

DE-AC52-06NA25946
Modification M003
Attachment H

SECTION J
APPENDIX J – PARENT ORGANIZATION OVERSIGHT PLAN

PARENT ORGANIZATION OVERSIGHT PLAN

NATIONAL SECURITY TECHNOLOGIES, LLC

Introduction

National Security Technologies, LLC (NSTec) is committed to bringing outstanding management and technical support to current and future NTS missions. In our proposal, we outline a number of initiatives that will substantially improve the efficiency of our operation of NTS and its satellite facilities. Many of these ideas, such as Reliability Centered Maintenance, Lean processes, VPP Star status, and the use of a proven enterprise resource program, have already been demonstrated by our corporate partners at sites of similar complexity to the NTS.

We have developed a concept that provides parent organizational monitoring of NSTec's performance of the Statement of Work and assistance to meet programmatic missions and operational requirements. The plan involves two principal and linked components:

- A **Board of Directors** (Board) will be established consisting of eight senior managers: four from our managing partner Northrop Grumman, two from AECOM, and one each from CH2MHILL and Nuclear Fuel Services (NFS). The purpose of the Board is to provide overall management and fiduciary oversight and to assist NSTec in meeting programmatic mission and operational requirements.
- A **Parent Organization Oversight Committee** (POOC) will be created, with flexible membership, to function as expert staff to the Board. The POOC provides assistance and recommendations to the Board of Directors on key issues affecting NSTec performance, from safety to the evaluation of key technical programs. The POOC will also assist in corporate reachback for capabilities to enhance operations.

Recognizing the cost-critical sensitivities of the NNSA budget, NSTec seeks to demonstrate our corporate commitment by waiving all cost associated with the priced elements of the Transition Plan and the Parent Organization Oversight Plan in order to provide best value to the government.

The first Parent Organization Oversight Plan, comprising the periods July–September 2006 and October 2006–September 2007, is included in this submission. In each subsequent period, a detailed Parent Organization Oversight Plan will be developed, reviewed, and submitted to the Contracting Officer 6 months prior to the start of each fiscal year.

All of the activities conducted as part of parent organization support will conform to the Federal Acquisition Regulations and DOE Acquisition Regulation Supplements (DEARS) Cost Principles and will be consistent with the Cost Accounting Standards Board (CASB) Disclosure Statements (CASB/DS) for all operating elements of NSTec, the parent organization, Northrop Grumman Corporation, and affiliates. All incurred costs for NSTec and the parent organization will be subject to full disclosure and U.S. Government audit. The NSTec Board will administer the Parent Organization Oversight Plan. To ensure that all approved findings, recommendations, and suggestions from the POOC are formally incorporated into the program, tracked by the Board members, and implemented by NSTec senior staff. A summary of each fiscal year's oversight activities will be presented to NSO and the contracting officer.

Board of Directors

The Board is the directive element of the oversight plan and is responsible only to the parent companies. It has the full authority to establish LLC policy and provide directions as needed to the NSTec General Manager in his role as the senior LLC official. The Board will focus on the

operation of NSTec, LLC *as a company* to ensure that it is managed and operated according to best business practices. The General Manager of NSTec will report to and be responsible to the Board for the life of this contract. The Board will appoint the General Manager and will evaluate his performance on an annual basis, including setting compensation. In addition, the Board will closely monitor the performance of other key personnel and consult with the General Manager on personnel issues as appropriate.

During April 1, 2006– June 30, 2006, the Transition period, the Board will meet monthly in Las Vegas and will conduct bi-weekly telephone conference calls to maintain frequent contact with transition activities, provide assistance as required, and assess progress against our Transition Plan. The General Manager and his staff will present a “Readiness to Assume Full M&O Contract Performance” to the Board approximately 1 week prior to the end of the Transition Period. Following transition, the Board will meet twice during the first quarter of full performance and quarterly thereafter. These meetings will always be in Las Vegas.

The Board will ensure that NSTec is successful in performing the Statement of Work, that it is following sound business and management practices and that its performance is consistent with NSO’s expectation of excellence. Specifically, the Board will, with the support of the POOC, examine our:

- Safety and security (ISM, ISSM)
- Strategic direction
- Management approach
- Programmatic performance
- Reachback requirements and opportunities
- Fiscal responsibility
- Progress toward WFO goals
- Special topics, as needed

Safety and security are the paramount operational priorities of our company. At each of its meetings, and at other times at its discretion, the Board will assess the safety and security performance of the company to ensure that best practices are being followed and to detect any trends that need correction. Through the POOC, the Board will evaluate safety and security programs against those in their own organizations and elsewhere. If warranted, the Board will direct and oversee improvements and assure that adequate resources are obtained to carry them out. Our parent oversight plan is designed to detect trends before they become problems, enabling corrective measures to be put in place in an effective manner.

Our proposal outlines an exciting set of initiatives for improving operations and bringing new work to NTS. The Board will regularly review the appropriateness of these initiatives to ensure that we are moving in the right strategic direction, one that is consistent with the vision of NSO and NNSA. As part of its regular review process, the Board will meet with NSO leadership.

We believe that modern management practices can significantly reduce the cost of doing business at NTS while improving the quality and quantity of the services and products delivered. The Board will continuously review our management approach to ensure that the best practices of the corporate partners are being properly implemented at the Site and its satellite facilities and that our senior personnel are performing at or above expectations.

With broad experience and engagement across the national security sector, our Board members are uniquely suited to advise NSTec leadership on promising new opportunities and to verify that they are focused on the most important mission areas. This will help identify potential work in

training, conventional weapons testing, homeland-security-related research, and other topics that benefit from the unique features of NTS.

A primary function of the Board is to ensure that we are delivering for our customers and in particular that we are meeting or exceeding all expectations of NSO. It will provide a critical review of our self-assessments and appraisal findings from NSO and NNSA and suggest ways that we can improve. Periodic contact with key users of NTS will provide the Board with its own evaluations of our performance. This information will be used to refine our internal evaluation process, resulting in more accurate and rigorous assessments.

As described in detail in our proposal, the parent organizations of NSTec bring unparalleled reachback opportunities for NTS missions. The Board will periodically review opportunities for NSTec to benefit from programs successfully demonstrated in their home organizations. One of our corporate commitments, the High-Potential Employee Exchange Program, will promote a constant influx of new ideas into our management and operations, ensuring that we benefit from the best practices of our corporate partners. We will also send high-potential employees from NTS to our partner companies for short periods of time to refresh their approach and to expose them to different ways of doing things. The Board will oversee the effectiveness of this and other initiatives intended to bring proven ideas to work at NTS.

The Board has overall fiduciary responsibility for all activities of NSTec. It will periodically review our financial performance to ensure that all government standards are met and that the highest standards are maintained. They will engage an external audit of company finances as they deem necessary and appropriate.

During each meeting, the Board will:

- Review the General Manager's monthly status reports
- Review ESH&Q trends, including a written or oral report from the ESH&Q group, and assess ongoing activities of the ESH&Q Manager
- Review programmatic and operational progress
- Discuss progress of the Lean management program and its successes in reducing costs, tracking management performance, and assuring accountability
- EVMS results
- Review assessment findings of the POOC
- Review independent and NSTec management assessment plans, results, and corrective actions

Additional Board discussions may include:

- Progress on NSTec initiatives
- Need for additional independent reviews and assessments by the POOC
- Specific client issues raised in meetings with NSO or other customers
- Lessons learned at other parent organization sites that are applicable to NTS
- Status reports on project management training and certification, VPP Star status applications, ISO certifications, EVMS certifications, etc.
- At the end of each fiscal year, the Board will meet with NSO to deliver its report.

Parent Organization Oversight Committee (POOC)

The POOC is a group of recognized experts who can provide advice and recommendations to the Board on key issues affecting the performance of NSTec. The function of the POOC is to provide an independent assessment capability to the Board—beyond the self-assessment performed

by NSTec personnel—to increase the level of quality performance in all of our activities. The POOC will identify discrepancies and recommend corrective action to the Board and senior NSTec staff.

The POOC is not a full time body. Rather, individuals will be tasked by the Board on an as-required basis. Approximately 15 individuals will serve on the POOC at various times depending on the area of emphasis. Each will be a recognized authority in his or her field, be familiar with activities at NTS and be committed to a rigorous review process intended to evaluate and improve NSTec performance. This list will include:

- POOC Chair
- Corporate Safety (ES&H/ISM) Officer
- Radiation Safety Subject Matter Expert
- Criticality Safety Subject Matter Expert
- Quality Executive
- ISSM Executive
- Nuclear Operations Subject Matter Expert
- Non-Nuclear Operations Subject Matter Expert
- Emergency Preparedness / Response Subject Matter Expert
- Procurement / Business Operations Executive
- Environmental Management Executive
- Stockpile Stewardship Subject Matter Expert
- DoD Applications Subject Matter Expert
- Homeland Security Subject Matter Expert
- Infrastructure Subject Matter Expert

and will be augmented by other individuals as required.

Most of these individuals will be drawn from our corporate partners, but others with special skills may be obtained from outside sources as required. Gregg Donley, a Northrop Grumman member of our Board, will chair the POOC.

As indicated in the attached Microsoft Project Integrated Master Schedule (IMS) for Parental Oversight, the formal POOC activities will begin in a joint meeting with the Board in July 2006. However, during transition, the POOC will hold frequent informal teleconferences/internet meetings three times to familiarize the members with NTS and with NSTec responsibilities and activities.

POOC activities will be scheduled such that substantive reports will be available at Board meetings. Since the GM attends each Board meeting as a non-voting member, he will hear first hand the reports and receive immediate feedback and direction from the Board. At the next meeting of the Board, the GM will formally report back the results of his corrective actions. (Since there will be close communication between the POOC and the NSTec staff, it is likely that the GM will present some completed corrective actions to the Board following the POOC report as well as his corrective action plan for incomplete tasks.)

The General Manager will designate a senior member of his direct-report staff to provide part time administrative support to ensure close coordination with all aspects of the oversight process. The role of this individual is to enable full, unencumbered access by group members to any data or areas they might need to access within appropriate security and safety constraints. He or she will forward all assessments and corresponding corrective actions plans to the respective POOC

member for review. To maximize the efficiency of assessments, the support individual will ensure that all needed data are available upon POOC arrival and that all required visits to NSTec and government personnel are scheduled.

The POOC will examine issues in detail and prepare reports to the Board in areas all programmatic and operational areas, including:

- ISM
- ISSM
- Nuclear operations
- Non-nuclear operations

Each of these areas is of such importance as to warrant frequent oversight by parties who can provide not only a point assessment but a long-term perspective on the pace of improvement. Additional topics will be assigned by the Board to the POOC and may include:

- T-18 relocation progress
- Workforce development plans and performance
- Administrative streamlining
- Reachback opportunities
- Lean initiatives
- Progress toward achievement of ISO 9001, ISO 14001, and VPP Star status

Generally, the POOC Board will select one special topic to be addressed at each POOC meeting in addition to the regular oversight reviews. The first proposed special topic will be an assessment of our overall employee Leadership Development Program highlighted in our proposal. The last POOC meeting of FY07 will review the effectiveness of this program after the first year of operation.

As appropriate, POOC members will meet with NSO personnel to better understand programmatic priorities and concerns. This will provide an additional path for issues – at all levels of NSO – to be identified and acted upon promptly.

Parent Organization Oversight Committee Specific Activities—July 2006–September 2006

The POOC will meet twice (once in July and once in September, 2006) to gather and assess information on specific activities to be reviewed and assessed during the first full year of the contract. These meetings will take place at NTS and will involve “drill-down” activities in each of the major areas referenced above (i.e., ISM, ISSM, nuclear operations, and non-nuclear operations). These “drill-down” activities, conducted by members of the four standing POOC groups, will consist of formal interviews with all levels of management and the workforce at NTS (down to the shop floor level), will be based on a consistent set of lines of inquiry, and will result in documented reports complete with observations, findings, and recommendations. The first of these group drill-downs, which will be based on information gained during the transition, will occur during the July 5–July 18, 2006, timeframe as shown on the Integrated Master Schedule (IMS). The results of this initial baseline assessment will be presented to the full committee, which is now scheduled for July 27, 2006.

These first group reports of the POOC will act as the baseline to assist in the measurement of continuous improvement. These reports will be forwarded to the Board for consideration and approval.

The Board will consider and discuss the reports received from the POOC groups during its meeting in September 2006. The September Summary Report to the NSO by the Board is a deliverable under this plan.

Parent Oversight Organization Committee Specific Activities October 2006 – September 2007

The POOC will meet quarterly in Las Vegas during FY07 to observe first hand the progress at NTS. During these site visits, members of the POOC may meet individually or as a group with NSO personnel, NSTec management, the workforce, or others as warranted by the agenda for the meeting. The first FY07 meeting is scheduled for November 20, 2006, per the attached IMS.

Prior to each meeting, the various POOC groups will again conduct “drill-down” activities to assess the progress and potential for problems associated with the following major areas.

- ISM
- ISSM
- Nuclear operations
- Non-nuclear operations

The POOC Board may also assign a special topic for assessment prior to the next meeting. Results of these drill downs will be presented at the quarterly meeting for review by the Board. These reviews will produce formal, documented sets of recommendations and observations for Board action.

The POOC will employ an issues tracking system for these meetings to ensure that issues are followed up in a planned manner. (The Site Action Tracking System will also document all deficiencies identified by the POOC so that immediate action can be taken to resolve them.)

After each meeting, the POOC will prepare a summary report of its discussions and will include as appendices each of the individual reports discussed. The summary report will describe topics discussed, findings, recommendations, and actions required by the parent organizations. An Issues Tracking Status Report will be appended to each report. The report will cover all topics that incurred substantial discussion unless they are deemed legally sensitive or otherwise confidential or classified in nature.

It is possible that POOC members will request support from within the parent companies in areas of particular concern. These might include the need for advice on safety program implementation or legal support for environmental or regulatory issues.

During the September visit each year, the POOC Chairman will present an informal summary of the previous year’s performance assessments and request the same from our customers. This information will be fed back into our continuous improvement efforts at NTS. As a deliverable under this plan, the Board Chairman will present a summary assessment of the FY07 Oversight results to NSO senior management.

Other Corporate Oversight Activities

In coordination with the Board and POOC activities, managing partner Northrop Grumman will periodically conduct assessments required of all Northrop Grumman entities. These may be annually or any other frequency dictated in corporate policy to ensure that NSTec operations are consistent with legal and financial standards. These include environmental, health and safety,

security, ethics, and finance reviews. These corporate required activities will be coordinated with and complement the efforts of the POOC. Results of these assessments will be discussed with NSTec leadership and presented to the Board. The NSTec GM will develop Corrective Action Plans, present these plans to the Board, and track all actions to closure. These corporate assessments provide a further degree of independent assessment, one based not on NSTec's own self-assessment but rather on independent data.

Corporate oversight consists of more than reviews—it is intended to engage the senior management of NSTec on a continuous basis to improve their skills and access to corporate resources. As discussed in our proposal, our senior managers will have access to training and development programs from our parent companies. Furthermore, our General Manager and Deputy General Manager will each have one or more mentors within our parent companies, who can serve as a sounding board and who can provide objective advice on difficult issues. Our mentoring approach also helps corporate personnel to become better acquainted with the unique resources of the NTS and hence to further the integration of NSTec as a vital and valued member of our corporate family.

Parent Organization Oversight Summary

This Oversight Plan reflects an integrated approach to maximize the benefits of oversight. Overall responsibility, authority, and accountability for oversight rest with the NSTec Board of Directors. The POOC performs in-depth assessments of critical aspects of NSTec performance on the M&O contract. Results of other corporate-directed assessments will be presented to the Board. This integrated approach ensures that the oversight process “speaks” with one authoritative voice to the General Manager and President of NSTec.

The single purpose of this integrated effort is to maximize our performance on the NTS M&O Contract. In this way we can and will provide the full benefit to NTS that the NSO expects of us.

ID	Task Name	Duration	Start	Finish	Predecessors
1	Transition Contract Award	0 days	Mon 4/2/06	Mon 4/3/06	
2	Start Transition	0 days	Mon 4/3/06	Mon 4/3/06	1
3	POOC Transition Activities Complete	48 days	Thu 4/13/06	Mon 6/19/06	2
4	Specific POOC Members Identified	2 days	Thu 4/13/06	Fri 4/14/06	
5	Parent Organizations Select Committee members	2 days	Thu 4/13/06	Fri 4/14/06	
6	BoD Formally Appoints POOC Chairman and Parent Members	1 day	Thu 4/13/06	Thu 4/13/06	
7	Formalize Subcommittee Charters	1 day	Thu 4/13/06	Thu 4/13/06	
8	Committee Chair Selects Group leads	1 day	Fri 4/14/06	Fri 4/14/06	7
9	GM Appoints NSTec Member to Each Group	1 day	Fri 4/14/06	Fri 4/14/06	6
10	Telecommunication/Net Meeting Familiarization 1 on NTS/NSTec	1 day	Mon 4/17/06	Mon 4/17/06	5
11	Telecommunication/Net Meeting Familiarization 2 on NTS/NSTec	1 day	Mon 5/15/06	Mon 5/15/06	
12	Telecommunication/Net Meeting Familiarization 3 on NTS/NSTec	1 day	Mon 6/19/06	Mon 6/19/06	
13	First Overnight Quarter Complete	62 days	Wed 7/5/06	Thu 9/28/06	12
14	First Visit to NTS by four groups	10 days	Wed 7/5/06	Tue 7/18/06	
15	Gather insight and identify areas for initial assessment	10 days	Wed 7/5/06	Tue 7/18/06	
16	First POOC Meeting at NTS - Joint Session with BOB Meeting	2 days	Thu 7/27/06	Fri 7/28/06	5
17	Meet with NSO Leadership	1 day	Thu 7/27/06	Thu 7/27/06	
18	Update from NSTec GM	1 day	Thu 7/27/06	Thu 7/27/06	
19	Assign Actions to NSTec and Groups	1 day	Thu 7/27/06	Thu 7/27/06	
20	First Special Topic - Assess Employee Leadership Development Program	1 day	Thu 7/27/06	Thu 7/27/06	
21	Site Tour for POOC Members	1 day	Fri 7/28/06	Fri 7/28/06	20
22	Group Visits/Assessments at NTS	10 days	Mon 8/14/06	Fri 8/25/06	
23	Second POOC Meeting at NTS	2 days	Wed 9/27/06	Thu 9/28/06	
24	Group Reports - including Special Assessment	1 day	Wed 9/27/06	Wed 9/27/06	14
25	General Manager Report	1 day	Wed 9/27/06	Wed 9/27/06	
26	Chairman assign assessments and special topic for Nov Meeting	1 day	Wed 9/27/06	Wed 9/27/06	
27	Prepare Quarter's Assessment for NSO Leadership	1 day	Wed 9/27/06	Wed 9/27/06	
28	Meet with NSO leadership	1 day	Thu 9/28/06	Thu 9/28/06	27
29	Present Quarterly Assessment	1 day	Thu 9/28/06	Thu 9/28/06	
30					
31	Start FY2007 Performance	0 days	Sun 10/1/06	Sun 10/1/06	
32	FY2007 Oversight Complete	250 days	Mon 10/16/06	Fri 9/28/07	13
33	POOC Chair Present First Quarter Report to NSTec BoD— Date Approximate	1 day	Mon 10/16/06	Mon 10/16/06	
34	First FY2007 POOC Meeting Held	16 days	Mon 10/30/06	Mon 11/20/06	
35	POOC Groups Conduct ISM/ISSM/Nuc/Non-nuc/Special Topic Assessments	10 days	Mon 10/30/06	Fri 11/10/06	
36	Groups Prepare Reports to POOC	2 days	Mon 11/13/06	Tue 11/14/06	35
37	POOC Meeting at NTS	1 day	Mon 11/20/06	Mon 11/20/06	
38	Meeting Conducted	1 day	Mon 11/20/06	Mon 11/20/06	
39	Group and Special Topic Reports to Committee	1 day	Mon 11/20/06	Mon 11/20/06	
40	Review Corporate Assessment Topics— Ethics	1 day	Mon 11/20/06	Mon 11/20/06	
41	GM Report to Committee	1 day	Mon 11/20/06	Mon 11/20/06	

ID	Task Name	Duration	Start	Finish	Predecessors	Apr 2, '06	Apr 9, '06
						F S M T W T F S	S M T T W
83	POOC Chairman and Members semi-annual visits to NTS customers for performance feed	20 days	Mon 9/3/07	Fri 9/28/07			
84	Highlights 2007 Assessments in pertinent areas	20 days	Mon 9/3/07	Fri 9/28/07			
85	POOC Chairman periodic visits to NNSA/DoE/DNFSB for feedback	20 days	Mon 9/3/07	Fri 9/28/07			
86	Highlights 2007 Assessments and areas of emphasis for 2008	20 days	Mon 9/3/07	Fri 9/28/07			

Project: NTS POOC Master_v2.mpp Date: Wed 2/1/06	<p>Task</p> <p>Split</p> <p>Progress</p>	<p>Milestone</p> <p>Summary</p> <p>Project Summary</p>	<p>External Tasks</p> <p>External Milestone</p> <p>Deadline</p>
---	--	--	---

Parent Organization's Oversight Plan – RFP Section L-5 [i]

The Parent Organization's Oversight Plan is presented with these NSTec proposal revisions as a separately tabbed appendix insert to Volume I, The Offer.

Recognizing the cost critical sensitivities of the NNSA budget, NSTec seeks to demonstrate our corporate commitment by waiving all cost associated with the priced elements of the Parent Organization Oversight Plan in order to provide best value to the Government.

Parent Organization Oversight Committee

The Parent Organization Oversight Committee (POOC) shall support NSTec in accordance with the Parent Organization's Oversight Plan. The estimates for the POOC are provided for evaluating the completeness, realism and reasonableness of the NSTec resource commitments for affecting the transition schedule and meeting the contract operational readiness. These estimates are for informational purposes as they are not included in the estimated costs as reflected in the Cost Proposal Cover Sheet in the front of this Volume III – Cost Information.

NSTec Board of Directors

The NSTec Board of Directors shall support NSTec in accordance with the Parent Organization's Oversight Plan. The costs associated with the NSTec Board of Directors have been eliminated.

Parent Organization Oversight Support

The Parent Organization Oversight Support provided by Northrop Grumman Home Office Operations shall support NSTec in accordance with the Parent Organization's Oversight Plan. The costs associated with the Parent Organization Oversight Support have been eliminated.

(Note: This paragraph regarding The Parent Organization Oversight Support estimates has been deleted.)

(Note: This paragraph regarding the supporting cost summary table entitled "Parent Organization Oversight Support" has been deleted.)

Parent Organization's Oversight Plan – RFP Section L-5 [i]

NSTec planned activities include three major Parent Organization activities for the contract duration to monitor programmatic and contract performance objectives, and assist NSTec in fulfilling the timely completion of its mission requirements. These Parent Organization activities are:

- Parent Organization Oversight Committee;
- NSTec Board of Directors; and
- Parent Organization Oversight Support.

The Parent Organization Oversight Plan shall be reviewed and submitted to the Contracting Officer in advance to the forthcoming fiscal year. The budget amounts for the Parent Organization activities shall be reviewed for scope and reasonableness. No aspect of these activities is represented as unallowable or unbillable expenses (reference H.17 (b)(2)) or contractor commitments (reference H.28). NSTec shall provide periodic reports regarding the Parent Organization activities and incurred costs to the contract.

These activities shall conform to the Federal Acquisition Regulations and DoE Acquisition Regulation Supplements (DEARS) Cost Principles, and will be consistent with the Cost Accounting Standards Board (CASB) Disclosure Statements (CASB/DS) for all operating elements of NSTec and the Parent Organization, Northrop Grumman Corporation, and affiliates. All incurred costs for NSTec and the Parent Organization shall be subject to full disclosure and US Government audit. Mr. Gregg Donley as the NSTec President and authorized representative shall be the responsible official for administering the Parent Organization Oversight Plan.

Parent Organization Oversight Plan				
	Parent Organization Oversight Committee	NSTec Board of Directors	Parent Organization Oversight Support	Parent Organization Oversight Plan
FY 2006	\$368,532	\$157,428	\$3,750,036	\$4,275,996
FY 2007	\$274,426	\$156,032	\$3,750,036	\$4,180,494
FY 2008	\$285,403	\$162,273	\$3,900,037	\$4,347,713
FY 2009	\$296,819	\$168,764	\$4,056,038	\$4,521,621
FY 2010	\$308,692	\$175,515	\$4,218,280	\$4,702,487
TOTAL	\$1,533,872	\$820,012	\$19,674,427	\$22,028,311

Parent Organization Oversight Committee

As the majority partner in the National Security Technologies, LLC (NSTec), Northrop Grumman Information Technology (NGIT) will lead the parent oversight activities for the partnership team. Each of the four partners, NGIT, Nuclear Fuel Services (NFS), AECOM, and CH2M Hill will have one or more senior executives on the team. Gregg Donley, the President of the Technical Services Sector for Northrop Grumman Information Technology will chair the Parent Organization Oversight Committee (POOC). Mr. Donley reports to Jim O'Neill, President of Northrop Grumman Information Technology (NGIT) and Chairman of the NSTec Board of Directors. Mr. Donley will keep Mr. O'Neill advised of the activities and issues of the POOC on a regular basis and as warranted for critical issues.

In addition to the executive membership on the POOC, the Committee will charge four standing subcommittee's in specific areas of focus. These subcommittees are responsible for evaluating and making recommendations on activities and issues in the following areas:

- ESH&Q
- Safeguards and Security
- Nuclear Operations
- Engineering, Design and Construction

These four subcommittees will remain active throughout the life of the POOC. Additional subcommittees may be chartered to address specific issues and may function over short or long periods of time as required by the POOC. Any additional subcommittees will be DoE sanctioned for approval of the additional costs to the contract.

During transition and the first 24-months of the new contract, the POOC will have two to four hour telephone conferences monthly to discuss operations activities and issues. A formal issues tracking system will be maintained for the POOC meetings. The POOC shall meet once during transition and quarterly thereafter, in Las Vegas (or partners' offices as warranted by the topics of discussion) to observe first hand the progress at NTS. During these site visits, members of the POOC will meet as a group or individually with NSO Management, NST Management, the workforce, labor leadership or others as warranted by the agenda for the meeting. The primary purpose of the POOC is to:

- Monitor activities and issues at the site,
- Explore alternative actions with NST management including best practices at other projects of the parent companies,
- Discuss support that can be offered by the parent organizations, and to
- Make recommendations on future actions.

Discussions will include a number of topics placed on the agenda plus other important issues that require attention, redress, and resolution time. Items that will always be on the agenda include:

- Review of the GM's monthly status report
- Summary presentation of the NST performance in the preceding period by the GM or the DGM
- Summary presentation of ESH&Q trends and ongoing activities by the ESH&Q Manager
- Summary presentation of Safeguards and Security (S&S) trends and ongoing activities by the S&S Manager
- Discussion of the progress of the LEAN Management program and its success in reducing costs, tracking management performance, and assuring accountability where and when appropriate
- Summary presentation from the Nuclear Operations subcommittee (oral or written)
- Summary presentation of the Engineering, Design and Construction subcommittee (oral or written)
- Review of the "POOC-specific" issues tracking report

Examples of topics that could be added if recent actions warrant POOC discussions include:

- Progress on NST initiatives originally proposed by the NST Team

- The need for independent reviews and assessments of the NTS Team’s activities by teams hand picked and chartered by the POOC, e.g. review of a struggling project, review of a potential PAAA issue, review of specific adverse trends, etc.
- EVMS specific results or general value to the client
- Specific client issues raised in one-on-ones with the client
- Negative trend reports
- Lessons learned at other partner sites
- Recent success stories at other partner sites
- Broad or focused site tours
- Employee meetings
- Collective bargaining issues
- Status of Work for Others initiatives by the parent organizations
- Status reports on Project Management training and certification, VPP Start Status applications, ISO certifications, EVMS Certifications, etc.

Quarterly meetings of the POOC will last one to two days depending on the agenda for the meeting. The need for site tours will almost certainly extend the meetings to more than one day although it is possible the POOC could charter a subgroup to arrive a day early for specific site visits and then report out to the full committee. For costing purposes, it is assumed that the meetings will occupy sixteen hours of each member’s time which will include time preparing for the meeting, attending the meeting and completing follow-up actions after the meeting.

It is assumed that each partner will have a senior member and a proxy member, either one or both may attend the meetings. However during the first 24 months it is assumed both will attend the meetings for educational and continuity reasons. Furthermore, it is likely during the first two years that the POOC members will request support from within the parent companies in areas that have become especially challenging. These might include the need for an Industrial Relations or a Human Resources specialist. It might also include legal support for regulatory or environmental issues. Again for costing purposes, it is assumed that one support person is required for each meeting and that two support people may be involved in telephone calls since they do not require travel.

The four standing committees will have four to six members each so for costing purposes we have assumed five members for each of the four committees. One of the members will be the senior executive (e.g. Director) on the NSTec Team for each function. However, funding for these four individuals is provided as part of their day-to-day duties and not included as a separate item in the cost of the POOC. Therefore, all costing calculations will assume four members per committee for each of four committees, or sixteen subcommittee members. Each committee will not necessarily have representatives from each partner in the LLC but it is assumed that across the committees there will be equal participation, on average, from each company (four per company are used for costing purposes). It is further assumed these subcommittees will meet or conference by telephone once per month for four hours and complete assigned tasks requiring an additional 24 hours per month. Finally, it is assumed they will submit written reports or make oral presentations to the Parent Organization Oversight Committee monthly. Formation of these subcommittees will occur and they will begin functioning early in transition but they are not assumed to perform any of the “due diligence” activities during transition since these costs are included elsewhere in this proposal.

The POOC will produce a summary report of the results of each meeting or phone call. The report will summarize topics discussed, findings, recommendations and actions required by the parent organizations. An "Issues Tracking Status Report" will be appended to each report. The report will cover all topics that incurred substantial discussion unless deemed legally sensitive or otherwise confidential in nature. Copies of the report will be sent to the senior-most NSO Managers office and to the Contracting Officer for his records but may not be distributed beyond that point unless first approved by the Chairman of the POOC. Likewise, distribution of the report within NSTec will be limited to the GM, the DGM, and the senior most member of each partner on the NSTec Team (as identified by each partner).

Based on the approach and assumptions outlined in the Parent Organization Oversight Plan, the cost estimate for implementing this plan including the formation and involvement of the Parent Organization Oversight Committee is summarized below.

NSTec Board of Directors

The NSTec Board of Directors are comprised of corporate representatives from each of the NSTec partners: NGIT, CH2MHILL, AECOM, and NFS. The NSTec Board of Directors is to conduct two-day meetings quarterly for assessment of corporate and contract requirements, objectives, and issues.

Parent Organization Oversight Support

The Parent Organization Oversight Support represents corporate resources to assist NSTec in the various management areas to provide the deep and varied experience of Northrop Grumman Corporation to National Security Technologies LLC and the National Nuclear Security Administration.

The supporting cost summary table entitled "Parent Organization Oversight Support" is a representative analysis of the parent resources by functional expertise. The out-year estimates have been escalated four percent from the preceding period estimates for establishing a target estimate of the Parent Organization Oversight Support costs for inclusion to the proposed cost estimates.