
EXECUTIVE SUMMARY

LANS PARENT ORGANIZATION OVERSIGHT PLAN

PURPOSE

The purpose of this plan is to describe the organizational approach and detail the parent organizations' planned activities. This plan monitors and continuously improves the contractor's performance of statement of work activities, including ISM and ISSM performance, and assists the contractor in meeting Laboratory mission and operations requirements. For partial FY2006 (June 1, 2006 through September 30, 2006) and FY2007 (October 1, 2006 through September 30, 2007), the plan includes the activity descriptions, cost estimates, schedule for planned activities, reporting, and describes the change management process for parent organization oversight. Parent organization oversight will be provided by the four parent entities (Bechtel, UC, BWXT, and WGI), which make up LANS.

SCOPE

The corporate oversight of LANS's operation of the Laboratory by the Bechtel, UC, BWXT-WGI Team is designed to meet or exceed the needs and the expectations of the NNSA and LANL stakeholders, and the Laboratory itself. The immediate goal is to ensure excellence in every aspect of the Laboratory's operations such that the current and future missions can be achieved successfully in accord with applicable laws, regulations, and policies. The ultimate goal is for the Laboratory to be recognized as a world-class institution that not only provides solutions to known issues, but that anticipates and influences the future to help keep our nation safe and secure.

While the oversight of the Laboratory depends, to a large extent, on dedicated individuals and groups, responsibility must begin with the partners and owners of the entity that will be responsible for managing the Laboratory on a day-to-day basis. Together, Bechtel, UC, BWXT and WGI will form the foundation for the ongoing oversight of the Laboratory.

ORGANIZATION

A separate business entity (LLC) has been set up by the parent organizations for the sole purpose of managing and operating the Laboratory. The LANS Proposal describes the duties and linkage of parent organizations. The parent organizations have set up a parent organization oversight body—the Board of Governors—which has authority to guide, control, direct, measure, and incentivize the Laboratory and its personnel. The Board also administers the Parent Organization Oversight Plan, with support from the LLC corporate office staff, as described below.

BOARD OF GOVERNORS AND COMMITTEES

The Board is composed of eleven governors as follows:

- Executive Committee Governors – Six individuals are appointed by the parent organizations as governors in the Executive Committee, of which three are UC appointees and three are Bechtel appointees. Nomination for one seat is delegated to BWXT and WGI jointly. These individuals will make up the Executive Committee, which is the decision-making body of the LLC and is responsible for the oversight of Laboratory operations. The cost of these senior parent organization executives will not be charged to the contract.
- Outside Governors – Five outside governors will come from other organizations and will be appointed by the Executive Committee of the Board to achieve excellence and transparency

through peer consideration. These world-class members have been selected to mirror the most significant needs of the Laboratory.

Board Committees

- The 11-person board will be supported by six committees appointed by the Executive Committee of the Board, with each committee chaired by one of these board members. These committees will assist the Board in its oversight process by conducting evaluations, measuring performance, and making recommendations to the Board.

PARENT ORGANIZATION FUNCTIONAL MANAGEMENT ASSESSMENTS

Assessments will be conducted in all areas of the Laboratory and conducted by parent organization experts; experts from other DOE and NNSA sites managed by Bechtel, BWXT, and WGI; UC; and other subject matter expert consultants.

In addition, although not strictly oversight, there are a number of areas in which the parent organizations will provide support or training in best management practices such as Six Sigma, lean manufacturing, and performance-based leadership.

LANS LLC CORPORATE OFFICE (NORTHERN NEW MEXICO)

Given the magnitude of the Laboratory initiative, the parent organizations have determined that it is in the best interest of the Laboratory and NNSA for LANS to establish its corporate headquarters in northern New Mexico. The office will serve as base of operations for a small permanent staff supporting the LANS Board of Governors and will be led by Joseph Scarpino, a Bechtel principal vice president. Joe is designated the parent organizations' responsible official for the administration of the oversight plan. He will ensure that the Board's oversight responsibilities in the Parent Organizations Oversight Plan are fully implemented and the Laboratory's needs are promptly responded to by the parent organization officials.

SCHEDULE FOR PLANNED ACTIVITIES

A detailed schedule of planned activities is used to manage Parent Organization Oversight. The schedule development will be integrated and maintained by LANS Corporate Office staff on behalf of the Board and the parent organizations.

COST ESTIMATE FOR PLANNED ACTIVITIES

A cost estimate summary based on the planned activities scheduled is provided in the LANS Proposal along with the basis of estimate for the cost. The cost estimates and budget development will be integrated and maintained by corporate office staff on behalf of the Board and the parent organizations.

PERIODIC REPORTS

Reports providing status against the planned activities will be provided to the Federal Contracting Officer as required. The report preparation will be integrated by the LANS corporate office staff on behalf of the Board and the parent organizations.

CHANGE MANAGEMENT AND CONTROL

A disciplined change management and control process will be implemented following standard Bechtel project processes and procedures applied at other NNSA sites. This will ensure changes to the plan scope, cost and schedule baseline are reviewed and approved by the Contracting Officer. A procedure for this process will be negotiated and submitted for approval upon notification of contract award or as required.