pursuant to Department of Energy regulatory guidelines.

In the area of Safety, B&W Pantex continued to build upon its safety record and culture and was ranked by the NNSA among the agency's "safety leaders" for FY09. Additionally, B&W Pantex received 12 awards from the National Safety Council for outstanding safety performance also B&W Pantex submitted a DOE-VPP Star application to DOE. During FY09, B&W Pantex led the NNSA complex achieving its lowest ever Total Recordable Case rate of .43 while reducing its Lost Time Case Rate from .12 in FY08 to .09 in FY09. Also, during FY09, B&W Pantex continued to train employees on the concepts and techniques of High Reliability Operations and used these concepts and techniques to evaluate five Plant events that resulted in opportunities to improve Plant safety operations. In regard to construction safety, work performed reached 2,332 days without a Lost Time Case and 1,024 days without a recordable injury.

In regard to Security, B&W Pantex met expectations with several initiatives established in FY09 to further improve performance. In FY09, B&W Pantex incorporated the concepts and techniques of a High Reliability Operations into the Safeguard and Security strategy, including alignment of program priorities with High Reliability Operations attributes. During the third quarter of FY09, the NNSA identified several areas for improvement most notably in the leadership of the Safeguard and Security organization. One of the most significant problems was the inability to properly explain and represent the authorization basis for the security program and develop an effective Graded Security Program implementation plan. A Pantex Site Office Periodic Survey Program resulted in B&W Pantex receiving a "Satisfactory" in all topical areas. While B&W Pantex took significant steps in addressing areas for improvement, considerable involvement by the Pantex Site Office was required to facilitate and ensure movement toward a higher level of performance.

For the second consecutive year, B&W Pantex continued to demonstrate significant improvement in the area of project management. There continues to be a noticeable cultural change in project ownership and a more proactive versus reactive approach to project management. B&W Pantex has been responsive to changing requirements, conditions, and construction management approaches in support of program management expectations.

Recognizing the FY09 accomplishments resulting from effective management and operations of the Pantex Plant, specific areas requiring additional General Management focus and involvement include/included: senior level succession planning, timely responses on legal issues, implementation of Fair Labor Standards Act (FLSA) classification requirements, and oversight of Production Work-In-Process (PWIP). Also, while B&W Pantex took steps with respect to

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sharing Human Resources services with the Y-12 Plant, specific measures for determining performance of the initiative were not and have not been developed. It is expected that specific performance measures be developed to evaluate the shared initiative.

Specifically, in the area of succession planning for senior level positions, B&W Pantex was slow in backfilling the Safeguard and Security Key Personnel position with an individual skilled in the area of safeguards and security and to date has not backfilled the Supply Chain Manager position. While the Supply Chain Manager position is not a Key Personnel position per the Pantex contract, the responsibilities are important to the overall mission of the Plant. In the area of responsiveness on legal issues, there were several instances during the rating period where repeated requests were required by the Pantex Site Office over a long period of time in order to obtain legal opinions. In regard to the FLSA classification ruling, the Court took issue with the depth and scope of B&W Pantex's reviews and audits of the classification of the employees. Additionally, a related issue is that payment of back overtime hours for employees who were not plaintiffs, but who were in positions that the Court determined were improperly classified, took almost three months. During this time period, several employees filed suit for back payment. Finally, in relation to PWIP, B&W Pantex was slow in responding to the Internal Audit identification of overstated account balances, inventory valuation, and general audit close-out.

Commitment to Nuclear Security Enterprise

During the rating period, B&W Pantex was instrumental in working with the Nuclear Security Enterprise to ensure success in general and in particular *"Getting the Job Done in '09"*. B&W Pantex active membership in the Nuclear Security Enterprise Integration Committee (NSEIC) was instrumental in recommending multi-site incentives to the NNSA, and working jointly with the Nuclear Security Enterprise throughout the year to meet the intent of the incentives. A significant accomplishment during FY09 included working with the NSEIC to identify and achieve significant cost savings and applying these savings to accomplish Complex Transformation activities. Further, B&W Pantex, through its involvement with the NSEIC worked to establish macro business performance baselines in areas such as strategic planning, linkage of performance metrics to strategic plans, alignment with key NNSA initiatives, and evaluations of traditional business functions such as property, procurement, and finance. Establishment of these baselines will provide all Sites with actionable initiatives to move forward to further improve business performance.

In FY09, B&W Pantex continued its leadership in the Nuclear Security Enterprise as the Center of Excellence for High Explosives and continued to identify better and safer ways for explosive excellence. The Pantex Plant program for reclamation and re-use of Insensitive High Explosives components from stockpile returns has resulted in cost savings for the NNSA. Also in FY09, B&W Pantex led the Nuclear Security Enterprise in developing and implementing Level II milestones related to Trainer Unit Upgrades. Successful coordination ensured complete disassembly of a Trainer Unit to facilitate a piece-by-piece comparison of each part to the drawings and the record of assembly.

During FY09, B&W Pantex continued to develop and expand the High Reliability Organization (HRO) program for the Pantex Plant and continued to bring the program to other organizations

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within the NNSA and to outside agencies such as the Department of the Air Force and the Defense Nuclear Facilities Safety Board. The B&W HRO program has gained national attention from the Nuclear Regulatory Commission, the Chemical Safety Board and other safety-related enterprises. Their HRO handbook assembles, consolidates and concisely describes HRO concepts from the available literature and provides a practical approach to using that information. Additionally, B&W continued to use their Causal Factors Analysis process, an outgrowth of the HRO effort, to evaluate “information rich” events to effect process, system and organizational improvements.

Finally, B&W Pantex responded to a Pantex Site Office and NNSA Headquarters request for low-cost options for increasing pit storage capacity at the Pantex Plant in response to a potential NNSA Special Nuclear Material and pit staging and storage shortfall for out-years. Not only did B&W Pantex respond to the request but initiated procurement activities with funding gained through efficiencies throughout the year to begin addressing the potential staging and storage shortfall. The B&W Pantex option was endorsed by the Pantex Site Office and is being reviewed for consideration as a possible option to address staging and storage issues.

Corporate Responsibility

During the fiscal year, B&W Pantex continued to demonstrate focus in carrying out corporate responsibilities inherent in government owned and contractor operated facilities. In relation to community outreach, B&W Pantex continued to play an active leadership role in supporting numerous community events and activities. Additionally, B&W Pantex maintained effective communications and working relationships with Plant neighbors and stakeholders including Texas State regulators, the Defense Nuclear Facility Safety Board, and the Environmental Protection Agency. B&W Pantex worked closely with local business and in FY09 received the Department of Energy “M&O Small Business Achievement of the Year Award”.

The Environmental Management Program implemented continuous improvement initiatives to ensure sound environmental and energy stewardship, most notably, the alignment with ISO 14001 practices and techniques. During FY09, B&W Pantex met or exceeded compliance with all environmental, public health, and resource protection laws, regulations, and DOE requirements. Significant accomplishment included receipt of three NNSA Environmental Stewardship Awards, 2.2% reduction of electricity use, 13.1% reduction of potable water use, approval for the Supplement Analysis to the Final Environmental Impact Statement for the Continued Operation of the Pantex Plant and the Associated Storage of Nuclear Weapon Components and Acoustic Analysis for Increased Explosives Detonation Limits at the Pantex Plant.

During the rating period, B&W Pantex aggressively pursued completion of the Environmental Restoration Program efforts in support of the baseline date approved in FY05. B&W Pantex successfully worked with the Environmental Protection Agency Region 6 and the Texas Commission for Environmental Quality, to get the Preliminary Construction Complete Report approved and concurred with and submitted the Compliance Plan modification to the State that mirrors the CERCLA approved documents. This completion is substantial since this is one of the only sites within the DOE/EM cleanup program that is 100% closed with full regulatory approval.

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Commitment to financial stewardship was evident in the ability to meet mission requirements during a fiscal year of extreme funding challenges. Further, the strength of internal controls at the Pantex Plant resulted in receipt of the NNSA's "Recognition of Commitment to Excellence in Internal Controls Award". Finally the Pantex Plant was recognized by the NNSA sponsored Hackett study as having the most efficient and effective budget formulation and execution processes.

In regard to Plant stewardship and positioning for the future, B&W Pantex developed several short and long-term plans including a Ten Year Site Plan, flexible to align with the upcoming Nuclear Posture Review, the nuclear stockpile refurbishment and modernization strategies, and future Nuclear Security Enterprise initiatives, as well as, Pantex Plant infrastructure capabilities. Additionally, B&W Pantex continues to work closely with the Nuclear Security Enterprise on Enterprise Modernization and Complex Transformation initiatives. Finally, B&W Pantex has done an outstanding job in working with the Pantex Site Office, NNSA Headquarters, and multiple Stakeholders on the Pantex Plant Renewable Energy Project.

Performance Objective #45: Business System Oversight Program

B&W Pantex performance substantially exceeded expected levels of performance against the Performance Objective.

Performance Assessment:

Performance Target #45.1:

B&W Pantex substantially exceeded expected levels of performance in the area of Purchasing. B&W led the NNSA for a second year in a row in meeting small business goals, achieving a rate of 75%. In FY09, the Pantex Plant received the "Management and Operating Small Business Achievement of the Year Award" from the Department of Energy in recognition of consistent results in small business awards and opportunities. In FY09, B&W Pantex achieved a 100% delivery rate under the performance for "Key Supplier Deliver On-Time Delivery" for special tooling to meet weapon production and scheduling requirements.

Performance Target #45.2:

B&W Pantex substantially exceeded expected levels of performance in the area of Property Management, B&W Pantex provided effective life cycle management, protection, and control of government personal property as evidenced by exemplary inventory results including: General Stores: 99.92%, Sensitive Property: 99.99%, Precious Metals: 100%, Firearms and Ammunition: 100%, and a special wall-to-wall inventory of Laptop Computers: 100%. B&W Property & Logistics and Maintenance Division were successful in identifying all bench stock locations for eventual property disposition.

Performance Target #45.3:

B&W Pantex exceeded expected levels of performance in the area of Information Technology, B&W Pantex continues to lead the way on NNSA IT Project Management execution for major IT projects, complying with both the NNSA Office of Chief Information Officer IT Project Execution Model and DOE Order 413.3 requirements. During FY09, B&W Pantex successfully transitioned the Site from Novell GroupWise email to Microsoft Outlook/Exchange email.

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Performance Target #45.4:

B&W Pantex substantially exceeded expected levels of performance in the area of Internal Audit. B&W Pantex received the NNSA Administrator's Award for Excellence in Internal Controls. The Internal Audit continued to perform outstanding audits consistent with the approved Audit Plan. Additionally, the Internal Audit Organization achieved the highest rating from an external peer review.

Performance Target #45.5:

B&W Pantex substantially exceeded expected levels of performance in the area of Budget Formulation and Execution, B&W Pantex did an outstanding job of working with the Nuclear Security Enterprise to formulate and execute the budget under the extended continuing resolution and significant reductions in allotted funding. In FY09, the Pantex Plant was recognized by the NNSA sponsored Hackett Study as the most effective and efficient site overall in relation to budget formulation and execution and categorized the processes as a "World Class Business Operation".

Performance Target #45.6:

B&W Pantex did not take sufficient, timely action to identify and remediate issues from an FY2007 Internal Audit Report on the Material Management System. In addition, B&W Pantex did not leave basic interval controls to detect or prevent the error in the PWIP inventory balance. As a result, the FY 2009 beginning PWIP balance was overstated by \$763M.

Performance Target #45.7:

B&W Pantex substantially exceeded expected levels of performance in the area of Records Management. B&W Pantex continued initiatives to improve processes including converting legacy weapon records to a digital format; significant achievement in the implementation of the Universal Records Management; effective management of the Records Operation Center; and interfacing with Emergency Management and other NSE sites to validate vital records information. In the area of Contract Administration, B&W Pantex did an outstanding job of conducting contracting administration activities including publishing and keeping current key contract administration documents in the Plant intranet.

Performance Target #45.8:

B&W Pantex exceeded expected levels of performance in the area of Training. B&W Pantex continued to improve overall training activities. The technical staff and production technicians have been adequately trained in support of mission requirements and B&W Pantex continues to provide strong support to PXSO in meeting its training requirements. B&W Pantex continues to be recognized by the American Society for Training and Development (ASTD) named B&W Pantex a winner in the annual "Best Awards" as a best-in-class within the industry. In the area of Human Resources Management, B&W Pantex partnered with the PXSO and NNSA Service Center to formalize an oversight program consistent with LO/CAS principles. B&W Pantex met expectations of all assessed areas including Strategic Planning, Leadership, Recruitment and Retention, Performance, Compensation and Benefits, Labor Relations and Human Resources Information System.

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Performance Target #45.9:

B&W Pantex exceeded expected levels of performance in the area of Human Resources Management, B&W Pantex partnered with the PXSO and NNSA Service Center to formalize an oversight program consistent with LO/CAS principles. B&W Pantex met expectations of all assessed areas including Strategic Planning, Leadership, Recruitment and Retention, Performance, Compensation and Benefits, Labor Relations and Human Resources Information System.

Performance Target #45.10:

B&W Pantex substantially exceeded expected levels of performance in the area M&O Contract administration and support. The FY 10 Performance Evaluation Plan was bilaterally signed in August 30, 2009, marking the second year and first NNSA site to have a bi-lateral on all performance incentives. B&W compiled, organized all Performance Management Documents, including Memorandums of Understanding, and the Contract Management Plan, which was recognized by the NNSA as a best business practice.

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MULTI-SITE

Fiscal Year 2009
October 1, 2008 through September 30, 2009

		PO/PBI # and TITLE	PO/PBI Fee
PBI #47	Multi-Site	Stockpile	\$ 2,313,500
PBI #48	Multi-Site	Accelerate Complex Transformation	\$ 1,004,358
PBI #49	Multi-Site	Science	\$ 30,000
		TOTAL	\$ 3,347,858

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Performance Area: Multi-Site
Award Fee Adjectival Rating: Outstanding
Numerical Rating: 99%

MULTI - SITE

Performance Based Incentive #47 Stockpile

Performance Assessment

B&W Pantex met all the milestones for this PBI.

Performance Based Incentive #48, Accelerate Complex Transformation

Performance Assessment

B&W Pantex met all the milestones for this PBI.

Performance Based Incentive #49, Science

Performance Assessment

B&W Pantex met 5 out of the 6 Performance Based Incentive Targets.