



**Department of Energy**  
**National Nuclear Security Administration**  
Washington, DC 20585

January 5, 2005

The Honorable John T. Conway  
Chairman  
Defense Nuclear Facilities Safety Board  
625 Indiana Avenue, NW, Suite 700  
Washington, D.C. 20004

Dear Mr. Chairman:

The National Nuclear Security Administration is pleased to forward its report responding to the Defense Nuclear Facilities Safety Board's observations on the Draft Request for Proposal (RFP) for the Los Alamos National Laboratory (LANL) Management and Operating Contract. As requested, we are also providing a preliminary crosswalk of the requirement in Section J, Appendix G of the Draft LANL RFP with the requirement of the current LANL contract. Attachments 1 and 2 to the report are drafts of documents that the Source Evaluation Board is considering for inclusion in the final RFP. The draft crosswalk included as Attachment 3 to the report is a working document that the SEB will complete as part of its process to finalize Section J, Appendix G of the RFP.

I want to assure the Board that the NNSA is committed to safe operation of the Los Alamos National Laboratory and successfully executing the Department of Energy Implementation Plan to Improve Oversight of Nuclear Operations to resolve issues raised in Board Recommendation 2004-1. I also want to stress that NNSA has no intention of limiting its ability to carry out its oversight responsibilities. Any inferences to the contrary in the initial RFP are due to imprecise drafting and have been corrected in the attached material.

I have asked Tyler Przybylek, LANL SEB Chairman to make himself available to discuss the proposed changes to the draft LANL RFP with the Board and to address your concerns prior to issuing the final LANL RFP.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Brooks", is written over a light blue circular stamp.

Linton F. Brooks  
Administrator

Cc Mr. Mark B. Whitaker, Jr.

Enclosure



ENCLOSURE

Report  
To the  
Defense Nuclear Facilities Safety Board

On December 16, 2004, the Defense Nuclear Facilities Safety Board (DNFSB) provided the Administrator of the National Nuclear Security Administration (NNSA) with its observations concerning the draft Request for Proposals (RFP) associated with the competition for the Los Alamos National Laboratory (LANL) Management and Operating (M&O) Contract, issued for comment on December 1, 2004. The DNFSB requested that NNSA provide a report responsive to the DNFSB's comments, including a crosswalk from the requirements in RFP Section J, Appendix G to the requirements in the current LANL M&O contract. The following is NNSA's report.

Federal Oversight of Contractor Activities

The DNFSB comments that the RFP places "unnecessary and ill-advised contractual limitations" on the government's ability to inspect and oversee contractor performance. The DNFSB further cautions that the "government should never place itself in a position subsidiary to its own contractors." In this regard the DNFSB has expressed concerns with respect to the "Model Contract Clauses" in the draft RFP's Section H-1 through H-13, and in particular Clauses H-1 "Redefining The Federal/Contractor Relationship To Improve Management And Performance" and H-5 "NNSA Oversight." NNSA agrees that the government should not be subordinate to its own contractors. That was not the intent of the Model Clauses; the changes discussed below clarify NNSA's intent.

The NNSA has considered carefully the DNFSB's views. The NNSA believes that the enclosed draft changes to the Model Contract Clauses address the DNFSB's concerns and reflect NNSA's commitment to the Department's "Implementation Plan to Improve Oversight of Nuclear Operations" in response to the DNFSB's recommendation 2004-1. Attachment 1 to this report contains the revised draft Model Contract Clauses. Attachment 2 to this report contains a "tracked changes" version of these draft clauses to enable the DNFSB to see the changes that have been made. NNSA believes that these draft changes to the Model Contract Clauses are consistent with the plan. The NNSA agrees that it is ultimately accountable to the President, Congress and the public for the safety of its facilities. The Model Contract Clauses do not limit NNSA's abilities to carry out its responsibilities. The intent of the Model Contract Clauses, as changed, is to make the Contractor more accountable to NNSA for improving the

management and performance of the Laboratory without compromising Integrated Safety Management (ISM) and Integrated Safeguards and Security Management (ISSM).

The NNSA has made significant changes to Model Contract Clauses, including draft Clauses H-1 and H-5, to make it abundantly clear that NNSA is not in a subsidiary position to the contractor and that there are no limitations on NNSA's ability to inspect and assess contractor performance. The NNSA has clarified draft Clause H-5 to make it clear that NNSA has the right to oversee all aspects of the contract at any time and that oversight of nuclear safety will remain robust. In those areas where NNSA moves towards a systems approach to oversight in non-nuclear activities, increased oversight may occur at any time as deemed necessary by NNSA.

The NNSA understands the DNFSB's concern with applying draft Clause H-5, but believes that the intended operation of the draft Section H Clauses will alleviate that concern. At the onset of contract performance oversight of all contractor activities will be conducted as they are now. NNSA, under paragraph (b) of draft Clause H-5 will continue, preserve and maintain a robust oversight program and will examine, assess and audit any functional area at any level of detail deemed necessary. Under paragraph (c) of draft Clause H-5 NNSA will change its oversight approach as contractor performance justifies a move to a "systems" approach based upon improved contractor performance.

#### Application of DOE Standards

The NNSA understands the DNFSB objection to the inclusion of draft Clauses H-9 and H-10 to be based, in part, because the DNFSB believes that a contract-specific method of establishing requirements can lead to a fragmentation of safety requirements throughout the complex and that this will be detrimental to safety. It should be noted that in drafting contract language the Government will delineate that a contractor receives a decision from a Contracting Officer but not how the Government arrives at that decision and what approvals a Contracting Officer must receive before acting under a particular contract. Specifically, prior to NNSA availing itself of a "tailoring" process with respect to a safety requirement, a proposal will be reviewed by subject matters experts and approved by the Central Technical Authority, with the technical advice of the Chief, Defense Nuclear Safety and his/her subject matter experts and communicated to the Contractor by the Contracting Officer. NNSA is in the process of implementing the above process as well as the process for establishing

requirements where there are no DOE Directives or where the application of a DOE Directive is inappropriate for NNSA. Where the process described above involves matters within the jurisdiction of the DNFSB, its views will be sought prior to a decision by NNSA.

### Section J, Appendix G Requirements

The DNFSB has indicated that this report should include a crosswalk of the requirements from Section J, Appendix G with the requirements of the current contract. Included as Attachment 3 to this report is the draft crosswalk in its present state; the DNFSB will note that there are entries that require additional work on the part of the NNSA. The NNSA considered the draft Appendix G as a work in progress at the time the draft RFP was released for comment. Work has continued on the draft Appendix and the draft crosswalk, which is included with this report, reflects the work done to date. NNSA will provide the final crosswalk, together with the final RFP Section J, Appendix G, upon its completion, to the DNFSB, with sufficient time for comment prior to issuing the final RFP, but has elected not to delay this report past its Board-specified due date pending that completion.

# ATTACHMENT 1

**Section H - SPECIAL CONTRACT REQUIREMENTS**

**H-1 REDEFINING THE FEDERAL/CONTRACTOR RELATIONSHIP TO IMPROVE MANAGEMENT AND PERFORMANCE**

(a) General

This clause sets forth an overview of NNSA's approach to improving the effectiveness and efficiency of the Nuclear Weapons Complex without compromising Integrated Safety Management (ISM) and Integrated Safeguards and Security Management (ISSM). The principles of ISM and ISSM shall serve as the foundation of the implementing mechanisms at the Laboratory.

(b) Clarifying the Contract Relationship

To clarify the contractual relationship, NNSA will provide program and performance direction regarding **what** NNSA wants in each of its programs. NNSA will issue performance direction to the Contractor only through a warranted Contracting Officer or a designated Contracting Officer's Representative. All other Federal staff and oversight components are therefore precluded from tasking contractor personnel. The Contractor shall utilize its expertise in determining **how** to implement NNSA requirements and program direction. The Contractor is accountable for assuring safe, secure, effective and efficient operations in accordance with the terms and conditions of this Contract. For nuclear activities, NNSA will oversee how the Contractor is complying with DOE/NNSA requirements.

(c) Approach to Oversight

NNSA will increase Contractor accountability as a result of implementation of the Contractor's Assurance System. For nuclear safety, nuclear facility operations, nuclear projects, training and certification, safeguards & security, high hazard activities and support functions critical to nuclear safety, NNSA will continue, preserve and maintain a robust oversight program and will examine, assess and audit any functional area at any level of detail deemed necessary. In other areas, , NNSA will transition its oversight of programs, projects, business systems and ongoing operations from a transactional to a performance and systems based approach only when the Contractor's Assurance System has demonstrated improved contractor performance in all aspects including ISM and ISSM.

(d) Empowering Contractor Expertise

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The Contractor is encouraged to identify and evaluate best commercial standards and best business practices and to continuously pursue improvements in all aspects of Contract performance where cost effective and efficient improvements can be achieved without compromising ISM and ISSM. The Contractor is also encouraged to use the private-sector expertise of its parent organization to improve Contract performance as appropriate.

### (e) Results-Oriented, Streamlined Performance Appraisal

Performance objectives that focus on those areas of greatest strategic value to NNSA, and systems-based measures and targets will be used in a results-oriented, streamlined performance appraisal process.

### (f) Reward for Achieving Cost Efficiencies

The Contractor will be rewarded for the achievement of cost efficiencies through onsite investment of cost savings and the opportunity to earn additional Contract term.

## **H-2 PERFORMANCE DIRECTION**

(a) The Contractor is responsible for the management and operation of the site in accordance with the Terms and Conditions of the Contract, duly issued Work Authorizations (WAs), and written direction and guidance provided by the Contracting Officer and the Contracting Officer's Representative (COR). NNSA is responsible for establishing the work to be accomplished, the applicable standards and requirements to be met, and overseeing the work of the Contractor. The Contractor will use its expertise and ingenuity in Contract performance and in making choices among acceptable alternatives to most effectively, efficiently and safely accomplish the work called for by this Contract.

(b) Only the Contracting Officer may issue, modify, and priority rank WAs.

(c) (1) The Contracting Officer and the NNSA Administrator will appoint, in writing, specific NNSA employees as CORs with the authority to issue Performance Direction to the Contractor. CORs are authorized to act within the limits of their delegation letter. A copy of each letter will be provided to the Contractor. COR functions include technical monitoring, inspection, and other functions of a technical nature not involving a change in the scope, cost, or terms and conditions of the Contract. The COR is authorized to review and approve technical reports, drawings, specifications, and technical information delivered by the Contractor.

(2) The Contractor must comply with written Performance Directions that are signed by the COR and:



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- (i) Redirect the Contract effort, shift work emphasis within a work area or a WA, require pursuit of certain lines of inquiry, further define or otherwise serve to accomplish the Statement of Work (SOW), or
  - (ii) Provide information that assists in the interpretation of drawings, specifications, or technical portions of the work description.
- (3) Performance Direction does not:
- (i) authorize the Contractor to exceed the funds obligated on the Contract;
  - (ii) authorize any increased cost or delay in delivery in a WA;
  - (iii) entitle the Contractor to an increase in fee; or
  - (iv) change any of the terms or conditions of the Contract.
- (d) The Contractor shall accept only Performance Direction that is provided in writing by a COR and that is within the SOW and a WA.
- (e) (1) The Contractor shall promptly comply with each duly issued Performance Direction unless the Contractor reasonably believes that the Performance Direction violates this clause. If the Contractor believes the Performance Direction violates this clause, the Contractor shall suspend implementation of the Performance Direction and promptly notify the Contracting Officer of its reasons for believing that the Performance Direction violates this clause. Oral notification to the Contracting Officer shall be confirmed in writing within ten days of the oral notification.
- (2) The Contracting Officer will determine if the Performance Direction is within the SOW and WA. This determination will be issued in writing and the Contractor shall promptly comply with the Contracting Officer's direction. If it is not within the SOW or WA, the Contracting Officer may issue a change order pursuant to the Contract's Section I Clause entitled "Changes."
- (f) The Parties agree to maintain full and open communication at all times, and on all issues affecting Contract performance, during the term of this Contract.

**H-3 CONTRACTOR MULTI-YEAR STRATEGY FOR PERFORMANCE IMPROVEMENT**

The Contractor shall develop a multi-year strategy that details (1) its planned efforts and expected accomplishments by year, to continuously improve its management, performance including ISM and ISSM at the Laboratory, and (2) the

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planned efforts and contributions of its corporate parent. The multi-year strategy shall also address planned efforts to (1) enhance Contractor communications, cooperation and integration with the NNSA Weapon Complex, with emphasis on Lawrence Livermore National Laboratory; and, (2) contribute to overall NNSA Weapon Complex improvements in performance including ISM and ISSM. The listing of the Contractor's planned efforts and expected accomplishments from its Offer in response to Solicitation No. DE-RP52-05NA25396 for Contract Year 1 (FY 2006) shall be addressed in the initial multi-year strategy, which shall be submitted to the Contracting Officer by February 1, 2006. Subsequent annual updates shall be submitted to the Contracting Officer no later than May 15<sup>th</sup> of each fiscal year. Performance measures for these planned efforts and expected accomplishments may be considered for inclusion in the Contract's Performance Evaluation Plan.

### **H-4 CONTRACTOR ASSURANCE SYSTEM**

- (a) The Contractor shall develop a Contractor Assurance System that is approved and monitored by the Contractor's Parent Organization. The Contractor's Assurance System, at a minimum, shall have the following key attributes:
- (1) A comprehensive description of the Contractor Assurance System with risks, key activities and accountabilities clearly identified.
  - (2) A process for notifying the Contracting Officer of significant assurance system changes.
  - (3) Rigorous, risk based credible self-assessments, feedback and improvement activities, including utilization of nationally recognized experts, and other independent reviews to assess and improve its work process and to carry out independent risk and vulnerability studies. The Contractor is encouraged to seek third party certifications (such as VPP and ISO 9001 or ISO 14001), audits, peer reviews and independent assessments with external certification or validation.
  - (4) Identification and correction of negative performance/compliance/ISM/ISSM trends before they become significant issues.
  - (5) A method for validating assurance processes.
  - (6) Integration of the assurance system with Contractor management systems including ISM and ISSM. The Laboratory's management systems that exist on the date of award will continue until the Contractor addresses the applicable Contract requirements. For changes that do require NNSA approval, the Contractor will not implement a change until it is formally approved by the NNSA and communicated to the Contractor by the Contracting Officer.
  - (7) A process for defining performance metrics and performance targets to assess programmatic performance, including benchmarking of key functional areas with other NNSA/DOE contractors and industry and research institutions to enhance processes and to assure development of performance metrics and performance targets that will result in

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achievement of best in class/industry performance where efficient, cost effective and does not compromise ISM and ISSM.

- (8) Continuous ISM and ISSM feedback and performance improvement.
- (9) An implementation plan that defines a transition period for the implementation to the Contractor Assurance System.
- (10) A process for timely and appropriate communication to the Contracting Officer, including electronic access, of assurance related information.

### H-5 NNSA OVERSIGHT

- (a) The Contractor shall cooperate with NNSA oversight personnel, NNSA Facility Representatives, and subject matter experts in the performance of their assigned functions. The NNSA reserves the right to inspect and oversee all activities of the Contractor at any time.
- (b) Oversight of Nuclear Safety, Nuclear Facility Operations, Nuclear Projects, Training and Qualifications, Safeguards & Security, High Hazard Activities and Support Functions - For nuclear safety, nuclear facility operations, nuclear projects, training and qualifications, safeguards & security, high hazard activities and support functions critical to nuclear safety, NNSA will continue, preserve and maintain a robust oversight program and will examine, assess and audit any functional area at any level of detail deemed necessary.
- (c) Oversight of Non-Nuclear Facilities - Once the NNSA is satisfied that the Contractor Assurance System is operating effectively, NNSA will conduct oversight of the Contractor's Non-Nuclear Facility operations at the systems level. NNSA, with Contractor input, shall develop performance metrics and performance targets as the means of defining NNSA's performance level expectations of the Contractor.
- (d) Oversight of Non-Nuclear Programs, Projects, and Business Systems – In accordance with the Contract's Section H Clause entitled "Performance Based Management" the Parties will identify key end products and services that the Contractor provides to the Nuclear Weapons Complex. Oversight of the Contractor shall focus on whether the Contractor meets the performance objectives, measures and targets in the Performance Evaluation Plan and the performance metrics and targets in the Contractor Assurance System.
- (e) With respect to paragraphs (c) and (d) above, if the NNSA determines that the Contractor is not fully complying with applicable laws and regulations or that program performance or ISM/ISSM has degraded and that the Contractor is not taking appropriate and timely corrective action, NNSA may increase its oversight of affected areas until corrective measures are implemented and performance corrected.

## **H-6 PARENT ORGANIZATION'S OVERSIGHT PLAN**

- (a) The Contractor shall provide an annual Parent Organization's Oversight Plan that details the Parent Organization's planned activities to monitor Laboratory programmatic, ISM and ISSM performance and to assist the Laboratory in meeting its mission and operational requirements. Elements of the Plan may be incorporated into the Laboratory's Performance Evaluation Plan. The annual Parent Organization's Oversight Plan is set forth as an appendix to the Contract's Section J. The Oversight Plan shall identify the Parent Organization's responsible official for administration of the plan.
- (b) The annual Parent Organization's Plan update shall be submitted to the Contracting Officer six months prior to the forthcoming fiscal year for Contracting Officer review and approval.
- (c) The estimated budget for the FY 2006 Parent Organization's Oversight Plan is \$ \_\_\_\_\_ [to be completed by Offeror in Volume III]. Costs associated with the annual Plan updates for FY2007 and thereafter will be incorporated into this clause via supplemental agreement modification. Pursuant to the Contract's "Payments and Advances" clause, such costs will be charged and accounted for as follows; however, in no event shall they be inconsistent with the cost principles in FAR Part 31. Costs may include travel, per diem, and other out-of-pocket costs, plus the actual salaries of the persons performing such services plus a percentage factor of salaries to cover fringe benefits and payroll taxes. The percentage factor will be applied in accordance with the Contractor's Cost Accounting Standards Disclosure Statement. The amount reimbursable under this Contract shall be subject to Government audit.
- (d) The Contractor shall provide periodic reports of Parent activities and costs incurred as required by the Contracting Officer.
- (e) Budget limitations set forth in paragraph (c) above shall not be exceeded without prior Contracting Officer approval. The parties agree that the budgeted amounts for costs may be reviewed further for appropriateness and scope. In addition, the parties agree that a tracking process, acceptable to the Contracting Officer, providing sufficient detail for reasonable accountability, shall be implemented. The NNSA and Contractor agree to negotiate in good faith any adjustments to these budgeted amounts as a result of empirical information from any such tracking system or reviews.

## **H-7 ACCOUNTABILITY**

The Contractor is responsible for the quality of its products and services and for ensuring that ISM and ISSM are integrated into its operations. The Contractor is also responsible for assessing its operations, programs, projects and business

systems, identifying deficiencies and implementing needed improvements in accordance with the Contract's terms and conditions. Where NNSA oversight has evaluated the Contractor's performance in meeting its obligations under this Contract, the Contractor shall not rely upon NNSA's assessment but is accountable for performing its own assessment of these areas.

## **H-8 UTILIZATION OF PARENT CORPORATE SYSTEMS**

- (a) The Parties agree that applying parent corporate systems to site operations for the purpose of streamlining the Contractor's administrative business systems, and parent organization services provided for that purpose, are allowable costs. The use of parent corporate systems is encouraged provided that such systems are more efficient and represent an overall cost savings to the Government versus existing site systems, and data is readily transferable to a successor contractor. The Contracting Officer must approve the Contractor's plan to use its parent corporate systems. Such system and related support services are not considered procurements as contemplated by the Contract's Section I Clause entitled "Subcontracts."
- (b) The Contractor shall charge to the account of the Government as provided in the Contract's Section I Clause entitled "Payments and Advances," or as otherwise directed by the Contracting Officer, the amounts incurred for the above systems and related support services. Such amounts will be charged and accounted for as follows; however, in no event shall they be inconsistent with the cost principles in FAR Part 31. Costs may include travel, per diem, and other out-of-pocket costs, plus the actual salaries of the persons performing such services plus a percentage factor of salaries to cover fringe benefits and payroll taxes. The percentage factor will be applied in accordance with the Contractor's Cost Accounting Standards Disclosure Statement.
- (c) The Contractor shall provide periodic reports of activities and costs incurred as required by the Contracting Officer. The amount reimbursable under this Contract shall be subject to NNSA/DOE audit.
- (d) The total estimated budget for these systems and related support services is \$\_\_\_\_\_ [to be determined during the Transition Period and added via supplemental agreement contract modification]. Budget limitations shall not be exceeded without prior Contracting Officer approval. The Parties agree that the budgeted amounts for costs may be reviewed further for appropriateness and scope. In addition, the Parties agree that a tracking process, acceptable to the Contracting Officer, providing sufficient detail for reasonable accountability, shall be implemented. The Parties agree to negotiate in good faith any adjustments to these budgeted amounts as a result of empirical information from any such tracking system or reviews.

**H-9 RESERVED**

**H-10 STANDARDS MANAGEMENT**

- (a) Benchmark with Industry. The Contractor shall regularly benchmark with industry to identify best commercial standards and best business practices that will improve site operations with the goal of improving performance where effective and efficient without compromising ISM and ISSM.
- (b) Proposal of Alternative. Where best commercial standards or best business practices are identified which may warrant a change to a procedure, standard, system of oversight or assessment mechanism (collectively referred to herein as “alternative”) in a DOE Directive or DOE/NNSA requirement, the Contractor may develop a proposal(s) that describes (1) the nature and scope of the alternative, (2) the anticipated benefits, including any cost benefits, to be realized in performance under the Contract, (3) a schedule for implementation of the alternative, (4) a detailed evaluation and a statement that the revised alternative is an effective, efficient means to meet the Directive without compromising ISM and ISSM, and (5) any additional information required by NNSA. The Contractor’s proposal(s) shall be submitted to the Contracting Officer. NNSA will evaluate the Contractor’s proposal and the Contractor will not implement a proposed change until it is formally approved by the NNSA and communicated to the Contractor by the Contracting Officer.
- (c) Deficiency and Remedial Action. If, during performance of this Contract, NNSA determines that a previously approved alternative is not satisfactory, NNSA will require the Contractor to prepare a corrective action plan for NNSA approval. If NNSA is not satisfied with the corrective action taken, NNSA may direct corrective action to remedy the deficiency, including, if appropriate, the reinstatement of the Directive.
- (d) Laws and Regulations Excepted. The process described in this clause shall not affect the application of otherwise applicable laws and regulations of the United States, including DOE regulations.

**H-11 CONTRACTOR REINVESTMENT OF COST EFFICIENCIES**

Prior to the beginning of each fiscal year, or as soon as practical after the budget is determined, the NNSA and the Contractor will identify and agree upon listings of un-funded priority direct mission work identified by specific appropriation and budget and reporting category. Throughout the fiscal year, the Contractor shall apply cost efficiencies achieved through streamlining systems and operations only to un-funded priority direct mission work within the same appropriation and budget and reporting category (ECOR Control Level) unless a formal reprogramming action is approved by NNSA. Indirect cost efficiencies shall be

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returned to the mission work in the form of reduced indirect rates or applied only to un-funded priority indirect work, which has been approved and documented by the Contractor. The extent of un-funded priority work accomplished in each fiscal year shall serve as a key performance target when measuring the Contractor's success in improving performance and achieving cost efficiencies without compromising ISM and ISSM. Although it is the intent of the NNSA that the Contractor shall apply cost efficiencies at the site, the NNSA reserves the right to reallocate direct mission work cost efficiencies to other programmatic mission critical needs.

## ATTACHMENT 2



**Section H - SPECIAL CONTRACT REQUIREMENTS**

**H-1 REDEFINING THE FEDERAL/CONTRACTOR RELATIONSHIP TO IMPROVE MANAGEMENT AND PERFORMANCE**

(a) General

This clause sets forth an overview of NNSA's approach to improving the effectiveness and efficiency of the Nuclear Weapons Complex without compromising Integrated Safety Management (ISM) and Integrated Safeguards and Security Management (ISSM). The principles of ISM and ISSM shall serve as the foundation of the implementing mechanisms at the Laboratory.

(b) Clarifying the Contract Relationship

To clarify the contractual relationship, NNSA will provide program and performance direction regarding **what** NNSA wants in each of its programs. NNSA will issue performance direction to the Contractor only through a warranted Contracting Officer or a designated Contracting Officer's Representative. All other Federal staff and oversight components are therefore precluded from tasking contractor personnel. ~~Generally, the Contractor shall utilize its expertise in determining how to implement NNSA requirements and the program direction. s are executed and shall be~~ The Contractor is accountable for assuring safe, secure, effective and efficient operations performance in accordance with the terms and conditions of this Contract. For nuclear activities, NNSA will oversee how the Contractor is complying with DOE/NNSA requirements. ~~The Contractor will have the flexibility to use its expertise and ingenuity to determine how the work is to be accomplished in the most effective and efficient manner.~~

(c) Approach to Oversight

NNSA will increase Contractor accountability as a result of implementation of the Contractor's Assurance System. For nuclear safety, nuclear facility operations, nuclear projects, training and certification, safeguards & security, high hazard activities and support functions critical to nuclear safety, NNSA will continue, preserve and maintain a robust oversight program and will examine, assess and audit any functional area at any level of detail deemed necessary. ~~In other areas, other than nuclear facility operations, safeguards & security and other high hazard activities, NNSA oversight will focus on evaluating systems and performance rather than transactions.~~ NNSA will transition its oversight of programs, projects, business systems and ongoing operations from a transactional to a performance and systems based approach only when the Contractor's Assurance System has demonstrated improved contractor performance in all aspects including ISM and ISSM.

(d) Empowering Contractor Expertise

The Contractor is encouraged to identify and evaluate best commercial standards and best business practices and to continuously pursue improvements in all aspects of Contract performance where cost effective and efficient improvements can be achieved without compromising ISM and ISSM. The Contractor is also encouraged to use the private-sector expertise of its parent organization to improve Contract performance as appropriate.

(e) Results-Oriented, Streamlined Performance Appraisal

Performance objectives that focus on those areas of greatest strategic value to NNSA, and systems-based measures and targets will be used in a results-oriented, streamlined performance appraisal process.

(f) Reward for Achieving Cost Efficiencies

The Contractor will be rewarded for the achievement of cost efficiencies through onsite investment of cost savings and the opportunity to earn additional Contract term.

## H-2 PERFORMANCE DIRECTION

- (a) The Contractor is responsible for the management and operation of the site in accordance with the Terms and Conditions of the Contract, duly issued Work Authorizations (WAs), and written direction and guidance provided by the Contracting Officer and the Contracting Officer's Representative (COR). NNSA is responsible for establishing the work to be accomplished, the applicable standards and requirements to be met, and overseeing the work of the Contractor. The Contractor will use its expertise and ingenuity in Contract

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performance and in making choices among acceptable alternatives to most effectively, ~~and efficiently~~ and safely accomplish the work called for by this Contract.

- (b) Only the Contracting Officer may issue, modify, and priority rank WAs.
- (c) (1) The Contracting Officer and the NNSA Administrator will appoint, in writing, specific NNSA employees as CORs with the authority to issue Performance Direction to the Contractor. CORs are authorized to act within the limits of their delegation letter. A copy of each letter will be provided to the Contractor. COR functions include technical monitoring, inspection, and other functions of a technical nature not involving a change in the scope, cost, or terms and conditions of the Contract. The COR is authorized to review and approve technical reports, drawings, specifications, and technical information delivered by the Contractor.
  - (2) The Contractor must comply with written Performance Directions that are signed by the COR and:
    - (i) Redirect the Contract effort, shift work emphasis within a work area or a WA, require pursuit of certain lines of inquiry, further define or otherwise serve to accomplish the Statement of Work (SOW), or
    - (ii) Provide information that assists in the interpretation of drawings, specifications, or technical portions of the work description.
  - (3) Performance Direction does not:
    - (i) authorize the Contractor to exceed the funds obligated on the Contract;
    - (ii) authorize any increased cost or delay in delivery in a WA;
    - (iii) entitle the Contractor to an increase in fee; or
    - (iv) change any of the terms or conditions of the Contract.
- (d) The Contractor shall accept only Performance Direction that is provided in writing by a COR and that is within the SOW and a WA.
- (e) (1) The Contractor shall promptly comply with each duly issued Performance Direction unless the Contractor reasonably believes that the Performance Direction violates this clause. If the Contractor believes the Performance Direction violates this clause, the Contractor shall suspend implementation of the Performance Direction and promptly notify the Contracting Officer of its reasons for believing that the Performance Direction violates this clause. Oral notification to the Contracting Officer shall be confirmed in

writing within ten days of the oral notification.

(2) The Contracting Officer will determine if the Performance Direction is within the SOW and WA. This determination will be issued in writing and the Contractor shall promptly comply with the Contracting Officer's direction. If it is not within the SOW or WA, the Contracting Officer may issue a change order pursuant to the Contract's Section I Clause entitled "Changes."

(f) The Parties agree to maintain full and open communication at all times, and on all issues affecting Contract performance, during the term of this Contract.

### **H-3 CONTRACTOR MULTI-YEAR STRATEGY FOR PERFORMANCE IMPROVEMENT**

The Contractor shall develop a multi-year strategy that details (1) its planned efforts and expected accomplishments by year, to continuously improve its management, and performance including ISM and ISSM at the Laboratory, and (2) the planned efforts and contributions of its corporate parent. The multi-year strategy shall also address planned efforts to (1) enhance Contractor communications, cooperation and integration with the NNSA Weapon Complex, with emphasis on Lawrence Livermore National Laboratory; and, (2) contribute to overall NNSA Weapon Complex improvements in performance including ISM and ISSM. The listing of the Contractor's planned efforts and expected accomplishments from its Offer in response to Solicitation No. DE-RP52-05NA25396 for Contract Year 1 (FY 2006) shall be addressed in the initial multi-year strategy, which shall be submitted to the Contracting Officer by February 1, 2006. Subsequent annual updates shall be submitted to the Contracting Officer no later than May 15<sup>th</sup> of each fiscal year. Performance measures for these planned efforts and expected accomplishments may be considered for inclusion in the Contract's Performance Evaluation Plan.

### **H-4 CONTRACTOR ASSURANCE SYSTEM**

- (a) The Contractor shall develop a Contractor Assurance System that is approved and monitored by the Contractor's Parent Organization. The Contractor's Assurance System, at a minimum, shall have the following key attributes:
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  - (2) A process for notifying the Contracting Officer of significant assurance system changes.
  - (3) Rigorous, risk based credible self-assessments, feedback and improvement activities, including utilization of nationally recognized experts, and other independent reviews to assess and improve its work process and to carry out independent risk and vulnerability studies. The Contractor is encouraged to seek third party certifications (such as VPP

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and ISO 9001 or ISO 14001), audits, peer reviews and independent assessments with external certification or validation.

- (4) Identification and correction of negative performance/compliance/ISM/ISSM trends before they become significant issues.
  - (5) A method for validating assurance processes.
  - (6) Integration of the assurance system with Contractor management systems including ~~Integrated Safety Management and Integrated Safeguards and Security Management~~. The Laboratory's management systems that exist on the date of award will continue until the Contractor addresses the applicable Contract requirements. For changes that do require NNSA approval, the Contractor will not implement a change until it is formally approved by the NNSA and communicated to the Contractor by the Contracting Officer.
  - (7) A process for defining performance metrics and performance targets to assess programmatic performance, including benchmarking of key functional areas with other NNSA/DOE contractors and industry and research institutions to enhance processes and to assure development of performance metrics and performance targets that will result in achievement of best in class/industry performance where efficient, ~~and~~ cost effective and does not compromise ISM and ISSM.
  - (8) Continuous ISM and ISSM feedback and performance improvement.
  - (9) An implementation plan that defines a transition period for the implementation to the Contractor Assurance System.
  - (10) A process for timely and appropriate communication to the Contracting Officer, including electronic access, of assurance related information.
- ~~(b) NNSA will revise its oversight in accordance with the Contract's Section H Clause entitled "NNSA Oversight" when the Contractor has demonstrated to the Contracting Officer's satisfaction that the Contractor Assurance System or components of the system are operating effectively.~~
- ~~(c) If the Contracting Officer determines that the Contractor is not fully complying with applicable laws or regulations or that performance has degraded and that the Contractor is not taking appropriate and timely corrective action, the Contracting Officer may take any action deemed necessary and reasonable under this Contract, including increasing NNSA oversight of the Contractor.~~

## H-5 NNSA OVERSIGHT

- (a) The Contractor shall cooperate with NNSA oversight personnel, NNSA Facility Representatives, and subject matter experts in the performance of their assigned functions. The NNSA reserves the right to inspect and oversee all activities of the Contractor at any time.
- (b) Oversight of Nuclear Safety, Nuclear Facility Operations, Nuclear Projects, Training and Qualifications, Safeguards & Security, and Other High Hazard Activities and Support Functions - For nuclear safety, nuclear facility operations, nuclear projects, training and qualifications, safeguards & security, and other high hazard activities and support functions critical to nuclear safety related to these areas as identified by the Contracting Officer, NNSA will continue, preserve and maintain a robust oversight program and will examine, assess and audit any functional area at any level of detail deemed necessary. oversight shall be detailed, day-to-day, and be performed at the transaction level (how a task is completed) and at a systems level (e.g., emergency management, work control, conduct of operations).
- (c) Oversight of Non-Nuclear Facilities - Once the ~~NNSA Contracting Officer~~ is satisfied that the Contractor Assurance System is operating effectively, NNSA will conduct oversight of the Contractor's Non-Nuclear Facilities operations at the systems level. NNSA, with Contractor input, shall develop performance metrics and performance targets as the means of defining NNSA's performance level expectations of the Contractor.
- (d) Oversight of Non-Nuclear Programs, Projects, and Business Systems - In accordance with the Contract's Section H Clause entitled "Performance Based Management" the Parties will identify key end products and services that the Contractor provides to the Nuclear Weapons Complex. Oversight of the Contractor shall focus on whether the Contractor meets the performance objectives, measures and targets in the Performance Evaluation Plan and the performance metrics and targets in the Contractor Assurance System.
- (e) With respect to paragraphs (c) and (d) above, if ~~the Contractor's performance degrades or fails to achieve a performance measure or target, the Contractor shall develop a recovery plan and NNSA reserves the right to increase its oversight of affected areas until recovery is complete.~~ the NNSA determines that the Contractor is not fully complying with applicable laws and regulations or that program performance or ISM/ISSM has degraded and that the Contractor is not taking appropriate and timely corrective action, NNSA may increase its oversight of affected areas until corrective measures are implemented and performance corrected.

## H-6 PARENT ORGANIZATION'S OVERSIGHT PLAN

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- (a) The Contractor shall provide an annual Parent Organization's Oversight Plan that details the Parent Organization's planned activities to monitor Laboratory programmatic, ISM and ISSM performance and to assist the Laboratory in meeting its mission and operational requirements. Elements of the Plan may be incorporated into the Laboratory's Performance Evaluation Plan. The annual Parent Organization's Oversight Plan is set forth as an appendix to the Contract's Section J. The Oversight Plan shall identify the Parent Organization's responsible official for administration of the plan.
- (b) The annual Parent Organization's Plan update shall be submitted to the Contracting Officer six months prior to the forthcoming fiscal year for Contracting Officer review and approval.
- (c) The estimated budget for the FY 2006 Parent Organization's Oversight Plan is \$\_\_\_\_\_ [to be completed by Offeror in Volume III]. Costs associated with the annual Plan updates for FY2007 and thereafter will be incorporated into this clause via supplemental agreement modification. Pursuant to the Contract's "Payments and Advances" clause, such costs will be charged and accounted for as follows; however, in no event shall they be inconsistent with the cost principles in FAR Part 31. Costs may include travel, per diem, and other out-of-pocket costs, plus the actual salaries of the persons performing such services plus a percentage factor of salaries to cover fringe benefits and payroll taxes. The percentage factor will be applied in accordance with the Contractor's Cost Accounting Standards Disclosure Statement. The amount reimbursable under this Contract shall be subject to Government audit.
- (d) The Contractor shall provide periodic reports of Parent activities and costs incurred as required by the Contracting Officer.
- (e) Budget limitations set forth in paragraph (c) above shall not be exceeded without prior Contracting Officer approval. The parties agree that the budgeted amounts for costs may be reviewed further for appropriateness and scope. In addition, the parties agree that a tracking process, acceptable to the Contracting Officer, providing sufficient detail for reasonable accountability, shall be implemented. The NNSA and Contractor agree to negotiate in good faith any adjustments to these budgeted amounts as a result of empirical information from any such tracking system or reviews.

### H-7 ACCOUNTABILITY

The Contractor is responsible for the quality of its products and services and for ensuring that ISM and ISSM are integrated into its operations. The Contractor is also responsible for assessing its operations, programs, projects and business systems, identifying deficiencies and implementing needed improvements in accordance with the Contract's terms and conditions, ~~regardless of~~

~~whether~~ Where NNSA oversight has evaluated the Contractor's performance in meeting its obligations under this Contract, ~~the Contractor.~~ ~~NNSA oversight shall not be relied upon NNSA's by the Contractor in assessing its performance~~ but is accountable for performing its own assessment of these areas.

## H-8 UTILIZATION OF PARENT CORPORATE SYSTEMS

- (a) The Parties agree that applying parent corporate systems to site operations for the purpose of streamlining the Contractor's administrative business systems, and parent organization services provided for that purpose, are allowable costs. The use of parent corporate systems is encouraged provided that such systems are more efficient and represent an overall cost savings to the Government versus existing site systems, and data is readily transferable to a successor contractor. The Contracting Officer must approve the Contractor's plan to use its parent corporate systems. Such system and related support services are not considered procurements as contemplated by the Contract's Section I Clause entitled "Subcontracts."
- (b) The Contractor shall charge to the account of the Government as provided in the Contract's Section I Clause entitled "Payments and Advances," or as otherwise directed by the Contracting Officer, the amounts incurred for the above systems and related support services. Such amounts will be charged and accounted for as follows; however, in no event shall they be inconsistent with the cost principles in FAR Part 31. Costs may include travel, per diem, and other out-of-pocket costs, plus the actual salaries of the persons performing such services plus a percentage factor of salaries to cover fringe benefits and payroll taxes. The percentage factor will be applied in accordance with the Contractor's Cost Accounting Standards Disclosure Statement.
- (c) The Contractor shall provide periodic reports of activities and costs incurred as required by the Contracting Officer. The amount reimbursable under this Contract shall be subject to NNSA/DOE audit.
- (d) The total estimated budget for these systems and related support services is \$ \_\_\_\_\_ [to be determined during the Transition Period and added via supplemental agreement contract modification]. Budget limitations shall not be exceeded without prior Contracting Officer approval. The Parties agree that the budgeted amounts for costs may be reviewed further for appropriateness and scope. In addition, the Parties agree that a tracking process, acceptable to the Contracting Officer, providing sufficient detail for reasonable accountability, shall be implemented. The Parties agree to negotiate in good faith any adjustments to these budgeted amounts as a result of empirical information from any such tracking system or reviews.



**H-9 STANDARDS MANAGEMENT RESERVED**

- ~~(a) The Contractor shall regularly benchmark with industry to identify and incorporate best commercial standards and best business practices into the Contractor's internal processes that will improve site operations with the goal of improving performance where cost effective.~~

**H-10 APPLICATION OF DOE DIRECTIVES STANDARDS MANAGEMENT**

- (a) Benchmark with Industry. The Contractor shall regularly benchmark with industry to identify best commercial standards and best business practices that will improve site operations with the goal of improving performance where effective and efficient without compromising ISM and ISSM.

- (ba) Proposal of Alternative. Where best commercial standards or best business practices are identified which may warrant a change to a procedure, standard, system of oversight or assessment mechanism (collectively referred to herein as "alternative") in a DOE Directive or DOE/NNSA requirement, the Contractor may develop a proposal(s) that The Laboratory Director may, at any time during performance of this Contract, propose an alternative procedure, standard, system of oversight, or assessment mechanism (collectively referred to herein as "alternative") to the requirements in a Directive by submitting to the Contracting Officer a signed proposal describing (1) the nature and scope of the alternative-, (2) the anticipated benefits, including any cost benefits, to be realized by the Contractor in performance under the Contract, (3) a schedule for implementation of the alternative, and (4) a detailed evaluation and a statement that the revised alternative is an adequate and effective, efficient means to meet the Directive without compromising ISM and ISSM, and (5) Upon request, the Contractor shall promptly provide the Contracting Officer any additional information that will aid in evaluating the Contractor's proposal required by NNSA. The Contractor's proposal(s) shall be submitted to the Contracting Officer. NNSA will evaluate the Contractor's proposal and the Contractor will not implement a proposed change until it is formally approved by the NNSA and communicated to the Contractor by the Contracting Officer.

- (b) Action of the Contracting Officer. Within sixty (60) days after receipt of the Contractor's proposal, the Contracting Officer will:

- (1) deny application of the proposed alternative;
- (2) approve the proposed alternative, with conditions or revisions;
- (3) approve the proposed alternative; or
- (4) provide a date by which a decision will be made (not to exceed an additional 60 days).

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Until such time as the Contracting Officer approves the proposed alternative resulting from the process described herein, the Contractor shall adhere to the Directive's requirements.

- (c) Implementation and Evaluation of Performance. Upon approval in accordance with (b)(2) or (b)(3) above, the Contractor shall implement the alternative. In the case of a conditional approval under (b)(2) above, the Contractor shall provide the Contracting Officer with an assurance statement, signed by the Laboratory Director, that the revised alternative is an adequate and efficient means to meet the Directive. Additionally, the assurance statement shall describe any changes to the schedule for implementation. The Contractor shall then implement the revised alternative. NNSA will evaluate Contractor performance against the approved alternative from the Contractor's scheduled implementation date.
- (dc) Deficiency and Remedial Action. If, during performance of this Contract, ~~NNSA~~the Contracting Officer determines that a ~~n previously approved~~ alternative adopted through the operation of this clause is not satisfactory, ~~NNSA~~the Contracting Officer may, in his or her sole discretion, determine that corrective action is necessary and will require the Contractor to prepare a corrective action plan for ~~NNSA~~ the Contracting Officer's approval. If ~~NNSA~~the Contracting Officer is not satisfied with the corrective action taken, ~~the Contracting Officer~~~~NNSA~~ may direct corrective action to remedy the deficiency, including, if appropriate, the reinstatement of the Directive.
- (ed) Laws and Regulations Excepted. The process described in this clause shall not affect the application of otherwise applicable laws and regulations of the United States, including DOE regulations.
- (f) DOE Directive System Deviation Process. This clause does not preclude the use of deviation processes provided for in the DOE Directives system.

### H-11 CONTRACTOR REINVESTMENT OF COST EFFICIENCIES

Prior to the beginning of each fiscal year, or as soon as practical after the budget is determined, the NNSA and the Contractor will identify and agree upon listings of un-funded priority direct mission work identified by specific appropriation and budget and reporting category. Throughout the fiscal year, the Contractor shall apply cost efficiencies achieved through streamlining systems and operations only to un-funded priority direct mission work within the same appropriation and budget and reporting category (ECOR Control Level) unless a formal reprogramming action is approved by NNSA. Indirect cost efficiencies shall be returned to the mission work in the form of reduced indirect rates or applied only to un-funded priority indirect work, which has been approved and documented by the Contractor. The extent of un-funded priority work accomplished in each fiscal year shall serve as a key performance target when measuring the

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Contractor's success in improving performance and achieving cost efficiencies without compromising ISM and ISSM. Although it is the intent of the NNSA that the Contractor shall apply cost efficiencies at the site, the NNSA reserves the right to reallocate direct mission work cost efficiencies to other programmatic mission critical needs.

## ATTACHMENT 3

DIRECTIVE NUMBER	DOE DIRECTIVE TITLE	LANL - App G (04Aug04)	Addressed in DRAFT RFP
AL SD 56XB, Ch 1-11	Nuclear Weapon Development and Production Manual	X	Yes, updated with Rev 2
DOE O 110.3	Conference Management	X	Yes
DOE O 130.1	Budget Formulations Process	X	Yes
DOE M 140.1-1B	Interface with the Defense Nuclear Facilities Safety Board	X*	Yes
DOE N 142.1	Unclassified Foreign Visits and Assignments	X	Yes
DOE P 142.1	Unclassified Foreign Visits and Assignments	X	<b>Cancelled</b>
DOE O 151.1B	Comprehensive Emergency Management System	X*	Yes
DOE O 200.1	Information Management Program	X	Yes
DOE M 200.1-1	Telecommunications Security Manual, only Chapter 9 Public Key Cryptography and Key Management. approved 2/15/00	X	Yes, whole Manual
DOE O 205.1	Department of Energy Cyber Security Management Program	X	Yes
DOE N 205.2	Foreign National Access to DOE Cyber Systems	X	Yes
DOE N 205.3	Password Generation, Protection, and Use	X	Yes
DOE O 210.1, Chg. 2	Performance Indicators & Analysis of Operations Information	X	<b>Cancelled</b>
DOE O 221.1	Reporting Fraud, Waste, and Abuse to the Office of Inspector General	X	Yes
DOE O 221.2	Cooperation With The Office of Inspector General	X	Yes
DOE O 225.1A	Accident Investigations	X	Yes
DOE O 231.1, Chg. 2	Environment, Safety and Health Reporting (except paragraph 5b(2) deleted per DOE O 470.2A)	X	Yes
DOE N 231.1	Environment, Safety, and Health Reporting Notice	X*	<b>Cancelled</b>
DOE O 232.1A	Occurrence Reporting and Processing of Operations Information	X	Cancelled, replaced by O231.1, Chg 2 which is in the RFP
DOE M 232.1-1A	Occurrence Reporting and Processing of Operations Information	X	Cancelled, replaced by M231.1-1A, which is in the RFP
DOE O 241.1	Scientific and Technical Information Management	X	Yes, updated to 241.1A, Chg 1
DOE O 251.1A	Directives System	X	Yes
DOE M 251.1-1A	Directives System Manual	X	<b>Active</b>
DOE O 311.1A	Equal Employment Opportunity and Diversity Program	X	<b>Active</b>
DOE O 350.1, includes a condition that some prime clauses take precedence over some of the Order's chapters	Contractor Human Resource Management Programs	X	<b>Active</b>
DOE O 412.1	Work Authorization System	X	Yes, updated to 412.1A
DOE O 413.2A	Laboratory Directed Research & Development	X	Yes
DOE O 413.3	Program & Project Management for the Acquisition of Capital Assets	X	Yes
DOE O 414.1A, Chg. 1	Quality Assurance	X*	Yes, updated to 414.1B, Chg 1
DOE O 420.1A	Facility Safety	X*: sets conditions that Attachment 2 is included with exceptions	Yes, no exceptions identified

DIRECTIVE NUMBER	DOE DIRECTIVE TITLE	LANL - App G (04Aug04)	Addressed in DRAFT RFP
DOE O 420.2A	Safety of Accelerator Facilities	X*, contains exclusions to Attachment 1	Yes, updated to 420.2B, exceptions identified no
DOE O 425.1C	Startup and Restart of Nuclear Facilities	X*	Yes
AL SD 425.1B, Rev. 1	Startup and Restart of AL Facilities/Activities	X*	<b>Inactive</b>
DOE O 430.1A	Life Cycle Asset Management	X contains note that O 413.3 and 430.2A cancels particular O 430.1A paragraphs	Yes, updated to 430.1B, exceptions noted no
DOE O 430.2A	Departmental Energy and Utilities Management	X	Yes
DOE O 433.1	Maintenance Management Program for DOE Nuclear Facilities	X*	Yes
DOE O 435.1, Chg. 1	Radioactive Waste Management	X*	Yes
DOE M 435.1-1, Chg. 1	Radioactive Waste Management Manual	X* excludes parts of Chapters III & IV	<b>Active</b>
DOE O 440.1A	Worker Protection Management for DOE Federal and Contractor Employees	X* only specific Sections of Attachment 2	Yes, no exceptions identified
DOE M 440.1-1, Rev 8	Explosives Safety Manual	X*	Yes
DOE N 440.1	Interim Chronic Beryllium Disease Prevention Program	X*	<b>Note: Notice indicates it expired 1-year after initiation</b>
DOE O 450.1	Environmental Protection Program	X	Yes
DOE N 450.4	Assignment of Responsibilities for Executive Order 13148, Greening the Government through Leadership in Environmental Management	X	Cancelled replaced by O450.1 which is in RFP
DOE O 452.1B	Nuclear Explosive and Weapon Surety Program	X	Yes
AL SD 452.1B	Nuclear Explosive and Weapon Surety Program	X	Yes
DOE O 452.2B	Safety of Nuclear Explosive Operations	X	Yes
AL SD 452.2B	Safety of Nuclear Explosive Operations	X	<b>Inactive</b>
DOE O 452.4	Security and Control of Nuclear Explosives and Nuclear Weapons	X	Yes, updated to 452.4A
DOE O 460.1B	Packaging and Transportation Safety	X*	Yes
DOE O 460.2, Chg. 1	Departmental Materials Transportation & Packaging Management	X	Yes
DOE O 461.1	Packaging and Transfer or Transportation of Materials of National Security Interest	X*	Yes, updated to 461.1A
DOE P 470.1	Integrated Safeguards and Security Management (ISSM) Policy	X	<b>Active</b>
DOE O 470.2A	Security and Emergency Management Independent Oversight and Performance Assurance Program	X	Yes, updated to 470.2B
DOE O 471.1A	Identification and Protection of Unclassified Controlled Nuclear Information	X	Yes
DOE M 471.1-1, Chg1	Identification and Protection of UCNI Manual	X	<b>Active</b>
DOE O 471.2A	Information Security Program	X	Yes

DIRECTIVE NUMBER	DOE DIRECTIVE TITLE	LANL - App G (04Aug04)	Addressed in DRAFT RFP
DOE M 471.2-1C	Classified Matter Protection & Control Manual	X note that M471.2-1B is canceled except for Chapter III (paras. 1 & 2) and Chapter IV	Yes, updated to M471.2-1C, Chg 1
DOE M 471.2-2	Classified Information Systems Security Manual	X	Yes
DOE O 471.3	Identifying and Protecting Official Use Only Information	X	Yes
DOE M 471.3-1	Manual for Identifying and Protecting Official Use Only Information	X	Yes
DOE O 471.4	Incidents of Security Concern	X	Yes
DOE O 472.1C	Personnel Security Activities	X	Yes
DOE M 472.1-1	Personnel Security Program Manual	X	Yes, updated to M472.1-1B
DOE O 473.1	Physical Protection Program	X	Yes
DOE M 473.1-1	Physical Protection Program Manual	X	Yes
DOE O 473.2	Protective Force Program	X	Yes
DOE M 473.2-1A	Firearms Qualification Courses Manual	X	Yes
DOE M 473.2-2, Chg. 1	Protective Force Program Manual	X	Yes
DOE N 473.5	Security Area Vouching and Piggybacking	X	Note: DOE N 251.40, dated 5/3/01, extends this directive until 12/31/01. Directive now archived.
DOE N 473.8	Security Conditions	X	[Note: DOE N 251.54 extends DOE N 473.8 until 7/8/04]
DOE O 474.1A	Control and Accountability of Nuclear Materials	X	Yes
DOE M 474.1-1B	Manual for Control and Accountability of Nuclear Materials	X	Yes
DOE M 474.1-2A	Nuclear Materials Management and Safeguards System Reporting and Data Submission [Note: DOE N 474.2 extends DOE M 474.1-2 until 2/11/04]	X	Yes
DOE M 475.1-1A	Identifying Classified Information	X	Yes
DOE O 481.1A	Work For Others (Non-Department of Energy Funded Work)	X	Yes, updated to 481.1B
DOE M 481.1-1A	Reimbursable Work for Non-Federal Sponsors Process Manual	X	<b>Active</b>
DOE N 481.1A	Reimbursable Work for Department of Homeland Security	X	Yes
DOE O 482.1	DOE Facilities Technology Partnering Programs	X	Yes
DOE O 483.1	DOE Cooperative Research & Development Agreements	X	Yes
DOE M 483.1-1	DOE Cooperative Research and Developments Agreements Manual	X	Yes
DOE O 534.1A	Accounting	X	Yes, updated to 534.1B
DOE O 551.1A	Official Foreign Travel	X	Yes, updated to 551.1B
DOE O 1220.1A, Chg. 1	Congressional & Intergovernmental Affairs	X	Yes
DOE O 1300.2A	Department of Energy Technical Standards Program	X	<b>Cancelled DOE O 252.1 (not in RFP) cancels DOE O 1300.2A</b>
DOE O 1340.1B	Management of Public Communications Publications and Scientific, Technical, and Engineering Publications	X	yes
DOE O 1350.1	Audiovisual and Exhibits Management	X	<b>Cancelled</b>
DOE O 1450.4	Consensual Listening-In to or Recording Telephone/Radio Conversations	X	Yes
DOE O 1540.4	Physical Protection of Unclassified, Irradiated Reactor Fuel in Transit	X	<b>Cancelled</b>

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DIRECTIVE NUMBER	DOE DIRECTIVE TITLE	LANL - App G (04Aug04)	Addressed in DRAFT RFP
SEN 30-91	Setting the Course for Technology Transfer in the DOE	X	
DOE-STD-1027-92	Hazard Categorization and Accident Analysis Techniques for Compliance with DOE Order 5480.23 Nuclear Safety Analysis Reports	X	Yes, updated to Chg 1
Std 1048-92	Performance Indicators Guidance Document	X	
		*See LANL Work Smarts Standards, Sheet 2	



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AL SD 56XB, Ch 1-11	Nuclear Weapon Development and Production Manual	X	Yes, updated with Rev 2
DOE O 110.3	Conference Management	X	Yes
DOE O 130.1	Budget Formulations Process	X	Yes
DOE M 140.1-1B	Interface with the Defense Nuclear Facilities Safety Board	X*	Yes
DOE N 142.1	Unclassified Foreign Visits and Assignments	X	Yes
DOE P 142.1	Unclassified Foreign Visits and Assignments	X	<b>Cancelled</b>
DOE O 151.1B	Comprehensive Emergency Management System	X*	Yes
DOE O 200.1	Information Management Program	X	Yes
DOE M 200.1-1	Telecommunications Security Manual, <b>only</b> Chapter 9 Public Key Cryptography and Key Management, approved 2/15/00	X	Yes, whole Manual
DOE O 205.1	Department of Energy Cyber Security Management Program	X	Yes
DOE N 205.2	Foreign National Access to DOE Cyber Systems	X	Yes
DOE N 205.3	Password Generation, Protection, and Use	X	Yes
DOE O 210.1, Chg. 2	Performance Indicators & Analysis of Operations Information	X	<b>Cancelled</b>
DOE O 221.1	Reporting Fraud, Waste, and Abuse to the Office of Inspector General	X	Yes
DOE O 221.2	Cooperation With The Office of Inspector General	X	Yes
DOE O 225.1A	Accident Investigations	X	Yes
DOE O 231.1, Chg. 2	Environment, Safety and Health Reporting (except paragraph 5b(2) deleted per DOE O 470.2A )	X	Yes
DOE N 231.1	Environment, Safety, and Health Reporting Notice	X*	<b>Cancelled</b>
DOE O 232.1A	Occurrence Reporting and Processing of Operations Information	X	Cancelled, replaced by O231.1, Chg 2 which is in the RFP
DOE M 232.1-1A	Occurrence Reporting and Processing of Operations Information	X	Cancelled, replaced by M231.1-1A, which is in the RFP
DOE O 241.1	Scientific and Technical Information Management	X	Yes, updated to 241.1A, Chg 1
DOE O 251.1A	Directives System	X	Yes
DOE M 251.1-1A	Directives System Manual	X	<b>Active</b>
DOE O 311.1A	Equal Employment Opportunity and Diversity Program	X	<b>Active</b>
DOE O 350.1, includes a condition that some prime clauses take precedence over some of the Order's chapters	Contractor Human Resource Management Programs	X	<b>Active</b>
DOE O 412.1	Work Authorization System	X	Yes, updated to 412.1A
DOE O 413.2A	Laboratory Directed Research & Development	X	Yes
DOE O 413.3	Program & Project Management for the Acquisition of Capital Assets	X	Yes
DOE O 414.1A, Chg. 1	Quality Assurance	X*	Yes, updated to 414.1B, Chg 1
DOE O 420.1A	Facility Safety	X*: sets conditions that Attachment 2 is included with exceptions	Yes, no exceptions identified

DIRECTIVE NUMBER	DOE DIRECTIVE TITLE	LANL - App G (04Aug04)	Addressed in DRAFT RFP
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DOE O 425.1C	Startup and Restart of Nuclear Facilities	X*	Yes
AL SD 425.1B, Rev. 1	Startup and Restart of AL Facilities/Activities	X*	<b>Inactive</b>
DOE O 430.1A	Life Cycle Asset Management	X contains note that O 413.3 and 430.2A cancels particular O 430.1A paragraphs	Yes, updated to 430.1B, exceptions noted no
DOE O 430.2A	Departmental Energy and Utilities Management	X	Yes
DOE O 433.1	Maintenance Management Program for DOE Nuclear Facilities	X*	Yes
DOE O 435.1, Chg. 1	Radioactive Waste Management	X*	Yes
DOE M 435.1-1, Chg. 1	Radioactive Waste Management Manual	X* excludes parts of Chapters III & IV	<b>Active</b>
DOE O 440.1A	Worker Protection Management for DOE Federal and Contractor Employees	X* only specific Sections of Attachment 2	Yes, no exceptions identified
DOE M 440.1-1, Rev 8	Explosives Safety Manual	X*	Yes
DOE N 440.1	Interim Chronic Beryllium Disease Prevention Program	X*	<b>Note: Notice indicates it expired 1-year after initiation</b>
DOE O 450.1	Environmental Protection Program	X	Yes
DOE N 450.4	Assignment of Responsibilities for Executive Order 13148, Greening the Government through Leadership in Environmental Management	X	Cancelled replaced by O450.1 which is in RFP
DOE O 452.1B	Nuclear Explosive and Weapon Surety Program	X	Yes
AL SD 452.1B	Nuclear Explosive and Weapon Surety Program	X	Yes
DOE O 452.2B	Safety of Nuclear Explosive Operations	X	Yes
AL SD 452.2B	Safety of Nuclear Explosive Operations	X	<b>Inactive</b>
DOE O 452.4	Security and Control of Nuclear Explosives and Nuclear Weapons	X	Yes, updated to 452.4A
DOE O 460.1B	Packaging and Transportation Safety	X*	Yes
DOE O 460.2, Chg. 1	Departmental Materials Transportation & Packaging Management	X	Yes
DOE O 461.1	Packaging and Transfer or Transportation of Materials of National Security Interest	X*	Yes, updated to 461.1A
DOE P 470.1	Integrated Safeguards and Security Management (ISSM) Policy	X	<b>Active</b>
DOE O 470.2A	Security and Emergency Management Independent Oversight and Performance Assurance Program	X	Yes, updated to 470.2B
DOE O 471.1A	Identification and Protection of Unclassified Controlled Nuclear Information	X	Yes
DOE M 471.1-1, Chg1	Identification and Protection of UCNI Manual	X	<b>Active</b>
DOE O 471.2A	Information Security Program	X	Yes

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DIRECTIVE NUMBER	DOE DIRECTIVE TITLE	LANL - App G (04Aug04)	Addressed in DRAFT RFP
DOE M 471.2-1C	Classified Matter Protection & Control Manual	X note that M471.2-1B is canceled except for Chapter III (paras. 1 & 2) and Chapter IV	Yes, updated to M471.2-1C, Chg 1
DOE M 471.2-2	Classified Information Systems Security Manual	X	Yes
DOE O 471.3	Identifying and Protecting Official Use Only Information	X	Yes
DOE M 471.3-1	Manual for Identifying and Protecting Official Use Only Information	X	Yes
DOE O 471.4	Incidents of Security Concern	X	Yes
DOE O 472.1C	Personnel Security Activities	X	Yes
DOE M 472.1-1	Personnel Security Program Manual	X	Yes, updated to M472.1-1B
DOE O 473.1	Physical Protection Program	X	Yes
DOE M 473.1-1	Physical Protection Program Manual	X	Yes
DOE O 473.2	Protective Force Program	X	Yes
DOE M 473.2-1A	Firearms Qualification Courses Manual	X	Yes
DOE M 473.2-2, Chg. 1	Protective Force Program Manual	X	Yes
DOE N 473.5	Security Area Vouching and Piggybacking	X	Note: DOE N 251.40, dated 5/3/01, extends this directive until 12/31/01. Directive now archived.
DOE N 473.8	Security Conditions	X	[Note: DOE N 251.54 extends DOE N 473.8 until 7/8/04]
DOE O 474.1A	Control and Accountability of Nuclear Materials	X	Yes
DOE M 474.1-1B	Manual for Control and Accountability of Nuclear Materials	X	Yes
DOE M 474.1-2A	Nuclear Materials Management and Safeguards System Reporting and Data Submission [Note: DOE N 474.2 extends DOE M 474.1-2 until 2/11/04]	X	Yes
DOE M 475.1-1A	Identifying Classified Information	X	Yes
DOE O 481.1A	Work For Others (Non-Department of Energy Funded Work)	X	Yes, updated to 481.1B
DOE M 481.1-1A	Reimbursable Work for Non-Federal Sponsors Process Manual	X	<b>Active</b>
DOE N 481.1A	Reimbursable Work for Department of Homeland Security	X	Yes
DOE O 482.1	DOE Facilities Technology Partnering Programs	X	Yes
DOE O 483.1	DOE Cooperative Research & Development Agreements	X	Yes
DOE M 483.1-1	DOE Cooperative Research and Developments Agreements Manual	X	Yes
DOE O 534.1A	Accounting	X	Yes, updated to 534.1B
DOE O 551.1A	Official Foreign Travel	X	Yes, updated to 551.1B
DOE O 1220.1A, Chg. 1	Congressional & Intergovernmental Affairs	X	Yes
DOE O 1300.2A	Department of Energy Technical Standards Program	X	<b>Cancelled DOE O 252.1 (not in RFP) cancels DOE O 1300.2A</b>
DOE O 1340.1B	Management of Public Communications Publications and Scientific, Technical, and Engineering Publications	X	yes
DOE O 1350.1	Audiovisual and Exhibits Management	X	<b>Cancelled</b>
DOE O 1450.4	Consensual Listening-In to or Recording Telephone/Radio Conversations	X	Yes
DOE O 1540.4	Physical Protection of Unclassified, Irradiated Reactor Fuel in Transit	X	<b>Cancelled</b>

DIRECTIVE NUMBER	DOE DIRECTIVE TITLE	LANL - App G (04Aug04)	Addressed in DRAFT RFP
DOE O 2110.1A, Chg. 2	Pricing of Departmental Materials and Services	X	Yes <b>Cancelled</b> <b>Cancelled, DOE O 224.2 (not in RFP) cancels DOE O 2321.1B</b>
DOE O 2300.1B	Audit Resolution and Followup	X	
DOE O 2321.1B	Auditing of Programs and Operations	X	
DOE O 2340.1C	Coordination of General Accounting Office Activities	X	<b>Active</b>
DOE O 5400.5, Chg. 2	Radiation Protection of the Public & the Environment	X*	Yes
DOE O 5480.6	Safety of DOE-Owned Reactors	X	<b>Cancelled</b>
DOE O 5480.19, Chg. 2	Conduct of Operations Requirements for DOE Facilities	X*	yes
DOE O 5480.20A	Personnel Selection, Qualification, and Training Requirements for DOE Nuclear Facilities	X*	Yes, updated to 5480.20A, Chg 1
DOE O 5480.21	Unreviewed Safety Questions	X*	Cancelled, replaced by 10CFR830
DOE O 5480.22, Chg1	Technical Safety Requirements	X*	Cancelled, replaced by 10CFR830
DOE O 5480.23, Chg1	Nuclear Safety Analysis Reports	X*	Cancelled, replaced by 10CFR830
DOE O 5480.29	Employee Concerns Management System	X	<b>Cancelled, replaced by 442.1A (not in RFP)</b>
AL 5481.1B	Safety Analysis and Review System	X*	<b>Inactive</b>
DOE O 5482.1B	Environment, Safety, and Health Appraisal Program	X	<b>Cancelled</b>
DOE O 5484.1	ES&H Information Reporting Requirements [5/7/98 - per order 231.1, Chg2 cancel paragraph 1e of Chap.II, and Chaps. III, IV, and V.][5/22/98- per 225.1A cancels Paras. 1-5,6a(1)-(10),6b,6d,6f(1)-(8),the second 6f, and Chapters I & II.]	X	Cancelled, replaced by O231.1, Chg 2 which is in the RFP
DOE O 5530.1A	Accident Response Group	X*	Yes
DOE O 5530.2	Nuclear Emergency Search Team	X*	Yes
DOE O 5530.3, Chg. 1	Radiological Assistance Program	X*	Yes
DOE O 5530.5, Chg. 1	Federal Radiological Monitoring & Assessment Center	X*	Yes
DOE O 5560.1A	Priorities and Allocations Program	X	Yes
DOE O 5600.1	Management of DOE Weapon Program and Weapon Complex	X	<b>Active</b>
DOE O 5610.2	Control of Weapons Data		Yes, updated to 5610.2, Chg 1
AL 5610.12	Packaging and Offsite Transportation of Nuclear Components, and Special Assemblies Associated with the Nuclear Explosive and Weapon Safety Program [Supplement to Order 461.1]	X*	<b>Inactive</b>
DOE O 5610.13	Joint DOE/DOD Nuclear Weapon System Safety	X	Yes
AL 5610.14	Transportation safeguards system program operations	X	<b>Inactive</b>
DOE O 5639.8A	Security of Foreign Intelligence Information and Sensitive Compartmented Information Facilities	X	Yes
DOE O 5660.1B	Management of Nuclear Materials	X	Yes
DOE O 5670.1A	Management and Control of Foreign Intelligence	X	Yes
DOE O 5670.3	Counterintelligence Program	X	Yes
DOE O 6430.1A	General Design Criteria NOTE: Order was cancelled by 430.1 LCAM, except for spec.facilities under the purview of the DNFSB. See DOE O 430.1 paragraph 2. for more information.	X* [ONLY DIVISION 13]	Cancelled, replaced by 430.1A which is in the RFP

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DIRECTIVE NUMBER	DOE DIRECTIVE TITLE	LANL - App G (04Aug04)	Addressed in DRAFT RFP
SEN 30-91	Setting the Course for Technology Transfer in the DOE	X	
DOE-STD-1027-92	Hazard Categorization and Accident Analysis Techniques for Compliance with DOE Order 5480.23 Nuclear Safety Analysis Reports	X	Yes, updated to Chg 1
Std 1048-92	Performance Indicators Guidance Document	X	
		*See LANL Work Smarts Standards, Sheet 2	

<u>WSS Standard</u>	<u>Title</u>	<u>Covered in DRAFT RFP</u>
10CFR71	Packaging&Transportation of Rad Mat'l	
29CFR 1904.1-13	Recording Occupational Injuries	DOE O 440.1
29CFR 1905	Variances, Limitations, Tolerances, Etc.	DOE O 440.1
29 CFR 1910	Occupational Safety/Health Stds	DOE O 440.1
29 CFR 1926	Safety/Health Regs for Construction	DOE O 440.1
OSHA Act Sect 4,5,6,8	OSHA Act 1970	DOE O 440.1
ACGIH TLV	Threshold Limit Values	DOE O 440.1
ASME B31.1-2001	Power Piping	DOE O 440.1
ANSI/IEEE C2-1997	National Electrical Code	
ANSI N13.3	Dosimetry for Criticality Accidents	
ANSI N43.3-1993	Definitions	
ANSI Z136.1-1993	Safe Use of Lasers	DOE O 440.1
ANSI Z136.2-1997	Safe Use of Optic Fiber Communication...	
ISEA/ANSI Z358.1-1998	Emergency Shower/Eyewash Equip	
ANSI Z535.2-1991	Environment and Facility Safety Signs	
ANSI Z535.3-1991	Criteria for Safety Symbols	
ANSI Z88.2	Respiratory Protection	DOE O 440.1
ANSI/ANS 8.1-1981	Nuclear Crit Safety in Operations...	DOE O 420.1A
ANSI/ANS 8.10-1983	Criteria for Nuclear Crit Safety Controls...	DOE O 420.1A
ANSI/ANS 8.12-1987	Nuclear Crit Control and Safety...	DOE O 420.1A
ANSI/ANS 8.15-1981	Nuclear Crit Control of Special....	DOE O 420.1A
ANSI/ANS 8.17-1984	Criticality Safety Criteria for the....	DOE O 420.1A
ANSI/ANS 8.19-1996	Administrative Practices for Nuclear....	DOE O 420.1A
ANSI/ANS 8.20-1991	Nuclear Crit Safety Training	
ANSI/ANS 8.21-1995	Use of Fixed Nuetron Absorbers.....	DOE O 420.1A
ANSI/ANS 8.22-1997	Nuclear Criticality Safety Based on...	
ANSI/ANS 8.23-1997	Nuclear Criticality Accident Emergency...	
ANSI/ANS 8.3-1986	Criticality Accident Alarm System	DOE O 420.1A
ANSI/ANS 8.5-1996	Use of Borosilicate Glass Raschig....	DOE O 420.1A
ANSI/ANS 8.6-1996	Safety in Conducting Subcritical....	DOE O 420.1A
ANSI/ANS 8.7-1975	Guide for Nuclear Crit Safety in Storage...	DOE O 420.1A
ANSI/ANS 8.9-1987	Nuclear Crit Safety Criteria for Steel...	DOE O 420.1A
ANSI/ANME	Boiler and Pressure Vessel	DOE O 440.1
IEEE	American National Stds Safety Level...	
ANSI/ASHRAE 62-1999	Ventilation for Acceptable Air Quality	
ICAO/IATA	International Civil Aviation/International...	
IMDG	International Maritime of Dangerous Goods	
MUTCD	Manual on Uniform Traffic Control Devices	
NFDRS	National Fire Danger Rating System	
NFPA	National Fire Codes	DOE O 440.1& 420.1A
NFPA 70-2002	National Electric Code	
IBC	International Building Code	DOE O 440.1& 420.1A
DoD TB 700-2	Explosive Classification	
DoD TP 45-51D	Tiedown for Weapons	
DoD-EODB 60A-1-1-38	Discovery and Disposal Procedure...	
DOE M 140.1-1B	Interface with the DNFSB	In RFP already
DOE N 231.1	ESH Reporting Notice	Cancelled
DOE O 151.1B	Comprehensive Emergency Mgmt	In RFP already
DOE O 414.1A, Chg 1	Quality Assurance	In RFP already
DOE O 420.1A	Facility Safety	In RFP already
DOE O 420.2A	Safety of Accelerator Facilities	In RFP already
DOE O 425.1C	Startup/Restart of Nuclear Facilities	In RFP already

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<u>WSS Standard</u>	<u>Title</u>	<u>Covered in DRAFT RFP</u>
DOE O 433.1	Maintanance Mgmt for DOE Nuc Facilities	In RFP already
DOE O 435.1, Chg1	Radioactive Waste Mgmt	In RFP already
DOE M 435.1, Chg 1	Radioactive Waste Mgmt Manual	
DOE M 440.1-1	Explosive Safety Manual	In RFP already
DOE N 440.1	Interim Chronic Beryllium Disease...	In RFP already
DOE O 440.1A	Worker Protection Mgmt for DOE...	In RFP already
DOE O 450.1	Environmental Protection Program	In RFP already
DOE O 460.1B	Packaging & Transportation Safety	In RFP already
DOE O 461.1	Packaging & Transfer or Transportation...	In RFP already
DOE O 5400.5	Radiation Protection of the Public ...	In RFP already
DOE O 5480.19	Conduct of Operations Requirements...	In RFP already
DOE O 5480.20A	Personnel Selection, Qualification...	In RFP already
DOE O 5480.21	Unreviewed Safety Question	Cancelled
DOE O 5480.22	Technical Safety Requirements	Cancelled
DOE O 5480.23	Nuclear Safety Analysis Reports	Cancelled
DOE O 5530.1A	Accident Response Group	In RFP already
DOE O 5530.2	Nuclear Emergency Search Team	In RFP already
DOE O 5530.3	Radiological Assistance Program	In RFP already
DOE O 5530.5	Federal Radiological Monitoring...	In RFP already
DOE O 6430.1A	General Design Critiera, Div 13	Cancelled
DOE AL SD 425.1B	Startup/Restart of AL Facilities...	Not in effect
DOE AL SD 5481.1B	Safety Analysis and Review System	Not in effect
DOE AL SD 5610.12	Packaging & Offsite Transportation....	Not in effect
DOE OSS Range Des...	DOE OSS Range Design Criteria Guide	
DOE Std 3009-94		
DOE Std 3013-94	Criteria for Safe Storage of Pu Metals...	
NMER	NM Haz Matls Emergency Response	
NMSH&T	NM State Highway and Transportation...	
LANL Bio Safety Stds:	BMBL, 42CFR72, 9CFR-Ch1,Guide....	
LA-WSS 402-870-01	LANL Ergonomic Standard	
LPR 240-01-00.2	LANL Facility & Operating Limits	
LPR 270-02	LANL Perform Assessment of Operating...	
LIR 300-00-07	LANL Non-nuclear Facility Safety Basis	
LIR 402-910-01.06	LANL Laboratory Fire Protection Program	
LIR 404-00-05.02	LANL Managing Radioactive Waste	
Consensus Standards	American Petroleum Institute	
AFR 50-36	Air Force Reg--Combat Arms Training...	