

A MEMORIAL

REQUESTING THE ECONOMIC DEVELOPMENT DEPARTMENT, THE WORKFORCE SOLUTIONS DEPARTMENT, THE CONSORTIUM OF MAJOR LOS ALAMOS NATIONAL LABORATORY SUBCONTRACTORS, THE REGIONAL DEVELOPMENT CORPORATION, THE REGIONAL COALITION OF LANL COMMUNITIES AND THE COUNTY, MUNICIPAL AND TRIBAL GOVERNMENTS OF NORTH CENTRAL NEW MEXICO TO COORDINATE EFFORTS IN SUPPORT OF MAINTAINING AND INCREASING LOCAL BUSINESS PROCUREMENT BY FEDERAL INSTITUTIONS.

WHEREAS, effective economic planning on behalf of New Mexico residents requires a strategic collaboration by the state of New Mexico, the state's vital institutions, the private sector, local municipalities and counties and Indian tribes, pueblos and nations; and

WHEREAS, Los Alamos national laboratory, also known as LANL, is a major economic driver throughout New Mexico, having a direct impact upon the economies of New Mexico's local communities; and

WHEREAS, many local businesses benefit from contracts with Los Alamos national laboratory and its major subcontractors, which has a positive impact upon local economies, increasing the state's tax base and directly employing thousands of people in communities throughout New Mexico; and

WHEREAS, the consortium of major Los Alamos national

laboratory subcontractors is an organization made up of all Los Alamos national laboratory subcontractors with contracts of five million dollars (\$5,000,000) or more; and

WHEREAS, the consortium of major Los Alamos national laboratory subcontractors generates hundreds of millions of dollars in annual revenues, expands the state's tax base and employs thousands of New Mexico residents; and

WHEREAS, each company that seeks membership in the consortium of major Los Alamos national laboratory subcontractors is required to maintain local facilities and implement a community development plan that supports community education and economic development in northern New Mexico; and

WHEREAS, over the past four years, the consortium of major Los Alamos national laboratory subcontractors membership has directly contributed over thirteen million dollars (\$13,000,000) of funding and services to northern New Mexico communities and nonprofit organizations. Among many other contributions, the consortium of major Los Alamos national laboratory subcontractors has:

A. provided schools with equipment and resources for students in need;

B. provided computers and training to local youth organizations;

C. rebuilt acequias for local farmers; and

D. provided heavy earthmoving equipment to flood-

ravaged pueblos; and

WHEREAS, the membership of the consortium of major Los Alamos national laboratory subcontractors contributes funds to and administers a grant pool that has provided over four hundred thousand dollars (\$400,000) in grants to dozens of economic development projects with local nonprofit organizations and local governments, including eighty thousand dollars (\$80,000) in grants awarded in 2013 to organizations throughout northern New Mexico; and

WHEREAS, the national nuclear security administration, which oversees Los Alamos national laboratory and other national laboratories, has implemented a policy directing the national laboratory and other national nuclear security administration facilities to utilize its supply chain management center for out-of-state commodities purchases; and

WHEREAS, the policy of using the supply chain management center bypasses the traditional procurement process and drives Los Alamos national laboratory to purchase from out-of-state firms and away from regional contractors; and

WHEREAS, the national nuclear security administration has established specific performance targets for commodities purchases through the supply chain management center system for Los Alamos national laboratory and each of the other national nuclear security administration sites; and

WHEREAS, the national nuclear security administration

has publicly confirmed that the utilization of its supply chain management center is scheduled to expand, thereby directing even more funds away from New Mexico subcontractors; and

WHEREAS, the out-of-state firms contracted through the supply chain management center do not employ New Mexico residents, nor do they pay gross receipts tax to local communities or implement community development plans that benefit the economy of New Mexico; and

WHEREAS, the supply chain management center system institutes a significant competitive advantage to out-of-state suppliers by allowing them to circumvent the additional requirements placed on local contractors, including maintaining local facilities, participation and funding of a community development plan and payment of local gross receipts tax; and

WHEREAS, increased use of the supply chain management center by Los Alamos national laboratory is likely to result in a significant loss of jobs in New Mexico, reduced investment by the members of the consortium of major Los Alamos national laboratory subcontractors and an overall loss to the regional economy of northern New Mexico;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the economic development department, the workforce solutions department,

the regional development corporation, the regional coalition of LANL communities and representatives of county and municipal and tribal governments of north central New Mexico be requested to work with the consortium of major Los Alamos national laboratory subcontractors to study the prospective impact of the national nuclear security administration's requirements for using its supply chain management center system and identify strategies to mitigate the impact on local New Mexico businesses; and

BE IT FURTHER RESOLVED that the New Mexico congressional delegation be requested to support efforts by state and local stakeholders to maintain and increase local business procurement by federal department of energy institutions; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to Senator Tom Udall, Senator Martin Heinrich, Congressman Ben Ray Lujan, Congressman Steve Pearce, Congresswoman Michelle Lujan Grisham, the secretary of economic development, the secretary of workforce solutions, the consortium of major Los Alamos national laboratory subcontractors, the regional development corporation, the regional coalition of LANL communities, the boards of county commissioners of Rio Arriba, Santa Fe and Taos counties, the county council of Los Alamos, the mayor of the city of Espanola, the mayor of the city of Santa Fe, the mayor of the village of Chama, the mayor of the town of Taos and the

governors of the Pueblos of Cochiti, Jemez, Kewa, Nambe, San Ildefonso, Santa Clara, Picuris, Pojoaque, Taos and Tesuque.