

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES
			1 1

2. AMENDMENT/MODIFICATION NO. 121	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
--------------------------------------	------------------------------------	----------------------------------	--------------------------------

6. ISSUED BY NNSA/Nevada Site Office U.S. Department of Energy NNSA/Nevada Site Office P.O. Box 98518 Las Vegas NV 89193-8518	CODE 05002	7. ADMINISTERED BY (If other than Item 6) NNSA/Nevada Site Office U.S. Department of Energy NNSA/Nevada Site Office P.O. Box 98518 Las Vegas NV 89193-8518	CODE 05002
--	---------------	---	---------------

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) NATIONAL SECURITY TECHNOLOGIES, LLC Attn: SUSAN C. OTIS PO BOX 98521 LAS VEGAS NV 891938521	(x)	9A. AMENDMENT OF SOLICITATION NO.
		9B. DATED (SEE ITEM 11)
	X	10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC52-06NA25946
CODE 195194779	FACILITY CODE	10B. DATED (SEE ITEM 13) 03/28/2006

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

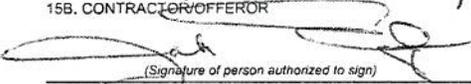
CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X	D. OTHER (Specify type of modification and authority) Section I Clause DEAR 970.5204-2 Laws, Regulations & DOE Directives (DEC 2000) & Agreement of Parties

E. IMPORTANT: Contractor is not, is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)
The purpose of this modification is to modify Section I and Appendices A, B, C, and I as set forth in Attachment 1.

No other changes are made as a result of this modification. All other terms and conditions remain unchanged.
Period of Performance: 07/01/2006 to 09/30/2014

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) JOHN STUMPF, DIRECTOR, BUS OPS & CFO	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Darby A. Dieterich
15B. CONTRACTOR/OFFEROR 	15C. DATE SIGNED 7/19/11
16B. UNITED STATES OF AMERICA 	16C. DATE SIGNED 7/20/11

NATIONAL SECURITY TECHNOLOGIES

**MASTER SUBCONTRACTING PLAN FOR SMALL BUSINES, SMALL
DISADVANTAGED BUSINESS, WOMEN-OWNED SMALL BUSINESS, HUBZONE
SMALL BUSINESS AND SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS**

EFFECTIVE DATE: 01 JANUARY 2009 TO JUNE 30 2012

This Small Business Subcontracting Plan is modeled on the approved Master Subcontracting Plan for Northrop Grumman IT. Reporting, surveillance and monitoring will be administered by National Security Technologies.

TABLE OF CONTENTS

Contents

1.0 Introduction & Company Policy..... 3

1.1 Corporate Commitment 3

2.0 Definitions 3

3.0 Principal Supplies/Services to be Subcontracted [FAR 52-219-9 (3)]..... 4

4.0 Goal Development..... 5

5.0 Identification and Development of Potential Sources 5

6.0 Utilization of Indirect Costs 6

7.0 Administration of the Master Subcontracting Plan..... 6

7.1 Duties of the Administrator..... 7

8.0 Efforts to Assure an Equitable Opportunity to Compete for Procurement Opportunities..... 7

9.0 Subcontracts Flow-down Provisions..... 8

10.0 Reports, Reviews, Studies and Surveys 9

11.0 Records Maintained to Comply with the Requirements of the Plan..... 9

11.1 Records 9

11.2 Outreach Efforts 9

11.3 In-House Training and Motivation..... 9

11.4 Assistance to Small Business Concerns 10

11.5 Misrepresentation..... 10

11.6 Effective Period of the Master Subcontracting Plan 10

1.0 DIRECT AND INDIRECT GOALS COMPUTATIONS 13

2.0 MASTER SUBCONTRACTING PLAN..... 14

3.0 PROGRAM ADMINISTRATOR: 14

4.0 SOCIO-ECONOMIC BUSINESS PROGRAMS 15

 4.1 Small Business Sourcing Strategy 15

 4.2 Outreach Program 15

1.0 Introduction & Company Policy

At National Security Technologies, LLC (NSTec) we have made a strong commitment toward the use of Small Businesses (SB), Small Disadvantaged Businesses (SDB), Women-Owned Small Businesses (WOSB), HUBZone Small Businesses (HUB), Veteran-Owned Small Businesses (VOSB) and Service-Disabled Veteran Owned Small Businesses (SDVOSB). This Master Plan details the methods and procedures as to how NSTec's parent companies, Northrop Grumman IT, AECOM, CH2M Hill, and Nuclear Fuel Services (NFS), will implement not just the letter of current regulations, but the spirit behind it. Notwithstanding the requirement for the establishment and utilization of Small Businesses, it is the policy of NSTec to support all Small Business concerns where possible. This Plan is submitted in accordance with Sections 52.219-8, 52.219-9 and 19.704(b) of the Federal Acquisition Regulations (FAR).

1.1 Corporate Commitment

NSTec is committed to providing a fair and competitive environment for all Small Business concerns. The company places great importance upon the competitiveness of the marketplace and the timely procurement of products and services that meet the highest standards of quality and reliability.

This Plan represents NSTec's "Good Faith Effort" regarding its commitment to actively support the Federal Government initiatives and laws established to enhance and increase the number of Small Businesses engaged in the NSTec subcontracting process. The goals and objectives of the NSTec programs will continue to remain an essential part of our parent company's commitment.

2.0 Definitions

CCR (Central Contractor Registration): A national Internet database administered by the Small Business Administration that contains supplier profiles of small, disadvantaged, 8(a), Women-Owned, HUBZone, Veteran-Owned and Service-Disabled Veteran-Owned small businesses.

HUBZone Small Business (HUB): A small business that is owned and controlled only by US citizens with the principal office located in a HUBZone and at least 35% of the employees must reside in the HUBZone. All HUBZone businesses must receive certification by the Small Business Administration.

Individual Subcontracting Plan: A subcontracting plan that covers the entire contract period (including option periods), applies to a specific contract, and has goals that are based on planned subcontracting dollars or contract value in support of the specific contract.

Master Plan: A subcontracting plan that contains all the required elements of an individual contract plan, except goals and may be incorporated into individual contract plans, provided the master plan has been approved.

Small Disadvantaged Business (SDB): A small business that is at least 51% owned by an individual who is both a US citizen and considered socially and economically disadvantaged, as defined by the Small Business Administration (SBA), with the majority of earnings directly accruing to such individuals. Social disadvantage must include at least one objective distinguishing feature that has contributed to social

disadvantage such as race, ethnic origin, gender, physical handicap, long term residence in an environment isolated from the mainstream of American society. Social disadvantage is a non-designated group and must establish individual social disadvantage based on a preponderance of evidence.

Economic disadvantage is defined as net worth below \$750,000 minus equity in primary residence and the applicant's ownership interest.

Small Business (SB): A business concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on government contracts, and qualified as a small business under the criteria in 13 CFR Part 121

Summary Subcontracting Report: This report collects prime and subcontractors' subcontract award data for a specific Federal Government Agency when a Prime/Subcontractor: (a) holds one or more contracts over \$550,000 (over \$1,000,000 for construction of a public facility); and (b) is required to report subcontracts awarded to Small Business (SB), Small Disadvantaged Business (SDB), Women-Owned Small Business (WOSB), HubZone Small Business (HUBZone SB), Veteran-Owned Small Business (VOSB), Service-Disabled Veteran-Owned Small Business (SDVOSB), and where applicable, Alaskan Native Corporations (ANC) and Indian tribe concerns under a subcontracting plan, with the Federal Government.

Women Owned Small Business (WOSB): A small business concern that is at least 51% owned by one or more women and in the case of any publicly owned business, at least 51% of the stock is owned by one or more women. One or more women must control the management and daily business operations.

Veteran-Owned Small Business (VOSB): A small business that is at least 51% owned by one or more veterans and in the case of any publicly owned business, at least 51% of the stock is owned by one or more veterans. One or more veterans must control the management and daily business operations.

Service-Disabled Veteran-Owned Small Business (SDVOSB): A small business that is at least 51% owned by one or more service-disabled veterans and in the case of any publicly owned business not less than 51% of the stock is owned by one or more service-disabled veterans. The management and daily operations must be controlled by one or more service-disabled veterans in the case of a veteran with permanent and severe disability the spouse or permanent caregiver of such veteran shall manage.

3.0 Principal Supplies/Services to be Subcontracted [FAR 52-219-9 (3)]

The principal supplies and services to be subcontracted are listed below. NSTec's goal is to subcontract with all small business concerns in all potential North American Industry Classification System (NAICS) categories to the maximum extent possible. The principal supplies and services to be subcontracted are as listed below

Commodity/Service NAICS Code	SB	SDB	WOSB	HUB	VOSB	SDVOSB
Aircraft Parts - 336412	X	X	X	X	X	X
Automotive Supplies - 441310	X	X	X	X	X	X
Chemicals - 325110	X	X	X	X	X	X
Communication Equipment/Supplies - 334210	X	X	X	X	X	X
Computer hardware/Software - 423430	X	X	X	X	X	X
Construction Services - 236210	X	X	X	X	X	X
Electronics and Electronic Supplies - 423610	X	X	X	X	X	X
Engineering Services - 541330	X	X	X	X	X	X
Facility/equipment rentals/leases - 531120	X	X	X	X	X	X
Machinery - 333120	X	X	X	X	X	X
Metals -331111	X	X	X	X	X	X
Office Equipment and Supplies - 423420	X	X	X	X	X	X
Personal Protective Equipment - 812332	X	X	X	X	X	X
Staffing Services - 561320	X	X	X	X	X	X
Tools - 332212	X	X	X	X	X	X

4.0 Goal Development

A review of outreach efforts, procurement documents, past performance, and/or possible new suppliers will be performed to determine subcontract opportunities for Small Businesses so that comprehensive and achievable goals may be established and incorporated into individual subcontracting plans.

Goals are established to comply with the provisions of FAR 52.219-8, 52.219-9, and Far Subpart 19.7 and other federal agency clauses and as governed by certain public laws such as Public Law 95-507 (1978) which requires prime contractors with subcontracts in excess of \$500,000 to establish a subcontracting plan to enhance the use of small/small disadvantaged businesses.

5.0 Identification and Development of Potential Sources

NSTec will build upon Northrop Grumman's long-established tradition of working with local sources such as Chambers of Commerce, small business development organizations and trade associations through its outreach program in an effort to develop a valid and dynamic source list of qualified small businesses.

Like Northrop Grumman, NSTec will rely on the information contained in the CCR as an accurate representation of a small business concern's size and ownership characteristics for the purposes of maintaining a small business source list.

In addition to the CCR, NSTec will participate in outreach activities, provide assistance and counseling, and will publicize its subcontracting opportunities, by posting solicitations on Internet resources such as Federal Business Opportunities (FedBizOpps.gov) where possible. Through its relationship with Northrop Grumman, NSTec will also participate in socio-economic trade fairs when possible to identify new potential small business sources. This information will be pursued through Northrop Grumman small business resources such as databases, newsletters, websites and small business advocates.

Sources to be utilized to locate small business concerns by NSTec will include:

- Las Vegas Latin Chamber of Commerce
- North Las Vegas Latin Chamber of Commerce
- Las Vegas Asian Chamber of Commerce
- Las Vegas Women's Chamber of Commerce
- DOE Office of Small Disadvantaged Business Utilization (OSDBU)
- Clark County Business Development Division
- Central Contractor Registration
- Nevada Minority Supplier Development Council
- Nevada Minority Business Enterprise Improvement Committee
- Nevada Development Authority
- Henderson Chamber of Commerce
- Clark County Chamber of Commerce
- Pahrump Chamber of Commerce
- Northrop Grumman Corporation Small Business Website

6.0 Utilization of Indirect Costs

Indirect costs are not included in the goals for Small Business (SB), Small Disadvantaged Business (SDB), Women-Owned Small Business (WOSB), HUBZone Small Business (HUB), Veteran-Owned Small Business (VOSB) and Service-Disabled Veteran Owned Small Business (SDVOSB) concerns.

7.0 Administration of the Master Subcontracting Plan

Northrop Grumman personnel have agreed to take an active role in working with the NSTec Procurement Department in administering NSTec's Small Business Subcontracting Plan. The position of Small Business Program Manager is responsible for ensuring the performance of the described tasks listed below. The duties of the administrator are described in section 7.1.

7.1 Duties of the Administrator

- Supports the development of bidders lists of SB, VOSB, SDVOSB, HUB, SDB and WOSB concerns from as many sources as possible
- Works with acquisition and technical personnel to search for and develop qualified small business concerns as sources of supply and works with Procurement staff to assure that procurement packages are structured to permit participation of SB, VOSB, SDVOSB, HUB, SDB and WOSB concerns to the maximum extent possible. Works with procurement management to remove terms and conditions which may restrict the use of SB, VOSB, SDVOSB, HUB, SDB and WOSB concerns
- Provides input to Compliance Manager for review of documentation for awards to other than Small Business for validity of source selection
- Ensures inclusion of SB, VOSB, SDVOSB, HUB, SDB and WOSB concerns whose capabilities coincide with solicitations requiring their products or services
- Works with and provides input to the director as deemed necessary to properly administer this plan
- Coordinates with the small business community and government
- Acts as an intermediary between the customer, the Small Business Administration and the Director on all matters pertaining to the administration of this plan

8.0 Efforts to Assure an Equitable Opportunity to Compete for Procurement Opportunities

NSTec assures that small business concerns will have an equitable opportunity to compete for subcontracts, by arranging solicitations, time for preparations of bids, quantities, specifications, and delivery schedules so as to facilitate the participation of SB, SDB, WOSB, VOSB, SDVOSB, and HUB concern activities. NSTec personnel are encouraged to seek the use of approved small business sources and encouraged to develop new qualified sources on new business opportunities.

NSTec will publicize subcontract opportunities when possible through participation in small business publications, trade fairs, federal procurement conferences, industry conferences and local affiliations, such as the Las Vegas Chambers of Commerce. NSTec will be an active member of or collaborate with the following organizations:

- Las Vegas Latin Chamber of Commerce
- Las Vegas Urban Chamber of Commerce
- DOE Matchmaking Events
- North Las Vegas Latin Chamber of Commerce
- Las Vegas Asian Chamber of Commerce
- Las Vegas Women's Chamber of Commerce
- Clark County Business Development Matchmaking Events
- Nevada Minority Supplier Development Council

Through Northrop Grumman, NSTec will have access to various organizations supporting Small Businesses. In addition to participation in various outreach programs, NSTec will provide assistance to develop small business concerns in the following areas as appropriate:

- Bidders conferences to discuss and advise on specifications, statements of work and interpretation of requirements
- Site quality surveys to evaluate system and provide assistance to meet quality assurance requirements
- Post-award assistance to ensure requirements are fully understood and to assist in purchase order performance
- Financial assistance in the form of progress payments, where appropriate.
- In-house small business symposia attended by procurement, projects, engineering, and facilities, to discuss and advise on new programs and upcoming requirements
- One-on-One interviews with small businesses in-house and at small business conferences

NSTec's Small Business Office (within the purchasing organization) will be included in the Northrop Grumman IT Socio-Economic Business Program Office (SEBPO), which is fully integrated across project and functional management. The SEBPO employs a full-time staff to ensure small business concerns are given every opportunity to participate on contracts. This office serves as the centralized location whereby proposal and project managers can contact to find small business concerns to meet the requirements of the contract. Capable small business concerns are identified by using the NG in-house database and the government's Central Contractor Register (CCR) and are notified of subcontracting opportunities. Opportunities are also publicized at one-on-one counseling sessions and introductory meetings, trade fairs, federal procurement conferences, industry conferences, and local affiliations. Qualified vendors are also forwarded to procurement and pricing personnel for readily available access.

Policies and procedures are established to ensure the timely payment of amounts due, pursuant to the terms of their subcontracts with small business concerns.

9.0 Subcontracts Flow-down Provisions

NSTec will include the following provisions in all applicable purchase orders and subcontracts issued except where such inclusions are exempted by the terms of the FAR:

- **FAR 52.219-8:** Utilization of Small Business, HUB Zone Small Business, Small Disadvantaged, and Women-Owned Small Business Concerns. Applies to all purchase orders and subcontracts over \$4,500.
- **FAR 52.219-9:** Small Business Subcontracting Plan. Applies to all purchase orders and subcontracts that exceed \$500,000 (\$1,000,000 for construction of any public facility).
 - Subcontractors to NSTec (except small business concerns) that receive subcontracts in excess of \$500,000 (\$1,000,000 for construction of any public facility) are required to adopt a subcontracting plan that complies with the requirements of this clause.

10.0 Reports, Reviews, Studies and Surveys

NSTec will cooperate in any reports, studies or surveys as may be required and submit reports to allow the government to determine the extent of compliance with this subcontracting plan. NSTec will submit a Summary Subcontracting Report (SSR) and an Individual Subcontracting Report (ISR) in the Electronic Subcontracting Reporting System (eSRS) as required. NSTec will also ensure that all subcontractors (except small business concerns) that receive subcontracts in excess of \$500,000 (\$1,000,000 for construction of any public facility) to adopt a subcontracting plan and agree to submit reports through the eSRS System as required by FAR 52.219-9 and DOE/NNSA.

11.0 Records Maintained to Comply with the Requirements of the Plan

NSTec will maintain records consistent with the requirements of this Master Subcontracting Plan, company policies and procedures supporting implementation of one of the following, dependent upon the individual contract's applicability.

11.1 Records

Records will be maintained which demonstrate procedures that have been implemented to comply with the goals in the plan, including the establishment of source lists, as well as the efforts to locate small business concerns and award subcontracts to them. These records will include, but not be limited to, the following:

- Source lists, guides and other data that identify small business concerns
- Organizations contacted in an attempt to locate small business concerns sources
- Records for each subcontract solicitation under a government contract resulting in an award more than \$100,000 indicating whether small business concerns were solicited and if not, why, and if applicable, the reason award was not made to a small business concern
- Records of outreach efforts to contact trade associations, business development organizations, conferences and trade fairs to locate small business concerns
- Records of internal guidance and encouragement provided to procurement, engineering, business development and technical personnel through 1) workshops, seminars, training and award/recognition programs and 2) monitoring performance to evaluate compliance with the program's requirements
- Records on a contract-by-contract basis, records to support award data, including the name, address and business size of each subcontractor
- Records of assistance provided to small business concerns

11.2 Outreach Efforts

NSTec will endeavor to pursue trade associations, business development organizations, and conferences and trade fairs to cultivate small business concerns. NSTec intends to participate in various local and regional trade fairs that present opportunities for small business networking and outreach.

11.3 In-House Training and Motivation

Internal training sessions and meetings will be made available for line, project, procurement, and staff managers at all levels of responsibility. These sessions will provide a means of orienting management,

requirements, and acquisition personnel in the areas of government and company policies and procedures. The training will cover basic requirements and theory. In addition, specific case histories documenting company experience in implementing various small business concerns policies and procedures can be presented and discussed in an open forum. The intention of this information is to educate employees associated with the Procurement process on the requirements of NSTec's commitment to utilize small businesses in support of the Subcontracting Plan.

In addition to presenting information internally, NSTec procurement staff will seek additional learning opportunities provided through professional associations and symposia external to the company.

NSTec believes that a combination of internal and external training will be instrumental in providing our procurement staff with the specific professional knowledge and motivation that will result in a satisfactory record of achievement each year. We believe that this approach will be effective and intend to continue this program of personnel training and motivation, expanding it as necessary to meet any changing government requirements.

11.4 Assistance to Small Business Concerns

NSTec assists small business concerns by arranging solicitations, time for the preparation of bids, quantities, and specification and delivery schedules to facilitate participation by these concerns. All reasonable efforts will be given to all qualified small business concerns to compete over a period of time.

11.5 Misrepresentation

Notice will be provided to our subcontractors in general terms and conditions and internal procedures concerning penalties and remedies for misrepresentation of business status as SB, SDB, WOSB, VOSB, HUB, SDVOSB concerns for the purpose of obtaining a subcontract to be included as part or all of a goal contained in the subcontracting plan.

The general terms, conditions and internal procedures state that a firm's status to obtain a contract shall be 1) punishable by fine, imprisonment, or both 2) be subject to the administrative remedies, including suspension and debarment or 3) be ineligible for participation in programs conducted under the authority of the act.

11.6 Effective Period of the Master Subcontracting Plan

This Master Subcontracting Plan implements the provisions of FAR Subpart 19.7 and 52.219-9 as they apply to all categories of small business, including goals. Individual contract goals are also addressed in the individual subcontracting plan as submitted in eSRS.

NSTec will insure that the master plan is updated as necessary and will provide copies of the approved master plan, including evidence of its approval as required. Any goals and/or deviations from this plan deemed necessary by the customer to satisfy the requirements of the Prime Contract will be indicated in the individual subcontracting plan.

NSTec acknowledges that failure to comply in good faith with the clause of this contract entitled "Utilization of Small Business Concerns" or to submit an approved plan required by this clause is a material breach of the contract.

ATTACHMENT A TO MASTER PLAN

INDIVIDUAL SUBCONTRACTING PLAN

**SMALL, SMALL DISADVANTAGED, WOMEN-OWNED,
HUBZONE, VETERAN-OWNED AND SERVICE-DISABLED
VETERAN-OWNED SMALL BUSINESS CONCERNS**

**INDIVIDUAL SUBCONTRACTING PLAN FOR
NATIONAL SECURITY TECHNOLOGIES**

1.0 DIRECT AND INDIRECT GOALS COMPUTATIONS

The NSTec small business goals are expressed as percent of the total subcontracted dollar values as available to Small Businesses unless otherwise specified. All subcontracts and purchases that contribute directly or indirectly to contract performance will be included as part of commitment goals.

The approved FY10/FY11 Subcontracting goals are as defined in the below chart:

Socio-Economic Category	FY10/FY11 Approved Performance Plan	
	Forecast Subcontract Dollars	% of Total Subcontract Dollars
Total PO \$ Available to SB (Excludes Foreign and Inter-Company Dollars)	\$ 190,000,000.00	100.00%
Large Business Dollars	\$ 68,495,000.00	37.20%
Small Business Dollars	\$ 119,320,000.00	62.80%
Small-Disadvantaged Business	\$ 10,450,000.00	5.50%
Woman-Owned Small Business	\$ 10,450,000.00	5.50%
HUB Zone Business	\$ 3,800,000.00	2.00%
Veteran-Owned Small Business	\$ 66,500,000.00	35.00%
Service Disabled Veteran Business	\$ 3,800,000.00	2.00%

In accordance with the provisions of FAR 52.219-9, the following is a sampling of the principal types of supplies and services to be procured from subcontractors, as well as an identification of some of the types planned for subcontracting to Small, Small Disadvantaged Women-owned, HUBZone Veteran-Owned and Service-Disabled Veteran-Owned Small Business concerns.

Commodity/Service NAICS Code	SB	SDB	WOSB	HUB	VOSB	SDVOSB
Aircraft Parts - 336412	X	X	X	X	X	X
Automotive Supplies - 441310	X	X	X	X	X	X
Chemicals - 325110	X	X	X	X	X	X
Communication Equipment/Supplies - 334210	X	X	X	X	X	X
Computer hardware/Software - 423430	X	X	X	X	X	X
Construction Services - 236210	X	X	X	X	X	X
Electronics and Electronic Supplies - 423610	X	X	X	X	X	X
Engineering Services - 541330	X	X	X	X	X	X
Facility/equipment rentals/leases - 531120	X	X	X	X	X	X
Machinery - 333120	X	X	X	X	X	X
Metals -331111	X	X	X	X	X	X
Office Equipment and Supplies - 423420	X	X	X	X	X	X
Personal Protective Equipment - 812332	X	X	X	X	X	X
Staffing Services - 561320	X	X	X	X	X	X
Tools - 332212	X	X	X	X	X	X

2.0 MASTER SUBCONTRACTING PLAN

The goals specified above will serve to augment the Master Subcontracting Plan for Small, Small Disadvantaged, Women-Owned, Veteran-Owned and Service-Disabled Veteran-Owned Small Business Concerns effective 01 January 2009 to 30 September 2012.

3.0 PROGRAM ADMINISTRATOR:

Name: Anita L. Ross
 Title: Small Business Program Manager
 Address: PO Box 98521 M/S NLV018 Las Vegas, NV 89193
 Phone: 702-295-5690
 Fax: 702-295-9103
 Email: rossal@nv.doe.gov

4.0 SOCIO-ECONOMIC BUSINESS PROGRAMS

Through its relationship with Northrop Grumman, NSTec will benefit from the world class socioeconomic business program that Northrop Grumman has designed to provide the maximum practicable subcontracting opportunities to small businesses. The success of this program directly relates to the uniform implementation of the following best practices across Northrop Grumman's entire enterprise:

- Corporate Commitment and Flow-down of Requirements Strategic Sourcing Based Procurement System
- Hosting Targeted Outreach Events that concentrates efforts on locating suppliers in underserved business categories
- Providing Small Business Awareness training to all organizations that can influence purchasing decisions
- Flow down small business requirements to large suppliers
- Tools developed to provide the Buyers easy access to Small Business suppliers for inclusion on Bidder's lists

4.1 Small Business Sourcing Strategy

NSTec will utilize various sources to locate small businesses, including its internal database of approved suppliers, the Central Contractor Registration (CCR) website as well as the supplier lists of various trade organizations.

4.2 Outreach Program

NSTec will have access to the Northrop Grumman's outreach program That Includes participation in and/or sponsorship of many conferences, trade fairs, industry meetings and congressionally sponsored procurement conferences throughout the year.

NSTec will also benefit from having direct access to Northrop Grumman's corporate Socio- Economic Business Programs Organization's small business calendar of events. This program documents all small business outreach events that are attended by the corporation's small business liaison officers. This calendar also serves as a forecast of future outreach events where small businesses can meet with NSTec representatives to explore subcontracting opportunities. This calendar is updated regularly and is posted on the following web site for the convenience of all interested parties.

<https://oasis.northgrum.com/>

The following changes are being made to the contract as a result of this modification:

- I. Part II – Contract Clauses, is modified by deleting Clause 117, 970.5215-4, COST REDUCTION (AUG 2009), in its entirety and substituting the following text in lieu thereof:

117 Cost Reduction – NNSA Class Deviation (March 2011)

(a) General. It is the Department of Energy's (DOE'S) / National Nuclear Security Administration's (NNSA) intent to have its facilities and laboratories operated in an efficient and effective manner. To this end, the Contractor shall assess its operations and identify areas where cost reductions would bring cost efficiency to operations without adversely affecting the level of performance required by the contract. The Contractor, to the maximum extent practical, shall identify areas where cost reductions may be effected, and develop and submit Cost Reduction Proposals (CRPs) to the Contracting Officer. If accepted, the Contractor may share in any shared net savings from accepted CRPs in accordance with paragraph (h) of this clause.

(b) Definitions.

Administrative cost is the Contractor cost of developing and administering the CRP.

Development cost is the Contractor cost of up-front planning, engineering, prototyping, and testing of a design, process, or method.

DOE/NNSA cost is the Government cost incurred implementing and validating the CRP.

Implementation cost is the Contractor cost of tooling, facilities, documentation, etc., required to effect a design, process, or method change once it has been tested and approved.

Hard savings means savings that directly reduce the overall cost of operations for the negotiated period of savings. Examples of hard savings include:

- i) Permanently eliminating or reducing recurring costs through innovative product designs, or process improvements;
- ii) Supply chain management activities resulting in actual savings (as opposed to potential or sourcing savings);
- iii) Integration of life cycle approaches for the design and development of systems that minimize costs (e.g. experimental, maintenance and operations);
- iv) Reducing direct or indirect material or labor costs;
- v) Reducing inventory levels of product or material, or reducing the cost of carrying the same levels;
- vi) Reducing utility or natural resource consumption; or
- vii) Reducing or eliminating scrap dollars/rates.

Net Savings means the difference between the estimated cost of performing an effort as originally planned and the actual allowable cost of performing that same effort when

implementing a Government approved CRP along with any Contractor development costs, DOE/NNSA cost, implementation costs, and administrative costs associated with the CRP.

Soft Savings means:

- i) savings that cannot be demonstrated to reduce the bottom line operating costs including, for example, labor efficiency improvements that increase productivity but do not reduce total hours worked;
- ii) savings that are intangible and consequently difficult to measure, for example, a wellness plan that is intended to reduce absenteeism, turnover or insurance costs; or
- iii) cost avoidances that cannot be demonstrated to lower cost of products/services based on a comparison against historical results, for example, slowing the rate of a cost increase.

(c) Consideration on Hard Savings

The Government's share of savings shall represent "hard savings" available for reprioritization by the DOE/NNSA. Proposed savings that will not be considered creditable by the Contracting Officer will include:

- (1) Savings resulting from formal or informal NNSA direction or changes in mission, work scope, or routine Contractor adjustments due to budget changes;
- (2) Underruns resulting from anything other than a Contractor efficiency improvement, including but not limited to additional NNSA funding, shifting of work scope to a future fiscal year, (e.g. moving upgrades to facilities or infrastructure to out years with no evidence of savings or computer buys that are routinely purchased on a 3 year bases are deferred for an additional two years) deferred maintenance, re-categorizing direct/indirect costs, or increases in the direct allocation bases;
- (3) Site office initiatives, direction, work scope changes, mission changes, or reorganization, unless the Contractor can demonstrate a significant role in achieving savings resulting from the site office actions;
- (4) Savings that have a negative impact on any existing Contract requirements such as scope, safety, or security;
- (5) Soft savings; and
- (6) Savings that have been credited elsewhere under this contract.

(d) Procedure for submission of CRPs.

CRPs submitted by the Contractor shall contain, at a minimum, the following:

- (1) Current Method (Baseline)-A verifiable description of the current scope of work, cost, and schedule to be impacted by the initiative, and supporting documentation.
 - (2) New Method (New Proposed Baseline)-A verifiable description of the new scope of work, cost, and schedule, how the initiative will be accomplished, and supporting documentation.
 - (3) Feasibility Assessment-A description and evaluation of the proposed initiative and benefits, risks, and impacts of implementation. This evaluation shall include an assessment of the difference between the current method (baseline) and proposed new method including all related costs.
- (e) Evaluation and Decision. All CRPs must be submitted to and approved by the Contracting Officer. Included in the information provided by the CRP must be a discussion of the extent the proposed cost reduction effort may-
- (1) Pose a risk to the health and safety of workers, the community, or to the environment;
 - (2) Result in a waiver or deviation from DOE requirements, such as DOE Orders and joint oversight agreements;
 - (3) Require a change in other contractual agreements;
 - (4) Result in significant organizational and personnel impacts;
 - (5) Create a negative impact on the cost, schedule, or scope of work in another area;
 - (6) Pose a potential negative impact on the credibility of the Contractor or the DOE; and
 - (7) Impact successful and timely completion of any of the work in the cost, technical, and schedule baseline.
 - (8) Significantly impact internal controls.
- (f) Acceptance or Rejection of CRPs. Acceptance or rejection of a CRP is a unilateral determination made by the Contracting Officer based on but not limited to the evaluation criteria established in paragraph (c) and (e). The Contracting Officer will notify the Contractor that a CRP has been accepted, rejected, or deferred within (Insert Number) days of receipt. The only CRPs that will be considered for acceptance are those which the Contractor can demonstrate, at a minimum, will-
- (1) Result in net savings (in the sharing period if a design, process, or method change);
 - (2) Not reappear as costs in subsequent periods; and
 - (3) Not result in any impairment of essential functions (e.g. safety and security)

(g) The failure of the Contracting Officer to notify the Contractor of the acceptance, rejection, or deferral of a CRP within the specified time shall not be construed as approval.

(h) Sharing Arrangement. If a CRP is accepted, the Contractor may share in the shared net savings. The sharing arrangement shall be as follows:

- (1) 50% of the net savings shall be the Government's share of savings,
- (2) 10% of the net savings shall be share of savings fee payable to the Contractor,
- (3) 40% of the shared savings shall remain at the DOE/NNSA site and may be negotiated under the CRP for the following contract activities consistent with the other terms and conditions of this contract:
 - i) Program, project, or indirect cost activities to finance additional mission work that has been approved by the HQ office;
 - ii) Projects that serve the M&O site as a whole, such as a parking structure, an office building or building a cafeteria that doesn't serve a discrete program and could be built with institutional general plant project funds;
 - iii) Employee compensation for non-key personnel in accordance with Appendix A. For the purposes of this clause, "employee compensation" means a one-time non-base lump sum payment which does not count towards the employee's pensionable earnings.

The specific percentage and sharing period shall be pre-negotiated and set forth in the contractual document and may span multiple years, however, cost sharing in future years will be contingent upon availability of funds and the Contracting Officer certifying each year that the savings have been sustained.

(i) Validation of Shared Net Savings. Each year the Contractor shall certify the amount of savings achieved that year and that the Government's share of savings is available for redirection. The Contracting Officer shall validate actual shared net savings. If actual shared net savings cannot be validated, the Contractor will not be entitled to a share of savings. If the savings are validated, the Government will decide how to redirect its share of the funds.

(j) Relationship to Other Incentives. Only those benefits of an accepted CRP not awardable under other clauses of this contract shall be considered under this clause.

(k) Subcontracts. The Contractor may include a clause similar to this clause in any subcontract. In calculating any estimated shared net savings in a CRP under this contract, the Contractor's administration, development, and implementation costs shall include any subcontractor's allowable costs, and any CRP incentive payments to a subcontractor resulting from the acceptance of such CRP. The Contractor may choose any arrangement for subcontractor CRP incentive payments, provided that the payments not reduce the DOE'S share of shared net savings.

(End of Clause)

II. Part III – List of Documents, Exhibits, and Other Attachments, Section J – List of Attachments, **Appendix A – Advance Understandings – Human Resources For-Profit Contractors**, is modified by deleting the text in section III, D.1, Compensation, Other Pay Programs, Employee Bonus Award Program, and substituting the following text in lieu thereof:

D. Other Pay Programs

The following pay policy items are allowable costs and require NNSA approval within prescribed parameters. Among those costs are:

1. Employee Bonus Award Program

- a. The Contractor shall submit for NNSA Contracting Officer or designee approval prior to implementing an employee bonus award program that aligns to the missions and objectives of the NTS and does not exceed 1.5% of payroll.
- b. Additional Bonus for Non-Key Personnel. The contractor may provide on-time non-base lump sum payments as a form of bonus to non-key personnel in accordance with the cost reduction clause (DEAR 970.5215-4 – NNSA Deviation dated March 2011) from resulted shared savings earned and negotiated cost reduction proposals. (ADDED)

III. Part III – List of Documents, Exhibits, and Other Attachments, Section J – List of Attachments, **Appendix B – Subcontracting Plan**, is modified by deleting the existing plan and substituting the plan included as Attachment 2 to this modification.

IV. Part III – List of Documents, Exhibits, and Other Attachments, Section J – List of Attachments, **Appendix C – List of Applicable Laws, Regulations, and DOE Directives, LIST B**, is modified as follows:

A. List B, List of Applicable Directives, is modified by deleting the following directives:

DIRECTIVE NUMBER			DATE	DOE DIRECIVE TITLE
DOE	O	205.1A	12/4/2006	Department of Energy Cyber Security Management Program
DOE	O	210.2	6/12/2006	DOE Corporate Operating Experience Program
DOE	O	430.1B Chg 1	2/08/2008	Real Property Asset Management
DOE	O	443.1A	12/20/2007	Protection of Human Subjects
DOE	O	450.1A	6/04/2008	Environmental Protection Program
DOE	M	471.2-3B	10/29/2007	Special Access Program Policies, Responsibilities, and Procedures
DOE	O	1220.1A, Chg 1	6/28/1992	Congressional and Intergovernmental Affairs

B. List B, List of Applicable Directives, is modified by adding the following directives:

DIRECTIVE NUMBER			DATE	DOE DIRECIVE TITLE
DOE	O	205.1B	5/16/2011	Department of Energy Cyber Security Program
DOE	O	210.2a	4/08/2011	DOE Corporate Operating Experience Program
DOE	O	430.1B Chg 2	4/25/2011	Real Property Asset Management
DOE	O	443.1B	3/17/2011	Protection of Human Research Subjects
DOE	O	471.5	3/29/2011	Special Access Programs

V. Part III – List of Documents, Exhibits, and Other Attachments, Section J – List of Attachments, **Appendix C – 1 – Operating Requirements**, LIST OF DOCUMENTS, is modified by removing the entry “*Departmental Energy, Renewable Energy and Transportation Management (Reference: DOE O 430.2B)*” in its entirety.

VI. Part III – List of Documents, Exhibits, and Other Attachments, Section J – List of Attachments, **Appendix I – Diversity Plan**, is modified by deleting the current contents and adding the 2011 Diversity Plan included as Attachment 3 to this modification.

(END OF MODIFICATION)

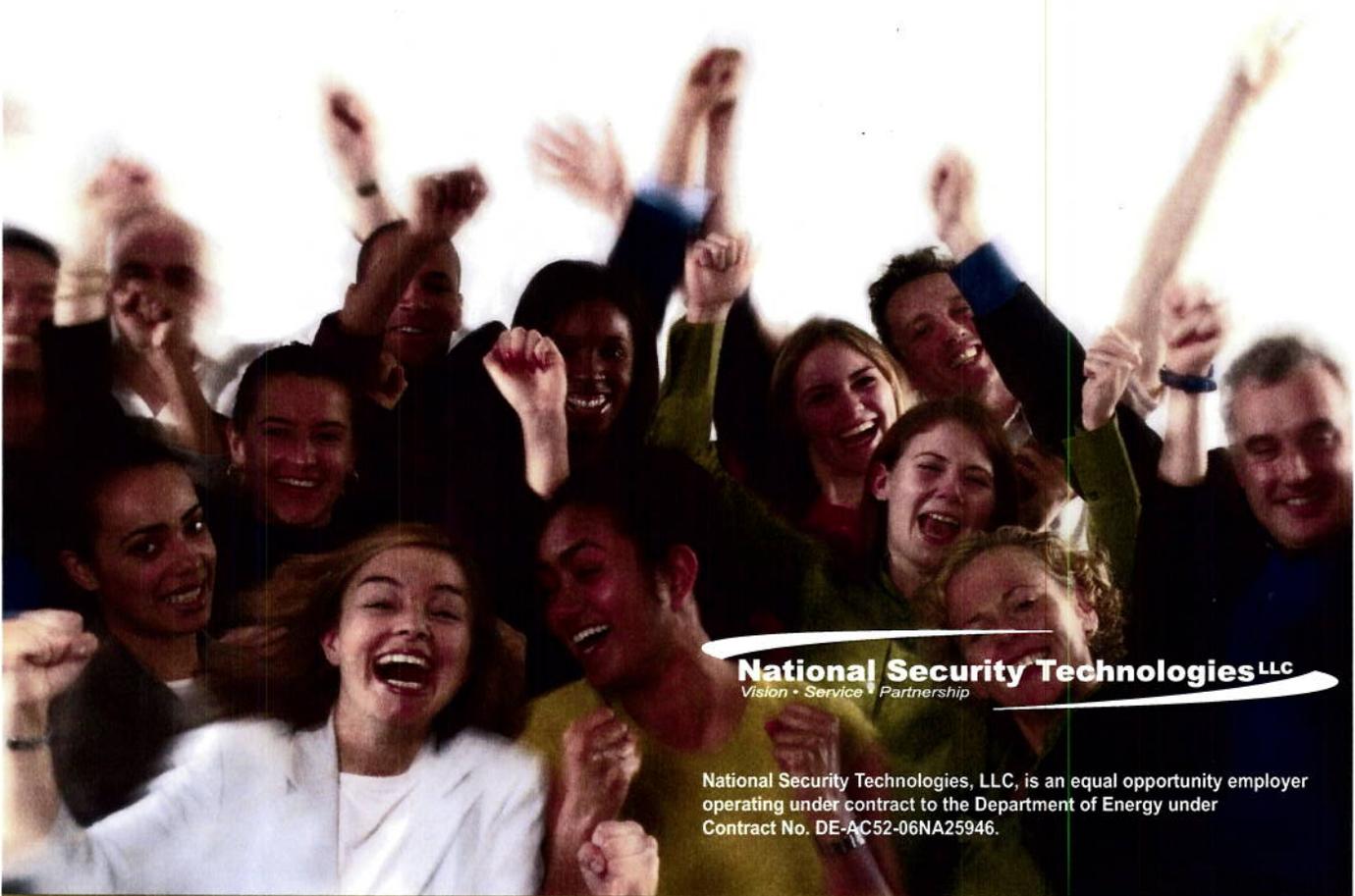
National Security Technologies, LLC

2011 Diversity Plan

April 2011

Prepared by

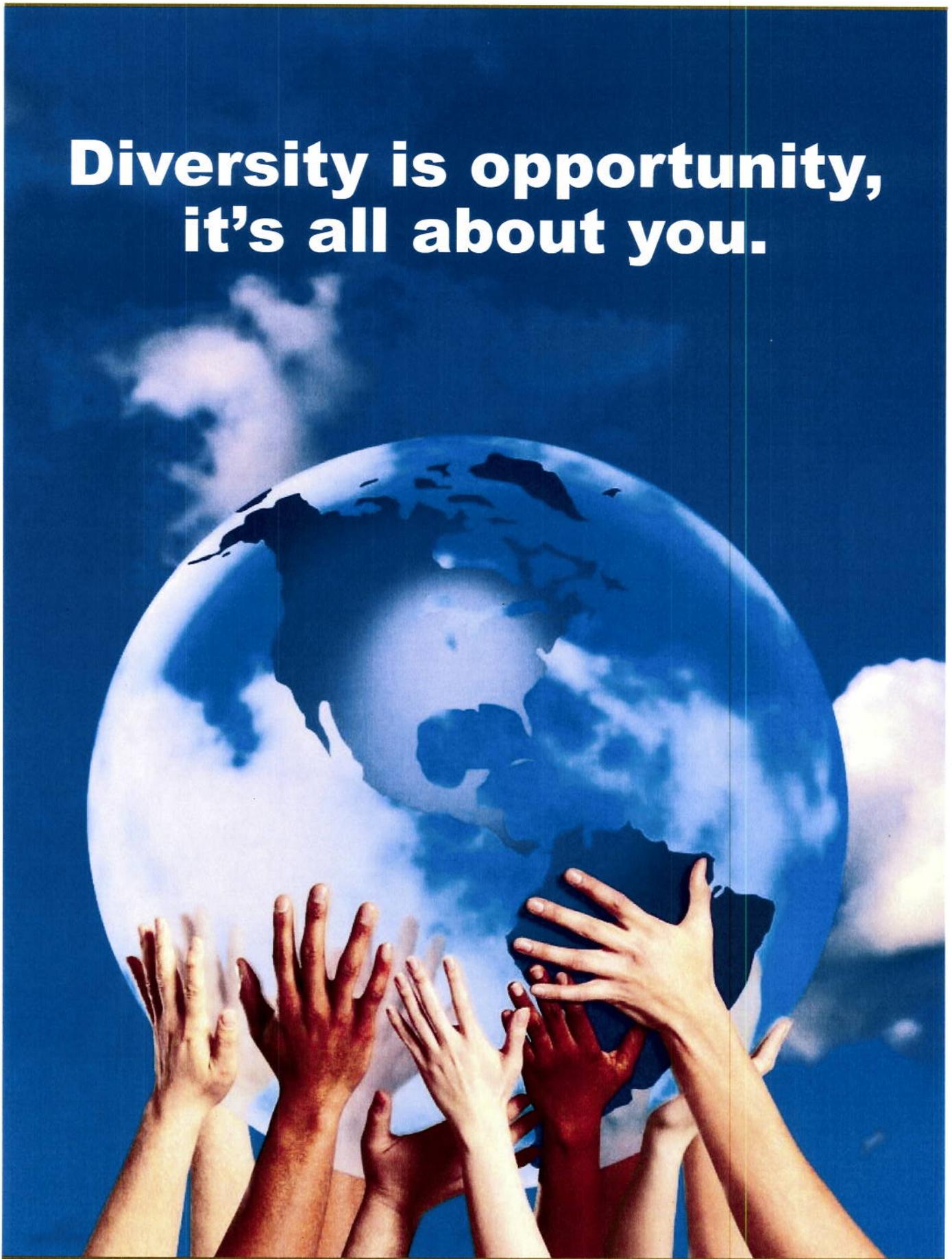
National Security Technologies, LLC
Employee Relations



National Security Technologies^{LLC}
Vision • Service • Partnership

National Security Technologies, LLC, is an equal opportunity employer operating under contract to the Department of Energy under Contract No. DE-AC52-06NA25946.

**Diversity is opportunity,
it's all about you.**



National Security Technologies, LLC

2011 Diversity Plan

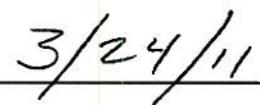
April 2011

Approved by:

Date:



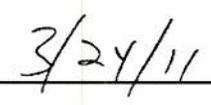
C.W. Young
Manager, Labor Relations/Employee Relations



3/24/11



K.G. Andriessen
Division Manager, Human Resource Programs



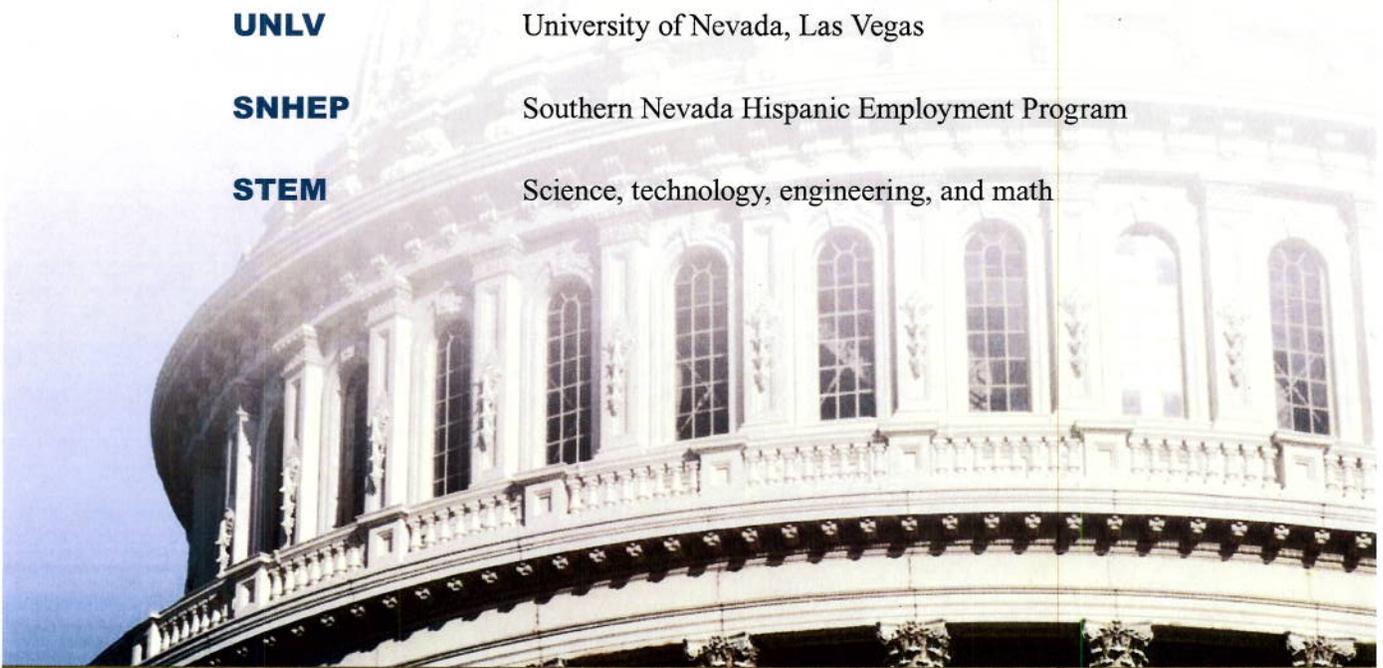
3/24/11

Table of Contents

Acronyms.....	v
Definitions.....	vi
Preface.....	vii
Me and My M&M's.....	viii
1.0 Diversity Statement.....	1
2.0 Diversity Council.....	2
2.1 Diversity Initiatives.....	2
3.0 Meet Your Diversity Council.....	3
4.0 Workforce.....	4
5.0 Recruitment and Retention.....	5
6.0 Educational Outreach.....	7
6.1 In-House/Outside Training.....	8
6.2 Programs in Place.....	9
6.3 Actions for 2011.....	9
7.0 Community Involvement and Outreach.....	10
7.1 Community Outreach.....	10
8.0 Subcontracting.....	12
8.1 Future Goals.....	13
9.0 Economic Development (including Technology Transfer).....	14
10.0 Prevention of Profiling.....	14
10.1 Programs in Place.....	14
10.2 Actions for 2011.....	14

Acronyms

AAP	Affirmative Action Plan
CCR	Central Contractor Registration
DHS	Department of Homeland Security
DI	Desktop Instruction
EEO	Equal Employment Opportunity
EETAP	Employee Education Training Assistance Program
ER	Employee Relations
HR	Human Resources
HUBZone	Historically Underutilized Business Zone
NSTec	National Security Technologies, LLC
OP	Organization Procedure
POC	Point of contact
UNLV	University of Nevada, Las Vegas
SNHEP	Southern Nevada Hispanic Employment Program
STEM	Science, technology, engineering, and math



Definitions

Affirmative Action – A good faith effort, driven by federal, state, and local law and executive orders, to ensure that minorities, women, special disabled veterans, Vietnam Era veterans and other covered veterans, and people with disabilities have fair representation and opportunities in the workplace.

Community Outreach – Company and employee involvement in activities supporting education in technical fields, community service organizations, and opportunities for minorities, women, and the disadvantaged in the local community.

Diversity – Differences in people, consisting of primary dimensions (race, ethnicity, gender, age, religion, disability, and sexual orientation) and secondary dimensions (communication style, work style, experience, organizational role or level, economic status, geographic origin, etc.).

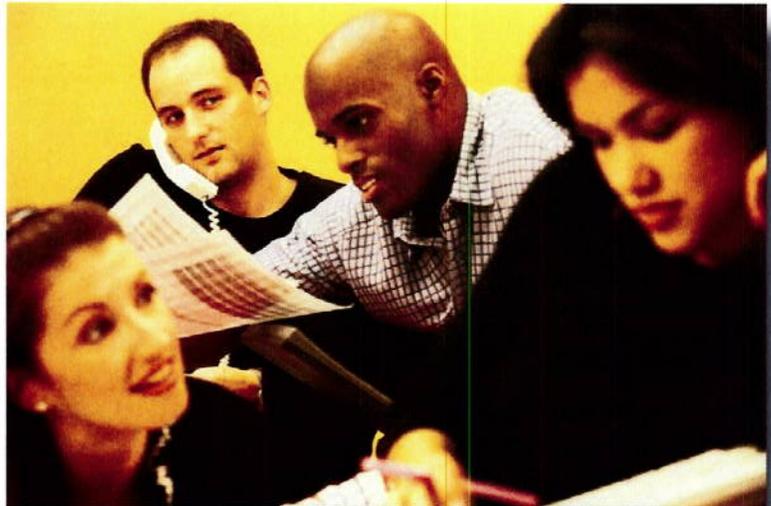
Diversity Program – Managing diversity in a systematic way that promotes recognition of and respect for differences, and using those differences to create a successful, creative, and effective workplace.

Educational Outreach – Opportunities provided for employees to improve their employment skills, as well as programs supporting colleges and universities with a large percentage of females and minorities.

Equal Employment Opportunity – Freedom from discrimination in the terms and conditions of employment on the basis of race, color, religion, sex, national origin, sexual orientation, disability, age, or covered veterans status.

Minority – A person who falls within one of the following racial or ethnic groups as defined by the U.S. Department of Labor: American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian or other Pacific Islander, or Hispanic or Latino.

Profiling – Those practices that scrutinize, target, or treat employees or applicants for employment differently or single them out or select them for unjustified additional scrutiny, based on race or national origin.



Stakeholder – A person or entity that has a vested interest in National Security Technologies, LLC operations.

Technology Transfer – The process by which NSTec develops, transfers, or exchanges technologies and capabilities with related entities.

Preface

Formed in 2005, National Security Technologies, LLC is a joint venture between Northrop Grumman Corporation, AECOM, CH2M Hill, and Nuclear Fuel Services. This combination of diverse professional and scientific expertise allows National Security Technologies, LLC to effectively manage operations at the Nevada National Security Site, its related facilities, and laboratories for the U.S. Department of Energy National Nuclear Security Administration, Nevada Site Office.

National Security Technologies, LLC is excited about the future of the Nevada National Security Site and its associated facilities. Our vision is to transform this unique national resource into America's national security proving ground, the preferred place for conducting high-hazard experiments vital to the security of the United States. As a service organization, we exist to supply integrated solutions to the needs of our customers.

The workforce of today is ever changing. To succeed in this day and age, we must be adaptable, flexible, and willing to embrace change. Our employees are our greatest asset and our success depends on how well we work together. Today's workplace is multicultural and based on men and women from all walks of life, working alongside each other, sharing responsibilities and decision-making.

As forward-thinking leaders, National Security Technologies, LLC will manage the diversity program by uniting our talented and committed workforce. We will provide an environment where all employees can make a maximum contribution to the company's success by drawing upon their many different perspectives, life experiences, and abilities.

This plan will identify the company's strategies and implementation processes for effective diversity management as outlined in the key areas of:

- ▶ **Workforce**
- ▶ **Recruitment and Retention**
- ▶ **Educational Outreach**
- ▶ **Community Involvement and Outreach**
- ▶ **Subcontracting**
- ▶ **Economic Development**
(including Technology Transfer)
- ▶ **Prevention of Profiling**

Diversity recognizes and accepts the differences and similarities of our workforce. By managing diversity, we promote recognition of and respect for our differences and use those differences to create a successful, creative, and effective workplace.





Me and My M&M's

by Dr. Marilyn Kern Foxante

I have always liked M&M's
The most diverse
Multicultural
Integrated candy in the world.

You have
your red ones
your yellow ones
your blue ones
your orange ones
your brown ones
and
your green ones.
All in one package;
all co-existing together.

One color doesn't think that it
Is superior to the other.

One color doesn't discriminate
against the other.

All colors are the same
size
shape
and weight.

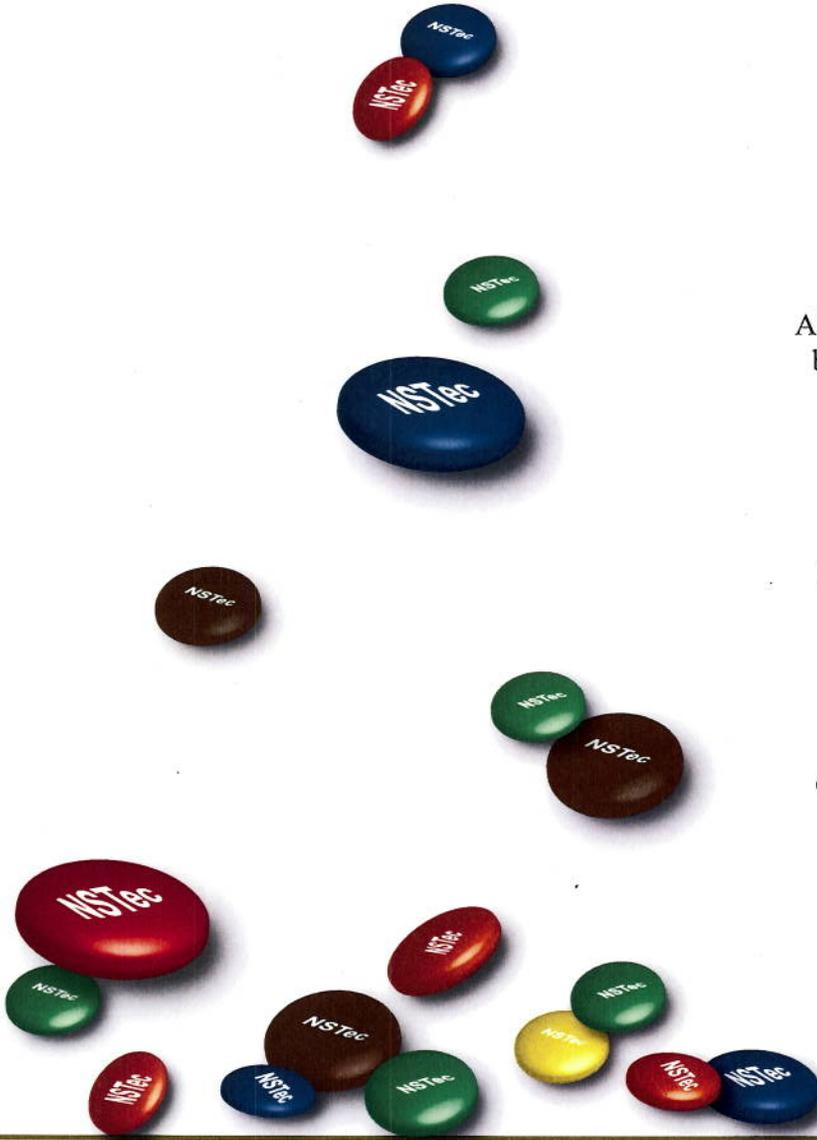
All colors look different on the outside,
but have the same ingredients on the
inside.

M&M's all have the same flavor
and they all taste
G-o-o-o-o-o-o-o-d!

Not all M&M's are perfect though.
Some have nuts?
In the real world we call them
racists and bigots.

Wouldn't it be nice if like M&M's
our prejudices melted into the abyss
like chocolate melts in our mouth
and all people were judged by
what was inside rather than
the color you see on the outside?

If candy can be prejudice free
why can't we???



1.0 Diversity Statement

National Security Technologies, LLC (NSTec) is committed to creating and maintaining a diverse workforce that will foster a varied mix of skills and employee perspectives in a respectful environment. NSTec promotes an environment of continuous learning and minimizes diversity-related barriers in performance. NSTec will enhance diversity sensitivity, acceptance, and inclusion in all aspects of its business practices and relations with the community at large.

NSTec will promote, encourage, and support diversity management by doing the following:

- ▶ Include a diverse mix of skills and perspectives in developing and implementing programs that ensure consistency in operations.
- ▶ Establish an environment of continuous learning to provide training opportunities to supplement existing skills and create a more flexible workforce.
- ▶ Minimize barriers to performance that may occur when employees from different backgrounds and functions interact.
- ▶ Respond to unique interests of stakeholders, effectively utilizing the diverse workforce to facilitate effective relationships with the community, vendors, suppliers, and others.
- ▶ Create an environment where employees take responsibility for their actions and are provided with the proper tools and skills to respond to problems and challenges while performing tasks.
- ▶ Treat all employees with respect and dignity.



2.0 Diversity Council

NSTec continues to demonstrate its commitment to diversity by fully supporting the Diversity Council. Representing the broad spectrum of individuals within the NSTec family, the Diversity Council fosters an environment that promotes inclusion, equity, and respect to enhance the potential and contribution of all employees.



Established in 2006,
the Diversity Council

continues to utilize its Vision Statement and Charter as the foundation for an ever-growing program. The Council is designed to promote awareness and understanding of diversity issues in the workplace by implementing and measuring diversity initiatives that align with the strategic goals of the company and building an organizational culture that supports diversity.

The 2011 Council Chair is Linda Caldwell and the Co-Chair is Shari Morrison. Dr. Stephen M. Younger is an Advisor, along with Dennis Fulkerson, Fannie Bell, Pam Haynes, and Wes Young.

2.1 Diversity Initiatives

In 2010, the Council focused on responding to unique interests of stakeholders, effectively utilizing the diverse workforce to facilitate effective relationships with the community, vendors, suppliers, and others while continuing to pursue past initiatives. The culmination of 2010 efforts was celebrated with the Multicultural Potluck. The focus of this event was to bring the NSTec family together to celebrate workforce diversity and to highlight the synergy that exists

from having a wide range of cultures, ethnicities, backgrounds, and experiences; the Council sponsored multicultural potlucks at each NSTec location.

In 2011, the Council's focus will be centered on effectively fulfilling its Charter. While the primary purpose of the Council is to remove any barriers that stand between our employees and their success, at the same time, efforts continue to ensure that all employees are aware of their value within the organization. Within the Diversity Council, teams have been formed to ensure that all elements of the Charter are addressed in 2011. Basic activities will continue such as monthly awareness efforts, while specific plans are being formulated for special events. Professional development activities will be highlighted, and enhancements will be recommended to ensure that the contributions of all employees are maximized. Efforts to partner with our affiliated organizations within the Nevada Enterprise (NvE) to leverage resources and reach a wider audience will continue. A major effort to form and sustain Affinity Groups is already underway. Concentration in these areas will allow the Council to focus its energies in a wider scope allowing more individuals the opportunity to step up and participate.

Throughout the year, numerous activities will be planned and scheduled to enhance the diversity of individuals in the company and to maximize each individual's contribution.

The Council continues to live up to its motto ...

**Diversity
is opportunity,
it's all
about *you!***

3.0 Meet your Diversity Council



Linda Caldwell
Chair



Shari Morrison
Co-Chair



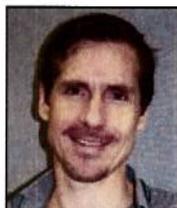
Dennis Fulkerson
Advisor



Dr. Stephen M. Younger
Advisor



Yvonne Alvarez



Thomas Breene



Esther Buskirk



Jennelle Daniel



Daniel Frayer



Toni Gale



Antonia Godinez



Gary Janis



Gabriel Kline



Katina Loo



Michael Madlener



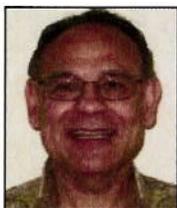
Patricia Martinez



Kamechia Myles-Coltrain



Alissa Poderis



William Possidente Jr.



Bonna Savarise



Judy Smith



Johnson Watts



Rita White

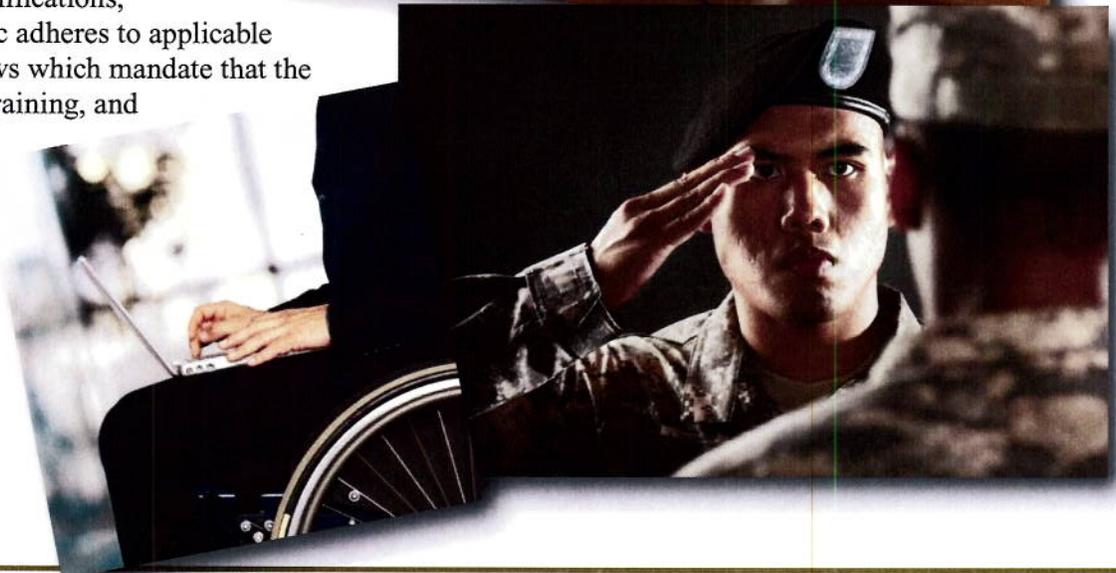
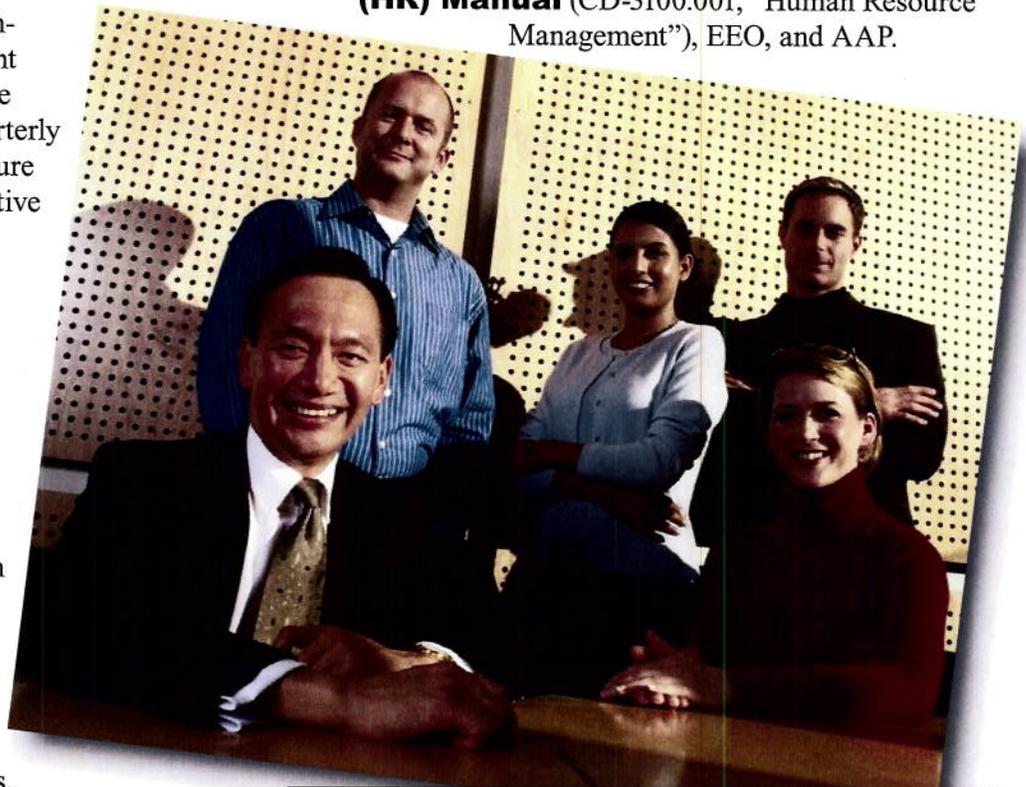
4.0 Workforce

NSTec has adopted an **Affirmative Action Plan (AAP)** which reflects its commitment to provide equal employment opportunities. NSTec is committed to providing equal employment opportunity (EEO) to all persons regardless of race, color, religion, sex, national origin, sexual orientation, disability, age, or covered veterans status. NSTec complies with applicable state and local laws governing non-discrimination in employment in every location in which the company has facilities. Quarterly assessments of our AAP ensure compliance with our affirmative action goals.

Workforce diversity is a management priority. Maintaining an agile, competent, and motivated workforce will be accomplished through recruitment, retention, skills enhancement, and succession planning. We strive for a more diverse workforce in our recruitment, hiring, and personnel actions. Employment decisions are based on merit, qualifications, and abilities. NSTec adheres to applicable federal and state laws which mandate that the recruiting, hiring, training, and

promotions be based on job-related factors and bona fide occupational requirements regardless of race, color, religion, sex, national origin, sexual orientation, disability, age, or covered veteran status.

Diversity initiatives for the workforce are driven by and reflected in the **Human Resources (HR) Manual** (CD-3100.001, "Human Resource Management"), EEO, and AAP.

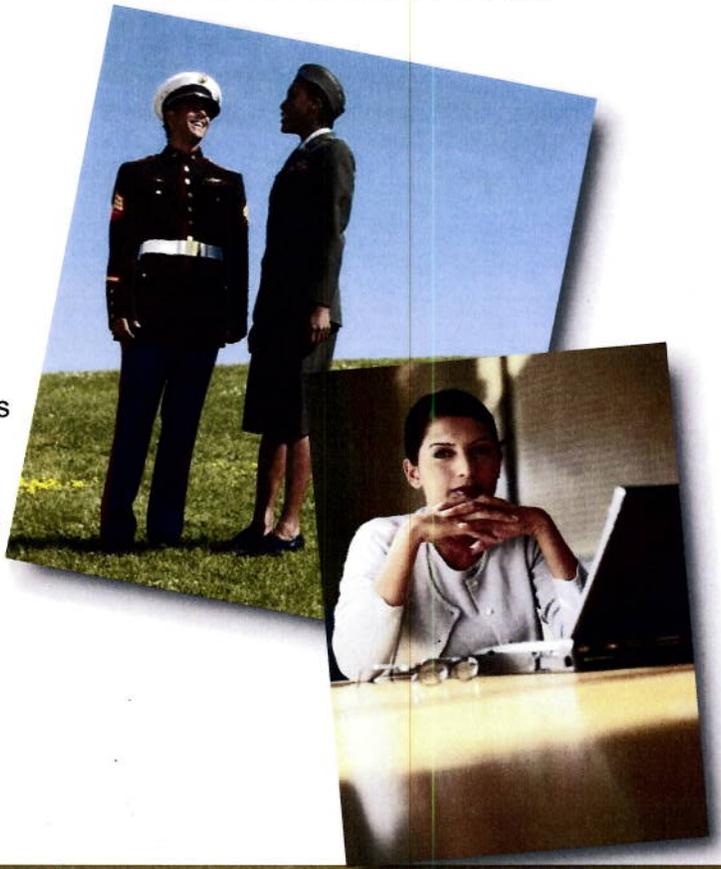


5.0 Recruitment and Retention

NSTec is committed to creating an inclusive and multi-talented workforce and will work to increase the organization's diversity by recruiting and retaining quality employees. For recruiting, selection, and promotions, we will draw from a diverse population.

HR will take a leadership role working with our customers and the hiring managers to ensure the NSTec recruitment goals are met or exceeded. We will use the following strategies to ensure an effective recruitment process:

- ▶ Identify methods of recognizing and attracting qualified candidates.
 - ▶ Contact the Nevada State Job Service to list regular employment openings (except executive and top management positions, positions that will be filled from within, and bargaining unit positions that are filled by the unions).
 - ▶ Review college hire program consistent with dynamic changes in our economic environment.
 - ▶ Develop resources to improve applicant flow for experienced female and minority applicants. This could include sourcing companies, minority/diversity job fairs, and working with technical professional organizations in which females and minorities are well represented.
 - ▶ Develop and maintain a presence in schools with a high level of representation of women and minorities in their engineering and science programs.
 - ▶ Establish strong relationships with minority schools, historical black colleges and universities, and colleges with large percentages of females and minorities.
- ▶ Based on available funding, participate in the following organizations' national job fairs:
 - Society of Women Engineers
 - National Society of Black Engineers
 - Society of Mexican-American Engineers and Scientists
 - American Indians Science and Engineering Society
 - ▶ Improve hiring of veterans, particularly those who are veterans of the Iraq and Afghanistan conflicts, by utilizing more veteran-affiliated sources such as **vetjobs.com**, **Civilian Jobs.com**, **Helmets to Hardhats**, and private organizations that work extensively with recently separated veterans.



The following entities are currently in NSTec's recruiting strategy:

- ▶ **American Indians Science and Engineering Society**
- ▶ **Louisiana Tech University**
- ▶ **Las Positas College, Livermore, California**
- ▶ **Society of Mexican-American Engineers and Scientists**
- ▶ **National Society of Black Engineers**
- ▶ **Society of Women Engineers**
- ▶ **Southern Nevada Hispanic Employment Program Council**
- ▶ **University of Nevada, Las Vegas (UNLV) Minority Engineering Program**
- ▶ **Georgia Institute of Technology (Georgia Tech)**



6.0 Educational Outreach

NSTec employees are provided opportunities to improve their skills and employment options through training, seminars, and education programs. Continuing education is encouraged and essential to the continued professional development of each employee. We believe that the best way to improve the business is to improve the workforce.

NSTec extends this commitment to education by sponsoring the following programs:

- **Focus School Program**

NSTec partners with two at-risk schools, Kit Carson Elementary School and Jim Bridger Middle School, which also house magnet programs for robotics, aerospace and aviation, biomedicine, and computer technology. Employees are encouraged to participate in key partnership activities that include an annual back-to-school supply drive; holiday food drives to benefit students and their families; and e-mentoring. NSTec provides sponsorship of student achievement awards, graduation ceremonies, funding to purchase school marquees, and a grant to the Desert Research Institute to sponsor a Green Power solar panel. Jim Bridger's school marquee was the first in Clark County to be powered using solar energy.

- **U.S. Department of Energy's Regional Science Bowl**

Established in 1991 by the U.S. Department of Energy, the Science Bowl competition is designed to motivate high school students to pursue scientific and technical careers and promote science and mathematics literacy. NSTec coordinates the annual high school and middle school regional events on behalf of the National Nuclear Security Administration, Nevada Site Office, and has provided significant financial sponsorship as well. The program brings together teams of students from Nevada, California, Arizona, and Utah schools. Many employees volunteer to serve as moderators, scientific judges, rule judges, timekeepers, scorekeepers, and messengers during the day-long competition. NSTec also provides

financial support for both events through the NSTec Education Development Fund.

- **NSTec Science and Engineering Scholarships**

The NSTec Engineering and Science Scholarship program provides scholarship opportunities in all of the company's primary operating locations and Nye County, Nevada. The program is open to high school seniors pursuing a degree in engineering or science at a four-year college or university. To date, NSTec has awarded 75 scholarships totaling \$375,000 to student achievers in Clark and Nye Counties, Nevada; Livermore and Santa Barbara, California; and Los Alamos, New Mexico. Recipients receive \$5,000 and an opportunity for a summer internship. Many of the scholarship winners have returned to serve internships at the Nevada National Security Site, North Las Vegas, and in Livermore, California.

- **NSTec Family Scholarship Program**

The NSTec Scholarship Program provides financial assistance for children of NSTec employees. Created in 2008, the program has awarded 22 scholarships totaling \$105,000 to a diverse group of students in Las Vegas, Nevada; Pahrump, Nevada; Livermore, California; Santa Barbara, California; and Los Alamos, New Mexico. Scholarships are awarded based on overall scholastic performance, a written essay, personal interview, and financial need.

- **UNLV Multicultural Engineering Program**

NSTec has donated \$10,000 to support scholarships for the UNLV Multicultural Engineering Program. The Multicultural Engineering Program is open to all students. It has been designed to focus on assisting underrepresented populations, such as African-American, Hispanic, Native American, and women students to pursue an education in the disciplines of engineering and computer science. In 2010, NSTec established a named scholarship to benefit a student in the UNLV Multicultural Engineering Program.

- **Education Development Fund**

The NSTec Education Development Fund supports diverse and sustainable education programs focused on improving science, technology, engineering, and math (STEM) at the elementary school, middle school, high school, and collegiate levels. To date, the company has committed over \$1 million in educational awards that enhance STEM education. Examples include:

- ▶ **\$500,000** – UNLV new Science and Engineering Building
- ▶ **\$150,000** – First Robotics Las Vegas regional competition
- ▶ **\$55,000** – UNLV Multicultural Engineering Program and Scholarships
- ▶ **\$54,100** – CCSD Northwest Career and Technical Academy
- ▶ **\$40,000** – Regional Science Bowl competitions
- ▶ **\$35,000** – NSTec Bill Quam Science Scholarship
- ▶ **\$20,000** – Enhance PITSCO science lab at Rosemary Clark Middle School in Pahrump
- ▶ **\$14,000** – Indian Springs Elementary School Science Fair (\$2,000/year for 7 years to ensure sustainability)

- **Internships**

Summer Internship Program (college). NSTec offers internships to provide technical assistance, fill staffing gaps, and enhance the company's reputation on campus with students who often accept full-time positions upon graduation. Several of the summer

internships offered have been filled by NSTec Engineering and Science Scholarship recipients.

Clark County Summer Business Institute (high school). NSTec provides financial support, internships, and mentoring for Clark County high school juniors, seniors, and recent graduates through this eight-week internship. Students have worked eight-hour days Monday through Thursday in NSTec organizations like the Chief Financial Office, Occupational Medicine, Information Services, Human Resources, Document Control, and Communications.

The support provided by these students equates to almost three full-time equivalents in value-added labor for the three years that NSTec has sponsored this program. The students are paid by Clark County as part of the program using grants like those provided by NSTec.



Military Academies (college). Each summer, since 2007, NSTec has sponsored U.S. Air Force Academy and/or U.S. Naval Academy internships. Cadets are paid by their respective academy and NSTec provides non-contract funding for all travel and housing expenses.

Department of Homeland Security (DHS) Scholars and Fellows (college). NSTec has sponsored students as part of the DHS Scholars and Fellows program. Participants are paid by DHS and NSTec provides a housing stipend during the 10-week internship where students assist with real-world problem-solving at one of NSTec's operating locations.

6.1 In-House/Outside Training

Nonbargaining NSTec employees are provided opportunities to improve their skills and employment options through training, seminars, and education programs. A portion of NSTec's wage package for

bargaining employees is directed to the unions' Training Trust programs. NSTec offers site-specific training for bargaining employees.

6.2 Programs in Place

- ▶ Equal Opportunity, Affirmative Action, and Diversity topics are included in NSTec's supervisory training sessions.
- ▶ NSTec's Employee Education Training Assistance Program (EETAP) covers some costs of coursework (up to \$5,000 per employee) at accredited colleges and universities that pertains to a nonbargaining employee's current position or one that the employee could achieve at NSTec, including tuition, required textbooks, and fees, when certain conditions are met. Additional courses required for degree programs but not eligible for regular EETAP reimbursement may be covered through the EETAP Supplemental Program, which provides up to \$1,500 per employee per fiscal year for qualifying courses. Since January 2010, employees may also use the Supplemental Funds (up to \$1,500 per employee) for costs incurred above the \$5,000 per person limit for regular EETAP-approved courses.
- ▶ NSTec makes available over 500 courses on job-related topics through instructor-led, computer-based, or web-based training. Topics include environment, safety and health; computer software; management; project management; and other job-specific skills.
- ▶ NSTec has several copies of Northrop Grumman Toolbox CDs—a set of 122 com-



puter-based courses on CDs that employees can check out and use at work or home. Topics include software, management, project management, interpersonal skills, and other developmental topics.

- ▶ NSTec has a Distance Learning website available through Skillsoft Corporation that provides access to Business, Desktop Computer application, and Information Technology specialized web-based training courses. It also provides access to Business Books 24/7 (online business reference books), SkillSims (simulations), and other learning tools to support business, computer skills, management, and leadership topics. These courses are available at no cost to bargaining and nonbargaining NSTec employees. Courses can be accessed from work or home computers.
- ▶ Employees have opportunities to attend seminars, conferences, and outside training courses that are related to their current assignment (when budgets allow).
- ▶ The Employee Relations (ER) office presents informal Diversity training sessions upon request.

6.3 Actions for 2011

- ▶ Continue each of the above-mentioned programs and enhance the Skillsoft program offerings by adding specialty Information Technology courseware that supports certifications like C++.
- ▶ Implement WEBEX software to provide access to 'webinars' (web-based seminars) provided by in-house sources. These web-based events allow more participants to complete training without requiring travel or per diem costs for external events.

7.0 Community Involvement and Outreach

NSTec is committed to being a responsible corporate citizen through addressing many important issues facing our communities today. Diversity is important to us; as a company, we interact with diverse communities as a resource for employment, education, and commercial ventures. And, we support organizations that promote the interests of minorities and women as well as other diversity dimensions.

To build strong community relations, we focus on several areas where time, effort, and energy are expended to achieve effective results.

NSTec's volunteerism was recognized with a Nevada Volunteers Point of Light Award in 2010.

7.1 Community Outreach

Chambers of Commerce – NSTec is an active member of the Latin, Asian, Urban, North Las Vegas, and Women's Chambers of Commerce. In addition to participating in monthly luncheons, NSTec

provides event sponsorship in activities such as the Latin Chamber of Commerce Career Day.

Opportunity Village – NSTec is a strong supporter of Opportunity Village and provides sponsorship and volunteers for the Magical Forest each year. We also field a team to compete in The Great Santa Run. To date, we have had over 200 employees and their families and friends help Las Vegas beat the world record for number of Santas congregated in one place.

Rebuilding Together (formerly Christmas in April) – NSTec sponsors rebuilding projects in both North Las Vegas and Pahrump, Nevada. In addition to considerable financial support, teams of employees donate their time to help with repairs, painting, landscaping, cleaning, moving furniture, and other necessary tasks.

Charitable Contributions – In 2006, NSTec created NSTec Cares to provide employees, chari-



table organizations, and stakeholders an opportunity to request charitable contributions. The program focuses donations in three areas: education, diversity, and civic/community relations. Through 2010, the program has given more than \$400,000 to deserving organizations.

Our Actions Make a Difference

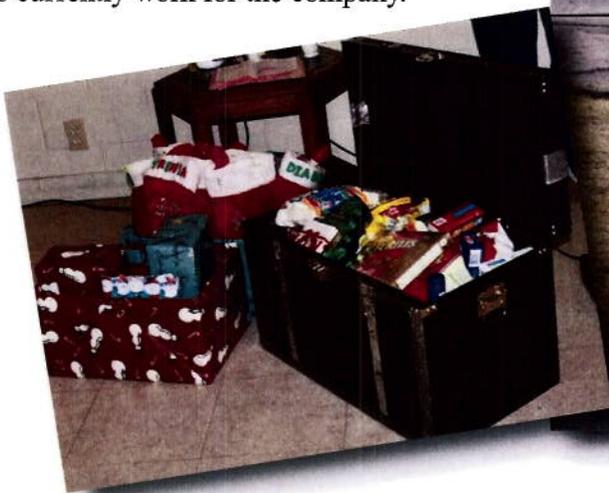
– To recognize and reward employee volunteer efforts, NSTec donates \$5 for every volunteer hour donated by employees in support of charitable, educational, or professional organizations. Since January 2008, employees have donated over 16,000 hours and NSTec has donated over \$50,000 on their behalf.

Community Services Team

– Developed by the Administrative Council, this team of administrative professionals identifies a different charitable organization annually and actively supports activities of that organization by volunteering time and talents.

Southern Nevada Hispanic Employment Program (SNHEP)

– NSTec has provided scholarship funds and conference support to the SNHEP. Numerous employees who have been scholarship recipients currently work for the company.



8.0 Subcontracting

NSTec is committed to maintaining a culturally and economically diverse environment. Small businesses are the backbone of our American economy. NSTec recognizes and welcomes the expertise and knowledge provided by small and disadvantaged businesses. *We continuously seek to build relationships* with those businesses that can meet and exceed our standards of excellence in support of our work for the U.S. Federal Government. We accomplish this by participating in fairs and workshops in Las Vegas as well as networking with state and national organizations. In addition, NSTec works closely with:

- ▶ Small Business organizations within the local community, including the SNHEP and the Nevada Minority Business Council
- ▶ U.S. Department of Energy/National Nuclear Security Administration Small Business Program Managers Forum
- ▶ The Office of Small and Disadvantaged Business Utilization and the Small Business Administration

NSTec incorporates a Small Business Review process to encourage the use of Small Businesses by reviewing any orders over \$25,000. The orders are reviewed by the Small Business Manager and Procurement Manager.

Procurement maintains and utilizes a Small Business database and encourages interested suppliers to register and be categorized by socio-economic status and commodity type by working with a central point of contact (POC) at NSTec. The Small Business database allows the Procurement Department to have a centralized file of businesses that have shown interest in doing business with the company. The POC passes this information on to NSTec procurement specialists.

Procurement also utilizes the Central Contractor Registration (CCR) database (www.ccr.gov), the primary registrant database for the U.S. Federal Government, when developing bidder's lists. Accordingly, potential suppliers are encouraged to register on this site to maximize opportunities not only with NSTec but with federal government agencies or other government contractors.



Our small business plan describes our goals and approach involving small business in the categories of, Veteran-Owned Small Business, Service-Disabled Veteran-Owned Small Business, Historically Underutilized Business Zone (HUBZone) Small Business, Small Disadvantaged Business, and Women-Owned Small Business.



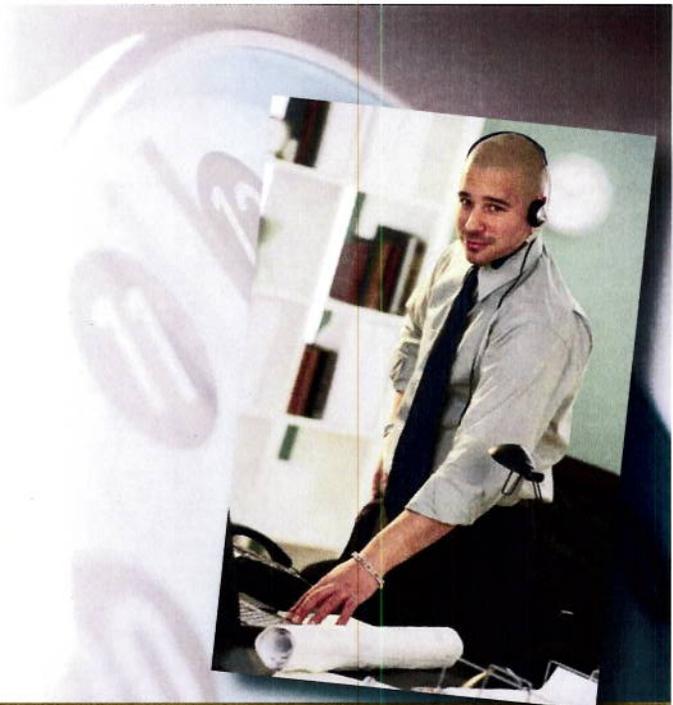
CATEGORY	FISCAL YEAR GOAL
Small Business	62.8%
Small Disadvantaged Business	5.5%
Small Woman-Owned Business	5.5%
Small Veteran-Owned Business	35%
Small Service-Disabled Veteran-Owned Business	2%
HUBZone	2%

We comply with the following desktop instructions (DIs) and organization procedures (OPs) that reference the socioeconomic requirements for Procurement:

- ▶ **DI-700.105, “Equal Employment Opportunity (EEO)”**
- ▶ **DI-700.301, “Acquisition Planning”**
- ▶ **DI-700.302, “Sources of Competition”**
- ▶ **DI-700.304, “Simplified Acquisitions”**
- ▶ **DI-700.305, “Government Supply Sources”**
- ▶ **DI-700.402, “Subcontracting Plan”**
- ▶ **OP-FC20.101, “Mission Statement”**
- ▶ **OP-FC20.105, “Ratifications”**
- ▶ **OP-FC20.106, “Subcontracting Under the U.S. Department of Energy (DOE) 8(a) Pilot Program”**
- ▶ **OP-FC20.109, “Noncompetitive Procurements”**

8.1 Future Goals

NSTec is committed to accomplishing the Small Business goals and seeking additional opportunities or programs that encourage the use of small businesses. In the future, it is desired to develop and implement a Mentor Protégé Program; where specific training and knowledge sharing between NSTec and future Protégés can particularly enhance the capabilities of small businesses, helping them to become more viable for government subcontracting.



9.0 Economic Development (including Technology Transfer)

NSTec conducts science and technology activities that benefit the Las Vegas community and stimulate the economy. It collaborates with local and national universities to promote technology transfer efforts and entered into partnership arrangements with UNLV and University of Nevada Reno, for broader access to university faculty, recruiting of university graduates to sustain a technical workforce, and increasing business activity. NSTec employees participate in conferences and symposiums and publish numerous journal articles. NSTec signed an agreement with the national laboratories which is intended to identify and increase commercialization opportunities by “bundling” NSTec technologies with the technologies of the national laboratories.



10.0 Prevention of Profiling

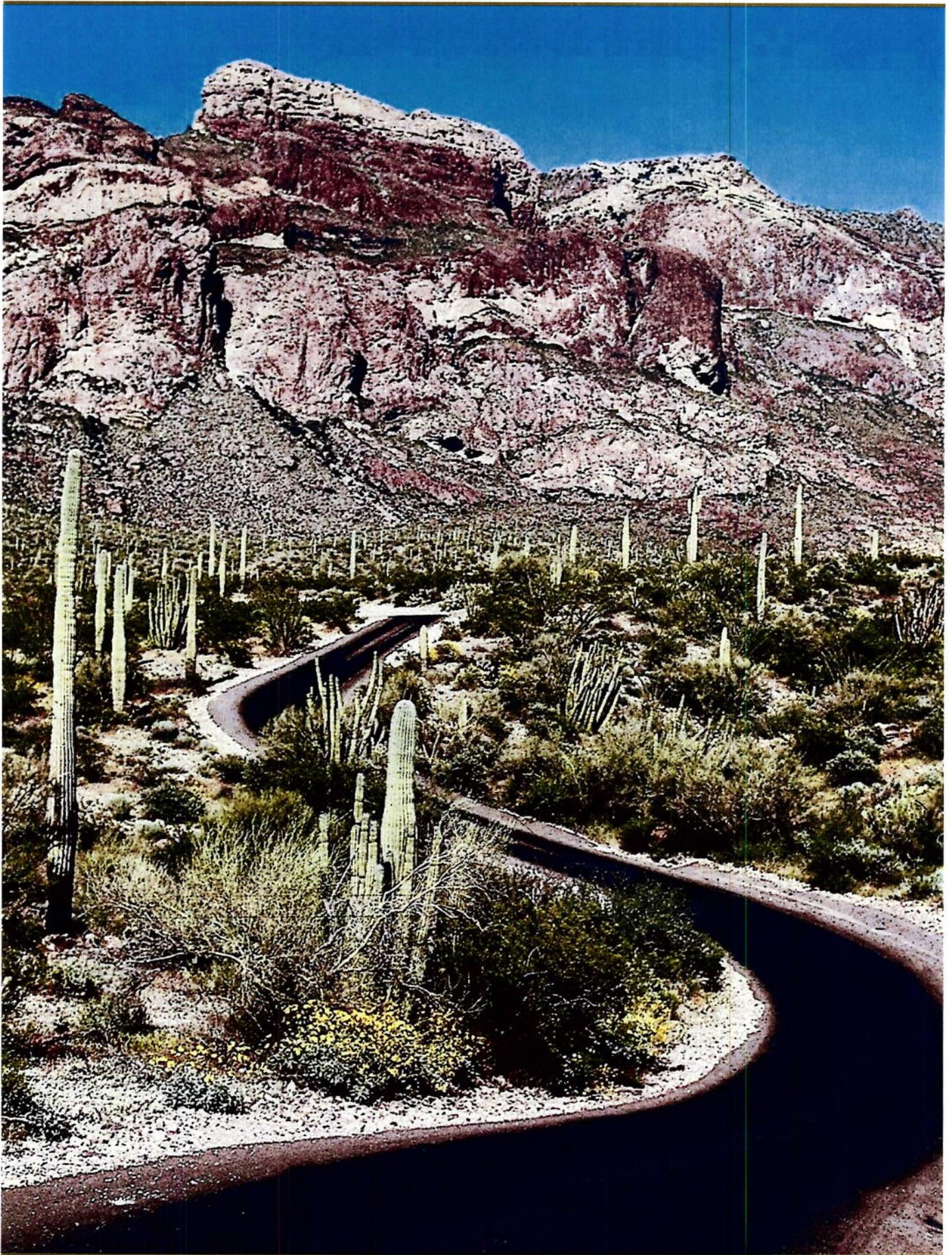
The policies and directives listed in the “Workforce” section of this plan prohibit treating employees or applicants differently based on several characteristics, including race, color, and national origin.

10.1 Programs in Place

NSTec’s ER analyzes employment policies, practices, and decisions to hire or terminate to ensure fair, equitable consideration for all employees and applicants. **Managers who violate NSTec policies on diversity risk having adverse action taken against them.** NSTec ER also conducts investigations and expedites timely resolution of discrimination and harassment allegations.

10.2 Actions for 2011

NSTec’s ER will continue to conduct and oversee fair and impartial investigations in an expeditious manner, provide support to the Disciplinary Action Review Board and serve as advisors to the Diversity Council.



National Security Technologies LLC
Vision • Service • Partnership

National Security Technologies, LLC, is an equal opportunity employer operating under contract to the Department of Energy under Contract No. DE-AC52-06NA25946.

