Los Alamos NATIONAL LABORATORY EST. 1943

Small Business Program Summary

Fiscal Year 2011

Acquisition Services Management Division

NNSA National Nuclear Security Administration

Highlights from Dennis Roybal, Small Business Program Manager

Fiscal year 2011 was eventful for Los Alamos National Laboratory's Small Business Program. The Laboratory purchased almost $1 billion in goods and services during FY2011, making a significant difference to regional companies and small businesses.

Of the $918 million spent in FY2011, 51.4 percent of all purchases or $453 million dollars made by the Laboratory were from small businesses, far exceeding the Lab's target of 46 percent. As a result, the Laboratory exceeded its goals for purchases from Small Disadvantaged Businesses, Women-Owned Small Businesses, Veteran-Owned and Serviced-Disabled Veteran-Owned small businesses.

LANL also exceeded its goals for purchases made from small businesses in Northern New Mexico, the state, and the country. Procurements of $528 million remained in New Mexico and $342 million or 38.8 percent of all procurements stayed in Northern New Mexico. LANL's goal for Northern New Mexico procurements in FY2011 was 35 percent.

The Small Business Program Office (SBPO) works with LANL procurement personnel and program staff, to inform them about the many qualified small businesses available to provide goods and services to the Laboratory.

We also work diligently to keep businesses informed about business and procurement opportunities with the Laboratory.

Dennis Roybal

Los Alamos National Laboratory (LANL) is managed and operated by Los Alamos National Security, LLC (LANS) for the Department of Energy's National Nuclear Security Administration. LANL is located in Los Alamos, New Mexico and is one of the largest science and technology institutions in the world. The Laboratory is also the largest employer in Northern New Mexico; with more than 11,000 employees and an annual budget of more than $2 billion.

LANL's Mission:

Is to develop and apply science and technology, and engineering solutions to

- Ensure the safety, security, and reliability of the U.S. nuclear deterrent
- Reduce global threats
- Solve emerging national security challenges.

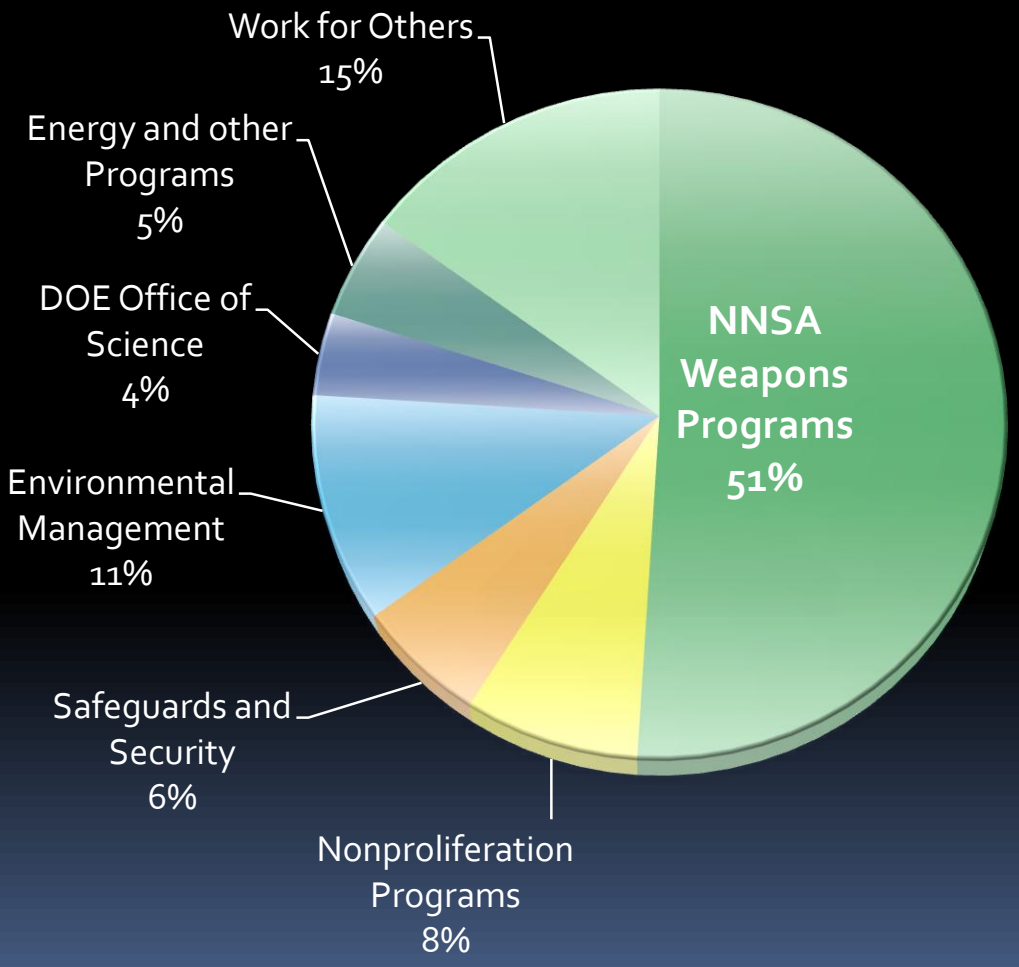
In addition to supporting the Lab's core national security mission, the Laboratory works to advance bioscience, chemistry, computer science, earth and environmental sciences, materials, and physics disciplines.

Los Alamos, the oldest, most complex, and second largest site is working hard to transform into a more efficient site.

- 36 square miles of DOE-owned property
- More than 2,000 individual facilities
- 47 Technical Areas
- Operating costs FY 2011: about $2 billion

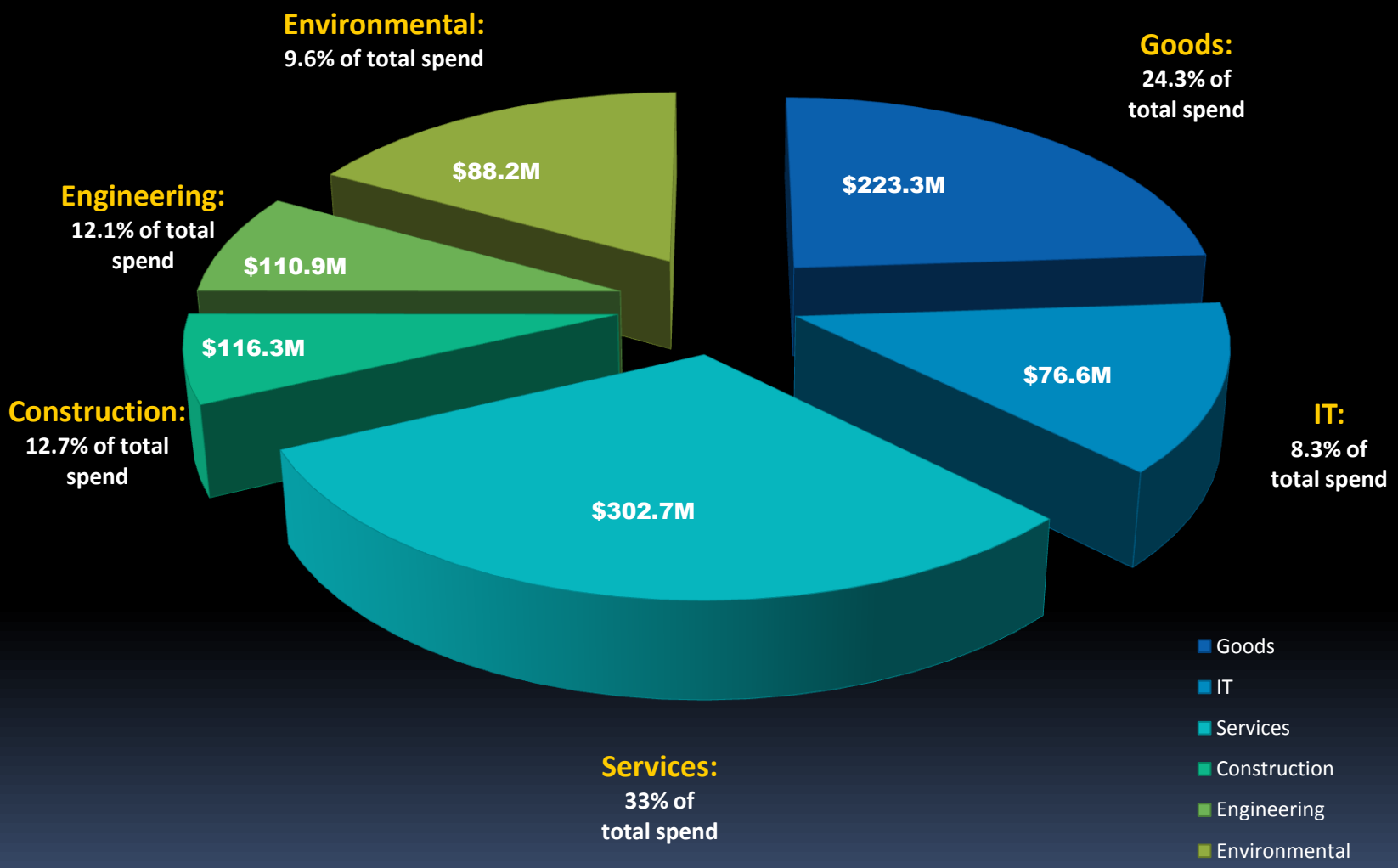
Los Alamos National Laboratory Budget

FY11 annual budget was approximately $2.2 billion



What We Bought

Total Spending $918 M



Doing Business with LANL

LANL maintains a strong institutional commitment toward small business subcontracting as formalized in the Prime Contract Appendices E and M. LANL demonstrates this by working as an institution and engaging managers to take an active role to increase procurement opportunities.

In keeping with this commitment, and in accordance with Appendix E (Small Business Subcontracting Plan), LANS, LLC has

- Demonstrated top-level management commitment to small business contracting.
- Implemented a small business set-aside strategy to increase the number of competitively awarded contracts to small businesses.
- Provided contract and subcontract opportunities to small businesses by communicating procurement opportunities through small business forums, training, and other outreach initiatives.
- Established policies and procedures to ensure compliance with the LANS, LLC subcontracting plan and attainment of subcontracting goals.
- Ongoing training for contracting staff in executing small business/socioeconomic procurements.
- Demonstrated small business data is in compliance with Small Business Administration (SBA) guidelines and is accurately reported via eSRS.

LANL employees at a New Mexico Veteran's Expo and Job Fair Event.

Socioeconomic Goals and Achievements

The Laboratory negotiates its socioeconomic goals annually with DOE/NNSA to ensure that a percentage of Laboratory procurements are placed with small and other socioeconomic businesses. The SBPO tracks procurement performance for the Laboratory and reports its performance semiannually to DOE, NNSA, and SBA.

The socioeconomic goals, which are negotiated and established, include these small business socioeconomic categories: Small Disadvantaged Business, Woman-Owned Small Business, Veteran-Owned Small Business, Service-Disabled Veteran-Owned Small Business, and HUBZone Small Business. While goals are not set for 8(a) Small Businesses, the SBPO also tracks the volume of procurements placed in this category.

Listed below are the socioeconomic goals and achievements for FY2011

Category	Goal	Achievement
Large Business	-	48.6%
Small Business	46%	51.4%
Small Disadvantage Business	10%	23.8%
Women-Owned Small Business	10%	13.4%
HUBZone Small Business	2.5%	2.0%
Veteran-Owned Small Business	3.0%	5.8%
Service-Disabled Veteran-Owned Small Business	1.5%	2.3%
8(a) Small Business	-	38.8%

Small Business Outreach:

The Small Business Program Office (SBPO) knows the importance of small business outreach events. LANL partnered with various organizations to support small business development and growth in accordance to the objectives of the Small Business Administration and LANL's Prime Contract requirements.

Small Business outreach events allow the SBPO to meet with small businesses to share forecasted business opportunities and discuss LANL programs and what capability and capacity small businesses have that would be supportive of LANL programmatic requirements. Information is then brought back to LANL and shared with procurement specialists and technical requestors. In addition, all small business contact information is then put into the Supplier Master Database in order to enable the SBPO staff and/or procurement specialists to retrieve the appropriate firms by their respective North American Industry Classification System (NAICS) codes for incorporation into the bidder lists when needed.

LANL proudly sponsored these events in FY2011:

- 5th Annual 2011 New Mexico Native American Economic Summit
- 12th Annual ETEBA Business Opportunities Conference
- National Association of Women Business Owners (NAWBO)
- New Mexico Minority Enterprise Development Conference – partnership with New Mexico 8(a) & Minority Business Association
- New Mexico Small Business Conference - partnership with U.S. Small Business Administration (SBA) and New Mexico Small Business Development Center
- New Mexico Veteran's Business Expo and Job Fair.

The New Mexico 2011 Business Expo & Job Fair Committee received a Veteran of the Quarter Award from New Mexico Congressman Martin Heinrich. Committee includes staff from LANL, Sandia, and members of the New Mexico Veterans Business Advocates.

Small businesses recognized

Los Alamos National Laboratory held a recognition ceremony for seven businesses that were most successful in the 2011fiscal year. The seven suppliers are:

- Edgewater Technical Associates LLC
- Homan's Inc.
- Integrated Electric and Utility LLC
- TEVET LLC
- TSAY Construction and Services LLC
- Vector Resources Inc.
- Vigil Enterprises Inc.

John Woosley, district director of the New Mexico Small Business Administration, recognized representatives from the seven businesses.

Doug McCrary, the LANL Acquisition Services Management Division leader said he attends a lot of functions, "but this one is important. It's the recognition of our suppliers and we do a lot of business with a lot of small businesses. We're proud of what these businesses have accomplished."

Left to right are Dennis Roybal, Doug McCrary, and Scott Osborn, Edgewater Technical Associates, LLC.

Left to right are Doug McCrary, John Woosley, Dennis Roybal, and Jerome Lujan, Integrated Electric and Utility, LLC.

LANL Small Business Subcontracting Program

When the Laboratory awards subcontracts to large business exceeding $500,000 ($1 million for construction), these major large business subcontractors must submit small business subcontracting plans. These plans include proposed goals for the various socioeconomic categories so that they're consistent with LANL's Subcontracting Plan (Appendix E of the Prime Contract). These plans are reviewed by a procurement specialist along with LANL's Small Business Program Office and negotiated appropriately based on the scope of work and the percentage of work to be subcontracted out.

Although the Laboratory can't use second tier dollars as part of achieving its small business goals. Under the prime contract, the second tier procurement awards impact the economy locally, regionally and nationally. For instance, at the end of fiscal year 2011, $57.9 million in procurement dollars were expended or awarded to small businesses by the Laboratory's major subcontractors with subcontracting plans.

The SBPO is very assertive in pushing for goals that are commensurate with the complex scopes of work by researching and identifying qualified small businesses on major acquisitions. SBPO also assists large businesses in identifying small businesses for lower tier subcontracting opportunities.

LANL Major Subcontractor's Achievements by Socioeconomic Category	Achievement in Dollars (million)
Small Business	$57.9
Small Disadvantage Business	$17.2
Women-Owned Small Business	$6.4
HUBZone Small Business	$1.9
Veteran-Owned Small Business	$8.7
Service-Disabled Veteran-Owned Small Business	$.5

Lab completes Recovery Act-funded demolition

January 2011

The final building demolished under the Recovery Act program at LANL is now gone. Built in 1965, the 34,000-square foot High Temperature Chemistry Facility was the hub of Project Rover—LANL's research into the use of nuclear reactors to propel rockets in space. Rover was among the Lab's earliest non-weapons projects.

Later, the building provided office and lab space for LANL's research on nuclear fusion. "This is a major milestone for us," said Gordon Dover, LANL's director of Recovery Act cleanup projects. "Not only are we removing unused buildings and contamination from the environment, we've done it with an excellent safety record."

More than half of the rubble has been packaged and shipped to licensed disposal facilities. "We owe a huge thank you to the small-business subcontractors who helped us get to this day," said George Rael, manager of Environmental Projects at the National Nuclear Security Administration's Los Alamos Site Office. "Their outstanding performance has provided a great service to the environment and the community, resulting in a successful project under the Recovery Act Program."

The Department of Energy's Office of Environmental Management allocated $212 million in Recovery Act funding to Los Alamos. Some $73 million was slated for demolition. Through cost efficiencies, the Lab added two buildings to the demolition list and still finished $16 million under budget and six months ahead of schedule. Eventually, the site will be made available for land transfer.

Key small business subcontractors: Innovative Technical Solutions, Inc. and ARSEC, LLC.

Small business firm selected to support design of new waste staging facility

January 2011

Weidlinger-Navarro Northern New Mexico Joint Venture, was selected to perform architectural and engineering work for the Lab's transuranic (TRU) waste staging facility. The approximately $5 million task order is expected to run through October 2012.

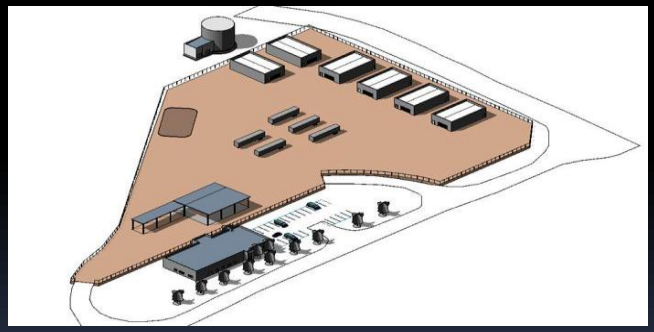
Weidlinger-Navarro will support the preliminary and final design phases of the 5-acre complex, where waste containers will be staged, characterized, and certified prior to shipment to the Waste Isolation Pilot Plant (WIPP) repository near Carlsbad, NM. TRU waste, which by law must go to WIPP, include items such as gloves, clothing, and lab equipment contaminated with elements heavier than uranium and above certain quantities.

The new facility would replace a number of buildings and fabric domes at LANL's Technical Area 54. That area must be closed and remediated under the Consent Order agreement with the state of New Mexico.

The facility will include multiple staging buildings plus an operations center and a concrete pad for mobile waste-characterization equipment. It is planned for a site at the Lab's Technical Area 63 in an area closed to the public.

After preliminary and final designs are approved, the construction will occur in two phases: site infrastructure and facility construction. Completion is targeted for the end of 2015.

Weidlinger-Navarro is one of six small businesses pre-selected by LANL back in 2009 to compete for various architectural and engineering tasks through 2014.



Conceptual drawing of the planned transuranic waste staging facility

Two small businesses selected for work valued at $80 million

April 2011

Los Alamos National Laboratory selected two small businesses,Terranear PMC, LLC and Eberline Services, Inc. to compete for up to $80 million in well drilling and groundwater monitoring work. The work will strengthen the Lab's ability to address groundwater monitoring requirements and contribute important data to LANL's investigation of Cold War-era waste sites.

The two companies have long-established Los Alamos offices, significant local workforces, and qualify as Northern New Mexico businesses under LANL procurement rules.

"Being able to efficiently drill new wells that produce quality groundwater samples is critical to completing our cleanup goals," said Michael Graham, the Lab's associate director for Environmental Programs. "And the fact that this work will go to local businesses is great."

Under a contracting vehicle known as a Master Task Order Agreement, the two companies will compete for individual tasks in LANL's well program. The agreement term is three years with two additional option years.

LANL monitors water at more than 200 wells and sample ports at various depths.

LANL completes excavation of 1940s waste disposal site

September 2011

LANL completed excavation of its oldest waste disposal site, Material Disposal Area B (MDA-B). The excavation removed about 43,000 cubic yards of contaminated debris and soil from the six-acre site. MDA-B was used from 1944-48 as a waste disposal site for the Manhattan Project and Cold War-era research and production.

The environmental cleanup work was funded by the U.S. Department of Energy's Office of Environmental Management through the American Recovery and Reinvestment Act. "The completion of the excavation of MDA-B is a landmark for our Recovery Act projects and environmental cleanup efforts," said George Rael, assistant manager for Environmental Operations at the National Nuclear Security Administration's Los Alamos Site Office. To protect workers and the public, the excavation of MDA-B was performed inside sturdy metal structures that resemble airplane hangars. The structures were equipped with fire and dust suppression systems and high efficiency particulate air (HEPA) filters.

Excavation was monitored via closed circuit television and infrared sensors. "Our crews removed the waste from this 65-year-old disposal site safely and efficiently," said Bruce Schappell, executive director of the Recovery Act projects at the Lab.

"Safety for the public, the environment, and our workers was always our top priority."

MDA-B consisted of narrow trenches up to 35 feet deep. Though most of the waste excavated from MDA-B was soil and run-of-the-mill trash, such as cardboard and protective clothing, items uncovered during excavation included the remains of two mid-1940s pickup trucks, nearly 30 inert artillery shells, and a calendar from 1946. The excavated waste was packaged appropriately and transported to disposal facilities.

"Work remains to be done at MDA-B, the completion of excavation is a real success story," said Kevin Smith, manager of the National Nuclear Security Administration's Los Alamos Site Office. "When the stimulus funded project is complete, the land will be available in the not too distant future for county reuse."

MDA-B Evacuation Area

Administration Building demolition completed under budget

October 2011

Los Alamos National Laboratory has completed demolition of its former Administration Building. Demolition of the 316,500-square-foot building was home to seven Laboratory directors which opened in 1956 and closed in September 2008.

Project activities started in April 2009 and was completed five months ahead of the original schedule and significantly under budget. “After we removed all regulated, hazardous materials such as asbestos, our team was able to recycle about 95 percent of the building,” said Darrik Stafford, LANL’s project director for the demolition. “At more than 300,000 square feet, this was a sizable undertaking,” added John Gallegos of the National Nuclear Security Administration’s Los Alamos Site Office. “I am pleased with the results of this project.”

ARSEC Environmental, LLC was the general contractor for the demolition of the structure, which consisted of four stories plus a basement. Demolition of the former Administration Building helped Los Alamos meet an NNSA directive to reduce its structural footprint, modernize its infrastructure, and provide LANL workers with safe, energy-efficient facilities.

The site of the former Administration Building is now a parking lot.

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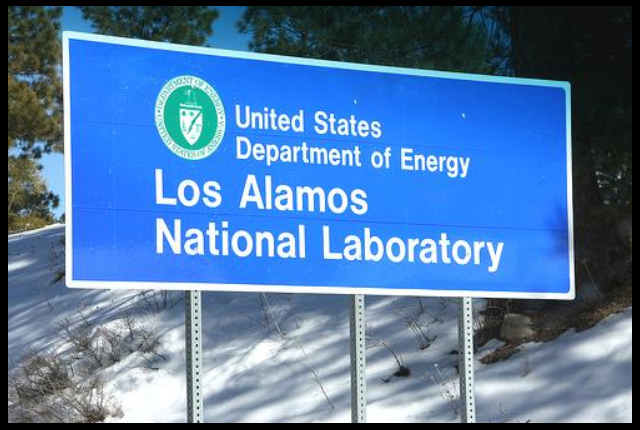
We're on the Web
http://business.lanl.gov



Contracting with small businesses is crucial to the Laboratory, as well as to the economic recovery of the nation. The Laboratory will continue to seek out qualified small businesses that can contribute to its success at the local, regional, and national level.

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