NA-APM-1.4
Scott Cannon, Federal Project Director

FY 2015 Performance Evaluation of
CB&I AREVA MOX Services, LLC
Contract No. DE-AC02-99CH10888

Performance Period: October 1, 2014 through September 30, 2015

December 17, 2015
Award Fee Evaluation Trends

• Evaluation Criteria Trend Analysis:
  
  • In FY2012 & FY2013, the combined weights for Engineering & Construction were 15%. In FY2015, the areas were separated and the total weight was increased to 35%.

  • The weights for Project Management have increased from 15% in FY2012 to 35% in FY2015 with a corresponding increase in the available award fee pool from $1.3M to $3M.

  • In FY2015, 70% of criteria focused on Project Management / Construction / Engineering / Project Controls, and Majority of available $$ focused on supporting Construction activities.

• FY2015 Performance Trend Analysis:
  
  • Positive trends in focus on certain areas, especially those addressed by NNSA assessments and/or included in the Award Fee Plan.

  • Overall performance is below the level needed for successful project execution, as culminated in cost overruns and schedule delays.
## FY 2015 Award Fee Determination

<table>
<thead>
<tr>
<th>Award Fee Categories</th>
<th>% Weight</th>
<th>$(000) Available</th>
<th>% Rating</th>
<th>Adjectival Rating</th>
<th>$(000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Management</td>
<td>25%</td>
<td>$2,215.4</td>
<td>40%</td>
<td>Satisfactory</td>
<td>$886.1</td>
</tr>
<tr>
<td>Construction</td>
<td>20%</td>
<td>$1,772.3</td>
<td>50%</td>
<td>Satisfactory</td>
<td>$886.1</td>
</tr>
<tr>
<td>Engineering &amp; MOX Commissioning</td>
<td>15%</td>
<td>$1,329.2</td>
<td>38%</td>
<td>Satisfactory</td>
<td>$505.1</td>
</tr>
<tr>
<td>Integrated Project Schedule &amp; Earned Value Management System</td>
<td>10%</td>
<td>$886.2</td>
<td>23%</td>
<td>Satisfactory</td>
<td>$203.8</td>
</tr>
<tr>
<td>Business &amp; Contract Management</td>
<td>10%</td>
<td>$886.2</td>
<td>27%</td>
<td>Satisfactory</td>
<td>$239.2</td>
</tr>
<tr>
<td>Environmental, Safety &amp; Health</td>
<td>10%</td>
<td>$886.2</td>
<td>89%</td>
<td>Very Good</td>
<td>$786.9</td>
</tr>
<tr>
<td>Safeguards &amp; Security</td>
<td>5%</td>
<td>$443.1</td>
<td>93%</td>
<td>Excellent</td>
<td>$410.6</td>
</tr>
<tr>
<td>Quality Assurance</td>
<td>5%</td>
<td>$443.1</td>
<td>94%</td>
<td>Excellent</td>
<td>$416.4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>100%</td>
<td>$8,861.6</td>
<td>49%</td>
<td>Satisfactory</td>
<td>$4,337.7</td>
</tr>
</tbody>
</table>
Project Management (25%)

Annual Rating: Satisfactory, 40%

• Above Expectations
  • Improved transparency at the field office level.
  • Improved focus on continuous learning culture.
  • Improved focus on work control, planning, execution & completion.
  • Improved IPT integration and construction accountability.
  • Improved installed commodity verification process.
  • Improved Human Capital Management implementation.

• Meets Expectations
  • Improved IPT metrics and process improvements.
  • Ledger plate responsiveness, once acknowledged.

• Needs Improvement
  • Inconsistent NNSA customer interactions and project alignment.
  • Integration and accountability across all IPT functions (contracts, legal, engineering, Board of Governors, etc.).
  • Detailed integrated project execution plan (system integrated IPS).
  • Schedule performance.
  • Cost efficiency and effectiveness (right-sized labor forces & cost conscious culture).
  • PM/CAM forecasting and re-planning.
  • Disciplined supply chain management.
  • Fully implemented & integrated Contractor Assurance Program.
  • Project change control.
Construction – Execution (20%)

Annual Rating: Satisfactory, 50%

• Above Expectations
  • Closed a total of 1115 work packages during FY2015.
  • Improved rules of credit.

• Meets Expectations
  • Management & organizational enhancements.
  • Progress with construction in glovebox installation, build-out of piping gallery, duct and fire damper installations.

• Needs Improvement
  • Excessive delays & interruptions.
  • Inefficiency & low productivity.
  • Process improvements are needed to reduce field changes, improve performance, and reduce unit rates.
  • Poor implementation of direction to validate installed quantities.
## Engineering & MOX Commissioning (15%)

<table>
<thead>
<tr>
<th>Annual Rating: Satisfactory, 38%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>• Above Expectations</strong></td>
</tr>
<tr>
<td>• None.</td>
</tr>
<tr>
<td><strong>• Meets Expectations</strong></td>
</tr>
<tr>
<td>• MC met construction requests for gloveboxes, though the schedule often shifted.</td>
</tr>
<tr>
<td>• Initiated efforts to work more closely with Construction Engineering to lessen impact to construction progress.</td>
</tr>
<tr>
<td><strong>• Needs Improvement</strong></td>
</tr>
<tr>
<td>• Overall Title II Design completion slipped from September 2015 to March 2016.</td>
</tr>
<tr>
<td>• Need to perform or participate more in Title III constructability review process to reduce FCNs and FCRs.</td>
</tr>
<tr>
<td>• Problems in managing glovebox and engineered equipment vendors.</td>
</tr>
</tbody>
</table>
Integrated Project Schedule (IPS) & Earned Value Management System (10%)

**Annual Rating: Satisfactory, 23%**

- **Above Expectations**
  - None

- **Meets Expectations**
  - Improvements were made in the Monthly Reports.
    - Progress continues to be made on a resource loaded and sequenced IPS that will include all facility systems.
    - Developed and implemented electronic CAM Notebook; however, effectiveness has not yet been demonstrated or evaluated.

- **Needs Improvement**
  - The IPS delivered was incomplete.
    - Monthly reports are still not transparent.
    - Trend process was executed inconsistently.
    - Positive cost performance in LOE work packages continues to distort the overall performance of discrete work.
    - The EAC is unrealistic due to significant deficiencies and omissions.
    - EVMS remains non-compliant to EIA 748-B requirements.
Annual Rating: Satisfactory, 27%

• Above Expectations
  • None

• Meets Expectations
  • Government Property – Managed in accordance with FAR requirements and system re-certified for another 3 years.

• Needs Improvement
  • Contractor Purchasing System Review revealed the need for procurement system changes including:
    • Improvement in frequency and types of training offered to Procurement and Technical staff.
    • Establishment of internal procurement controls to address cumulative subcontract cost/price growth.
    • Reconsideration of the requirements for documenting market research, price reasonableness, rationale for subcontract modifications, and the level of subcontract monitoring.
  • Misalignment between prime contract resources and mission focus.
  • Contractual non-compliance: Proposal provided after work already began (Natural Phenomena Hazards), subcontract construction bond requirement, notification of key personnel changes prior to receiving approval.
Environmental, Safety & Health (10%)

Annual Rating: Very Good, 89%

• Above Expectations
  • The Total Recordable Case (TRC) rate was 0.64, below the DOE Construction Contractor average rate of 1.1.
  • The Days Away Restricted/Transferred (DART) rate was 0.35, below the DOE Construction Contractor average rate of 0.4.
  • There were zero violations or Notice of Violations issued by SCDHEC or OSHA.

• Meets Expectations
  • MOX Services participated in 50 of 50 safety walk downs.

• Needs Improvement
  • MOX Services had three notifications fall outside the required 2 hour window.
  • Assessment indicates non-compliance with implementation of drug-testing procedure.
Safeguards & Security (5%)

Annual Rating: Excellent, 93%

• Above Expectations
  • Security Awareness – 100% of planned OPSEC Facility Reviews completed (7 each month).
  • Physical Security - Vulnerability Assessment to identify scope for potential upgrades was completed.
  • Security Program – 100% of planned Self Assessments completed.

• Meets Expectations
  • Cyber Security – There were only two cyber security incidents in FY2015.
  • Security Program – There were only two non-cyber security incidents in FY2015.

• Needs Improvement
  • Security Awareness - Computers found unlocked and unattended & documents found unsecured during reviews.
Quality Assurance (5%)

Annual Rating: Excellent, 94%

- Above Expectations
  - Zero NOVs from the NRC.

- Meets Expectations
  - Only 3 deficiencies noted by NNSA during the year.

- Needs Improvement
  - Continued to struggle with implementation of a Contractor Assurance System (See PM section).
  - Need to improve timeliness of QC inspections to avoid impact to construction progress.

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Compliance</th>
<th>Compliance</th>
<th>Compliance</th>
<th>Performance</th>
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<tbody>
<tr>
<td>Relative Weights</td>
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<table>
<thead>
<tr>
<th>Category</th>
<th>Levels I-III NOVs</th>
<th>Level IV NOV</th>
<th>NCVs</th>
<th>NNSA Identified Deficiencies</th>
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<th>Weight</th>
<th>Score</th>
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94.0