

National Nuclear Security Administration: Information on Implementation of Contractor Commuting Authority

GAO-25-108065

Q&A Report to Congressional Committees

September 30, 2025

Why This Matters

The National Nuclear Security Administration (NNSA) is working to address challenges it faces with recruiting and retaining qualified staff, including contractor employees. Its efforts include implementing legal authority the agency was granted in fiscal year (FY) 2025 to reimburse certain contractors for transportation services for their employees. According to NNSA, this authority will help address challenges related to transportation safety, traffic congestion, and worker productivity.

NNSA is at its busiest since the Cold War as it directs a \$200 billion, multidecade nuclear modernization effort across its eight government-owned, contractor-operated sites. The agency relies on and oversees about 70,000 management and operating (M&O) contractor employees who execute its missions at these sites.¹

The Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025 (NDAA) authorizes NNSA to reimburse contractors for approved transportation services (such as park-and-ride shuttles and public transit subsidies) after reviewing proposed plans with certain required information.² Senate Report 118-188 accompanying a bill for the FY 2025 NDAA includes a provision for us to review NNSA's implementation of the contractor commuting authority through FY 2027 and provide an annual briefing to the relevant congressional committees. This first report discusses NNSA's actions to implement this authority and challenges the agency anticipates facing.

Key Takeaways

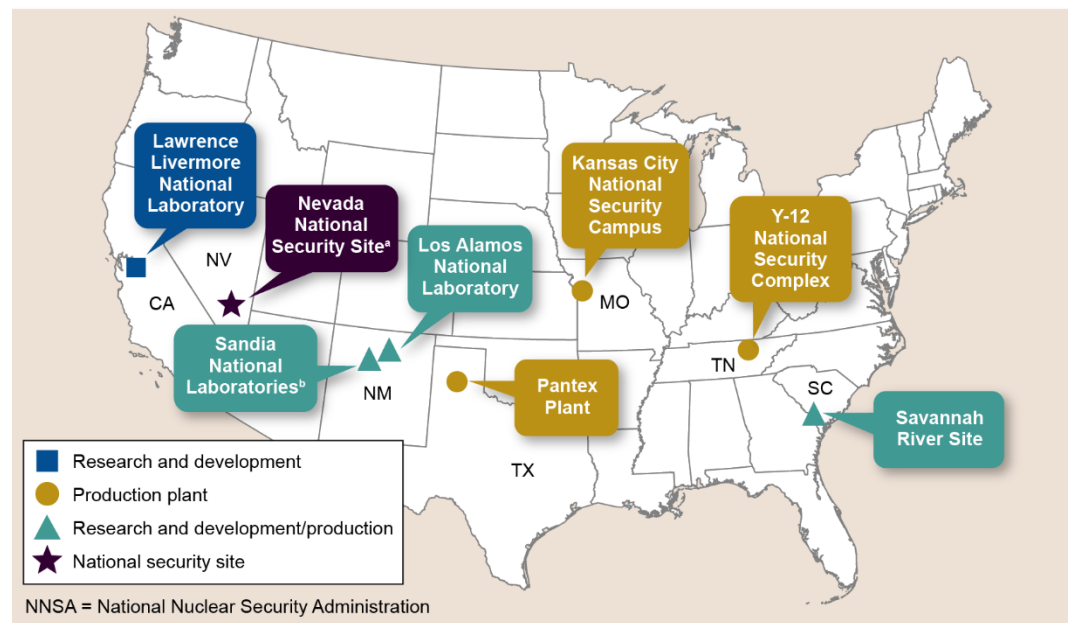
- As of July 2025, only one of NNSA's M&O contractors planned to submit a proposal to use the new contractor commuting authority. NNSA is reviewing a proposed transportation plan from the M&O contractor for Los Alamos National Laboratory for FYs 2025 through 2030, which is expected to cost about \$74.4 million over the 6-year period. As of July 2025, contractor representatives at the other seven sites said they did not plan to submit transportation plans for the contractor commuting authority.
- NNSA plans to oversee the Los Alamos contractor's costs for proposed transportation services under the agency's existing contractor and subcontractor oversight framework. NNSA plans to monitor the contractor's costs and benefits reporting and performance.
- NNSA officials said they anticipate challenges with assessing some of the intended benefits of proposed transportation services and having sufficient capacity for oversight.

What is NNSA's role in managing and overseeing its contractors?

NNSA is responsible for maintaining a safe, secure, and reliable nuclear stockpile, among other missions. It was established by law in 1999 as a separately organized agency within the Department of Energy (DOE) in response to long-standing management and governance challenges, especially of DOE's nuclear weapons program.³ To accomplish most of its work, NNSA uses large M&O contracts at eight sites. These contractors in turn subcontract to other businesses, including small businesses, to perform some work.⁴ Typically, 80 to 90 percent of DOE's and NNSA's budget is obligated for M&O contracts, including subcontracts.

Federal program managers develop requirements, define performance standards, and ensure that M&O contractors' activities achieve intended outcomes. NNSA's field office staff, who are collocated with M&O contractors at the eight sites, oversee contract administration and provide day-to-day management and oversight of the contractors' performance. Figure 1 shows these research laboratories, production plants, and national security site for testing, collectively known as the nuclear security enterprise.

Figure 1: NNSA's Nuclear Security Enterprise, as of July 2025



Sources: GAO presentation of NNSA information; Map Resources (map). | GAO-25-108065

^aNevada National Security Site conducts testing.

^bSandia National Laboratories has two primary locations in Albuquerque, New Mexico, and Livermore, California.

Since 1990, aspects of DOE's—including NNSA's—acquisition and management have been on our High Risk List because of DOE's record of inadequate management and oversight of contractors.⁵ Additionally, in May 2024, we found that NNSA and M&O contractors faced challenges related to recruiting and retaining staff for several reasons, including the remote locations of some sites and difficult commutes.⁶

What is NNSA's contractor commuting authority, and what issues might it address?

Section 3113 of the FY 2025 NDAA authorizes NNSA to use appropriated funds to reimburse M&O contractors for the costs of using passenger carriers (such as buses or trains) to transport staff between their place of employment and a mass transit facility, when deemed appropriate to further mission activities.⁷

The act requires NNSA to review and approve proposed plans with certain required information. Specifically, to qualify for reimbursement, M&O contractors must submit a proposed plan for transportation services to NNSA that describes

- how using passenger carriers will facilitate the mission at a covered facility;
- how the plan will be economical and advantageous to the government;
- the benefits provided and how costs will be monitored; and
- how the plan will alleviate traffic congestion, reduce commuting times, and improve recruitment and retention of contractor employees.

Section 3113 of the FY 2025 NDAA also directs the agency, to the maximum extent practicable and consistent with sound budget policy, to require that contractors who submit a proposed transportation plan use alternative fuel vehicles to provide transportation services.

According to NNSA officials, the contractor commuting authority will address recruitment and retention as well as commuting-related challenges, such as traffic congestion, transportation safety, and worker productivity, particularly as NNSA's workload increases. In 2024, NNSA requested that Congress grant the agency authority to reimburse contractors for approved transportation services, officials said. NNSA cited the recruitment and retention of contractor employees and safe transportation as critical for supporting its growing workload and large capital construction projects. The agency's legislative proposal was driven by a shuttle service pilot that the M&O contractor at Los Alamos National Laboratory conducted, according to agency officials. The contractor started the pilot in 2023 to address challenges with the growing workforce supporting the plutonium pit production mission at the laboratory. The pilot was also intended to supplement public transit services that did not have sufficient capacity or schedules that aligned with work shifts.

How does the authority compare to similar authorities for federal employees?

NNSA's contractor commuting authority is similar to authority that exists for federal employees but differs in some ways. For example, both restrict which commuting costs NNSA can reimburse. In particular, NNSA can reimburse federal or contractor employees for commutes between a mass transit facility and their place of employment, but the agency cannot reimburse for commuting costs incurred between an employee's residence and a mass transit facility.⁸

While reimbursement to federal employees is mainly limited to transit subsidies, under the recent authority, NNSA can also reimburse contractors for building parking facilities, improving roads, acquiring real property, and providing passenger carrier services such as shuttle buses and trains.

What roles do NNSA staff and contractors have in implementing the authority?

NNSA officials told us that NNSA field offices coordinate with M&O contractor representatives to identify whether the contractor commuting authority will be useful at each site. NNSA's Office of Partnership and Acquisition Services directed NNSA contracting officers at the eight sites to discuss the authority with the M&O contractors to identify whether they planned to request it.

Under section 3113 of the FY 2025 NDAA, M&O contractors that plan to seek reimbursement for commuting costs must submit a proposed transportation plan with the information required, such as a summary of the benefits that would be provided under the plan and how costs will be monitored.

NNSA's contracting officers at the sites review any proposed plans prior to review at NNSA headquarters. The NNSA Administrator may delegate the approval of any transportation plan requested by a contractor to the NNSA Senior Procurement Executive in headquarters.

Which M&O contractors at NNSA's sites plan to submit a proposed transportation plan?

Los Alamos National Laboratory's M&O contractor, Triad National Security, LLC, was the only contractor that planned to submit a proposed plan to use the new contractor commuting authority, as of July 2025. Contractor representatives at the other seven sites told us that, as of July 2025, they did not plan to submit a proposal because of available transportation services, sufficient on-site parking, or lack of accessible mass transit facilities due to a remote location.

Triad submitted an initial proposed transportation plan to use the new contractor commuting authority for park-and-ride shuttle buses in FYs 2025 through 2030 and additional transportation services—bus routes, public transit subsidies, and vanpool subsidies—starting in FY 2026. NNSA contracting officers at the Los Alamos field office said they provided feedback to Triad and requested that it submit a revised proposed plan. In May 2025, Triad submitted a revised proposed plan. Contracting officers said they provided additional comments to Triad for a third revised proposed plan which they received in July 2025, and were reviewing, as of September 2025. Contracting officers plan to send the revised proposed plan to NNSA headquarters for final review and approval.

What transportation services does the Los Alamos National Laboratory contractor's proposed plan include?

Triad's Transportation Services Plan for the Los Alamos National Laboratory proposes to continue providing free park-and-ride shuttles from leased off-site parking lots directly to work sites in FYs 2025 through 2030. It also includes additional leased off-site parking for new park-and-ride shuttle bus routes, public transit subsidies (rail and parking at rail stations), and vanpool subsidies, to start in FY 2026 and continue through 2030.

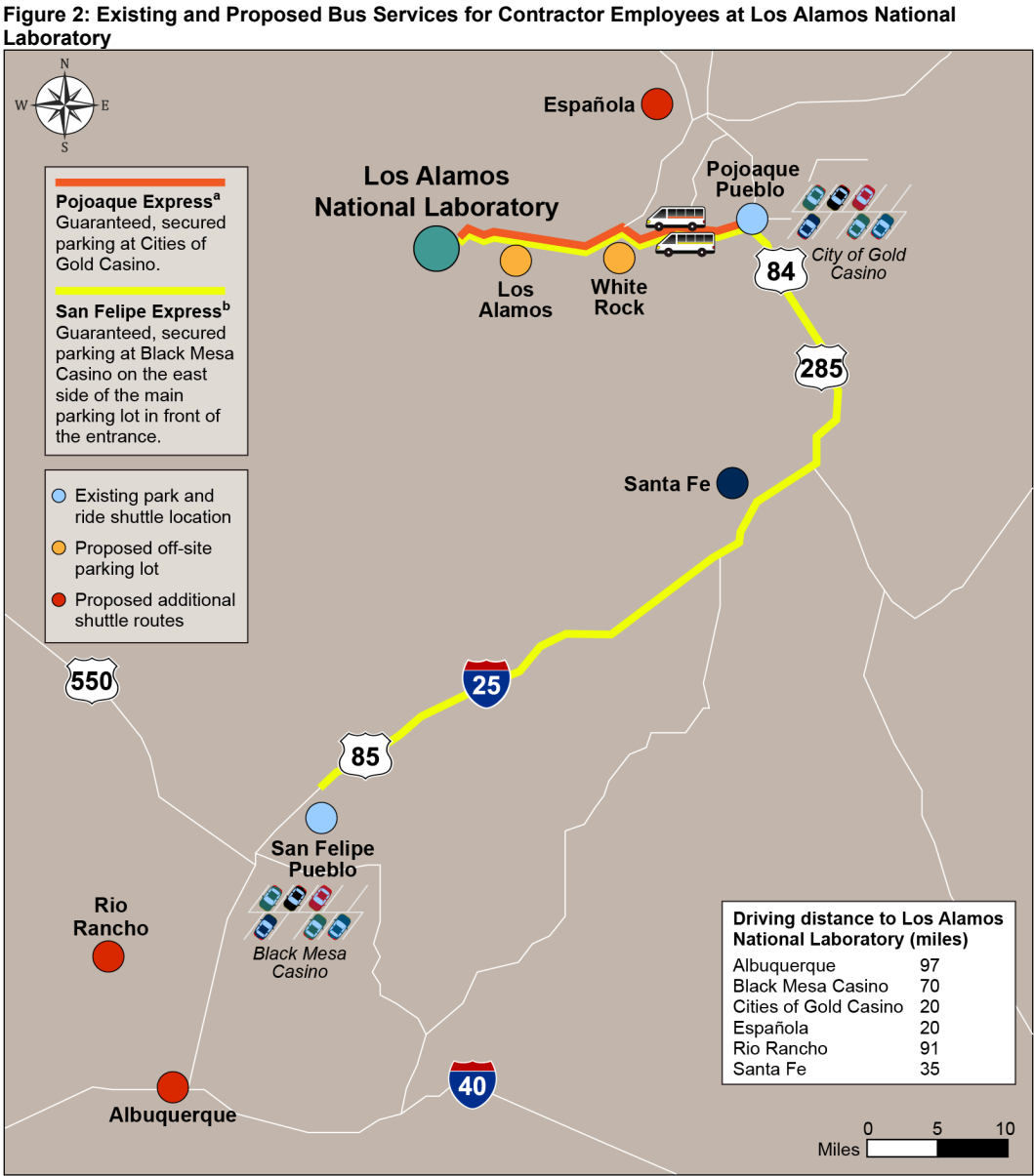
Park-and-ride shuttle. Triad plans to make the existing free park-and-ride shuttle service permanent through FY 2030. This service was initially offered through the Express Bus Pilot in FYs 2023 through 2025. It includes two routes—the Pojoaque Express and the San Felipe Express—from two off-site parking lots directly to work sites at the laboratory. The shuttle is available to Los Alamos National Laboratory badge holders, including contractor employees, subcontractor employees, and federal employees, if approved by DOE and NNSA.

Triad's proposed transportation plan states that it may also add shuttle routes servicing Albuquerque, Española, and Rio Rancho—cities where many laboratory employees live—and offer stops in additional laboratory technical areas that have parking challenges, depending on funding. As of March 2025, the park-and-ride shuttle service offered a total 350 seats daily to the laboratory. In the first quarter of FY 2025, total ridership climbed to 9,925 trips, marking the highest quarterly total recorded as of January 2025, according to Triad's 2024 annual performance report on the Express Bus Pilot.

According to Triad's transportation plan, it intends to explore incorporating alternative fuel buses, consistent with requirements in section 3113 of the FY 2025 NDAA and DOE policy.

New off-site parking. Triad proposes evaluating new off-site parking lots to accommodate contractor employees who drive from within Los Alamos County limits, starting in FY 2026. Specifically, Triad plans to explore offering parking opportunities in White Rock in FY 2026 and the Los Alamos townsite in FY 2027. Off-site parking at these locations could benefit about 3,800 employees (800 in White Rock and 3,000 in the townsite) who lived in those areas as of May 2025, when Triad submitted its revised proposed plan.

Figure 2 depicts the key elements of the Triad transportation plan.



Sources: Triad National Security, LLC, Transportation Services Plan for fiscal years 2025-2030 (information); GAO (illustration). | GAO-25-108065
^aThe Pojoaque Express picks up contractor employees at Cities of Gold Casino in Pojoaque Pueblo.

^bThe San Felipe Express picks up contractor employees at Black Mesa Casino in San Felipe Pueblo.

Public transit subsidies. Triad proposes subsidizing contractor employees' public transit passes for regional rail and park-and-ride services, starting in FY 2026. Contractor employees would be required to show proof that they live in an area served by the public transit options and are using public transit. The state-run park-and-ride service offers three routes to the laboratory, transporting employees from the Española (\$60 per month) and Santa Fe (\$90 per month) areas. Employees who live farther south, including Rio Rancho or Albuquerque, can connect to the park-and-ride buses using the state-run commuter train, the

New Mexico Rail Runner (\$150 per month). In FY 2025, about 210 contractor employees used the New Mexico Park-and-Ride bus daily from Santa Fe or Española, and 30 to 40 employees used the New Mexico Rail Runner and then connected to a park-and-ride bus for the remainder of their trip, according to Triad's proposed plan.

Potential vanpool subsidies. Triad proposes to explore subsidies of up to \$325 per month for vanpools to further reduce the number of vehicles travelling to the laboratory, starting in FY 2026. This is the same amount federal employees receive under the annual transit rate established by the Internal Revenue Service, as of May 2025. According to Triad's transportation plan, this would make contractor employees' commute from Santa Fe almost free and reduce out-of-pocket vanpooling costs for those commuting from Albuquerque and Rio Rancho. Triad anticipates providing vanpool services for 600 participants by FY 2030.

What issues does the proposed plan for Los Alamos National Laboratory seek to address, and what are the proposed benefits?

According to its proposed plan, Triad aims to reduce contractor employees' cost and time to commute to the laboratory, as well as improve recruitment and retention. NNSA officials and Triad representatives said that insufficient on-site parking and traffic congestion in the area are also challenges Triad aims to address. They said road safety is of utmost priority because between 2021 and 2024, three laboratory employees died in vehicle crashes on Los Alamos County roads while commuting to or from the site.

As of May 2025, about 18,000 contractor employees worked at the laboratory, according to Triad's proposed transportation services plan. According to Triad representatives, over 60 percent of contractor employees commute from outside Los Alamos County limits. These areas include Albuquerque and Santa Fe, which are approximately 97 miles and 35 miles from the site, respectively.

However, the existing roadway network leading into and around the laboratory operates above capacity during peak commuting times, according to NNSA officials and Triad representatives (see fig. 3). The roadways connecting up to 40 square miles of the site (about the size of Washington, D.C.) are also constrained by surrounding park and pueblo land as well as topographical features, which limit expansion.

Figure 3: Traffic Congestion Driving to Los Alamos National Laboratory, June 2025



Source: GAO. | GAO-25-108065

According to Triad's proposed transportation plan, Los Alamos has limited buildable space in key work locations for new surface parking and Triad plans to provide shuttle buses from park-and-ride lots to the laboratory and other transportation services for contractor employees, such as public transit subsidies. In addition to addressing on-site parking constraints, Triad plans to alleviate traffic congestion and improve safety by having fewer contractor employees driving on-site. For example, Triad anticipates that its proposed transportation services could eliminate the need for 2,375 parking spaces by FY 2030. In a 2024 survey, about 67 percent of survey respondents said they were willing to try an alternative commute if it worked with their schedule, according to Triad's proposed plan.

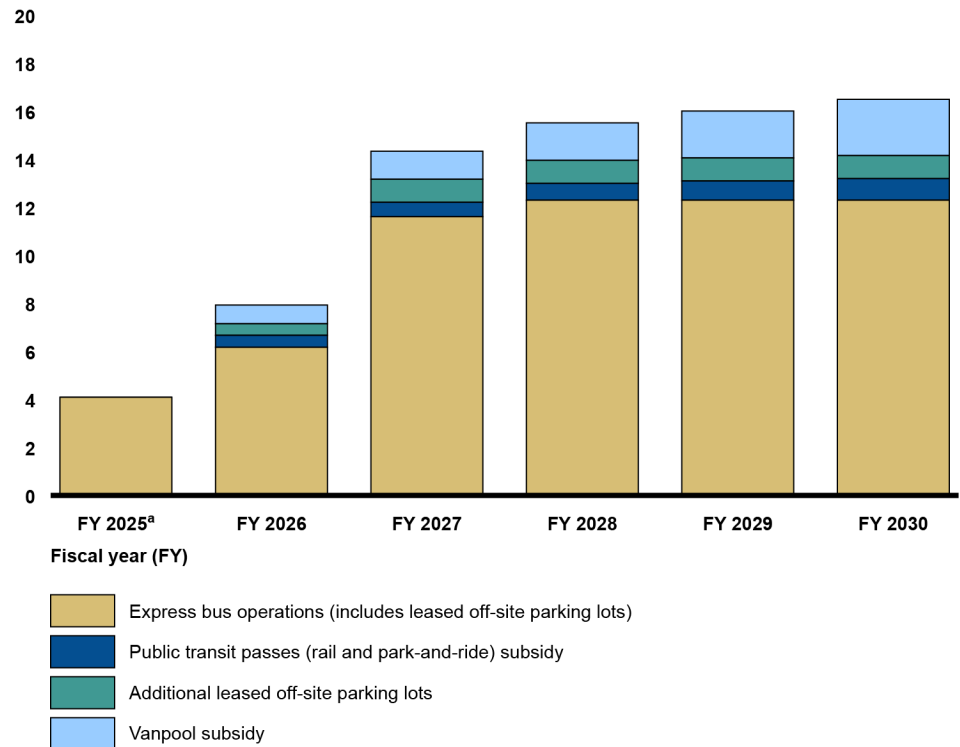
How does the M&O contractor at Los Alamos plan to estimate the costs of using this authority?

Triad estimated the total cost of its May 2025 proposed transportation plan for FYs 2025 through 2030 at about \$74.4 million.⁹ The transportation services that Triad proposed include park-and-ride shuttle services, new off-site parking from additional shuttle bus routes, and transit and vanpool subsidies. To measure the intended benefits of its transportation plan, Triad plans to use ridership rates and number of parking spots that contractor employees would not need since they are parking off-site and riding the shuttle bus to the laboratory, similar to how it calculated the benefits of the Express Bus Pilot.

Triad estimated that the proposed multipart plan would cost about \$4 million to implement in FY 2025 for shuttle bus service from existing off-site park-and-ride locations under the Express Bus Pilot and planned no additional transportation services during this first year of implementation. Starting in FY 2026, Triad estimated that providing existing shuttle bus and additional services—new park-and-ride shuttle bus routes, public transit subsidies (for rail and park and ride), and vanpool subsidies—would cost \$7.9 million to implement in FY 2026 and more than double to \$16.5 million in FY 2030. Triad projected costs to increase each year because of anticipated increases in shuttle ridership and contractor employees' use of transit subsidies (see fig. 4).

Figure 4: Estimated Costs of Proposed Transportation Services for Contractor Employees at Los Alamos National Laboratory, FY 2025–2030

Dollars (in millions)



Source: GAO analysis of Triad National Security, LLC, proposed Transportation Services Plan. | GAO-25-108065

^aFY 2025 costs include the Express Bus Pilot at Los Alamos National Laboratory and existing leased off-site park-and-ride lots. The laboratory's management and operating contractor, Triad National Security, LLC, plans to transition from the pilot after NNSA approves its proposed Transportation Services Plan.

We analyzed the annual costs shown in Triad's May 2025 proposed plan for FYs 2025 through 2030 and found the following:

- **Express bus (FYs 2025–2030).** Triad estimates that the Express bus will cost approximately \$4 million in FY 2025 and triple to \$12 million in FY 2030, including the cost increases to lease the parking lots. Triad estimates that the park-and-ride shuttle services will cost a total of \$58.8 million, according to our analysis of the annual costs shown in the plan. Triad plans to prepare an analysis to determine whether it would be more cost-effective to bring the shuttle service in-house or continue to outsource it. If outsourcing continues to be most cost-effective, Triad plans to subcontract directly instead of through a third party (as it has done with the Express Bus Pilot) to further reduce costs.
- **New off-site parking (FYs 2026–2030).** Triad estimates that leasing new off-site parking, potentially at White Rock and Los Alamos for additional shuttle bus routes to the laboratory, will cost about \$480,000 in FY 2026 and double to \$960,000 in FY 2030. The estimated cost for new off-site parking over the 5-year period would total \$4.3 million, according to our analysis of the annual costs shown in the plan.
- **Public transit subsidies (FYs 2026–2030).** Triad estimates that reimbursing contract employees for public transit subsidies will cost \$504,000 in FY 2026 and increase to \$900,000 in FY 2030. The total estimated cost of potential public transit subsidies over the 5-year period would be \$3.5 million, according to our analysis of the annual costs shown in the plan.

- **Potential vanpool subsidies (FYs 2026–2030).** Triad estimates that it will cost \$780,000 in FY 2026, increasing to about \$2.3 million in FY 2030, to reimburse contract employees for vanpool subsidies. The total estimated cost for potential vanpool subsidies over the 5-year period would be \$7.8 million, according to our analysis of the annual costs shown in the proposed transportation plan.

NNSA officials and Triad representatives said NNSA approved the fiscal year 2025 shuttle bus service and off-site parking lots as an indirect cost under the Express Bus Pilot. Triad included the shuttle bus service and off-site parking in the estimated total cost of the proposed transportation services starting in FY 2026. The new transportation services proposed to begin in FY 2026 will be funded by Triad’s general and administrative indirect cost pool—costs that cannot be identified with a specific program objective but that indirectly support management, administrative, or facility costs at a site—according to officials and Triad representatives.

How does NNSA plan to oversee contractors and subcontractors and ensure program integrity?

NNSA plans to oversee Triad’s proposed transportation activities under the agency’s existing contractor and subcontractor oversight framework, according to NNSA officials. Specifically:

- **Triad.** Under NNSA’s existing oversight framework, the M&O contractor is expected to have primary oversight responsibilities during the period of performance for subcontracts awarded under its transportation services plan. Triad’s proposed subcontracting costs for its transportation plan are not expected to meet the minimum threshold of \$20 million for NNSA to review the subcontract(s) prior to award.
- **NNSA.** NNSA officials said contracting officers at the laboratory plan to ensure program integrity by requiring Triad to provide monthly and annual assessment of the transportation plan’s costs and benefits, as they did with the Express Bus Pilot for FYs 2023 through 2025. NNSA officials told us that its Offices of Partnership and Acquisition Services and Management and Budget may develop specific cost estimation guidance as NNSA continues to implement the contractor commuting authority at Los Alamos and potentially at other sites, if they seek to participate.

NNSA will also conduct routine annual performance reviews of Triad’s activities, including assessing the proper allocation of indirect costs related to transportation services. Because Triad will conduct primary oversight over the subcontract(s), NNSA does not plan to conduct independent audits of the transportation services.

NNSA reviews M&O contractors’ cost data and other information to assess that their costs, including indirect costs, are reasonable. NNSA’s oversight of M&O contractors is primarily subject to the Federal Acquisition Regulation, as well as to the DOE Acquisition Regulation and internal DOE and NNSA guidance.¹⁰ M&O contractors are also required to follow federal cost accounting standards governing NNSA indirect cost management. These standards provide contractors with some flexibility in how they classify and allocate indirect costs.

- **DOE Office of Inspector General.** This office, which has audit authority at NNSA laboratories, may also carry out audits of the implementation of the contractor commuting authority, according to NNSA officials.

Triad’s contract is a cost-reimbursement contract, like all of NNSA’s M&O contracts. Under cost-reimbursement contracts, the government reimburses a contractor for allowable costs incurred, to the extent prescribed by the contract.

The DOE Acquisition Regulation states M&O contracts are typically cost-reimbursement type contracts with incentive fees, but agencies can choose among a number of different contract types for M&O contracts.¹¹

In September 2009, we found that M&O contracts are considered high risk for the federal government because the government agrees to reimburse the contractor's allowable costs, regardless of whether the work is completed.¹² As we have previously reported, DOE—including NNSA—does not use prepayment reviews to determine the appropriateness of M&O contract costs prior to payment.¹³ Therefore, post-payment oversight controls, such as incurred cost audits, that may detect unallowable costs are important to protect the government's interest.¹⁴

NNSA officials said the post-payment oversight controls they plan to use include reviewing Triad's summary data, independently assessing day-to-day compliance with Cost Accounting Standards, and conducting routine annual performance reviews. Similar to the shuttle bus pilot, the contracting officers at the laboratory plan to oversee Triad's transportation services by reviewing monthly and annual reports on shuttle bus ridership rates, transit benefit usage, and parking spots saved, among other metrics specified in Triad's proposed transportation plan.

NNSA plans to require that Triad provide an Implementation Design Plan that, among other things, identifies its plan for ensuring audits of subcontractors are conducted, as required under the DOE Acquisition Regulation.¹⁵ For these audits, an M&O contractor may use its internal audit staff, engage contract auditors, or use the services of the Defense Contract Audit Agency.¹⁶

According to Triad's proposed transportation services plan, Triad will monitor shuttle and parking lease costs by reviewing monthly invoices and holding budget meetings to ensure all charges are accurate and justified. In addition, Triad's proposed plan stated that they are looking at safeguards for transit subsidies to contractor employees to ensure money is spent only on the people who will use the benefit. For example, according to NNSA officials:

- Triad employees will pay for their transit and vanpool expenses up front and file for reimbursement.
- Employees will complete an online application to ensure they are eligible for the benefit. The application will ask a series of questions, including home address, work location, work hours, days on-site, and mode of transportation they intend to use. If the application is accepted, the employee will be notified by email with details about how to purchase their public transit pass or pay for their vanpool as well as how to file for reimbursement.
- Triad plans to use a badge-swiping system at the Los Alamos Transit Center to ensure employees who receive subsidized bus passes are using them.

What challenges could NNSA and its contractors face in implementing this authority?

NNSA officials we interviewed said they anticipate challenges with assessing some of Triad's intended benefits and overseeing the transportation services, given longstanding human capital constraints for contractor oversight.

- **Difficulty assessing intended benefits.** NNSA contracting officers said that while they plan to monitor Triad's monthly and annual reports on ridership rates and the number of on-site parking spaces saved, it may be challenging for Triad to provide quantifiable data on all intended benefits. Triad is required to include in its proposed transportation services plan information on how the proposed transportation services will facilitate NNSA's mission at Los Alamos National Laboratory and a summary of the intended benefits that will be provided. NNSA officials said they anticipated that the proposed additional

bus routes and off-site parking, as well as public transit and vanpool subsidies, for contractor employees could reduce traffic congestion and parking, improve road safety, and help contractor recruitment and retention. However, they said it is easier to measure reductions in traffic congestion and on-site parking than improvements in traffic safety, since it is difficult to calculate how many traffic accidents or fatalities were prevented.

- **Limited capacity to oversee contracts.** NNSA officials told us that NNSA continues to experience longstanding human capital constraints for contractor oversight. Specifically, although the contracting officers at Los Alamos National Laboratory plan to oversee Triad's activities and monitor the contractor's planned monthly and annual reports providing costs and benefits information, their capacity is constrained because they have a limited number of staff to carry out a large volume of contracting work.

We have previously reported on NNSA's constrained capacity to oversee the agency's contracts and ensure that its M&O contractors are effectively overseeing their subcontracts. For example, in November 2021, we reported that NNSA officials raised concerns that they did not have enough staff with the right skills in their acquisition workforce to effectively oversee contracts.¹⁷ In March 2019, we examined the extent to which DOE and NNSA ensured that M&O contractors audit their subcontractors and that contractors met subcontract oversight requirements.¹⁸

Agency Comments

We provided a draft of this report to NNSA for review and comment. NNSA provided technical comments, which we incorporated as appropriate.

How GAO Did This Study

We reviewed the following documentation:

- Relevant statutes, including section 3113 of the NDAA for FY 2025 and commuting services authority for federal employees
- The May 2025 proposed Los Alamos National Laboratory Transportation Services Plan for FYs 2025 through 2030
- Agency requirements and guidance, such as NNSA requirements for overseeing M&O contractors and subcontractors and DOE Acquisition Regulation
- The Federal Acquisition Regulation and Cost Accounting Standards
- Prior GAO reports examining DOE and NNSA contractor oversight
- Reports from DOE's Office of Inspector General that included findings and recommendations related to NNSA's management and oversight of contractors

We interviewed NNSA headquarters officials, including officials in the Offices of Partnership and Acquisition Services, Management and Budget, and General Counsel; contracting officers in NNSA's field offices at the eight nuclear security enterprise sites; and contractor representatives at each site. We performed a content analysis of interview responses to questions about plans to use the contractor commuting authority and summarized them.

We also asked NNSA officials in headquarters and contracting officers at the Los Alamos Field Office and representatives of the M&O contractor for Los Alamos National Laboratory about the proposed transportation services plan and NNSA's plans to conduct oversight of the contractor.

We conducted this performance audit from January 2025 to September 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

List of Addressees

The Honorable Roger Wicker
Chairman
The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate

The Honorable John Kennedy
Chair
The Honorable Patty Murray
Ranking Member
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate

The Honorable Mike Rogers
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

The Honorable Chuck Fleischmann
Chairman
The Honorable Marcy Kaptur
Ranking Member
Subcommittee on Energy and Water Development, and Related Agencies
Committee on Appropriations
House of Representatives

We are sending copies of this report to the appropriate congressional committees, the Secretary of Energy, the NNSA Administrator, and other interested parties. In addition, the report is available at no charge on the GAO website at www.gao.gov.

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Endnotes

¹The estimated number of contractor employees is as of FY 2025, according to NNSA officials.

²Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025, Pub. L. No. 118-159, § 3113, 138 Stat. 1773, 2297 (2024) (codified at 50 U.S.C. § 2815).

³National Nuclear Security Administration Act, Pub. L. 106-65, div. C, tit. XXXII, § 3211, 113 Stat. 512, 957 (1999) (codified at 50 U.S.C. § 2401).

⁴NNSA relies extensively on M&O contracts, which the Federal Acquisition Regulation defines as agreements under which the government contracts for the operation, maintenance, or support, on its behalf, of a government-owned or government-controlled research, development, special production, or testing establishment wholly or principally devoted to one or more of the major programs of the contracting federal agency. 48 C.F.R. § 17.601. These contracts originated from the Manhattan Project during World War II.

⁵Our High Risk List highlights government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement, or that need transformation to address economy, efficiency, or effectiveness challenges. We included Acquisition and Program Management for NNSA in our February 2025 High Risk List. See GAO, *High-Risk Series: Heightened Attention Could Save Billions More and Improve Government Efficiency and Effectiveness*, GAO-25-107743 (Washington, D.C.: Feb. 25, 2025). We specifically cited concerns that NNSA does not have enough employees with the right skills in their acquisition workforce to oversee contracts in our April 2023 High Risk List. See GAO, *High-Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas*, GAO-23-106203 (Washington, D.C.: Apr. 20, 2023).

⁶GAO, *National Nuclear Security Administration: Improvements Needed for Overseeing Contractor Workforce Recruitment and Retention Efforts*, GAO-24-106861 (Washington, D.C.: May 29, 2024).

⁷Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025, Pub. L. No. 118-159, § 3113, 138 Stat. 1773, 2297 (2024). Under the statute, a passenger carrier is a passenger motor vehicle, aircraft, boat, ship, train, or other similar means of transportation that is owned, leased, or provided pursuant to contract or subcontract by the federal government or through an NNSA contractor. 50 U.S.C. § 2815(e)(4).

⁸31 U.S.C. § 1344(g). Congress authorized federal agencies to fund federal staff using passenger carriers for transportation between their place of employment and a mass transit facility. The act does not specifically include contractor employees.

⁹This report uses estimated costs from Triad's May 2025 proposed transportation services plan, as that was the plan available at the time of our analysis. According to NNSA officials in the Los Alamos National Laboratory Field Office, Triad submitted a revised proposed transportation plan in July 2025 showing estimated costs for public transit and vanpool subsidies about \$5.4 million lower than these costs estimated in their May 2025 proposed plan. As of September 2025, Triad's proposed plan is still undergoing review, according to officials.

¹⁰While general regulatory requirements applying to the acquisition process at all agencies are set forth in the Federal Acquisition Regulation, agencies may supplement the requirements by providing additional internal agency regulations, including designations and delegations of authority, assignments of responsibilities, workflow procedures, and internal reporting requirements. DOE documents—such as DOE Acquisition Regulation and NNSA's Corporate Performance Evaluation Process for Management and Operating Contractors—establish additional guidance for the acquisition process, but do not create additional requirements.

¹¹48 C.F.R. § 970.1504-102(a)(1).

¹²See GAO, *Contract Management: Extent of Federal Spending under Cost-Reimbursement Contracts Unclear and Key Controls Not Always Used*, GAO-09-921 (Washington, D.C.: Sept. 30, 2009).

¹³GAO, *Department of Energy: Use of Leading Practices Could Help Manage the Risk of Fraud and Other Improper Payments*, GAO-17-235 (Washington, D.C.: Mar. 30, 2017).

¹⁴In our previous work, we highlighted the importance of agencies implementing prepayment controls to avoid operating in the “pay and chase model,” which refers to the practice of waiting to address improper payment and fraud until after payments have been made. We have also noted that establishing post-payment controls and processes can help agencies identify and recover improper payments and fraud when the quick disbursement of funds makes prepayment controls difficult to apply fully. See GAO, *COVID-19: Lessons Can Help Agencies Better Prepare for Future Emergencies*, GAO-24-107175 (Washington, D.C.: Aug. 1, 2024).

¹⁵M&O contractors are required to manage and administer each of the subcontracts they award, including ensuring necessary audits are conducted. M&O contracts are required to contain clauses in the DOE Acquisition Regulation, 48 C.F.R. §§ 970.5232-3 and 970.5244-1, that require the contractors to either conduct or arrange for periodic audits of their cost-type subcontractors' costs.

¹⁶The internally performed audits must, at a minimum, meet the Institute of Internal Auditors Standards. These standards include, among other things, requirements for auditors to meet certain independence and educational requirements, for work to be sufficiently documented and supervised, and for audit sampling methodologies that produce valid, representative results.

¹⁷GAO, *Department of Energy: Improvements Needed to Strengthen Strategic Planning for the Acquisition Workforce*, GAO-22-103854 (Washington, D.C.: Nov. 16, 2021).

¹⁸GAO, *Department of Energy Contracting: Actions Needed to Strengthen Subcontract Oversight*, GAO-19-107 (Washington, D.C.: Mar. 12, 2019).