



Nuclear Weapons Complex Contracting Strategy

Nuclear Deterrence Summit
December 11, 2008

Walt Lips, Acquisition Strategy Team Co-Chair
National Nuclear Security Administration



Complex Transformation Vision & Value Proposition

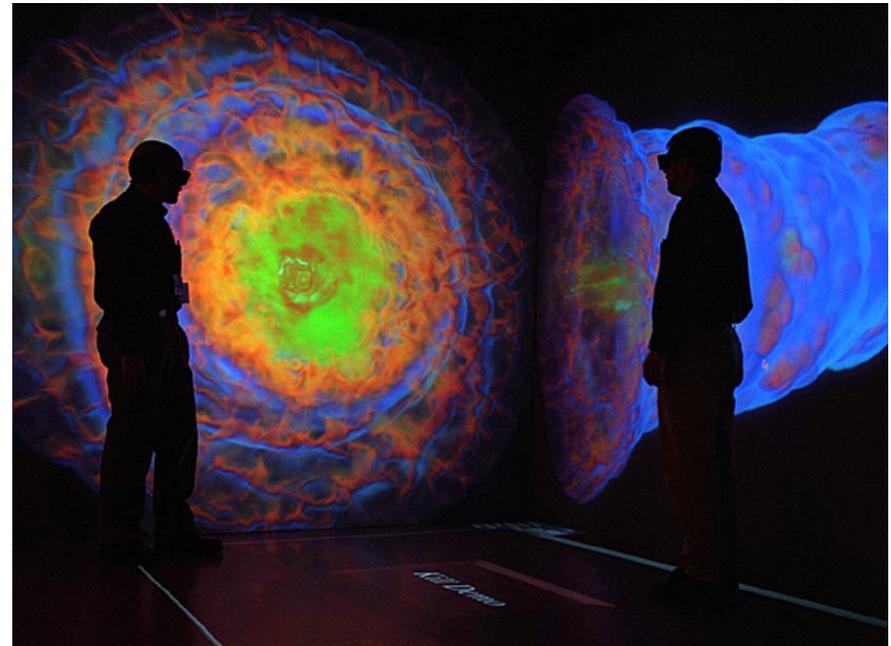


Our Vision:

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



- Beginning in 2007 a Contract Strategy Team employed a public process using 2 Requests for Information (RFIs) to solicit and assess industry input on contract options involving NNSA's 8 Management & Operating (M&O) contracts
- Objective: promote more effective and efficient technical and business operations in support of a more responsive and affordable Nuclear Weapons Complex



M&O 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>



<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



- RFI-1 released 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



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**
- **Coordinate with NNSA Congressional Affairs to ensure timely and responsive communications with stakeholders**
- **Finalize and deliver the recommended Acquisition Strategy with the supporting business case(s)**



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



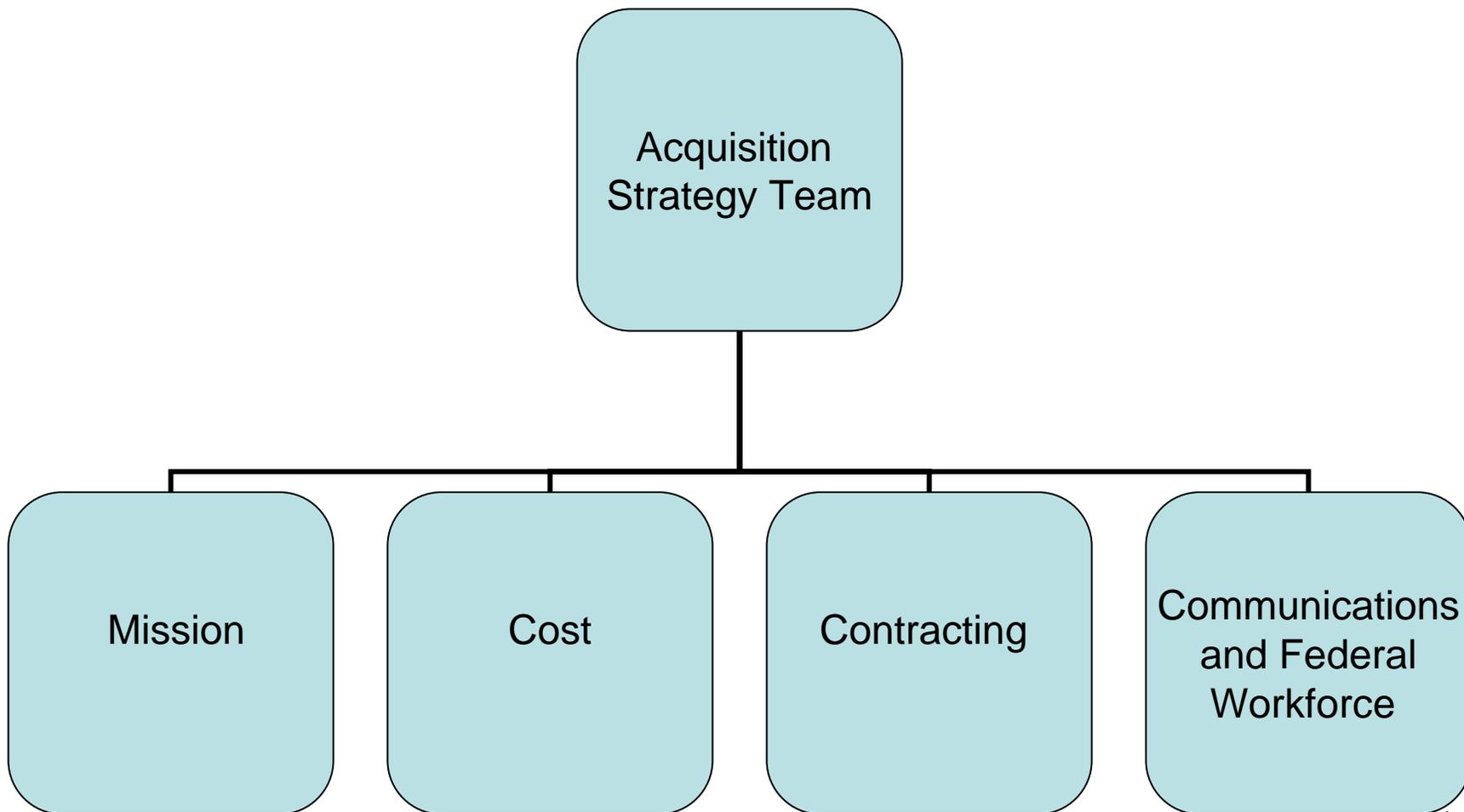
Contract Strategy Objectives



1. More uniform program execution with improved integration of resources and priorities
2. Increased standardization of technical processes and application of best practices
3. Improved inter-site coordination, cooperation, information sharing and technical integration
4. Improved workforce planning, maintenance of critical skills, and HR 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. Feasibility of Implementation for NNSA
9. Optimization of return on investment at the NNSA enterprise level
10. Determine requirements for having transparency and consistency of data reporting for financial information



Acquisition Strategy Team Work Breakdown Structure





AST Web Page



- Review background and Monitor AST progress on www.doeal.gov/mocontracts/
- Opportunity to subscribe for receiving notice of all updates