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Northern New Mexico Citizens' Advisory Board Meeting

December 10, 2014
1:00 p.m. to 4:00 p.m.
The Lodge at Santa Fe
Santa Fe, New Mexico 87501



Minutes

Meeting Attendees

Department of Energy

1. Pete Maggiore, DOE Assistant Manager, Environmental Projects Office
 2. Kim Davis Lebak, DOE/NNSA Los Alamos Field Office Manager
 3. Lee Bishop, Deputy Designated Federal Officer
 4. Christina Houston, DOE Environmental Projects Office
 5. Jack Craig, Director, Environmental Management Consolidated Business Center, DOE
 6. Catherine Hampton, DOE Headquarters
 7. J.R. Stroble, DOE Carlsbad Field Office
 8. David Nickless, DOE Environmental Projects Office
 9. David Rhodes, DOE Environmental Projects Office
 10. Annette Russell, DOE Environmental Projects Office
 11. Toni Chiri, DOE Los Alamos Field Office
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NNMCAB Members

1. Doug Sayre, NNMCAB Chair
 2. Allison Majure, NNMCAB Vice-Chair
 3. Stephen Schmelling, Chair EM&R Committee
 4. Manual Pacheco, Chair WM Committee
 5. Ashley Sanderson, Vice-Chair EM&R Committee
 6. Angel Quintana, Vice-Chair WM Committee
 7. Mona Varela
 8. Alex Puglisi
 9. Joey Tiano
 10. Gerard Martinez
 11. Irene Tse-Pe
 12. Nona Girardi
 13. Carlos Valdez
 14. Bonnie Lucas
-

1 **NNMCAB Student Members**

- 2 1. Alyssa Schreiber
-

4 **NNMCAB Excused Absences**

- 5 1. Danny Mayfield
6 2. Mary Friday
7 3. Tessa Jo Mascareñas
8 4. Joseph Viarrial
9 5. Michael Valerio
10 6. Deidre Roybal
11 7. Savannah Martinez
-

13 **NNMCAB Support Staff**

- 14 1. Menice Santistevan, Executive Director
15 2. Bridget Maestas, Administrative Assistant
16 3. William Alexander, Technical Programs and Outreach
-

18 **Guests**

- 19 1. Carolyn Bateman, Project Time & Cost, LLC.
20 2. Patti Jones, Los Alamos National Security
21 3. Chuck Penglon, T²
22 4. Brian Clayton, Los Alamos National Security
23 5. Susan Gordon, MASE
24 6. Floyd Archuleta, Portage
25 7. Paula Bertino, Women of Waste
26 8. Scott Kovac, Nuke Watch New Mexico
27 9. Randy Erickson, Los Alamos National Security
28 10. Lorrie Bonds Lopez, Los Alamos National Security
29 11. John Lopez, Public
30 12. Justin Tozer, Los Alamos National Security
31 13. Paul Karas, CDM Smith
32 14. Katie Richardson, U.S. Senator Martin Heinrich's Office
33 15. Liddie Martinez, Los Alamos National Laboratory Major Subcontractor Consortium
34 16. Bruce Robinson, Los Alamos National Security
35 17. Don Winchell, Contractor
36 18. Chris Edgmond, Contractor
37 19. Chuck Broom, Contractor
38 20. Dave McInroy, Los Alamos National Security
39 21. Laura Day, Project Time & Cost, LLC.
40 22. Gilbert Gutierrez, SCD
41 23. Kevin Tafoya, SCD
42 24. Mark Oswald, Albuquerque Journal

- 1 25. Michael Brandt, Los Alamos National Security
- 2 26. George Rael, Public
- 3 27. Michele Jacquez-Ortiz, U.S. Senator Tom Udall's Office
- 4 28. Kate Lynnes, Los Alamos National Security
- 5 29. Scott DenBaars, Navarro
- 6 30. Jay Coghlan, Nuke Watch New Mexico
- 7 31. Chuck Montano, Nuke Watch New Mexico
- 8 32. Don Hancock, Public
- 9 33. Darien Cabral, Regional Coalition of LANL Communities

10 ***All NNMCAB meetings are recorded. Audio CD's and Video DVD's have been placed on file for**
11 **review at the NNMCAB office, 94 Cities of Gold Road, Santa Fe, New Mexico, 87506. The written**
12 **minutes are intended as a synopsis of the meeting.**

1 **Minutes**

2 **I. Call to Order**

3 The special meeting of the Northern New Mexico Citizens' Advisory Board (NNMCAB)
4 was held on December 10, 2014 at The Lodge at Santa Fe, Santa Fe, New Mexico. Mr. Lee
5 Bishop, Deputy Designated Federal Officer (DDFO) stated that on behalf of the Department
6 of Energy (DOE) the meeting of the NNMCAB was called to order at 1:13 p.m.

7 Mr. Bishop recognized Mr. Doug Sayre, the NNMCAB Chair. The Chair presided at the
8 meeting.

9 The meeting of the NNMCAB was open to the public and posted in The Federal Register
10 in accordance with the Federal Advisory Committee Act.

11 **II. Establishment of a Quorum (10 Needed)**

12 **a. Roll Call**

13 Mr. William Alexander conducted roll call as the members arrived. At the call to
14 order, 12 members were present. Mr. Alexander recorded that Mr. Carlos Valdez arrived
15 at 1:15 p.m. and Ms. Angel Quintana arrived at 1:50 p.m.

16 **b. Excused Absences**

17 Mr. Alexander recorded that the following members had excused absences: Ms.
18 Tessa Jo Mascareñas, Ms. Deidre Roybal, Ms. Mary Friday, Mr. Danny Mayfield, Mr.
19 Joseph Viarrial, and Mr. Michael Valerio.

20 **c. Absences**

21 Mr. Alexander recorded that no members were absent.

22 **III. Welcome and Introductions**

23 Mr. Sayre welcomed the members and the public to the meeting. He asked for
24 introductions from the board members.

25 **IV. Approval of Agenda**

26 The board reviewed the agenda for the December 10, 2014 special meeting.

27 Mr. Tiano made a motion to approve the agenda as presented; Mr. Pacheco seconded
28 the motion. The motion to approve the agenda as presented was unanimously passed.

29 **V. Presentation on Transition of Environmental Management Cleanup at LANL**

30 **a. Presentation**

31 Mr. Craig gave a presentation to the NNMCAB on the transition of clean-up work
32 from the National Nuclear Security Administration (NNSA) Oversight to the Office of
33 Environmental Management (EM) Oversight, entitled "Los Alamos Legacy Cleanup
34 Completion Project Bridge Contract." An electronic copy of the Synopsis is available
35 on the NNMCAB website; [http://www.nnmcab.energy.gov/7-
36 presentations/presentations.htm](http://www.nnmcab.energy.gov/7-presentations/presentations.htm). Video of the presentation is also available on the
37 NNMCABs YouTube Channel (NNMCAB).

38 **b. Questions**

39 Mr. Sayre asked how long the comment period on the synopsis would be.

1
2 Mr. Craig responded that the comment period would be open for 15 days from
3 the date of issuance. He noted that the comment period would close on December
4 18, 2014.

5
6 Mr. Sayre asked if the contract work would be renegotiated each year dependent
7 on the approved Congressional budget.

8
9 Mr. Craig responded that typically an estimation of what the budget would be for
10 the 5 years of the contract would be used. Additionally, he stated that each year a
11 work plan or fee plan would be negotiated within the contract. He also noted that
12 scope can change depending on the budget and sometimes contract extensions
13 result from that.

14
15 Mr. Valdez asked how many people in Los Alamos are on the NNSA staff and what
16 would happen to them in the transition.

17
18 Mr. Craig responded that 22 of the current positions at NNSA are funded by EM,
19 noting that EM envisions those 22 employees becoming part of the new
20 organization.

21
22 Ms. Davis Lebak stated that there are 77 NNSA positions and 22 EM positions
23 currently staffed at the Los Alamos Field Office. Additionally, she noted that there
24 are a few positions that are split across EM/NNSA.

25
26 Mr. Valdez asked how the budget would be handled for the “guns, guards, and
27 gates.”

28
29 Mr. Craig stated that EM currently pays a portion of security through an overhead
30 account. He noted that a majority is paid by NNSA since the majority of the work at
31 LANL is NNSA work.

32
33 Ms. Davis Lebak responded that security is over \$100 million and NNSA would
34 continue to charge EM for its portion. She noted that the Memorandum of
35 Understanding (MOU) would need to work through all of those issues.

36
37 Mr. Valdez asked, since we are in FY’15 already, how are budget transfers handled
38 and is there a cross walk for the transition. Additionally, he asked how this would
39 affect the FY’16 budget.

40
41 Mr. Craig responded that he did not think that the budget process would change
42 that much, noting that the EM budget is currently requested separately from the
43 NNSA budget. He noted, what would change would be that NNSA would not execute
44 the work; with the transition, EM would execute the work.

1 Mr. Valdez asked if the 18 month transition of work would affect the Consent
2 Order (CO) work and had there been any discussions with the New Mexico
3 Environment Department (NMED) regarding this.
4

5 Mr. Craig stated that the 18 month transition is for the establishment of a new
6 contract, not the work execution.
7

8 Mr. Schmelling asked what steps were being taken to ensure that the new
9 operation would be independent of the NNSA side of operations.
10

11 Mr. Craig responded that was one of the items that would be discussed as part of
12 the negotiations with NNSA/LANS. He noted that this has not been discussed yet
13 due to the process and public comment period for the synopsis.
14

15 Ms. Majure asked what efficiencies are envisioned/expected from the integration
16 and a new specialized contractor.
17

18 Mr. Craig responded that a standalone organization with EM oversight will help
19 provide focus to the EM work. He stated that the majority of the work at LANL is not
20 EM related. He stated that when a contract has a large majority of their fee riding
21 on activities they may lose some focus on the EM work, stating that the new EM
22 contract would focus that through an EM contract with EM oversight. Additionally,
23 he noted that in the short term there may not be a gain in efficiency; however, in
24 the long term, a specialized contractor and new EM contract should improve
25 efficiency.
26

27 Ms. Majure asked what types of contracts were being considered for the new
28 contract.
29

30 Mr. Craig stated that EM has used Cost Plus Incentive Fee Contracts, where
31 contractors provide a target cost and earn fee based on the performance against
32 the target cost. He noted that another type is Cost Plus Award Fee Contract where
33 fee is structured on incentives, schedule, and milestones. Mr. Craig noted that a
34 number of types of contracts could be considered for the LANL cleanup work.
35

36 Mr. Sayre asked if a performance evaluation would be conducted on the contract
37 annually.
38

39 Mr. Craig responded that the type of evaluation or evaluations would be
40 determined based on the type of contract that is selected.
41

42 Dr. Girardi asked if it was likely or even possible that LANS or one of its
43 component companies could be selected as the new EM contractor. Secondly, what
44 would happen to the current subcontractors and lastly, how the transition period
45 would affect the work that is scheduled to be completed.
46

1 Mr. Craig responded that the change in contract would not change the work
2 scope, which has been agreed to. Mr. Craig stated that he did not believe that LANS
3 was allowed to bid on other work as the LANS entity, as long as it has the
4 Management and Operations (M&O) contract at LANL. Mr. Craig stated that for the
5 bridge contract, he did not envision any changes to the subcontracts; however, he
6 noted that the subcontracts are a decision that LANS made so the decision would be
7 up to them. He noted that in the long term there was a possibility that it would be
8 different depending on how the teams were set up.

9
10 Mr. Pacheco asked if the Bridge contract was somewhat like a pilot program.

11
12 Mr. Craig responded that he didn't know that EM had ever done a transition like
13 this, so it could be considered as a pilot.

14
15 Mr. Pacheco asked if the Office of Environmental Management Consolidated
16 Business Center would start to solicit proposals.

17
18 Mr. Craig responded that for the longer term the answer would be yes.

19
20 Mr. Pacheco asked if classification code DF108, would fall under the NAICS.

21
22 Mr. Craig responded that he would not be the person to answer that.

23
24 Mr. Puglisi asked if the 77 NNSA positions were environmental programs like
25 permitting, compliance, and surveillance.

26
27 Ms. Davis Lebak responded no; those 77 positions were NNSA positions.

28
29 Mr. Puglisi asked if there would be a reintegration of some of the environment
30 programs back into the EM program, like hazardous waste permitting.

31
32 Mr. Craig responded that all of those types of programs are going to have some
33 elements of EM and NNSA because of NNSAs ongoing mission. He noted that for
34 those positions there would likely be both EM and NNSA positions.

35
36 Mr. Valdez asked if the reason for transferring the work from NNSA to EM had
37 anything to do with what happened at the Waste Isolation Pilot Plant (WIPP).

38
39 Mr. Craig responded that he would not say that WIPP was the main reason. He
40 noted that the transition to a separate standalone EM contract has happened at just
41 about every other DOE office. Additionally, he noted that it had been looked at for
42 the LANL site before and it was possible that the WIPP incident accelerated the
43 transition.

44
45 Mr. Valdez asked what type of quality assurance the new contract would have to
46 ensure another incident does not occur.

47

1 Mr. Craig responded that the new contract would take into account the responses
2 to the Accident Investigation Board (AIB) report and actions that are taken in
3 response to the compliance order that was received from NMED.
4

5 Mr. Valdez asked what would happen to the new campaign approach that was
6 being prepared for roll out before the WIPP incident.
7

8 Mr. Maggiore responded that LANL is still very much focused on the Chromium
9 remediation project. However, noted that it would be premature to state that the
10 campaign program will continue as it was originally envisioned. He noted that from
11 his perspective the campaigns would need to be folded into a new CO that would
12 need to be negotiated and those discussions had not even begun.
13

14 Mr. Valdez asked where the money for the \$54 million fine was going to come
15 from and would it impact the cleanup work.
16

17 Mr. Craig stated that the department had just received the administrative order
18 on Saturday and was in the middle of understanding and preparing a response to it.
19 He noted that at this time he did not have an answer to that question.
20

21 Dr. Girardi asked what happens to the money used to pay the fines after it is paid
22 to NMED.
23

24 Mr. Sayre noted that he did not think that there was anyone present today that
25 could accurately answer that question.
26

27 Mr. Pacheco asked if it would be possible to get a presentation on what goes on
28 with Performance Based Contracts.
29

30 Mr. Bishop responded that would be a great topic for a committee meeting, to
31 provide the NNMCAB with a prep course on the types of federal contracts.
32 Additionally, he stated that as a procurement approach for the new contract is
33 determined, it would be appropriate to brief the NNMCAB on: what the plans for
34 the contractor would be, what the contract would look like, and the fee structure.
35

36 Mr. Martinez asked what number of non-federal employees would be affected.
37

38 Mr. Craig responded that "typically on DOE sites there is the prime contractor, in
39 this case LANS; the incumbent work force that works for the prime contractor and
40 subcontractors that do work for the prime contractor." Additionally, he noted that
41 the federal organizations have support contracts to provide support for federal
42 activities.
43

44 Ms. Davis Lebak responded that in the NNSA office there is a support contract that
45 provides approximately 5 employees for administrative functions.
46

1 Mr. Maggiore stated that the Environmental Projects Office has a support contract
2 with Project Time & Cost with approximately 12 to 13 employees. He noted that the
3 employees perform project controls activities.
4

5 Mr. Schmelling asked if it was possible to elaborate on how the work that crosses
6 over between EM/NNSA would be handled.
7

8 Mr. Craig responded that many high level individuals are on the committee to
9 make sure that the transition is successful. He noted that the MOU would be the
10 vehicle that would address all the issues that are not necessarily captured by a
11 contract change.
12

13 Mr. Sayre asked if the NNMCAB could be provided with some of the
14 considerations that would be looked at as part of the MOU.
15

16 Mr. Craig responded that he could provide the NNMCAB with any pertinent
17 information that he had at the next Board Meeting in January.
18

19 Ms. Majure stated that in terms of the MOU it would be great to have information
20 on: the development time frame, a synopsis of the MOU's purposes, and when it
21 would be appropriate for the NNMCAB to weigh in on it.
22

23 Mr. Craig responded that the target date for the MOU is the end of February. He
24 noted that EM should have something to talk to the NNMCAB about in January
25 2015.

26
27 **VI. NNMCAB Liaisons**

28 **a. New Mexico Environment Department**

29 Due to illness at the NMED office, a representative was not able to attend the
30 NNMCAB meeting.
31

32 **b. Department of Energy**

33 Mr. Maggiore stated that he would like to share that a Cromnibus bill has been
34 proposed; he noted that it is a combination of a Continuing Resolution (CR) and an
35 Omnibus Bill. Mr. Maggiore noted that at this time he did not know what the final
36 EM number would be. He noted that the current CR expires December 11, 2014 at
37 midnight.
38

39 Mr. Maggiore stated that the FY'15 annual work plan has been submitted to
40 NMED.
41

42 Mr. Sayre asked if Mr. Maggiore had a potential budget number.
43

44 Mr. Maggiore responded that to his knowledge the Presidential mark was \$225
45 million, and the house mark was \$180 million.
46

1 Ms. Jacques-Ortiz stated that the latest numbers from D.C. are \$185 million for
 2 LANL, that's \$11 million under the presidential request, and \$320 million for WIPP,
 3 that's \$100 million above the Presidential request. With an additional \$4 million for
 4 a security piece at WIPP bringing the WIPP number to \$324 million.

5
 6 Mr. Valdez asked if there was additional funding for WIPP in the current CR.

7
 8 Mr. Craig responded that yes there was additional funding in the CR that expires
 9 on 12/11/2014, for WIPP recovery.

10
 11 **c. National Nuclear Security Administration**

12 Ms. Davis Lebak stated that the NNSA budget for LANL is \$2.4 billion per year,
 13 noting that the EM scope accounts for approximately 10% of that. She stated that
 14 there is still a sizeable nuclear weapons related budget at LANL and lots of activities
 15 going on at LANL. Ms. Davis Lebak noted that the LANL's current M&O contract with
 16 LANS will proceed. Additionally, she stated that the she would be happy to come
 17 back and work with the NNMCAB in the future.

18
 19 **VII. Perspectives from the Regional Coalition of LANL Communities (RCLC).**

20 **a. RCLC Presentation**

21 Mr. Darien Cabral the Executive Director for the RCLC noted that he was filling in
 22 today for the RCLC Board Chair Mayor Alice Lucero of Española. He noted that the
 23 RCLC represents the communities of: Taos, Rio Arriba, Los Alamos, Santa Fe, Ohkay
 24 Owingeh, and Jemez Pueblo. Mr. Cabral stated that the RCLC is very concerned with
 25 environmental remediation and economic development related to Los Alamos and
 26 surrounding areas. He noted that the RCLC also conducts work in Washington D.C.
 27 to advocate for additional funding for Los Alamos National Laboratory cleanup.

28 Mr. Cabral stated that the WIPP accident was a serious accident; however, no one
 29 was killed and there were no injuries. Noting that the RCLC thinks that the end
 30 result has been positive, noting that this allows corrections to be made at WIPP and
 31 LANL that are necessary and required. Additionally, stating that in that respect it is
 32 largely positive.

33 Mr. Cabral stated that the RCLC is concerned with how the transition may impact
 34 jobs and sub contracts in the area. He noted that about half of the NNSA
 35 procurement budget in New Mexico is split between Sandia and Los Alamos. He
 36 stated that New Mexico is a state that depends heavily on federal dollars. Mr. Cabral
 37 noted that the RCLC is working closely with the Los Alamos National Laboratory
 38 Major Subcontractor Consortium (LANL MSC) on a pilot project. The project is
 39 regarding how local contracts/contractors can increasingly gain access to the supply
 40 chain management system.

41 Mr. Cabral stated that the Transition plan is still unfolding and very little
 42 information is currently available regarding how the transition will be handled. He
 43 noted that since it is so unknown the RCLC is not sure how it is going to play out
 44 which is a possible issue. Additionally, he noted that the RCLC is concerned with the
 45 quick reopening of WIPP and the completion of the 3706 Campaign.

46 Mr. Cabral noted that the tribes in New Mexico provide opportunities in the area.
 47 He noted that tribes are the only entities that can function as both a business and a

1 government. Mr. Cabral stated that if everyone comes together as a region, there
2 are good possibilities for successful job creation.
3

4 **b. Questions**

5 Dr. Girardi asked how you can assure that contracts made with tribal corporations
6 are actual tribal companies and the employment and profits will go to the benefit of
7 those tribes. How do you assure that it is not just a nominally tribal corporation?
8

9 Mr. Cabral responded that it is dependent on the sophistication of the tribe.
10 Stating that as the tribes gain more business sophistication, then those types of
11 problems don't occur.
12

13 Ms. Majure asked Mr. Cabral if he could expand on how tribes acting as
14 governments and businesses help with the RCLC advocacy.
15

16 Mr. Cabral responded that it does not help so much with the advocacy, but rather
17 with the economic development and diversification.
18

19 **VIII. Public Comment Period**

20 Mr. Sayre opened the public comment period at 3:25 p.m. He invited Mr. Scott Kovac
21 from Nuke Watch New Mexico (NWNM) to address the board.
22

23 Mr. Scott Kovac submitted the following comments to the board.

24 First, we request that alternatives to the current Department of Energy contract process
25 be considered. The privatization of the nuclear weapons complex may be failing the U.S.
26 taxpayer. Cost overruns plague the current system. Different variations of the same
27 contractors still continue to line up for different variations of the same contracts. Yet, with a
28 few exceptions, cleanup only crawls along. Many of the sites are still contaminated decades
29 after the work was completed. And now, WIPP is shut down.

30 We ask that alternatives such as looking to governmental agencies instead of private
31 contractors be tasked with cleanup at Los Alamos. For instance, could the Corp. of Engineers
32 do the job?

33 We also strongly request that alternatives to "No-Bid" and "Cost-Plus" contracts be
34 considered first. Recently, Senate Armed Services Committee Chairman John McCain spoke
35 to prohibit the Pentagon from awarding cost-plus contracts, arguing such deals encourage
36 nefariousness. (DefenseNews.com, December 5, 2014)

37 Second, if a conventional contract is used, we request that the following specific items
38 be included in the proposed new EM contract at LANL. We also ask that these items be
39 included in the 'bridge' contract:

- 40 • Must be tied to LANL CO and LANL RCRA permit.
- 41 • Any "campaigns" must be legally binding, and not used as justification to miss CO
42 milestones.
- 43 • Should be more incentive based- less fixed.
- 44 • Should be more transparent like ARRA, including public availability of Performance
45 Evaluations.

- Should have dramatically lower overhead costs, for example lower security and no LDRD costs. These overhead costs should be made public just as the old Functional Support Costs were available to the public.
- Must include public update meetings semi-annually.
- Should favor local/regional economic development.

Third, for the new bridge contract and any final contract we ask:

- Cleanup must continue at current pace during transition.
- There must be a new lifecycle baseline- with the range with assumptions spelled out. Comprehensive cleanup must be considered, not just cap and cover.
- Corrective Measures Evaluations must be completed on all areas as one of the priorities.

Finally, concerning the new bridge contract, the synopsis doesn't address the issue of how much LANS will be paid under the to-be-finalized bridge contract in relation to how much it would have been paid under the existing contract. It also doesn't state which of the tasks mentioned are different than under the existing contract. We request that costs and tasks be fully described in the to-be-finalized bridge contract.

Mr. Sayre thanked Mr. Kovac for his comments and invited Mr. Jay Coghlan from NWNM to address the board.

Mr. Coghlan stated that he wanted to start with two points of information. First that the penalties don't go into the general state fund, he stated that there is a special environmental emergency category that they go into. Second he noted that it was briefly raised here about legacy clean-up/environmental restoration and waste management. He noted that he would like to clarify that waste management is management of currently generated waste, and it would not be part of the new contract; stating that he would like to see NNSA bear the cost of any newly generated waste.

Mr. Coghlan stated that regarding the new contract, the scope of the contract both the bridge and long term must be dictated by the terms set in the 2005 CO and the LANL RCRA Permit. He stated that we all know that the CO is going to change; however, every indication is that the schedule will change not the contents. Mr. Coghlan noted that Secretary Ryan Flynn has stated this repeatedly. He stated that NWNM is not necessarily opposed to a campaign approach; however, they need to be legally binding. He noted that the 3706 campaign had not been legally binding. Mr. Coghlan noted that it was his understanding that the last time a baseline clean-up cost had been completed for LANL clean-up was 2008. He noted that it would be clearly outdated and that fresh costs were needed. He noted that we need to know what the assumptions are under the scope for the new contracts. His example was Material Disposal Area G cap and cover, out of sight out of mind. He noted that is not clean-up. He stated that we need a new baseline, with new costs that spells out what the assumptions are, as the cost is entirely dependent on the assumptions.

Mr. Coghlan stated that he would like to close with a statement on the budget. He noted that with WIPP's proposed budget of \$325 million and LANL's \$185 million, he was urging the NNMCAB, RCLC, and the Northern New Mexico public to push back hard against those numbers. Mr. Coghlan noted that he had a dim view of this, to see clean-up at LANL suffer because of mistakes made by LANS. He noted that he did not think that the New Mexico environment or populous should be made to pay for LANS mistakes. Mr. Coghlan noted that this was somewhat punitive punishing LANL and shift funds to WIPP. He noted

1 that this should not be a zero sum game. Mr. Coghlan stated that the country is getting
2 ready to spend \$1 trillion over the next 30 years for nuclear weapons modernization. He
3 stated that he will hear that we don't have the money for expanding clean-up. This is a
4 political matter; you take a couple \$100 million dollars out of that \$1 trillion, and don't
5 punish the people of Northern New Mexico by cutting the clean-up program at LANL.
6

7 Mr. Sayre thanked Mr. Coghlan for his comments and invited Ms. Liddie Martinez from
8 the LANL MSC to address the board.
9

10 Ms. Martinez stated that she was the President of the LANL MSC. She noted that she
11 would like to talk about the procurement climate, in regards to the subcontractors and the
12 possible negative impacts of the transition. She stated that the LANL MSC is comprised of 35
13 of the largest subcontractors in Los Alamos, all of which have contracts valued at \$5 million
14 or greater. She noted that because of this, each of those subcontractors is required to have
15 reinvestment in the region in the areas of: education, economic development, and
16 corporate giving. She noted that over the last 5 years over \$4 million has been reinvested in
17 these areas. She noted that of the member contracts 46% of them are working on the EM
18 contracts. She noted that on the conservative side that equates to 250 employees or 250
19 families, which is not a small number.

20 Ms. Martinez noted that in 2012 – 2013, 4 Master Task Order Agreements (MTOA) were
21 competed on a nationwide basis among small businesses, companies that have 500
22 employees or less. She noted that these MTOA contracts were awarded to 3 or 4
23 contractors or 16 contractors that have the MTOAs in place. She noted that the goal was to
24 award these contracts to contractors that have the knowledge and experience to complete
25 the work. Ms. Martinez noted that this process is very competitive and expensive. She
26 stated that the contractors that were awarded the contracts had to immediately put in place
27 a local presence, hire their employees, and be ready to go on day one of the contract. Ms.
28 Martinez stated that in 2013 the contracts were awarded for a 5 year time frame, noting
29 that to date the contracts have not been used as expected. She noted that a number of
30 employees have already been laid off due to the problems that have occurred with budget
31 cuts and stop work caused by the WIPP issue.

32 Ms. Martinez stated that because these MTOAs were competed on a national basis she
33 would urge that during this transition, the contractors be shifted over to the new contract.
34 She stated that we should not rebid, to additional businesses, at additional costs, and to us
35 as taxpayers because we have already spent that money on national contracting. She stated
36 "That we've already found the best contractors, we've already hired them, they're already
37 here, and they're ready to go. Let's not repeat work that's a waste of taxpayers' money, and
38 let's support and honor the contracts that have been issued. We have certified, qualified,
39 very eager to work New Mexicans that want to work, let's not send 250 people home after
40 18 months of bridge work, and have contracts from outside our state coming in with the
41 potential of maybe being hired maybe not." She stated that it was the recommendation of
42 the LANL MSC that the current MTOAs be transitioned to the new EM formula and be
43 utilized for what they were intended. Let's allow these businesses the opportunity to recoup
44 the investments that they have already made.
45

46 Mr. Sayre thanked Ms. Martinez for her comments and invited Mr. Chuck Montano from
47 NWNM to address the board.

1
2 Mr. Montano stated that he had worked at LANL for 32 years and had been a member
3 of the NNMCAB. He noted that he understood the economic benefits of the LANL and the
4 nature of the work that is done at LANL. Mr. Montano stated that he assumed that the
5 current NNMCAB was still focused on economic development and its importance to
6 Northern New Mexico; however, he noted that we can't do it at the expense of having a
7 safe work place, environment, and drinking water that we can pass on to future
8 generations.

9 Mr. Montano noted that he was curious as to why the NNSA would split up the contract
10 for clean-up, after bidding the work out in 2005 and awarding it to LANS. He noted that he
11 was an employee at the time and after all the dust settled the employee protections,
12 benefits, and salaries went down; while the number of managers that came into the
13 institution went up and their salaries skyrocketed. He noted that the laboratory director in
14 2006 earned \$400 thousand a year and now makes over \$1 million. Additionally, he noted
15 that the management fee to run LANL went from \$8 million to \$80 million. He noted that he
16 wondered what was going to really happen once the EM work goes out as a separate
17 contract and is given to the very same parties that caused the costs associated with work at
18 LANL to go up dramatically. Mr. Montano noted that there are many jobs to be had if the
19 effort was really put into clean-up. Let's not give the contracts back to LANS, but put it into
20 another entities' purview, that might help. He noted that this is what happens when you
21 privatize clean-up, these companies have a vested interest in keeping the effort going on for
22 as long as possible. He stated that the people who are relying on the clean-up may be
23 sacrificed in the process.

24 Mr. Montano stated that there was no clean-up completed at Rocky Flats. He stated
25 that it was an attempt to clean-up; however much of the dangerous material remains in
26 place. He stated that over time the effect of that decision is going to haunt the people of the
27 Denver area and surrounding communities. He noted that we need to stay focused on
28 avoiding that happening here.

29 Mr. Montano stated that he felt it would be nice for the NNMCAB to have its own
30 whistle blower hotline. He noted that it would allow LANL employees and others the ability
31 to share information without fear of retribution.

32
33 Mr. Sayre thanked Mr. Montano for his comments. Seeing no additional public
34 comment Mr. Sayre closed the public comment period at 3:51 p.m.

35
36 **IX. NNMCAB Discussion**

37 Mr. Sayre opened the floor for additional discussion from the board.

38
39 Mr. Puglisi asked if the transition was based on the assumption that NNSA failed in its
40 oversight of the LANS contract, and not that the problem occurred at the LANS contract
41 level.

42
43 Ms. Davis Lebak responded that the AIB was looking at all of the levels, and the report
44 would be out sometime in early 2015. She noted that they did know that there would be
45 deficiencies across the board.

1 Mr. Puglisi stated that he was not saying that NNSA needed to perform an analysis of its
2 staff; he was saying that the contractor needs to do an analysis of how they perform the “on
3 the ground” job. He stated that what he was hearing was that the new model would allow
4 the contract to focus on the M&O, implying that the EM functions were a burden to LANS.
5

6 Ms. Davis Lebak responded that it has been in their work scope since LANS took over
7 the contract. However, the government has chosen to configure the M&O work differently.
8

9 Mr. Puglisi asked if past performance was allowable in the consideration of contractors.
10

11 Ms. Davis Lebak responded that yes, past performance is considered before awarding
12 contracts.
13

14 Mr. Craig noted that it is the largest factor in awarding contracts. Additionally, stating
15 that a database is used to evaluate the work of all contractors not just the DOE contractors.
16

17 Mr. Martinez noted that we are looking at 250 employees being affected by the
18 transition and that’s a huge impact to the local communities. Mr. Martinez stated that he
19 had done some simple math, 250 people at \$50 thousand per employee was a \$12.5 million
20 dollar impact, add in some indicators and a multiplier and it’s almost \$19 million dollars. Mr.
21 Martinez stated that was a huge impact for areas that are pretty desperate right now. Mr.
22 Martinez noted that it was rough math and he could be wrong; however the number he was
23 looking at were the 250 possible lost jobs. He asked if any analysis of economic impact is
24 done for a transitional loss of jobs.
25

26 Mr. Craig responded that when talking about impacts, there is an impact from WIPP
27 being shut down and that has nothing to do with the transition. He noted that as we go
28 through the transition he did not see a lot of impact from the transition. He noted that the
29 same work that was being executed before the transition would be the same work under a
30 different contract arrangement. Mr. Craig did note that it would be up to LANS which
31 subcontractors they use.
32

33 Mr. Martinez noted that himself, members of the public, and one representative of a
34 coalition were concerned with the potential economic impact.
35

36 Mr. Craig acknowledged the comment.
37

38 Mr. Sayre asked Mr. Stroble for an update on Project Reach.
39

40 Mr. Stroble stated that the system has been procured and delivered; he noted that most
41 of it has been delivered underground. Mr. Stroble stated that the video mapping was
42 scheduled to begin on January 5, 2015 and should take approximately 2.5 weeks to
43 complete. Mr. Stroble noted that there was some contingency built into the schedule to
44 account for circumstances that might arise.
45

46 Mr. Schmelling commented that from his perspective he had a sense that there was
47 very little sense of urgency in getting things back together after the incidents at WIPP and

1 LANL. He noted that it seemed like we will put in our 40 hours this week with no sense that
2 people are working as hard as they can, as many hours as they can with all due concern for
3 public safety. Mr. Schmelling noted that there seems to be a growing back log of waste
4 piling up around the complex.
5

6 Mr. Stroble responded that on behalf of the Carlsbad employees he felt that they would
7 disagree. He noted that there are a lot of workers who have been working many hours and
8 sacrificing time away from their families. Mr. Stroble noted that it may look like that from a
9 distance but if you were to ask that question in the community of Carlsbad you would get a
10 completely different answer.

11 Mr. Stroble stated that in regards to the waste piling up around the complex his
12 program has put a lot of emphasis and time into alternatives that the sites can employ while
13 WIPP is down. He noted that he was encouraging the sites to continue to get waste ready to
14 ship to WIPP, for when the site reopens.
15

16 Mr. Valdez asked what the above grade storage looked like at WIPP and if there was any
17 possibility of expanding.
18

19 Mr. Stroble responded that expansion had been considered at the national level;
20 however, it was currently not a priority at WIPP. He stated that the priority at WIPP is
21 currently getting the site reopened; however, as time progresses it may work itself up the
22 priority list.
23

24 **X. Adjournment**

25 Mr. Sayre noted that the next NNMCAB meeting would be held January 28, 2015 at
26 Cities of Gold Conference Center in Pojoaque from 1:00p.m. - 5:15 p.m. Additionally, he
27 noted that the NNMCAB would have a Combined Committee meeting on January 14, 2015
28 at the NNMCAB office from 2:00 p.m. - 4:00 p.m.
29

30 With no additional business to discuss Mr. Bishop adjourned the meeting at 4:17 p.m.
31

32 **Respectfully Submitted,**



33 **Doug Sayre, Chair, NNMCAB**

34 ***Minutes prepared by William Alexander, Technical Programs and Outreach, NNMCAB**
35

36 **Attachments**

- 37 **1. Final NNMCAB Meeting Agenda for 12/10/2014**
 - 38 **2. Presentation by Jack Craig, DOE, "Los Alamos Legacy Cleanup Completion Project Bridge
39 Contract."**
 - 40 **3. Biography on Mr. Jack Craig, Director, Environmental Management Consolidated Business
41 Center**
 - 42 **4. Written Comments, Scott Kovac Nuke Watch New Mexico**
43
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1 **Public Notice:**

2 ***All NNMCAB meetings are recorded. Audio CD's and Video DVD's have been placed on file for review**
3 **at the NNMCAB office, 94 Cities of Gold Road, Santa Fe, New Mexico, 87506. The written minutes are**
4 **intended as a synopsis of the meeting.**

5 ***Reference documents listed in the attachments section of these minutes may be requested for**
6 **review from the NNMCAB Office by calling (505)989-1662.**