



NWC Contracting Strategy

Weapons Complex Monitor Forum
October 16, 2008

Patty Wagner, Acquisition Strategy Team Lead
National Nuclear Security Administration



Complex Transformation Vision & Value Proposition

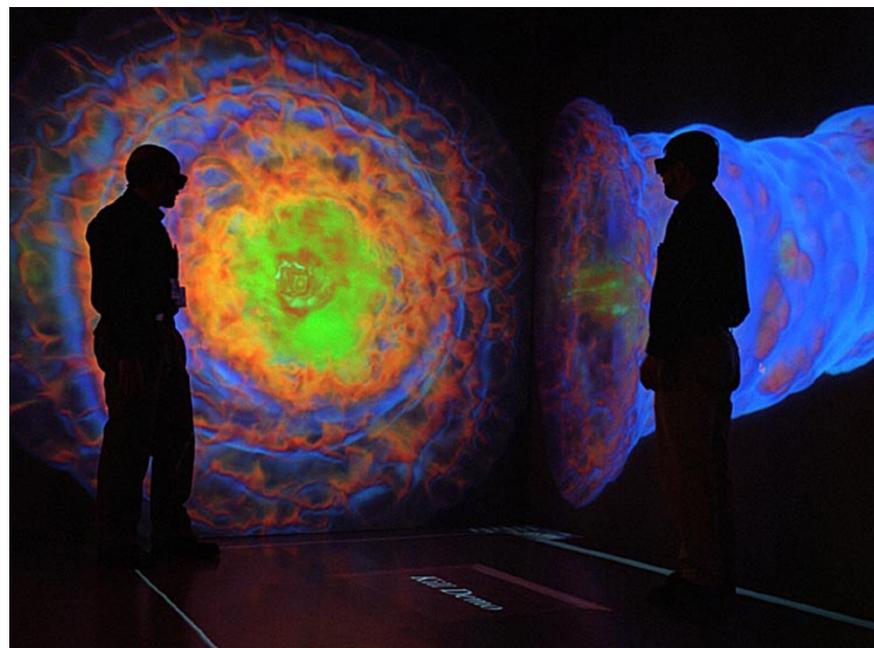


Our Vision:

A smaller, safer, more secure and less expensive enterprise that leverages the scientific and technical capabilities of our workforce, and meets national security requirements.

Our Value Proposition:

We will increase contributions to national security by establishing a responsive nuclear weapons complex 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.





Background



Long-term transformation strategies

1. In partnership with DoD, transform the nuclear stockpile.
2. Transform to a modernized, cost-effective nuclear weapons complex.
3. Create a fully integrated and interdependent nuclear weapons complex.
4. Advance science and technology base essential for long-term national security.



Background



- Need for NWC Efficiencies
 - An ever increasing nuclear weapons program budget would be required without transformation due to escalating costs for landlord and security functions and greater demands of maintaining an aging stockpile



Background



- As one part of the plan to achieve NWC efficiencies and transformation, a contract strategy team was assembled to:
 - Plan for new contract replacements as existing contracts expire by
 - Evaluating alternative contracting approaches for promoting more effective and efficient technical and business operations in support of a more responsive and affordable Nuclear Weapons Complex (NWC)



Contract Expirations



| | |
|---------------|---------------------------|
| <i>Pantex</i> | <i>September 30, 2010</i> |
| <i>Y-12</i> | <i>September 30, 2010</i> |
| <i>KC</i> | <i>December 31, 2010</i> |



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|---------------|--------------------------------|
| <i>Sandia</i> | <i>September 30, 2011/2012</i> |
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| <i>NTS</i> | <i>September 30, 2011/June 30 2016</i> |
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| <i>LANL</i> | <i>September 30, 2013/September 30, 2026</i> |
| <i>LLNL</i> | <i>September 30, 2014/September 30, 2027</i> |



Key Activities to Date



- Release RFI 1 9-7-07
 - 24 Responders provided over 37 ideas
- RFI 2 released 1-23-08 (after draft SPEIS)
 - 35 Responders provided comments
 - 31 one on one meetings in March in Albuquerque
- Complex Strategy Team Report completed in August 2008
- Acquisition Strategy Team (AST) Formed September 2008
- AST Report due March 2009



RFI-2 Options



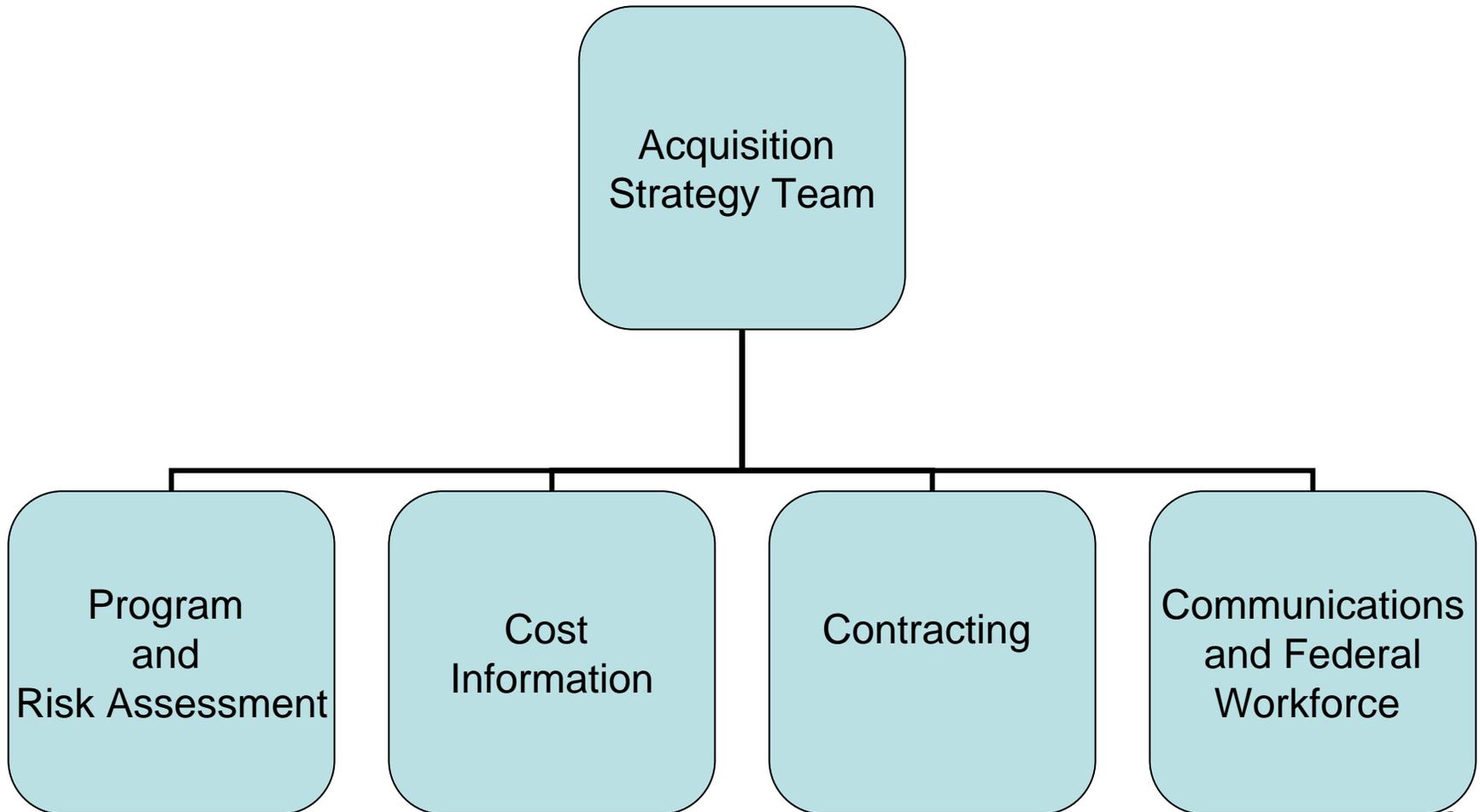
1. Status Quo
2. Consolidate Pantex and Y-12 contracts via competition
3. Consolidate KCP and SNL contracts via competition
4. Transfer SRS Tritium work to PTX-Y12 contract competition
5. Transfer SRS Tritium work and LANL production activities to PTX-Y12 contract competition
6. Transfer SRS Tritium work to KCP-SNL contract competition
7. Transfer SNL production activities to KCP contract competition
8. Obtain nuclear production services and products from an NRC-licensed contractor-owned facility
9. Obtain non-nuclear production services and products from a contractor-owned facility
10. Use function-based prime contracts for two or more sites
11. Other Considerations



Acquisition Strategy Team



Proposed Work Breakdown Structure





Acquisition Strategy Team Charter

National Nuclear Security Administration

Acquisition Strategy Team Charter:

As part of complex transformation, consistent with the SPEIS ROD, develop an acquisition strategy that drives a fully integrated and interdependent enterprise, enhances mission performance, reduces costs, strengthens partnerships, and improves stakeholder confidence.

- **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 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)**