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# REGIONAL COALITION of LANL COMMUNITIES

City of Española – Los Alamos County – Rio Arriba County – Santa Fe County  
City of Santa Fe – Taos County – Town of Taos – Ohkay Owingeh – Pueblo of Jemez

**Ohkay Owingeh**  
**Ohkay Owingeh Casino Conference Center**  
**68 NM-291, Ohkay Owingeh, NM 87566**  
**September 11, 2015**  
**9:00a-11:00a**

## **Meeting Minutes**

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### **Attendance**

Chair, Commissioner Barney Trujillo, Rio Arriba County; Fabian Trujillo, proxy for Vice-Chair Mayor Javier Gonzales, City of Santa Fe; Secretary/Treasurer, Councilor Kristin Henderson, Los Alamos County; Mayor Alice Lucero, City of Española; Commissioner Henry Roybal, Santa Fe County; Commissioner Mark Gallegos, Taos County; Ben Lujan, proxy for Governor Earl Salazar, Ohkay Owingeh.

#### **A. Call to Order – Chair Trujillo**

Chair Trujillo called the meeting to order at 9:10 a.m.  
Chair Trujillo requested that all present stand and observe a moment of silence to remember those lives lost on September 11, 2001.

#### **B. Confirmation of Quorum – Chair Trujillo**

Chair Trujillo confirmed there was a quorum.

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**C. Approval of Agenda – Chair Trujillo**

Chair Trujillo asked the Board to review and approve the agenda as presented.  
Councilor Kristin Henderson moved to approve the agenda.  
Mayor Alice Lucero seconded the motion to approve the agenda.  
Chair Trujillo called for a vote to approve the agenda.  
The Board voted unanimously in favor of approving the agenda.

**D. Approval of Meeting Minutes – Chair Trujillo**

Chair Trujillo asked the board to review and approve the meeting minutes as presented for the RCLC Board meeting that was held on August 14, 2015.  
Fabian Trujillo moved to approve the meeting minutes.  
Councilor Kristin Henderson seconded the motion to approve the meeting minutes.  
Chair Trujillo called for a vote to approve the minutes.  
The Board voted unanimously in favor of approving the meeting minutes.

**E. Discussion/Action Items**

**1. Congressional Delegation Updates**

Chair Trujillo stated that the next item on the agenda was an update from the New Mexico Congressional Delegation.

Patrick Duran, Representative Ben Ray Luján’s office: Congress went back into session this week for a brief session. They’re working on the budget and by the end of the month hopefully there won’t be another government shutdown. They’re looking to resolve some of the sequestration challenges, but as we all know they have multiple challenges ahead regarding appropriations. Patrick stated that this was all he had to report.

Executive Director Andrea Romero stated that both Senator Udall and Senator Heinrich sent their best wishes and apologized for being unable to send a representative to the meeting.

**2. Supply Chain Management Center (SCMC) Presentation by Jeff Lunsford**

Chair Trujillo stated that the next item on the agenda was a presentation from Jeff Lunsford with the Major Subcontractor’s Consortium (MSC). Mr. Lunsford stated that normally Liddie Martinez, the Executive Director of the MSC would be presenting, but she is currently traveling in Philadelphia.

For those who don’t know what the MSC is, basically every company that has a contract with Los Alamos National Laboratory (LANL) valued at \$5 million or more is a member of the MSC. There are approximately 35 members currently in the MSC and they collectively employ a little more than 2,000 northern NM residents. The MSC’s focus is on supporting education, economic development, and community giving initiatives throughout the seven counties in northern NM. That is done in two primary ways: charitable giving is the biggest effort they put forth every year as well as advocacy efforts, especially MSC will advocate on behalf of the business community and the local communities whose businesses are impacted by LANL contracting activities. One of those issues currently impacting the business community is the Supply Chain Management Center (SCMC).

1  
2 The National Nuclear Security Administration (NNSA) formed the SCMC in 2006. Their  
3 purpose is to issue enterprise-wide, NNSA-wide, and ultimately, DOE-wide contracts  
4 rather than having each of the individual sites issue their own contracts. The MSC has been  
5 focusing on this issue for over the past three years. The MSC isn't saying that the SCMC  
6 shouldn't be around, rather the issue is that there are problems with the way the SCMC is  
7 operating and those are negatively impacting the businesses in northern NM. The MSC  
8 strives to work with the SCMC to address those particular challenges. There is an  
9 opportunity for the small businesses of northern NM to develop and expand their contracts  
10 to be able to participate nationally.

11  
12 Mr. Lunsford presented slides detailing the amount of money LANL spends in northern  
13 New Mexico and how those numbers have changed (decreased) since the implementation  
14 of the SCMC. He reminded board members that the decreases weren't necessarily directly  
15 attributable to the SCMC, but could be indicative of the overall trend if the DOE continues  
16 down the path it is currently on. The total spent by LANL in 2013 was \$535 million, and  
17 that was down to only \$531 million in FY2014. While that's a relatively modest decrease,  
18 the decrease in money spent in NM is significantly larger. Total spent in FY2013 in NM  
19 was \$337 million, and that was decreased by over \$60 million to \$276 million dollars for  
20 FY2014. If the local contracts continue to be impacted, the businesses of northern NM are  
21 facing potential losses of hundreds of millions of dollars. That's why the MSC takes this  
22 issue so seriously.

23  
24 The MSC feels that the SCMC exhibits a lack of transparency. Requests for information  
25 from the SCMC have been responded to with vague answers, and the bidding process is  
26 entirely closed. The SCMC chooses, internally, the contractors who they ask to respond to  
27 the request for proposal (RFP). The RFP process is not announced in advance, and they're  
28 selecting businesses that are large enough to support a nationwide contract. They will still  
29 try to select small businesses, but the U.S. Small Business Administration definition of a  
30 small business is in most categories is typically a business that has between 500-1000  
31 employees or less. So a very small, micro-regional business with 10-20 employees is  
32 typically not being invited to participate. The local small business, in many cases will not  
33 know that the bid is coming. In the most recent RFPs that have allowed regional bidders,  
34 SCMC specifically scores lower any bidder that does not bid the entire country.

35  
36 Another challenge for local contractors to be involved with LANL contracts is the scope of  
37 the contracts. Early on, the goal of these contracts was simply to provide products to the  
38 Lab. There were no value-added services. Each site has very unique requirements site-to-  
39 site. In recent RFPs they have included every single site requirement across the country,  
40 and if they vary from site-to-site, they vary and the contractor must meet the requirement.  
41 Another recent RFP stated that as sites change their requirements, subcontractors must  
42 adapt to those changes without concession.

43  
44 The national DOE/NNSA focus solely in cost savings is really a challenge as it misses the  
45 point that each individual DOE/NNSA site is a member of the community in which it  
46 resides, and these communities have made a tremendous investment in allowing the sites  
47 to exist and operate, and these communities assume the risks involved in hosting these  
48 sites and their partners. With focus solely on cost savings, and not holistic value to the

1 community, the SCMC's focus on national contractors to save money really misses one of  
2 the primary missions that NNSA and DOE have in their federal procurement guidelines for  
3 community commitment.

4  
5 Even if the SCMC changes how they bid and award contracts to be more inclusive of  
6 regional players, if they become more considerate of regional needs, the MSC is figuring  
7 out how to help these local small businesses get these contracts and grow and succeed and  
8 be able to handle them on a national basis. The MSC really strives to help small businesses  
9 grow and succeed beyond what they have today.

10  
11 The Regional Development Corporation is proposing a pilot project to assist a number of  
12 small businesses to successfully go after a national SCMC contract. The MSC has put out a  
13 white paper that has gone to the congressional delegation with a cover letter that has some  
14 very specific asks. The MSC is asking DOE and the NNSA to implement a fully open and  
15 transparent bidding process. They should be considerate of both national and regional  
16 needs. They should award contracts based on best value, not just cost-savings. Best value  
17 would be inclusive of what kind of support contractors could offer to an individual site,  
18 how do they participate in the community and the region, and this is a much more  
19 complex equation. They should support each local community's efforts, specifically the  
20 RDC's pilot project to grow stronger and more capable small businesses.

21  
22 The MSC is taking a multi-pronged approach to addressing these issues, and LANL has  
23 been a tremendous partner in addressing MSC's concerns and getting them connected with  
24 the SCMC to ensure their concerns are heard. At present, the MSC has been  
25 communicating with DOE and the NNSA directly with mixed results. The biggest  
26 challenge is a lack of transparency. It's been very difficult to get the data they need to  
27 understand the distribution of funds to date from those organizations. Other organizations  
28 have been involved in these efforts; specifically the Small Business Association (SBA) has  
29 been supporting the RDC pilot project.

30  
31 The MSC requests the support of the RCLC and thanks them for all of the support they have  
32 offered to date. Mr. Lunsford asked if the board had any questions or felt he hadn't  
33 addressed any of their concerns.

34  
35 Mayor Alice Lucero of Española said it is great to have the pilot project to help local small  
36 businesses, but even with that support many of them cannot afford the cost to bid  
37 nationwide. She asked if there have been any initiatives or support considered to offer  
38 grants or something similar to these small businesses to help them be competitive?

39  
40 Mr. Lunsford stated that the pilot project is designed to address this concern, just not  
41 necessarily in phase one. The problem is trying to afford the costs to meet every national  
42 sites requirements. Meeting the requirements of one site is much more manageable. This is  
43 why the MSC is striving to pressure the SCMC to consider this need.

44  
45 Mayor Lucero stated her concern that the SCMC considers any business with 500-1000  
46 employees to be a "small business", as that is simply not the case in northern NM. Mr.  
47 Lunsford confirmed that, depending on the contract, those are the guidelines. The SCMC

1 claims to be awarding contracts to small businesses, but what they're missing is that  
2 regional small businesses are not being considered.

3  
4 Chair Trujillo stated that if there were no more questions for Mr. Lunsford, the next agenda  
5 item was a presentation on LANL procurement by Doug McCrary.

6  
7 **3. LANL Procurement Presentation by Doug McCrary**

8 Mr. McCrary thanked the board for the opportunity to present to them. Mr. McCrary is the  
9 manager of procurement and property at LANL. He has worked for LANL for about six  
10 years. Mr. McCrary brought in data from FY2015.

11  
12 In FY14 LANL spend was about \$536 million, and through August 2015 the spend was  
13 about \$572 million. The primary difference between FY14 and FY15 is that in 2014 LANL  
14 purchased a supercomputer for about \$170 million.

15  
16 Every year LANL negotiates goals with the federal government and Mr. McCrary included  
17 in his presentation the goals that were negotiated. They currently don't have any  
18 negotiated goals for northern NM. In 2014 the goal was 50% for small businesses, and  
19 there are a number of subcategories below that. LANL's performance was almost 60% in  
20 this category. Back in 2005/2006 the small business spend was only about 35% of the total  
21 spend, so LANL has really concentrated over the last 10 years on increasing that number.

22  
23 For FY2014 LANL spent about \$197 million with small businesses in northern NM and  
24 \$276 million for the entire state of NM. So far in 2015, LANL has spent \$190 million in  
25 northern NM and \$282 million in all of NM. Mr. McCrary's next chart broke down what  
26 exactly was being purchased at LANL in both FY14 and FY15 so far. The largest change  
27 between those two years is an increase in IT services, and that is because of the impact of  
28 the supercomputer. The other categories remained relatively stable.

29  
30 Chair Trujillo requested an individual breakdown of the money spent in each northern NM  
31 county, and Mr. McCrary stated that he could get that to the board.

32  
33 LANL changed on their website that any competitive procurement over \$150,000 will be  
34 posted publicly and he encouraged small businesses to check that website for updates on a  
35 weekly basis. About 45-50% of LANL's total dollar spend is competitive. Mr. McCrary  
36 stated that more information could be obtained by contacting this small business office and  
37 he provided the board with that contact information. He also reiterated that he would  
38 deliver the breakdown of procurement by county to the Coalition.

39  
40 Chair Trujillo stated that EM Los Alamos has said on numerous occasions that until the  
41 transition contract is in place, LANS will continue to use the current EM contracts. Chair  
42 Trujillo asked Mr. McCrary how many EM contractors have task orders? What are the  
43 values of those task orders and how many employees total are being used to complete this  
44 work?

45  
46 Mr. McCrary said that the Laboratory has six major task order agreements and the majority  
47 of the procurements for environmental services go through those master task order  
48 agreements. They range from remediation to packaging to transportation to analytical

1 services. This year there has been a big drop-off in those task order agreements. There has  
2 been some environmental work in well drilling. That has probably been the largest spend.  
3 The role of procurement is changing during the transition from NNSA to EM and Mr.  
4 McCrary stated that he wasn't sure how they were going to expect those changes to go  
5 during the bridge period.

6  
7 Councilor Kristin Henderson stated that she was unsure how Mr. McCrary's procurement  
8 office fit in with the SCMC. She asked if they were separate, or if LANL procurement had to  
9 go through the SCMC, and requested clarification about that relationship.

10  
11 The federal government has a number of contracting options that LANL is required to use,  
12 and the SCMC is one of those options. They have GSA contracts, an environmental  
13 organization out of the Cincinnati office, EM has their own federal contracts for  
14 environmental remediation, and DOE goes through a group called the ICPT. Mr. McCrary  
15 is encouraged to use those enterprise agreements and when the SCMC does an agreement  
16 he does an analysis of what's in the agreement, does it fit their needs, how do the prices  
17 compare, what are the delivery mechanisms, etc. He determines what is the best fit, and if  
18 the SCMC is the better fit he informs local businesses of the better offer and tries to figure  
19 out how to put those local businesses in a better position to compete with the SCMC. Also,  
20 northern NM businesses receive a 5% pricing preference.

21  
22 Commissioner Mark Gallegos requested a breakdown of the percentages of the product  
23 provided by northern NM, be it construction, goods, services, environmental, etc. He said  
24 he would like to see those numbers so they could encourage their local communities to  
25 pursue those specific needs and opportunities. Mr. McCrary stated that he could deliver a  
26 breakdown of commodities from northern NM.

27  
28 Chair Trujillo asked Mr. McCrary what would happen if he ignored the SCMC altogether  
29 and just issued contracts to northern New Mexico companies. Mr. McCrary stated that he  
30 has an approved procurement process provided by the federal government that he has to  
31 follow. He stated that he has to be a good steward of the government's money and they  
32 seek that he gets the best value for the federal government for his contracts. If he does have  
33 a better offer through an SCMC company, he is required to explain how it is a better value  
34 and why he is choosing that option.

35  
36 Commissioner Gallegos also asked Mr. McCrary if there were any plans to implement a  
37 push notification system with the small business opportunity updates similar to what  
38 Sandia National Laboratories (SNL) is using. Mr. McCrary stated that he works closely with  
39 his colleague at SNL and while they don't currently have that capability, they are looking  
40 at other avenues to push that information out as it becomes available. It will likely be in  
41 the form of an email explaining the contracting opportunity. Mr. McCrary said they hope to  
42 have that capability in place before the end of the calendar year.

#### 43 44 **4. Updates for Board Members**

##### 45 **a. Letter and approval of support on pursuing SCMC issue**

46 Chair Trujillo thanked Mr. McCrary for his presentation and looked forward to receiving  
47 the breakdown of LANL spend by county and commodities. The next item on the agenda  
48 was the approval of a letter written on behalf of the Coalition and the efforts of the LANL

1 MSC stating the desire to protect local contracting capabilities and possibilities and  
2 increase access to those opportunities. The letter is addressed to the Congressional  
3 delegation and the board needs to approve the letter before it can be sent.

4  
5 Councilor Kristin Henderson requested that the title of Council Chair be added to her  
6 signature. Mayor Lucero stated that she felt it would prudent to include specific numbers  
7 related to the loss of local contracts.

8  
9 With those changes, Chair Trujillo called for a motion to approve the letter written to the  
10 Congressional delegation on the SCMC issue.

11 Mayor Alice Lucero moved to include the numbers reflecting the contracting losses in  
12 northern NM and approve the letter.

13 Commissioner Henry Roybal seconded the motion.

14 The board voted unanimously in favor of approving the letter with the stated changes.

15  
16 **b. Letter and approval of support for the Accelerate Program**

17 The next item on the agenda was approval of a letter written to Dr. Monica Regalbuto at  
18 DOE-EM requesting continued support of the Accelerate Technical Training and Job  
19 Placement Program that aids students in pursuing a STEM education. The program has seen  
20 a 20% increase in graduation rates but their funding is at stake in the coming year and they  
21 are requesting continued DOE-EM funding as they continue to serve NM students.

22  
23 Chair Trujillo called for a motion to approve the letter written to DOE-EM in support of the  
24 Accelerate Program.

25 Councilor Kristin Henderson moved to approve the letter including the changes to her  
26 name that she pointed out earlier.

27 Commissioner Mark Gallegos seconded the motion.

28 The board voted unanimously in favor of approving the letter with the stated changes.

29  
30 **c. Budget Update from Brian Bosshardt**

31 The next item on the agenda was an update on the Coalition's finances from Brian  
32 Bosshardt. In lieu of Brian, who was on travel, Los Alamos County Manager Harry Burgess  
33 presented the current budget. Harry Burgess handed out a revised budget worksheet that  
34 included a new column detailing the previous month's expenditures. The two expenses for  
35 the month of August were a payment on the contract with JLH Media for Executive  
36 Director Services and a sponsorship for the REDI State of the Region Conference for a total  
37 expense of \$14,948.60 for the month of August. There were no questions from the board,  
38 but Councilor Henderson remarked that she did like the inclusion of the column detailing  
39 the monthly expenses.

40  
41 **d. Report from the Executive Director**

42 Executive Director Andrea Romero informed the board that they were made aware of an  
43 incident in which 1,026 containers of hazardous waste at LANL were mishandled,  
44 violating the NMED hazardous waste permit issued to LANL. The discovery was made as  
45 part of the WIPP investigation.

46  
47 Ms. Romero met with Carla Rachkowski of the Accelerate program and reported that she  
48 would be pleased to hear that the letter of support had been approved by the board.

1  
2 Ms. Romero has been working closely with the MSC to better understand the SCMC issue  
3 and thanked the board for their approval of that letter as well.

4  
5 Ms. Romero attended the Environmental Management Site-Specific Advisory Board Chairs  
6 Meeting that was facilitated by the Northern New Mexico Citizen's Advisory Board  
7 (NNMCAB). There was unfortunately no new news delivered regarding when the bridge  
8 contract would be completed to understand the dynamic of when contracts will be issued  
9 to local contractors and what that process will look like. We heard that the newly  
10 appointed Deputy Secretary for Environmental Management Dr. Monica Regalbuto will be  
11 traveling nationally to visit EM sites and that she is very interested in taking a hands-on  
12 approach and is excited about community involvement.

13  
14 Ms. Romero also met with James Ross the NM Governor's Federal Affairs Cabinet  
15 Secretary. The Governor's office, from his perspective, has said that they are willing to  
16 discuss offering assistance in any way they can that the Coalition needs at that level.

17  
18 Finally, over the next month a review will be written about what work has been done by  
19 the Executive Director and JLH Media. That review will be distributed to board members  
20 before the trip to Washington DC. At the next meeting in October there will be only one  
21 guest speaker and the second half of the meeting will be a closed session to review the  
22 contract with JLH Media.

23  
24 Ms. Romero recognized Vice-Chair Mayor Javier Gonzales and Secretary/Treasurer  
25 Councilor Kristin Henderson who would be traveling to Washington DC for the DOE  
26 National Cleanup Workshop at the end of the month. Secretary of Energy Ernest Moniz and  
27 Dr. Monica Regalbuto will both be speaking at the workshop and it will be a great  
28 opportunity for Coalition members to speak about local issues at that meeting. There will  
29 also be an update at the next board meeting on the 1,026 containers of  
30 mischaracterized/mishandled hazardous waste at LANL.

31  
32 Councilor Henderson updated the board that the Energy Communities Alliance wrote a  
33 letter to the government emphasizing the incredible impact a government shutdown would  
34 have on the local economy of northern NM. She will share a copy of that letter with the  
35 board.

### 36 37 **F. Meetings at a Glance – Chair Trujillo**

38 The next agenda item was reviewing upcoming Coalition Board Meetings. The next  
39 meeting will be held on October 9 in the Taos County Chambers, and the November  
40 meeting will be held on November 13 in Jemez Pueblo.

### 41 42 **G. Public Comment**

43 Chair Trujillo stated that the next item on the agenda was a period for public comment,  
44 and opened the floor to anyone from the public who wanted to speak directly to the Board.

### 45 46 **H. Adjournment**

47 Chair Trujillo stated that since there was no public comment, the meeting would be  
48 adjourned at 10:17 a.m.



1 Attest:

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Commissioner Barney Trujillo, Chair

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11 \_\_\_\_\_  
Andrea Romero, Executive Director