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October 26, 2005

Eusebio M. Espinosa, Contracting Officer
National Nuclear Security Administration
Service Center
P. O. Box 5400
Albuquerque, New Mexico 87185

Dear Mr. Espinosa:

Accompanying this letter are the answers to the four questions in your letter dated October 14, 2005, requesting final proposal revisions (FPR).

Predicated upon that direction and the SEB direction Mr. Ebert received in the October 19, 2005 NTS meeting, we have organized our responses as listed below:

CROSS REFERENCE INDEX

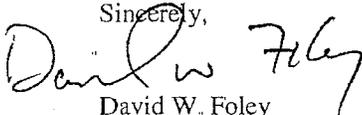
1. Questions 1, 2, and 3 have been answered and placed into our proposal Section (5) Criterion 5, Past Performance as pages 80 through 94. The addition of these pages necessitated that we totally re-submit Section (5) pages 1 through 94 because it changed the page number on each page. There are no other changes to this Section Please remove Section (V) from our original submission and replace it with (5) Criterion 5-Past Performance_FPR.doc.
2. The Table of Contents, Volume II Technical Proposal has been re-submitted. We have added the titles from the Questions from your October 14th letter. The only other changes to the Table of Contents are page number changes necessitated by answers to the questions in Section (5) Please remove the Table of Contents.doc from our original submission and replace it with Table of Contents_FPR.doc
3. Following instructions in the RFP Section L.07 Proposal Instructions: Volume II, Technical Proposal, prohibiting cost information in Volume II, we have placed our response to question 4 into Volume III Cost Proposal Narrative on page 74 (12) Base Fee and Award Fee. We have revised both our Base Fee and Award Fee. Please remove our original submission and replace it with Volume III Cost Proposal Narrative FPR.doc.
4. Volume III Cost Proposal Pricing, page 23, (4) Cost Element Summary has been re-submitted due to the changes in Base and Award Fee. Please remove our original submission and replace it with Volume III Cost Proposal Pricing FPR.xls
5. Volume III Cost Proposal Narrative, Cover Sheet page i has been re-submitted to reflect the changes in Base and Award Fee Please remove our original submission and replace it with Volume III Cost Proposal Narrative FPR.doc

6. Volume I, Offer and Other Documents, Section B:(1) 1, page B-1 of 1, Sections B.02 and B.04 has been re-submitted to reflect the changes in Base and Award Fee. Please remove our original submission and replace it with our Volume I Offer & Other Docs FPR doc.

As per item 4 above, WSI has revised its final price in Volume III. Other than the above listed changes, WSI will make no other revisions to its proposal.

Thank you for the opportunity to participate. Should you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink that reads "David W. Foley". The signature is written in a cursive style with a large, stylized "D" and "F".

David W. Foley
Chief Operating Officer

1. 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.

The year 2004 marked the end of a prolonged period of no permanent mission protecting Special Nuclear Material (SNM) at the Nevada Test Site. During this period, security budgets were not sufficient to support full staffing or any significant security related initiatives. In fact, there were recurring discussions regarding the potential closure of the Device Assembly Facility (DAF) to a cold, standby configuration if no permanent mission was identified. Consequently, the Protective Force strength was reduced to a low of 108 total Security Police Officers (SPOs) and Security Officers (SOs) from an authorization of 305 when the moratorium on nuclear testing was enacted. Site security activities above basic access control and minimal patrols were handled through the use of overtime to include the infrequent sub-critical experiment campaign as part of the overall test readiness posture. Following September 2001 enhancements resulting from directed Security Condition (SECON) upgrades raised overall requirements to the point that only essential, regulatory directed training could be conducted. Additionally, the Protective Force was also tasked to support activities at another site in a campaign mode on multiple occasions. As a result of the overtime requirements and lack of funding, with the concurrence of the Director, Safeguards & Security Division, NSO, all tactical training was canceled for the year with the exception of the referenced regulatory qualifications. WSI activities in support of NSO as outlined in our Performance Evaluation Plan and documented in evaluation reports, for the mission in place at the time, were rated as outstanding.

During 2004, discussions with NSO resulted in approval to hire additional SPOs to meet the non-SNM requirements. About this same time, in April 2004 notice was received through NSO that NNSA Headquarters (HQ) was about to direct a full time special nuclear material (SNM) mission for the Device Assembly Facility (DAF) after the years of operation that focused on the protection of property and classified materials and occasional protection of Category III and IV amounts of SNM. For WSI, this was equivalent to resuming support for an underground nuclear weapon testing program on a permanent basis, an activity that has a planned three year implementation cycle for other organizations. At the same time WSI was faced with the challenges of a new full time SNM mission, DOE was in the initial phases of implementing the 2003 Design Basis Threat (DBT) which included larger numbers of adversaries with enhanced capabilities. Similarly, the new DAF SNM mission also drove a requirement for a SPO-III Special Response Team (SRT) capability, which had not been required or implemented for the previous DAF posture. In order to support this new mission, WSI began an intensive hiring program to increase Protective Force (PF) strength to an authorized 160 without an SRT. The hiring program actually began in July 2004, as soon as initial increased funding was made available.

In order for NNSA Headquarters to evaluate the Nevada Site Office's (NSO) readiness to accept this full time SNM mission and the new requirements discussed above, the Office of Oversight

and Assessment (OA) scheduled an inspection of NSO in July-August 2004. According to the NSO Site Manager, and with her concurrence, the goal of the OA inspection was to test the NTS PF "to failure," particularly in the force-on-force performance test against the OA Composite Adversary Team (CAT). The OA CAT received a detailed facility defense plan briefing that included specific Protective Force strength and weapons information, was provided a DAF tour, an "Insider" role-player with detailed knowledge of the facility was provided to the team, and the CAT was permitted to utilize simulated sophisticated weapons effect. Through these tactical advantages, the CAT was expected to create the condition where the Protective Force could no longer sustain a viable defense of the DAF, otherwise known as test to failure. This considerable and detailed level of support to the CAT was necessary in order to ensure that the goal agreed to by the site manager and OA to test to failure was achieved. An additional goal was to baseline current PF status against the higher "elite force" model that was being proposed by HQ. This testing included aspects such as the move and shoot tactical evaluations that were not required in DOE Orders or Manuals, but were skills likely to be implemented in an elite force model that is currently under development by DOE.

In June 2004, as part of the ramping up of capabilities for a SNM mission, WSI conducted a force on force (FOF) exercise against a combined US Air Force and DOE Tonopah Test Range (TTR) adversary force replicating the 2003 DBT at the Ice Cap ground zero location, as the DAF was unavailable for this exercise. This FOF exercise was conducted to validate Threat Level 1 protection strategies for a simulated nuclear explosive device. The two-day event used participants from the United States Air Force, FBI, Tonopah Test Range, NNSA/NSO, Los Alamos National Laboratory, and WSI uniformed and non-uniformed personnel. The highlight of this exercise was the demonstrated tactical interoperability of the various organizations involved. NSO SSD considered the exercise successful.

Prior to the OA inspection, quarterly FOF exercises were not required since the DAF did not have a full time SNM mission. However, since June, 2004 WSI has conducted five, full scope, externally evaluated FOF performance tests. In addition, eight limited scope FOF performance tests were conducted for Protective Force individual and collective tactical skills maintenance training. The aforementioned FOF exercises do not include the August 2004 OA exercise; however, all these exercises were considered successful with the exception of the OA evaluated activity.

The 2004 OA evaluation resulted in findings indicating that the Protective Force lacked consistent tactical training or demonstrated tactical ability, and did not perform during the FOF in a manner sufficient to conclude they could execute missions of denial and recapture/recovery.

Following the 2004 OA evaluation, the WSI Protective Force strength 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 SPO fitness was implemented

and training was basically ongoing on a 24 X 7 basis. WSI negotiated with the Independent Guard Association of Nevada (IGAN) to establish enhanced qualification standards that included a shoot and maneuver firing course; an enhanced M203 qualification course; and intensified physical fitness requirements.

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 1 SNM mission. Although the Protective Force staffing level was viewed as a significant weakness that must be remedied through the hiring, training and qualification process, the Protective Force and NSO overall were rated by NNSA 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 posture did not require them. Once the funding was approved, and with the concurrence of the NSO Assistant Manager for Safeguards and Security (AMSS), WSI completed the following:

1. Made significant progress in hiring sufficient Security Police Officers (SPOs) and Duty Officers to protect SNM raising the staffing levels to the point operations could be sustained without augmentee support from other sites. Also, NSO authorized WSI to hire the trainers, performance testing capability and other staff necessary to support a nuclear security mission and these activities have been expanded in a manner that judiciously used available funding. Hiring and training commenced as soon as funds became available and continue at this time.
2. Conducted an intensive 3-month concentrated Protective Force tactical skills refresher training program before arrival of material, maintain skills by on-duty drills, individual testing and continued force-on-force exercises. The basic staffing of performance testing personnel is in place and a plan has been approved and implemented. A curriculum development capability is in the process of being implemented and the resulting organization will steadily increase in effectiveness as it matures.
3. Enhanced the NTS Protective Force management and supervision to support the nuclear mission and implement SRT capability. Two exceptionally well qualified individuals have been identified to directly supervise day-to-day Protective Force operations and SRT respectively, under the supervision of a Director. The Shift Captain has been deployed forward to put emphasis upon tactical operations.
4. Fielded robust DAF Protective Force that provides enhanced denial, response, and pursuit capability through detailed plans, approved by NNSA, and implemented in a manner that ensures secure operations pending full SRT implementation.

5. Installed a new internal security system (PECOS) within the DAF and implemented other system enhancements.
6. Updated the Site Safeguards & Security Plan and began a series of vulnerability analysis and computerized simulation testing to validate protection strategies. This is a work in progress as the SSSP won't be final until all analysis is completed, but it provided NSO with an up-to-date product to use as a baseline.
7. Cleared a 500 meter radius outside of DAF fence to provide unobstructed observation and engagement of vehicle/personnel approaching the facility.
8. Used mobile intruder reconnaissance vehicles (MIRV) to provide long range detection for Protective Forces.
9. Fielded upgraded PF individual equipment, weaponry and ammunition
10. Emplaced enhanced barriers at several locations
11. Emplaced DAF Access Road Screening Station that provides initial vehicle and personnel screening far from the DAF.
12. Emplaced barricades on secondary roads that lead to DAF.
13. Emplaced Restricted Area/Deadly Force Authorized signage placed around DAF Perimeter and Boundary area leading up to the facility.
14. Installed improved video surveillance systems on the DAF.
15. Emplaced an encrypted, stand alone Protective Force radio net.
16. Completed a Technology Evaluation Plan which concentrates on commercially available technologies that have the capability to enhance PF effectiveness while minimizing overall costs to NNSA.

Additionally, the NSO AMSS considered additional security improvement as being key and essential to the continuing effort to establish full compliance with DOE Orders and Manuals, and for addressing OA findings and recommendations. Accordingly, WSI initiated the following actions:

1. Begun initial phase of establishing site SRT capability, including acquisition of a live fire shoot house and shooting tower. An SRT commander has been selected to oversee the implementation of the SRT Program, including initial selection of SRT candidates, appropriate equipment, team and leadership training regimen and deployment strategies. The SRT commander also has published an implementation timeline for the program, in project management format, pending adequate funding. SPO staffing levels were increased prior to initiating the SRT Program.

2. Begun initial developmental work and evaluation on potential use of Remotely Operated Weapons System (ROWS) in the DAF protection mission. This is a teaming effort with the DOE SSA Office of Technology Application and the Sandia National Laboratory.
3. Fielding advanced interior and exterior sensor systems.
4. Eight new up-armored HMMWV due in October 05 added to seven currently on-hand are intended to replace 20-year old, heavy maintenance dependent Cadillac-Gage 'Peacekeeper' armored vehicles.
5. Installing improved air-conditioning and heating units in armored vehicles to offset the extreme heat and cold temperatures of desert operations.
6. Improving the ported co-axial antenna system inside DAF resulting in improved range and reception of security radios operated inside DAF.
7. Emplacing enhanced controls on DAF exit doors for use during security emergency events.
8. Upgrades to facilities necessary to support expanded PF staffing and the SRT Program, including expanded locker rooms, training classrooms

Note: Additional details regarding items above are sensitive and can be provided separately through NSO AMSS or WSI using approved internal NNSA communication channels capable of transmitting Unclassified Nuclear Information or Official Use Only.

Subsequent to the 2004 OA inspection, WSI has undergone a number of satisfactory reviews by NA-70, including an operational readiness review and observation of FOF exercises. The OA inspection of 2005 noted marked improvement in all evaluated PF 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 stated they did not question the site's ability to protect SNM at our critical facility.

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

2. The U.S. Department of Energy Inspector General report entitled "*Protective Force Performance Test Improperities*," DOE/IG-0636, January 2004, was critical of identified improperities of Protective Force performance testing. Please respond to these findings of the Inspector General.

IG Observation/Conclusion: *We found that shortly before the test, two participating Protective Force personnel were permitted to view the computer simulations of the four scenarios. We concluded that this action was improper, since it had the potential to adversely impact the*

realism of the performance test and outcome. In short, the test results were tainted and should not, in our judgment, be relied upon.

Improprieties of PF Performance Testing DOE/IG Report-0636 incorrectly characterizes a Diagnostic Evaluation Exercise (DEE) that was conducted on June 26, 2003, at the Oak Ridge Y-12 complex as a "performance test." The objectives of each are marked differently and this distinction was not made in the IG Report. During the development of this report and following its publication, several senior NNSA officials concluded that, in fact, there were no improprieties during the conduct of this evaluation. These officials included the Assistant Manager, Safeguards and Security, YSO; the Chief, Nuclear Security, NNSA; and, indeed, Ambassador Linton Brooks, Administrator, NNSA. The facts follow.

During the first week of June 2003, the operating contractor's (BWXT) vulnerability assessment (VA) group requested that testing be conducted to determine if the Joint Conflict and Tactical Simulation (JCATS) runs that analyzed the new DBT against the current Tactical Defense Plan were accurate, and if they reflected what may happen in the field. This request posed a unique problem in that the new threat was modeled against the existing PF configuration.

A team was formed with members from WSIs Performance Testing and BWXTs VA departments to determine the scope and objectives of the tests. After careful review of the requirements, it was determined that this was not a full scale Force on Force exercise (FOF), but rather a focused scope (LSPT) exercise to diagnose tactical PF application to the new threat, and to evaluate or establish the accuracy of the JCATS runs by comparing them to actual field response actions. On June 19, 2003, the two supervisors singled out by the IG were required by the exercise design to be briefed, as were other supervisors involved in the exercise.

Prior to the conduct of the exercise, the purpose and scope were briefed to the NNSA Y-12 Site Office (YSO) and the site operating contractor, BWXT Y-12, to include the rationale for calling the exercise a Diagnostic Evaluation Exercise (DEE) because of the strict control of Protective Force and adversary responses by exercise controllers. Clearly, the briefing slides at this meeting refer to the exercise as a DEE. The participants at this meeting understood this terminology was being used to categorize the purpose, scope and objective of the exercise as different from a Force on Force (FOF) exercise as per DOE M473.2-2.

The IG investigation did not differentiate between the DEE and a regular FOF exercise. After completion of the exercise, detailed analysis of the results demonstrated that the exercise accurately reflected the results of the computer simulation, which was the primary purpose of the exercise. YSO Safeguards and Security personnel validated the results.

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. This investigation was conducted in January 2004, following the release of the IG Report. 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.*"

The performance testing processes and procedures of the Wackenhut Services, Inc. - Oak Ridge Team (WSI-OR) have undergone significant scrutiny over the past five years, particularly after publication of the January 2004 IG Report. The DOE Office of Security and Safety Performance Assurance (OA) inspection of the Y-12 National Security Complex during the period May - July 2005 found WSI-OR Performance Testing to be the model for the complex and the NNSA Office of Nuclear Safeguards and Security Programs has since written *Protocols for Performance Testing of NNSA Protective Forces*, largely based on the WSI-OR processes and procedures.

IG Observation/Conclusion: *...there has been a pattern of actions by site security personnel over an extended period of time that may have negatively affected the realism and, therefore, the reliability of numerous performance tests at the Oak Ridge Complex.*

WSI-OR Response: The January 2004 IG Report cites several allegations about improprieties in performance testing spanning from the mid - 1980's to the present. The report, however, does not specify when such improprieties occurred or which contractor committed them, except for the one previously discussed. What happened in Oak Ridge prior to January 2000 when WSI-OR assumed the Oak Ridge Protective Services Contract is not relevant to an evaluation of WSI-OR's performance.

The conclusions drawn from the IG Report-0636, *Protective Force Performance Testing Improprieties, January 2004*, were based on an incomplete investigation of allegations made by unnamed parties. Subsequent investigations and audits by NNSA HQ and the DOE OA did not substantiate that the alleged improprieties ever took place and most certainly not during the term of the current WSI-OR contract.

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-OR's Annual Refresher Training consists of all tasks and requirements contained in DOE Manual 473.2-2, as well as various job tasks identified in site specific job analyses for each position that tests or trains necessary skills for daily operations, legal authority, other compliance training, such as classified matter protection and control, hearing conservation, and the ability to function assigned firearms and equipment, to the approved standard. Combat Readiness Training is primarily conducted through a combination of on site, on-the-job, shift drills, limited scope performance tests (LSPT), or Electronic Simulation System Exercises.

The IG's conclusion that the training program is not being appropriately implemented is based upon an incorrect interpretation of the DOE policy regarding the conduct of training. The IG believes the policy requires a standard of "*training to time*", as opposed to "*training to standard*", as authorized in Chapter 4, paragraph 4b(3), DOE M 473.2-2, which states, "... portions of formal annual refresher training may be exempted when a SPO satisfactorily demonstrates a knowledge, skill, or ability." Furthermore, 10 CFR 1046 states, "Each security police officer will successfully complete a course of refresher training at least every 12 months to maintain the minimum level of competency required for the successful performance of tasks associated with security police officer job responsibilities." During the last inspection from the DOE Office of Independent Oversight and Performance Assurance (OA) of the Y-12 Protective Force, the OA stated that Protective Force personnel consistently demonstrated appropriate levels of knowledge and skill related to their responsibilities.

The Annual Training Plan (ATP) is developed to meet 10 CFR 1046 and DOE M 473.2-2 training requirements. The lesson plans used for this training are developed by the National Training Center for the Basic Security Police Officer Training Course, SPO III Basic Qualification Course, and other specialty courses. These lesson plans are based on an entry level of competence assumed of individuals new to the DOE system. The hours allocated in these lesson plans are designed to ensure mastery of the knowledge, skills, and abilities necessary to meet task accomplishment. These same lesson plans serve as the core documents for the creation of refresher training, as outlined in the site ATP. Maximum times outlined in the lesson plans are used in the ATP. Lesson plan times are designed to train a specific student load (class size) to the standard of the instructional objectives. When the student load is less or more than plan design, there is a natural fluctuation of time needed to train. Class and individual level of competence are also factors in determining training duration. Students with no prior skills (initial entry training), for which lesson plans are designed, take longer to train than students with prior training who have been performing the tasks while on duty and in a training environment for a number of years. That is why the philosophy of *training to standard*, not *training to time*, is consistently employed (as authorized by the DOE Manual). If SPOs are scheduled for three hours of range qualification time and qualify in one hour, their training is completed and they have met the standard. As soon as the SPO meets the training standard, he/she is returned to duty or sent home, as appropriate. It should be noted that in his May 25, 2005 letter to the DOE IG, Mr. Michael C. Kane (NNSA) fully supported the concept of training to standard, and stated that, "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."

The IG report listed several examples indicating that SPOs were given credit for separate training courses (actual tasks) taken on the same day, including a team tactical exercise and CBW training, where the ATP designated 13.5 hours and the officers spent less than 4 hours in training. This example is a perfect illustration of training to standard versus time. As stated in DOE M 473.2-2 "*requirements for semiannual maintenance training may be satisfied through combined training of two or more of these areas.*" The areas referred to in the preceding sentence includes decisional shooting, close-quarters battle, Live Fire Shoot House operations, tactical obstacle course, night operations, team tactical movement, and force options. WSI-OR conducts team tactical exercises that allow the instructors to determine proficiency with the seven separate tasks in this one exercise (e.g., we observe the students executing the high crawl, rush, team tactical movement, radio communications, non verbal communications, stronghold assaults, and recovery of mock special nuclear material). When the students have exhibited competence with those tasks, they are given credit for the task, not the hours spent training it. This principle applies to each specific example noted in the IG report where students did not spend the full amount of time outlined in the ATP.

Observation/Conclusion: *WSI-OR reported planned rather than actual training time in its quarterly Protective Force strength and overtime reports to the department.*

WSI acknowledges that the time indicated on this quarterly report was based upon hours from the Annual Training Plan and not actual time spent in training. However, that calculation is based on the instructions for filling out the form, which states that, "Training hours are based upon the hours required in the Annual Training Plan divided by the number of individuals identified in Section A above." This does not alter the fact that SPOs received training on every task required in the ATP. In fact, after an exhaustive review of training records, the IG did not find one instance where a SPO had not received training on the appropriate task. In addition, this did not impact how SPOs were paid while in training. SPOs are paid for actual hours worked, whether in training or in security positions at a site, not by the hours indicated on a training plan.

Observation/Conclusion: *As part of the award fee self-evaluation process, Wackenhut reported that it had met all the training objectives outlined in the Y-12 annual training plan.*

We concur with that comment. It is absolutely a fact that WSI-OR met all training objectives outlined in the Y-12 annual training plan.

Observation/Conclusion: *We also noted that the DOE Office of Independent Oversight and Performance Assurance (OA), which is part of the DOE Office of Security and Safety Performance Assurance, identified several instances during a review of selected Oak Ridge Reservation Protective Force personnel in FY 2004 where certain tactical skills were deficient.*

The above statement by the IG is correct, however, it only tells part of the story. While certain aspects of collective tactical training tasks were found to be deficient during force-on-force exercises in the FY 2004 inspection, the majority of the tasks were found to be acceptable, and individual training tasks were found to be outstanding.

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 outbriefing 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.

Additionally, the FY 2004 and FY 2005 OA assessments identified the WSI-OR training program as being in compliance with appropriate requirements and has been certified by the DOE National Training Center and that the OA found the WSI-OR security-related training programs to be well designed and effective. The training programs examined were of substantial quality and were successfully meeting the expectations of the protection programs they supported. Additionally, the results of observations and performance tests covering the performance of routine and emergency duties demonstrated that the Protective Force training program is effective in teaching necessary skills.

The tactical deficiencies identified during the FY 2004 OA inspection were based on collective training tasks, as they applied to the employment of forces on the site. These specifically dealt with the issues of fratricide and command and control. These are tasks that are trained on duty as a team, and they were addressed, after the OA, through the creation of Mobile Training Teams that conduct this training separately from the training completed at the CTF. Team training is conducted on site in the actual environment the SPOs will fight in. Force-on-force exercises, limited scope performance tests, shift training exercises, mobile training teams, and alarm response assessment performance tests are used for training and evaluation of individual and team tactics. WSI-OR had identified on several occasions to NNSA-YSO and NNSA HQ the lack of available training time or funding to allow for collective tactical training of SPOs. The only time collective tactical exercises were conducted was during an evaluation, survey or assessment. Since the FY 2004 OA inspection at Y-12, funding was made available to train collective tactical training tasks, which has remedied this deficiency, as clearly demonstrated during the FY 2005 OA.

PROTECTIVE FORCE OVERTIME

Observation/Conclusion: *Protective Force personnel at Y-12 routinely worked in excess of 60 hours per week. This was in direct contradiction to the Protective Force Program Manual, which established a 60 hour maximum threshold for safe operations.*

The IG comment is partially correct, but leaves out some critical wording of the requirement. What DOE Manual 473.2-2, *Protective Force Program Manual*, actually says is "PF work schedules must be based upon the following guidelines, where appropriate and consistent with existing collective bargaining agreements and contracts."

1. *No more than 12 hours per work day, excluding shift change and equipment issue activities, should be scheduled.*
2. *No more than 60 total hours per week should be scheduled*

The WSI-OR and International Guards Union of America (IGUA), Local #3, Overtime Agreement, dated April 11, 2002, allows 62 hours of mandatory overtime (including Guard Mount), but allows SPOs to volunteer for up to 76 hours (not including Guard Mount). In addition, the agreement allows SPOs to be scheduled for 16-hour shifts. SPOs can volunteer for back-to-back 16-hour shifts (one day after the other), but cannot exceed two in a row. SPOs can only work 14 days in a row without taking at least one day off.

The NNSA concurred with our rationale for use of overtime beyond 60 hours and stated that, "Since the Manual states that hours worked must be consistent with appropriate collective bargaining agreements, there is no discrepancy noted."

WSI-OR works tirelessly to keep overtime to the minimum possible, however, due to changes in the Design Basis Threat (DBT) that caused a major reconfiguration of the Protective Force, coupled with the time required to recruit, train and obtain clearances for new SPOs, overtime is currently higher than normal. We have taken major steps to alleviate overtime to the extent possible, to include gaining YSO and NNSA approval to arm trained, but uncleared, SPOs and utilize them in positions in the Perimeter Sector Patrol Area of Y-12, moving physical fitness training to off-shift, removal of the Relief Shift and assigning all personnel to Rotating Shift duties, conducting SPO training on scheduled days off, and working very closely with the site operating contractor and YSO to identify and eliminate unnecessary positions and reduce unscheduled overtime.

PHYSICAL FITNESS

Observation/Conclusion: *Some Protective Force personnel cited excessive overtime as a reason for not completing required physical fitness training. 10 CFR 1046 requires Protective Force personnel to participate in continuing physical fitness training to ensure that they can effectively perform their normal emergency duties. Until November 2001, an on-site, supervised physical fitness program was in place to meet this requirement...Under the current physical fitness training program, the Protective Force is paid to train outside of work on an honor system.*

The WSI-OR physical fitness program is in full compliance with 10 CFR 1046. It is true that the fitness program was changed from an on-site, supervised program to an off-duty program in late 2001. The report, however, does not mention the reason for that change. When the program was on-site, only about 20-30% of the SPOs were actually being relieved to conduct physical training due to mission requirements. To be able to relieve everyone to conduct physical training on-shift would have required a very large number of relief personnel being added to each shift, which would have resulted in an overtime rate significantly higher than what it is today.

The current program allows SPOs to work out at a time and place convenient to them. They have full use of on-site fitness facilities and can also choose to take advantage of the WSI-OR

Corporate Memberships to the major fitness centers in the Oak Ridge – Knoxville area. Alternately, they can work out at any place of their choosing. SPO-II personnel are paid for two 40-minute workouts per week and SPO-III personnel are paid for three.

The current WSI-OR pass rate for annual SPO fitness tests is 97.59%. It is difficult to substantiate a problem with our fitness program when 98% of those tested pass the fitness test on their first try.

Observation/Conclusion: *We questioned 10 randomly selected Protective Force officers at Y-12 about their physical fitness training. All these officers disclosed that they did not always complete the required physical fitness training... We discussed the issue of Protective Force officers accepting physical fitness training pay, but not completing physical fitness training, with the OIG Office of Investigations.*

10 CFR 1046 requires Protective Force personnel to participate in continuing physical fitness training. It does not, however, dictate a specific number of workout sessions or specify any other requirements of the program. The collective bargaining agreement between WSI-OR and the IGUA, Local #3, allows for the payment of SPOs for off-duty physical training, as previously discussed; two sessions per week for SPO-II and three for SPO-III. SPOs have been directed not to claim physical fitness training sessions on their time sheets if they did not conduct them. Additionally, no SPO has ever been reprimanded for having less than the agreed-upon workout sessions on his/her time sheet. Any SPO identified falsifying his/her time sheet will be terminated from employment.

Observation/Conclusion: *Several officers reported to us that because they were not able to keep up with physical training, they were concerned about their declining physical fitness. Their concerns appear to be supported by an internal analysis prepared by the Oak Ridge Reservation physical fitness coordinator. This analysis showed the aerobic capacity of the Protective Force, which is a widely accepted indicator of fitness level, had declined by 3.3 percent between 2000 and 2003 and, if the trend continued, was projected to decline by another 3.4 percent by 2006.*

The internal analysis referred to by the IG was prepared by a WSI-OR fitness coordinator, not the Oak Ridge Reservation physical fitness coordinator, as identified by the IG. We believe that the cited study misinterprets the data for the following reasons:

- The internal analysis paper does not compare the effectiveness of off-site versus on-site physical fitness training. The WSI portion of the analysis paper is captured during 2000 to 2003, which included two years of on-site training and one year of off-site training.
- Bringing the physical fitness training back on-site will not necessarily improve aerobic capacity as determined by VO2 max. Lockheed Martin, the previous contractor prior to WSI-OR, experienced a 3-year decline of 3.4% VO2 max with an on-site program, compared to a 3.3% decline of VO2 max for WSI's combined on-site/off-site program.

- The subjects used in the analysis do not accurately represent the WSI Protective Force as a whole. The test group consisted of 149 SPOs whose average age is 49.0; however, the average age of WSI SPOs today is 39.5. VO2 max testing is based on age-predicted max, which typically results in the higher the age the lower the VO2 max. The predicted 2006 VO2 max is not a true representation of what the WSI Physical Fitness levels will be in the future.
- The DOE Site Occupational Medical Doctor, after careful review of all concerns and data, does not concur with any of the internal analysis papers authored by the Physical Fitness Coordinator.
- The success of the physical fitness training program is evident in the 97.59 percent first-time pass rate of the 2004 Physical Fitness Qualification Standard Test.

Observation/Conclusion: *Protective Force personnel signed attendance rosters for on-the-job training without receiving the training.*

The IG has not produced any evidence to verify this allegation. Without such evidence, it is difficult to respond to the allegation. The IG apparently based its conclusion on information obtained from SPO interviews. Absent evidence to the contrary, WSI-OR maintains that OJT is conducted properly and that no credit is given for training not actually conducted.

IG RECOMMENDATIONS

1. *Determine if the Protective Force is receiving the appropriate level of training necessary to meet the DOE training requirements for Protective Force officers.*

Unquestionably, the Wackenhut Services, Inc. - Oak Ridge Protective Force at the Y-12 National Security Complex, Oak Ridge National Laboratory, East Tennessee Technology Park, and the Federal Office Building Complex are trained to the standard required by DOE. This has been validated by numerous inspections from the OA, GAO, YSO, ORO and the NTC over the last five years. The issues raised in the IG Draft Report concern training to time versus training to standard. All SPOs meet the required standard in every task, even if they may have accomplished the standard faster than time allotted in a lesson plan. To claim that a SPO who qualifies with his/her weapon in 20 minutes is somehow untrained because the range was scheduled for 60 minutes is not relevant.

2. *If it is determined that the Protective Force is meeting the DOE training requirements by training less hours than designated in the approved training plan, reduce the maximum number of billable hours in the Wackenhut contract to reflect the hours that are actually spent in training.*

WSI-OR explained to the IG inspectors how the direct productive labor hours (DPLH) in our contract have been identified. For the Y-12 National Security Complex, there is

straight time DPLH by job classification and/or overtime DPLH. These DPLH are not identified by individual tasks and are only billed against actual hours utilized.

3. *Evaluate whether the variance that allowed Oak Ridge to deviate from the Protective Force Program manual overtime guidelines remains appropriate for the Oak Ridge Reservation Protective Force.*

WSI-OR's overtime rates are in accordance with the provisions of the Protective Force Program Manual in that we are implementing the agreement between WSI-OR and our bargaining units. In addition, we provide Protective Force personnel based on the requirements given to us by our customers (the federal government and site operating contractors). Because the requirements exceed our ability to fill the positions on straight time, many are filled on overtime. WSI-OR has taken numerous steps to mitigate the amount of overtime, however, requirements have increased at a rate faster than we can hire, train and clear SPOs.

4. *If it is determined that the variance should remain in effect, establish a time period for reevaluating the variance and penalties for exceeding the approved variance.*

As previously discussed, the variance is actually not required because WSI-OR is clearly in accordance with the Manual. The WSI-OR Performance Evaluation Plans clearly establish overtime goals, which we work constantly to achieve. Upon WSI-OR initially assuming this contract, Protective Force overtime under the previous contractor was approaching 50%. Within the first year, we had reduced that rate to the mid-20% level, with our goal set at 25%. Shortly thereafter, the events of 9-11, which drastically increased security requirements, caused overtime to rise to the high-20% to mid-30% range, depending on the classification of SPO (SPO-II, SPO-III), and site. We again were able to reduce the rate to the low to mid-20% range when the series of changes to the DBT started appearing, which have again caused an increase in overtime until we can hire, train and clear additional SPOs. Overtime is being caused by factors outside of WSI's control (additional requirements). WSI should not be assessed penalties.

5. *Evaluate whether a supervised physical fitness training program for Protective Force personnel should be reestablished on-site to improve security readiness and to reduce the safety and health risks to Protective Force personnel.*

There is no evidence that an on-site physical fitness program is better or safer than the current off-site program. The first time pass rate of 97.59% provides ample proof of that.

6. *Strengthen internal controls for the on-the-job training program to ensure that training credit is given only when training has been received.*

WSI-OR will continue to monitor the OJT Program to ensure all training is conducted to standard and that no training credit is granted unless the standards have been met.

7. *Evaluate the impact of issues discussed in this report on Wackenhut's award fee.*

In January 2000, Wackenhut assumed a contract in which 35% of the Protective Force did not meet 10 CFR 1046 standards for being armed, required training was not being conducted, and overtime was approaching 50%. Within 6 months, 100% of the Protective Force met 10 CFR 1046 standards, and they have continued to do so to this day. All required training has been conducted to standard and all Protective Force members have completed all required training (to include periods following the events of 9-11, when most sites curtailed all training). Overtime has been reduced to manageable levels, while still meeting security requirements.

AWARD FEE SCORES - NEVADA TEST SITE (NTS)

FEE PERIOD	RATING	SCORE
Oct. 1999 - March 2000	Good	95
April - Sept. 2000	Outstanding	98.4
Oct. 2000 - March 2001	Outstanding	98.8
April - Sept. 2001	Outstanding	98.1
Oct. 2001 - March 2002	Outstanding	98.6
April 2002 - Sept. 2002	Outstanding	98.6
Oct. 2002 - March 2003	Outstanding	98.2
April 2003 - Sept. 2003	Outstanding	98
Oct. 2003 - March 2004	Outstanding	98.3
April 2004 - Sept. 2004	Satisfactory	85
Oct. 2004 - March 2005	Good	96
April 2005 - June 2005	Good	97
July 2005- December 2005	Good	97
Jan 2006 - June 2006	Good	97
July 2006- Sept. 2006	Outstanding	99
		96.86667

AWARD FEE SCORES - OAK RIDGE (OAK)

FEE PERIOD	RATING	SCORE
Jan. - July 2000	Good	94
July 2000 - Jan. 2001	Good	94
Jan. - July 2001	Good	95
July 2001 - Jan. 2002	Outstanding	96
Jan. - July 2002	Outstanding	96
July 2002 - Jan. 2003 ORO	Outstanding	96.5
July 2003 - Jan. 2003 Y12	Good	93
Jan. - July 2003 ORO	Outstanding	98
Jan. - July 2003 Y12	Outstanding	99
July 2003 - Jan. 2004 ORO	Outstanding	97
July 2003 - Jan. 2004 Y12	Good	93
Jan. 2004 - July 2004 ORO	Outstanding	98
Jan. 2004 - July 2004 Y12	Good	93
July 2004 - December 2004 ORO	Outstanding	96
July 2004 - December 2004 Y12	Good	93
Jan. - June 2005 ORO	Outstanding	99
Jan. - June 2005 Y12	Outstanding	98
July 2005 - December 2005 ORO	Outstanding	97
July 2005 - December 2005 Y12	Outstanding	97
Jan 2006 - June 2006 ORO	Outstanding	99
Jan 2006 - June 2006 Y-12	Outstanding	98
July 2006 - Sept 2006 ORO	Outstanding	96
July 2006 - Sept 2006 Y-12	Outstanding	97
		96.19565

AWARD FEE SCORES - SAVANNAH RIVER SITE (SRS)

FEE PERIOD	RATING	SCORE
Oct. 1999 - March 2000	Excellent	97
April - Sept. 2000	Excellent	99
Oct. 2000 - March 2001	Superior	100
April - Sept. 2001	Superior	100
Oct. 2001 - March 2002	Superior	100
April - Oct. 2002	Excellent	96
Oct. 2002 - March 2003	Superior	98
April - Sept. 2003	Excellent	98
Oct. - March 2004	Superior	100
April - Sept. 2004	Superior	100
Oct. 2004 - March 2005	Superior	100
April - Sept. 2005	Excellent	100
Oct. 2005 - March 2006	Good	96
April - Sept. 2006	Excellent	98
Oct. 2006 - March 2007	Excellent	98
		98.66667