



## **Fiscal Year 2011 Parent Oversight Plan**

### **Lawrence Livermore National Security, LLC**

#### **I. Introduction**

This Parent Oversight Plan (POP) presents for approval detailed Fiscal Year 2011 (FY11) 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), URS, and Battelle 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, 2010 through September 30, 2011, and includes activity descriptions, cost estimates, the proposed schedule for planned activities, and reporting.

To improve integration between LLNL and Los Alamos National Laboratory (LANL), 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 LLNS, LLC and Los Alamos National Security, LLC (LANS, LLC) for the expenses of the Independent Governors and for Committee costs. Only the LLNS costs are reflected in this plan.

The Plan details three oversight areas, provides a cost estimate for the planned activities, and describes how these activities are reported.

#### **II. Parent Oversight Elements**

The Plan details three oversight areas:

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

##### **1. Board of Governors and Committees**

The Board is composed of up to sixteen members, including five Independent Governors. The Board is supported by seven committees.

##### **Board of Governors**

The Board can include up to sixteen members, including the six-member Executive Committee, four Advisory Governors, a Battelle Governor, and five Independent Governors.



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)
- Bruce Darling (UC)
- William Frazer (UC)
- David Pethick (URS)
- Craig Weaver (Bechtel)

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

- Steven Beckwith(UC)
- Tom Gioconda (Bechtel)
- Bruce Varner (UC)
- David Walker (Bechtel)

Jeffrey Wadsworth serves as the Battelle Governor.

The costs associated with these senior parent organization executives, including 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:

- Sid Drell
- John Gordon
- Richard Mies
- Nick Moore
- William Perry

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 FY11. Executive Committee meetings will be held, at a minimum, on a quarterly basis and more frequently if deemed necessary.

### **Board Committees**

There are seven Board committees. These are advisory committees to the Board and each is chaired by a Board member. The cost of committee meetings is shared with LANS, LLC and the committees meet jointly. With the exception of Nominations and Compensation, which meets on an as-needed basis, the committees meet quarterly. The members of the committees appear in Attachment 2

The strategic focus of the committees was reviewed as part of a self-assessment initiated by the Board in FY 2009. Each Committee Chair was tasked with reevaluating committee membership and scope, and working with the Laboratory Director (1) to help



outline the scientific and national security vision for the Laboratory and (2) to reduce excessively burdensome administrative requirements without diminishing the effectiveness and productivity of scientific, technical, and other Laboratory employees. The results, which were reported to the full Board, have had the effect of sharpening the strategic focus of the committees.

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 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: \$452,186 (Attachment 1)

## 2. Parent Organization Functional Management Reviews

Parent Organization Functional Management Reviews (FMRs) are formal, integrated reviews conducted (1) to guarantee that the Laboratory management systems are based upon the parent organizations' best practices and industry standards, and (2) to promote continuous improvement through oversight of LLNS management and systems for adequacy and effectiveness. 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. Reviews in the areas of Mission and Science will evaluate the quality, responsiveness, and future positioning of programmatic and scientific work at the Laboratory.

Based on the Board's self-assessment and LLNS experience to date, sixteen Parent Organization FMRs are planned for FY 2011, as shown in Attachment 3. The areas for these reviews were selected on the basis of risk, opportunity for significant improvement, or as peer reviews of scientific and technical work. Of the sixteen reviews, nine fall under the categories of Mission or Science and Technology (S&T). They will be conducted by specifically selected review committees, assembled for that particular review and will be drawn from the following categories:

- Program reviews organized around one of the Principal Program Directorates (emphasizing the S&T underpinnings of the programmatic work)
- Discipline reviews organized around one or more discipline directorates in the S&T Principal Directorate (emphasizing the programmatic relevance of the S&T work)
- Strategic portfolio reviews on topics of central interest to the overall mission of the laboratory.

The remaining seven FMRs will be in the Operations area. The specific topics will be identified by LLNS management, the Board of Governors and/or Committee requests, or as customer focus areas, identified trends, follow-up from previous reviews, special requests, or emergent issues. In an effort to provide lessons learned, results of similar LLNS, 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 LLNS Board of Governors Committee member will serve as the point of contact for each FMR, and many of the FMRs will be observed by a committee member to enhance the knowledge base of the committees. Reviews in the areas of Mission and Science will evaluate the quality, responsiveness, and future positioning of programmatic and scientific work at the Laboratory.

A detailed schedule will be developed, integrated, and maintained by LLNS Corporate Office staff on behalf of the Board and the parent organizations. The schedule will be based on emerging areas requiring assistance and availability of external parent team members.

Proposed Cost: \$561,250 (Attachment 1)

### **3. 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 Executive Office Director will be responsible for providing support to the Board and its Committees and the implementation of the Plan on behalf of the parent organizations.



The LLNS, LLC Corporate Office will be staffed with 4.33 full-time equivalent employees during FY11. The personnel in the office provide coordination and support of the Plan, as well as technical oversight in the continuous improvement of the Laboratory.

Proposed Cost: \$1,072,295 (Attachment 1)

### **III. Total Cost Estimate for Planned Activities**

The 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 FY2011.

Total budget estimate: \$2,316,731 (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 FY11 as they are developed and completed. In addition, a formal notice of the kick-off and exit briefings for each review, including date, time, and place, will be 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**

**FY11 LLNS, LLC  
Parent Oversight Cost Estimate  
Reimbursable Costs**

FY11 (October 1, 2010 - September 30, 2011)						
Oversight Area	Number of Members	Job Hours	Mechanism	Labor	Travel Costs	FY11 Total Costs
<b>Board of Governors (BOG)</b>						
Executive Committee	6					
Advisory Governors	4					
Battelle Governor	1					
Independent Governors	5		Per Letter Agreements	\$ 210,000	\$ 21,000	\$ 231,000

FY11 (October 1, 2010 - September 30, 2011)						
Oversight Area	Number of Members	Job Hours	Labor	Fringe	Travel Costs	FY11 Total Costs
<b>Committees</b>						
Business and Operations	11	504	\$ 74,284	included in labor	\$ 23,250	\$ 97,534
Ethics and Audit	6	208	\$ 34,683	included in labor	\$ 12,000	\$ 46,683
Mission	13	288	\$ 47,231	included in labor	\$ 21,000	\$ 68,231
Nomination and Compensation	7	40	\$ 4,273	included in labor	\$ -	\$ 4,273
Nuclear Weapons Complex Integration	9	112	\$ 20,593	included in labor	\$ 15,000	\$ 35,593
Safeguards and Security	11	310	\$ 51,857	included in labor	\$ 20,250	\$ 72,107
Science and Technology	15	616	\$ 93,264	included in labor	\$ 34,500	\$ 127,764
<b>Committees Total</b>	<b>72</b>	<b>2,078</b>	<b>\$ 326,186</b>		<b>\$ 126,000</b>	<b>\$ 452,186</b>

FY11 (October 1, 2010 - September 30, 2011)							
Oversight Area (details)	Number of Members	Job hours	Labor	Fringe	Travel Costs	Number of Reviews	FY11 Total Costs
<b>Functional Management Reviews (FMRs)</b>							
Mission and Science	27	1,080	\$ 204,000	included in labor	\$ 47,250	9	\$ 281,250
Operations	28	1,280	\$ 224,000	included in labor	\$ 56,000	7	\$ 280,000
<b>FMR Total</b>	<b>55</b>	<b>2,360</b>	<b>\$ 428,000</b>		<b>\$ 103,250</b>	<b>16</b>	<b>\$ 561,250</b>

FY11 (October 1, 2010 - September 30, 2011)							
Oversight Area	Job hours	FY11 Rates w/o Fringe	Labor w/o Fringe	Labor & Fringe	Travel Costs	Other Direct Costs	FY11 Total Costs
<b>LLNS, LLC Office</b>							
Executive Director	532	\$ 115.43	\$ 61,409	\$ 95,798	\$ 5,000	\$ 220,982	\$ 321,780
Office Manager	1,774	\$ 78.93	\$ 140,019	\$ 218,430	\$ 5,000		\$ 223,430
Corporate Representative	1,774	\$ 99.74	\$ 176,935	\$ 276,019	\$ 5,000		\$ 281,019
Corporate Representative	1,774	\$ 58.71	\$ 104,149	\$ 162,473	\$ 5,000		\$ 167,473
Administrative	1,774	\$ 28.40	\$ 50,381	\$ 78,594			\$ 78,594
<b>LLNS, LLC Corporate Office Total</b>	<b>7,628</b>		<b>\$ 532,893</b>	<b>\$ 831,313</b>	<b>\$ 20,000</b>	<b>\$ 220,982</b>	<b>\$1,072,295</b>

**LLNS LLC FY11 Reimbursable Cost: \$2,316,731**





**Attachment 2  
Board of Governors Committees**

**Business and Operations Committee**

<b>Last Name</b>	<b>First Name</b>	<b>Title</b>	<b>Affiliation</b>	<b>Term Ends</b>
Walker	David	President, Bechtel National Inc.	Bechtel National, Inc.	Governor
Weaver	Craig	Executive Vice President	Bechtel National, Inc.	Governor
Allen	Patricia	Director, Environmental, Safety, Health, and Quality Assurance	URS	7/31/2010
Angelos	Jimmy	Senior Vice President, Consulting Solutions	URS Safety Management Solutions	7/31/2010
Georgi	Karl	Manager, Information Systems & Technology	Bechtel National, Inc.	7/31/2010
Hoovler	Gary	Director, Technical Services	Babcock and Wilcox	7/31/2010
Hyman	Vern	Chief Financial Officer	URS	7/31/2010
Kelsey	Andy	Business Development Representative	Bechtel National, 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 & Infrastructure, Inc.	7/31/2010
Moreton	Mary	Senior Vice President	Bechtel National, Inc.	7/31/2010

**Ethics and Audit Committee**

<b>Last Name</b>	<b>First Name</b>	<b>Title</b>	<b>Affiliation</b>	<b>Term Ends</b>
Moore	Nicholas	Chairman (retired)	Price Waterhouse Coopers	Governor
Broome	Anne	Vice President, Finance	University of California, Office of the President	7/31/2010
Colling	Beth	Managing Attorney	B&W, Nuclear Operations Group	7/31/2010
Vacca	Sheryl	UC Senior VP & Chief Compliance & Audit Off	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
Sparks	Anette	BGI Controller	Bechtel Group, Inc.	7/31/2010



### Nomination and Compensation Committee

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

### Nuclear Weapons Complex Integration Committee

Last Name	First Name	Title	Affiliation	Term Ends
Mies	Richard	Admiral USN (retired)	Mies Group	Governor
Gioconda	Thomas	Vice President & Manager of Government Programs	Bechtel National, Inc.	Governor
Beckner	Everet	Vice President (retired)	Consultant	7/31/2010
Mara	Glenn	Consultant	University of California	7/31/2010
Browne	John	Laboratory Director (Retired)	Consultant	7/31/2010
Cochran	Robert	President	B&W Technical Services Group	LANS Governor
Gordon-Hagerty	Lisa	President & CEO of LEG, Inc.	LEG, Inc	7/31/2010
Kuckuck	Robert	Laboratory Director (Retired)	Consultant	7/31/2010
Landers	James	Director, Business Development	URS	7/31/2010





### Mission Committee

Last Name	First Name	Title	Affiliation	Term Ends
Perry	William	Michael & Barbara Berberian Professor	Stanford University	Governor
Drell	Sidney	Professor at the Stanford Linear Accelerator Center, Emeritus and Senior Fellow, by courtesy, at the Hoover Institution	SLAC, Stanford University	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	Director	MIT Lincoln Lab	7/31/2010
Frazer	William	UC Provost Emeritus	University of California, Berkeley	Governor
Gordon	John	General (USAF, retired)	Consultant	LLNS Governor
Hemley	Russell	Director, Geophysical Laboratory	Carnegie Institution of Washington	7/31/2012
O'Sullivan	Stephanie	Deputy Director for Science and Technology	CIA	7/31/2011
Schneider, Jr.	William	Chair, Defense Science Board	Consultant	7/31/2010
Smith	Harold	Former Assistant to the Secretary of Defense for Atomic Energy	Consultant	7/31/2012
Wadsworth	Jeffrey	President and CEO	Battelle Memorial Institute	LLNS Governor
Welch	Larry	General (USAF, retired)	Institute for Defense Analyses	7/31/2011



### Safeguards and Security Committee

Last Name	First Name	Title	Affiliation	Term Ends
Cochran	Robert	President	B&W Technical Services Group	Governor
Gioconda	Thomas	Vice-President and Manager of Government Programs	Bechtel National, Inc.	Governor
Baxter	Wilson	Information Security Manager	Bechtel Systems & Infrastructure Inc.	7/31/2010
Clements	Willis	Vice President, Safeguards & Security	B&W Technical Services Y-12, LLC	7/31/2010
Dailey	George	Chief Information Officer	B&W Technical Services Y-12, LLC	7/31/2010
Johnson	Owen	Consultant	Retired	7/31/2010
Nichols	Donna	Director, Security and Ethics	URS	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	Retired (BWXT)	7/31/2010
Wolf	Daniel	President	Cyber Pack Ventures	7/31/2010

### Science and Technology Committee

Last Name	First Name	Title	Affiliation	Term Ends
Frazer	William	UC Provost Emeritus	University of California Berkeley	Governor
Beckwith	Steven	Vice President for Research and Graduate Studies	University of California, Office of the President	Governor
Benz	August	Fellow	Bechtel National, Inc.	7/31/2011
Bercaw	John	Professor of Chemistry	Cal Tech	7/31/2011
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	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 A&M University	7/31/2012
Rosner	Robert	William E. Wrather Distinguished Service Professor	University of Chicago	7/31/2012
Segalman	Rachel	Associate Professor of Chemical Engineering	University of California, Berkeley	7/31/2010
Vogt	Rochus	Professor of Physics Emeritus	Cal Tech	7/31/2011
Vujic	Jasmina	Professor of Nuclear Engineering	University of California, Berkeley	7/31/2010



**Attachment 3: Tentative Listing of FY11 LLNS Parent Organization Functional Management Reviews**

FY11 LLNS Parent Organization Functional Management Reviews					
Focus Area	Responsible Manager	FY11 Start	LLNS/LSO Representative	Number of Reviews	
<b>OPERATIONS</b>					
ES&H	Wuthrich	2nd Quarter	Offringa/Nakahara	1	
Document Management	Robinson	1st Quarter	Laskowsky/Promani	1	
OMB Circular A-123 Implementation	Rakow	3rd Quarter	Offringa/Promani	1	
Security	Lewis	3 <sup>rd</sup> Quarter	Laskowsky/Promani	1	
CAS	Johnson	TBD	Offringa/Promani	1	
Two Selected reviews TBD	TBD	TBD	Laskowsky/Promani	2	
<b>MISSION and SCIENCE &amp; TECHNOLOGY</b>					
Computation Discipline Review	Crawford	3rd - 4th Quarter	Dixon/Brinker	1	
Engineering Discipline Review	Lane	3rd - 4th Quarter	Dixon/Brinker	1	
Physical & Life Sciences Discipline Review	Goldstein	3rd - 4th Quarter	Dixon/Brinker	1	
Global Security Program Review	Albright	3rd - 4th Quarter	Dixon/Brinker	1	
Weapons and Complex Integration Program Review	Goodwin	3rd - 4th Quarter	Dixon/Brinker	1	
NIF & Photon Science Program Review	Moses	3 <sup>rd</sup> Quarter	Dixon/Brinker	1	
One Portfolio Review	Diaz de la Rubia	3rd - 4th Quarter	Dixon/Brinker	1	
Two Selected Reviews TBD	TBD	TBD	Dixon/Brinker	2	
<b>Total</b>				<b>16</b>	