

National Nuclear Security Administration (NNSA) Acquisition Strategy Team Summary

I. Background:

Defense Programs (DP) provides the core of the NNSA National Security Enterprise through its preeminent nuclear weapons scientific, engineering, and manufacturing capabilities. A vision exists for a smaller, safer, more secure and less expensive enterprise that leverages the scientific and technical capabilities of our workforce, and meets national security requirements. The DP value is to increase its contributions to national security by establishing a responsive infrastructure operating more cost-effectively, thus both sustaining essential nuclear capabilities and enabling more resources to be applied for mission solutions rather than supporting overhead.

The NNSA has been working on transformation of the complex to focus the enterprise on mission success while reducing costs. Without transformation, an ever increasing budget would be required due to escalating costs for land and security functions and greater demands of maintaining an aging stockpile. As one part of the plan to achieve nuclear weapons complex efficiencies and transformation, a contract strategy team was assembled to plan for new contract replacements as existing contracts expire.

Beginning in 2007, the contract strategy team, known as the Request for Information (RFI) team, issued two RFIs with industry soliciting ideas for contracting approaches which would promote effective and efficient technical and business operations in support of a more responsive and affordable nuclear weapons complex while ensuring that there would be robust competition for these contracts. This effort garnered significant information from industry, potential bidders, and other interested parties which was reviewed and analyzed by the RFI team and briefed to NNSA management in August 2008 including recommendations for several viable options for further evaluation. On September 12, 2008, NNSA announced its decision to convene an Acquisition Strategy Team (AST) to complete the analysis of the RFI recommended options considering information from transformation initiatives, studies, RFI analysis and AST work to develop a formal acquisition strategy by March 31, 2009.

II. Acquisition Strategy Team Objectives:

The AST's objective is to provide a formal acquisition strategy recommendation to NA10 by March 31, 2009 which considers the RFI Team study and recommendations as well as other transformation initiatives and studies which are part of the NNSA transformation process including the NNSA Supplemental Programmatic Environmental Impact Statement (SPEIS) process. The AST will develop baselines and prepare business case(s) for the most attractive options and prepare a detailed acquisition strategy.

An analysis of options will be performed by collecting available data on contractor operations today, comparing data between existing contractors and obtaining industry benchmarks, where available, to analyze contracting options.

The AST seeks a strategy that provides the federal government necessary flexibilities to support the weapons program. Future contract awards will be made through formal competitions in accordance with Federal and Departmental policies. The AST will prioritize the previous RFI identified options and address the Kansas City Plant, Pantex Plant and the Y-12 Plant contracts expiring in 2010 as a first order priority.

III. Description of Tasks

A formal project plan will be prepared and utilized to guide the teams' activities and integration of activities. The AST will structure itself into four teams and utilize a work breakdown structure that establishes sub-teams for 1) Program and Program Risk; 2) Cost Information; 3) Contracting and 4) Communications and Federal Workforce with all four teams utilizing a common risk assessment process. The team will perform the following tasks:

- Prioritize options to analyze, starting with the RFI
- Identify and gather data needed to evaluate options
- Analyze the options including mission, costs and risk factors
- Complete quantitative comparison and rank options
- Design and recommend contract features
- Provide recommendations for the federal workforce to effectively implement the acquisition strategy to promote more integrated, effective and efficient contract management and operations
- Coordinate with NNSA congressional affairs to ensure timely and responsive communications with stakeholders throughout the AST process
- Finalize and deliver the recommended Acquisition Strategy with the supporting business case(s)

IV. Options/Success/Acceptance Criteria:

The AST will deliver a recommended Acquisition Strategy supported by a business case(s) that analyzes the agreed upon options as time allows, i.e. delivery of a business case(s) for the option will be completed. It is planned that a business case(s) building on existing RFI work, NNSA transformation studies to date and AST work, considering the options (listed below) will be delivered by March 31, 2009:

Status Quo Options for Y-12, Pantex, Kansas City, SNL and LANL production
Y-12 and Pantex Option (nuclear production)
Y-12 and Pantex to include SR tritium
Y-12 and Pantex to include SR tritium and LANL nuclear production
Y-12 and Pantex to include LANL Production
Kansas City and SR tritium
Kansas City and SNL Production
Kansas City and SNL production and SR Tritium (non-nuclear production)

In addition to the above, the team will identify functional areas which could promote efficiencies in NNSA technical and business operations. Areas being studied are Security, Information Technology and Construction Management.

Options that will not be analyzed as part of this AST are (1) the combination of Kansas City and full SNL scope option, (2) any inclusion of NTS or LLNL work, (3) any LANL activities not included in production and (4) the Contractor Owned/Contractor Operated (COCO) option unless otherwise deemed necessary.

The AST will provide business case(s) that consider NNSA a work objective listed below, identify performance outcomes and potential cost savings, and considers the risks and challenges with regard to NNSA's ability to implement/execute.

Objectives:

1. More uniform program execution with improved integration of resources and priorities
2. Increased standardization of technical processes and application of best practices to improve process results and capabilities including safety and security
3. Improved inter-site coordination, cooperation, information sharing and technical integration
4. Improved workforce planning, maintenance of critical skills, and human capital management
5. Reduced cost and improved performance through streamlining of the organization with reduction of management layers, elimination of unnecessary redundancies, outsourcing appropriate activities, and integration and leveraging of technical and business expertise at multiple sites
6. Increased contractor authority and accountability in accomplishing the NNSA mission
7. Sustained Competition
8. Determine requirements for having transparency and consistency of data reporting for financial information
9. Feasibility of Implementation for NNSA
10. Optimization of return on investment at the NNSA enterprise level