



January 19, 2010  
SAND # 2010-0926P



# Sandia National Laboratories

## Overview for PACA



**Carol Yarnall**

Director, Supply Chain



Sandia is a multiprogram laboratory operated by Sandia Corporation, a Lockheed Martin Company, for the United States Department of Energy's National Nuclear Security Administration under contract DE-AC04-94AL85000.

# Sandia's Governance Structure



## Sandia Corporation

- AT&T: 1949–1993
- Martin Marietta: 1993–1995
- Lockheed Martin: 1995–Present
- Existing contract expires 9/30/12

Government-Owned  
Contractor-Operated



Federally  
Funded  
Research &  
Development  
Center

# Sandia's Sites

Albuquerque,  
New Mexico



Livermore,  
California



Las Vegas,  
Nevada



WIPP,  
New Mexico



Kauai,  
Hawaii



Pantex, Texas



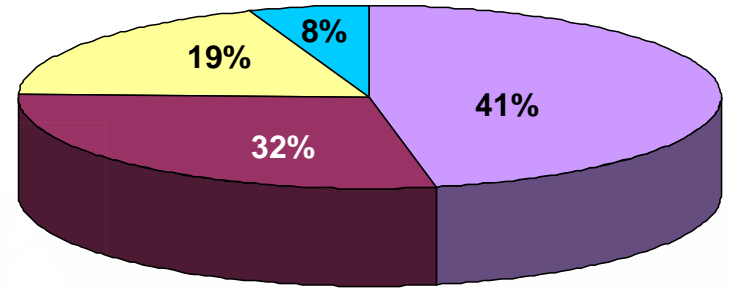
Tonopah, Nevada



# People and Budget

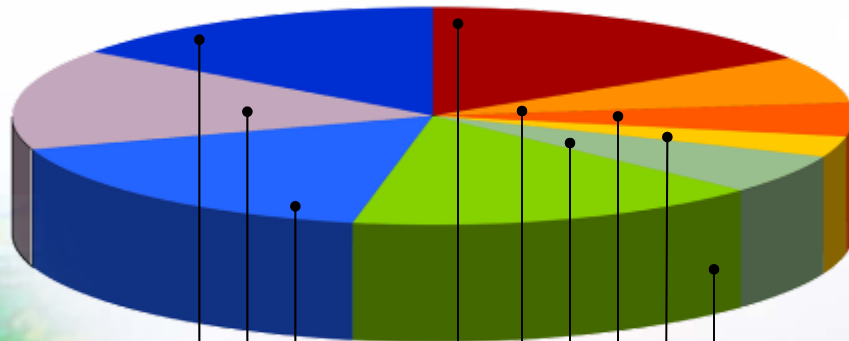
- On-site workforce: 11,415
- Regular employees: 8,225
- Gross payroll: ~\$900 million

FY09 operating revenue  
\$2.2 billion



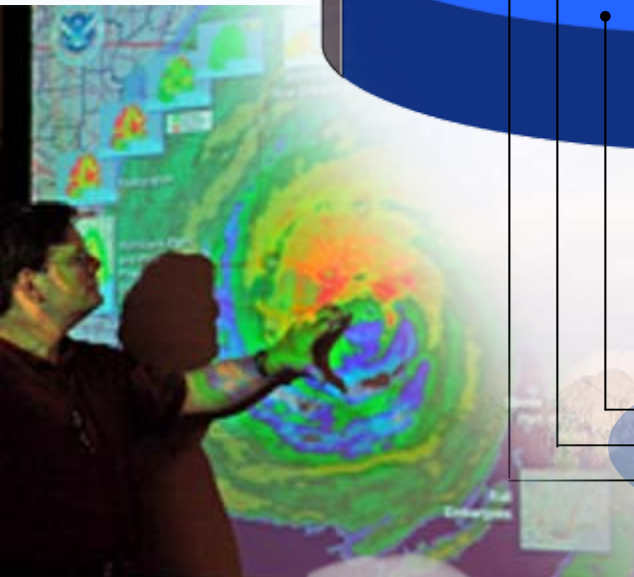
- Nuclear Weapons
- Defense Systems & Assessments
- Energy, Resources, & Non-proliferation
- Homeland Security & Defense

Technical staff (3,850) by discipline:



- Computing 16%
- Math 3%
- Chemistry 5%
- Physics 6%
- Other science 7%
- Other fields 16%

- Electrical engineering 17%
- Mechanical engineering 15%
- Other engineering 15%



# The Evolution of Our Mission

**1950s**

Production engineering and manufacturing engineering

**1960s**

Development engineering

**1970s**

Multiprogram laboratory

**1980s**

Research, development and production

**1990s**

Post-Cold War transition

**2000s**

Expanded national security role

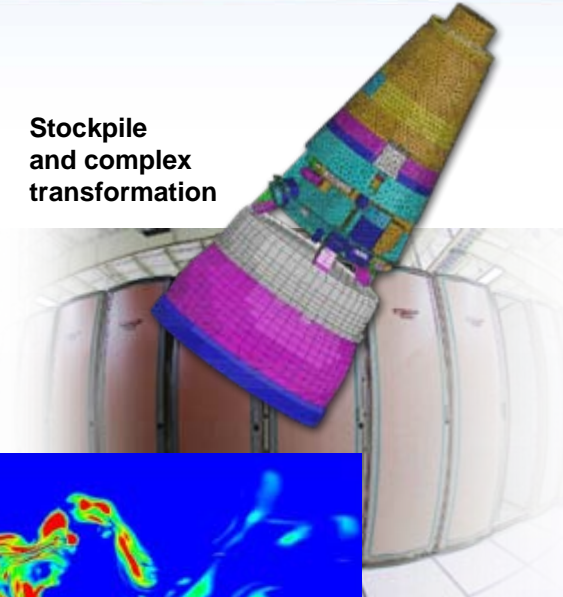


# Sandia's Nuclear Weapons Program

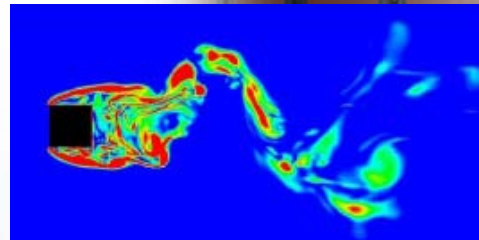
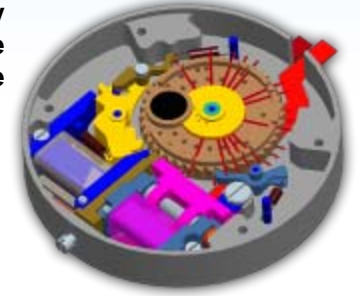


Weapon system and component engineering

Stockpile and complex transformation



Enhancing the safety and security of the stockpile

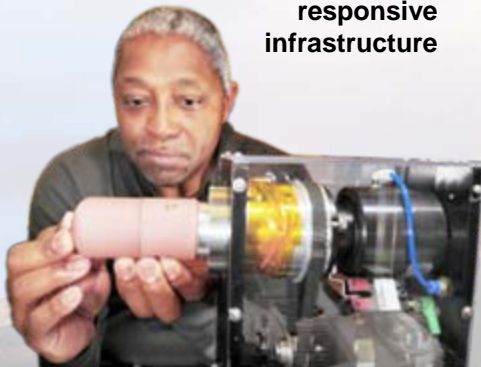


Modeling and simulation

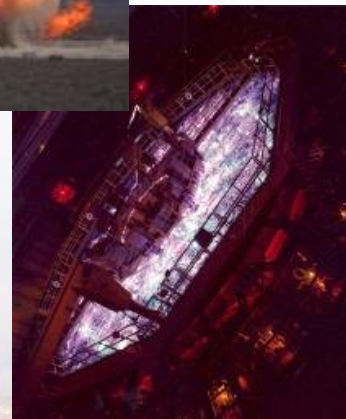


Testing and evaluation

Production and responsive infrastructure

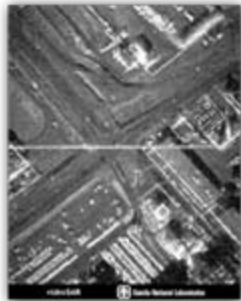


Annual Stockpile Assessment



# Sandia's Broad National Security Role

## Defense Systems & Assessments



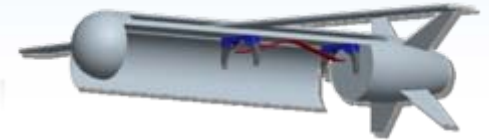
SAR imagery



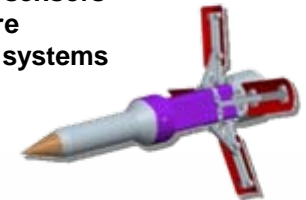
Missile defense



Small robotic vehicle



Ground sensors for future combat systems



## Homeland Security & Defense



Energy supply



Airport security



Physical security, base protection



Maritime security

## Energy, Resources, & Nonproliferation

Infrastructure

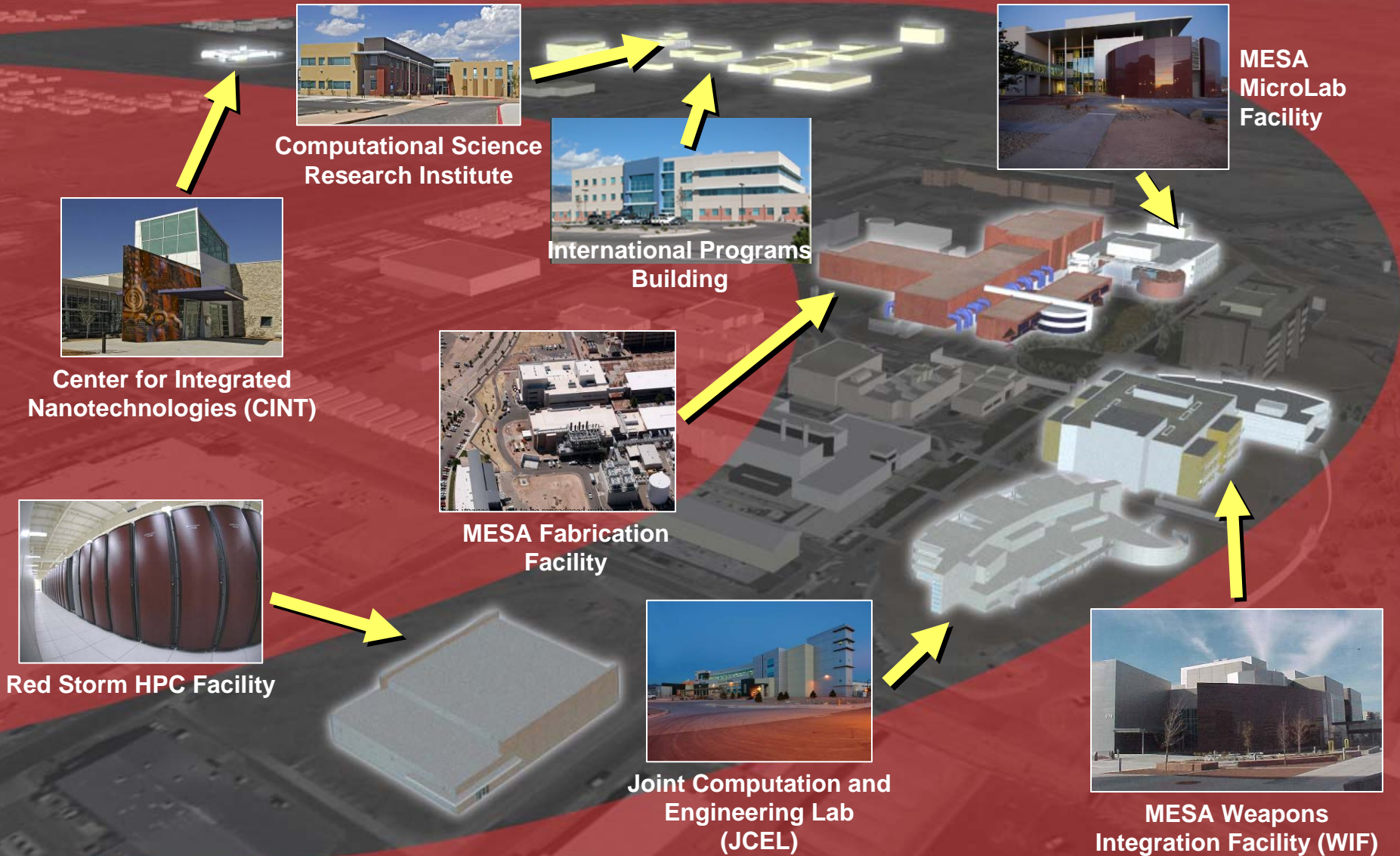


Nonproliferation



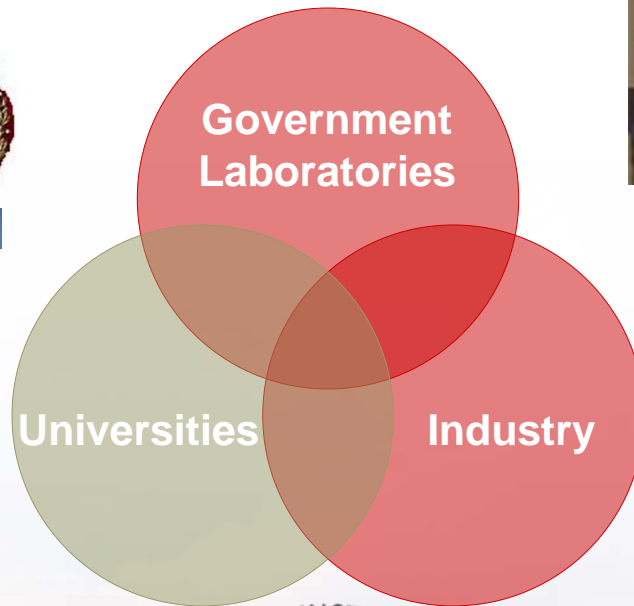
Energy supply

# Sandia's Innovation Corridor opens Sandia to greater interactions





# Partnerships and collaboration accelerate innovation



# Program Structure



**Tom Hunter**  
Laboratories Director



## Nuclear Weapons

**Paul Hommert**  
Deputy Laboratories Director

### One Strategic Management Unit

- *Nuclear Weapons*

#### Nuclear Weapons SMU Vice Presidents



**Steve Rottler**



**Rick Stulen**



**Mike Hazen**



**Carolyn Hart**



## National Security Technologies & Systems

**Joan Woodard**  
Deputy Laboratories Director

### Three Strategic Management Units

- *Defense Systems and Assessments*
- *Energy, Resources, and Nonproliferation*
- *Homeland Security and Defense*

**Jerry McDowell**  
Vice President



**Les Shephard**  
Vice President



**Rick Stulen**  
Vice President



## Laboratory Transformation and Operations

**Al Romig**  
Deputy Laboratories Director

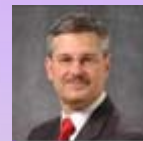
### Two Strategic Management Units

- *Integrated Enabling Services*
- *Science, Technology, and Engineering*

**Joe Polito**  
Vice President



**Steve Rottler**  
Vice President



# Laboratory Leadership Team (LLT)



**Tom Hunter**  
President & Laboratories Director



**Paul Hommert**  
Deputy Lab Director for  
Nuclear Weapons Program



**Al Romig**  
Deputy Lab Director  
Chief Operating Officer



**Joan Woodard**  
Deputy Lab Director for  
Integrated Technology  
Programs



**Steve Rottler**  
S&T and Research  
Foundations



**Carolyn Hart**  
Weapons  
Engineering &  
Product Realization



**Joe Polito**  
Enterprise  
Transformation



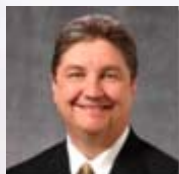
**Becky Krauss**  
General Counsel &  
Corporate Secretary



**Matthew O'Brien**  
CFO and  
Business Operations



**Michael Hazen**  
Infrastructure  
Operations



**John Slipke**  
Human Resources &  
Communications



**Jerry McDowell**  
Defense Systems &  
Assessments



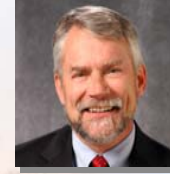
**Les Shephard**  
Energy, Security &  
Defense Technologies



**Rick Stulen**  
California Laboratory



**Art Hale**  
Chief Information  
Officer



**Peter Davies**  
Institutional  
Development

# Supply Chain Senior Management



**California Procurement**  
Lynn McClellan



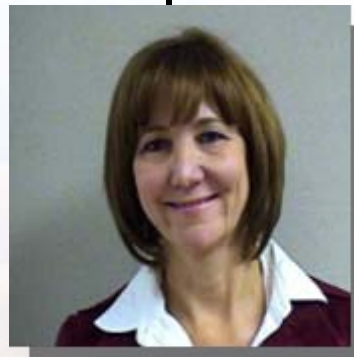
**Carol Yarnall**  
Director



**Cordell (Skip) Reeder**  
Procurement Specialist



**Brian Leen**  
Procurement Operations



**Billie K. Weatherly**  
Supply Chain Integration



**Roy Fitzgerald**  
Logistics Operations

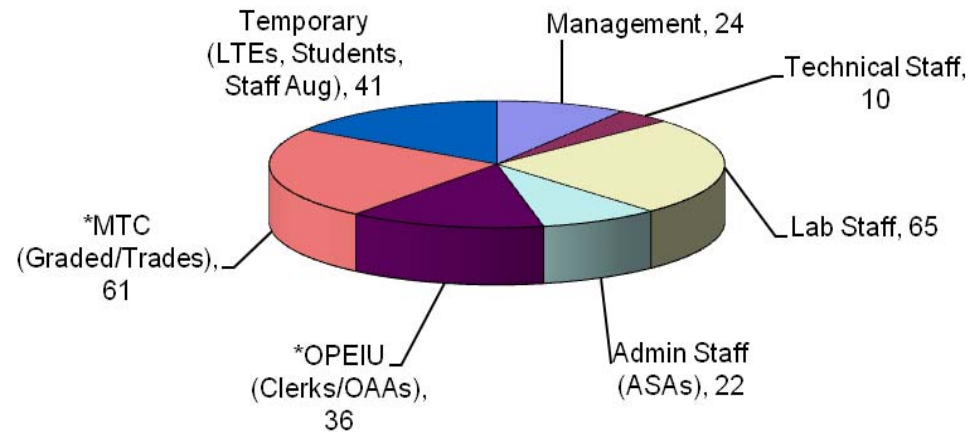


# Supply Chain's Major Functions

- **MANAGE** Supply Chain's Corporate Policy
- Help Sandia's Line orgs **PLAN** for Mission project's supply chain needs
- Participate in Capture Teams for New Projects/Programs (growth area)
- Help **ACQUIRE** and **MANAGE** goods and services
- **PARTNER** with Line to ensure Quality is incorporated in products delivered
- Manage Sandia's **SUPPLIER** Base
- Perform Major **SUBCONTRACT MANAGEMENT** (growth area)
- **DESIGN** unique packaging for special materials
- **DELIVER** hazardous and non-hazardous material
- **PACKAGE** and **SHIP** materials
- Provide **MAIL** Services
- Provide **TRANSPORTATION** services
- Help **TRACK** and **MANAGE** organization assets (growth area)
- Provide and maintain **STORAGE** facilities for unique/mission critical assets, like explosives and radioactive materials
- **DISPOSE** and/or **REAPPLY** assets no longer needed
- **MANAGE** and **MAINTAIN** Sandia's Vehicle Fleet
- **SUPPORT** OST Mission

# Supply Chain Workforce

Policy/Quality Staff  
Administrative Experts  
Buyers  
Subcontract Managers  
Supplier Relations Experts  
Drivers  
Explosive/HazMat Handlers  
Fleet Technicians/Mechanics  
Mail Clerks  
Packaging Engineers  
Packers  
Property Management Staff  
Receiving Clerks  
Stockkeepers/Dismantlers



**259 Total** (as of 7/7/09)

\*42% of Regular Employees are Union Represented

Employee/Management Ratio ~10.3:1

# Procurement Operations

- Annual costs ~\$11M
- ISO 9001 certified
- Negotiated cost savings is traditionally two (2) times the cost to operate
  - FY08 negotiated cost savings was four (4) times our cost to operate.
  - FY09 cost savings \$60.6M
- Cost to Spend Ratio is ~1.15% (FY08)
- Consistently meets aggressive small business goals – 57% (FY09)
- Spend is Approximately \$1B per year



# Logistics Operations

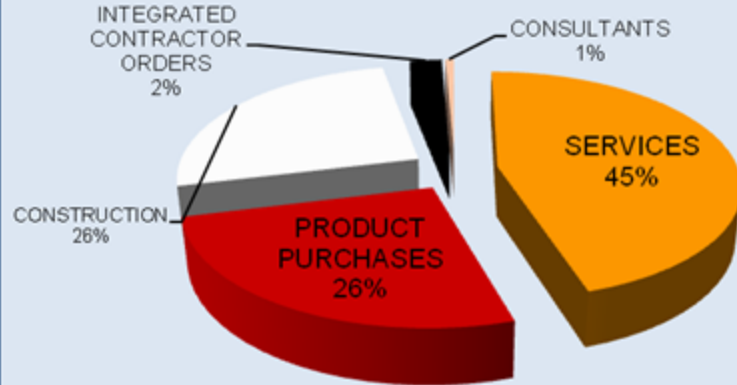
- Annual Costs ~\$9.7M
- Logistics is ISO 9001 certified
- Piloted Work Controls Process and Human Performance Improvement Program
- Enduring Behavior Based Safety Program
- Receive ~300,000 packages/year
- Deliver Material to 300+ buildings
- Deliver Mail to 550 stops in ~170 buildings
- Process ~10,000 pieces outgoing mail and ~115,000 incoming mail
- Design Nuclear/HazMat packaging
- Process ~10,000 shippers/year
- Maintain ~800 vehicles and 2,000 pieces of equipment
- Process ~45,000 Reapplication assets/year
- Store ~5,400 (Nuclear/Radioactive/Explosive/General) assets
- Process ~2,400 hazardous material moves/year
- Pick-up/Process ~10,800 destruction bags/year (1,300 red/9,500 white)
- Manage ~71,000 assets at an acquisition cost of ~\$1.4B



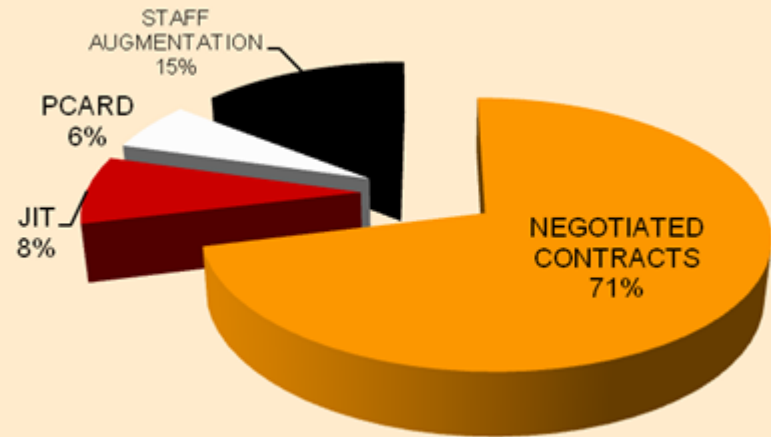


# Sandia's Procurement Dollars Committed = ~\$1B/Year

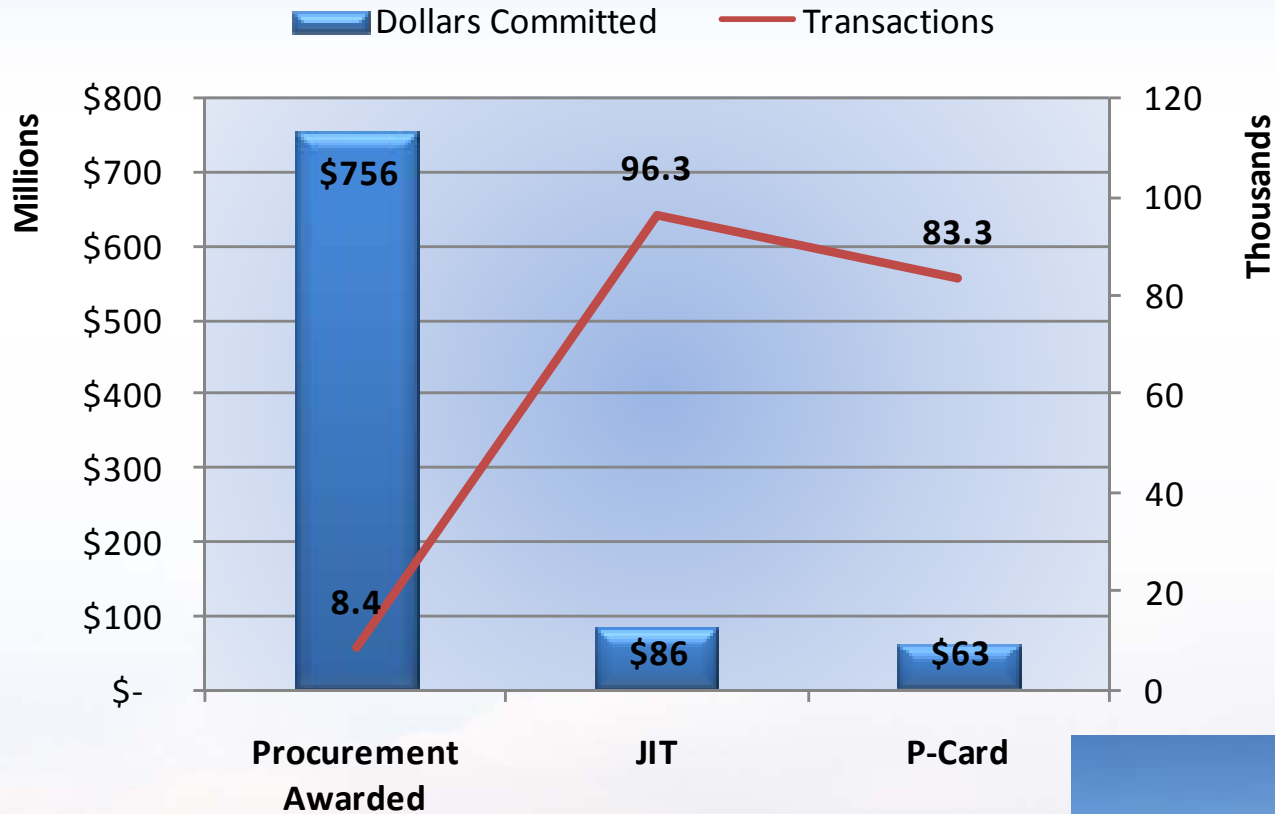
## WHAT WE BUY



## HOW WE BUY



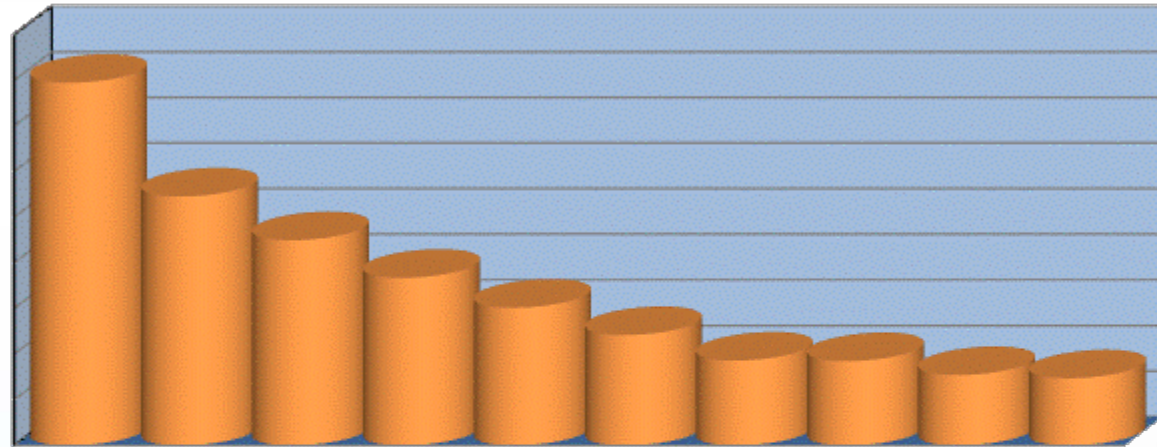
# FY09 Total Dollars Committed



- Staff Augmentation (*not included above*)



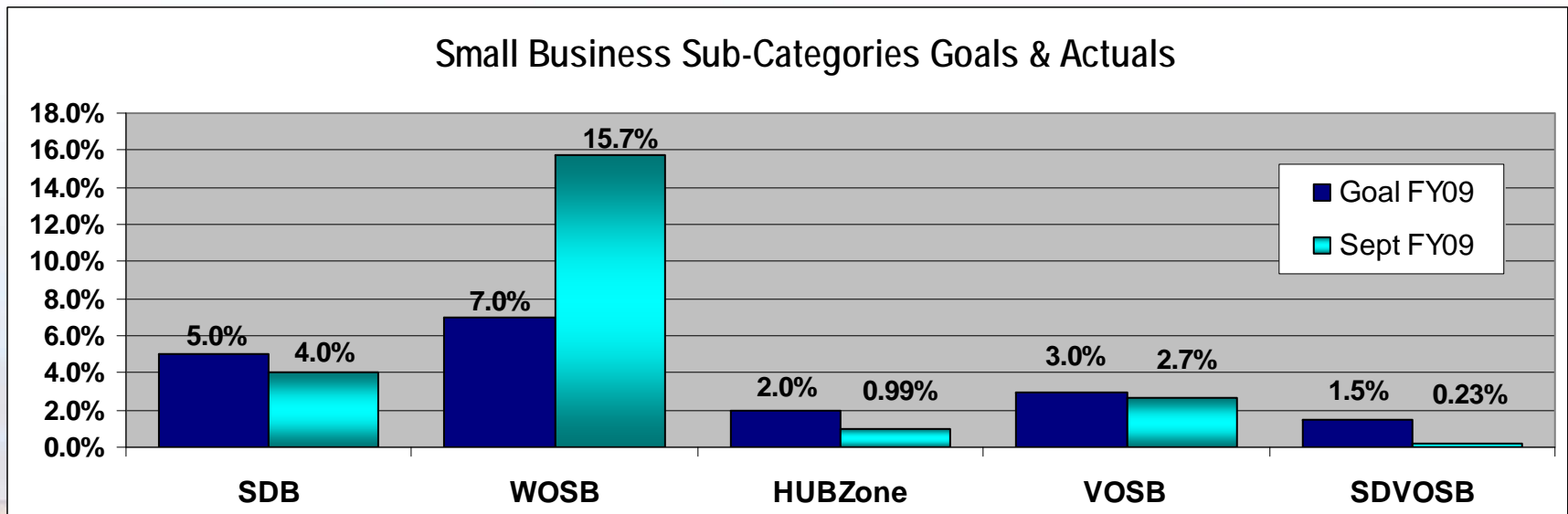
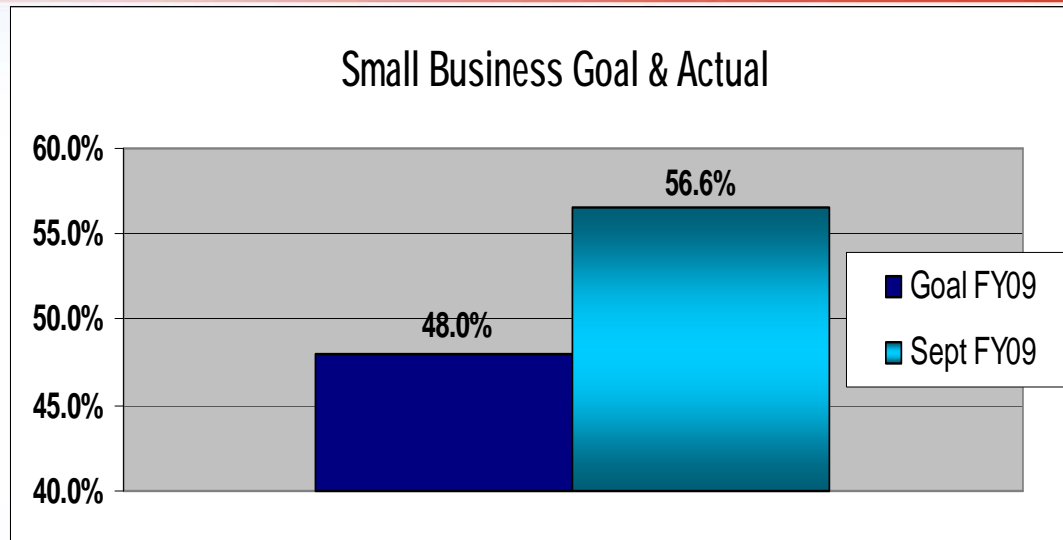
# Top 10 Suppliers – Based On Payments Made



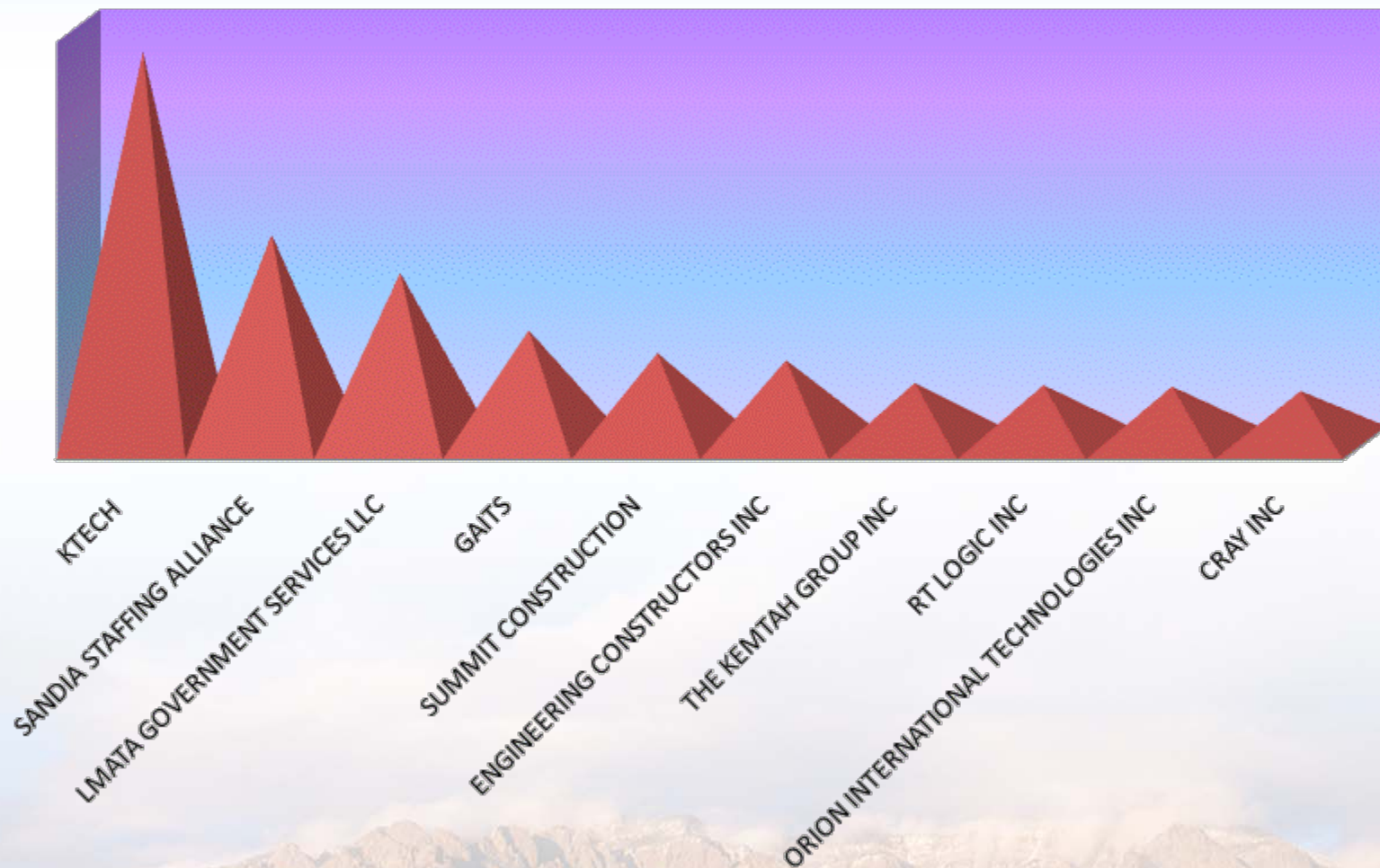
KTECH CORP  
CISC TCCS ELERON  
SANDIA STAFFING ALLIANCE LLC  
LMATA GOVERNMENT SERVICES LLC  
FEDERAL NETWORK SYSTEMS LLC  
GAITS  
US SECURITY ASSOCIATES INC  
GOODRICH CORP  
SCIENTIFIC-PRODUCTION CENTER...  
SUMMIT CONSTRUCTION INC



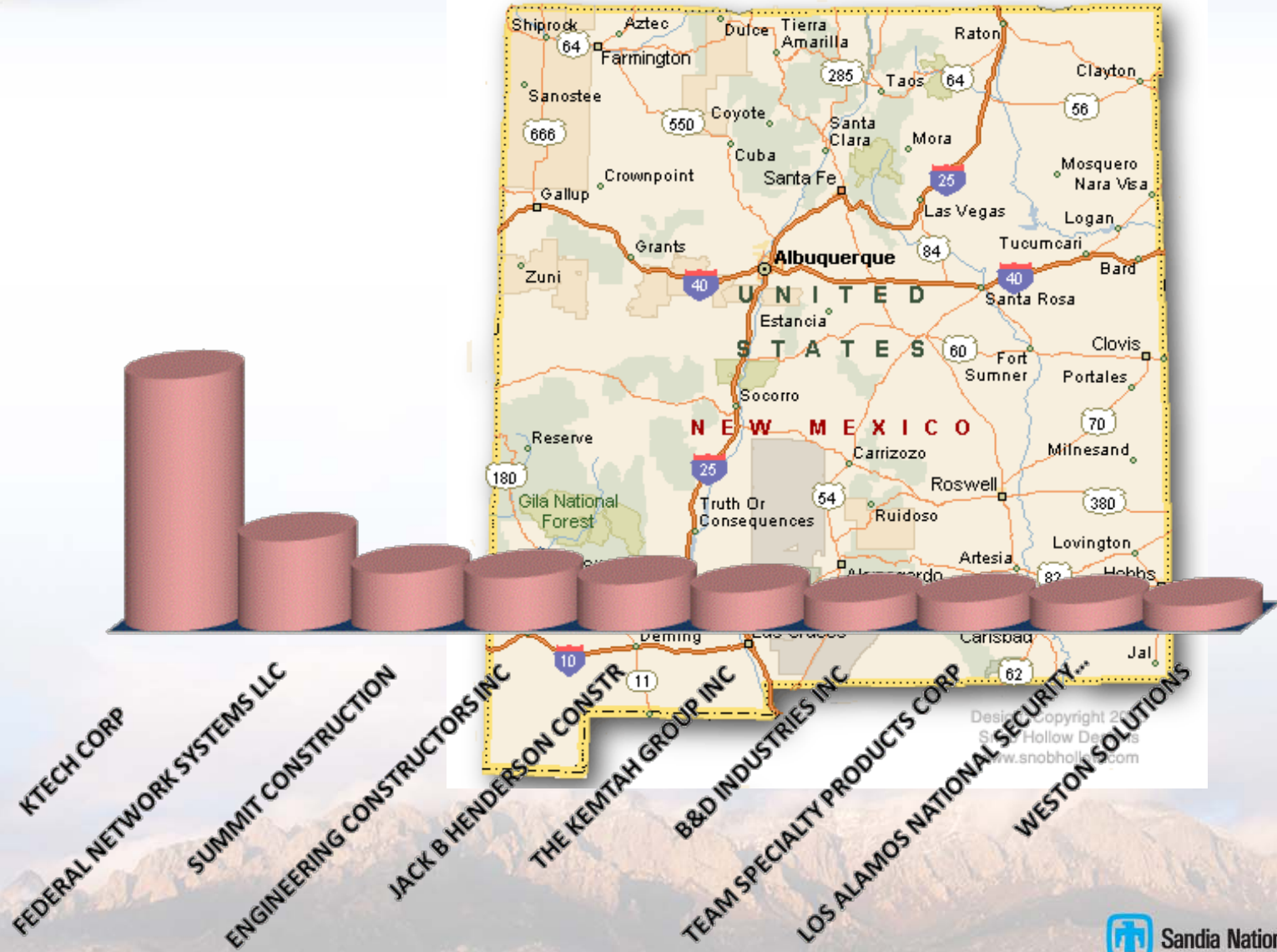
# Sandia's Small Business Utilization (\$) Goals & Actuals FY 2009



# Top 10 Small Business Suppliers – Based On Payments Made



# Top 10 New Mexico Suppliers – Based On Payments Made



# Window to Suppliers-Supplier Lobby

- Provide Sandia's Small Business Utilization Team, Suppliers, Potential Suppliers, Buyers and End Users easy and convenient access to discuss: business opportunities, supplier capabilities, products & services, Sandia mission requirements, supplier expectations, statements of work, program schedules and more
- Conduct planning meetings between Sandia Team Members and Business Development Organizations & Business Trade Associations
- Located at 1611 Innovation Parkway SE, just outside of the Kirtland Air Force Base (KAFB), Eubank Gate.
- No Clearance or badges are required in the Supplier Lobby





# Business Opportunities Website

- An easy-to-use Internet application
  - Accessible 24/7
  - Website – <http://supplier.sandia.gov/opportunities/selection.aspx>
- Opportunities list potential contracting opportunities for products and services
  - Direct link to Buyer
  - As early in the procurement process as possible
- Opportunities are listed in accordance with the North American Industry Classification Codes (NAICS)
- Enables firms to identify contracting opportunities to supply their products & services to SNL
- Buyers are required to post opportunities to the SNL Business Opportunities Website
  - Competitive requirement of  $\geq$  \$100K
  - Sole-Source requirement of  $\geq$  \$500K





# Business Opportunities

**Firm fixed price effort for the fabrication of 5,700 glass mirrors to be installed at National Solar Thermal Test Facility (NSTTF)**

**Type:** Competitive

**NAICs:** 423720

**Estimated Posting Close Date:**  
January 22, 2010

**Estimated Value:** \$250,000 over 8 months

**HVAC Parts for the Siemens Apogee System**

**Type:** Competitive

**NAICs:** 541330

**Estimated Posting Close Date:**  
January 27, 2010

**Estimated Value:** \$1,000,000 over 7 Years



# “On the Horizon” Business Opportunities

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## **SGI Computer Hardware**

Estimated Value: \$49,000,000

## **Computer Support**

Estimated Value: \$100,000,000

## **Telecommunications**

Estimated Value: \$100,000,000

# Sandia's Small Business Utilization Department

- **Don Devoti, Manager** [djdevot@sandia.gov](mailto:djdevot@sandia.gov) 505-284-4338
- **Toni Kovarik**
  - Veteran & Service Disabled Veteran Owned Small Business Advocate[tlkovar@sandia.gov](mailto:tlkovar@sandia.gov) 505-284-9549
- **Elizabeth Gonzales**
  - Alaska Native Corporations & Indian Tribes Advocate[ecgonza@sandia.gov](mailto:ecgonza@sandia.gov) 505-284-3205
- **Marie Myszkier**
  - 8(a), Small Disadvantaged and HUBZone Small Business Advocate[mamyszk@sandia.gov](mailto:mamyszk@sandia.gov) 505-284-9671
- **Luigia Pyle**
  - Business Opportunities Website & Review and Approval Processes[lpyle@sandia.gov](mailto:lpyle@sandia.gov) 505-844-9674
- **Ann Riley**
  - Woman Owned Small Business Advocate[ajriley@sandia.gov](mailto:ajriley@sandia.gov) 505-284-9550
- **Business Point of Contact** [supplier@sandia.gov](mailto:supplier@sandia.gov) 800-765-1678

Sandia's Small Business Utilization Department is the "front door" into Sandia procurement



# Sandia Supply Chain Supplier Survey (Michigan State)

## Sandia's Perceived Strengths

**(Highest Scores in comparison to other customers)**

- Sandia's promptness in paying invoices on which there is no problem (4.10)
- Sandia's Technical Competence (4.03)
- Sandia's Integrity (3.95)

**Scoring criteria: 5 = much better than other customers, 3 = the same as other customers**

## Sandia's Perceived Weakness – Cost Management

- Effectiveness in lowering costs for the supplier as well as Sandia (3.04)
- Concern for the supplier's profitability (3.14)
- Processes that allow the supplier to provide the best value (3.22)
- Effectiveness in eliminating and properly allocating risks thus reducing the need to build contingencies into the price (3.23)
- Effectiveness in focusing on total cost of ownership (3.25)



# Sandia and PACA – How Can We Partner

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??????????

**Discussion / Questions**

**THANK YOU!**