REGIONAL COALITION OF LANL COMMUNITIES
City of Española – Los Alamos County – Rio Arriba County – Santa Fe County
City of Santa Fe – Taos County – Town of Taos – Pueblo of Ohkay Owingeh

REGIONAL COALITION MEETING PACKET
Taos County Chambers
105 Albright Street
Taos, 87571
JUNE 20, 2014

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Presenters:

**Kurt Steinhaus** – is Director of Education, Economic Development, and Community Giving, Los Alamos National Laboratory. Prior to his work with the Lab Mr. Steinhaus served as Deputy Cabinet Secretary of Education, Office of the Governor. He was also Director of Student and Education Programs at Los Alamos National Laboratory and worked as Assistant Superintendent and Division Director for Accountability and Information Services and Chief Information Officer for the New Mexico State Department of Education. Mr. Steinhaus began his education career as a teacher and Department Chair at Alamogordo Public Schools.

**Carol Rutten** - is Institutional Program Manager for Education in the Community Programs Office at Los Alamos National Laboratory. She has extensive experience in developing education programs associated with the laboratory and surrounding communities. She is a primary contact with lab scientists and mentors.

**Kathy Keith** – is Executive Director of the Regional Development Corporation (RDC). The RDC is in part sponsored by LANL. The RDC is a regional economic development organization for Northern New Mexico working collaboratively to create new jobs in the region by strengthening services to businesses and developing the infrastructure, public policy and workforce to support job growth. Ms. Keith served as Director of Public works, LLC and served as Director of Economic Development for the State of New Mexico. She is from Tucumcari.

**Adrian Ortiz** - is the Executive Director of the New Mexico Northern Area Local Workforce Development Board (NALWDB). The Board promotes business and community partnerships for local economic development while providing vocational training and employment services to meet the demands of a changing workforce. The Northern Area is comprised of ten counties that include Cibola, Colfax, Los Alamos, McKinley, Mora, Rio Arriba, San Juan, Santa Fe, San Miguel, and Taos.

**Jim Sanborn** – is the newest member of the Taos Municipal School Board. Mr. Sanborn’s background and expertise is in information technology. He has taught at UNM-Taos.

About the Regional Coalition of LANL Communities:

The Regional Coalition is comprised of eight cities and counties surrounding the Department of Energy's Los Alamos National Laboratory (LANL). Founded in 2011, the Regional Coalition works in partnership to ensure national decisions incorporate local needs and concerns. The organization's focus is environmental remediation, regional economic development and site employment, and adequate funding for LANL. The Board of Directors includes Chair, Mayor Alice Lucero, City of Española; Vice-Chair, Commissioner Danny Mayfield, Santa Fe County; Sect./Treas. Councilor Andrew Gonzales, Town of Taos; County Councilor Fran Berting, Los Alamos County Council; Commissioner Alfredo Montoya, Rio Arriba County; Commissioner Tom Blankenhorn, Taos County; and Ron Lovato, Director of Tsay Corporation, Pueblo of Ohkay Owingeh.
### Regional Coalition of LANL Communities

**Meeting at a Glance – July, August, September**

<table>
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| July 18 Español | • Elections  
• Pojoaque Pueblo Membership  
• Meetings at Glance Update  
• Work Plan Approval  
• REDI Plan Coordination | WIPP  
• WIPP update |
| August 15 Santa Fe County | • Campaign Priorities  
• Statement on Environment  
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• Standing Agenda Items | Environmental Campaign  
• Presentations of Environmental Risk Assessments – LANL/ State |
| September 19 Los Alamos County | • Review/ Approve Communications Plan  
• Meetings at Glance Update  
• Update Economic Development Priorities | Economic Development  
• REDI Net  
• SCMC Issue update  
• Micro-grid  
• REDI Plan |

**Issues to watch:**
- WIPP
- Jobs at LANL
- TRU Waste 3706 Campaign
- Environmental Campaign Priorities
- Consent Order
- Subcontractor Issue
- Economic Development Priorities
- Manhattan Project Park
- DOE funding
- REDI Net
- REDI Plan
REGIONAL COALITION OF LANL COMMUNITIES
City of Espanola – Los Alamos County – Rio Arriba County – Santa Fe County –
City of Santa Fe – Taos County – Town of Taos – Pueblo of Ohkay

Santa Fe County Chambers
Friday, April 25, 2014

Attendance
Councilor Eric Radosevich (Alternate for Mayor Alice Lucero), County Commissioner Danny
Mayfield (Vice-Chair RCLC), Councilor Fran Berting, County Commissioner Tom
Blankenhorn, Councilor Joseph Maestas (Alternate for Mayor Javier Gonzales), Rio Arriba
County David Trujillo (Alternate for Commissioner Alfredo Montoya).

JLH Media team members Darien Cabral, Jennifer Padilla, and Lisa Neal.

Welcome and Introductions
Commissioner Mayfield called the meeting to order at 9:14am. He welcomed and
introduced alternates Joseph Maestas and Eric Radosevich and thanked them for attending.
All the attending coalition members introduced themselves.

Joseph Maestas introduced himself saying that this is the forum to bring issues to the public
that are related to the Lab. He stated that he was a part of the original formation of the
Coalition and is the former Mayor of Taos.

Commissioner Mayfield introduced the presenters Joe Franco, Ryan Flynn, and Charlie
McMillan. Also, a representative from the Governor’s office and the Governor from the
Jemez Pueblo.

The public in attendance introduced themselves.

Commissioner Mayfield thanked Councilor Fran Berting for holding the meeting in Los
Alamos. Councilor Fran Berting thanked everyone for attending.

Confirmation of Quorum
Commissioner Mayfield confirmed a quorum.

Approval of Minutes: March 21, 2014
Commissioner Mayfield asked if there were any changes or suggestions to the minutes.
Councilor Fran moved to approve the minutes with the correct spelling of Councilor
GIRRENS. There were no other changes.
Motion: To approve the minutes from March 21, 2014 Moved by Councilor Fran Berting, Seconded by Councilor Eric Radosevich.

Vote: Motion passed (summary: Yes = unanimous).

Brian Bosshardt: Financial Information
Fiscal Year 2014 invoices were sent to each of the members, with two additions to the member contributions line. Commissioner Mayfield asked that the bills get paid.

Reports from Congressional Delegations
Commissioner Mayfield introduced Michelle Jaquez-Ortiz from Senator Udall’s office: She reported that Senator Udall will try to address expenditures on the temporary storage issue for FYCS. Senator Udall is looking for opportunities for reprogramming.

The Senator wants to make a case for additional monies to offset any losses in the FY15 appropriations process. They will also promote technology transfers during this process. She thanked members of the coalition, Kathy Keith and Liddy Martinez for meeting with the delegation in Washington D.C. and passed out a copy of the letter for the members to read on their own. The letter is from the delegation and was dated April 2nd.

Angela Marcucci from Governor Martinez's office stated that she had met with Darien Cabral along with Keith Gardner, the chief of staff, to discuss environmental cleanup. Funding has been stagnant in the past. Governor Martinez has established a clear direction to lobby for funding. They need $255 Million and created a framework agreement to include this funding. This year $255 million was received, which leave a shortfall of about $30M.

It is important to establish clear directives to get the remaining funding. The hope is that communication will continue as we prepare for next year’s funding.

Commissioner Mayfield stated that a strategic planning meeting will be held next month and that this is a great time to discuss these issues. He invited the governor’s office to attend.

Darien Cabral: Executive Director Report, JLH Team
Mr. Cabral noted special guests in attendance: Joe Franco, Secretary Ryan Flynn, and Charlie McMillan. Expressed need to work with Pueblos and introduced Governor Madalena of the Pueblo of Jemez, and Gregg Koffman, Pueblo environmental director and the Lieutenant governor.

Governor Madalena paid tribute to the ancestors stating that we all have a higher power that takes care of us on a daily basis. The Governor expressed interest in joining the Coalition. Stated that there are many projects they are working on including solo projects.

Noted Obama’s vision for tribes and sustaining the environment and that they would continue to support green endeavors. Los Alamos is a big part of the Pueblo. Working on a Highway 4 Bypass to redirect traffic away from the community is important; currently it
runs right through their community. They have Charlie McMillan’s support and support from Washington D.C. They will be returning to Washington for support on other projects.

The Pueblo would like to join Coalition to improve government to government relations and noted that he has access to federal government as a tribal entity. The Governor noted geothermal and sawmill projects that recently received $5 million in funding. They are moving into a business model to provide timber throughout the southwest.

Commissioner Mayfield thanked him, indicated a standing invitation to all northern pueblos to join the coalition and thanked them for attending.

Councilor Maestas asked if a formal invitation letter is coming.

Commissioner Mayfield talked about the joint powers agreement (JPA) with tribes in the area. Approved by the state Department and Finance Agency (DFA); any municipality is open and able to join the Coalition. Bosshardt spoke briefly about the joint powers agreement.

Cabral noted that fire mediation is taking place by thinning the forest of the Jemez. He noted that the Jemez people were 30,000 in number when the Spanish first arrived. The mountain is sacred to the Jemez people. This area has changed the world, and this connection is significant from a number of standpoints.

Cabral spoke about the Feynman center, a new economic development initiative being put forth by the Labs. The dynamic vision for the center and the Lab from an economic standpoint to leverage $2B in private capital to create a high-tech cluster.

Cabral noted that there is a trip being planned to Rocky Flats.

He expressed regret that Mayor Lucero could not attend this meeting. She is in Las Cruces for an event honoring her husband. Mayor Andrew Gonzales will contribute a lot as well.

Noted that Rio Arriba County and Espanola are working closely together, this is inspiring. With everyone working together there is a great synergy developing.

A strategic planning session is upcoming in May to determine economic development and to figure out which projects to work on for economic development and cleanup.

Commissioner Mayfield recognized Representative Trujillo. Trujillo Said he is happy to be here.

Commissioner Mayfield introduced Charlie McMillan.

**Report from LANL: Charlie McMillan**

Thanked the coalition for their support of the laboratory. He wants to show what is happening because of their support. He indicated there are three things to talk about: health of the lab; our environment; and community programs. He did not have charts for all members of the public, but will try to make them available.
The first chart shows lab budget for FY14 at $2.1B. He spoke about distribution of those dollars. 99% coming into the laboratory is federal monies, of which 85-90% of work is related to nuclear mission. The economic indicators are stable, from 2006 to present; the budgets and people went up. Since 2011 we have come down, but they are ahead of where they were last year. The budgets and staff increased from 2009-2011 and decreased in 2012 to present; the good news in today’s fiscal environment. The new NNSA administrator General Klotz spoke about missions for the department. Los Alamos is a contributor to missions to NNSA and works closely with Secretary Moniz. He serves on the Lab policy council; they work with the Secretary to provide guidance for the Lab and the department.

DOE Mission Areas:

1. National Security
2. Science
3. Energy
4. Environmental Management

LANL is excelling in all areas. One, DOE is a powerhouse of science and technology for the nation. Two, the national labs are the principal agents for the execution of that mission; Third, it is done in public service. The alignment is good between the lab and the secretary’s mission. They are also working on a strategic plan for the lab for the last 18 months. The plan will be up on the website. There are three themes that lie behind strategic plan.

First, they have to deliver on their commitments. It will not always go perfectly but that will be dealt with. Second, is the laboratory today and 20 years from today. The process and people put in place today will shape the future. The Laboratory must lead the change for the future. They must hire the best people and avoid losing them to great companies and universities. They have to become the world’s greatest place to work. Finally, all systems must work together seamlessly. The use of technology is a key component to this process.

We live in a time of fiscal austerity and need to be mindful of the taxpayer’s dollars, by focusing on the priorities. There is a need to look at requirements to make sure they are what really need. He is pleased with comments from the committee in Washington, D.C.

Regarding Project 3706, he is incredibly proud of the team that has been doing this work in spite of difficulties, including sequestration in October. They had to turn away contractors; problems at WIPP. They are still on path to complete project by the end of June. A lot of risk left in the plan.

They have been working with colleagues from the state, other states, from DOE, and DOE headquarters and the field office, working their way through the problems as they occur. So far they have completed the work in the box lines. Drums are packaged and ready to ship and 23 of the 120 shipments have been shipped. The challenges remain in terms of 81 of the drums; working hard to solve those problems.

They are working closely with the Governor Martinez on drought issues, water issues with Senator Martin. They are looking into ways to utilize brackish water in place of fresh water. Also of importance is tree mortality and what to do about it.

He noted the high-flying drone project and their recent sale to Google. LANL provided
venture funding and this is the type of investment they are making in the community. The educational products and the STEM education acceleration fund (VAF) in the state are making a difference in Northern NM. All of the major organizations in the State are thinking about STEM education.

He is thinking about how to expand throughout the state. Thanked the coalition for the opportunity to be here and for the way the coalition is telling the Lab's story.

Councilor Maestas: appreciates his enthusiasm—he is doing a great job. Asked about the new contracting team that started in 2006, referenced community commitment plan and asked for status and if it has continued a role in improving it.

McMillan: it is continuing; it was approved for five years. The contract states that parent companies made a commitment to five years. At the end of the period, showed what money had been doing in the community. The Board determined to continue making that investment in the LANL community. The fee has scaled down over time, but the board is continuing to make the commitment with no wavering. It is managed through the community programs office and charitable giving funds. He mentioned the ways that money is returning to community, which has amounted to about $3M.

Councilor Radosevich noted that he is an employee of LANL and thanked him for being present.

Commissioner Mayfield thanked him and his staff, who make great presentations to the coalition, which helps keep community informed. He referenced STEM funding and its importance throughout Northern NM. Many communities are bedroom communities for the Lab who provide support for the Lab and are economically dependent on the labs.

McMillan: 41% of LANL employees are native NM. If the educational systems move towards world-class status it will help attract, keep, & produce employees.

**Report from the State: Secretary Ryan Flynn**

Thanked him for being here. It is the second time he has presented to the coalition. He is here to report on environmental cleanup as we move past the 3706 true campaign. Indicated there has been lots of success for this campaign despite adversity. He believes the Lab and employees should be proud of this in the face of challenges, such as sequestration and the leak at the WIPP site. He was the lead negotiator for the state.

He noted that project is still on track and is a couple weeks away from completing project, noted the work of DOE and the Labs in making this a priority along with set goals in the framework agreement. The short-term goal was to move the waste by June 30, 2014. A failure in the past was the ability to articulate short-term goals. All workers are on the same page, even though the mission is very complex. The only goal is to clean up the site as aggressively and efficiently as possible.

Funding has been decreasing over the past few years. The steady decline in funding is a constant discussion. The members of the appropriating committee think that there problem is that they do not know what they are doing with the money, or any direct benefits. The campaign approach has helped instil confidence in the committee members and other key players in Washington D.C.
The increase in funding was a team effort, including the Coalition and other communities to bond together and identify priorities. Cleaning up contamination is a common goal of the area. He thanks the Coalition to drive the funding north, and also thanked the congressional delegations. This allowed for $40 million dollars in additional funding. The simple idea of having one clearly defined goal is key, which has worked for the State of New Mexico.

The State has to figure out how to move forward now that they know the 2015 deadline will not be met. They must continue to build upon the progress they have made and set a new schedule. It is important to say they will not consider anything outside the scope of work. It will not change and cannot change. The Legacy Operations waste must be cleaned up. The Department of Energy will be required to continue the cleanup. The sequence of the remaining work must make sense and prioritizes cleanup based on risk. They would like to see funding of $255 million per year. The Chromium contamination is threatening ground water and should be a top priority.

Building on the campaign approach used in 3706 is a good process to follow. The deadline needs to be changed, but that is all. A new schedule must be agreed upon. The old schedule is no longer viable, it does not good to talk about whose fault it was. There were unexpected issues that came up. The complexity of operating in this environment is incredibly difficult and a longer-term cleanup.

With the remaining work that needs to be done he would like to see public input. There were originally three parties to the agreement. Traditionally they have not taken input, but he believes it is important in this situation. A series of campaigns will be shared with the public, so that input can be received on these campaigns. The feedback will help devise a new schedule for how to go about cleaning up the rest of the contamination on the site.

He is happy to come back after the campaigns are developed.

Commissioner Blankenhorn stated that he appreciates the state’s efforts in sequencing and the priorities for safety. He questioned the negotiations with the DOE on completion time. Future presentations will share sequencing and time estimates. They will also correlate to the amount of money received. Flynn stated that the work that remains needs to be understood as well as how long it will take. Flynn does not know how long it will take. In 2005 one of the mistakes was the 2015 deadline, the promise or contract was broken to the public. There was no basis to support that date at that time. How could a date be set when you do not even know what the problem is that you are tackling? Unlike 2005 we now have a plan and know what the problem is.

In meeting with the NGO’s the sentiment is to move efficiently as possible. You cannot be sloppy, it needs to be done correctly. If it takes an extra two to three years so be it.

Councilor Maestas is concerned about contamination of storm water. As an engineer, thinks system is archaic. He wants to mitigate that threat in a more comprehensive manner. Thinks we can do better and there are a lot of constituents who think so too. The potential risk of contaminating surface water should be a priority. He wants a comprehensive plan or a more robust plan.

Berting: appreciates his being here, presentation was excellent, the coalition looks forward to seeing the priorities so we can get behind them. Her question goes back to 2005 and the
Citizen’s advisory board reports. They are getting stuck, but suspects that is not happening now. She is wondering if it is possible to reduce the number and size of requirements for reports for each of the campaigns. This causes spending money without getting any results. In the interest of greater efficiency, can he discuss cutting down the paperwork with the DOE.

Flynn: He thinks they are in that position and have looked into improving processes across the board. In the hazardous waste bureau, part of the problem has been solved by moving beyond site investigation and characterization and moved into developing work plans for planning remediation. Follows a regulatory process and as the oversight agency, has to provide approvals along the way. They bear part of the blame in not moving as efficiently as possible. Work plans moving forward set goals and hold people accountable to those plans. Not involved in generating work plans and spending too much time knit picking every detail and how viable it will be. They will be held accountable if they meet deadlines.

One of the dangers when you spend too much time writing about a problem you can limit creativity. An agency can be forced to come up with ideas and solutions the results can be surprising, people doing this need to be given room.

Councilor Berting: more power to you.

Commissioner Mayfield is happy to hear that he will seek input from the community on the consent order, although he is concerned about chromium discovery and the specific campaign. As a collective voice, the coalition went to Washington DC and spoke with the delegation with one voice. Pushing for a common goal was appreciated by the people they spoke with.

Mayfield asked Santa Fe County to join the Coalition specifically for environmental clean-up. He noted that the Beckman diversion project is critical for our water supply. There are environmental issues throughout the country; referenced tackling all environmental issues as a country. He recognizes importance of WIPP and stated concern over receiving waste from all over the country and does not want to see any legacy waste issues. He questioned the Labs dumping waste in unlined pits. Will we have to deal with this cleanup in 20 or 30 years from now? Even though it might be low level it could still pose a danger. Is $255 million enough? Mayfield asked what we need financially to clean up all of Los Alamos.

Secretary Flynn: billions of dollars, depending on the final remedy and proposals. He does not know what the final number would be, probably 10’s of billions. We are in competition for funding with other DOE sites in the US. We try to reach out to colleagues in other states and why New Mexico’s priorities should be important to other states. Governor Martinez made it crystal clear that we have something that no other state has. When a state like Washington or Oregon blocks the money, now they want to send waste to WIPP. We are not just another state and cannot get lost in the shuffle.

Update on WIPP: Joe Franco

Commissioner Mayfield introduced Joe Franco
Jose Franco has been at WIPP for just over two years. He worked at the WIPP project from 1989 to 2006. He left to join DOD for related cleanup issues in the reactor plants. He had the privilege of working with the tribes there. He decided to come back in 2012.

He proceeded with a PowerPoint presentation that talked about the sequence of events that caused the fire in the mine. The process that took place for the employees was detailed. The investigation team then took over. He spoke about safety procedures in place and monitoring that is continuously taking place. They are trying to be as transparent as possible. (Please refer to the PPT for specific details).

The recovery means that WIPP stays open, while ensuring the safety of employees, the public and the environment. Moving from a mine to a nuclear facility requires a different mindset from employees. He invited everyone to look at their newly revised website: www.wipp.energy.gov and all of the details from the report are listed there, which is updated daily.

Councilor Maestas thanked him for the briefing and appreciated the open and honest discussion. The cause of the problem is unknown but WIPP continues to accept shipments. He questioned whether there is a design flaw with the storage containers.

Franco indicated they will be looking into this issue. They must meet 7A DOT requirements and will not know until they get in and see. There may have been a crushed drum. There is a need to make sure that analysis is done on the drums. As more information is found, they will notify all facilities.

Commissioner Mayfield asked what is difference between a drum and a shipping container?

Franco indicated WIPP is currently not receiving any waste; it is going to a temporary staging center. Waste is packaged in 55 gallon drums, inside those boxes, then into another container that are NRC approved. Before they can get on the road each container must be approved.

Commissioner Mayfield, are the contents are removed?

Franco indicated the material is not removed; the drums are transferred to the underground area.

Commissioner Mayfield said shipping containers are different. What were the contents of the compromised container?

Franco indicated they know the contents of every container. They are focusing on the drums and contamination levels.

Commissioner Mayfield stated he has monitored website.

Franco will be touching base in the future.

**Action:** Strategic Planning Session, Comm. Mayfield, Proposal from Crescent

Commissioner Mayfield, asked Brian Bosshardt for summary.
Mr. Bosshardt said they needed to revisit the coalition’s strategic plan. The last plan was four years ago, no original board members remain on the board who worked on the original strategic plan. A decision to commit next month’s meeting to a strategic planning session. Discussion on what success looks like, what we are trying to accomplish, action steps; economic development, what that means for this board? How does the board define economic development?

He referenced the proposal from David Abelson who is uniquely qualified to assist with this effort. The need for commitment from the board and executive director team needs a work plan from the Board. The proposal is in the packet from Mr. David Abelson. He would like meetings with the board leading up to the meeting. He recommended holding the meeting from 9 to 3, including lunch. During the meeting there is a need to approve the contract and action item(s).

Commissioner Mayfield said Consultant David Abelson will meet with board members, including alternates before the meeting.

Commissioner Mayfield proposed May 16, 2014.

**Motion:** To hold the strategic planning session on May 16, 2014. **Moved by** Councilor Maestas, **Seconded by** Councilor Berting.

**Vote:** Motion passed (**summary:** Yes = unanimous).

**Public Comment**
Nuclear Watch NM representative indicated the state does not have regulatory authority over nuclear waste; only hazardous and mixed waste. Dumping is beyond the scope of state regulation. The consent order responsible for many investigation reports and there are still some that are not complete; wells that need to be drilled to complete the investigations for the consent order. Many have been extended because of the 3706 project. It is good that Lab and State are asking for public input on priorities; asked for public input on the possible remedies. He does not want waste left in place.

4 Bridges Traveling Permaculture Institute representative wanted to hear information on GMO poplar project. Indicated there are over 500 signatures on the Change.org petition. She wants to know where the board stands on this issue.

Commissioner Mayfield said the next meeting is June 20.

Commissioner Mayfield said meetings rotate to different coalition communities

Commissioner Mayfield thanked her for her time.

Cabral indicated RCLC has not taken a position, whether it is pro or con. They have tried to support tech transfer, although the full board has not approved it. They are considering whether to do a study on the impact of Ealasid.

**Motion to adjourn**
Commissioner Mayfield adjourned the meeting at 11:43.

MEETING ADJOURNED AT 11:43 A.M

___________________________________
Darien Cabral
Director

ATTEST:

___________________________________
Commissioner Danny Mayfield, Vice-Chair
Strategic Planning
May 30, 2014

Mr. Darien Cabral  
Executive Director  
Regional Coalition of LANL Communities  
518 Old Santa Fe Trail #456  
Santa Fe, NM 87505

Dear Darien,

It was a pleasure working with JLH Media, the Regional Coalition of LANL Communities (Regional Coalition), and you on the Regional Coalition’s May 16th retreat. Attached to this letter is my final report to the Board of Directors.

From my perspective, the retreat clarified a number of issues and policies, and established key expectations. Taken together, I strongly believe that the Regional Coalition is well poised to build on its successes, and strengthen the role of local government on the suite of issues facing LANL and surrounding communities.

As I discuss in my report, my key recommendations are:

1. The Board of Directors must work together and with the executive director management team to define the organization’s strategic course. That includes developing an annual work plan, and, based on that plan, scoping agenda topics one-to-three months in advance.
2. The executive director management team must have a clear sense of the Board’s expectations so that it can best serve the Board’s interests and effectively implement the work plan.
3. The goals and intent of each meeting must be clearly defined.
4. As agreed to at the retreat, the organization must balance its focus on environmental and economic development issues. To date, the Board has emphasized environmental issues, including cleanup funding. That work must continue while expanding its focus on economic development issues.
5. The executive director management team must maintain close ties to DOE, NMED and LANS, as a strong working relationship will be central to advising the Board on its strategic direction and identifying opportunities for substantive Board engagement. Frequent contact with these parties is essential.
6. For now, the executive director management team must narrow its focus to (a) strengthen relationships will all member governments, (b) establish the framework and develop the initial draft of the work plan, (c) analyze opportunities to engage economic development opportunities, and (d) identify opportunities to influence existing cleanup actions and future cleanup campaigns.

7. Be aware of local government politics. It is critical that the executive director management team does not advance issues that pit one government against another. Disagreement amongst member governments is part of the process, but political considerations must be understood when managing this type of organization.

Please let me know what questions you have about my report, and issues and strategies contained therein.

Regards,

David M. Abelson

Encl.
REPORT TO THE BOARD OF DIRECTORS
REGIONAL COALITION OF LANL COMMUNITIES
BOARD RETREAT, MAY 16, 2014

Prepared by
David M. Abelson
Crescent Strategies, LLC
May 30, 2014
This report summarizes the Regional Coalition of LANL Communities’ May 16th Board of Directors retreat.

Board members present:
- Alice Lucero, Mayor, City of Española
- Fran Berting, Councilor, Los Alamos County
- Joe Maestas, Councilor, City of Santa Fe
- Tom Blankenhorn, Commissioner, Taos County
- Steve Girrens, Councilor, Los Alamos County
- David Trujillo, Assistant Manager, Rio-Arriba County

Executive director management team members present:
- Darien Cabral, Executive Director
- Jennifer Padilla, JLH Media
- Jennifer Hobson-Hinsley, JLH Media

Economic development professionals who offered perspectives at the retreat:
- David Griscom – Santa Fe County
- Fabian Trujillo – City of Santa Fe
- Chris Madrid – Rio Arriba County
- Greg Fisher – Los Alamos County
- Kathy Keith – Regional Development Corporation
- John Mott – Feyman Center

David Abelson, Director, Crescent Strategies, LLC, facilitated the meeting and has prepared this report. Brian Bosshardt, Deputy County Administrator, Los Alamos County, assisted with meeting management.

**Background on the Regional Coalition of LANL Communities**

The Regional Coalition is rooted in the idea that by coming together to proactively address issues, these governments are better poised to define the public interest and ensure national policies protect and promote local interests. Those interests are environmental, economic and cultural. As congressional delegations and communities from other Department of Energy (DOE) facilities can attest, regional partnerships such as the Regional Coalition strengthen the decision-making process and are integral to the communities’ long-term economic viability.

A central component of the Regional Coalition’s work is addressing environmental liabilities. That effort includes the evaluation of cleanup planning, implementation, and oversight for protection of workers and neighboring communities. It likewise includes ensuring decisions made at the Los Alamos National Laboratory (LANL) are consistent with community values and goals.

Economic issues are critical to the Regional Coalition’s mission. As provided in the Regional Coalition’s strategic plan, “Sustaining and diversifying LANL’s missions and protecting the
environment through design, planning and execution are central to the site’s long-term viability and, in turn, essential to the long-term economic and social health of the regional communities.”
The key question for the Regional Coalition concerns what economic development means in the context of its efforts, and, specifically, how the Regional Coalition can marshal its political strengths to advocate for and otherwise support existing regional economic development efforts.

Finally, advancing the organization’s goals and priorities requires strong communications. That effort is part education, part advocacy.

Observations from the retreat
The Regional Coalition continues to make progress in fulfilling its goals of securing funding for cleanup, which is both an environmental and jobs issue, and helping define local interests as DOE and the New Mexico Environment Department (NMED) establish cleanup priorities. With Darien Cabral and JLH Media as the executive director management team, the Regional Coalition has in place a team that can help advance economic development issues, the part of the Regional Coalition’s strategic plan that has received less attention. The challenge facing economic development efforts is defining the Regional Coalition’s role given the many existing, effective efforts.

To be successful moving forward there are certain critical steps that the organization must take, most of which were defined during the retreat or came up in meetings David Abelson, the meeting facilitator, had with the executive director management team and Board members prior to the retreat. David’s key recommendations are:

1. The Board of Directors must work together and with the executive director management team to define the organization’s strategic course. That includes developing an annual work plan, and, based on that plan, scoping agenda topics one-to-three months in advance.
2. The executive director management team must have a clear sense of the Board’s expectations so that it can best serve the Board’s interests and effectively implement the work plan.
3. The goals and intent of each meeting must be clearly defined.
4. As agreed to at the retreat, the organization must balance its focus on environmental and economic development issues. To date, the Board has emphasized environmental issues, including cleanup funding. That work must continue while expanding its focus on economic development issues.
5. The executive director management team must maintain close ties to DOE, NMED and LANS, as a strong working relationship will be central to advising the Board on its strategic direction and identifying opportunities for substantive Board engagement. Frequent contact with these parties is essential.
6. For now, the executive director management team must narrow its focus to (a) strengthen relationships with all member governments, (b) establish the framework and develop the initial draft of the work plan, (c) analyze opportunities to engage economic development opportunities, and (d) identify opportunities to influence existing cleanup actions and future cleanup campaigns.
7. Be aware of local government politics. It is critical that the executive director management team does not advance issues that pit one government against another. Disagreement amongst member governments is part of the process, but political considerations must be understood when managing this type of organization.

**SUMMARY OF BOARD RETREAT**

**What the Board hoped to achieve at the meeting**
At the start of the meeting, the Board and the executive director management team identified what it hoped to accomplish at the retreat. These ideas are summarized as follows:

1. **Work plan:**
   a. Identify what the Regional Coalition wants to accomplish and where it goes from here.
   b. Identify Board priorities for both environmental remediation and economic development.
   c. Develop the framework for an achievable work plan that is integrated with the existing strategic plan, and begin developing the framework for its work over next three-to-six months.
   d. In the work plan, balance environmental remediation and economic development.

2. **Organizational management:**
   a. Provide direction to the executive director management team, including the Board’s expectations.
   b. Develop a process for all governments to contribute to the meeting agenda.

3. **Economic development:**
   a. Define what economic development looks like within the scope of the Regional Coalition.
   b. Clarify the Regional Coalition’s economic development path and coordinate efforts with other groups.

The Board either met each goal or set the course for addressing each item.

**Environmental remediation priorities**
The Board agreed in the importance and value of ensuring that decisions made at the federal and state level about cleanup priorities and related actions include local interests and priorities. There was discussion regarding the ability of the Regional Coalition to influence cleanup decisions being made by DOE, LANS and NMED. At the same time, there was also discussion that DOE is interested in working with the Regional Coalition as it establishes cleanup priorities.

The cessation of TRU waste shipments to WIPP created uncertainty regarding DOE and NMED’s path forward on the Framework Agreement and Consent Order, and in turn the type of decisions that would be made in the coming months and year. The Board remains strongly interested in evaluating cleanup options and priorities, and weighing risk reduction, costs, and
other factors that are integral to establishing the path forward on environmental remediation. Accordingly, the Board agreed to approach environmental remediation as follows:

1. Understand DOE, NMED, and LANS’ cleanup priorities, and engage in priority setting. That analysis includes understanding
   a. Environmental media affected;
   b. Risk reduction that would be achieved;
   c. Cost;
   d. Work health and safety;
   e. Employment needs; and
   f. Other issues not yet identified.
2. Understand the path forward on the WIPP-3706 campaign, including what role, if any, the Regional Coalition can occupy as part of that campaign.
3. Understand next steps on Consent Order with TRU waste shipments to WIPP being halted for 18-36 months.
4. Define the Regional Coalition’s realm of influence and advocate for community priorities.
5. Identify opportunities to influence DOE, NMED and LANS decisions, and, as appropriate, advocate for adequate funding with Congress.
6. Evaluate options for remediating the chromium plume, and understand stormwater management issues.
7. Develop a unified voice on cleanup issues.
8. Support the campaign approach to cleanup such as the one that was utilized in the TRU waste 3706 campaign.

Economic development – evaluation parameters
The Board developed a set of parameters that it will use to evaluate its engagement on economic development issues, but noted the Regional Coalition is not an economic development organization. For that reason, the Board stressed that in evaluating economic development opportunities, it is imperative that the organization pay close attention the role of other organizations, if any, working on the given project, and in turn the specific role that the Regional Coalition would occupy.

The parameters the Board developed for evaluating its engagement on economic development issues are:

1. Explain the connection of the project to LANL;
2. Identify what other organizations are working on the project, and the role of each;
3. Explain how the project affects the Regional Coalition’s strategic interests;
4. Explain the specific role(s) for the Regional Coalition in advancing the project (i.e., advocacy, communication, coalition building);
5. Identify how the Regional Coalition will leverage its resources; and
6. Identify and explain which governments/communities would be affected by the project, explain the impacts, and identify any intergovernmental conflict that would emerge should the Regional Coalition pursue this project.
The executive director management team will conduct the initial analysis. Should the management team determine that a project is or might be worth pursuing, that recommendation will be brought to the executive committee for further review. Should the executive committee determine that the Regional Coalition’s engagement is warranted, that recommendation will be forwarded to the Board for its review and approval.

**Economic development – potential projects**
The Board, executive director management team, and economic development professionals in attendance identified the following projects that could warrant the Regional Coalition’s engagement. None, though, were vetted through the economic development evaluation parameters at the meeting, so an analysis by the executive director management team is needed.

1. Los Alamos Supply Chain Management Center (SCMC)
2. LANS Community Commitment Plan
3. REDI
4. REDINET (and broadband in general)
5. Flut
6. Ealasid
7. Workforce development
8. Feyman Center advocacy
9. Promote northern New Mexico economic development

It was also noted that many of these opportunities are projects of the Regional Development Corporation.

**Role of the executive committee**
One item that emerged was that the executive committee’s role is not clearly defined. The Board took initial steps to better define the committee’s role. Moving forward, the executive committee will:

1. Meet with the executive director management team (via conference call) the week following the monthly meeting to set the agenda for the following meeting;
2. Conduct the initial review of proposed economic development projects brought forward by the executive director management team; and
3. Manage the executive director management team.

**Expectations of the executive director management team**
In order to determine whether the executive director management team is successful, the Board began broadly defining its expectations of the management team. Specifically, the executive director management team will

1. Issue professional Board meeting packets, and ensure compliance with the following.
   a. Packets will include agendas, briefing memos, and, as needed, supplemental information for each item.
b. Both the agenda and briefing memos will identify the nature of each agenda item, including whether Board action will be needed.

c. Packets will be emailed to the Board and interested members of the public (including the media) no later than one week prior to the Board meeting.

2. Issue a press release following each Board meeting. The release will summarize the briefings, actions taken (if any), and other relevant information.

3. Meet periodically with each director.

4. Work with the Board and executive committee to ensure compliance with the New Mexico Open Meetings Act.

As noted above, regarding the evaluation of potential economic development projects, the executive director management team will analyze and review each potential project, and issue a recommendation to the executive committee if the management team determines that the Regional Coalition’s engagement is or may be warranted. Importantly, should the executive director management team determine that the organization’s engagement is not warranted, that information will not be presented to the executive committee for review.

**Process for developing the Board meeting agenda**

The Board agreed that each government should have an opportunity to identify the agenda items. The Board agreed to the following process:

1. At the end of each meeting, the executive director management team will present to the Board potential/likely work items for the next three meetings. Currently (and for the purposes of this report) this framework is called “Meetings at a Glance.”
2. The entire Board will review and, as necessary, make changes to “Meetings at a Glance.”
3. One week following the Board meeting, the executive committee and executive director management team will meet to set the agenda for the forthcoming meeting.

**Standing agenda items** – The Board agreed that it should receive regular updates on yet-unidentified projects. Examples could include the status of TRU waste shipping campaign, subcontract opportunities, etc. These items were referred to as “standing agenda items.” In the coming months, the Board will work to identify these items and the frequency that it would like to receive updates.

**Communications**

JLH Media has the capacity and skill to advance a comprehensive communications plan. In the coming months as the work plan is developed, the executive director management team will develop a communications plan that will both guide proactive efforts and identify how the organization will respond to inquiries. The following was also agreed to:

1. Jennifer Padilla will be the primary contact with the media;
2. As noted elsewhere, following each meeting, the executive director management team will issue a press release summarizing the meeting and noting Board action, if any, taken; and
3. The executive director management team will develop a press release template.
One challenge that was not fully resolved was the process for responding to media inquiries, especially breaking news. In those circumstances where the organization cannot wait until the next meeting to respond, the executive director management team will contact the Chair, and if time allows, the other members of the executive committee. Time allowing, the Chair will provide guidance on how to respond, and will approve media releases.

The Board recognized that often reporters are on deadline, so there may be instances where the executive director management team and Chair will not have sufficient time to talk. In those circumstances, the executive director management team is charged with handling the media inquiry.

What a successful meeting entails
The Board identified two specific items, and two others came up in conversation:

1. Start on time;
2. Following the rules of procedure. Mayor Lucero is charged with developing these rules;
3. Follow the agenda; and
4. Limit the executive director’s report.

To-do list
The Board identified the following items.

1. Develop the 2014 work plan. Lead: Executive director management team will initiate the effort; project will be completed at Board meetings
2. Evaluate economic development opportunities. Lead: Executive director management team
3. Develop the Meetings at a Glance template, and begin developing briefing/discussion items for the next three months. Lead: Executive director management team
4. Develop a communications plan. This item will occur once the 2014 work plan is developed and approved by the Board of Directors. Lead: Executive director management team will initiate the effort; project will be completed in conjunction with executive committee
5. Establish the process for setting the agenda. Status: Completed (see “Agenda Setting” for details)
6. Adopt rule of procedure for Board meetings. Lead: Mayor Lucero
7. Develop the template for Board statements. Lead: Executive director management team
8. Identify standing agenda items. Lead: The Board
Work Plan
June 20, 2014

Regional Coalition of LANL Communities

Work Plan

This is a Work Plan Outline per our Strategic Planning session. The WP is divided into Short-term and long-term goals and objectives. At the end of this document there is a GANTT chart with a tentative timeline for both short and long term objectives and goals. This is a draft WP subject to Board review and approval.

Short-Term Goals

1. Organizational Management
   1.1 Development
      1.1.1 Increase relationships with agencies
      This is an on-going task that will help solidify relationships with LANL, DOE, federal agencies, Congressional Delegations and the State. We now have commitments from the New Mexico Office of the Governor and the State Environmental Department to send representatives to our Board meetings. We are holding regular briefing sessions with these offices as well. Senators Udall and Heinrich regularly send reps to our meetings. We will increasingly reach out to Representative Lujan’s office. We have established good relationships with LANL EM and Community Relation staff. We will increase face-to-face time and coordination and attempt to work closely with the local NNSA rep.

      1.1.2 Strengthen relationship with Board
      Rather than establish committees, we will increase face-to-face time with individual Board members to discuss priorities and projects. This has already started and allows Board members to provide on-going input into Coalition priorities and take on a larger role in specific activities. We are also actively recruiting new membership, including Jemez Pueblo and Pojoaque Pueblo.

   1.2 Work Plan
   This work plan draft is a work in progress. We will re-visit and update the Plan periodically as well as obtain Board approval. The Work Plan will give the Executive Team clear direction from the Board as well as establish benchmarks to measure progress. The initial WP is scheduled for approval at the 7/18 board meeting.
      1.2.1 Develop
      1.2.2 Incorporate priorities
      1.2.3 Review
      1.2.4 Finalize/ periodic updates
1.3 Projects Listing / Budget
As part of the WP we have made a listing of projects according to criteria developed within the Strategic Plan. The Packet includes project summaries and background information. Economic development work is on-going regarding the Subcontractor issue and REDI Net. Details are provided. These projects should be reviewed and approved by the Board. Additional work is continuing in the areas of environmental remediation. At his time, there are no specific projects being pursued regarding Workforce Development. We are hoping that the current Board meeting (June 20) will lay groundwork for the Coalition to play a role in that area. The full WP is scheduled for approval at the July 18 meeting. We will present a budget for adoption by the July 18 board meeting.

1.3.1 Summarize projects
1.3.2 Follow screening process
1.3.3 Board approval
1.3.4 Update – projects/ standing items

1.4 Meeting prep
In preparation for this current meeting, we have prepared a Meetings at a Glance page which will be updated and reviewed at the end of each board meeting. We have developed a workforce presentation agenda to help guide us in that field, and we have developed a draft Work Plan.

1.4.1 Complete Meetings at a Glance
1.4.2 Arrange workforce agenda
1.4.3 Complete Board packet
1.4.4 Develop / post calendar

Longer-Term Goals/ Projects

2. Environmental Remediation

2.1 WIPP
2.1.1 Consider support letter(s) for additional funding to expedite re-opening of WIPP
2.1.2 Consider incorporation funding of WIPP re-opening in lobbying effort
2.1.3 Monitor / publicize impact of WIPP situation on regional jobs
2.1.4 Advocate through PR and other means for expedited re-opening of WIPP

2.2 3706 Campaign
2.2.1 Support completion of 3706 Campaign
2.2.2 Publicize success of 3706 Campaign prior to WIPP incident as appropriate

2.3 Post 3706
2.3.1 Review LANL/DOE risk assessments
2.3.2 Coordinate evaluation of risk with CAB and State
2.3.3 Issue statement / adopt discrete environmental campaign priorities
2.3.4 Incorporate campaign priorities into solicitations for increased environmental funding
3. Economic Development
   3.1 REDI
      3.1.1 Take on tasks for REDI Plan committee in conjunction with RDC
   3.2 Projects
      3.2.1 Develop Project Matrix/ briefing as per planning criteria and review process
      3.2.2 Present / adopt Work Plan in phases
      3.2.3 Re-visit Work Plan – monitor project progress periodically for Board review
   3.3 Vision
      3.3.1 Work with Feynman Center – adopt / support ED vision

4. Workforce
   4.1 Organization
      4.1.1 Hold Workforce Board Meeting
      4.1.2 Follow-up with resource partners to ascertain appropriate coalition role

5. Communication
   5.1 Develop Communication Plan
   5.2 Communication Tasks
      5.2.1 Develop Newsletter
      5.2.2 Expand Web Page
      5.2.3 Develop internal calendar
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<td>• Agenda drafts to JLH team • Executive committee calls • Finalize agenda • Activity report / invoicing • First meeting email reminders out • Second email reminder out • Finalize Packet • JLH weekly meetings</td>
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<td><strong>2. Environmental Remediation</strong></td>
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<td>3.1.1 Develop REDI tasks</td>
<td>Act as REDI committee</td>
<td>6/20/14</td>
<td>7/17/14</td>
<td>Exec Dir, RDC</td>
</tr>
<tr>
<td>3.1.2 Coordinate REDI event</td>
<td>August event</td>
<td>6/23/14</td>
<td>8/8/14</td>
<td>Exec Team, RDC</td>
</tr>
<tr>
<td><strong>3.2 Projects</strong></td>
<td></td>
<td>6/16/14</td>
<td>12/12/14</td>
<td></td>
</tr>
<tr>
<td>3.2.1 Develop matrix</td>
<td>Evaluate projects per criteria</td>
<td>6/16/14</td>
<td>6/20/14</td>
<td>Exec Dir</td>
</tr>
<tr>
<td>3.2.2 Review / Adopt Work Plan</td>
<td></td>
<td>6/16/14</td>
<td>7/18/14</td>
<td></td>
</tr>
<tr>
<td>3.2.3 Periodic WP updates</td>
<td>Quarterly</td>
<td>7/21/14</td>
<td>12/12/14</td>
<td>JLH</td>
</tr>
<tr>
<td>3.2.4 Develop Vision</td>
<td>Feynman Ctr. vision</td>
<td>7/21/14</td>
<td>12/12/14</td>
<td>Board, Exec Team</td>
</tr>
<tr>
<td><strong>4. Workforce</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1 Organization</td>
<td></td>
<td>6/16/14</td>
<td>8/1/14</td>
<td></td>
</tr>
<tr>
<td>4.1.1 Workforce board meeting</td>
<td>June 20</td>
<td>6/16/14</td>
<td>6/20/14</td>
<td>Exec Team</td>
</tr>
<tr>
<td>4.1.2 Follow-up - role</td>
<td>Develop role</td>
<td>6/23/14</td>
<td>8/1/14</td>
<td>Board, Exec Dir</td>
</tr>
<tr>
<td><strong>5. Communications</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.1 Develop Plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.2 Communication Tasks</td>
<td></td>
<td>6/30/14</td>
<td>9/5/14</td>
<td></td>
</tr>
<tr>
<td>5.2.1 Develop newsletter</td>
<td></td>
<td>6/30/14</td>
<td>9/5/14</td>
<td>JLH</td>
</tr>
<tr>
<td>5.2.2 Expand web page</td>
<td></td>
<td>8/4/14</td>
<td>9/22/14</td>
<td>JLH</td>
</tr>
<tr>
<td>5.2.3 Develop internal calendar</td>
<td></td>
<td>6/30/14</td>
<td>7/11/14</td>
<td>JLH</td>
</tr>
<tr>
<td>Taos Meeting</td>
<td></td>
<td>6/20/14</td>
<td>6/20/14</td>
<td></td>
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<tr>
<td>Espanola Meeting</td>
<td></td>
<td>7/18/14</td>
<td>7/18/14</td>
<td></td>
</tr>
<tr>
<td>Santa Fe County Meeting</td>
<td></td>
<td>8/15/14</td>
<td>8/15/14</td>
<td></td>
</tr>
<tr>
<td>Los Alamos Meeting</td>
<td></td>
<td>9/19/14</td>
<td>9/19/14</td>
<td></td>
</tr>
</tbody>
</table>
**REGIONAL COALITION – POTENTIAL PROJECTS SUMMARY MATRIX**

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>Connection to LANL</th>
<th>Other Organizations</th>
<th>Potential Conflict</th>
<th>Coalition Interest / Role</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>WIPP Advocacy</td>
<td>Yes</td>
<td>LANL/ DOE/ WIPP</td>
<td>No</td>
<td>3706 Clean up priority</td>
<td>Environment/ Jobs</td>
</tr>
<tr>
<td>3706 Campaign</td>
<td>Yes</td>
<td>LANL/ DOE/ WIPP</td>
<td>No</td>
<td>3706 Clean up priority</td>
<td>Environment/ Jobs</td>
</tr>
<tr>
<td>Post 3706 Campaigns</td>
<td>Yes</td>
<td>LANL/ DOE/ WIPP</td>
<td>No</td>
<td>Consent Decree / Clean-up</td>
<td>Environment/ Jobs</td>
</tr>
<tr>
<td><strong>Economic Development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subcontractor Issue</td>
<td>Yes</td>
<td>Major Subcontractor Consortium</td>
<td>No</td>
<td>Economic Development</td>
<td>Job Retention/ Regional Revenue</td>
</tr>
<tr>
<td>REDI Net</td>
<td>Yes*</td>
<td>COG / RDC</td>
<td>No</td>
<td>Economic Development</td>
<td>ED Infrastructure / Biz recruitment</td>
</tr>
<tr>
<td>REDI Plan</td>
<td>Yes - Approved</td>
<td>RDC/ LANL</td>
<td>No</td>
<td>Economic Development</td>
<td>Jobs/ Income/ Recruitment/ Development</td>
</tr>
<tr>
<td>FLUT</td>
<td>Yes</td>
<td>RDC/ LANL</td>
<td>No</td>
<td>Economic Development</td>
<td>Jobs / Income</td>
</tr>
<tr>
<td>Ealsaid</td>
<td>Yes</td>
<td>RDC/ Rio Arriba</td>
<td>GMO Controversy</td>
<td>Economic Development</td>
<td>Jobs / Income</td>
</tr>
</tbody>
</table>

* REDI Net does not use LANL technology, nor is it a LANL spin-off. However, the project was conceived as the number one priority of the REDI Plan. The REDI Plan is a project of the Regional Development Corporation financed through the Los Alamos County GRT increase brought about by LANS management of LANL. The first requirement of the REDI Plan is that projects addressed must have the potential to complement and leverage LANL and LANS economic development assets, including recommendations to modify LANL economic development plans or programs to improve economic diversification. REDI Net provides primary infrastructure that will support the development of a high-tech cluster that is compatible with the central regional LANL economic development vision as articulated by the Feynman Center Initiative.

* The Micro-grid project is based upon a prototype developed and maintained by LANL and financed by Japanese investors.
REGIONAL COALITION PROJECT BRIEFING REPORT

NAME OF PROJECT: Subcontractor Issue

1) What type of project:

Economic Development (with or without Tech Transfer) or Environmental Mediation or Education or Other

Economic Development

2) Other organizations involved in the project (local governments, tribes, LANL, SCMC, RDC etc.)

LANL Major Subcontractor Consortium/ RDC / LANL / State of NM / NNSA / Congressional Delegations/ Regional Coalition Counties, Cities and Tribes (several have passed supportive resolutions)

3) Describe the project in general a few sentences

NNSA set-up the Supply Chain Management Center (SCMC) in Kansas City to centralize purchasing and ostensibly save procurement dollars for all DOE installations nationwide. The SCMC is counting illusory savings. Local major contractors stand to lose contracts with many jobs and millions of dollars lost if the NNSA policy continues and LANS is under pressure to meet benchmarks.

4) Why is it relevant and important that the Regional Coalition be involved in the project? What members or members of the board are you currently in conversation with about his project and what is their perspective.

This is a major economic development issue with the potential for serious repercussions to the region from loss of LANL contracts

5) What type of role and work will you be providing to the project?

We are helping to coordinate communications to ECA/ Congressional Delegation/ State and NNSA to deal with this issue, partly on behalf of the LANL Major Subcontractors Consortium, but also because it may halve substantial regional and even national impact and implications.

6) Outline the objective of the project in tangible terms, either in economic impact or job numbers or some type of measurable outcome.

We want federal guidelines and policy changed to not damage local contractors, and also to help coordinate ways that local contractors can work productively with NNSA to help meet goals for real savings.

7) List the project challenges

NNSA policy is politically entrenched.

8) What is the projected timeline for the project in terms of major milestones?

This could take a long time
Subcontractor Briefing

The local governments that surround LANL and the State of New Mexico are proud that northern New Mexico hosts a world-class laboratory. At the same time, we have been forced to deal with serious environmental risks and issues regarding radioactive waste and other contamination. The trade-off has been the economic development that the Laboratory brings to our region. A vital component of this economic development consists of our local contractors.

There are 35 major local subcontractors that work with LANL with contracts worth $5 million or more. They all form part of the LANL Major Subcontractors Consortium. LANL is the only DOE facility in the country with an organized Subcontractor group. Collectively, this group represents hundreds of jobs and hundreds of millions of dollars of revenue to our region. Besides direct contracts, the work from LANL has allowed these contractors to build up human and physical capacity over many years, diversifying their products and services as well as their customer base, representing substantial regional economic development. The State of New Mexico, federally funded agencies, our local non-profit development organizations, as well as LANL have worked over decades supported by consistent economic development policy to grow and support our subcontractor base. Current policy being put forth by NNSA and the SCMC threatens to undermine all of this work and hollow out this sector.

As elected officials that represent local governments we are very aware of the need to reduce costs and save taxpayer money, and we applaud efforts to accomplish that on both local and national levels. But it needs to be done rationally. At this time our local contractors are beginning to face serious problems brought about by challenging policy.

Out of 35 Major LANL subcontractors, there are two that qualify for SCMC contracts. The Vice President of Sales for one of these companies has stated quite frankly that his company attempted to secure a contract from SCMC for over four years to no avail. They finally appealed to LANL. Officials at LANL in turn appealed directly to SCMC, and an application process was initiated that resulted in a contract. This individual knows the Subcontractor Consortium well. He stated that the application process was onerous and expensive. He also stated that in his judgment no additional LANL subcontractor will qualify for SCMC contracts. This gets to the heart of our concern. As increasing pressure is put on LANL/LANS to meet SCMC contracting targets our region will start to lose jobs, revenue and companies that have been vital to our region’s economy for decades.

As it now stands, in order for a local contractor to bid on a LANL contract they must have a local office with staff that can service equipment, a local warehouse to provide just-in-time delivery and they must contribute to a local economic development fund. Commercial space in the Los Alamos - Santa Fe corridor is extremely expensive. SCMC contractors do not have to meet these requirements. Therefore, in addition to the high-bar set by SCMC that effectively closes access to our local contractors, there is not an even playing field. When supposed savings are calculated NNSA is comparing apples to oranges.

From reading between the lines of the NNSA communications we believe that NNSA has a lot invested in the SCMC process as it is now structured. We think that their strategy in dealing
with the Consortium and our concerns is a defensive one. They will answer questions and make cosmetic concessions if backed into a corner, but consciously or unconsciously, would like to string us along until we just give up. This is of course just a perception and may not be accurate.

We are working closely with the LANL Major Subcontractors Consortium. They are proposing a two-part strategy which we wholeheartedly support. They propose that SCMC procurement policy be modified to afford increased access to SCMC procurement to our local subcontractor base, or at least allow LANL/LANS additional discretion to grandfather existing contracts without targets or timelines that will result in lost business while NNSA works with us to figure out how we can meet cost cutting goals without damaging the local economy. The Consortium is prepared to develop strategy that will help local contractors meet some of the SCMC requirements as well as meet competitive pricing goals when analyzed fairly. However, in order to do that we need sincere cooperation from NNSA and either an individual or task force to work with that has access to the decision making process and will take this matter seriously. The LANL Major Subcontractor Consortium is very appreciative of the involvement of the Coalition in this issue.
Other Information
Nuclear Weapons Complex Reform Could Mean Pay Cut For Contractors

By Douglas P. Guarino
May 15, 2014

The for-profit companies that run the U.S. nuclear weapons complex might have a pay cut in their future, though by how much and exactly when is still unclear.

For decades the complex -- which includes the national laboratories and other facilities responsible for developing and maintaining the nation's atomic arsenal -- operated on a non-profit basis. Taxpayer dollars sunk into it went directly toward scientific work related to weapons development and nonproliferation efforts.

Since the early 2000s, however, the sites have been run by for-profit, limited liability companies. A portion of the annual budget for each facility is set aside as an "incentive fee." The better the job a contractor does managing a facility's work in a given year, the larger the percentage of the total available incentive fee the company gets to take home.

Lately these contracts have been under increased scrutiny due to repeated cost overruns, delays and security failures across the nuclear weapons complex. In one of the most dramatic examples, an 82-year-old nun and two other peace activists in 2012 were able to infiltrate the Y-12 National Security Complex in Oak Ridge, Tenn., where bomb-grade uranium is stored.

Associate Deputy Energy Secretary Bruce Held has been questioning whether what he describes as "large fees" currently paid to manage the weapons sites are the best way to motivate all players involved.

Performance at the national labs might actually improve, the former CIA officer says, if less money went toward the fees meant to motivate the management companies that run the sites, and if more funds went directly to the scientific work that the facilities conduct.

"What motivates the people at the national laboratories is excellence in science and bringing excellence in science to the interest of the nation ... They're not motivated by profit incentives," Held told Global Security Newswire in a recent interview. "They're human beings, they need a salary -- you can motivate them at the margins by giving them a pay raise or a pay decrease or something like that -- but their core motivation and what
makes them tick is scientific excellence.

"So if I have a choice between a dollar of fee for the ... contractor that runs it, or a dollar in lab-directed research and development and I want to motivate scientific excellence, I'd go with" the dollar in lab-directed research and development, Held continued.

It is not completely clear, however, how Held, who says he was coaxed out of retirement from federal service specifically to work on the contracts question, would reconfigure the current for-profit approach.

Held, who completed a 10-month stint as acting head of the Energy Department's semiautonomous National Nuclear Security Administration last month, advocates for moving toward a "public interest model." He suggests, however, that he and other officials working for Energy Secretary Ernest Moniz are still wrestling with exactly what that means.

One significant change that appears to be in the works is an effort to make the maximum fee potentially available to the contractor smaller, and to have much of that fee be based on a fixed amount.

For example, in fiscal 2012, Los Alamos National Security, a limited liability company formed by Bechtel, Babcock & Wilcox and the University of California, had the potential to earn up to $74.5 million for its management of the Los Alamos National Laboratory in New Mexico, roughly 3 percent of the facility's $2 billion budget for that year.

Based on an annual performance evaluation, the government ultimately paid the company $59.7 million, 80 percent of what it could have earned with a perfect performance rating.

In the future, however, a facility like Los Alamos might be paid a fee that is only 1 percent of the site's budget, or closer to $20 million, an NNSA official explains. Most of that fee -- say, $18 million -- would be a fixed, guaranteed payment, meaning only a $2 million portion could be reduced due to less-than-stellar performance.

Another change Energy Department officials are pursuing is one where the fee amount would be fixed over the life of a multiyear contract, rather than having it renegotiated annually, said the NNSA official, who was not authorized to discuss the issue publicly and asked not to be named.

When fees are renegotiated annually "there's not an incentive to reduce your budget because the [larger the] budget, the more fee you get when you're basing your fee on the budget," the NNSA official said. "We're trying to incentivize them to find efficiencies and have a more efficient mission that drives savings."

Under this model, fees paid to the contractor would only be renegotiated on an annual basis if a facility's costs deviated from the president's budget request by more than 10 percent, according to the NNSA official. The semiautonomous Energy Department agency already implemented this change at its Kansas City Plant in Missouri in 2010 when it extended the contract with the Honeywell Corp. to run the facility, the official says.

Held hinted at some of these changes during his brief interview with GSN.
"Sandia [National Laboratories in New Mexico and California -- now run by Lockheed Martin] used to be a dollar a year," Held noted, referring to a prior arrangement in which the University of California and other organizations managed the national labs for a nominal fee.

"We're not going to get back to a dollar a year, but I think maybe we should do a fixed fee, not a percent of turnover. If you have percent of turnover, then you have an incentive to drive up your overall turnover rate."

When, and to what extent, these changes are to occur, is yet to be determined. Current contracts for Los Alamos and Lawrence Livermore National Laboratory in California are in place until at least 2018, and they include options that could extend them as far out as 2026. The current contract for Sandia, the third major lab, is set to expire this year.

"Typically the best time to [make a change] is when you're awarding a new contract," the NNSA official says. "Once you're in a contract, it's a negotiation with the contractor you have in place, so it would have to be a bilateral agreement ... It's easier in a competition, of course."

How the contractors might react to any changes is still unclear, according to Held.

"We're already engaging" with industry, he said. "We're starting to talk to people but we're not quite there yet."

Los Alamos Laboratory Director Charles McMillan, who also serves as president of the Los Alamos National Security LLC, declined to say much about the issue after a Senate hearing last month, during which he raised concerns about laboratory budget cuts generally.

"I'm not really in a position to comment right now," McMillan told GSN. "I know Bruce [Held] is thinking a lot about those issues, and at some level this is an issue that the government is the one that has to make the decision."

Meanwhile, failures across the nuclear weapons complex -- which, in addition to the Y-12 break-in also include numerous delays and cost overruns to various projects -- have rekindled a long-simmering debate in Congress over how the facilities should be managed.

The Republican leadership of the House Armed Services Committee in recent years has favored legislation that would further limit the Energy Department's oversight of the facilities. Oversight by the department, which owns the sites, was previously scaled back by the creation of the semiautonomous National Nuclear Security Administration in the early 2000s. That move followed a prior string of scandals across the complex.

Republicans on other House committees, along with senators from both parties, largely scuttled major legislative reforms in favor of creating a new congressional advisory panel to first study a broad array of governance issues facing the weapons complex. How to best structure the management contracts is on the agenda of the panel, whose final report is expected this year.

So far, the leaders of the so-called "Congressional Advisory Panel on the Governance of the Nuclear Security Enterprise" have said it is clear that the "NNSA experiment," involving creation of the semiautonomous organization, has failed," in a general sense, but they have yet to offer any specific fixes.
Panel Co-Chairman Richard Mies, a retired Navy admiral, said, however, that the group has observed inconsistencies in how contracts are structured across Energy Department laboratories, including those that work under its Office of Science and the NNSA sites.

"When you compare all the laboratories across the Energy Department there isn't a kind of standard template for how they're awarded -- what percentage is fixed fee, what percentage is award fee, how much of the fee is a percentage of their budget -- those kind of issues," Mies told GSN. "I think there needs to be some standardization."

Mies said that, in his view, the fee NNSA lab management contractors receive currently "is not exorbitant," however.

"The fee is three percent of the total budget," Mies said. "A standard utility makes a 10 percent profit ..."

"But there is this inequity where some labs are getting one percent of the budget -- other labs are getting a three percent fee," Mies added. "So, why the difference? Shouldn't there be more consistency and balance? Clearly the difference between fixed fee and award fee makes a difference, as well. We're looking at all of those issues to try to find some reasonable balance."

Panel Co-Chairman Norman Augustine said there are pros and cons to having for-profit companies involved in the management of the NNSA labs.

"With [a DOE Office of Science] lab, they can get a university, which is basically a not-for-profit institution," Augustine told GSN. "But when you're doing manufacturing and managing huge programs -- [those are] not things that universities are very good at.

"So that means you have to get the corporate world involved, and when you bring the corporate world in, they have shareholders they have to accommodate," Augustine added. "They also care about the national interest ... but there has to be some reasonable balance and we hope we can strike that."

By Douglas P. Guarino
May 15, 2014

NNSA letter to be added -
The Supply Chain Management Center (SCMC) was created and its mission established by NNSA in response to specific strategic sourcing requirements generated by the following:

- Executive Office of the President, Office of Management and Budget (OMB) Order “Strategic Sourcing Initiative,” dated May 20, 2005. The order required agencies to leverage spending to the maximum extent possible through strategic sourcing methods which included:
  - Analyzing spending and using this information to make business decisions about acquiring commodities and services more effectively and efficiently.
  - Using strategic sourcing agencies to optimize performance, minimize price, increase achievement of socio-economic acquisition goals, evaluate total life cycle management costs, improve vendor access to business opportunities, and otherwise increase the value of each dollar spent.
  - Develop an agency-wide strategic sourcing plan which would establish objectives, goals and measures.
- Executive Office of the President, Office of Management and Budget (OMB) Order, “Improving Government Acquisition,” dated July 29, 2009. This order expanded and enhanced the requirements for strategic sourcing driving the establishment of a 3.5% agency cost savings goal.
- DOE Acquisition Guide Part 7.2, dated June 2013, established Guiding Principles for Strategic Sourcing which incorporates the requirements of the OMB Orders.

The SCMC and the NNSA M&O contractors operate under a governance plan that incorporates the requirements of these order and principles. The SCMC plan includes a model to collaborate with the NNSA M&O contractors. Since the contractors are funded through federal taxpayer monies, the SCMC plan strives to strike the appropriate balance between cost savings requirements of the OMB strategic sourcing initiatives and supporting small businesses across the nation.
1. Has the SCMC done an analysis on the local small business impacts that will occur if all DOE/NNSA facilities start more fully utilizing the SCMC enterprise agreements for their bulk procurement needs?

Response:

The SCMC has not done a comprehensive analysis on local small business impacts. It is important to note that one of the fundamental missions of the SCMC is to place enterprise wide agreements which can be used by all NSE M&O contractors helping transform the acquisition process. The focus is on suppliers who can provide service on an enterprise level. The SCMC does consider small business providers when evaluating its proposal strategy. As strategically leveraged agreements are placed and the SCMC looks to place those agreements with small businesses, those small businesses may not be located in the same communities as the DOE/NNSA facilities. These businesses may not be able to support / service different locations on a national level.

As an example, in fiscal year 2013, 99% or $79.6M of the total contractor spending using SCMC agreements (excluding airline, hotel, bank cards, car rental where there are no small businesses) was with small businesses. Of that, 48% ($38M) was spent with New Mexico companies and all of the $38M was with Northern New Mexico suppliers.

The SCMC continues to receive input from the M&O contractors as to what local suppliers best fit as a potential enterprise supplier as part of our commodity strategies.

We acknowledge that NNSA is stating that it is not their mission to concern themselves with small business or community impacts. They have told us more than once that cost savings is their sole mission.

We ask how they can state that local small business cannot support/service contracts @ a national level given that they have never provided local small business with the opportunity.
2. Does SCMC/DOE/NNSA have a plan to ensure that the local small business community that depends on local facilities for procurement opportunity are not devastated by SCMC policy?

Response:

The SCMC does have an initiative and process to work with the DOE/NNSA M&O contractors to identify potential local agreements that could be expanded to include business from other DOE/NNSA contractors and could improve the financial impact of the local community. As an example, there are currently efforts underway to expand agreements in the Los Alamos, Sandia and Savannah River areas.

The SCMC has realized that certain commodities and suppliers are best suited to provide services on a regional basis. The SCMC has defined several discrete regions throughout the U.S. and is continuing to improve its commodity approach by looking for suppliers that provide exceptional service on a regional basis for potential SCMC regional agreements. This regional approach looks to the local communities for potential suppliers to service more than one contractor, making the local economy less dependent upon a single DOE/NNSA M&O contractor.

Currently, the SCMC represents 3% of the total DOE/NNSA M&O contractor spend of $2.6B annually. While the SCMC has continued to expand the enterprise agreements offered, local community spend has grown since FY11 across the Complex. See the table below: Percent DOE/NNSA M&O Contractor Spend w/ State & Local Suppliers:

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>All NSE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of state / local</td>
<td>44.6%</td>
<td>45.1%</td>
<td>45.7%</td>
<td>47.6%</td>
</tr>
</tbody>
</table>

The statistics provided by the SCMC regarding DOE/NNSA M&O Contractor Spend with State & Local Suppliers does not reflect the impact of the SCMC agreements. We request that SCMC provide the following information:
- Annual spend on procurements run through the NNSA/SCMC reverse auction site, per year, for the past 4 years, and the % of those procurements that went to local businesses and the % of those that went to small business.
- Annual spend on procurements run through NNSA/SCMC enterprise agreements, per year, for the past 4 years, and the % of those procurements that went to local businesses and the % of those that went to small business.

Acknowledging that SCMC represents a small part of the total procurement spend of the M&O contractors today, we are concerned that SCMC’s future target spends and the pressure applied to the M&O contractors to meet those targets will have a significantly negative impact over the next few years if SCMC doesn’t include regional and small business considerations in awarding contracts.

Regarding Regional Approach- to date there is no evidence of any activity to implement a regional approach.

3. Is SCMC/DOE/NNSA considering ways to account for local variances and individual facility contracting requirements?

Response:

Yes, since its inception, the SCMC accounted for the individual M&O contractors local agreement variances when creating the SCMC Strategic Sourcing Process. This was accomplished through the SCMC collaborating with the M&O contractor compliance managers to define site requirements and a common Terms and Conditions. The SCMC follows procedures from a DOE/NNSA approved acquisition system accepted by the member contractors through the SCMC governance document.

In addition, the SCMC is proactively partnering with LANL to develop a process that will further account and solve for local variances. The process replicates the LANL procedure that requires applicable contracts to incorporate a special contract clause that enhances the economic development and diversification of the Northern New Mexico Region. The clause is “Subcontractor’s Regional and Community Development Plan (Jun 2009).” The new SCMC process will incorporate this clause into all applicable SCMC Request or Proposal (RFP) and Agreements. An expected completion date for incorporation of the clause is March 31, 2014.

We believe the question was not answered. To clarify, how does SCMC account for variance between local contractors to include local requirements such as local technical services, asset tagging, different standards of parts, on site inventory, labeling and delivery vs. drop shipment and/or variances from site to site?

What about the 5% Northern New Mexico preference?
4. Does SCMC/DOE/NNSA have a suggestion for how Los Alamos County respond to local small businesses and skilled personnel that will be negatively impacted by these procurement changes?

Response:

In summary, we continue to see a positive impact to spend in the local communities. As illustrated below, LANL spend with local businesses have increased since FY11. See the chart below:

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
</tr>
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<tbody>
<tr>
<td>LANL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of Northern N.M.</td>
<td>38.8%</td>
<td>41.8%</td>
<td>47.3%</td>
<td>45.8%</td>
</tr>
<tr>
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Los Alamos County should encourage their local small businesses to view the SCMC as an opportunity to partner with and potentially bring additional business to the region.

To improve the partnership opportunities and probability of being selected for an enterprise wide agreement, the following are a list of desirable supplier characteristics:

- Aggressive pricing
- Regional footprint with expansion capability to a national level
- Extensive product line
- Flexibility to adjust to changing customer requirements
- Strategic alliances or national consortiums with local/regional presence
- Ability to meet enterprise site-specific requirements – barcoding, JIT, etc.
- Willingness to participate in eSourcing events
- e-Catalog capability

Again, provide specific spend data exclusive to SCMC procurements (not a roll up of all NNSA/DOE and other SCMC spend), specifically:

- Annual spend on procurements run through the NNSA/SCMC reverse auction site, per year, for the past 4 years, and the % of those procurements that went to local businesses and the % of those that went to small business.
- Annual spend on procurements run through NNSA/SCMC enterprise agreements, per year, for the past 4 years, and the % of those procurements that went to local businesses and the % of those that went to small business.

We agree that the list of ways you provided to improve probability of selection are good goals for businesses but, what you are actually saying is small businesses must become large businesses to successfully compete for these procurements. Pricing can only become more aggressive via high volume for super discounted savings, something small and medium sized businesses are not in a position to do. E-catalogs are expensive systems to purchase and to maintain.

We ask that SCMC partner with DOE/NNSA OSDBU and organizations such as ours to develop solutions that help small and local businesses successfully compete for these contracts. Setting up regional requirements is one thing that SCMC can do. We believe there are many other things that SCMC could also do to help. For example, given that e-commerce solutions are expensive to implement for small businesses and they frequently don’t have the expertise to do this. It might make sense for SCMC to provide that functionality to the contractors, embedded into the current ecommerce procurement system that NNSA/SCMC already runs. This would allow SCMC to standardize the catalogs they offer across all of the contract holders while significantly levelling the playing field for small businesses.
May 29, 2014

The Honorable Martin Heinrich  
United States Senate  
Washington, DC 20510

Dear Senator Heinrich:

This is in response to your April 2, 2014, letter regarding the Supply Chain Management Center (SCMC). Your letter expressed concern that utilization of the SCMC has impacted small and medium-size contracting opportunities with the National Nuclear Security Administration and its Management and Operating contractors. The letter asked for responses to six specific questions, and the answers to these questions are enclosed.

If you have any questions or need additional assistance, please contact Mr. Clarence T. Bishop, Associate Administrator for External Affairs, at (202) 586-7332.

Sincerely,

[Signature]
Frank G. Klotz  
Under Secretary for Nuclear Security  
Administrator, NNSA

Enclosure
SCMC Questions & Answers

Question: What are the current NNSA targets for facility utilization of SCMC contracts? Are these targets scheduled to change? If so, when?

Answer: Currently, NNSA has no established targets for utilization of SCMC Agreements; each individual M&O contractor determines when it is appropriate.

Question: Do SCMC cost models take into account associated local services required for some laboratory contracts? If not, do they unfairly show cost savings by excluding these associated services?

Answer: SCMC cost models take into account associated local services required from some laboratory contracts. Typically, NNSA contractors provide the SCMC with their requirements for the product being acquired through an enterprise Agreement. Therefore, required services are included within the scope of work or product description.

Question: Is NNSA tracking data on the performance of contracts awarded through SCMC? If so, what are the key findings? Specifically, are SCMC contracts meeting or exceeding the performance of non-SCMC contracts?

Answer: The SCMC, rather than the NNSA, tracks Supplier Performance assessed annually. If deficiencies are noted, the supplier must provide a corrective action plan for approval by SCMC. The SCMC does not compare SCMC supplier performance to non-SCMC Agreement holder supplier performance; however, individual M&Os use their knowledge of performance for all suppliers they use to determine which sources to utilize.

Question: What has been the effect on the number of contracts awarded to small and medium-sized contractors since SCMC’s inception? How does SCMC define and verify small business status?

Answer: The effect on the number of contracts awarded to small and medium-sized contractors since SCMC inception has been positive. Excluding Agreements for Travel and Procurement Cards, where there are no opportunities for small businesses, 75 percent of SCMC Agreements have been awarded to small businesses. SCMC Agreements allow small businesses to easily market themselves across 25 NNSA and DOE sites. The SCMC verifies small business status through a “Supplier Registration” database. The supplier is required to execute a “Supplier Registration” form if they claim “Small Business” status and the KCP’s Small Business Liaison Officer reviews and approves it prior to being added to the “Supplier Registration System.”

Question: Why has the NNSA not implemented small and disadvantaged business contracting goals for SCMC? How does this impact the ability for sites to meet their own small and disadvantaged business contracting goals?
Answer: NNSA establishes small business goals for each individual M&O contractor without regard for the method of achievement. The SCMC does not ‘buy’ anything, but rather provides tools and procurement instruments that the M&O contractors use to meet negotiated targets. Therefore, it is not necessary to establish small business goals specific to the SCMC. In fiscal year 2013, 99 percent, or $79.6M, of the total Contractor subcontract obligations using SCMC Agreements was with small businesses.

Question: What outreach and technical assistance programs are available for small and medium-sized contractors who wish to become SCMC contractors?

Answer: Small and medium-sized contractors who wish to become SCMC contractors may request presentations, training or demonstrations from the nearest M&O contractor. This approach is driven by the fact that local supply bases are managed by the respective Contractors, not by the SCMC. A supplier may contact the SCMC directly and request assistance with a specific platform or process (such as eSourcing, eStore, Spend Analysis, Commodity Agreements, etc.) and the SCMC will accommodate the request. In addition, the SCMC attends Department of Energy Small Business Expositions and provides information about the SCMC.