

SECTION V: TRANSITION PLAN (L-2.3 E.5)

Fluor fully understands the importance of conducting a safe, seamless, and effective transition across the five NNL sites. We conduct the transition of the current workforce to FMP and arrange for payroll and benefits in a way that ensures the workforce remains focused on the NNPP mission. Figure 5-1 details our experience and capabilities in successfully executing large and complex transitions. During the NNL transition, Fluor does the following:

1. Offer employment to and transition all current personnel from BMPC to FMP at the individual's same base salary and pay rates and with comparable benefits at the time of the offer
2. Execute any necessary agreements to transfer, novate, or assign subcontracts from BMPC to FMP, with NRLFO CO approval
3. Minimize disruptions to ongoing NNL operations and ensure transition work activities are performed seamlessly

Transition Plan and Schedule. Figure 5-2 on page 49 depicts the Transition Plan and associated timeline, noting specific activities and key milestones. This pictorial roadmap also divides the activities into discrete functions and indicates organizational interactions for the orderly and effective transfer of NNL personnel, sites, facilities, processes, methods, contracts, and agreements. The following sections further detail our plan and approach. We manage and execute the transition as a 90-day project organized by a WBS, with defined tasks and deliverables, augmented with a detailed execution schedule. We assume transition begins on July 1, 2018 and extends to September 30, 2018. Our approach for ensuring a seamless and efficient transition has three key milestones:

- ▶ Completing pre-award transition activities and work products
- ▶ Finalizing Transition Plan scope and details in coordination with the GM, BMPC, and the NRLFO CO during transition kickoff meeting(s) after receipt of Notice to Proceed (NTP)

FLUOR'S TRANSITION EXPERIENCE

- ▶ Completed transitions for 13 DOE sites, two UK government sites and two commercial reactor construction sites over the past 26 years, resulting in the transfer of more than 38,000 incumbent employees and 24 union agreements
- ▶ Experienced with transitions involving multi-site labor agreements and geographically dispersed facilities and locations, with as many as 8,200 personnel at one time (DOE Hanford Site)
- ▶ Fluor has Facility Security Clearances and ~1,300 DOD "Top Secret" and DOE "Q" cleared personnel to draw upon (if needed/requested) to support sensitive and/or classified portions of the NNL transition activities
- ▶ Fluor's transition experience includes Department of the Navy - NAVFAC Marianas, a 90-day transition of base operations and support services encompassing all military installations on the Island of Guam and the surrounding Marianas Islands.

Figure 5-1. Fluor's Transition Experience. *Our consistent success conducting transitions without disrupting ongoing hazardous and mission-critical site operations demonstrates our ability to manage transitioning the NNL mission to FMP seamlessly, safely, effectively, efficiently, and on schedule.*

- ▶ Implementing our Transition Execution Plan, where we measure progress daily and weekly through status tracking and make operational adjustments accordingly

Pre-Award Transition Activities. Based on our previous experience and success in conducting transitions, we develop work products before contract award to facilitate our readiness for immediately implementing our Transition Plan on notice from the NRLFO CO.

Preparative activities outlined below allow us to expedite the onboarding process and minimize employee concerns and personal stress that might otherwise impact NNL's performance:

1. Develop detailed Transition Execution Plan for NRLFO CO review and approval on NTP. This Execution Plan augments the Transition Plan by breaking down each activity into discrete steps; showing intermediate milestones and completion dates; identifying responsible function/personnel, including Fluor corporate resources and interfacing organizations involved in completing the 90-day effort. Interfaces include NRLFO, BMPC transition teams, and Bechtel corporate personnel assigned to transition. The Execution Plan includes a mechanism for tracking progress and adjusting priorities to meet the set schedule.
2. Prepare templates and other supporting information for employee offer letters for NRLFO CO review and approval.
3. Prepare a Transition Communication Plan that includes general communication messages and potential responses to questions for early NRLFO CO review. Communications are sensitive to potential site-specific issues and are open, honest, clear, and accurate to establish a relationship based on trust and mutual respect.
4. Launch a publicly available website to support communications with the workforce and local communities. The website incorporates a secure portal for employee access.



Transition Plan Kickoff Meetings and Finalization. With NTP, we coordinate our pre-award work products with the GM and BMPC transition teams during initial meetings. With consensus achieved, we provide the documents to the NRLFO CO for review, comment, and/or approval. Within the first two days of transition, we request a kickoff meeting with the GM and the NRLFO CO to discuss and finalize our Transition Plan and Schedule and the more detailed Transition Execution Plan. During these meetings, we clarify approaches for completing corporate fiduciary due-diligence activities utilizing Fluor and NNL personnel. Based on decisions from these meetings, we revise the Transition Plan to remove or add activities as requested by the GM and/or NRLFO.

FMP Board Chairman Mr. Tom D'Agostino assigns Mr. Dowell responsibility for managing transition activities in collaboration with the NNL GM and senior staff. Mr. Dowell's past and current leadership positions that include transitions for both the Navy and DOE uniquely qualify him to oversee the NNL transition. For example, Mr. Dowell has overseen, managed, and been recognized for five Navy transitions and four DOE transitions at the Hanford site. These efforts encompassed 3,552 personnel and 5,700 subcontractors. As commanding officer of the Naval Undersea Warfare Center at Keyport, he earned the Presidential Award for Leadership in Federal Energy Management in 2006. In 2007, the Navy recognized him with an achievement award for his work in completing a complex, high-visibility transition related to Keyport Naval Undersea

Warfare Division's acquisition and procurement services. Mr. Dowell leads Fluor's corporate functional organizations (i.e., Communications, HR, ES&H, Legal, Business, and Supply Chain) in executing transition activities. During the initial kickoff meeting with NRLFO and the GM, Mr. Dowell collaboratively explores transition activities, if any, that might be more effectively performed by NNL staff without disrupting mission-focused work. Together, Fluor corporate resources and NNL staff form an Integrated Transition Team (ITT). Under Mr. Dowell's and the GM's direction, the ITT executes the transition activities in accordance with the Transition Execution Plan. This approach efficiently produces the contractual and fiduciary deliverables set forth in the NNL Transition Plan and Schedule. The ITT focuses simultaneously on the following transition activities:

- ▶ Communicate with NNL employees providing clear, concise, and timely information that anticipates and addresses questions and mitigates potential personal and professional anxieties stemming from the transition.
- ▶ Extend employment offers to employees in accordance with the Transition Plan and Schedule to ensure the timely, efficient, and effective transfer of personnel to FMP.
- ▶ With NRLFO approval, transfer NNL permits, licenses, agreements, processes, methods and procedures, inventory, logs, and data to the FMP entity to ensure operational continuity.
- ▶ Conduct due diligence in an efficient and effective manner by minimizing work intrusions and consciously limiting due diligence at the five NNL sites to only those necessary (as finalized with the NRLFO CO in that initial transition kickoff meeting) to assume corporate responsibility of the contract at the end of transition.

With NRLFO's agreement, two or more ITT members are directed to Schenectady, Kesselring, West Mifflin, Idaho Falls, and Charleston to meet with NNL personnel and perform the specific activities listed in Figure 5-2. Mr. Dowell uses the West Mifflin, PA, and/or the Bettis Sites as his principal location for coordinating the transition activities. He travels to each of the NNL sites during transition to support employee town hall meetings and site's ITTs. In conjunction with the GM, he coordinates the ITT by conducting plan-of-the-day and weekly teleconference briefings to determine status and facilitate the multi-site transition. Issues and actions are tracked with assigned responsibility and timely resolution due dates.

Communicate Early, Clearly, Concisely, Transparently. From our experience, we have learned the most effective transitions include early and open communications at all levels of the impacted organizations. Mr. Dowell ensures that all communication messages are coordinated with, and/or approved by, NRLFO and the GM before their release. Our communication plan describes the FMP entity, provides welcome messages to the workforce, responds to anticipated questions, includes messaging for external public communications to the associated local communities, and lists dates for all-hands meetings at each site.

As shown in Figure 5-2, we begin communicating with the workforce at all NNL sites on NRLFO approval. We maintain two-way communications with employees throughout the transition period. We communicate through NR-approved electronic media, web-based systems, and newsletters/bulletins. Most communications come through the GM, the GM's staff, the transition 1-800 help line, or through email messages from NNL personnel to the ITT. We design and implement our communication plan to alleviate concerns, minimize personnel anxieties, and

maintain employee focus on mission delivery and performance excellence during the transition period. For example, we open the lines of communication to the workforce at the five NNL sites no later than the second week of transition. In answering questions and carrying out the communication plan, we coordinate with BMPC Communications and HR personnel at each site. Mr. Dowell and the ITT begin working with the site personnel in week two of the transition. This promotes early understanding of the transition plan and our personnel onboarding approach. Our plan provides timely information to the local NNL site HR personnel, so they can convey information to employees about transition specifics at their sites should employees contact them. In consultation with NRLFO, Mr. Dowell also reaches out to local community leaders at each site with an approved message that conveys FMP's commitment to responsible corporate citizenship and a pledge to continue the NNL traditions they have come to know and expect.

Extend Employment Offers as Early as Possible. Within the first 24 hours of transition, we extend an employment offer to Mr. Lubinsky for continued leadership as NNL's GM. Mr. Dowell and the ITT coordinate with the NRLFO CO and BMPC management to secure employee HR data and benefits information. This data is used for populating and issuing employment offers to NNL Key Management Positions as listed in Section J, Attachment 1 no later than week 2. The FMP ITT will issue employment offers to the balance of the NNL personnel no later than week 3. Our transition schedule assumes we receive a positive response to FMP's offer letters no later than the end of week 5. Our schedule gives employees at least two weeks to consider and accept their offers. Our communication plan includes messaging to ensure timely response to the offer letters. Mr. Dowell and the GM develop a staffing analysis and contingency plan after week 5 to identify organizational gaps resulting from employees not planning to join FMP. They will also develop recommendations and implementation plans for NR approval to consider potential organizational realignments, recruiting, and/or backfilling positions to address potential gaps.

Due Diligence. Consistent with DOE transitions, we propose a minimal set of due-diligence activities, shown in *blue font* in Figure 5-2. These activities meet Fluor's minimal fiduciary responsibilities to assume obligations for contract(s) performance. As an example, as part of due diligence, Fluor reviews NNL's existing processes, procedures, and methods for addressing the management and disposition of radiological and hazardous materials such as radioactive tools, asbestos, beryllium, PCBs, and mercury. Our focus and sensitivity in the due-diligence process is not to disrupt or interfere with the workforce or the NNL's ongoing mission.

During the transition kickoff meeting, Mr. Dowell discusses due-diligence activities with NR and the GM to determine the most efficient and non-intrusive way to complete due diligence. While our goal is to keep the due diligence work to a minimum, we list all the activities in our transition plan and schedule knowing they may be eliminated after initial discussions with NRLFO and the GM. We perform the due-diligence process with ITT members who are experienced in conducting DOE transitions and have the appropriate security clearances for the tasks they perform. We streamline the due diligence effort by preparing checklists for ITT members. Our checklists have evolved over the many transitions we have performed for complex DOE contracts and high-consequence sites. The checklists are designed to meet the objectives of gathering required information and data to assume corporate responsibility for the contracts while being sensitive not to disrupt or intrude on the workforce and mission performance.

- Legend**
- Key Activity Start & Stop
 - ▼ Milestone
 - ◆ Key Planning Meetings

	Pre-contract Award			Jul 2018				Aug 2018				Sep 2018			
	April	May	Jun	1	2	3	4	5	6	7	8	9	10	11	12
Pre-Transition Activities															
Draft Transition Execution Plan	▼														
Prepare Communications Plan/Media		▼													
Prepare Employment Letter Templates		▼													
Develop Web Portal and Supporting Information			▼												
Prepare Due Diligence Checklists			▼												
Pre-transition activities complete & pkg'd for CO rvw				▼											
Transition Management [H.62]															
Contract Award	DOE Req. Ref.			●											
Transition Kickoff Meetings w/ NRLFO and BMPC	H-26, Sec C(h)			▼											
Mobilize Transition Teams to All Sites	H-26, Sec C(h)														
Establish POD/POW Meetings Schedule	H-26, Sec C(h)														
Finalize Transition/Implementation Plan w/CO	H-26, Sec C(h)														
Issue FMP BOD Delegation of Authority to GM	L.E.1.(b)(7)														
Transition Closeout Review	H-26, Sec C(h)														
Declare Readiness to Assume Contract	H-26, H-27(e)(1)														●
Communications															
NRLFO Approval of Communications Plan	H-16														
Activate Website, Email Portal & 1-800 Number	H-16														
Human Resources															
Issue Offer Letter to General Manager & Acceptance	H-27(e)(1)														
Issue Offer Letters to Key Management Personnel	H-27(e)(1)														
Issue Remaining Offer Letters	H-27(e)(1)														
All Hands Meetings for NNL employees (Town Halls)	H-16, H.23														
Employee Offer Acceptance Complete	H-27(e)(1)														
Assess Pension Plan Asset Status/Continuation	H-27(e)(2)														
Notify Employees of Benefits/Pension Plan Continuation	H-27(e)(1)														
-Sponsorship of 401(k), incentive, DB, H&W, and nonqualified plans	H-27(e)(2)														
Appoint Benefits Committee and Plan Fiduciaries	H-27(f)														
Submit plan for proposed changes to Personnel Apdx	H-27(e)(3)														
Review HR Pipeline and Talent Development Programs	L.E.1.b.3														
Review/Adopt Workers Compensation Program	H-27(e)(1)&(2)														
Submit Pay and Benefits Program for CO Approval	H-27(e)(2)(a)														
Submit Total Rewards Strategy for CO Approval	H-27(f)														
Review Business Ethics, Conduct Gap Assessment	I-FAR 52.203-13														
Submit Substance Abuse Program for CO Approval	I-970.5223-4														
Compensation System Implementation Complete	H-27(e)(2)(c)														
Adopt Labor Union Agreements	H-58														
Complete On Boarding of Employees	Sec C(h)(1)&(2)														
Environmental, Safety & Health (ES&H)															
Review and Transfer Permits/Licenses @ CO direction	Sec C(h)(3)														
Non-Compliance Tracking System Review/Turnover	Sec C(h)(2)														
Due Diligence Reviews	Sec C(h)(2)														
Nuclear Material & Control Due Diligence Review	Sec C(h)(2)														
Review Safety Reporting Requirements	Sec C(h)(2)														
Review Environmental Hazards/D&D Assessment	Sec C(h)(2)														
Preexisting Condition Report to CO (optional)	Sec C(h)(2)														
Legal															
Prep/Submit OCI Mgmt Plan	H-38														
Obtain Applicable Business Licenses and Tax Certs	H-58														
Review Ins/Purchase Coverage & Submit to CO	H-53(1)(e)														
Review Status of Permits and Licenses	H-58														
Review Open Litigation	Sec C(h)(3)														
Business And Supply Chain															
Banking and Letters of Credit Agreements	Sec J, Att. 2														
Obtain Checks for A/P and Payroll	Sec J, Att. 2														
Establish Delegation and Signature Authorities	Sec C(h)(2) Sect J, Att 2														
Review and Confirm Procurement Authorities	Sec C(h)(2)&(3)														
Transition NNL Payroll	H-58														
Transition Business/Management Systems	I-970.5203-1 I-970.5232-3														
Transfer Purchase/Credit Cards	Sec C(h)(3)														
Inventory/Transfer Government Property/Assets	Sec C(h)(3)														
Novate Subcontracts, IWRs and POs w/CO approval	Sec C(h)(3)														

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Figure 5-2. Transition Plan and Schedule. FMP's Transition Plan and Schedule for NNL is a collaborative 90-day project focusing on the effective and efficient transfer of ~7,000 employees located at NNL's five sites, along with the licenses, permits, processes, procedures, and methods required to responsibly operate NNL for NR.