



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



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

TOP 4
FOCUS
70%

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%)



Annual Rating: Satisfactory, 38%

- Above Expectations
 - None.
- Meets Expectations
 - MC met construction requests for gloveboxes, though the schedule often shifted.
 - Initiated efforts to work more closely with Construction Engineering to lessen impact to construction progress.
- Needs Improvement
 - Overall Title II Design completion slipped from September 2015 to March 2016.
 - Need to perform or participate more in Title III constructability review process to reduce FCNs and FCRs.
 - Problems in managing glovebox and engineered equipment vendors.

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.

Business & Contract Management (10%)



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.
 - Human Capital Management – Initiatives in Compensation Management, Performance Management and Employee Management/Succession Planning underway with preliminary results anticipated in FY2016.
- 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.

Attributes	Compliance	Compliance	Compliance	Performance			
Relative Weights	10	3	1	1			
Category	Levels I-III NOVs	Level IV NOV	NCVs	NNSA Identified Deficiencies	Perf	Weight	Score
1.3.3.1.1 QAP	0	0	0	1	90.0	0.2000	18.00
1.3.3.1.2 CAP	0	0	0	1	90.0	0.2000	18.00
1.3.3.1.3 Supplier QA	0	0	0	0	100.0	0.2000	20.00
1.3.3.1.4 Training & Certifications	0	0	0	0	100.0	0.2000	20.00
1.3.3.1.5 Inspections	0	0	0	1	90.0	0.2000	18.00

94.0

