

**TESTIMONY OF DR. LAWRENCE BREDE
SENIOR VICE PRESIDENT, DOE OPERATIONS
WACKENHUT SERVICES INCORPORATED**

**HOUSE SUBCOMMITTEE ON GOVERNMENT MANAGEMENT,
ORGANIZATION AND PROCUREMENT
JULY 18, 2007**

Mr. Chairman and Members of the Subcommittee, my name is Dr. Lawrence Brede and since 2005 I've served as the Senior Vice President and Executive General Manager for Department of Energy Operations for Wackenhut Services, Inc.

In that role, I oversee our protective services contracts at five Department of Energy facilities - Oak Ridge, Savannah River Site, Nevada Test Site, the Office of Secure Transportation, and the Department of Energy headquarters. Prior to that time, I managed the WSI Savannah River Site contract for more than 12 years.

For 26 years, I was privileged to serve our country in the United States Army, including service in three armed conflicts – Vietnam, Operation Just Cause in Panama, and Operation Desert Storm in Iraq. I commanded elite military forces during my last two combat tours.

Now I oversee other elite forces. Wackenhut Services operations include paramilitary protective services response teams equipped with rapid fire and other special weapons, armored vehicles, helicopters, marine patrol, and other state-of-the-art security technologies.

We're proud to have served the United States government for more than 40 years at the Nevada Test Site, nearly 25 years at the Savannah River Site, and since 2000 at Oak Ridge, where we were recently awarded a new five-year contract.

During that entire period, we have consistently been awarded high performance ratings. For example, in 9 of 10 DOE performance rating over the past five years at the Nevada Test Site, we've received scores over 95%. In our last 10 DOE performance ratings at Savannah River Site, we've scored 96% or higher, including five perfect scores of 100%. And at Oak Ridge, all of our performance ratings were 93% or higher, with an average score of 97%.

In addition, we've won numerous awards for our work - including the 'South Carolina Governor's Quality Award,' the highest level of recognition in the South Carolina State Quality Award process - and WSI Security Police Officers have won the national level Department of Energy's Security Police Officer Training Competition four years in a row.

(more)

I understand the primary reason we were invited to this hearing is because of a series of five DOE IG reports regarding our contract sites in Oak Ridge, Tennessee. The conclusions drawn from each of those reports have been challenged by senior federal officials at both the local and headquarters levels as being incomplete because of a failure to consider all pertinent information provided to the IG during those investigations. In at least one case, the DOE's Office of Independent Oversight conducted an inspection of our training practices and arrived at an entirely different conclusion than the DOE IG.

Our security contracts receive extensive, repeated scrutiny by the Government, not only by contracting officer technical representatives at the local level, but also by the DOE's Office of Independent Oversight, the GAO, the Defense Contract Audit Agency, and other ad hoc special review teams. Given the subject of this hearing, I am surprised and disturbed at how WSI's past performance on Government contracts could be characterized as "poor," considering the overwhelming evidence to the contrary. The 8,000 men and women who work for Wackenhut Services are dedicated, hard-working, patriotic individuals. Most come from a military or law enforcement background and our protective forces include former Army Rangers and personnel from other special operations forces. I welcome this opportunity to address any concerns you may have about our service to the Government.

We're proud that many of our Security Police Officers have taken leave to serve on active duty in Afghanistan and Iraq. We look forward to their return. And we honor the memory of those Wackenhut employees who sadly will not be returning to us, having made the ultimate sacrifice of dying for their country in the War on Terror.

Mr. Chairman, I have submitted some additional materials concerning our performance for the record. However, in summary, I'll just reiterate how proud I am of the work we do for the United States Government. Our protective forces are well-trained and are as capable as any of the elite military forces with which I have served.

I'll be glad to take your questions.

#



DR. LAWRENCE BREDE, JR.
Senior Vice President and Executive General Manager
Department of Energy Operations
Wackenhut Services Incorporated

BIOGRAPHY

Dr. Brede has 40 years of organizational experience in increasingly responsible positions in military command, law enforcement and nuclear security management. He assumed responsibility as Senior Vice President and Executive General Manager of Wackenhut Services Incorporated (WSI) in April 2005. As such, he is responsible for the management and oversight of all WSI contracts within the Department of Energy (DOE) throughout the United States. In addition to integrating best practices throughout the corporation, he addresses major issues of concern across the DOE complex, including building future elite protective forces capable of securing our nation's security interests.



From January 1993 to April 2005, Dr. Brede managed WSI's Department of Energy's Savannah River Site contract. As Chief Executive, he directed the daily operations of 900 employees, most of whom are federally armed and credentialed officers charged with providing security and law enforcement services on the 310-square-mile site. The annual operating budget for WSI-SRS is over \$100 million. At the Savannah River Site, Dr. Brede led the company on a quality journey, garnering recognition for quality management at the national, state and regional levels, including the South Carolina Governor's Quality Award in 2004.

From 1991-1992, Dr. Brede served as the Security Manager at DOE's Pantex Plant in Texas, the final assembly point and dismantlement facility for our nation's nuclear weapons program.

Prior to Dr. Brede's DOE experience, he served for 26 years in the U.S. Army with combat service in Vietnam, Panama, and Iraq. He led military police forces during the invasion of Panama in Operation Just Cause, and subsequently organized, trained, and equipped the restructured Panamanian National Police during follow-on nation building efforts. During the first Gulf War in Operation Desert Storm, he directed security and prisoner-of-war operations during the ground offensive against Iraq. Dr. Brede's final assignment was as commander of the airborne U.S. strategic rapid response military police force with a strength of 2,700 personnel.

Dr. Brede is a member of the American Management Association, American Society for Industrial Security, International Association of Chiefs of Police, Military Police Regimental Hall of Fame, and the South Carolina Quality Forum.

EDUCATION

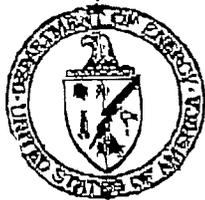
University of Georgia, Ph.D., Criminal Justice, 1985.
U.S. Army War College, Masters Degree in National Security, 1985
San Jose State University, M.S., Criminal Justice, 1973.
University of San Francisco, B.S. in Business Administration, 1965.



Performance Information

Table of Contents

TAB A	Oak Ridge Contract Award Letter
TAB B	Nevada Contract Award Letter Excerpts citing WSI past performance strengths
TAB C	Lawrence Livermore National Laboratory proposal evaluations excerpts identifying WSI as a significant strength
TAB D	Discussion question responses submitted to the Nevada source selection board regarding WSI past performance
TAB E	Performance Evaluation Scores for Nevada, Oak Ridge and Savannah River -- 2000-present.

**Department of Energy**

Oak Ridge Office
P.O. Box 2004
Oak Ridge, Tennessee 37831--

May 3, 2007

Mr. Jean (John) F. Burlison
Senior Vice President and General Manager
Wackenhut Services Incorporated
7121 Fairway Drive Suite 301
Palm Beach Gardens, FL 33418-3766

Dear Mr. Burlison:

NOTICE OF SELECTION OF WACKENHUT SERVICES INCORPORATED FOR THE PROTECTIVE FORCE SERVICES FOR THE OAK RIDGE RESERVATION PROCUREMENT - DE-RP05-05OR23193

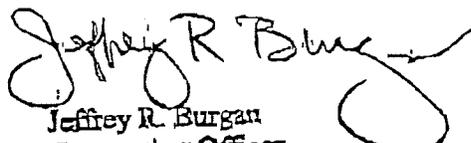
This serves as official notification that the Source Evaluation Board has completed its review of your proposal and the Source Selection Official has selected your firm as the successful offeror.

Wackenhut will assume full responsibility for the new contract on June 3, 2007. Congratulations on your selection for these important contracts with the Department of Energy Oak Ridge Office and National Nuclear Security Agency Y-12. We look forward to working with you.

Four proposals were received on this procurement. Using an adjectival rating system, your proposal received an overall rating of Excellent. The enclosure provides written debriefing information regarding the strengths of your technical proposal. The Government noted no weaknesses in your proposal.

In accordance with Federal Acquisition Regulation 15.506, you must submit a written request for a post-award oral debriefing by close of business Monday, May 7, 2007. You will be provided an opportunity to discuss the process and your evaluation during the debrief. Please contact me on (865) 241-2513 or Belynda Thompson on (865) 576-2362 if you have any questions.

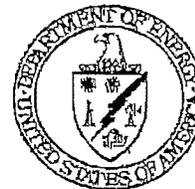
Sincerely,


Jeffrey R. Burgan
Contracting Officer

Enclosure



Department of Energy
National Nuclear Security Administration
Service Center
P. O. Box 5400
Albuquerque, NM 87185



May 9, 2006

Mr. David Foley
Chief Operating Officer
Wackenhut Services, Inc.
7121 Fairway Drive, Suite 301
Palm Beach Gardens, FL 33418

VIA FACSIMILE: (561) 472-3641

Dear Mr. Foley:

The purpose of this letter is to notify you that your proposal was selected for award under the U.S. Department of Energy National Nuclear Security Administration's (NNSA) Request for Proposal DE-RP52-05NA14390, Security Protective Force Services.

In accordance with Federal Acquisition Regulation (FAR) Subpart 15.506, we have scheduled your post-award debriefing on May 23, 2006 at 1:30 p.m. in the Sedan Room, A-110, Nevada Site Office, 232 Energy Way, North Las Vegas, Nevada. The following is provided for your information:

Number of Proposals Received: Nine (9)

Summary of Rationale for Award: Wackenhut Services, Incorporated's proposal was determined to be the Best Value for the Government. In determining Best Value to the Government, the technical evaluation criteria (Technical Capability, Business Management Plan, Organizational Structure, Key Personnel, Past Performance and Transition Plan) when combined were considered significantly more important than the Cost Evaluation criteria.

Attached you will find the Source Evaluation Board's evaluation for each of the criteria which contains strengths and weaknesses for WSI's proposal.

If you accept this postaward debriefing date, please respond within three working days to the undersigned at eespinosa@doeal.gov with a copy to the Contract Specialist at tolson@doeal.gov. The facsimile transaction report for this notice will serve as written confirmation of your receipt.

Mr. David Foley

-2-

If this date cannot be met, a later debriefing date will be scheduled by the Source Evaluation Board. So that we may adequately address your issues, please submit your questions for the debriefing no later than 48 hours prior to your debriefing time. If you have any general questions about this notification, you may contact me at (505) 463-0942 or pager (888) 488-8289, or the Contract Specialist, Tammy Olson, at (505) 845-5658.

Sincerely,



Eusebio M. Espinosa
Contracting Officer

Enclosure

1. WSI Evaluation

WSI Criterion #1: Technical Capability
(Excellent-95%)

Initial Rating: Excellent (95%)

Final Rating: Excellent (95%)

The proposal demonstrated an excellent understanding of contractual requirements and capability to perform the SOW. The proposal contains strengths, including three significant strengths. No weaknesses were identified. WSI demonstrated a comprehensive understanding and technical capability, an excellent training and implementation program, a nucleus of highly trained employees and the extensive corporate experience required to successfully accomplish the SOW.

WSI demonstrated its understanding of performance requirements by outlining an "integrated defense in-depth strategy." This would involve the use of roving patrols, electronic sensors, and MIRVs equipped with ground radar, color and infrared cameras, electronic sensors, forward looking infrared and closed circuit television. These multiple layers of personnel and technology control measures complement one another in a manner that precludes unauthorized access or malevolent acts. WSI demonstrated an excellent understanding of protection requirements as they relate to the missions as outlined in the SOW. WSI demonstrated a strong understanding of need for and use of over-time hours in meeting fluctuating mission requirements associated with the conduct of sub-critical experiments and the presence of SNM on site to meet the continuous protective services that are required 24 hours per day, 365 days per year.

Additionally, WSI demonstrated a comprehensive understanding of the Special Response Team requirements needed to support current and future NTS missions. WSI also demonstrated a strong understanding and working knowledge of Human Reliability Program (HRP), Material, Control and Accountability (MC&A), and Technical Surveillance Countermeasures (TSCM) requirements. In its proposal WSI demonstrated a comprehensive understanding of Emergency Response and Emergency Management training exercises. They also identified the NNSA/NSO Consolidated Emergency Management Plan and the key roles required by the Incident Commander in security emergencies supported by the Tactical Operations Center.

Another vital aspect addressed by WSI in their proposal was training. The proposal demonstrated excellent training experience and implementation approaches. These technical approaches included training needs assessments, protective force annual training, sensitive assignment specialist refresher training, Security Police Officer (SPO) III training, and physical fitness training as required by 10 Code of Federal Regulations (CFR) Part 1046 and DOE M 473.2-2 Change 1.

As requested in the RFP, WSI demonstrated its understanding of the needs of a highly qualified nucleus of employees who possess the necessary skills and flexibility to perform the breadth of the SOW. The Offeror demonstrated they have trained and qualified guard forces, professional security, administrative, and management staff at various DOE/NNSA sites (Y-12, RFETS, SRS, and NTS) that would be brought to bear to meet the requirements of the SOW.

WSI, in its proposal, demonstrated a thorough understanding in the planning and coordinating of protestor activities. The Offeror identified specific anti-nuclear demonstration planning

activities. The Offeror also identified the need to liaison with local law enforcement to ensure appropriate response as required. Throughout their proposal WSI demonstrated a complete understanding and implementation of DOE Orders, Manuals and requirements. WSI in its proposal demonstrated a thorough understanding of technical risks associated with the accomplishment of the SOW and measures to mitigate those risks.

Finally WSI demonstrated 74 years of relevant combined work experience at four DOE/NNSA sites (NTS, Y-12, SRS, and RFETS), including experience with protection of the SNM found at NTS. This corporate experience is highly desirable in performing DOE security requirements at NTS.

(WSI) Criterion 1: Technical Capability
Consensus is Excellent – 332.5 points

GENERAL COMMENTS:

The Technical Capability proposal demonstrates an excellent understanding of contractual requirements and capability to perform the SOW. The proposal contains strengths including significant strengths. No weaknesses were identified.

SIGNIFICANT STRENGTHS

- The Offeror demonstrated a comprehensive technical capability and thorough understanding and technical approach, risk identification and risk mitigation strategies to successfully accomplish the SOW as listed below (M.05, Criterion 1, (i)):
 - The Offeror demonstrated a detailed understanding of the over-time requirements needed to meet SOW activities specific to the NTS. WSI demonstrated a strong understanding of need for and use of over-time hours in meeting fluctuating mission requirements associated with the conduct of sub-critical experiments and the presence of SNM on site to meet the continuous protective services that are required 24 hours per day, 365 days per year.
 - Reference: - VOL II, Figure (1-13), page 16; VOL II, page 26
 - The Offeror demonstrated a thorough understanding of a “...*integrated defense in-depth strategy*...”. This would involve the use of roving patrols, electronic sensors, and MIRV’s equipped with ground radar, color and infrared cameras, electronic sensor, forward looking infrared and closed circuit television. These multiple layers of personnel and technology control measures complement one another in a manner that precludes unauthorized access or malevolent acts.
 - Reference: VOL II, pages 9 to 11
 - Reference: VOL II, Figures (1)(iii)-1, -2, -4 to -12, pages 31 to 36
 - The Offeror demonstrated a comprehensive understanding of the Special Response Team requirements. The Offeror proposed site-specific SRT capabilities. This included rifle/observers, tactical entry specialists, and

assaulters. Additionally, the Offeror identified specific equipment required to support SRT operations.

- Reference: VOL II, (1) page 3

- The Offeror demonstrated a strong understanding of HRP requirements. The Offeror also demonstrated a strong technical approach in how to implement HRP while minimizing risks that could impact NTS missions. The Offeror demonstrated three years of HRP experience with over 77 years of PAP/PSAP experience.
 - Reference: VOL II, (1) Figure (1)-16, page 23; (1) 4 B, pages 35 and 36; (1) Figure (1)(iii)-12, page 36
- The Offeror demonstrated a superior understanding and thorough technical approach to meet MC&A program requirements. The Offeror demonstrated specific plans and procedures to be utilized to address MC&A requirements. This included recognition of shipper/receiver agreements, input to the Nuclear Materials Management and Safeguards System and Tamper Indicating Device programs.
 - Reference: VOL II, (1) pages 21 and 22; Figure (1)(iii)-11, page 35
- The Offeror demonstrated a comprehensive understanding of Emergency Response and Emergency Management training exercises. The Offeror identified the NNSA/NSO Consolidated Emergency Management Plan and the key roles required by the Incident Commander in security emergencies supported by the Tactical Operations Center.
 - Reference: VOL II, (1) page 6; Figure (1)-7, page 7
- The Offeror detailed training experience and implementation approaches. These technical approaches included training needs assessments, protective force annual training, sensitive assignment specialist refresher training, SPO III training, and physical fitness training as required by 10 CFR 1046 and DOE M 473.2-2 Change 1.
 - Reference: VOL II, (1), page 12
- The Offeror demonstrated a strong technical approach for TSCM. The Offeror identified a TSCM Officer position to implement the classified TSCM procedural manual and Director Central Intelligence Directives for both the M&O and Protective Force Contractor.
 - Reference: VOL II, (1) C1, page 20
- The Offeror demonstrated a thorough understanding in the planning and coordination of protestor activities. The Offeror identified specific anti-nuclear demonstration planning activities. The Offeror also identified the need to liaison with local law enforcement to ensure appropriate response as required in documented anti-nuclear demonstration plans. The Offeror referenced past experience with 439 demonstrations involving 74,000 protestors.
 - Reference: VOL II, (1) C, page 6

- The Offeror demonstrated a thorough understanding and implementation of DOE Orders, Manuals and requirements.
 - Reference: VOL II – (1) 2, page 3; (1) Figure (1)-7, page 7; (1) F, page 10; (1) 1, page 11; (1) page 12
- The Offeror demonstrated a thorough understanding of technical risks associated with the accomplishment of the SOW. The Offeror's proposal identified measures used to mitigate those risks. Examples include the risk and mitigation strategies identified after each section of the proposal. Listed below are examples:
 - Protective Force --- The Offeror's proposal identified multiple credible risks with mitigation strategies for each. Risks ranged from compromise of SNM to staffing issues.
 - Reference: VOL II, Figure (1)-13, pages 15 and 16
 - Technical Security Systems --- The Offeror's proposal identified several credible risks with mitigation strategies for each. Risk range from failure to maintain classified computer security programs to inability to find replacement parts.
 - Reference: VOL II, Figure (1)-14, page 21
 - Administrative activities --- The Offeror's proposal identified numerous valid risks with mitigation strategies for each.
 - Reference: VOL II, Figure (1)-20, page 29
- The Offeror's proposal demonstrated a highly qualified nucleus of employees who possess the necessary skills and flexibility to perform the SOW. The Offeror demonstrated they have trained and qualified guard forces, professional security, administrative, and management staff at various DOE/NNSA sites (Y-12, RFETS, Savannah River Site and the NTS) that would be brought to bear to meet the requirements of the SOW. (M.05, Criterion 1, (ii)).
 - Reference: -- VOL II, Figures (1)(iii)-1, -2, -4 to -12, pages 31 to 36
- The Offeror demonstrated strong corporate experience in performing all aspects of the SOW (M.05, Criterion 1(iii)). This was demonstrated through their proposals identification of 74 years of relevant combined corporate experience at four DOE/NNSA sites (NTS, Y-12, Savannah River, and RFETS). This corporate experience is specifically related to DOE/NNSA security requirements.
 - Reference: VOL II, Figures (1)(iii)-1 through -12, pages 31 to 36

STRENGTHS

- None

SIGNIFICANT WEAKNESSES

- None

WEAKNESSES

- None

WSI Criterion #5: Past Performance
(Excellent-95%)

Initial Rating: Excellent (90%)	Final Rating: Excellent (95%)
--	--------------------------------------

The Offeror demonstrated excellent past performance at multiple DOE sites with work comparable to the SOW as identified in the strengths below. The Board evaluated the initial proposal that contained significant strengths, strengths and a weakness. In the Board considered input from two external performance reports that identified performance issues considered as concerns by the Board but not categorized as weaknesses pending responses from WSI. Results of those external reports were addressed with WSI during discussions. WSI's responses to the Board's discussion questions and the Board's verification of facts with sources independent of WSI resolved the Board's concern with all potential negative performance issues. The weakness initially cited by the Board has been eliminated and the WSI past performance score increased by 5 percentage points.

- o In the January 2004 IG Inspection Report, allegations regarding protective force performance testing improprieties were evaluated. On page 13 of the report under Management Response, "Concur.... However, consideration of alleged improper actions referenced prior to WSI assuming the contract in January 2000, would not be appropriate in the determination of fee allowance during the remaining years of the WSI contract." The Board looked at the performance period during which the incident occurred and saw that the Y-12 Site awarded WSI with a rating of 93%. As the Board found that DOE/NNSA management at the respective sites did not support the allegations in the IG Report and because the amount of fee awarded indicates a high degree of performance (i.e. greater than 90%), the Board did not find the assess a weakness to the cited information. However, the IG report was addressed with WSI during discussions.

Results of Discussions

Discussion Question 2:

The U.S. Department of Energy Inspector General reports entitled "Protective Force Performance Test Improprieties," DOE/IG-0636, January 2004, was critical of identified improprieties of protective force performance testing. Please respond to the Observations and Conclusions section on page 3 of the report.

WSI Response:

WSI responded to the Office of Inspector General report that while the IG identified this as a Force-On-Force (FOF) exercise, WSI provided information that it was a Diagnostic Evaluation Exercise (DEE). This difference is that instead of personnel being tested it was a specific

portion of the protection strategy that was being tested and thus being given the scenario ahead of time was credible and not improper.

In their Final Proposal Revision WSI provided the following:

In the January 2004 IG Inspection Report, allegations regarding protective force performance testing improprieties were evaluated. On page 13 of the report under Management Response, "*Concur... However, consideration of alleged improper actions referenced prior to WSI assuming the contract in January 2000, would not be appropriate in the determination of fee allowance during the remaining years of the WSI contract.*" The Board looked at the performance period during which the incident occurred and saw that the Y-12 Site awarded WSI with a performance rating of 93%. In an e-mail, dated July 23, 2003, from Ms. Sharon Daly (an attendee at the June 19, 2003 in brief) Assistant Manager, Safeguards and Security, YSO to Mr. Toby Johnson, Chief Nuclear Security, NNSA, Ms. Daly stated, "*...the exercise was not the usual FOF type, it was a 'diagnostic' exercise – translation: to ensure it would simulate the scenario that JCATS ran, the adversary was not allowed 'free play' in some areas of the scenario. This is documented and was briefed up front during planning sessions. The ideas is valid if you are trying to compare 'apple to apple' so you can claim a good comparison – basic scientific approach or having a constant. Do not see an issue with this. They do call this 'type' of exercise something else – A DEE since it relates to a diagnostic eval.*"

An investigation of performance test improprieties was directed by Mr. Toby Johnson, NNSA. The investigator concluded that: (1) the DEE was a valid and credible test design; (2) it had been conducted with integrity; (3) it was clearly designed not to be a win/lose and; (4) was executed in accordance with its well documented and well communicated design objectives. He further found that the IG did not pursue the opportunity to review test results and other pertinent data, which could have changed their observations and conclusions.

In a March 4, 2005 response to a letter dated February 17, 2005 from Congressman Edward J. Markey, which stated, in part, "*In January 2004, the DOE IG also found that Wackenhut supervisory personnel had cheated on (and) they were tipped off in advance during a DOE drill...*" Ambassador Linton Brooks, Administrator, NNSA, stated that the reported improprieties were "*not categorized as 'cheating', nor were personnel 'tipped-off' in advance.*"

Board Finding:

The Board in its evaluation of the WSI Final Proposal Revision found the issue to be fully and satisfactorily addressed.

Discussion Question 3:

The U.S. Department of Energy Inspector General report entitled "Protective Force Training at the Department of Energy's Oak Ridge Reservation," DOE/IG-0694, June 2005, identified allegations with training at the Oak Ridge Reservation. Please respond to these findings of the Inspector General.

WSI Response:

WSI responded to the Office of Inspector General report. WSI contends that NNSA management as well as WSI disagrees with the interpretation of training requirements.

In their Final Proposal Revision WSI submitted the following:

As quoted in the report, "Management's comments indicate a fundamental disagreement on the core issues in the report." WSI in its Final Proposal Revision thoroughly discussed "training to time" and "training to standard" identified in the IG Report. In a letter dated May-25, 2005, to the DOE/IG Michael Kane, NA-60, NNSA wrote, "...there is no indication that results obtained through training to a standard is any less effective or efficient than to generic training plans. Contractually and administratively the reporting of training accomplished citing planned hours rather than actual hours is a consequence of requirements."

During the FY 2005 OA inspection, conducted May-July 2005, the WSI-OR training program was rated "Effective Performance" (Green), the highest rating possible, even after special attention was paid to this area as a result of the IG Report. In fact, in his response to the Draft Report, Mr. Glenn Podonsky, Director, Office of Security and Safety Performance Assurance (SSA), stated, "Currently, OA is inspecting the Y-12 Protective Force program. As part of the Y-12 inspection scope, OA will assess the adequacy of the training program and the effectiveness of training to prepare the Y-12 Protective Force to perform its mission. The Y-12 final inspection report will be issued in July 2005." The OA Team lead, Mr. Arnold Guevara, stated in the OA out briefing that the OA failed to understand what the IG's issues with the WSI-OR training program were and that they would discuss the subject with them.

Board Finding:

The Board evaluated the IG June 2005 report regarding deficient training requirements at the DOE Oak Ridge reservation. The NNSA Management response to the IG states that NNSA accepts the manner in which Oak Ridge does its training. With the additional finding of an Effective Performance during the OA 2005 Inspection, the Board finds that the issue has been resolved.

Summary:

Discussion Question 1 was characterized as a Weakness in the Competitive Range Report. Through the evaluation of the Final Proposal Revision, the Board felt that this weakness was fully mitigated and is no longer considered a weakness by the Board. Discussion Questions 2 and 3 were not identified as weaknesses but were identified as Past Performance issues worthy of response from the Offeror. The WSI Final Proposal Revision fully and satisfactorily addresses their actions and the action of the related site offices and NNSA Headquarters. The Board does not feel that these discussions questions are issues and the Board reevaluated Criterion 5 Past Performance and made the following determination.

WSI demonstrated excellent past performance at multiple DOE/NNSA sites with work comparable to the SOW. In evaluating the prior five years of past performance information, the Offeror demonstrated the protection of SNM, SPO III programs, FRP, training, technical security programs, and other security functional areas identified in the SOW at NTS, Y-12, SRS, RFETS, BWXT-Pantex and LANL. As a result, of eliminating the weakness and satisfactorily addressing other past performance information, the SEB increased the WSI rating as show below.

(WSI) Criterion 5: Past Performance

Consensus is Excellent – 135.0 points

SIGNIFICANT STRENGTHS

- WSI provides nuclear security services, as identified in the SOW, for the DOE Oak Ridge and NNSA Y-12 complexes. The magnitude of this contract exceeds \$376M over the last five years. For the DOE Oak Ridge Operations Office, WSI has received, on average, a performance rating of 96% over the last 10 performance periods with no rating lower than 94%. The previous six adjectival ratings were "Outstanding". For the NNSA Y-12 plant, WSI has received an average of 95.5% of performance points since the start of the contract in 2002.
- WSI current provides nuclear security services, as identified in the SOW, for the DOE Savannah River Operations Office. The magnitude of this contract exceeds \$454M over five years. In this five year performance period, WSI has earned available performance points of 98.8%. The adjectival rating ranges from "Superior to Excellent" during this five year period.
- WSI provided nuclear security services to Kaiser Hill, LLC at the RFETS. The magnitude of this work was \$230M over eight years. Although no performance ratings were noted in the proposal, the adjectival rating given by the DOE Office was "Satisfactory/Effective"; which is the highest rating an organization can receive.
 - Reference VOL. II Past Performance
 - YSO – pages 23 to 40
 - SRS – pages 41 to 55
 - RFETS – pages 56 to 64
 - BWXT Pantex – pages 65 to 70
 - LANL – pages 71 to 76

STRENGTHS

- WSI has provided nuclear security services, as stated in the SOW, for the NNSA/NSO for over 40 years. Since October 1, 1999 to present, WSI has earned an average available score of 96.8%. WSI had earned on eight difference occasions an available score of 98% - Outstanding. Since the Satisfactory performance (85%) from April 1, 2004 to September 30, 2004, WSI has earned 96% and 97% of fee for the performance periods of October 1, 2004 to March 31, 2005; and April 1, 2005 to June 30, 2005.

- Reference VOL II, Past Performance
 - NSO – pages 3 to 20

SIGNIFICANT WEAKNESSES

- None

WEAKNESSES

- For the rating period April 1, 2004 to September 30, 2004, WSI received a 85% for deficiencies found during an OA inspection of the NTS (See Discussion Question 1 below).
 - Reference VOL II, Past Performance, pages 3 to 20

Results from discussions

Discussion Question 1 (Weakness):

The Office of Oversight and Assessment (OA) review conducted July-August 2004 found deficiencies of Wackenhut's performance at the Nevada Test Site in the Safeguards and Security topical area of protective force operations. As a result, Wackenhut received significantly lower ratings in the areas of safeguard and security operations and safeguards and security program management in the performance evaluation report covering the period of April 1, 2004 to September 30, 2004. Please respond to the OA assessment of Wackenhut's performance in the mock terrorist drill.

WSI Response:

WSI responded that the deficiencies identified by OA assessment of NTS protective force operations were a result of chronic insufficient funding by DOE/NNSA resulting in reduced protective force manpower for the future mission identified in April 2004. WSI responded in their Final Proposal Revision with the following.

Following the 2004 OA evaluation, the WSI Protective Force strengths was authorized to increase from 160 to 265, including the first ever direction to implement an SRT. Additionally, WSI was authorized to establish a Performance Testing capability that was required for a site with an SNM mission. In conjunction with NSO, WSI immediately implemented an intensive retraining program. Off-site support to other sites was canceled and support was obtained from various NNSA sites as part of the training program. An intensive evaluation program of SPIO fitness was implemented and training was basically ongoing on a 24 x 7 basis. On November 4, 2004, less than 90 days after the OA evaluation, the NSO was subjected to an NNSA HQ (NA-70) Operational Readiness Review (ORR) to determine the capability to support a Category I SNM mission. Although the Protective Force staffing level was viewed as significant weakness that must be remedied through the hiring, training and qualification process, the Protective Force

and NSO overall were rated by NNSA (NA-70) as capable of protecting the material and accepting the mission.

At the time the DAF was selected for a full time SNM mission in mid-2004, WSI identified a significant number of improvements that were necessary to establish full compliance with DOE Orders and Manuals, many of which required significant funding and time to implement, plus the addition of appropriate staff. These improvements had not been funded prior to that time, since the NTS and DAF security postured did not require them. Once the funding was approved, and with the concurrence of the NSO Assistant Manager for Safeguards and Security (AMSS), WSI did implement those improvements.

Subsequent to the 2004 OA inspection, WSI has undergone a number of satisfactory reviews by NA-70, including an operation readiness review and observation of force on force exercises. The OA inspection of 2005 noted marked improvement in all evaluated Protective Force areas, including a 98% pass rate for over 200 limited scope performance tests. It was also noted that those areas that require significant time and/or funding to complete corrective actions, specifically implementation of a SPO-III/SRT program and improved facilities, still require improvement. OA personnel specifically state they did not question the site's ability to protect SNM at our critical facility.

Award fee determination since the 2004 OA inspection recognized this improved performance, with recent scores of 95 and 97 respectively.

Board Finding:

In evaluating WSI's response to this adverse past performance issue in the Final Proposal Revision the Board found that WSI has satisfactorily explained its performance. This explanation and the high ratings for WSI in the two most recent reviews at the NTS (95% and 97% respectively) has fully mitigated the concern of the Board, which has decided to remove this item as a weakness.



Department of Energy
National Nuclear Security Administration
Service Center
P. O. Box 5400
Albuquerque, NM 87185



May 08, 2007

Mr. Edward P. Shedlick
Director, Contracts
Advanced Science and Engineering Technologies, LLC
2411 Dulles Park South
Herndon, Virginia 20171

VIA FACSIMILE - (703) 713-4083

Dear Mr. Shedlick:

On behalf of the Department of Energy (DOE) National Nuclear Security Administration (NNSA), we appreciate your and Advance Science and Engineering Technologies, LLC's (ASET), efforts in preparing and submitting a proposal in response to Request for Proposal No. DE-RP52-06NA27344 (RFP) for the Management and Operation of the Lawrence Livermore National Laboratory.

As communicated to you earlier in the day by Walter C. Lips, Chairman, NNSA Source Evaluation Board, after a thorough review and evaluation of your proposal performed in accordance with the RFP, Section M-2, entitled, "Basis for Contract Award," the NNSA Source Selection Official did not select your proposal for contract award. The proposal submitted by Lawrence Livermore National Security, LLC, was determined to be the best value to the Government and was selected for contract award. The award was made on May 8, 2007, and a redacted copy of the signed contract will be placed on the NNSA Source Evaluation Board web site established for this competition.

Pursuant to Federal Acquisition Regulation Subpart 15.503(b), the following information is provided:

- (i) The Number Of Offerors Solicited: 59
- (ii) The Number Of Proposal Received: 3
- (iii) The Name And Address Of Each Offeror Receiving An Award:

Summary – Past Performance Evaluation

ASET team members' past performance over the last five years is applicable to relevant portions of the Statement of Work activities and to the experience cited by the offeror.

Northrop Grumman is expected to perform the Science and Technology (S&T) elements of the SOW. Two of Northrop Grumman's contracts, Earth Observing System Common Spacecraft and ICBM Prime Integration Contract, started as TRW contracts. These became Northrop Grumman contracts following their merger with TRW and performance on both contracts improved noticeably in that time frame in the areas of cost control, project planning and subcontract management. Northrop Grumman earned a high percentage of award fee on the Earth Observing System Common Spacecraft and received strong ratings in the questionnaires. Northrop Grumman's performance on the ICBM Prime Integration Contract was generally rated as "Excellent". Northrop Grumman's performance on the Optical Research and Field Services contract was also generally considered as "excellent", but had some management issues and one of Northrop Grumman's references indicated he would not hire Northrop Grumman again

AECOM is expected to perform the architectural, design and engineering services in support of S&T and Laboratory Operations elements of the SOW. AECOM has had strong performance at LANL and was rated "Very Good" to "Exceptional". AECOM's performance at the Pentagon Renovation and Construction Project was also very strong where it was rated "Excellent" and earned a very high percentage of its award fees. AECOM's performance at Ft. Polk received strong performance reviews but had systemic safety problems which have been corrected.

Wackenhut is expected to perform the Safeguards and Security, Counterintelligence and Counterterrorism, and Emergency Operations elements of the SOW. Wackenhut has shown outstanding performance at Y-12, Oakridge, Savannah River, the Kennedy Space Center, and the Office of Secure Transportation contracts. Wackenhut has quickly identified problems and corrected them. At SRS, they received special recognition for implementation of the Design Basis Threat. Wackenhut is a recognized leader across the NNSA/DOE complex in Safeguards and Security, Counterintelligence and Counterterrorism, and Emergency Operations support.

CH2M HILL is expected to perform ES&H, Environmental Management, Facilities Operations and Laboratory Management elements of the SOW. CH2M HILL has had strong performance under the Rocky Flats Closure Contract where it received very high provisional fees and has a strong safety record. CH2M HILL's performance at ENRAC has been rated as "Outstanding" resulting in several follow on contracts. CH2M HILL's performance at Miamisburg was rated "Good" to "Outstanding" in the questionnaires. CH2M HILL completed a difficult cleanup and closure contract within budget, ahead of schedule and with a strong safety record. CH2M HILL performance on the Richland Tank Farm has been rated as "Satisfactory" to "Good" in the questionnaire. CH2M HILL

Source Selection Information – See FAR 2.101 and 3.104

Section I – Team Member Contract’s Submitted to the SEB,

The following is a table that summarizes the SEB’s analysis of the individual contracts provided by ASET team members.

Summary Findings Table – Past Performance – ASET:

Team Member	Contract	Value	Rating
Northrop Grumman	NASA Earth Observing System Common Spacecraft	Cost & Fee: \$601.6M	Significant Strength
Northrop Grumman	ICBM Systems Wing, USAF ICBM Prime Integration Contract	Cost & Fee: \$4.9B	Strength
Northrop Grumman	USAF/Air Force Research Laboratory Optical Radiation Branch	Cost & Fee: \$54M	Strength
AECOM	Architecture, Design and Engineering Services/LANL/	Cost & Fee: \$65M	Significant Strength
AECOM	DOD – Pentagon Renovation and Construction Program	Cost & Fee: \$176M	Significant Strength
AECOM	U.S Army Ft. Polk and Joint Readiness Training Center	Cost & Fee: \$173M	Strength
Wackenhut	Oak Ridge Operations Safeguards and Security Protective Force	Cost and fee: \$372.6M	Significant Strength
Wackenhut	Paramilitary Security Services	Cost and fee: \$5.6B	Significant Strength

	for the Savannah River Site		
Wackenhut	Kennedy Space Center Security and Fire Protective Services	Cost and fee: \$2.8B	Significant Strength
CH2M HILL	Rocky Flats Closure Project	Cost & Fee: \$3.995B	Significant Strength
CH2M HILL	Miamisburg Closure Project	Cost & Fee: \$373.4M	Strength
CH2M HILL	U.S. Air force Center for Environmental Excellence	\$97.9M	Significant Strength
NFS	Naval Fuel Production	Cost & Fee: \$138M	Strength
NFS	U-233 Disposition and Building 3019 Complex Shutdown Project	Cost & Fee: \$140M	Strength
NFS	TVA Off-specification or Blended Low Enriched Uranium (BLEU) Program	Cost & Fee: \$150M	Strength

The following is the SEB's findings with regard to each of the LLNS team members contracts submitted to the SEB:

Northrop Grumman – National Aeronautics and Space Administration (NASA), Earth Observing System Common Spacecraft (EOS CS) – Significant Strength

Relevance of Contract

Northrop Grumman is responsible for the launch and operation of the Aqua and Aura spacecraft under the NASA EOS CS program. Northrop Grumman also provides design, development, and support to NASA for these two spacecraft. The contract was initially awarded in 1995 to TRW, which was subsequently merged into Northrop Grumman, and it became a Northrop Grumman contract in 2003. This contract is relevant to the S&T

Source Selection Information – See FAR 2.101 and 3.104

Two Past Performance Questionnaires were received: one from the Contracting Officer and one from the Director of Contracting. The CO rated AECOM's performance in the "Satisfactory" to "Good" range. The CO rated AECOM's overall performance as "Good". The Director of Contracting rated AECOM's performance in the "Good" to "Outstanding" range. The Director of Contracting rated AECOM's overall performance as "Good Plus". Both individuals indicated they would hire AECOM again. Both individuals provided positive remarks including a statement from the Director that AECOM was proactive and has very good internal quality controls.

Overall Assessment

The past performance provided is relevant to the portions of the LLNL Statement of Work to be performed by AECOM and to the experience cited. AECOM's performance in the operation of Ft. Polk has been mainly "Excellent" to "Outstanding" with strong performance reviews in the questionnaires. However, AECOM's strong performance is diminished by AECOM's systematic problems resulting in a fatality, although subsequently corrected. Overall, the SEB assessed AECOM's performance at Ft. Polk as a Strength.

Wackenhut Services Incorporated (WSI) – Oak Ridge Operations (2000-2003) and Y-12 Plant – Significant Strength

Relevance of Contract

Wackenhut Services Incorporated WSI managed the protective force services at Oak Ridge Operations (Oak Ridge National Laboratory, the East Tennessee Technology Park, Federal Office Building Complex) and the Y-12 Plant under a single contract from 2000 until 2003, at which time the contract was split into separate DOE and NNSA Time, Materials, and Award Fee type contracts. WSI continues to provide security to both sites under separate contracts. This contract is relevant to the Safeguards and Security, Counterintelligence and Counterterrorism and Emergency Operations support elements of the SOW. These contracts are also relevant to the experience cited in the proposal.

Quality of Service

The primary indicator of quality of service received by the SEB was five years of performance evaluation documentation between 2001 and 2006. The performance of WSI at Oak Ridge Office for the period following 2003 will be addressed separately.

Under the single Oak Ridge /Y- 12 contract in FY 2001, FY 2002, and FY 2003, WSI received Outstanding ratings and collected between 96% and 98% of the available provisional fee. In 2003, WSI received special recognition for implementing Integrated Safeguards and Security Management (ISSM) ahead of schedule. WSI at Y-12 received ratings of 97% and 98% respectively in 2004 and 2005. In FY 2005 WSI received special recognition for its successful implementation of the Design Basis Threat improvements and its innovative Security Readiness Index at Y-12 and was singled out for recognition by the Department of Energy for its Operations Security Program.

Source Selection Information – See FAR 2.101 and 3.104

WSI has a self assessment process in place at Y-12 that is widely acknowledged as being an industry standard. It is well documented and credited with enabling Wackenhut to implement effective corrective measures.

Two completed questionnaires were received: one from the Y-12 Contracting Officer and one from the alternate COR. Both individuals rated WSI performance in the “Good” to “Outstanding” range. Both individuals rated WSI’s overall performance as “Outstanding”. Both reviewers indicated they would hire WSI again.

There were no Type A or B accidents experienced by WSI at Oak Ridge or Y-12 in the last five years. This is indicative of excellent safety and health performance.

Overall Assessment

The past performance provided is relevant to the portions of the LLNL statement of work to be performed by WSI, and to the experience cited. WSI earned a significantly high percentage of the available fee, received an “Outstanding” rating for its overall performance in the questionnaires, and has a strong safety record. Overall, WSI’s performance at both sites through 2003 and at Y-12 is considered to be a Significant Strength.

Wackenhut Services Incorporated (WSI) – Savannah River Site – Significant Strength

Relevance of Contract

WSI has been providing protective force services at Savannah River Site under a Cost Reimbursement, Award Fee and Incentive Fee arrangement since 1999. This contract is relevant to the Safeguards and Security, Counterintelligence and Counterterrorism and Emergency Operations elements of the SOW. This contract is also relevant to the experience cited in the proposal.

Quality of Service

The primary indicator of quality of service received by the SEB was three years of Award Fee Determinations between May 2003 and March 2006. During the three-year period, WSI has consistently earned an average 98% of the available award fee and its work was evaluated as “excellent” or “superior”.

WSI’s self assessment identified one problem in their protective force’s tactical training process. Their corrective actions resulted in improvements to the preparation and evaluation of force-on-force exercises.

Two Past Performance Questionnaires were received: one from the Director of Safeguards and Security and the other from the Contracting Officer. Both individuals

Source Selection Information – See FAR 2.101 and 3.104

rated WSI's performance as "Outstanding" in all applicable questions including rating WSI's overall performance as "Outstanding". Both individuals indicated that they would hire WSI again.

There were no Type A or B accidents experienced by WSI at Savannah River Site in the last five years. This is indicative of excellent safety and health performance.

Overall Assessment

The past performance provided is relevant to the portions of the LLNL Statement of Work to be performed by WSI and to the experience cited. WSI's overall performance has been "excellent" or "superior", WSI earned a very high percentage of its award fees, has a strong safety record, and received "Outstanding" ratings in the questionnaire's. Overall, the SEB assessed WSI's performance at the Savannah River Site as a Significant Strength.

Wackenhut Services Incorporated (WSI) – NASA and USAF, Kennedy Space Center (KSC)– Significant Strength

Relevance of Contract

WSI, along with Northrop Grumman, have been providing protective force services at KSC/Cape Canaveral Air Force Station under a Cost Plus Award Fee arrangement since 1998. This contract is relevant to the Safeguards and Security, Counterintelligence and Counterterrorism and Emergency Operations elements of the SOW. This contract is also relevant to the experience cited in the proposal.

Quality of Service

The primary indicator of quality of service received by the SEB was three years of Award Fee Determinations between FY 2001-FY 2005. WSI's performance ratings during the five-year period were in the "excellent" range and they earned an average of 92% of the available fee.

WSI's self assessment identified one problem concerning the fire and security command centers at the five independent facilities where operations were conducted and non-standard weapon types. Corrective measures taken by WSI's management resulted in standardization of weapon types used and the implementation of a common emergency communications system. These actions improved services and lowered costs.

One Past Performance Questionnaire was received from the Contracting Officer's Technical Representative (COTR). The COTR rated WSI's performance from "Good" to "Outstanding" range including rating WSI's overall performance as "Good". The COTR also indicated that she would hire WSI again.

Source Selection Information – See FAR 2.101 and 3.104

Relevance of Contract

CH2M HILL has been the cleanup contractor for the River Corridor Closure Project since March 2005. This Contract is relevant to the Environmental Management portion of the SOW to be performed under the LLNL contract.

Quality of Service

There have been no PNOVs, enforcement letters, or Type A or B accidents related to this contract. Given the complexity of the work at Hanford, this is indicative of outstanding performance in regards to safety.

One Past Performance Questionnaire was received from the Contracting Officer. The Contracting Officer rated CH2M HILL's performance in the "Marginal" to "Good" range. The Contracting Officer also gave an overall assessment of CH2M HILL's performance as "Good". The Contracting Officer indicated that she would hire CH2M HILL again.

Overall Assessment

The past performance provided is relevant to the portions of the LLNL Statement of Work. CH2M HILL received good ratings in the questionnaire and has a strong safety record. Overall, the SEB assessed CH2M HILL's performance at Hanford to be a Strength.

Wackenhut Services Incorporated – Office of Secure Transportation– Significant Strength

Relevance of Contract

Wackenhut Services Incorporated (WSI) provided a full range of support services, including training, planning, logistics, project management, property control, intelligence and security to the Office of Secure Transportation at the NNSA Service Center. This contract is relevant to the Safeguards and Security, Counterintelligence and Counterterrorism and Emergency Operations elements of the SOW. This contract is also relevant to the experience cited in the proposal.

Quality of Service

The SEB obtained three years of performance assessments reports and fee information. Performance was rated in the "Good" to "Excellent" range. WSI also earned 90-93 percentage of available fee for periods FY 2004-2006. The only series of the tasks which received less than a "Good" rating in all of the periods which were reviewed occurred in the 5th rating period of 2006 (Administration and cost efficiency); these tasks were improved upon in the first 2007 rating period, where WSI received 90% of available fee.

Source Selection Information – See FAR 2.101 and 3.104

Three Past Performance Questionnaires were received: one from a former Contracting Officer, one from the contracting program analyst and one from the Principal Deputy Program Administrator. WSI's ratings were predominantly in the "Good" to "Outstanding" range, with the only "Satisfactory" rating in the areas of subcontractor and financial management and retention of well qualified key personnel. WSI's overall performance was rated as an overall "Good" by one respondent and "Excellent" by two respondents, and all three indicated that they would rehire WSI again.

Overall Assessment

The past performance provided is relevant to the portions of the LLNL statement of work to be performed by WSI. WSI's overall performance has been "Good" to "Excellent", WSI earned a very high percentage of its available fee, and WSI received "Good" to "Outstanding" overall ratings in the questionnaires. Overall, WSI's performance at the Service Center is considered to be a Significant Strength.

Wackenhut Services Incorporated – Nevada Test Site – Significant Strength

Relevance of Contract

Wackenhut Services Incorporated (WSI) has provided a full range of Protective Force services to NTS since 1998, including physical protection of security interests, to include nuclear explosive devices, Special Nuclear Material, Stockpile Stewardship Operations, and Classified and Sensitive Information. The current contract, in effect since FY 2006 is relevant to Wackenhut's ability to manage the following statement of work elements: Safeguards and Security, Counterintelligence and Counterterrorism, and Emergency Operations support. This contract is also relevant to the experience cited in the proposal in the Laboratory Operations areas.

Quality of Service

WSI provided services to Nevada Test Site under two separate prime contracts with the NNSA Nevada Site Office since 1998. A questionnaire response was received from the Assistant Manager for Safeguards and Security at the Nevada Site Office for the most recent rating period. Ratings were predominantly in the "Outstanding" range, with six "Good" ratings in the areas of compliance with ES&H contract requirements, subcontractor and financial management, project management, retention of well qualified key personnel, corporate office support and quality assurance. WSI's performance in support of this multifaceted contract at the Nevada Test Site was rated "Outstanding" overall by the respondent, who indicated that he would rehire WSI.