



FY2019 Performance Evaluation Summary

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

Contract: DE-NA0002839

Evaluation Period: October 1, 2018 – September 30, 2019

Basis of Evaluation: Fiscal Year (FY) 2019 Performance Evaluation and Measurement Plan (PEMP)

The FY 2019 PEMP for this contract is available at:

https://www.energy.gov/sites/prod/files/2020/01/f70/FY19%20Honeywell%20PEMP%20101618%20Signed_Redacted.pdf

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

Award Fee Scorecard

Goal	Rating		At Risk Available	Final
	Adjectival	Percent		
Goal-1: Manage the Nuclear Weapons Mission	Very Good	76%	\$12,526,000	\$9,519,760
Goal-2: Reduce Nuclear Security Threats	Excellent	95%	\$3,131,500	\$2,974,925
Goal-3: DOE & Strategic Partnership Projects Mission Objectives	Excellent	95%	\$ -0-	\$ -0-
Goal-4: Science, Technology & Engineering (ST&E)	Excellent	95%	\$ -0-	\$ -0-
Goal-5: Operations & Infrastructure	Excellent	91%	\$9,394,500	\$8,548,995
Goal-6: Leadership	Good	70%	\$6,263,000	\$4,384,100
Total Award Fee	Very Good	81.2%	\$31,315,000	\$25,427,780

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

	Available	Final
Fixed Fee	\$ -0-	\$ -0-
SPP (Fixed Fee)	\$17,416,000	\$17,416,000
Total Fixed Fee	\$17,416,000	\$17,416,000
Total Fee (Award Fee and Fixed Fee)	\$48,731,000	\$42,843,780

FM&T continued to strongly support and deliver on the majority of NNSA mission requirements; however, an increased number of performance challenges were present throughout the reporting period. Issues in Goal 1 include quality defects and major modernization program delivery challenges. Additional concerns with regard to reactive collaboration between sites to resolve design and production issues were noted in Goal 6. Significant performance accomplishments in Goals 2, 3, 4 and 5 were noteworthy this reporting period.

Overall, FM&T earned a Very Good rating for FY2019, exceeding many of the objectives and key outcomes under the PEMP goals, meeting overall cost, schedule, and technical performance requirements with accomplishments that greatly outweigh issues.

Accomplishments:

Goal 1

- FM&T successfully achieved several component First Production Units (FPUs) for the B61-12 Life Extension Program (LEP) and the W88 ALT 370.
- FM&T implemented new processes that positively impacted the business by saving space, improving safety, quality and speed and has current estimated savings of \$1.25M.
- FM&T successfully completed temperature testing to support the W80-1.
- Utilizing new equipment and quality assurance processes, FM&T qualified some parts ahead of schedule in support of critical mission activities

Goal 2

- Provided excellent support to the Office of Material Disposition by initiating multiple procurements critical to the Dilute and Dispose program. .
- Revamped the curriculum for initial Stabilization Team member training, resulting in fewer contact hours and more hands-on training. .
- Covered 100% of four deployable watch bill positions for the Department of Energy Forensics Operations (DFO) mission.

Goal 3

- Delivered on commitments, resulting in \$454M in mission scope with a ship performance of 96%.
- Performed high impact scope for DOE including vendor threat assessments, a new capability for preparing integrated circuit samples to sustain reverse engineering capabilities, and used an imaging method to shorten cycle time which allowed a stringent deadline to be met.
- Reduced KCNSC costs by reusing an Ion Mill machine and saved Air Force costs by developing a process to repair radomes on site.

Goal 4

- FM&T continued to innovate with new processes and strategies by moving the most promising technologies from idea to insertion.
- Met with Design Labs and Federal Program Office to propose technology options that are on a path to become the baseline with a potential to reduce schedule and hazard risks at a significant cost avoidance.
- 125 new invention disclosures, 35 patent applications and 15 patents awarded this year, an increase from last year.
- Made greater use of consortiums for executing research through external academic, industrial, and national laboratory partnerships.
- Initiated multiple contracts for technology maturation related projects, several weeks sooner than in FY18.

Goal 5

- FM&T's world class safety culture is continuing its industry leading safety record while headcount increased by 20%.
- FM&T was recognized for Procurement Evaluation Re-engineering Team (PERT) Best Practices in July 2019 for Small Business Initiatives.
- The Roof Asset Management Program (RAMP) completed 35 projects (124 buildings) and executed over \$60M dollars in FY19, a new record. In addition, there is \$90M of design on the shelf to support current and future year projects.
- FM&T's Supply Chain Management Center (SCMC) reported strategic site savings of \$17M for a total Strategic Savings of \$24.1M against a total invoice spend of \$506.1M.
- FM&T excelled in business operations, financial management, financial transparency, budget formulation, and internal controls for fiscal year 2019.

Goal 6

- FM&T initiated and took a greater leadership role in defining inter-site programmatic approaches such as New Product Introduction (NPI) and Tier 6/7 meetings to improve functional interfaces and increase NSE integration.
- As the DOE SCMC leader, FM&T reported strategic enterprise sourcing savings of \$375.9M (\$282.2M NNSA, \$93.7M DOE Environmental Management).
- FM&T has been supportive of NNSA's efforts on the Nuclear Security Enterprise (NSE) Recruitment Strategy Group. These efforts will lead to broader knowledge of the NSE as well as more efficient use of resources as all partners get on the same platform for recruiting.
- The Roof Asset Management Program (RAMP) improved procurement efficiency and timeliness.
- FM&T management has adequately demonstrated leadership in supporting the NNSA's pit production goals. FM&T continues to be responsive to requests and ensuring quality parts are delivered on schedule to support execution of the mission.
- FM&T's recognition for Small Business Initiatives, leadership in establishing a Non-Disclosure Agreement (NDA) with other NSE sites to advance partnerships and streamline information sharing, and high performing safety record demonstrates strong leadership attributes in business, legal and safety.

Issues:

Goal 1

- Despite the design related capacitor issue, there were components on the critical path potentially impacting both B61-12 LEP and W88 ALT 370 system FPUs. The additional factors contributing to component level schedule delays were accompanied by recovery plans.
- FM&T ended the FY six below the Program requirements for the W76-1 AF&F due to a nonconformance issue identified in the last quarter. This shortfall did not impact the receiving sites build schedule.
- Multiple weapon program components are not on track to meet full rate production requirements.
- FM&T Weapon Quality metrics (Escapes, Rework, Scrap and Lots Accepted Trouble Free (LATF)) did not meet established FY19 end of year goals.

Goal 5

- FM&T struggled to adequately plan and acquire additional space to support the growing weapons workload. FM&T appointed a new person to manage the short-term and long-term facility needs to resolve this issue.
- FM&T's physical security organization continues to experience issues with conducting self-assessments and developing effective corrective actions.

Goal 6

- FM&T senior leadership did not provide proactive engagement and leadership in support of on-going warhead modernization activities, in particular the coordination and collaboration required on the B61-12 LEP and the W88 Alt 370 with senior leadership from the Design Agency.
- FM&T was late to communicate year-end funding variances on the B61 and W80 Stockpile Systems.