

GAO Highlights

Highlights of [GAO-22-105412](#), a report to congressional committees

Why GAO Did This Study

NNSA relies heavily on an M&O contractor to carry out complex and dangerous work related to nuclear weapons production at LANL. Following substantial operational interruptions due to safety lapses, in 2018, NNSA awarded a new contract to manage and operate LANL to Triad. NNSA made changes to the contract with the intent over 10 years to improve safety performance, realize cost savings, and achieve other benefits. NNSA is now seeking to expand plutonium pit production and other missions at LANL and, in turn, increase the laboratory's workforce.

The National Defense Authorization Act for fiscal year 2019 includes a provision for NNSA to report on the costs and benefits of competing any new M&O contract, and for GAO to issue two associated reviews. This is GAO's second review on NNSA's contract with Triad (for GAO's first review, see [GAO-20-292R](#)). In this review, GAO examines (1) steps Triad has taken to improve safety performance at LANL, and how NNSA and other organizations have assessed these steps; and (2) the extent to which anticipated cost savings and other benefits have been realized under the current contract thus far. GAO reviewed NNSA performance evaluations, policies, and regulations, and interviewed DOE and NNSA officials and Triad representatives.

View [GAO-22-105412](#). For more information, contact Allison Bawden at (202) 512-3841 or bawdena@gao.gov.

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LOS ALAMOS NATIONAL LABORATORY

Contractor Improving in Safety and Other Areas but Still Faces Challenges

What GAO Found

Triad National Security, LLC—the management and operating (M&O) contractor for Los Alamos National Laboratory (LANL) since 2018—has taken steps to improve safety performance and culture at the laboratory. The National Nuclear Security Administration (NNSA) and other federal organizations have assessed these steps positively while acknowledging continued challenges. For example, NNSA found that Triad has made improvements to the documentation and analysis of hazards as well as to policies and practices for reporting safety issues. It has also developed corrective actions to resolve these issues. However, NNSA cited numerous operational incidents, such as injuries and a flood in a nuclear facility, which indicate that lessons learned from errors under the prior contractor have not been fully integrated into laboratory operations. NNSA officials stated they want to see Triad's efforts result in an improved safety culture overall.

NNSA has realized approximately \$35.1 million in anticipated cost savings during the first 3 years of the contract—specifically, lower overall contractor fees paid to Triad versus fees it would have paid the previous LANL contractor. However, in January 2020, GAO found that NNSA did not provide details on the limitations and uncertainties that could affect its cost savings estimate. Such limitations make it difficult to assess how much NNSA can expect to save going forward. For example, NNSA would not realize the total \$76.1 million it anticipated saving if it does not award Triad option years—the last 5 years of the 10 possible years of the contract—which NNSA may award based on contractor performance. NNSA officials stated that Triad has made progress in stabilizing LANL's workforce and has consistently met its annual goal for small business participation. However, Triad is facing challenges attracting new staff and small businesses due to LANL's remote location and the unique nature of LANL's work. NNSA officials said it is too early in the contract's period of performance to determine Triad's overall success in these areas.

Forging of Molten Plutonium at Los Alamos National Laboratory (LANL)



Source: LANL. | [GAO-22-105412](#)