

Congress of the United States
Washington, DC 20510

April 27, 2016

The Honorable Frank G. Klotz
Under Secretary for Nuclear Security
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

Dear General Klotz:

We write regarding the draft Request for Proposal (RFP) for the management and operation of Sandia National Laboratories. Sandia plays a critical role in our national security, and we are deeply committed to its success. For this, Sandia depends on its workforce and the regional capacity of surrounding businesses, schools, and communities. We urge you to protect or strengthen the RFP in the following areas.

- 1) **Workforce recruitment and retention:** We believe it is critical that the contractor have flexibility and incentives to establish competitive compensation and benefits packages that strengthen workforce recruitment and retention, especially for women and underrepresented minorities in critical areas that impact national security. We encourage NNSA to require contractors to consider diversity and workforce retention when proposing any changes to compensation and benefits packages, and to be open to innovative benefits available in the private sector, such as paid family leave. For these reasons, we strongly oppose any provisions permitting contractors to renege on obligations to employees, and strongly support provisions assuring all existing labor union agreements are honored.
- 2) **Local small business procurement:** We thank NNSA for making small business participation a selection criterion in the RFP. Sandia spends 39% of its contract-related dollars in New Mexico, and over \$258 million goes to small businesses in the state. Local companies provide site-tailored, value-added goods and services while also building regional capacity that helps recruit new employees and their families. We request that NNSA evaluate the contractor on annually negotiated local contracting goals.
- 3) **Technology transfer:** Our federal investment in lab research should be maximally leveraged to advance the nation's technological edge for innovation in the global economy. Technology transfer should be considered a substantive evaluation criterion for the performance period of the contract. Furthermore, performance evaluation should be based on economic impact criteria such as utilization of laboratory generated technology by small and medium sized

businesses and regional job creation and retention. Proposals should also be encouraged to support local and regional economic competitiveness through projects such as Sandia's proposed Center for Collaboration and Commercialization (C3) and a standalone nonprofit foundation dedicated to commercializing federally funded technologies, increasing business formations, and accelerating regional job creation. NNSA should require the contractor to annually report the national and local economic impact of its tech transfer efforts and how they strengthen regional capacity in technologies that support the laboratory's missions.

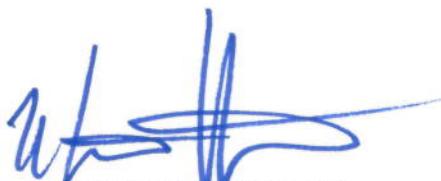
- 4) **Regional university partnerships:** Regional universities already provide an important workforce pipeline for Sandia and are a key resource for strengthening local technical capacity. We support efforts to increase innovation-based economic development by the laboratory partnering with regional universities. We suggest that the RFP include incentives for inclusion of regional universities in the contractor leadership team and that contractors propose ways to strategically enhance partnerships with local academia and develop regional technology infrastructure.
- 5) **STEM education and charitable giving:** Finally, we deeply appreciate the contributions of Sandia and its employees to local education and charitable giving. The RFP should encourage the contractor to continue this important work in the community, especially in preparing and inspiring a diverse future generation of scientists and engineers.

We appreciate your careful consideration of each of these five key areas in the development of the final RFP. In addition to substantial contributions to our nation's security, Sandia National Laboratories and its employees play a central role in the community and the economy of New Mexico. We urge NNSA to ensure the labs continue to have the staffing it needs as it continues to provide "exceptional service in the national interest."

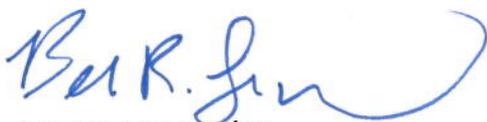
Sincerely,



TOM UDALL
United States Senator



MARTIN HEINRICH
United States Senator



BEN RAY LUJÁN
Member of Congress



MICHELLE LUJAN GRISHAM
Member of Congress