



REGIONAL COALITION OF LANL COMMUNITIES

City of Española – Los Alamos County – Rio Arriba County – Santa Fe County
City of Santa Fe – Taos County – Town of Taos – Ohkay Owingeh – Pueblo of Jemez

REGIONAL COALITION MEETING AGENDA

Hernandez Community Center
19418 A US Highway 84/285, Hernandez, NM
November 13, 2015
9:00a-11:12a

- A. Call to Order – Commissioner Trujillo – 9:00a-**
- B. Confirmation of Quorum – Commissioner Trujillo**
- C. Approval of Agenda – Commissioner Trujillo**
- D. Approval of Meeting Minutes - 9:15a (Tab A)**
- E. Discussion/Action Items (1hr 30 mins) 9:15 – 10:50a**
 - 1. Briefing from NM Congressional Delegation (5 mins)
 - 2. Presentation by Secretary Ryan Flynn, New Mexico Environment Department (30 mins)
 - 3. Presentation by Doug Hintze, Manager, EM-LA Field Office (30 mins)
 - 4. Board Member Action Items
 - a. 2016 Meeting Schedule Approval (2 mins)
 - b. Proposed change of Coalition meeting time (3 mins)
 - c. JLH Media Contract Amendment (10 min)
 - d. Executive Director Services RFP Review and Approval (10 min)
 - 5. Updates
 - a. Budget Update (Brian Bosshardt) (2 mins)
 - b. Executive Director Update (3 mins)
- F. Meetings at a Glance (2 mins) 10:50a-10:52a (Tab H)**
- G. Public Comment (20 mins) 10:52a-11:12a**
- H. Adjournment – 11:12a**

About the Regional Coalition of LANL Communities:

The Regional Coalition is comprised of nine cities, towns, counties and pueblos surrounding the Department of Energy's Los Alamos National Laboratory (LANL). Founded in 2011, the Regional Coalition works in partnership to ensure national decisions incorporate local needs and concerns. The organization's focus is environmental remediation, regional economic development and site employment, and adequate funding for LANL. The 2015 Board of Directors includes Chair, Commissioner Barney Trujillo, Rio Arriba County; Vice-Chair, Mayor Javier Gonzales, City of Santa Fe; Secretary/Treasurer, Councilor Kristin Henderson, Los Alamos County; Mayor Alice Lucero, City of Española, Commissioner Henry Roybal, Santa Fe County; Andrew Gonzales, Town of Taos; Commissioner Mark Gallegos, Taos County; Governor Earl Salazar, Ohkay Owingeh; and Governor Raymond Loretto, Pueblo of Jemez.

For more information please visit the Regional Coalition website at <http://regionalcoalition.org>

Contact: JLH Media

518 Old Santa Fe Trail, Santa Fe, NM 87505

Office: 505.603.8643



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REGIONAL COALITION of LANL COMMUNITIES

City of Española – Los Alamos County – Rio Arriba County – Santa Fe County
City of Santa Fe – Taos County – Town of Taos – Ohkay Owingeh – Pueblo of Jemez

Taos County Chambers
105 Albright Street
Taos, NM 87571

October 9, 2015
9:00a-11:00a

Meeting Minutes

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Attendance

Chair, Commissioner Barney Trujillo, Rio Arriba County; Fabian Trujillo, proxy for City of Santa Fe; Brian Bosshardt, proxy for Los Alamos County; Mayor Alice Lucero, City of Española; Commissioner Henry Roybal, Santa Fe County; Commissioner Mark Gallegos, Taos County; Governor Raymond Loretto, Pueblo of Jemez.

A. Call to Order – Chair Trujillo

Chair Trujillo called the meeting to order at 9:24 a.m.

B. Confirmation of Quorum – Chair Trujillo

Executive Director Andrea Romero took attendance and Chair Trujillo confirmed there was a quorum.

C. Approval of Agenda – Chair Trujillo

Chair Trujillo asked the Board to review and approve the agenda as presented.

Mayor Alice Lucero moved to approve the agenda.

Governor Raymond Loretto seconded the motion to approve the agenda.

1 Chair Trujillo called for a vote to approve the agenda.
2 The Board voted unanimously in favor of approving the agenda.

3
4 **D. Approval of Meeting Minutes – Chair Trujillo**

5 Chair Trujillo asked the board to review and approve the meeting minutes as presented for
6 the RCLC Board meeting that was held on September 11, 2015.

7 Fabian Trujillo moved to approve the meeting minutes.

8 Mayor Alice Lucero seconded the motion to approve the meeting minutes.

9 Chair Trujillo called for a vote to approve the minutes.

10 The Board voted unanimously in favor of approving the meeting minutes.

11
12 **E. Discussion/Action Items**

13 **1. Introduction by Doug Hintze, Manager, Environmental Management Los Alamos Field**
14 **Office**

15 Chair Trujillo stated that the next item on the agenda was an introduction from Doug
16 Hintze, the new Manager of the Environmental Management Los Alamos Field Office (EM-
17 LA).

18
19 Mr. Hintze previously served as the Assistant Manager for Mission Support and the Chief
20 Financial Officer at the Department of Energy Savannah River Operations Site (DOE-SR)
21 beginning in September of 2012. Mr. Hintze gave RCLC board members a brief overview
22 of his history working for the Department of Energy (DOE) and his experience managing
23 TRU level waste remediation activities. He expressed that his three priorities as the new
24 EM-LA manager were to run a safe, transparent, and efficient cleanup operation.

25
26 Mr. Hintze stated that over the past six to eight months they've been taking over the project
27 management scope of work from the National Nuclear Security Administration (NNSA)
28 and will focus on environmental cleanup moving forward. He continued that a plan was in
29 place for EM-LA to have their own contract going forward beginning at the end of FY17.
30 During the bridge contract period they have already identified the scope of work they will
31 be focusing on.

32
33 **2. Presentation from Carla Rachkowski of Accelerate Program**

34 Chair Trujillo thanked Mr. Hintze for his introduction and said that the board was looking
35 forward to working with him. The next item on the agenda was a presentation from Carla
36 Rachkowski of the Accelerate Technical Training and Job Placement Program.

37
38 Carla thanked the board for allowing her to speak at their meeting. The Accelerate Program
39 is a program of the Regional Development Corporation in collaboration with six
40 community colleges in northern New Mexico. It has been funded for the past five years by
41 the Department of Energy's (DOE) Office of Environmental Management. Their goals are
42 to stimulate economic growth, increase college graduation rates, workforce training and
43 job placement. They strive to graduate more technical career students in NM in order to
44 aid economic development. They are especially keeping an eye on LANL's estimated 36%
45 attrition rate over the next five years.

46
47 The Accelerate Program was launched as a pilot project in 2011 through a partnership
48 with the New Mexico Regional Development Corporation and six northern New Mexico

1 colleges including UNM Taos, Northern New Mexico College, UNM Los Alamos, Santa Fe
2 Community College, Luna Community College, and Highlands University. Their focus is
3 on technical career students, specifically, preparing them for career and educational
4 advancement and placing them in jobs. The current average graduation rate is 14% for
5 two-year technical degree students in northern New Mexico. Some of the school's
6 graduation rates are actually closer to only 7%. The program has been extremely
7 successful, with an independent study finding that Accelerate has delivered a 20% increase
8 in graduation rates over non-participating students. In addition, 44% of Accelerate students
9 who interned with regional employers were offered jobs by those employers. The
10 Accelerate Program is in the final seven months of a five-year DOE-EM grant award.
11 Accelerate is working now to diversify their program funding.

12
13 They also focus on preparing students to succeed in the workforce. They provide career
14 readiness training as part of the project and hope to help them find jobs in their fields of
15 study. They have had 664 students go through the program, and 374 students in a separate
16 component of the program finish the basic math requirements before they can begin
17 college level mathematics. The average age of a student in the Accelerate Program is 28
18 years old. They have career advisors in place at each of the participating campuses that
19 recruit students into the Accelerate program and then proactively work with them on any
20 issue that gets in the way of schoolwork. This is a big issue for non-traditional students who
21 are working full-time, trying to raise families, and have other things that can interfere with
22 the completion of schoolwork. They function as part mentor and part advisor, basically
23 doing whatever they can to help program students get through school. The program also
24 offers resume writing classes, leadership training, and Office 101 courses.

25
26 The program partners with regional employers to place students in internships and students
27 are paid stipends for their work. Accelerate students showed a 20% increase in persistence,
28 time to degree, and completion rates. They are currently looking at different foundations
29 and have hired a grant researcher and writer in an attempt to diversify their funding.

30
31 Commissioner Mark Gallegos inquired about high school students participating in the
32 program in anticipation of enrolling in college. Carla stated that they are currently focusing
33 on two-year degree students. She stated that she hopes in the future that they can expand
34 the program to promote awareness of the program to high school students so that they can
35 consider participation in the program as they look toward their career preparation.

37 **3. Intergovernmental Meeting with the U.S. Department of Energy Invitation. Approval of** 38 **ED and/or Board travel**

39 Chair Trujillo thanked Carla for her presentation and stated that the next agenda item was
40 approval of Executive Director and/or Board travel to the Intergovernmental Meeting with
41 the U.S. Department of Energy taking place in New Orleans from November 18-20.

42 Chair Trujillo asked the Board to review and approve the travel for Andrea Romero as
43 presented.

44 Mayor Alice Lucero moved to approve Andrea Romero's travel and recommended that any
45 other board members attempt to attend as well. She also stated that she would like to
46 attend, but moved to at least approve the Executive Director travel.

47 Brian Bosshardt seconded the motion to approve the Executive Director travel.

48 Chair Trujillo called for a vote to approve the travel.

1 The Board voted unanimously in favor of approving the travel for Andrea Romero and any
2 other interested board members. Governor Raymond Loretto stated that he would be
3 attending to represent the Pueblo of Jemez and that his cost of travel would be covered by
4 Jemez. Brian Bosshardt reminded the board that the ECA would cover the cost of travel for
5 one representative from the RCLC and that Los Alamos County would be represented by
6 Kristin Henderson. Chair Trujillo stated that Rio Arriba County would cover his cost of
7 travel if he were able to attend. Commissioner Mark Gallegos requested a calendar of
8 potential travel meetings for the upcoming year so the board could better plan their travel
9 in advance of meetings. Andrea Romero said a calendar would be compiled.

10
11 **F. Board Closed Session – Personnel Matter: Discussion Regarding Limited Personnel**
12 **Matter(s) – Review of JLH Media’s Provision of Executive Director Services and**
13 **Agreement AGR14-01. (Session Closed Pursuant to NMSA 10-15-1 (H) (2))**

14
15 **G. Adjournment**

16 At the conclusion of the closed session Chair Trujillo asked the board for a motion to open
17 the meeting to the public.

18 Mayor Alice Lucero moved to end the closed session.

19 Governor Raymond Loretto seconded the motion to end the closed session.

20 Chair Trujillo called for a vote to end the closed session and reopen the meeting.

21 The Board voted unanimously in favor of ending the closed session and Chair Trujillo
22 stated that the record should show that no action was taken during the closed session.

23
24 Governor Raymond Loretto requested changing the next RCLC meeting location for
25 November 13 as Jemez Pueblo has a scheduled Feast Day on November 12. Chair Trujillo
26 said Rio Arriba County could host the November 13 meeting and Governor Loretto said
27 Jemez could host in December.

28
29 Chair Trujillo adjourned the meeting at 10:45 a.m.

30
31 Attest:

32
33
34
35 _____
36 Commissioner Barney Trujillo, Chair

37
38
39
40 _____
41 Andrea Romero, Executive Director



REGIONAL COALITION of LANL COMMUNITIES

**City of Española – Pueblo of Jemez – Los Alamos County – Ohkay Owingeh
Rio Arriba County – Santa Fe County – City of Santa Fe – Taos County – Town of Taos**

2015

Friday, November 13, 2015

9am to 11am

Hernandez Community Center
19418 US-84, Hernandez, NM 87537

Friday, December 11, 2015

Jemez Pueblo Council Chambers

2016*

Friday, January 8, 2016

Española City Council Chambers

Friday, February 12, 2016

Los Alamos County Council Chambers

Friday, March 11, 2016 – Strategic Planning, Closed Session

Santa Fe Convention Center, Tesuque Room

Friday, April 8, 2016

Española City Council Chambers

Friday, May 13, 2016

Town of Taos Council Chambers

Friday, June 10, 2016

Rio Arriba County Chambers

Friday, July 8, 2016

Los Alamos County Municipal Building

Friday, August 12, 2016

Santa Fe County Chambers

Friday, September 9, 2016

Ohkay Owingeh Conference Center

Friday, October 14, 2016

Taos County Council Chambers

Friday, November 11, 2016

Jemez Pueblo Council Chambers

Friday, December 9, 2016

City of Santa Fe Council Chambers

*2016 Meeting times TBD



**AMENDMENT NO.1
REGIONAL COALITION OF LANL COMMUNITIES
SERVICES AGREEMENT NO. AGR14-01**

This **AMENDMENT NO. 1** is entered into by and between the **Regional Coalition of LANL Communities** (Coalition) and **JLH Media, LLC**, a New Mexico limited liability corporation ("Contractor"), to be effective for all purposes, November 13, 2015.

WHEREAS, the Coalition and Contractor entered into Agreement No. AGR14-01 dated November 11, 2013 (the "Agreement") for the provision of Executive Director Services for the Regional Coalition of LANL Communities; and

WHEREAS, both parties wish to amend the agreement to extend the term for an additional six (6) month period as allowed under the same terms and conditions.

NOW, THEREFORE, for good and valuable consideration, the Coalition and Contractor agree as follows:

1. To delete SECTION B. TERM in its entirety and replace it with the following:

SECTION B. TERM: The term of this Agreement shall commence November 11, 2013 and shall continue through May 12, 2016, unless extended or sooner terminated, as provided herein. At the sole discretion of the Regional Coalition, this contract may be renewed for an additional year under the same terms and conditions, mutually agreed upon by the parties. The monthly fixed fee and other associated costs may be considered for an annual adjustment if such is warranted.

Except as expressly modified by this Amendment, the terms and conditions of Agreement No. AGR14-01 remain unchanged and in effect.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 on the date(s) set forth opposite the signatures of their authorized representatives to be effective for all purposes on the date first written above.

ATTEST

REGIONAL COALITION OF LANL COMMUNITIES

By: _____
CHAIR **DATE**

JLH Media, a limited liability corporation

By: _____
NAME DATE

MEMBER



REGIONAL COALITION OF LANL COMMUNITIES

City of Española - Los Alamos County - Rio Arriba County - Santa Fe County
City of Santa Fe - Taos County - Town of Taos - Pueblo of Ohkay Owingeh
Pueblo of Jemez

REQUEST FOR PROPOSALS (“RFP”) FOR EXECUTIVE DIRECTOR SERVICES REGIONAL COALITION OF LOS ALAMOS NATIONAL LABORATORY COMMUNITIES

GENERAL INFORMATION

Sealed proposals, in one (1) unbound original and ten (10) bound copies, will be received at the County of Los Alamos, Procurement Office, 101 Camino Entrada, Bldg. 3, Los Alamos, NM 87544, until **5:00 p.m. MST, December 11, 2015**. Clearly mark the RFP Name on the outside of the sealed proposal.

DIRECTIONS TO PROCUREMENT OFFICE:

Drive **WEST** on NM-502 to Los Alamos.

- Camino Entrada (formerly known as Airport Basin) is 0.4 miles past East Gate Drive, just past East Entrance Park Rest Area.
- 2. Turn **RIGHT** on Camino Entrada.
 - Road slopes downhill and curves to the right.
- 3. Take **second RIGHT** in to driveway through gated fence (before the stone sign “Pajarito Cliffs Site”).
 - Follow the signs to Building 3, the L-shaped building in the center of the complex.
 - If you pass the Holiday Inn Express and the Airport, you’ve gone too far.
- 4. Enter glass door marked “PROCUREMENT.”

Regional Coalition of LANL Communities (“Regional Coalition”) invites Proposals from all qualified respondents. **The Board of Directors of the Regional Coalition highly encourages local respondents from the region represented by the Regional Coalition.** No Proposal may be withdrawn after the scheduled closing time. Proposals will not be accepted after the scheduled closing time. Please make note of the submittal requirements outlined in this solicitation. Read and follow the instructions carefully. Include the required documents provided in this RFP as part of your submittal packet. Any misinterpretation or failure to comply with the submittal requirements could result in rejection of the proposal. Proposal preparation is at the Offeror’s expense. Regional Coalition reserves the right, at its sole discretion, to accept or reject any proposals; to waive any and all irregularities in any or all statements or proposals; to request additional information from any or all respondents; and to award a contract to the responsible Offeror whose proposal is most beneficial to Regional Coalition. While Regional Coalition intends to execute a contract for the services listed herein, nothing in this document shall be interpreted as binding Regional Coalition to enter into a contract with any Offeror or Proposer.

BACKGROUND

The Regional Coalition of LANL Communities, "Regional Coalition" was founded in 2011 and is comprised of seven municipalities and two pueblos surrounding Los Alamos National Laboratory ("LANL"). The goal of the Regional Coalition is to proactively address issues of the neighboring cities, counties and pueblos directly impacted by LANL site activities. By working together, regional governments are better poised to define the public interest and to work with DOE, NNSA, contractors and Congress to ensure that state and federal policies protect and promote local interests. The Regional Coalition was formed through a Joint Powers Agreement and all of the participating local governments provide funding for the Regional Coalition's operating budget.

The Regional Coalition is focused on three specific issues:

1. Environmental remediation; monitoring the levels of funding provided for environmental cleanup and advocating for increased funding; and,
2. Regional economic development and site employment; working to train local residents for jobs available at LANL and creating economic opportunities around LANL.
3. Ensuring adequate federal funding for LANL; working in partnership with New Mexico's Congressional Delegation to emphasize the importance of budget stabilization for our communities.

In furtherance of this mission, the Regional Coalition has adopted a strategic plan that focuses on four principal areas:

1. Site Mission/Mission Diversification/Economic Development
2. Environmental Stewardship
3. Communications and Engagement
4. Business Operations

The Regional Coalition is a policy-making forum, and thus, requires Executive Director Services that can bring together governments with varied interests and goals to develop and advocate for policies that address the needs and interests of the region. Given that the Board of Directors is comprised of elected officials, the contractor will also need to be well versed in local political issues and concerns.

The Regional Coalition is committed to exploring issues and identifying solutions that are broadly representative of the regional communities' needs, interests and goals. The Board of Directors will seek to reach a broad consensus on policy matters, working collaboratively with the Department of Energy, Los Alamos National Laboratory, Congress, the regulatory agencies, site contractors and other community members as decisions are formulated and policies are implemented.

SCOPE OF WORK

The Contractor shall provide the following services:

1. Continue and build upon the Regional Coalition's efforts as an effective advocacy organization.
2. Manage the organization and help ensure its legal and financial responsibilities are met.
3. Advise the Board of Directors on the group's strategic direction and policies, including legislative strategies, to achieve the organizational mission. Make recommendations where appropriate.
4. Provide technical assistance to the organization. Summarize and analyze issues, and provide comment and advice as necessary or requested. Prepare technical memos and issue briefs as needed.
5. Serve as an independent facilitator for the Board meetings.
6. Develop and circulate agenda items and briefing memos for the Board meetings.

7. Prepare and distribute minutes of the Board meetings.
8. Make presentations to each participating members governing body, at least annually, or as requested by board members.
9. Maintain a website.
10. Negotiate and collaborate with outside entities, and convey and advocate for organizational policies, as directed by the Board.
11. Implement public information strategies on behalf of the organization.
12. Serve as spokesperson of the Regional Coalition with the Department of Energy, state and federal agencies, the media and the public.
13. Monitor regional and national issues and coordinate with outside agencies on issues affecting
 1. LANL.
14. Make monthly presentations to the Board and at other forums on a range of issues.
15. Represent the organization at national meetings as directed by the Board.
16. Prepare monthly updates on relevant congressional and DOE policies and actions.
17. Report progress on the strategic plan, and annually provide an updated plan for the Board's discussion and approval.
18. Prepare the draft annual budget for approval by the Board, and implement as appropriate.
19. Generate supporting funds from a variety of sources to continue the operations of the Regional Coalition.
20. Provide monthly updates to the Board regarding progress.
21. Develop and present to the Board an Annual Report, detailing the prior year's activities and achievements.
22. Other tasks that are identified and assigned by the Board.

SERVICE COSTS:

1. List monthly fixed fee and number of work hours to be provided exclusive of New Mexico gross receipts tax (NMGRT).
2. The Contractor may invoice for any travel costs incurred in the performance of this contract. (Such expenses are not considered to be covered by and included in the monthly fixed fee. Reimbursement of travel costs shall be subject to the annual budget as approved by the Board and shall be in accordance with the Regional Coalition's travel policy resolution.)
3. Provide listing of all proposed services that will be included in the monthly fixed fee such as reproduction costs, internet services, mobile phone services, insurance, equipment and office expenses.
4. List any services that will be contractually provided by another party under the purview of the proposer, along with estimated cost.

TERM:

The initial term of the contemplated agreement shall be for two (2) years commencing from the date of entering into a contract. At the Regional Coalition’s sole option, the term of the agreement may be further extended, in one-year increments for up to two (2) additional years, under the same terms and conditions. In no event, however, shall the term of the agreement, including any and all extensions, exceed four (4) years from the initial effective date of the agreement. The monthly fixed fee and other associated costs may be considered for an annual adjustment if such is warranted

PROPOSAL FORMAT

In order to facilitate evaluation, please format your proposal in the same order indicated below. Proposals shall address the following items:

- I. Introduction and Statement of Qualifications.
- II. Proposal for building on the recent success of Regional Coalition in regards to:
 - a. Firm’s/Individual’s experience in the field and with inter-governmental facilitation, coordination, and policy development.
 - b. Discussion of experience and knowledge in the items identified in the mission statement and strategic plan.
 - c. Discussion of your experience working with Pueblos and other sovereign governmental entities.
- III. Organization and Capacity: Describe roles, resources and responsibilities and provide a statement about the capacity of the proposer to complete work described herein.
- IV. List number of clients currently represented (internationally, nationally, and within the state of New Mexico)
- V. List all members of company employed.
- VI. Provide a listing of only individuals who will be directly involved with this service, including resumes, certifications and home office location of each key person.
- VII. Provide a statement on capacity to complete the work listed herein.
- VIII. Provide at least three letters of professional references.
- IX. Provide Cost – fixed monthly, exclusive of NMGRT and reimbursable expenses.

PROPOSAL EVALUATION CRITERIA

Proposals will be evaluated on the following criteria and weighted points:

CRITERIA	WEIGHTED POINTS
Qualifications, Capacity & Experience	60
References	10
Cost	30
TOTAL	100

PROCUREMENT PREFERENCES

Preferences in purchasing by formal bid, or request for proposal or qualifications shall be in accordance with New Mexico Statutes, Section 13-1-21 NMSA 1978 et al.

SPECIAL CONDITIONS

Following award of the solicitation by the Board of the Regional Coalition, the successful Offeror will be required to execute a contract with the Regional Coalition in accordance with the terms and conditions set forth in the Services Agreement, a sample of which is attached as Exhibit “A”. Offeror may identify any exception or other requirements to the terms and provisions in the Services Agreement, along with proposed alternative language addressing the exception; the Regional Coalition may, but is not required to, negotiate changes in contract terms and provisions. The Services Agreement as finally agreed upon must be in form and content acceptable to the Regional Coalition.

CERTIFICATION FORM REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

An Offeror shall complete the Certification Regarding Debarment, Suspension, and Other Responsibility Matters Form, attached as Exhibit "B", and submit with the proposal. This Form serves as a warrant of the vendor's responsibility, and may not necessarily preclude the vendor from consideration for award.

CAMPAIGN CONTRIBUTION FORM

A CAMPAIGN CONTRIBUTION DISCLOSURE FORM is attached as Exhibit "C". Upon award, Contractor must submit this form, in accordance with Chapter 81 of the laws of 2006 of the State of New Mexico.

CONTACT

Prospective Offerors wishing additional information regarding this request for proposal should contact Los Alamos County Deputy Manager Brian Bosshardt, at (505) 663-1779 or e-mail questions to: brian.bosshardt@lacnm.us

Exhibit "A" SAMPLE AGREEMENT

This **SERVICES AGREEMENT** (this "Agreement") is entered into by and between the Regional Coalition of LANL Communities, ("Regional Coalition"), and _____, a _____ corporation ("Contractor"), to be effective for all purposes _____.

WHEREAS, the Regional Coalition issued Request for Proposals No _____ ("the "RFP") on _____, requesting proposals for _____ services as described in the RFP;

WHEREAS, Contractor timely responded to the RFP by submitting a proposal, dated _____ ("Contractor's Response");

WHEREAS, based on the evaluation factors set out in the RFP, Contractor was the successful offeror for said services;

WHEREAS, Contractor will provide the following Services, as described below;

NOW THEREFORE, for and in consideration of the premises and the covenants contained herein, the Regional Coalition and Contractor agree as follows:

SECTION A. SERVICES:

1. **Contractor Services.**
2. **Deliverables.**

SECTION B. TERM: The term of this Agreement shall commence on or about ____ and shall continue for ____ year/s thereafter unless extended or sooner terminated as provided herein. *[At the sole discretion of the Regional Coalition, this contract may be renewed for ____ additional one (1) year periods, under the same terms and conditions, contingent upon Regional Coalition appropriating funding.]*

SECTION C. COMPENSATION:

1. **Amount of Compensation.** The Regional Coalition shall pay compensation for the performance of the Services an amount not to exceed _____ (\$ _____) which amount *includes / does not include* applicable New Mexico gross receipts taxes (NMGRT). *[Compensation and reimbursable expenses shall be paid in accordance with the rate schedule set out in Attachment X, attached hereto and made a part hereof for all purposes.]*
 - a. Reimbursables –Travel mileage will be paid based on the Regional Coalition's travel policy and annual budget.

2. Invoices and Payment. Contractor shall submit itemized monthly invoices to the County of Los Alamos showing the amount of compensation due, the amount of any NMGRT, and the total amount payable. Payment of undisputed amounts shall be due and payable thirty (30) days after County's receipt of the invoice.

SECTION D. TAXES: Contractor shall be responsible for remittance of the NMGRT levied on the amounts payable under this Agreement.

SECTION E. STATUS OF CONTRACTOR, STAFF, AND PERSONNEL: This Agreement calls for the performance of services by Contractor as an independent contractor. Contractor is not an agent or employee of the Regional Coalition and will not be considered an employee of the Regional Coalition for any purpose. Contractor, its agents or employees shall make no representation that they are Regional Coalition employees, nor shall they create the appearance of being employees by using a job or position title on a name plate, business cards, or in any other manner, bearing the Regional Coalition's name or logo. Neither Contractor nor any employee of Contractor shall be entitled to any benefits or compensation other than the compensation specified herein. Contractor shall have no authority to bind the Regional Coalition to any agreement, contract, duty or obligation. Contractor shall make no representations that are intended to, or create the appearance of, binding the Regional Coalition to any agreement, contract, duty, or obligation. Contractor shall have full power to continue any outside employment or business, to employ and discharge its employees or associates as it deems appropriate without interference from the Regional Coalition; provided, however, that Contractor shall at all times during the term of this Agreement maintain the ability to perform the obligations in a professional, timely and reliable manner.

SECTION F. STANDARD OF PERFORMANCE: Contractor agrees and represents that it has and will maintain the personnel, experience and knowledge necessary to qualify it for the particular duties to be performed under this Agreement. Contractor shall perform the work described herein in accordance with a standard of care for performance of the Services that exceeds industry standards.

SECTION G. DELIVERABLES AND USE OF DOCUMENTS: All deliverables required under this Agreement, including material, products, reports, policies, procedures, software improvements, databases, and any other products and processes, whether in written or electronic form, shall remain the exclusive property of and shall inure to the benefit of the Regional Coalition as works for hire; Contractor shall not use, sell, disclose, or obtain any other compensation for such works for hire. In addition, Contractor may not, with regard to all work, work product, deliverables or works for hire required by this Agreement, apply for, in its name or otherwise, any copyright, patent or other property right and acknowledges that any such property right created or developed remains the exclusive right of the Regional Coalition. Contractor shall not use deliverables in any manner for any other purpose without the express written consent of the Regional Coalition.

SECTION H. EMPLOYEES AND SUB-CONTRACTORS: Contractor shall be solely responsible for payment of wages, salary or benefits to any and all employees or contractors retained by Contractor in the performance of the Services. Contractor agrees to indemnify, defend and hold harmless the Regional Coalition for any and all claims that may arise from Contractor's relationship to its employees and subcontractors.

SECTION I. INSURANCE: Contractor shall obtain and maintain insurance of the types and in the amounts set out below throughout the term of this Agreement with an insurer acceptable to the Regional Coalition. Contractor shall assure that all subcontractors maintain like insurance.

Compliance with the terms and conditions of this Section is a condition precedent to the Regional Coalition's obligation to pay compensation for the Services, and Contractor shall not provide any Services under this Agreement unless and until Contractor has met the requirements of this Section. The Regional Coalition requires Certificates of Insurance or other evidence acceptable to the Regional Coalition that Contractor has met its obligation to obtain and maintain insurance and to assure that subcontractors maintain like insurance. General Liability Insurance and Automobile Liability Insurance shall name the Regional Coalition as an additional insured.

1. **General Liability Insurance.** \$1,000,000 per occurrence; \$2,000,000 aggregate.
2. **Workers' Compensation.** In an amount as may be required by law. The Regional Coalition may immediately terminate this Agreement if Contractor fails to comply with the Worker's Compensation Act and applicable rules when required to do so.
3. **Automobile Liability Insurance for Contractor and its employees:** An amount at least equal to the minimum required by state law on any owned, and/or non-owned motor vehicles used in performing Services under this Agreement.
4. **Professional Liability Insurance.** \$1,000,000 per occurrence; \$2,000,000 aggregate. Professional Liability Insurance shall provide coverage for Services provided hereunder during the term of this Agreement and for a period of at least three (3) years thereafter.

SECTION J. RECORDS: Contractor shall maintain throughout the term of this Agreement and for a period of six (6) years thereafter records that indicate the date, time, and nature of the services rendered. Contractor shall make available for inspection by the Regional Coalition all records, books of account, memoranda, and other documents pertaining to the Regional Coalition at any reasonable time upon request.

SECTION K. APPLICABLE LAW: Contractor shall abide by all applicable federal, state and local laws, regulations, and policies and shall perform the Services in accordance with all applicable laws, regulations, and policies during the term of the Agreement. In any lawsuit or legal dispute arising from the operation of this Agreement, Contractor agrees that the laws of the State of New Mexico shall govern. Venue shall be in the First Judicial District Court of New Mexico in Los Alamos County, New Mexico.

SECTION L. NON-DISCRIMINATION: During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of the obligations of Contractor under this Agreement, without regard to race, color, religion, sex, age, national origin, sexual orientation or gender identity, disability or veteran status.

SECTION M. INDEMNITY: Contractor shall indemnify, hold harmless and defend Regional Coalition, its members, employees, agents and representatives, from and against all liabilities, damages, claims, demands, actions (legal or equitable), and costs and expenses, including without limitation attorneys' fees, of any kind or nature, arising from Contractor's performance hereunder or breach hereof and the performance of Contractor's employees, agents, representatives and subcontractors.

SECTION N. FORCE MAJEURE: Neither the Regional Coalition nor Contractor shall be liable for any delay in the performance of this Agreement, nor for any other breach, nor for any loss or damage arising from uncontrollable forces such as fire, theft, storm, war, or any other force majeure that could not have been reasonably avoided by exercise of due diligence.

SECTION O. NON-ASSIGNMENT: Contractor may not assign this Agreement or any privileges or obligations herein without the prior written consent of the Regional Coalition..

SECTION P. LICENSES: Contractor shall maintain all required licenses, including without limitation all necessary professional and business licenses, throughout the term of this Agreement. Contractor shall require and shall assure that all of Contractor's employees and subcontractors maintain all required licenses, including without limitation all necessary professional and business licenses.

SECTION Q. PROHIBITED INTERESTS: Contractor agrees that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. Contractor further agrees that it will not employ any person having such an interest to perform services under this Agreement.

SECTION R. TERMINATION:

1. **Generally.** The Regional Coalition may terminate this Agreement with or without cause upon ten (10) days prior written notice to Contractor. Upon such termination, Contractor shall be paid for Services actually completed to the satisfaction of the Regional Coalition at the rate set out in Section C. Contractor shall render a final report of the services performed to the date of termination and shall turn over to the Regional Coalition all originals of all materials prepared pursuant to this Agreement.
2. **Funding.** This Agreement shall terminate without further action by the Regional Coalition on the first day of any Regional Coalition's fiscal year for which funds to pay compensation hereunder are not appropriated by the Board of Directors. The Regional Coalition shall make reasonable efforts to give Contractor at least ninety (90) days advance notice that funds have not been and are not expected to be appropriated for that purpose.

SECTION S. NOTICE: Any notices required under this Agreement shall be made in writing, postage prepaid to the following addresses, and shall be deemed given up hand delivery, verified delivery by telecopy (followed by copy sent by United States Mail), or three days after deposit in the United States Mail:

Regional Coalition of LANL Communities:

Contractor:

SECTION T. INVALIDITY OF PRIOR AGREEMENTS: This Agreement supersedes all prior contracts or agreements, either oral or written, that may exist between the parties with reference to the services described herein and expresses the entire agreement and understanding between the parties with reference to said services. It cannot be modified or changed by any oral promise made by any person, officer, or employee, nor shall any written modification of it be binding on the Regional Coalition until approved in writing by both the Regional Coalition and the Contractor.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date(s) set forth opposite the signatures of their authorized representatives to be effective for all purposes on the date first written above.

ATTEST

REGIONAL COALITION OF LANL COMMUNITIES

By: _____

BY: _____

_____, a _____ corporation

BY: _____

DATE

Exhibit "B"

**Certification Regarding Debarment, Suspension, and
Other Responsibility Matters – Primary Covered Transactions**

- (1) I or We, _____ (the "Vendor") hereby certify to the best of our knowledge and belief that neither the Vendor nor any of its principals:
- (a) are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal, state, or local department or agency;
 - (b) have, within a 5-year period preceding this proposal, been convicted of or had a civil judgment rendered against them for - commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery; falsification or destruction of records; making false statements; or receiving stolen property;
 - (c) are presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) have within a 5 - year period preceding this Application had one or more public transactions (federal, state, or local) terminated for cause or default.
- (2) If we are unable to certify to any of the statements in this certification, we shall attach an explanation hereto.
- (3) Certification to any of the statements in this certification will be thoroughly reviewed, and may not necessarily preclude the Vendor from consideration for award.
- (4) Falsification of any statement in this Form shall constitute grounds for non-consideration of the vendor's proposal or rescinding of a contract award.

Date

Authorized Representative's Signature

Print Name

Print Title

Exhibit “C”

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to Chapter 81, Laws of 2006, any prospective contractor seeking to enter into a contract with any state agency or local public body must file this form with that state agency or local public body. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars (\$250) over the two year period.

ANY PROSPECTIVE CONTRACTOR MUST FILE THIS FORM WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

“Applicable public official” means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

“Campaign Contribution” means a gift, subscription, loan, advance or deposit of money or other things of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official’s behalf for the purpose of electing the official to either statewide or local office. “Campaign Contribution” includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

“Contract” means any agreement for the procurement of items of tangible personal property, services, professional services, or construction.

“Family member” means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law.

“Pendency of the procurement process” means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

“Person” means any corporation, partnership, individual, joint venture, association or any other private legal entity.

“Prospective contractor” means a person who is subject to the competitive sealed proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person qualifies for a sole source or a small purchase contract.

“Representative of a prospective contractor” means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS: (Report any applicable contribution made to current elected members of the Board of the Regional Coalition of LANL Communities:

Contribution Made by: _____
Relation to Prospective Contractor: _____
Name of Applicable Public Official: _____
Date Contribution(s) Made: _____
Amount(s) of Contribution(s) _____
Nature of Contribution(s) _____
Purpose of Contribution(s) _____
(The above fields are unlimited in size)

Signature Date

Title (position)

--OR--

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS (\$250) WERE MADE to an applicable public official by me, a family member or representative.

Signature Date

Title (position)

November 2015 Update

RCLC OPERATING BUDGET SUMMARY	Inception through 6/30/15 Estimated	Adopted Budget FY 16	Actual FY 16	Projected FY 17	Projected FY 18
Beginning Fund Balance					
Unassigned	\$0.00	\$255,515.12	\$255,515.12	\$383,757.97	\$375,912.97
Restricted DOE Funding	\$72,224.95	\$100,000.00	\$100,000.00	\$100,000.00	\$0.00
Coalition Member Contributions					
City of Española	\$16,000.00	\$3,500.00	\$3,500.00	\$5,000.00	\$5,000.00
Los Alamos County	\$585,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00
Pueblo of Ohkay Owingeh	\$10,000.00	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00
Rio Arriba County	\$22,500.00	\$10,000.00	\$0.00	\$10,000.00	\$10,000.00
City of Santa Fe	\$22,500.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
Santa Fe County	\$28,500.00	\$15,000.00	\$10,000.00	\$15,000.00	\$15,000.00
Taos County	\$7,875.00	\$3,500.00	\$0.00	\$3,500.00	\$3,500.00
Town of Taos	\$7,000.00	\$3,500.00	\$0.00	\$3,500.00	\$3,500.00
Pueblo of Jemez		\$5,000.00	\$0.00	\$5,000.00	\$5,000.00
Total Member Revenues	\$699,375.00	\$115,500.00	\$83,500.00	\$117,000.00	\$117,000.00
TOTAL REVENUES	\$771,599.95	\$215,500.00	\$183,500.00	\$217,000.00	\$117,000.00
Expenditures					
Executive Director Services	\$480,055.54	\$168,000.00	\$52,757.15	\$168,000.00	\$168,000.00
Legal Services	\$324.56	\$500.00	\$0.00	\$500.00	\$500.00
Memberships & Subscriptions	\$1,900.00	\$1,000.00	\$0.00	\$8,345.00	\$8,345.00
Travel	\$23,708.94	\$30,000.00	\$0.00	\$30,000.00	\$30,000.00
Other Professional Services	\$10,000.00	\$15,000.00	\$1,500.00	\$17,000.00	\$17,000.00
Other Meeting Expenses	\$95.79	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
Total Expenditures	\$516,084.83	\$215,500.00	\$55,257.15	\$224,845.00	\$224,845.00
Ending Fund Balance	\$255,515.12	\$255,515.12	\$383,757.97	\$375,912.97	\$268,067.97

ISSUE BRIEF

November 2015



LANL Security Changeover – SOC to Centerra

Centerra was awarded a two-year LANL Security Forces contract over SOC LLC, the previous contract awardee. SOC protested the contract award claiming 'legal and process' issues. A resolution has yet to be reached, though LANL expects a decision to be made by January 2016.

In September 2015, LANS awarded the LANL 'Protective Force' contract to Centerra, changing course after a long-term relationship with SOC LLC, the previous security contractor. LANL called the move to work with Centerra a 'best value' procurement acquisition to taxpayers. In October 2015, SOC LLC protested the award to investigate legal and process evaluation on the contract award, though the changeover to Centerra continues.

SOC ends a three-year, plus two 1-year extension contracts at the value of about \$251 million with LANL. It has been reported the Centerra bid to LANS was of a lower dollar value than the SOC bid, though the full terms and value of the contract have not been unveiled.

There is yet to be clear data on the breakdown of possible job changes at LANL through the changeover to Centerra, though the RCLC will be watching any changes very closely.

LEARN MORE

- [LANL Awards Protective Force Contract to Centerra, 9/12/2015](#)
- [LANL Protective Force Contract Protested, 10/15/15](#)

Corporate Websites:

- [Centerra Group](#)
- [SOC LLC](#)

HOW THE CHANGE AFFECTS THE REGION

It has been reported by SOC and LANL that there may be job losses through the transition to Centerra. Though LANL has expressed not wanting to see any job downsizing, the continued changeover to Centerra will eventually reveal the overall implication of the contract shift. LANL expects the guard force size will remain fairly stable, while the quality of employment and benefits in comparison to SOC's reign has yet to be known. It is also unknown what the community commitment capacity of the contract will yield. Under SOC's direction, they provided \$160,000 in scholarships to local, high-achieving graduating high school seniors since 1998. Each year, they provided around \$10,000 in scholarships. The Coalition is hopeful that if Centerra is awarded the contract following the protest investigation, they will become a leader in providing high-quality, well-paying jobs and expand efforts in community relations.

Regional Coalition Interests

Regardless of the security forces contract recipient, the Regional Coalition has a vested interest in the actualization of the following:

- Maintain Employment levels
- Maintain Benefit levels
- Maintain a local community liaison
- Request for introduction to contract recipient at a future Regional Coalition Meeting
- Letter and follow-up to General Klotz, NNSA on Coalition and broader, local community interests

Security Forces Snapshot

- 1998 – **SOC is awarded first Security Forces contract at LANL for the first time**
- 2010 – **\$251M Contract awarded to SOC LLC for protective force services**
- Spring 2015 – **RFP goes out for security protection in Spring**
- Summer 2015 – **RFP responses reviewed by LANS**
- September 2015 – **SOC loses security bid to Centerra**
- September 2015 – **SOC protests LANS' award to Centerra**
- September 2015 – **LANS award Investigation process begins**
- November 2015 – **SOC contract extension ends in November**





REGIONAL COALITION of LANL COMMUNITIES

City of Española – Pueblo of Jemez – Los Alamos County – Ohkay Owingeh
Rio Arriba County – Santa Fe County – City of Santa Fe – Taos County – Town of Taos

November 13, 2015

The Honorable Frank G. Klotz
Under Secretary for Nuclear Security
Administrator, National Nuclear Security Administration
Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear General Klotz,

We are writing to you on behalf of a very important matter that is affecting our Northern New Mexico community. There was a recent change in the security forces contract from contractor SOC LLC to the Centerra Group at the Los Alamos National Laboratory (LANL). We understand that the contract recipient change may also bring job and/or benefit losses to our community, and we are greatly opposed to any such changes to our prosperous and pragmatic security workforce.

In September 2015, prime contractor Los Alamos National Security, LLC (LANS) awarded the LANL 'Protective Force' contract to Centerra, changing course after a long-term relationship with SOC LLC, the previous security contractor. LANL called the move to work with Centerra a 'best value' procurement acquisition to taxpayers. In October 2015, SOC LLC protested the award to investigate legal and process evaluation on the contract award, though the changeover to Centerra continues.

SOC ends a three-year, plus two 1-year extensions, contract with LANL at the value of about \$251 million. Reports indicate that the Centerra bid to LANS was of a lower dollar value than the SOC bid, though the full terms and value of the contract have not been unveiled. SOC and LANL also stated possible job losses may occur through the transition to Centerra. Though LANL has expressed their desire to not incur any job downsizing, the continued changeover to Centerra will eventually reveal the overall implication of the contract shift.

LANL has stated they expect the guard force size will remain fairly stable, while the quality of employment and benefits in comparison to SOC's reign has yet to be revealed to the community. Whatever the final effects of the changeover will be, we ask that the NNSA maintain or exceed employment levels at LANL, including maintaining or exceeding benefit levels to workforce. Along with support for employment and benefit levels, we also ask that community giving remain a mainstay of new contractors.

Under SOC, \$160,000 was provided in scholarships to local, high-achieving graduating high school seniors since 1998. Each year, they provided around \$10,000 in scholarships. The Coalition is hopeful that if Centerra is awarded the contract following the protest investigation, they will become a leader in providing high-quality, well-paying jobs and expand efforts to grow their presence in the community by ensuring they have a designated liaison to engage with the community.

RegionalCoalition.org

Physical Address: 121 Sandoval Street, Santa Fe, NM 87501 | Mailing Address: 518 Old Santa Fe Trail #456, Santa Fe, NM 87505

Info@RegionalCoalition.org – (505) 470-6684

The Regional Coalition of LANL Communities is devoted to supporting the northern New Mexico workforce and seeing that we can do our utmost to voice the concerns of our communities. As the security forces transition continues, we ask that you please ensure Centerra maintains workforce numbers and the same level of benefits to these workers. Ensuring security forces contract represents the highest quality of work and work environment shows our communities the NNSA is dedicated to our citizens locally and nationally.

Please feel free to contact us with any questions or comments. We look forward to hearing from you.

Sincerely,

Chair, Commissioner Barney Trujillo, Rio Arriba County

Vice Chair, Javier Gonzales, Mayor of Santa Fe

Secretary/Treasurer, Chair Kristin Henderson, Los Alamos County Council

Mayor Alice Lucero, City of Española

Governor Raymond Loretto, Pueblo of Jemez

Governor Earl Salazar, Ohkay Owingeh

Commissioner Henry Roybal, Santa Fe County

Commissioner Mark Gallegos, Taos County

Councilor Andrew Gonzales, Town of Taos

CC: Senator Martin Heinrich, U.S. Senate
Senator Tom Udall, U.S. Senate
Representative Ben Ray Luján, U.S. House of Representatives
LANL Major Subcontractors Consortium

SBA New Mexico District Office Accepting

2016 National Small Business Week Nominations

ALBUQUERQUE - The New Mexico District Office of the U.S. Small Business Administration is seeking nominations for the 2016 National Small Business Week Awards.

For more than 50 years, SBA has recognized the outstanding achievements of America's small businesses. Although communities change, small businesses continue to grow, create relevant jobs, inspire innovation and keep America globally competitive. SBA's National Small Business Week awards honor individuals and businesses that reflect our nation's rich diversity.

New Mexico's Small Business Person of the Year for 2015 was Richard "Rick" Jackson of Las Cruces. Before starting American Document Services (ADS), LLC in 2001, Rick engaged the technical services of the Small Business Development Center (SBDC) and, later, loan packaging assistance from the U.S. Small Business Administration. ADS is a full-service records management company that provides customer information security, document destruction, and imaging of historical and current business information. Rick has been the SBDC's "Star Client" for four years. In addition to being New Mexico's top honoree, he competed in the national competition and was selected as a runner-up for the National Small Business Person of the Year. Rick is a United States Army veteran.

New Mexico District Director John Woosley states that, " Our resource partner, the Small Business Development Center and our loan division are proud to work with Mr. Jackson. His business is crucial to the area as he has created jobs, assisted other small businesses and provided economic development to the community."

If you know of a small business in your community that is worthy of recognition, please consider nominating them today. Also, if you are a small business owner with a compelling success story to tell, you can nominate yourself or your small business. All nominations must be submitted online at <http://awards.sba.gov>, postmarked or hand delivered to the New Mexico District Office **no later than 3:00 p.m. ET on January 11, 2016**. Guidelines for the categories listed below are contained within the link above. **Winners will be announced during National Small Business Week, May 1-7, 2016.**

National Small Business Week award categories include:

Small Business Person of the Year Award

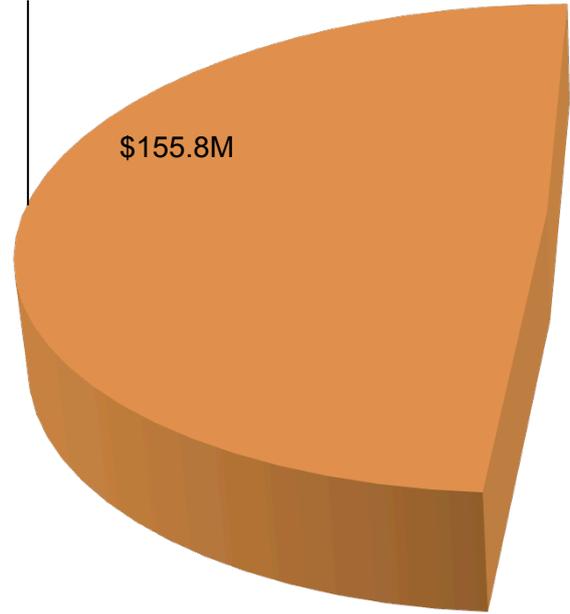
- Small Business Exporter of the Year
- Phoenix Award for Small Business Disaster Recovery
- Phoenix Award for Outstanding Contributions to Disaster Recovery
- Federal Procurement Award- Small Business Prime Contractor of the Year Award
- Federal Procurement Award- Small Business Subcontractor of the Year Award
- Federal Procurement Award- Dwight D. Eisenhower Award for Excellence
- 8(a) Graduate of the Year Award
- Small Business Development Center Excellence and Innovation Award
- Veterans Business Outreach Center Excellence in Service Award
- Women's Business Center of Excellence Award
- Jody C. Raskind Lender of the Year
- Small Business Investment Company of the Year

Awards will be presented in Washington, DC, in May 2016. If you have any questions or need further clarification, please contact Sandra Duran Poole, EDS/PIO at sandra.duran-poole@sba.gov.

What We Bought in NM in FY 15

Total Procurement Spend in NM:
\$317.7 Million

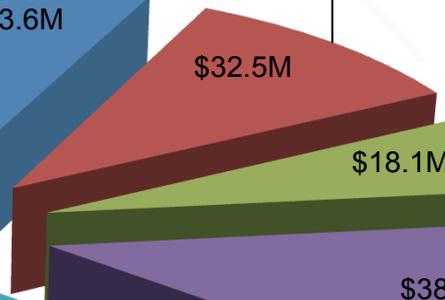
Services:
49.0% of Total Spend



Construction:
7.4% of Total Spend



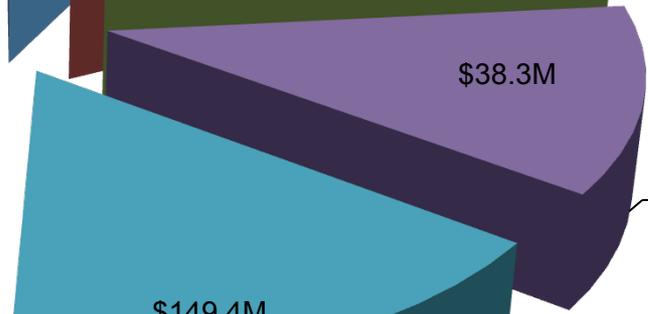
Engineering:
10.2% of Total Spend



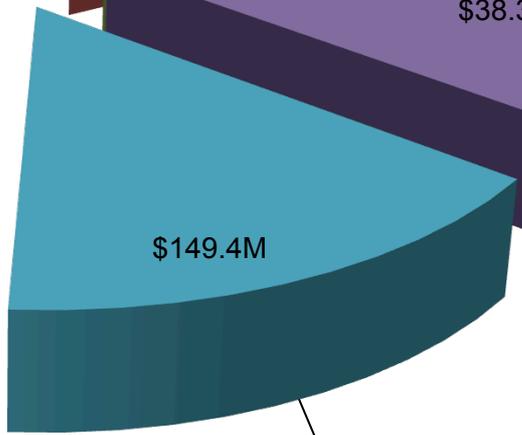
Environmental:
5.7% of Total Spend



Goods:
12.1% of Total Spend



IT:
15.5% of Total Spend



UNCLASSIFIED

Slide 1

United States Senate

WASHINGTON, DC 20510

September 16, 2015

The Honorable Ernest J. Moniz
Secretary
U.S. Department of Energy
1000 Independence Ave. S.W.
Washington, D.C. 20585-0001

Dear Dr. Moniz:

I continue to have grave concerns with NNSA's implementation of enterprise-wide agreements through the Supply Chain Management Center (SCMC). For example, I understand the sites are encouraged by SCMC to directly source contracts as additions to existing contracts at another NNSA site with no opportunity for local small businesses to compete. Thus, companies that have successfully provided goods and services to our laboratories are losing business, while being denied even a chance to compete on a level playing field. In my state, Sandia and Los Alamos National Laboratories together represent more than half of NNSA's annual purchasing; consequently SCMC's closed procurement practices are having an unacceptably large impact on small businesses in New Mexico. I strongly believe full and open competitions for goods and services should be the rule so that local businesses have a fair chance to participate.

In addition, there may be hidden costs to the sites when they use SCMC's enterprise-wide agreements. I believe local companies can often best address site-specific requirements and provide value-added services that are lost in enterprise-wide agreements. Moreover, maintaining a vibrant local ecosystem of small businesses helps build community support for the nuclear enterprise. These businesses are the life blood of my state's economy, and gutting them destroys a driver of local economic growth. NNSA's relationships with the local communities are being harmed when SCMC conducts enterprise-wide closed competitions and only a select handful of pre-selected businesses are invited to bid. As SCMC expands to include work under the Office of Environmental Management, I believe the mutually beneficial relationship among our laboratories, local businesses and host communities can be strengthened if SCMC offered all contracts for goods and services on a regional basis without penalty to local bidders.

As you know, the communities that host NNSA facilities make profound accommodations to support the nation's nuclear security enterprise. Our communities face the hazard to health and safety of tons of legacy nuclear waste. New Mexicans are proud of the work they do for our nation; however, I respectfully urge you to take into account the unequal burden shouldered by the energy communities when developing DOE's acquisition policies.

Sincerely,



MARTIN HEINRICH
United States Senator



Department of Energy
National Nuclear Security Administration
Washington, DC 20585



NOV 04 2015

The Honorable Martin Heinrich
United States Senate
Washington, D.C. 20510

Dear Senator Heinrich:

Your correspondence to Secretary Moniz, dated September 16, 2015, was forwarded to my office for response. Thank you for your letter concerning the National Nuclear Security Administration's (NNSA) implementation of the Office of Management and Budget strategic sourcing policy through the NNSA Supply Chain Management Center (SCMC) and the SCMC impact on small businesses in New Mexico.

NNSA is committed to providing best value acquisition solutions for the U.S. taxpayer. One key way NNSA has saved money is by using government-wide strategic sourcing vehicles, in order to lower prices and reduce duplication and administrative costs. As a result, NNSA management and operating (M&O) contractors generate significant savings through smarter acquisition processes. For example, in Fiscal Year (FY) 2015, NNSA M&Os saved the taxpayer over \$185 million by using the SCMC tools and agreements.

SCMC agreements offer NNSA M&Os cost effective solutions while providing small businesses with opportunities to expand their local base to a regional or national one. As new opportunities are identified for creation of strategic sourcing agreements, the SCMC works with representatives from each of the sites to identify local site specific requirements and high performing vendors to participate in the procurement. Site specific requirements that are incorporated into SCMC agreements level the playing field for competition and performance. For example, in 2014, a national level agreement for Dell computers was awarded to Wildflower International, a small business, from Santa Fe, New Mexico with an estimated value of \$200 million. In August 2015, a regional agreement for industrial supplies was awarded to Frank's Supply Company, a woman-owned small business from New Mexico, worth an estimated \$35 million over seven years.

Beyond strategic savings targets, every M&O contractor has within its contract requirements to meet small business participation goals, community involvement, and, in the case of Los Alamos, support of vendors in Northern New Mexico. It is incumbent upon each M&O to determine how best to meet those goals. SCMC is one set of tools, of many, available to the M&Os to satisfy their small business goals. Since 2013, available M&O procurement dollars have decreased across the NNSA sites, yet the percentage spent in New Mexico has remained fairly constant at roughly 26 percent. As of August 2015, the total amount of dollars paid to businesses in New Mexico surpassed \$530 million, a \$5 million increase over all of FY 2014.



As the Department and SCMC continue to mature our supply chain initiatives we will ensure the needs of local business and our impact on local economies remain considerations in our decision making processes. Please feel free to Clarence Bishop at (202) 586-8343 for any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, reading "Barbara H. Stearrett". The signature is written in a cursive, flowing style.

Barbara H. Stearrett
Director, Office of Acquisition Management
National Nuclear Security Administration

Congress of the United States

Washington, DC 20510

September 18, 2015

The Honorable Frank G. Klotz
Under Secretary for Nuclear Security
Administrator, NNSA
Department of Energy
1000 Independence Ave, SW
Washington, DC 20585

Dear General Klotz:

We are writing in strong support of an unsolicited proposal submitted to NNSA by the Regional Development Corporation, Northern New Mexico's DOE Community Re-Use Organization. The RDC requests funding for a pilot project, "Preparing Small and Disadvantage Businesses for Enterprise Agreements," to support development of small and disadvantaged business who wish to be competitive within the NNSA's Supply Chain Management System (SCMC).

For a number of years, we have heard concerns in Northern New Mexico about SCMC and its potential impacts on regional small and disadvantaged businesses that have a long record of success in providing goods and services to both Los Alamos and Sandia National Laboratories. With the two labs responsible for over fifty percent of NNSA's procurements, we believe the growing role of SCMC presents a serious threat to the viability of many smaller suppliers in Northern New Mexico and a potential significant impact on the region's economy.

The RDC requests funding from NNSA for a pilot project that will first assess the capacity of local small suppliers to participate fully and compete in the SCMC process and then develop innovative business solutions that will help increase the opportunities for small, local and disadvantaged businesses to be competitive in further SCMC solicitations. We believe the very modest funding requested by RDC would help demonstrate NNSA's strong commitment to utilizing small and disadvantage businesses, and we urge you to give the proposal your full and careful consideration.

Thank you for your attention to this important matter.

Sincerely,



TOM UDALL
United States Senator



MARTIN HEINRICH
United States Senator



BEN RAY LUJÁN
Member of Congress



Department of Energy
National Nuclear Security Administration
Washington, DC 20585



October 22, 2015

The Honorable Martin Heinrich
United States Senate
Washington, DC 20510

Dear Senator Heinrich:

Thank you for your letter to the National Nuclear Security Administration's Administrator, Gen. Frank G. Klotz (Ret.), dated September 18, 2015, concerning a proposal submitted by the Regional Development Corporation (RDC), Northern New Mexico's DOE Community Re-Use Organization. Your letter was forwarded to my office for response.

RDC submitted the suggestion as an unsolicited proposal, which was subsequently registered in the Department of Energy's Unsolicited Proposal Program to ensure that the action is formally managed and tracked. The Unsolicited Proposal Program provides certain protections for the party submitting the noncompetitive action while its merits are being assessed by this office. Upon completion of the review, the Unsolicited Proposal Program Manager will provide a formal response and determination to the RDC.

Please be assured that the proposal will be given full and careful consideration during this time. If you have any further questions, you may contact Gary Lyttek, of my staff, at (202) 586-8304.

Sincerely,

A handwritten signature in cursive script that reads "Barbara H. Stearrett".

Barbara H. Stearrett
Director, Office of Acquisition Management
National Nuclear Security Administration



Congress of the United States

September 25, 2015

Washington, DC 20510

The Honorable Ernest J. Moniz
 Secretary
 U.S. Department of Energy
 1000 Independence Ave., SW
 Washington, DC 20585

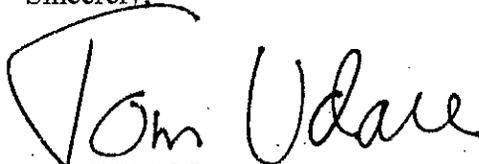
Dear Secretary Moniz:

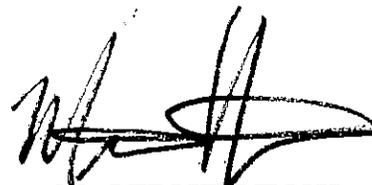
The attached letter and position paper were sent to us by Ms. Liddie F. Martinez, President of the LANL Major Subcontractors Consortium (MSC). MSC has a number of very serious concerns with NNSA's implementation of the Supply Chain Management Center (SCMC) for purchasing goods and services. MSC's members believe SCMC's procurement rules are unfair and not transparent. We share many of their concerns and do not believe SCMC's practices are in line with the Administration's commitment to establish a system of transparency and open government, or the Department of Energy's commitment to ensure equal opportunity for small businesses. We seek your assistance in correcting the situation.

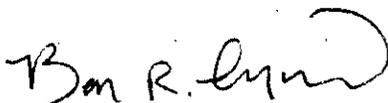
In her letter, Ms. Martinez indicates MSC has tried working with acquisition management at NNSA but fear their members are being arbitrarily excluded from competitive procurement opportunities at both Sandia and Los Alamos National Laboratories by SCMC's use of closed bids with only pre-selected businesses invited to compete. MSC identifies three specific steps NSAA and SCMC could take to level the playing field for New Mexico's businesses. First, SCMC should be required to use only fair and open bid processes, second, SCMC must allow the sites to go beyond lowest cost and consider the best value and third, NNSA should fully fund the proposal submitted by the Regional Development Corporation for a pilot project to support development of small and disadvantaged businesses in Northern New Mexico. The position paper provides full details regarding MSC's concerns as well as specific action requests.

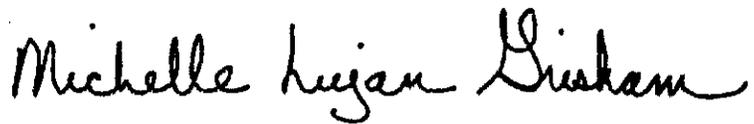
We strongly believe it is in DOE's interest to be supportive of the local communities that host its facilities, including their economic well-being. We urge you to review carefully MSC's position paper and specific requests concerning SCMC and to assure the sites can continue to rely on local businesses that provide unique value. We look forward to hearing from you.

Sincerely,


 TOM UDALL
 United States Senator


 MARTIN HEINRICH
 United States Senator


 BEN RAY LUJÁN
 Member of Congress


 MICHELE LUJAN GRISHAM
 Member of Congress



September 4, 2015

The Honorable Senator Udall,
The Honorable Senator Heinrich,
The Honorable Congressman Lujan,
The Honorable Congressman Pearce,
The Honorable Congresswoman Lujan Grisham,
NM Congressional Delegation
Washington, DC

Dear Senators and Members of Congress:

Over the last three years, the Los Alamos National Laboratory (LANL) Major Subcontractors Consortium (MSC) has engaged the procurement experts at the Department of Energy (DOE) and the National Nuclear Security Administration (NNSA) on an issue of vital importance. Specifically, how the Supply Chain Management Center (SCMC) in Kansas City, MO can work with local New Mexico small businesses to ensure they are given a fair opportunity to compete for NNSA contracts.

Through numerous meetings with officials from the SCMC, our organization was led to believe that long-standing New Mexico small businesses who serve Los Alamos National Laboratory (LANL) would not be adversely impacted by the activities of the SCMC. Our membership was encouraged to form local business partnerships, cut costs, and update our purchasing systems to meet current LANL procurement requirements to make us more competitive on both the local and national front. Even with these significant efforts, it has come to our attention that several of our members are under the immediate threat of losing their LANL contracts to out-of-state small and large businesses affiliated with the SCMC.

This would be a very detrimental outcome and one we would view as a direct assault on our local small business community who depend on LANL for their livelihood. Because LANL and Sandia National Laboratories (SNL) amount to roughly 50 percent of all NNSA procurement spending, we are now concerned that the actions of the SCMC simply amount to a funding transfer away from the State of New Mexico. You have asked us to keep you apprised of our interactions with the SCMC and alert you if we believe any of our members are in danger of losing their contracts. Given the information our members have gleaned, we now believe that there is a very real possibility that the SCMC is about to engage businesses from outside the State of New Mexico to potentially service contracts our members hold.

We understand that, as good stewards of federal funding, finding the lowest possible price is important, in fact, SCMC Director Bissen has reiterated that it is their only goal. However; we believe that a level competitive playing field is core tenant of federal procurement rules and regulations. We also believe that when issues arise, the best solutions can be found when local stakeholders are engaged in addressing these concerns. In fact, DOE purports such in their Code of Federal Regulations (DOE CFR 970.5226-3) Community Commitment - *It is the policy of the DOE to be a constructive partner in the geographic region in which DOE conducts its business. The basic elements of this include:*



- (1.) *Recognizing the diverse interests of the region and its stakeholders,*
- (2.) *Engaging regional stakeholders in issues and concerns of material interest, and*
- (3.) *Recognizing that giving back to the community is a worthwhile business practice.*

LANL MSC believes that the rules the SCMC is forcing our local vendors to operate under are both unfair and designed to give out-of-state businesses, both large and small, an advantage. Frank's Supply was the first company to lose business at LANL because of the SCMC and we object to losing any more. The NNSA has a long history in New Mexico both good and bad. Our local communities need the business opportunities the Laboratory provides because our region lacks a high paying robust economy.

We have tried working with the NNSA procurement staff to express our concerns, but it appears our efforts have fallen on deaf ears. As a result, we are asking that each of you personally intervene to ensure New Mexico businesses are not frozen out of procurement opportunities at LANL and SNL. Specifically we are asking that;

1. SCMC be required to fully engage in an open bid process in which any business can bid if they meet the requirements. We insist that they stop their closed bid process where only a handful of pre-selected businesses are invited to bid.
2. End their lowest price selections and rather seek out the best value contractors that can deliver for a fair price while engaging in and supporting a vibrant local economy that benefits everyone including DOE.
3. Work to see that DOE/NNSA actively support and fund the proposed RDC pilot project.

Given that some of our members are under imminent threat of losing their contracts, we would appreciate a prompt response to our concerns. The attached SCMC Position Paper developed by LANL MSC provides background and detailed information. Please do not hesitate to contact us for any additional information you may require.

Thank you for your consideration and longtime support.

Sincerely,



Liddie F. Martinez

President
LANL Major Subcontractors Consortium

CC: Governor Susana Martinez
NM State Senator Richard Martinez
NM State Representative Stephanie Garcia- Richard
Regional Coalition of LANL Communities
New Mexico Citizens Advisory Board
New Mexico Association of Commerce and Industry



Background and Position on SCMC Enterprise Agreements

1 Executive Summary

Over the past decade, due to budget cuts and increased emphasis on cost reduction and process efficiencies, various federal agencies have begun implementing more and more enterprise-wide purchasing agreements (EAs). The Supply Chain Management Center (SCMC) in Kansas City was created in 2006 by the National Nuclear Security Agency (NNSA) to spearhead NNSA's efforts to create and implement enterprise-wide agreements throughout the Nuclear Security Enterprise (NSE), NNSA's complex of Management and Operating (M&O) contractor run facilities, including the National Nuclear Security Laboratories. This is part of the NNSA's focus to "Drive an Integrated and Effective Enterprise". Today, the SCMC's role has expanded within Department of Energy (DOE) to include the DOE Office of Environmental Management (EM) and is expected to expand further to ultimately support all of DOE and, for the first time, to include services in addition to commodities.

As of today, most Enterprise-wide procurement programs, such as SCMC, have one over-riding priority: *Cost Savings*. This narrowly focused goal has the potential to have a dramatic and devastating impact on communities surrounding NNSA and DOE sites, which will be adversely impacted with the loss of regional business to out-of-state, national firms that have the broad and deep resources needed to support nationwide procurement contracts. This will result in lost local jobs, reduced community involvement, and harm to the local communities' economies. Ultimately, these impacts have the potential for deteriorating the relationships that are so hard to create with local communities where hazardous DOE activities are often conducted. Addressing this deterioration of relationships with the communities, as exemplified in the discussions and recommendations of the Blue Ribbon Commission and other reports, such as the Energy Communities Alliance's (ECA) "A Community Handbook on Nuclear Energy" is an essential element critical to the future success of the DOE mission.

Understanding that the momentum behind Enterprise Agreements is increasing, the MSC is focused on promoting solutions that not only minimize the potential negative impacts, but are directed at increasing the opportunities for small regional businesses to participate in Enterprise Agreements while helping the SCMC achieve its true goals. In partnership with various regional and national organizations over the past three years, the MSC has worked with the SCMC to address our concerns and to suggest ways to improve the program. To that end, we are pleased to report that the SCMC has made several changes that we feel are a positive step in the right direction, including allowing regional contract awards and better addressing site-specific requirements. With that said, several major concerns remain that the MSC is focused on addressing:

1. The SCMC's bid process is closed. SCMC bids are not publicized and only a select handful of businesses pre-selected by SCMC are invited to bid. The MSC strongly supports a fully open bid process in which any business can discover upcoming bids and have an opportunity to submit a proposal if they believe they can meet the bid requirements.
2. There remain challenges with the scope of services required in the Enterprise Agreements. To date, the requirements have either been severely restricted to only the most basic services, rendering the agreement incomplete from the sites' perspective, or overly broad, making it very difficult for any business to meet the requirements. The MSC believes the SCMC needs to further refine its criteria to better balance the requirements.
3. Geographically, even though the SCMC has allowed regional bidders in its most recent RFP(s), it still greatly favors the national business over the regional businesses. MSC believe a more balanced approach is required here as well, allowing both national and regional businesses to both win and succeed.
4. Based on input from various contractors and sites, it appears that SCMC and/or NNSA is applying pressure to the sites to use the SCMC contracts even when the sites feel they are getting a better value from the local subcontractors. Some sites are succumbing to that pressure, even when they



Background and Position on SCMC Enterprise Agreements

- know they are not getting the best value solution. MSC strongly encourages the SCMC to focus more efforts on expanding the value proposition of their contracts instead.
5. The SCMC will not disclose detailed information regarding its Enterprise Agreements and we don't really know if SCMC's cost savings are real or significant, or even if they are real, at what cost they come to communities around the sites. The MSC requests that the SCMC make detailed performance data available publicly and enter into an ongoing open discussion regarding its results as well as methods for continuous improvement.
 6. Many small regional businesses have weaknesses and gaps that will make it difficult for them to successfully compete for these contracts. The MSC strongly supports the RDC pilot project focused on identifying those weaknesses and gaps and putting in place solutions that assist those businesses in overcoming those weaknesses.

The remainder of this paper provides additional details regarding Enterprise Agreements and the MSC's concerns as well as the MSC's specific action requests of the SCMC, the NNSA, and the DOE regarding its concerns.

Specific actions that the MSC is requesting that SCMC, NNSA, and DOE take are detailed throughout this document. At a high level, these requested actions can be summarized as follows:

- Implement a fully open and transparent bid and contracting process that is fair to all potential bidders
- Award contracts based on best-value, not just price, taking into consideration individual site and regional community needs
- Actively support the local communities' efforts, especially the RDC pilot project, to grow stronger and more capable small businesses that can better serve the needs of the SCMC, NNSA, and DOE

The MSC welcomes the opportunity to work more closely with the SCMC and other concerned organizations to improve the Enterprise Agreement program and ultimately create a win-win situation for all parties involved. Ultimately, we believe that the NNSA can achieve both its Small Business Vision to "provide NNSA's programs with only the highest quality, technically superior, and competitively-priced small business suppliers" and meet its business goal to "Drive an Integrated and Effective Enterprise".



Background and Position on SCMC Enterprise Agreements

2 SCMC Background

In the past, each of the NNSA and DOE sites (e.g. LANL, LLNL, Pantex, and SNL) competed, awarded, and managed their own purchasing subcontracts for various commodities and services (e.g. office supplies and staff augmentation). The result was dozens of separate purchasing contracts throughout the NNSA and DOE complex for the same items. Typically these contracts were awarded to local small businesses and the terms of the contracts varied greatly, including pricing and service requirements.

Due to budget cuts and increased emphasis on cost reduction and process efficiencies, federal agencies such as the NNSA and DOE have implemented enterprise-wide purchasing agreements (Enterprise Agreements). These agreements are typically issued for individual categories of goods and/or services to a single or a few national suppliers and are intended to replace the traditional local contracts issued by each site. The Supply Chain Management Center (SCMC) in Kansas City was created in 2006 by the NNSA to spearhead its efforts to create and implement Enterprise Agreements throughout the NSE as part of the NNSA's focus to "Drive an Integrated and Effective Enterprise".

It is important to note that the SCMC is not a government agency – it is a program run by a government contractor. Enterprise Agreements issued by the SCMC are actually issued by the contractor, not the federal government. The SCMC claims that, as a government contractor, they are not wholly subject to the same procurement rules as the government agencies that they serve.

Initially, the following NNSA sites were authorized by the NNSA to use SCMC Enterprise Agreements:

- Kansas City Plant (KCP) (now also known as the NNSA National Security Campus, NSC)
- Lawrence Livermore National Laboratory (LLNL)
- Los Alamos National Laboratory (LANL)
- Nevada National Security Site
- Pantex Plant
- Sandia National Laboratories (SNL)
- Savannah River Site (SRS)
- Y-12 National Security Complex

Today, the SCMC's role has expanded within the Department of Energy (DOE) complex to include DOE Environmental Management (EM), expanding access to SCMC's Enterprise-wide Agreements to 17 additional sites in 11 states including WIPP in New Mexico. SCMC's role is expected to further expand to ultimately support all of DOE and, for the first time, to include services in addition to commodities.

By consolidating purchasing agreements and suppliers, there is an expectation that the SCMC will:

- Obtain better pricing by purchasing in larger volumes from fewer suppliers;
- Gain operating efficiencies by reducing the effort required to bid and operate many different contracts; and
- Improve standardization and integration across the sites/departments within each agency and its suppliers.



Background and Position on SCMC Enterprise Agreements

3 Areas of Concern with SCMC's Approach to Enterprise Agreements

3.1 Closed Bid Process

As a government contractor, the SCMC asserts that it is not required to have a fully open and transparent bid process. Further, according to the SCMC, a fully open and transparent bid process would introduce a number of challenges, including delays and extra cost in the bid process and potentially leading to contract awards to suppliers who were not truly capable of meeting their requirements or delivering maximum cost savings. Instead of a fully open and competitive bid process, SCMC has typically awarded contracts in one of two ways:

- Sole-source award to a business that already has an agreement with an NNSA site, effectively extending that business' site-specific contract to all sites authorized to use SCMC contracts.
- Invitation-only Request for Proposal (RFP) process, each limited to a small group of suppliers that the SCMC has pre-selected who, in the SCMC's opinion, have a track record of successfully delivering on the scope of their contracts.

In the MSC's opinion, it is difficult to ensure that the SCMC has received the best value possible when it does not look at all possible options. Further, questions and doubt will linger about the award and its value even when the SCMC actually did obtain a best value solution. The best way to ensure a fair process, eliminate lingering doubts and concerns, and consistently obtain the best value for SCMC is through an open and publicized bid process.

Specific actions that the MSC is requesting that SCMC, NNSA, and DOE take in regards to this concern:

- Make public a list of every contract awarded by SCMC, including details on what the contract is for specifically, who it is awarded to, award date(s), and expiration date(s) including options to extend
- Provide a list of target RFPs for the next three fiscal years, broken down by fiscal year
- Going forward, publically announce at least six months in advance each and every anticipated upcoming RFP
- Allow every business to submit a response or, at a minimum, have a simplified qualification process that allows every business to be at least considered prior to issuing an RFP

3.2 Scope of Services Included in the Enterprise Agreements

SCMC agreements have historically been based on a minimal set of service requirements that are in common between all sites within the NNSA and DOE. Essentially the SCMC used the lowest-common-denominator – unique site-specific value-added requirements were not included (e.g. configuring the equipment to the site's specification; applying site-specific asset tags and labels; onsite, local technical support services; community engagement; and other local economic benefits). In these cases, each site had to arrange to provide those services themselves or under separate contract with the SCMC contract holder or local provider. This added work at each site offset many of the hoped-for efficiency gains of issuing a single enterprise-wide RFP.

In an attempt to address each sites' unique requirements, and thus make the Enterprise Agreements more appealing to each site to use, SCMC has begun to include each site's specific requirements into its RFPs. In a more recently issued RFP, the SCMC worked more closely with each NNSA and DOE site to ensure that each site's individual service requirements were all fully accommodated. However, rather than working together to craft a single Statement of Work and Terms and Conditions that would accommodate each site's needs, the RFPs essentially incorporated separate Statement of Work and Terms and Conditions documents for each site. These separate documents were clearly from each sites' current contracts and had conflicting and vague requirements.



Background and Position on SCMC Enterprise Agreements

Further, terms were not included for all sites. Finally, the RFP stated that the documents included were representative of individual site requirements and were subject to change, each site could unilaterally modify and add to those requirements at any time, and that each bidder must accept those changes without recourse or renegotiation.

It is questionable in the MSC's mind how much effort was really saved by the SCMC in this process given that each site had to produce its own requirements and the SCMC had to take the time to try to incorporate those requirements into the RFP. Further, the complexity and diversity of the requirements will likely increase the operating costs of the contractors and therefore reduce the cost-savings achieved.

Ultimately, this is a balancing act. In the MSC's opinion, there is no clear right solution and we encourage the SCMC to look at balancing the need for a simple agreement and addressing each site's unique requirements. As it stands, both approaches have gone to one extreme to other and they need to be re-evaluated.

Specific actions that the MSC is requesting that SCMC, NNSA, and DOE take in regards to this concern:

- Engage with the MSC or other small business advocacy group(s) to review the SCMC approach to scoping RFPs and obtain recommendations for improving that approach

3.3 Geographic Scope of Agreements

Originally, each SCMC Enterprise Agreement required each business awarded a contract to support all SCMC sites across the country. SCMC had predetermined that most small regional businesses simply didn't have the resources to be successful with these agreements on a nation-wide level and therefore SCMC decided to exclude small regional businesses from bidding. This practice almost guaranteed the loss of local jobs and negative impact to the local communities. Further, this approach limited each site's ability to address their unique service needs. The MSC and other concerned organizations confronted the SCMC with our concerns.

To address this concern, SCMC has stated that they will allow for regional bidders going forward. In their most recent Request for Proposals (RFPs), the SCMC has provided an option for bidding on a regional basis. However, SCMC has specifically stated that failure to bid every region would result in a proposal being penalized and scored lower. The fewer regions bid, the greater the penalty, thereby putting the small regional businesses at a major disadvantage to the national businesses.

The MSC encourages the SCMC to create a more balanced approach that allows for both regional and national contract awards. By providing both, the SCMC provides the greatest flexibility to each site to best meet its own needs and allows the small regional businesses an opportunity to compete and grow over time.

Specific actions that the MSC is requesting that SCMC, NNSA, and DOE take in regards to this concern:

- Level the playing field by eliminating the penalties applied to regional bidders and eliminating any preferences or advantages given to national bidders
- Beyond any national contracts awarded, also award a least one regional contract per region

Background and Position on SCMC Enterprise Agreements



3.4 Pressure to Use SCMC Enterprise Agreements

In the past, many of the sites within the NNSA and DOE complex, recognizing the limitations of and challenges presented by the SCMC Enterprise Agreements, have frequently chosen to maintain many of their own subcontracts with their local suppliers to best meet site-specific requirements. This has resulted in a low adoption and utilization rate of the Enterprise Agreements. Because of the historically low adoption and utilization rates of the SCMC Enterprise Agreements, the NNSA and DOE complex are expanding rules and incentives to force the individual sites to make the shift. This is most clearly seen throughout the NNSA complex with SCMC. As the subcontracts between the individual sites and their local suppliers expire, it appears that the individual sites are strongly pressured by NNSA and SCMC to shift to an Enterprise Agreement for the same commodity without re-competing the local contract.

MSC adamantly believes that the long-term viability of the Enterprise Agreement program is dependent on that program offering a best value proposition rather than through pressure and coercion. We encourage the SCMC to focus on delivering greater value to its customers as its primary method for improving utilization and adoption rates.

SCMC has strongly denied this is happening. However, the SCMC has not provided a clear explanation of or detailed data on what targets or other goals are assigned to each site for SCMC utilization compliance and what the penalties are for failing to meet those goals. Ultimately, these concerns cannot be laid to rest until such data is provided.

Specific actions that the MSC is requesting that SCMC, NNSA, and DOE take in regards to this concern:

- Provide detailed information on SCMC utilization requirements and goals set for each site:
 - In detail, identify each and every metric, target, and/or goal that is set for each site by SCMC, by NNSA, by DOE, and/or by any other agency
 - In detail, identify any and all mechanisms by which the sites are encouraged to meet the goals assigned to them and/or punished in any way if they fail to meet those goals
 - Provide a breakdown of the information provided above by fiscal year for the past three years, the current year, and the next three years
 - Going forward, update and publically publish this information on an annual basis
- Provide any and all information SCMC, NNSA, and DOE have regarding the impact to date and projected for the next three years on:
 - Regional small businesses
 - Local communities around each site
 - The sites themselves
 - Going forward, update and publically publish this information on an annual basis
- Allow individual sites to utilize locally issued contracts without penalty when a site can demonstrate that the locally issued contract offers a better value to the site



Background and Position on SCMC Enterprise Agreements

3.5 Pressure to Move to Firm-Fixed Pricing Agreements

The MSC is concerned that the SCMC is moving towards adopting general federal procurement guidance regarding firm-fixed-price (FFP) contracts. The guidance states that contracting officers "will first consider the use of a firm-fixed-price contract..." when selecting the contract type. This has led to a bias towards FFP contracting strategies that are challenging healthy competition in the face of perceived high risks and volatility in contract execution. A lack of competition can ultimately reduce value to the taxpayer while the inherent risks in execution of these contracts can result, and have resulted, in significant cost overruns against an FFP.

Specific actions that the MSC is requesting that SCMC, NNSA, and DOE take in regards to this concern:

- Avoid using firm-fixed-pricing on contracts with perceived high risks and/or volatility
- When utilizing a firm-fixed-pricing methodology, ensure the scope of work is exceptionally explicit and allows for the contractors to fairly adjust pricing and deliverables when the scope of work needs to change.



Background and Position on SCMC Enterprise Agreements

4 Measuring the True Cost and Benefits of Enterprise Agreements

The SCMC has provided basic roll-up information on its performance and cost savings achieved; however, the MSC is very concerned about the basis of comparison used by the SCMC in determining its cost savings figures, especially given the findings of DOE OIG's audit report (OAS-L-15-05) which stated that the OIG had "found that the Department had overstated savings by approximately \$8.7 Million, or about 22% claimed in FY13 for the six sites we evaluated." Is the SCMC comparing its price to standard government list price, which no site ever really pays? Is SCMC comparing its price to what each site pays on its current subcontracts? If so, did the SCMC account for the differences in services rendered and the cost of those services?

As mentioned earlier, without detailed accurate data, it is impossible to really know if the SCMC's cost savings are real or significant, or even if they are real, at what cost they come to communities around the sites. The MSC requests that the SCMC make detailed performance data available publicly and enter into an ongoing open discussion regarding its results as well as methods for continuous improvement.

Specific actions that the MSC is requesting that SCMC, NNSA, and DOE take in regards to this concern:

- Identify the specific method(s) that SCMC uses to determine cost savings, including how it handles differences in scope between a local contract
- Publish SCMC's detailed cost-saving data annually

5 Focus on Cost Savings is Inconsistent with DOE Policy and Interests

The DOE Code of Federal Regulations (CFR) Chapter 9 (10-1-11 Edition) (970.5223-3) Community Commitment section states:

It is the policy of the DOE to be a constructive partner in the geographic region in which DOE conducts its business. The basic elements of this policy include:

- (1) *Recognizing the diverse interests of the region and its stakeholders,*
- (2) *Engaging regional stakeholders in issues and concerns of mutual interest, and*
- (3) *Recognizing that giving back to the community is a worthwhile business practice.*

Accordingly, the Contractor agrees that its business operations and performance under the contract will be consistent with the intent of the policy and elements set forth above.

The MSC fully agrees with and supports this policy. It is absolutely in DOE's interest to support the communities in which they reside, including those communities' economic well-being. These communities have invested significant resources in being DOE's partners and are critical to DOE being able to successfully operate its sites in a positive way. Awarding contracts to non-local national businesses does substantial harm to DOE's community partners and will ultimately lead to a deterioration of relationships between each DOE site and the local communities in which they reside.

Specific actions that the MSC is requesting that SCMC, NNSA, and DOE take in regards to this concern:

- When making a contract award decision, utilize a broad set of *published* criteria to determine best value to DOE, including regional community support and economic development, rather than focusing on cost savings as the primary award determination criteria



Background and Position on SCMC Enterprise Agreements

6 Readiness of Small Regional Businesses.

The SCMC has awarded contracts to businesses that meet the SBA's definition of a "Small Business". However, as it applies to commodity contracts, the SBA generally classifies any business with 1,000 employees or less as a "Small Business". These "Small Businesses" that have received an SCMC contract have almost universally been on the upper end of that limit and have a national scope.

There are many more small regional businesses that have been left out. These are very small businesses, typically with less than 50 employees and below \$25,000,000 per year in revenue. They've been in business several years and may be working with an individual site (e.g. LANL) or two, but they have not expanded much beyond their local area. Unlike their larger national "Small Business" counterparts that the SCMC has typically engaged with, their processes and resources may not be completely adequate to successfully service multiple sites on a larger regional or national basis.

The SCMC has historically excluded these businesses from even bidding on SCMC contracts due to concerns about these businesses' capacity and capability to handle the work involved. The MSC agrees that the SCMC's concern in this matter is a valid concern and that many smaller regional businesses are not quite prepared to succeed in this new environment. However, rather than ignoring and excluding those businesses, the MSC believes it is in the NNSA and DOE's long-term interest to find ways to help these businesses to get up to speed. To that end, the MSC strongly encourages the NNSA and DOE to support the RDC small regional business pilot project specifically targeted at preparing and supporting these businesses. MSC will be an active participant in the program as well, providing both financial and support resources for the project.

Specific actions that the MSC is requesting that SCMC, NNSA, and DOE take in regards to this concern:

- Actively support and provide funding to the RDC pilot project for the next three years at the level requested by the RDC

7 The Impact

What is the impact on the DOE, the NNSA, each site, the business community, and the local communities that they reside in if the open issues are not addressed? Without the requested information, this is a very difficult question to answer exactly. However, the MSC can estimate the impact on the Northern New Mexico based on the actual experiences to date of and the feedback from Northern New Mexico suppliers and community organizations. Using LANL as an example, and assuming that 10 contracts are shifted from local suppliers to national SCMC suppliers over the next five years and assuming an average sales volume of \$3,000,000 per year each, the direct hit to the Northern New Mexico small regional business community will be \$30,000,000 per year. Depending on the specific contracts lost, this will translate to between 100 and 500 or more local jobs lost. The indirect financial impact of such losses on the community will be much greater, well into the hundreds of millions of dollars, further depressing the local economy when it has already been negatively impacted by the budget cuts at LANL already. This example represents just Northern New Mexico. What is the impact nationally?

To fairly determine impacts across the board, both positive and negative, it is critical that the SCMC, NNSA, DOE, and each site provide accurate and detailed data. Until such time, the MSC stands by its estimations of likely impact to the local community and its questions on the actual value achieved overall by the SCMC.



Background and Position on SCMC Enterprise Agreements

8 About the LANL MSC

The LANL Major Subcontractors Consortium (MSC) was created in April, 2004 for the purpose of making Northern New Mexico a better place to live and work by facilitating cooperative, strategic, and leveraged economic development investments in the region by Consortium members. All LANL subcontractors awarded contracts valued at five million dollars or greater are automatically members of the Consortium. As of May 2015 there are thirty-five member companies.

The mission of the LANL Major Subcontractors Consortium is to positively impact the economy of the Northern New Mexican region through collaborative investment in qualified economic development programs and projects which will result in the diversification of Northern New Mexico's economy and reduce its dependency on federal dollars.

Based on member companies surveyed, it is estimated that the MSC collectively employs about 2,000 New Mexicans which equates to \$110 million dollars in payroll annually.

In the last five (5) years the MSC has invested over \$14 Million dollars in the northern New Mexico Region and provided over 15,000 hours of volunteer service to rural communities across the region.

9 Support

There are a number of community organizations that have officially issued statements that are consistent with one or more of the MSC's positions as represented in this paper. Please see the following documents (available at lanlmsc.org) for more information on these organizations' positions:

- State of New Mexico 51st Legislature House of Representatives – House Memorial 79 – supporting MSC and other regional organizations efforts to mitigate the impact of the SCMC system on local New Mexico businesses
- Regional Coalition of LANL Communities – Resolution dated February 21, 2014 – supporting MSC and other regional organizations efforts to mitigate the impact of the SCMC system on local New Mexico businesses
- Rio Arriba Board of County Commissioners – Resolution 2014-055 – supporting MSC and other regional organizations efforts to mitigate the impact of the SCMC system on local New Mexico businesses

10 For Further Information

For current contact information, please visit www.LANLMSC.org.

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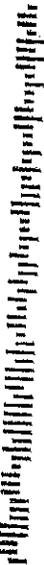


U.S.S.

MAIL SANITIZED

The Honorable Ernest J. Moniz
Secretary
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

7 GHY-NP1 20585





Department of Energy
National Nuclear Security Administration
Washington, DC 20585



NOV 03 2015

The Honorable Martin Heinrich
United States Senate
Washington, D.C. 20510

Dear Senator Heinrich:

Thank you for your letter to Secretary Moniz dated September 25, 2015, regarding the procurement practices of the Supply Chain Management Center (SCMC). Your correspondence was forwarded to my office for response. Your letter requested that we address three issues, and our reply is below.

The SCMC was established within our National Security Campus contract with Honeywell FM&T, in 2006, to establish and promote strategic sourcing efforts in response to the 2005 Office of Management and Budget's direction to all agencies to further the benefits of strategic sourcing.

The SCMC uses fair commercial practices through their approved purchasing system that balances the centralization aspects of strategic sourcing with the unique local business aspects of the Department's prime contracts they support. Additionally, the SCMC has launched a web-site where small business suppliers can go to understand the SCMC better and self-identify as a potential supplier identifying their capabilities at the following address: www.thescmcgroup.com. Small businesses can get a glimpse of what types of business characteristics the SCMC is looking for in potential strategic partners and allow small businesses to self-identify for future opportunities by filling in the pre-arranged template and submitting the form.

The SCMC uses contracting criteria that ensure fair, market competition and uses overall best value in the contracts they award. The SCMC follows commercial best practices in establishing their competitive pool of proposers and considers the inclusion of local suppliers with requisite experience and past performance based on input from each site. The SCMC strives to consider the unique impact DOE's contracts have on local economies. Site specific requirements are incorporated into SCMC agreements to level the playing field for competition and performance. The SCMC began by creating enterprise-wide (i.e. national) agreements; however, the SCMC has recently begun to note the need for more regional type opportunities. This was recently demonstrated through the issuance of an Industrial Supplies SCMC Request for Proposal (RFP). This opportunity was structured in a manner which promoted multiple regional SCMC agreement awards and New Mexico small businesses were invited to bid.

The Regional Development Corporation (RDC) submitted the suggestion as an unsolicited proposal and, was subsequently registered in the Department of Energy's Unsolicited Proposal Program to ensure that the action is formally managed and tracked. Upon completion of the



review, the Unsolicited Proposal Program Manager will provide a formal response and determination to the RDC. Please be assured that the proposal will be given full and careful consideration.

Since 2013, available M&O procurement dollars have decreased across the NNSA sites, yet the percentage spent in New Mexico has remained fairly constant at roughly 26 percent. As of August 2015, the total amount of dollars paid to businesses in New Mexico surpasses \$530 million, a \$5 million increase over all of FY 2014. In 2014, a national level agreement for Dell computers was awarded to Wildflower International, a small business, from Santa Fe, New Mexico with an estimated value of \$200 million. In August of 2015, a regional agreement for industrial supplies was awarded to Frank's Supply Company, a woman-owned small business from New Mexico, worth an estimated \$35 million over 7 years.

As the Department and SCMC continue to grow and mature our supply chain initiatives, we will ensure the needs of local business and our impact on local economies remain prime considerations in our decision making processes. Please feel free to contact Clarence Bishop at 202-586-7343 for any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Barbara H. Stearrett". The signature is fluid and cursive, with the first name being the most prominent.

Barbara H. Stearrett
Director, Office of Acquisition Management
National Nuclear Security Administration



Regional Coalition of LANL Communities

Meetings at a Glance – December 2015, January, February 2016

MEETING DATE	POTENTIAL BUSINESS ITEMS	POTENTIAL BRIEFING ITEMS
December 11 th Jemez Pueblo Council Chambers	<ul style="list-style-type: none"> Plan Jan/Feb trip to DC for EM FY17 advocacy Ensure LANL Community Commitment Plan Receives full funding Review RFPs for Executive Director Services 	<u>NNSA</u> <ul style="list-style-type: none"> Update from LANS on Community Commitment Plan funding decision <u>EM-LA</u> <ul style="list-style-type: none"> Update from EM-LA on 1,000+ counts of mismanaged waste and way forward. Structure of EM contracts going forward and how we go about protecting our local contractors.
January 8 th , 2016 Española City Council Chambers	<ul style="list-style-type: none"> Approve new contractor for Executive Director Services 	<u>RDC</u> Update on SCMC Regional Pilot Project Update on REDI Plan
February 12 th , 2016 Los Alamos County Council Chambers	<ul style="list-style-type: none"> Possibility of travel to do advocacy for EM Budget Strategic Planning Session Outline for March 2016 	<u>Regional Broadband</u> Invited corporate guests to discuss potential for broadband use in northern NM and steps to be taken to reach those goals <u>EM-LA</u> Danny Katzman in-depth presentation on Chromium Plume

Issues to watch:

- Life Cycle Baseline Cost
- WIPP
- Chromium Plume Campaign
- RDX Explosives Cleanup Campaign
- Other Environmental Campaign Priorities
- Consent Order conclusion of 2015 and new proposal for post-2015
- LANL Major Subcontractor – SCMC and procurement issues, clean up revamping efforts
- Economic Development Priorities
- Federal Manhattan Park Construction and Planning
- DOE funding for FY16 and FY17
- REDI and REDI Net Updates
- Jobs and Workforce at LANL