



Highlights of [GAO-04-370](#), a report to Congressional Requesters

## Why GAO Did This Study

The University of California (University) operates the Los Alamos and Lawrence Livermore National Laboratories for the Department of Energy's National Nuclear Security Administration (NNSA). The two research laboratories, with a combined fiscal year 2003 budget of \$2.3 billion, have had problems in such mission support areas as managing projects, conducting business operations, and ensuring safe nuclear operations. GAO was asked to describe the actions taken to address mission support problems identified in 2001, as well as problems that have since emerged, and to assess the main challenges to sustaining mission support improvements.

## What GAO Recommends

GAO recommends that the Secretary of Energy direct the NNSA Administrator to take steps regarding mission support activities to ensure that (1) any contractor operating the two laboratories provides leadership, resources, and oversight to ensure effective activities; (2) assessments of contractor performance evaluate the adequacy of leadership, resources, and internal controls; (3) NNSA effectively oversees contractor activities; and (4) improvement initiatives follow best practices. In commenting on the report, NNSA cited actions taken or planned that it said met the intent of these recommendations. However, GAO believes that further improvements are needed.

[www.gao.gov/cgi-bin/getrpt?GAO-04-370](http://www.gao.gov/cgi-bin/getrpt?GAO-04-370).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robin M. Nazzaro at (202) 512-3841 or [nazzaror@gao.gov](mailto:nazzaror@gao.gov).

## DEPARTMENT OF ENERGY

# Mission Support Challenges Remain at Los Alamos and Lawrence Livermore National Laboratories

## What GAO Found

For the three mission support areas with problems as of 2001—managing construction and other major projects, maintaining and managing existing facilities, and ensuring safe operations of nuclear facilities—actions are basically complete in the first two areas but not in the third. For all three areas, NNSA incorporated new requirements into the contracts, developed new performance measures, and increased its oversight. The University of California has strengthened oversight of the laboratories by, among other things, establishing a new position of vice president for laboratory management. The laboratories will not fully comply with new requirements for providing a safety analysis of each nuclear facility until mid-2005.

The actions taken by NNSA and the University to correct problems in project, facilities, and nuclear safety management were not systemic enough to keep problems from developing in other mission support areas after 2001. At the Los Alamos laboratory, emerging problems centered on business operations, including inadequate controls over procurement, purchase cards, and property management. The laboratory now has extensive corrective actions underway and expects to have most of the new measures in place by the end of 2005. At the Lawrence Livermore laboratory, the problems centered on emergency planning and preparedness, in that the laboratory had made little progress in developing an emergency management program that complied with NNSA requirements. The laboratory has taken steps over the past 2 years to improve in this area, and NNSA now estimates that the laboratory will have an approved emergency management program by the end of fiscal year 2004.

NNSA and the University face three main challenges to sustaining improvements in mission support performance over the long term. The first challenge is for the laboratories to ensure that actions taken to address mission support problems translate into effective performance of mission support activities. A past lack of emphasis on mission support activities was a major factor when problems surfaced, particularly at the Los Alamos laboratory. Ensuring that mission support activities are effective will require sustained leadership, resources, and effective internal controls. The second challenge is ensuring appropriate and effective oversight of mission support activities, which has been inadequate in the past. In particular, a draft NNSA policy that calls for relying primarily on contractors' management controls raises concerns about the future adequacy of NNSA oversight. The third challenge is ensuring that the laboratories follow best practices in developing any future improvement initiatives. In its efforts to improve business systems, the Los Alamos laboratory did not follow best business practices for managing such improvements. Not doing so lessens the laboratory's ability to ensure that the efforts will achieve the desired results.