



Fiscal Year 2010 Parent Organization Oversight Plan Lawrence Livermore National Security

I. Introduction

This Parent Organization Oversight Plan (the Plan) presents for approval the detailed plan for the Fiscal Year 2010 (FY10) Parent Oversight activities as required by Contract No. DE-AC52-07NA27344.

The execution of the Plan by Lawrence Livermore National Security, LLC (LLNS, LLC) and its parent companies continues the self-governance model established to monitor and continuously improve the performance of Lawrence Livermore National Laboratory (LLNL). With this plan, the parent companies of Bechtel, University of California (UC), Babcock and Wilcox Technical Services Group (B&W), and URS/Washington Division (URS) will ensure the corporate support and sponsorship of the Laboratory as it endeavors to meet its mission and operational requirements. This plan is for the period from October 1, 2009 through September 30, 2010, and includes activity descriptions, cost estimates, the proposed schedule for planned activities, and reporting.

To improve integration between Los Alamos National Laboratory (LANL) and Lawrence Livermore, the parent organizations made the decision to operate with a common Board of Governors and Committees. The board and committee structure allows a sharing of costs between the LLNS, LLC and Los Alamos National Security, LLC (LANS, LLC) for the expenses of the Independent Governors and for the Committee costs. Only the LLNS costs are reflected in this plan.

The Plan details three oversight areas:

1. Board of Governors and Committees
2. Parent Organization Functional Management Reviews
3. LLNS, LLC Corporate Office, Livermore

II. Parent Oversight Elements

1. Board of Governors

The Board is composed of up to sixteen members, including five Independent Governors and a Battelle Governor.

The Executive Committee of the Board is the decision-making body for LLNS, LLC and is responsible for the oversight of Laboratory operations. The Executive Committee members are as follows:

Norman Pattiz – Chairman (UC)
Scott Ogilvie – Vice Chairman (Bechtel)
Craig Weaver (Bechtel)

David Pethick (URS)
Bruce Darling (UC)
William Frazer (UC)



Four Advisory Member Governors are appointed by the Executive Committee. They are as follows:

David Walker (Bechtel)
Bruce Varner (UC)

Steven Beckwith, (UC)
Tom Gioconda (Bechtel)

Jeffrey Wadsworth serves as the Battelle Governor.

The cost of these senior parent organization executives and the Battelle Governor will not be charged to the contract.

The five Independent Governors were selected based on their experience in the most significant areas of the laboratory. The Independent Governors will remain:

William Perry
Nick Moore
John Gordon

Sid Drell
Richard Mies

Proposed Cost for the Independent Governors: \$231,000 (Attachment 1)

Executive Committee meetings have been held since the contract award and full Board meetings began in September 2007. Quarterly Board meetings will be held throughout FY10. Executive Committee meetings will be held, at a minimum, on a quarterly basis and more frequently if deemed necessary.

2. Board Committees

There are seven Board Committees. These are advisory Committees to the Board and all are chaired by one of the Board members. The cost of Committee meetings, since they meet jointly, is shared with LANS, LLC. The exception is the LLNS Business and Operations Committee, which will focus solely on LLNL in the foreseeable future in order to provide adequate oversight for the area in which most improvements are needed. The LANS and LLNS committees have overlapping Committee members, who will ensure integration in business and operations between both Labs wherever possible. The members of all LLNS Committees appear in Attachment 2. With the exception of Nominations and Compensation, which meets on an as-needed basis, the Committees meet quarterly.

The committees and their chairs are as follows:

Business and Operations—David Walker

This committee reviews the quality and efficacy of business and operations and identifies where best practices (commercial or throughout the DOE Complex) can improve Laboratory functions.



Ethics and Audit—Nick Moore

The committee reviews the integrity of the Laboratory's financial systems, ethics program, and other aspects of Laboratory operations, including internal controls, whistle-blower issues, and procurement.

Mission—William Perry

This committee advises on the Laboratory's capabilities and performance related to national defense and its ability to meet current and future mission needs.

Nominations and Compensation—Bruce Darling

This committee reviews and advises on selection, performance, and compensation for key and other designated personnel; benefits and compensation issues; and review of the Laboratory succession planning.

Nuclear Weapons Complex Integration—Richard Mies

This committee advises on matters directly related to integrating the NNSA weapons complex with the goal of enhancing agility, flexibility, and efficiency.

Safeguards and Security – Tom Gioconda

This committee reviews the institutionalization and implementation of appropriate and effective safeguards and security policies and procedures based on current issues and future trends.

Science and Technology—William Frazer

This committee reviews the Laboratory's scientific quality, positioning for the future national needs, and ability to attract and retain scientific staff in critical technical areas.

Proposed Cost: \$544,752 (Attachment 1)

3. Parent Organization Functional Management Reviews and Assists

Parent Organization Functional Management Reviews (FMR) are formal, integrated reviews conducted to guarantee that the Laboratory management system are based upon the parent organizations' best practices and industry standards, and to promote continuous improvement through oversight of LLNS management and systems for adequacy and effectiveness. Reviews in the areas of Mission and Science will evaluate the quality, responsiveness, and future positioning of programmatic and scientific work at the Laboratory. The review teams are composed of parent organization experts from corporate staff; experts from other DOE and NNSA sites managed by Bechtel, B&W, Battelle, URS, or UC; and other subject matter experts as required. Responsibilities of corporate reach-back include verifying discipline-specific procedures and methods; providing qualified and trained resources; assessing the effectiveness of on-project implementation, guidance and procedures; mentoring personnel; and performing periodic peer review. Parent Organization Assists are formal visits by the LLNS, LLC Parent Companies to bring best commercial business practices to the Laboratory.



The Plan for FY10 includes reviews in the following discipline areas: Operations (including Laboratory Operations and Business; Environment, Safety and Health [ES&H]; and Security), Mission, and Science & Technology (S&T).

Based on our experience to date, LLNS plans to perform 16 Parent Organization FMRs/Assists during fiscal year 2010. The areas for these reviews are identified as areas of risk or areas where significant opportunities for improvement may be required, or as peer reviews of scientific and technical work. The areas have been identified by LLNS management, Board of Governors and/or Committee requests, customer focus areas, identified trends, and follow-up from previous reviews. Of the 7 FMRs/Assists, 2 are reserved for specific assignment during the year to support special requests or for emergent issues. In an effort to provide lessons learned, results of similar LANS, LLC FMRs will be shared with LLNS management and the FMR teams as background information on best practices and potentially similar opportunities for improvement. A representative of one of the LLNS Board of Governors Committees will observe many of the FMRs to enhance the knowledge base of the Committees.

The Plan schedule (Attachment 3) includes three program reviews organized around the three Principal Program Directorates—emphasizing the S&T underpinnings of the programmatic work; three discipline reviews organized around the three discipline directorates in the S&T Principal Directorate—emphasizing the programmatic relevance of the S&T work; and three strategic portfolio reviews on topics of central interest to the overall mission of the laboratory conducted by specifically selected review committees, assembled for that particular review.

The schedule will be integrated and maintained by LLNS Corporate Office staff on behalf of the Board and the parent organizations. The schedule is subject to change based on emerging areas requiring assessment and availability of external parent team members.

Proposed Cost: \$596,250 (Attachment 1)

4. LLNS, LLC Corporate Office

The LLNS Office is responsible for ensuring that the Board of Governors' oversight activities in the Plan are implemented and that the needs of the Laboratory for corporate reach-back and external expertise are met. The LLNS Office Director will be responsible for support to the Board and its Committees and the implementation of the Plan on behalf of the parent organizations.

The LLNS Corporate Office will be staffed with 4.5 full-time equivalent (FTE) employees during FY10. The personnel in the office are assigned by the parent organizations, and provide coordination and support of the Plan, and technical oversight in the transformation and continuous improvement of the Laboratory.

Proposed Cost: \$1,007,135 (Attachment 1)



III. Total Cost Estimate for Planned Activities

A cost estimate summary based on the planned activities is provided in Attachment 1. The cost estimates for each of the oversight areas will be maintained and tracked by the corporate office staff. The estimate summarizes the total cost for FY2010.

Total budget estimate: \$2,379,137 (Attachment 1)

IV. Periodic Reports

The schedule of the Parent Organization FMRs will be sent to the Livermore Site Office (LSO) and to the Laboratory management on a regular basis. This schedule will detail completed and planned reviews for FY10. In addition, a formal notice of the kick-off and exit briefings for each review, including date, time, and place, is sent to the central point of contact for LSO. Final reports are also provided to LSO, Laboratory management, and Board Committees. The issues identified in these reports are entered and tracked via the Parent Oversight Plan Recommendations Reporting System.



Attachment 1

**FY10 LLNS, LLC
Parent Oversight Cost Estimate
Reimbursable Costs**

FY10 (October 1, 2009 - September 30, 2010)							
Oversight Area	Number of Members	Job Hours	Mechanism	Labor	Labor & Fringe	Travel Costs	FY10 Total Costs
Board of Governors (BOG)							
Executive Committee	6						
Advisory Governors	4						
Battelle Governor	1						
Independent Governors	5		Per Letter Agreements	\$ 210,000	\$ 210,000	\$ 21,000	\$ 231,000

FY10 (October 1, 2009 - September 30, 2010)							
Oversight Area	Number of Members	Job Hours	Labor	Fringe	Labor & Fringe	Travel Costs	FY10 Total Costs
Committees							
Business and Operations	9	672	\$ 132,170	included in labor	\$ 132,170	\$ 36,000	\$ 168,170
Ethics and Audit	6	240	\$ 39,825	included in labor	\$ 39,825	\$ 9,000	\$ 48,825
Mission	13	352	\$ 56,744	included in labor	\$ 56,744	\$ 18,000	\$ 74,744
Nomination and Compensation	7	48	\$ 8,011	included in labor	\$ 8,011	\$ -	\$ 8,011
Nuclear Weapons Complex Integration	9	160	\$ 28,895	included in labor	\$ 28,895	\$ 16,500	\$ 45,395
Safeguards and Security	12	304	\$ 44,560	included in labor	\$ 44,560	\$ 27,000	\$ 71,560
Science and Technology	15	672	\$ 96,548	included in labor	\$ 96,548	\$ 31,500	\$ 128,048
Committees Total	71	2448	\$ 406,752		\$ 406,752	\$ 138,000	\$ 544,752

FY10 (October 1, 2009 - September 30, 2010)								
Oversight Area (details)	Number of Members	Job hours	Labor	Fringe	Labor & Fringes	Travel Costs	Number of Reviews	FY10 Total Costs
Functional Management Reviews (FMRs)								
Mission and Science	27	1080	\$ 234,000	included in labor	\$ 234,000	\$ 47,250	9	\$ 281,250
Business and Operations	28	1,280	\$ 224,000	included in labor	\$ 224,000	\$ 56,000	9	\$ 280,000
FMR Total	55	2360	\$ 458,000		\$ 458,000	\$ 103,250	18	\$ 561,250

FY10 (October 1, 2009 - September 30, 2010)								
Oversight Area	Job hours	FY10 Rates-w/o Fringe	Labor w/o Fringe	Labor & Fringe	Travel Costs	Other Direct Costs	FY10 Total Costs	
LLNS, LLC Office								
Executive Director	500	80.87	\$ 40,435	\$ 73,856	\$ 4,000	\$ 214,682	\$ 292,538	
Bechtel Representative	1774	66.48	\$ 117,924	\$ 183,973	\$ 4,000		\$ 187,973	
UC Representative	1420	102.18	\$ 145,096	\$ 214,329	\$ 4,000		\$ 218,329	
UC Representative	1774	80.87	\$ 143,448	\$ 223,794	\$ 4,000		\$ 227,794	
Administrative	1774	29.09	\$ 51,604	\$ 80,502			\$ 80,502	
Livermore LLC, Corporate Office Total	7242		\$ 498,507	\$ 702,598	\$ 16,000	\$ 214,682	\$1,007,135	
LLNS LLC FY10 Reimbursable Cost:							\$ 2,344,137	



**Attachment 2
LLNS Board of Governors Committees**

Business and Operations Committee

Last Name	First Name	Title	Affiliation	Term Ends
Walker	David	President, Bechtel National Inc.	Bechtel National, Inc.	Governor
Weaver	Craig D.	Executive Vice President	Bechtel National, Inc.	Governor
Allen	Patricia	Director, Environmental, Safety, Health, and Quality Assurance	URS/Washington Division Energy and Environment	7/31/2010
Hoovler	Gary	Director, Technical Services	B&W Technical Services Group	7/31/2010
Georgi	Karl	Chief Information Officer and Manager of Information Systems and Technology	Bechtel Systems and Infrastructure, Inc.	7/31/2010
Koonce	Buck	Deputy Associate Vice President	University of California, Office of the President	7/31/2010
Mendez	Maureen	Chief Financial Officer and Business Services Manager	Bechtel Systems and Infrastructure, Inc.	7/31/2010
Moreton	Mary	Senior Vice President	Bechtel National, Inc.	7/31/2010
Poulson	Bill	Executive Vice President	URS/Washington Division Energy and Environment	7/31/2010

Ethics and Audit Committee

Last Name	First Name	Title	Affiliation	Term Ends
Moore	Nicholas G.	Chairman (retired)	PricewaterhouseCoopers	Governor
Broome	Anne	Vice President, Finance	University of California, Office of the President	7/31/2010
Colling	Beth	Managing Attorney	Babcock & Wilcox, Nuclear Operations Group	7/31/2010
Reed	Patrick	University Auditor	University of California, Office of the President	7/31/2010
Sanford	Paula	Manager of Internal Audit – Compliance Manager	Bechtel Systems and Infrastructure, Inc.	7/31/2010



Ethics and Audit Committee (cont'd)

Last Name	First Name	Title	Affiliation	Term Ends
Sparks	Anette	Controller, Bechtel Group	Bechtel Group, Inc.	7/31/2010

Mission Committee

Last Name	First Name	Title	Affiliation	Term Ends
Drell	Sidney	Professor at the Stanford Linear Accelerator Center, Emeritus and Senior Fellow, by courtesy, at the Hoover Institution	Stanford Linear Accelerator Center, Stanford University	Governor
Frazer	William R.	Executive Vice President Emeritus, University of California	University of California	Governor
Gordon	John A.	General (United States Air Force, retired)	Consultant	Governor
Perry	William J.	Michael & Barbara Berberian Professor	Stanford University	Governor
Wadsworth	Jeffrey	President and Chief Executive Officer, Battelle Memorial Institute	Battelle Memorial Institute	Governor
Carnesale	Albert	Chancellor Emeritus and Professor	University of California, Los Angeles	7/31/2012
Eardley	Douglas	Professor of Physics	University of California, Santa Barbara	7/31/2010
Evans	Eric	Laboratory Director	Massachusetts Institute of Technology, Lincoln Lab	7/31/2010
Hemley	Russell J.	Director, Geophysical Laboratory, Carnegie Institution of Washington	Consultant	7/31/2012
O'Sullivan	Stephanie	Deputy Director for Science and Technology	Central Intelligence Agency	7/31/2011
Schneider, Jr.	William	Chairman, Defense Science Board	Consultant	7/31/2010
Smith	Harold P.	Former Assistant to the Secretary of Defense for Atomic Energy	Consultant	7/31/2012
Welch	Larry	General (United States Air Force, retired)	Institute for Defense Analyses	7/31/2011



Nomination and Compensation Committee

Last Name	First Name	Title	Affiliation	Term Ends
Darling	Bruce B.	Executive Vice President	University of California, Office of the President	Governor
Drell	Dr. Sidney	Professor at the Stanford Linear Accelerator Center, Emeritus and Senior Fellow, by courtesy, at the Hoover Institution	Stanford Linear Accelerator Center, Stanford University	Governor
Weaver	Craig D.	Executive Vice President	Bechtel National, Inc.	Governor
Larsen	Dennis	Director, Senior Management Group	University of California, Office of the President	7/31/2010
Hampton	Donna	Human Resource Division Manager	Babcock & Wilcox Technical Services Group	7/31/2010
James	Joan	Manager, Human Resources	Bechtel Systems & Infrastructure, Inc.	7/31/2010
Snowberger	Thomas	Vice President	Battelle Memorial Institute	7/31/2010

Nuclear Weapons Complex Integration Committee

Last Name	First Name	Title	Affiliation	Term Ends
Cochran	Robert	President	Babcock & Wilcox Technical Services Group	Governor
Mies	Richard	Admiral (United States Navy, retired)	Mies Group	Governor
Gioconda	Thomas	Vice President & Manager of Government Programs	Bechtel National, Inc.	Governor
Beckner	Everet H.	Vice President (retired)	Consultant	7/31/2010
Birely	John	Associate Vice President – Lab Programs	University of California, Office of the President	7/31/2010
Browne	John	Laboratory Director (Retired)	Consultant	7/31/2010
Gordon-Hagerty	Lisa E.	President & Chief Executive Officer of LEG, Inc.	LEG, Inc	7/31/2010
Kuckuck	Robert W.	Laboratory Director (Retired)	Consultant	7/31/2010
Landers	James	Director, Business Development	URS/Washington Division	7/31/2010



Safeguards and Security Committee

Last Name	First Name	Title	Affiliation	Term Ends
Cochran	Robert	President	Babcock & Wilcox Technical Services Group	Governor
Gioconda	Thomas	Vice President & Manager of Government Programs	Bechtel National, Inc.	Governor
Pethick	David	President	URS/Washington Division	Governor
Baxter	Wilson	Information Security Manager	Bechtel Systems & Infrastructure Inc.	7/31/2010
Clements	Willis (Butch)	Vice President, Safeguards & Security	Babcock & Wilcox Technical Services Y-12, LLC	7/31/2010
Dailey	George A	Chief Information Officer	Babcock & Wilcox Technical Services Y-12, LLC	7/31/2010
Johnson	Owen (Toby)	Consultant	Retired	7/31/2010
Nichols	Donna	Director, Security and Ethics	URS/Washington Division	7/31/2010
Sullivan	Francis	Consultant	Retired	7/31/2010
Thomas	Richard	Global Corporate Security Manager	Bechtel Corporation	7/31/2010
Trent	Larrie	Consultant, Safety & Security	Consultant	7/31/2010
Wolf	Daniel	President	Cyber Pack Ventures	7/31/2010

Science and Technology Committee

Last Name	First Name	Title	Affiliation	Term Ends
Beckwith	Steven	Vice President for Research and Graduate Studies	University of California, Office of the President	Governor
Frazer	William R.	Executive Vice President Emeritus, University of California	University of California	Governor
Benz	August (Gus) D.	Program Manager, Bechtel Fellow	Bechtel National, Inc.	7/31/2011
Bercaw	John	Professor of Chemistry	California Institute of Technology	7/31/2011



Science and Technology Committee (cont'd)

Last Name	First Name	Title	Affiliation	Term Ends
Colvin	Michael	Professor of Natural Sciences	University of California, Merced	7/31/2011
Falcone	Roger	Director, Advanced Light Source	Lawrence Berkeley National Laboratory	7/31/2012
Jeanloz	Raymond	Professor of Physics	University of California, Berkeley	7/31/2012
Karin	Sidney	Professor Emeritus of Computer Science & Engineering (UCSD)	Sidney Karin Consulting	7/31/2012
Long	Darrell D.E.	Professor of Computer Science	University of California, Santa Cruz	7/31/2010
Navrotsky	Alexandra	Interdisciplinary Professor of Chemical Engineering and Materials Science	University of California, Davis	7/31/2010
Peddicord	K. Lee	Professor of Nuclear Engineering	Texas Agricultural & Mechanical University	7/31/2012
Rosner	Robert	William E. Wrather Distinguished Service Professor	University of Chicago	7/31/2012
Tirrell	Matthew	Professor & Dean of Engineering	University of California, Santa Barbara	7/31/2010
Vogt	Rochus	Professor of Physics, Emeritus	California Institute of Technology	7/31/2011
Vujic	Jasmina	Professor of Nuclear Engineering	University of California, Berkeley	7/31/2010



Attachment 3

Schedule of LLNS Parent Organization Functional Management Review/Assists Teams

<i>FY-10 LLNS Parent Organization Functional Management Review/Assist Teams</i>				
Focus Area	Responsible Manager	FY10 Start Date	LLNS/LSO Representative	Number of Reviews in FY10
OPERATIONS				7
ARRA Program	Dempsey	2nd Quarter	Offringa/Parenti	1
Business Systems, IT Support/IT Desktop, Network, Storage Systems	Russo	1st Quarter	Offringa/Parenti	1
Radiation Protection	Wuthrich	3rd Quarter	Offringa/Parenti	1
Business Development Assist	Doesburg	2nd Quarter	Laskowsky/Promani	1
Ethics Program	Ehlenbach	3 rd Quarter	Laskowsky/Parenti	1
Two Selected Reviews TBD	TBD	TBD	Laskowsky/Offringa	2
MISSION and SCIENCE and TECHNOLOGY				9
Computation Discipline Review	Crawford	3rd - 4th Quarter	Coll/Brinker	1
Engineering Discipline Review	Lane	3rd - 4th Quarter	Coll/Brinker	1
Physical & Life Sciences Discipline Review	Goldstein	3rd - 4th Quarter	Coll/Brinker	1
Global Security Program Review	Doesburg	3rd - 4th Quarter	Coll/Brinker	1
Weapons and Complex Integration Program Review	Goodwin	3rd - 4th Quarter	Coll/Brinker	1
NIF & Photon Science Program Review	Moses	3 rd Quarter	Coll/Brinker	1
Portfolio Reviews	Diaz de la Flubia	3rd - 4th Quarter	Coll/Brinker	3
Total				16