



June 2024

NATIONAL NUCLEAR SECURITY ADMINISTRATION

Guidance Enhancements Could Improve Contractors' Diversity Plans

GAO Highlights

Highlights of [GAO-24-107221](#), a report to congressional committees

Why GAO Did This Study

NNSA, a separately organized agency within DOE, is responsible for maintaining the nation's nuclear stockpile, among other missions. The agency relies on about 59,000 M&O contractor employees across eight sites.

The FY2021 NDAA required NNSA to report to congressional defense committees on the diversity of the agency's M&O contractor employees. Further, the law required NNSA's report to address five topics, including demographic data and plans to increase diversity at the sites. NNSA published its report in May 2023.

The FY2021 NDAA also includes a provision for GAO to review NNSA's report. GAO examined the extent to which (1) NNSA's report identifies diversity and demographic information for M&O contractor employees; (2) NNSA's report identifies areas for attention and addresses other reporting requirements; and (3) M&O contractor diversity plans address DOE guidance, and the DOE guidance addresses GAO's leading practices for diversity management.

GAO reviewed DOE and M&O contractor documents and interviewed NNSA officials and contractor representatives. GAO compared M&O contractor diversity plans against DOE guidance for such plans, and the DOE guidance against the leading practices.

What GAO Recommends

GAO is making three recommendations to DOE to incorporate leading practices for diversity management into its guidance for contractors' diversity plans. DOE concurred with the recommendations.

View [GAO-24-107221](#). For more information, contact Allison Bawden at (202) 512-3841 or bawdena@gao.gov.

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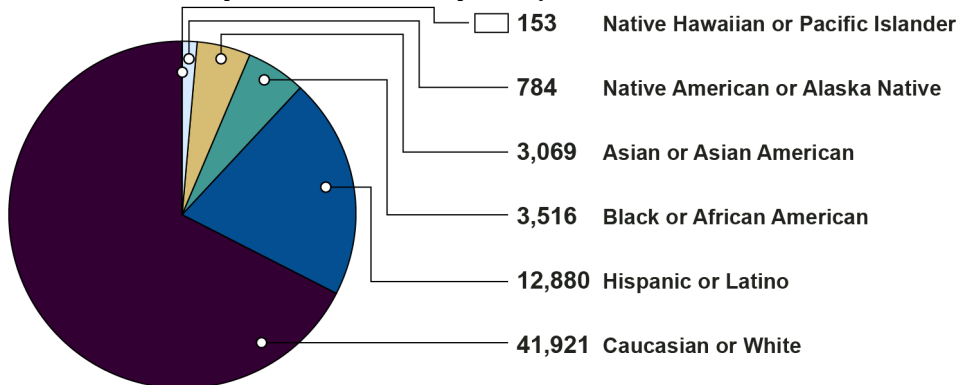
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What GAO Found

The National Nuclear Security Administration's (NNSA) May 2023 management and operating (M&O) contractor employee diversity report generally included diversity and demographic information for the contractor workforce. For example, the report included information on employee race/ethnicity, gender, and disability and veteran statuses. NNSA fully addressed one of five reporting requirements in the National Defense Authorization Act for Fiscal Year 2021 (FY2021 NDAA) by including this information. The agency partially addressed the second statutory reporting requirement—to use, to the extent practical, the Bureau of Labor Statistics' occupational classification system—because NNSA used its existing classification system rather than the Bureau of Labor Statistics' system.

Workforce Diversity for Nuclear Security Enterprise Contractors in 2022



Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

NNSA's report included data illustrating some trends that GAO identified as areas for attention, such as a relative decline in Black or African American employees. However, the report did not substantively discuss the areas. NNSA

- partially addressed the third statutory reporting requirement by including limited information on the M&O contractors' diversity plans, but did not describe how the plans respond to trends in the report's data;
- partially addressed the fourth statutory reporting requirement by identifying the M&O contractor offices responsible for implementing the diversity plans at each site, but did not include information describing how those offices determine whether their diversity plan goals are being met; and
- did not address the fifth statutory reporting requirement to describe mandatory diversity training resources and the number of trained employees.

The FY2021 NDAA does not require additional NNSA workforce diversity reports.

M&O contractors' diversity plans identify contractors' planned actions to address diversity-related efforts at the sites. GAO reviewed the most recent diversity plans for each site against the Department of Energy's diversity plan guidance and found that all of the plans generally addressed the guidance. However, the guidance was not consistent with three of nine GAO leading practices for diversity management. The Department of Energy could better ensure NNSA's M&O contractors develop comprehensive diversity plans by fully incorporating the leading practices for diversity management into its diversity plan guidance.

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Abbreviations

AA	Affirmative Action
DOE guidance	DOE Acquisition Guide
DEAR	DOE Acquisition Regulation
DEIA	diversity, equity, inclusion, and accessibility
DOE	Department of Energy
EEO	Equal Employment Opportunity
FY2021 NDAA	The William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021
NNSA	National Nuclear Security Administration
M&O	management and operating

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June 21, 2024

Congressional Committees

The National Nuclear Security Administration (NNSA), a separately organized agency within the Department of Energy (DOE), accomplishes its work to maintain a safe, secure, and reliable nuclear stockpile through large management and operating (M&O) contracts that employ tens of thousands of personnel. In fiscal year 2023, NNSA obligated about \$18 billion for its M&O contracts.¹ As of fiscal year 2022, the agency relied on and oversaw approximately 59,000 M&O contractor employees to execute the agency's missions across the sites, collectively known as the nuclear security enterprise.² NNSA is in the midst of a multidecade effort to modernize its nuclear weapons stockpile, as well as related research and production infrastructure, and the agency will depend on its contractor workforce to achieve its modernization objectives as the workload significantly increases.

Executive Order 14035, *Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce*, issued in 2021, established administration policy to cultivate a federal workforce that draws from the full diversity of the nation.³ The order, which applies to federal employees, notes that the

¹The Federal Acquisition Regulation defines M&O contracts as agreements under which the government contracts for the operation, maintenance, or support, on its behalf, of a government-owned or controlled research, development, special production, or testing establishment wholly or principally devoted to one or more of the major programs of the contracting agency. 48 C.F.R. § 17.601. M&O contracts originated with the Manhattan Project during World War II.

²The nuclear security enterprise includes eight research laboratories and nuclear weapons production facilities, managed and operated by seven M&O contractors. Consolidated Nuclear Security, LLC, is the M&O contractor for both the Pantex Plant in Texas and the Y-12 National Security Complex in Tennessee. For the purposes of our report, we present the Pantex and Y-12 data combined. One of the contracts is for the management and operation of the Savannah River Site, which is currently administered by DOE's Office of Environmental Management. NNSA will assume the administrator role for the site in fiscal year 2025.

³86 Fed. Reg. 34593 (June 30, 2021). The M&O contractor workforce is composed of private sector employees who work for a contractor of the federal government and are not federal employees. Executive Order 14035 reaffirms support for, and builds upon, the procedures established by the Presidential Memorandum on Promoting Diversity and Inclusion in the National Security Workforce, among others. Exec. Memorandum, *Promoting Diversity and Inclusion in the National Security Workforce*, 81 Fed. Reg. 69993 (Oct. 7, 2016).

federal government should have a workforce that reflects the diversity of the American people because diverse, equitable, inclusive, and accessible workplaces yield higher-performing organizations. According to an NNSA public statement, the agency has a need and desire for a more diverse workforce, including M&O contractor employees. This is in part because diversity adds perspectives and viewpoints that are valuable to achieving objectives and carrying out the nuclear security enterprise's vital national security missions.⁴

DOE's Diversity, Equity, Inclusion, & Accessibility (DEIA) Strategic Plan for 2022, developed in response to Executive Order 14035 and applicable to NNSA's federal employees, includes departmental diversity goals. These goals include improving outreach, recruitment, hiring, and promotion practices, as well as addressing gaps in demographic underrepresentation. Furthermore, the DOE Acquisition Regulation (DEAR) requires M&O contracts to contain a requirement for the contractor to submit a diversity plan and have it approved by an NNSA contracting officer, as well as to annually update the plan.⁵

The William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (FY2021 NDAA) expressed the sense of Congress that, among other things, ensuring that the nuclear security enterprise hires, trains, and retains a diverse and highly educated workforce is a national security priority of the United States.⁶ The FY2021 NDAA required NNSA to report to congressional defense committees annually for 3 years on the diversity of the agency's M&O contractor employees.⁷ NNSA's first report was due by December 31, 2020, with subsequent reports due in 2021 and 2022.⁸ NNSA published its only report in May 2023—covering data for 2019 through 2022—and provided the report to Congress in June

⁴National Nuclear Security Administration, "A diverse workforce is paramount to NNSA's success" (Washington, D.C.: Nov. 2, 2021), accessed March 7, 2024, <https://www.energy.gov/nnsa/articles/diverse-workforce-paramount-nnsas-success>.

⁵48 C.F.R. §§ 970.2671-2, 970.5226-1. This regulation was first issued in December 2000. DOE Acquisition Guidance Chapter 70.2671 provides specific guidance to the M&O contractors on the required contents of their diversity plans. DOE Acquisition Guidance, *Chapter 70.2671—The Diversity Plan* (Washington, D.C.: July 2016).

⁶Pub. L. No. 116-283, div. C, tit. XXXI, § 3146(f)(2), 134 Stat. 3388, 4388.

⁷Pub. L. No. 116-283, div. C, tit. XXXI, § 3146(a), 134 Stat. 3388, 4387.

⁸NNSA's first report was due before the FY2021 NDAA was enacted into law on January 1, 2021.

2023.⁹ The FY2021 NDAA also required NNSA to publish the reports on the agency's website.¹⁰ Each report was required to include the following information for each nuclear security enterprise site:¹¹

- demographic data for M&O contractor employees for the fiscal year covered by the report and the previous fiscal year, including incumbent employees, new hires, and employees who voluntarily separated from the M&O contractor;
- to the extent practical, a breakdown of the demographic data by each position in the Standard Occupational Classification system of the Bureau of Labor Statistics;¹²
- a description of the plans to increase diversity at the nuclear security enterprise sites and how such plans respond to any trends identified with respect to the demographic data;
- identification of the office at each nuclear security enterprise site that is responsible for implementing such plans and a description of how that office determines whether the site is meeting the goals of its plan; and
- a description of the training resources related to diversity, equality, and inclusion that are mandated for M&O contractor employees at each nuclear security enterprise site with hiring authority and

⁹The FY2021 NDAA does not require NNSA to continue issuing these reports.

¹⁰Pub. L. No. 116-283, div. C, tit. XXXI, § 3146(d), 134 Stat. 3388, 4388. As of June 2024, NNSA had not published its report on its website.

¹¹The statute requires NNSA reports to cover each "covered element," which means each national security laboratory and nuclear weapons production facility, as defined in section 3281 of the National Nuclear Security Administration Act. Pub. L. No. 116-283, div. C, tit. XXXI, § 3146(g)(2), 134 Stat. 3388, 4388. As noted above, the contract for the management and operation of the Savannah River Site is currently administered by DOE's Office of Environmental Management. NNSA will assume the administrator role for the site in fiscal year 2025. However, the site is a nuclear weapons production facility within the nuclear security enterprise, and NNSA's report included data and information on the diversity of the contractor workforce at the Savannah River Site. For the purposes of our report, we refer to covered elements—the seven sites currently administered by NNSA plus the Savannah River Site—as nuclear security enterprise sites.

¹²The Standard Occupational Classification system is a federal statistical standard that classifies all occupations in the economy, including private and public, to facilitate comparability across occupational data produced for statistical purposes by federal agencies. All workers are classified into one of 867 detailed occupations that are aggregated into 459 broad occupations, which are then combined into 98 minor groups and 23 major groups. 82 Fed. Reg. 56271, 56272 (Nov. 28, 2017).

identification of how many contractor employees at each site have been trained.¹³

The FY2021 NDAA also includes a provision for GAO to review—following NNSA’s submission of its first required report—the diversity and demographic composition of NNSA contractor employees, issues relating to diversity identified in the NNSA report, and the steps taken to address them.¹⁴ Our report examines the extent to which (1) NNSA’s report addressed two statutory reporting requirements by identifying diversity and demographic information on nuclear security enterprise M&O contractor employees with respect to both the hiring and retention of such employees; (2) NNSA’s report identified areas for attention related to the diversity of the M&O contractor workforce the steps being taken to address such areas, and addressed three statutory reporting requirements; and (3) M&O contractors’ diversity plans addressed DOE guidance for such plans, and the extent to which DOE guidance addressed leading practices for diversity management.

To examine the extent to which NNSA’s report addressed two statutory reporting requirements by identifying diversity and demographic information on the agency’s M&O contractor employees, including with respect to both the hiring and retention of such employees, we analyzed the content of the report and compared it to the FY2021 NDAA’s requirements for including such information in the report. To assess the reliability of the diversity and demographic information, we reviewed NNSA’s instructions to the contractors for the submission of each contractor’s data to the agency. We also obtained and reviewed information on the contractors’ procedures for collecting personnel data, as well as on the contractor representatives’ perspectives on NNSA’s data collection effort. We determined that the data contained in NNSA’s report were sufficiently reliable for the purposes of developing and comparing statistics on the contractor workforce. We also interviewed

¹³Pub. L. No. 116-283, div. C, tit. XXXI, § 3146(b), 134 Stat. 3388, 4387.

¹⁴Pub. L. No. 116-283, div. C, tit. XXXI, § 3146(e), 134 Stat. 3388, 4388. Specifically, the provision is to review (1) the diversity of contractor employees with respect to hiring and retention of such employees, (2) the demographic composition of such employees, and (3) the issues relating to diversity that the NNSA report identifies and the steps taken to address such issues. While NNSA’s report does not use the term “issues,” we identified information included in the report that may indicate M&O contractors could pursue efforts to increase the representation of diverse groups in their workforces. We refer to these as “areas for attention.”

NNSA officials and contractor representatives on the development of the report.

To examine the extent to which NNSA's report identifies areas for attention in the diversity of the M&O contractor workforce, we analyzed the report to identify trends in the report's data that might suggest that contractors could pursue efforts to increase the representation of diverse groups in their workforces. To examine the extent to which the report identifies any steps NNSA and its contractors have taken or plan to take to address such areas for attention, we analyzed the report to identify any steps the agency described in the report. To examine the extent to which the report addressed three additional FY2021 NDAA requirements for the report, we analyzed the report and compared it to the requirements.¹⁵

To examine the extent to which the M&O contractors' diversity plans address DOE guidance for such plans, we analyzed the most current contractor diversity plans for each of the eight nuclear security enterprise sites against the DEAR and associated DOE guidance the agency provides to the contractors for the required content of such plans. Two GAO analysts independently assessed the contractors' diversity plans against the directions contained in DOE's guidance for such plans. The analysts subsequently reached agreement on all assessments of whether the plans generally addressed, partially addressed, or did not address the directions.

To examine the extent to which DOE's guidance for contractor diversity plans addresses leading practices for diversity management, we analyzed the guidance against leading practices for diversity management

¹⁵The three additional statutory requirements for NNSA's report are to (1) describe the plan to increase diversity at each nuclear security enterprise site and how such a plan responds to any data trends identified in NNSA's report; (2) identify the office of the nuclear security enterprise site responsible for implementing such a plan and describe how that office determines whether the site is meeting the plan's goals; and (3) describe the training resources relating to diversity, equality, and inclusion mandated for contractor employees of the nuclear security enterprise site with hiring authority, and identify how many such contractor employees have been trained. Pub. L. No. 116-283, div. C, tit. XXXI, § 3146(b)(3)-(5), 134 Stat. 3388, 4387. Addressed means that NNSA included in its report information fully responsive to the requirement. Partially addressed means that NNSA included in its report some information to respond to the requirement, but the information was not responsive to all aspects of the requirement. Not addressed means that NNSA did not include information in its report that was responsive to the requirement.

compiled in our January 2005 report on such practices.¹⁶ Two GAO analysts independently assessed the DOE guidance against the leading practices. The analysts subsequently reached agreement on all assessments of whether the guidance generally addressed or generally did not address the leading practices.¹⁷

We conducted this performance audit from December 2023 to June 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

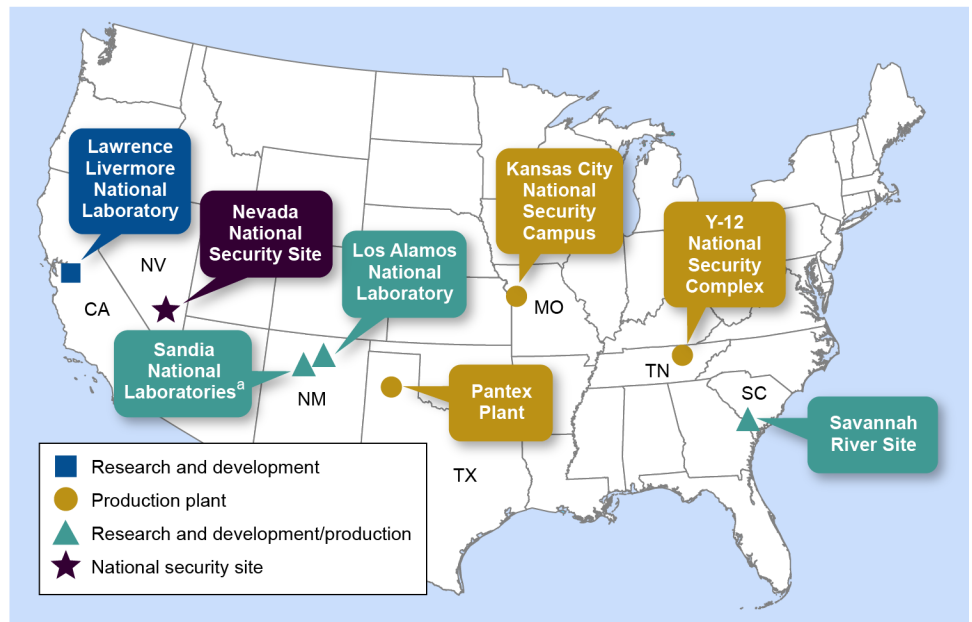
Roles and Responsibilities of NNSA's Federal Workforce and Nuclear Security Enterprise M&O Contractors

NNSA executes its mission at eight sites that comprise the nuclear security enterprise (see fig. 1). NNSA's federal workforce and nuclear security enterprise M&O contractors share responsibilities for executing the work. See appendix I for more detailed information on the current contractors that manage and operate these sites.

¹⁶GAO, *Diversity Management: Expert-Identified Practices and Agency Examples*, [GAO-05-90](#) (Washington, D.C.: Jan. 14, 2005). In 2005, we reported on these practices that we developed based on completing a literature review and selecting a list of recognized diversity experts based on interviews with federal officials and others. We gathered views on leading practices in a data collection instrument and reviewed the responses of these experts, counting the number of times an expert cited a practice. GAO reviewed and reaffirmed the relevance of these leading practices and issued an updated report on the practices in May 2024. For the purposes of our review of NNSA's May 2023 M&O contractor employee diversity report, we relied on the 2005 version of the report because the 2024 version was not yet available for our use during the course of this review. GAO, *Federal Workforce: Leading Practices Related to Diversity, Equity, Inclusion, and Accessibility*, [GAO-24-106684](#) (Washington, D.C.: May 23, 2024).

¹⁷Generally addressed means that the DOE guidance included directions to M&O contractors for their diversity plans that was responsive to the given leading practice. Generally not addressed means that the DOE guidance did not include directions to M&O contractors for their diversity plans that was responsive to the given leading practice.

Figure 1: Sites Comprising the Nuclear Security Enterprise



Sources: GAO presentation of National Nuclear Security Administration information; Map Resources (map). | GAO-24-107221

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

Federal workforce. Among other responsibilities, NNSA’s federal workforce oversees the M&O contractor workforce to ensure it is performing effectively and complying with contract and other applicable requirements, including ensuring the safety and security of employees, consistent with DOE’s oversight policy.¹⁸ The agency’s federal workforce consisted of about 1,800 full-time equivalent employees in fiscal year 2022. If NNSA determines contractors are performing satisfactorily, the agency can choose to award financial incentives such as fees or exercise contract options, in accordance with contract provisions.

M&O contractors. Nuclear security enterprise M&O contractors directly employed approximately 59,000 employees in fiscal year 2022. These contractors manage day-to-day operations at the eight nuclear security enterprise sites, including managing the facilities and infrastructure of

¹⁸Department of Energy, *Policy for Federal Oversight and Contractor Assurance Systems*, DOE P 226.2 (Washington, D.C.: Aug. 9, 2016) and *Implementation of Department of Energy Oversight Policy*, DOE Order 226.1B, Chg 1 (Admin Chg) (Washington, D.C.: May 2022). In addition to the terms and conditions of the contract, M&O contractors are also required to follow other applicable guidance, such as DOE orders, supplemental directives, and NNSA policies.

each site and ensuring worker security and safety, among other things. The contractors also carry out much of the work necessary to meet NNSA's missions, including research and development, weapons production, and nuclear waste handling.

GAO Leading Practices for Diversity Management

Diversity management is defined as a process intended to create and maintain a positive work environment where the similarities and differences of individuals are valued, so that all can reach their potential and maximize their contributions to an organization's strategic goals and objectives.¹⁹ We include DEIA practices as part of diversity management. We have previously identified nine leading practices for diversity management.²⁰ These practices are as follows:

- **Top leadership commitment**—a vision of diversity demonstrated and communicated throughout an organization by top-level management.
- **Diversity as part of an organization's strategic plan**—a diversity strategy and plan that are developed and aligned with the organization's strategic plan.
- **Diversity linked to performance**—the understanding that a more diverse and inclusive work environment can yield greater productivity and help improve individual and organizational performance.
- **Measurement**—a set of quantitative and qualitative measures of the impact of various aspects of an overall diversity program.
- **Accountability**—the means to ensure that leaders are responsible for diversity by linking their performance assessment and compensation to the progress of diversity initiatives.
- **Recruitment**—the process of attracting a supply of qualified, diverse applicants for employment.
- **Employee involvement**—the contribution of employees in driving diversity throughout an organization.

¹⁹[GAO-05-90](#). The concept of managing diversity includes everyone and therefore serves as a complement to equal employment opportunity (EEO). EEO focuses on those groups protected by law from employment discrimination. By law, employment actions are to be free from prohibited discrimination on such bases as race, color, religion, gender, national origin, age, or disability. Antidiscrimination laws also protect individuals from retaliation for filing discrimination complaints and other protected activity.

²⁰[GAO-05-90](#).

NNSA's Report Fully or Partially Addressed Two Statutory Reporting Requirements by Including Information on Contractor Employees

- **Diversity training**—organizational efforts to inform and educate management and staff about diversity.
- **Succession planning**—an ongoing, strategic process for identifying and developing a diverse pool of talent for an organization's potential future leaders.

NNSA's May 2023 report on M&O contractor employee diversity generally included diversity and demographic information on the contractor workforce from 2019 through 2022 with respect to both hiring and retention of contractor employees. By including this information in its report, the agency fully addressed the first statutory reporting requirement to include demographic data on contractor employees for the fiscal year covered by the report and the previous fiscal year, including incumbent employees, new hires, and employees who voluntarily separated from the contractor.²¹

For the second statutory reporting requirement, NNSA did not provide a breakdown of the demographic data by position using the Bureau of Labor Statistics' Standard Occupational Classification system. Instead, according to NNSA officials, the agency's report presented the demographic data using NNSA's Common Occupational Classification System, which is the system the agency and its contractors use to classify occupations.²² NNSA officials told us that they believed it would be more efficient to present the data using its existing system rather than crosswalking the data from the Common Occupational Classification System to the Bureau of Labor Statistics' Standard Occupational Classification system. As a result, we assessed NNSA as having partially addressed the second statutory reporting requirement to provide, to the extent practical, a breakdown of the demographic data by position using the Bureau of Labor Statistics' Standard Occupational Classification

²¹Pub. L. No. 116-283, div. C, tit. XXXI, § 3146(b)(1), 134 Stat. 3388, 4387.

²²As noted above, the FY2021 NDAA required NNSA to include in its report, "to the extent practical," a breakdown of demographic data using the Bureau of Labor Statistics' Standard Occupational Classification system. NNSA uses its own system, the Common Occupational Classification System, which provides a set of mutually exclusive occupation titles and definitions that cover the broad range of activities performed by M&O contractor employees. According to NNSA, the Common Occupational Classification System enables NNSA to consistently categorize workers across the nuclear security enterprise. The nine occupational categories that NNSA included in its report were (1) Crafts; (2) Engineers; (3) General Administrative, Secretarial, and Clerical Support; (4) General Managers, Executives, First Line Supervisors, and Program/Project Managers; (5) Laborers and General Services Workers; (6) Operators; (7) Professional Administrative and Related Occupations; (8) Scientists; and (9) Technicians. DOE Pacific Northwest National Laboratory, *Common Occupational Classification System, Revision 3* (revised May 1996).

system. See appendix II for a table that includes the statutory requirements for NNSA’s report and summarizes our assessments of how NNSA’s report addressed each requirement.

Regarding diversity information, the report included data for each nuclear security enterprise site on the change in the percentage of M&O contractor employees identifying among six races and ethnicities for each of nine occupational categories.²³ The report also included the gender breakdown of contractor employees for each site for the same occupational categories for the same time period. Table 1 shows the breakdown of the contractor employees across all sites in 2022, by occupational categories, race and ethnicity, and gender, based on the data included in the report.

Table 1: Nuclear Security Enterprise Management and Operating Contractor Employees in 2022, by Occupational Categories, Race and Ethnicity, and Gender

Occupational Category		Asian or Asian American	Black or African American	Caucasian or White	Hispanic or Latino	Native American or Alaska Native	Native Hawaiian or Pacific Islander
Crafts	male	37	435	3407	1097	144	14
	female	0	56	127	45	12	2
Engineers	male	669	385	7179	1163	72	13
	female	242	141	1625	427	23	1
General Administrative, Secretarial, and Clerical Support	male	16	32	300	130	7	5
	female	61	72	1027	908	38	15

²³The six race and ethnicity categories that NNSA included in its May 2023 report were (1) Asian or Asian American, (2) Black or African American, (3) Caucasian or White, (4) Hispanic or Latino, (5) Native American or Alaska Native, and (6) Native Hawaiian or Pacific Islander. The Office of Management and Budget (OMB) develops and oversees implementation of government-wide principles, standards, guidelines, and policies concerning the development, presentation, and dissemination of statistical information. In March 2024, OMB revised its standards for maintaining, collecting, and presenting federal data on race and ethnicity to, among other things, add the category of Middle Eastern or North African. 89 Fed. Reg. 22182 (Mar. 29, 2024). As a result, OMB’s standards for race and ethnicity categories are (a) American Indian or Alaska Native, (b) Asian, (c) Black or African American, (d) Hispanic or Latino, (e) Middle Eastern or North African, (f) Native Hawaiian or Pacific Islander, and (g) White. The standards were also revised to better signal that respondents should select all race and ethnicity categories that reflect their identity. 89 Fed. Reg. 22182, 22185 (Mar. 29, 2024). NNSA’s report did not specify whether it used the OMB standards for race and ethnicity.

General Managers, Executives, First Line Supervisors, and Program/Project Managers	male	135	233	3971	830	39	10
	female	98	112	1502	578	18	8
Laborers and General Services Workers	male	24	167	1605	508	29	4
	female	6	47	237	73	4	0
Operators	male	63	334	2537	477	33	8
	female	4	85	292	37	0	5
Professional Administrative and Related Occupations	male	242	484	5061	1591	97	19
	female	250	515	3595	1986	97	15
Scientists	male	605	75	3845	388	15	5
	female	279	34	1042	153	7	2
Technicians	male	244	218	3697	1923	113	24
	female	94	91	872	566	36	3

Source: GAO analysis of National Nuclear Security Administration information. | GAO-24-107221

Note: We do not include totals in this table because the management and operating contractors used different personnel data systems to measure employees' race, ethnicity, and gender. Employees could have provided and updated their data in varying ways, depending on the system, which may have caused an unknown amount of measurement error across contractors. Reporting was voluntary, so missing responses may have served as a second source of measurement error.

Regarding demographic information, the report included data for each nuclear security enterprise site on incumbents, hires, and voluntary separations for M&O contractor employees for each of the nine occupational categories in the report. In addition, the report included data for each site on contractor employees' disability and veteran statuses for the same occupational categories for the same time period; however, these data on disability and veteran statuses were not disaggregated by race and ethnicity or gender.

Appendix III provides summary race and ethnicity and gender information for 2022 on M&O contractor employees at each nuclear security enterprise site, as well as the employees' disability and veteran statuses by occupational category, based on the data included in the report.²⁴

Table 2 shows the breakdown of the contractor employees in 2022—

²⁴The M&O contractors used different personnel data systems to measure employees' race, ethnicity, and gender, as well as disability and veteran statuses. Employees could have provided and updated their data in varying ways, depending on the system, which may have caused an unknown amount of measurement error across contractors. Reporting was voluntary, so missing responses may have served as a second source of measurement error.

across all sites—by occupational categories and disability and veteran status.

Table 2: Nuclear Security Enterprise Management and Operating Contractor Employees in 2022, by Occupational Categories and Disability and Veteran Status

Occupational Category	Disability Status	Veteran Status
Crafts	271	499
Engineers	727	1,045
General Administrative, Secretarial, and Clerical Support	236	220
General Managers, Executives, First Line Supervisors, and Program/Project Managers	532	1,219
Laborers and General Services Workers	177	762
Operators	201	494
Professional Administrative and Related Occupations	1,165	1,637
Scientists	294	287
Technicians	656	1,161

Source: GAO analysis of National Nuclear Security Administration information. | GAO-24-107221

Note: We do not include totals in this table because the management and operating contractors used different personnel data systems to measure employees' disability and veteran statuses. Employees could have provided and updated their data in varying ways, depending on the system, which may have caused an unknown amount of measurement error across contractors. Reporting was voluntary, so missing responses may have served as a second source of measurement error.

NNSA's Report Did Not Identify Areas for Attention in Workforce Diversity or Steps to Address the Areas and Did Not Fully Address Three Statutory Reporting Requirements

NNSA's May 2023 M&O contractor employee diversity report did not identify areas for attention in contractor workforce diversity or steps that the M&O contractors are taking to address such areas, but it included limited summary information on efforts to manage diversity at nuclear

security enterprise sites.²⁵ NNSA's report partially addressed the statutory requirement to describe plans to increase diversity at the sites and how such plans respond to data trends identified in NNSA's report. The report also partially addressed the statutory reporting requirement related to the offices responsible for implementing the plans to increase diversity, but it did not address the requirement relating to diversity training resources.

NNSA's Report Indicated Some Areas for Attention in Contractor Workforce Diversity, but Did Not Discuss Steps to Address Such Areas

We found that the data in NNSA's report indicated some areas for attention in the contractor workforce pertaining to the relative growth in employment of some groups compared to others. From 2019 to 2022, the total M&O contractor employee workforce across all sites grew from approximately 52,500 to 59,400 employees (13.1 percent). Amid this growth, some trends in the data indicated areas for attention in the diversity of the contractor workforce. These areas for attention include the following:

- A relative decline in the percentage of Black or African American contractor employees, despite the overall growth of the workforce, in contrast to Caucasian or White employees and other minority employee populations (i.e., a smaller increase in the percentage of Black or African American contractor employees from 2019 to 2022 [6.6 percent] compared to the percentage increases in Caucasian or White employees [9.5 percent] and other minority populations [ranging from 14.8 to 32.1 percent]).
- A relative decline in the ratio of contractor employees with veteran status versus those without veteran status, despite the overall growth of the workforce (i.e., 9.1 percent increase from 2019 to 2022 versus a 13.1 percent increase in the overall size of the contractor employee workforce).
- A lower percentage of women employed at weapons production sites (22 percent) continued to persist, despite the overall growth of the workforce, compared to the percentage of women employed at national laboratory sites (32 percent).

However, we found that NNSA's report did not include any substantive discussion arising from these trends nor steps taken to address such areas. The only mention of potential diversity-related areas for attention in the report is a single statement regarding the relative decline of M&O

²⁵The FY2021 NDAA includes a provision for GAO to review the issues—which we refer to as areas for attention—relating to diversity identified in NNSA's report and the steps taken to address the areas. Pub. L. No. 116-283, div. C, tit. XXXI, § 3146(e)(3). 134 Stat. 3388, 4388. There was no statutory provision for NNSA to include such issues or steps in its report.

contractor employees with veteran status. The report states that this trend is “indicating that more progress can be made in this area,” but the report did not explicitly discuss what efforts NNSA or the contractors could undertake in response or what would constitute progress. NNSA officials told us that the agency does not direct or recommend specific actions to the contractors for increasing the diversity of their workforces because the contractors are private sector employers.²⁶

NNSA’s Report Did Not Fully Address Three Other Statutory Reporting Requirements

We found that NNSA’s report partially addressed two of three other statutory reporting requirements and did not address the third.²⁷ Specifically, we found that the report partially addressed the statutory requirement to describe plans to increase diversity at nuclear security enterprise sites and how such plans respond to data trends identified in NNSA’s report. The report described plans to increase diversity by including limited summary information on the M&O contractors’ existing diversity plans. The report did not describe how the contractor diversity plans responded to data trends identified in the report because the diversity plans were developed independently of (and in some cases, prior to) the report. In addition, the contractors’ diversity plans are required by their M&O contracts and were not designed to respond directly to any data trends identified in the report. NNSA officials also told us that any actions to address diversity trends at the sites are the responsibility of the contractor for each site; the agency does not direct or

²⁶The DEAR requires M&O contracts to contain a requirement for the contractor to submit a diversity plan and have it approved by an NNSA contracting officer, as well as to annually update the diversity plan. The specific content of the plans is at the discretion of the contractors, but at a minimum they must address the six topics specified in the DEAR. DOE also provides guidance for such plans. Appendix IV includes the applicable DEAR diversity provisions and DOE Acquisition Guidance.

²⁷In addition to the two statutory reporting requirements discussed above, the FY2021 NDAA had three additional requirements for NNSA’s report: (1) describe plans to increase diversity at nuclear security enterprise sites and how such plans respond to any data trends identified in NNSA’s report; (2) identify the office at each nuclear security enterprise site responsible for implementing such plans and describe how those offices determine whether the site is meeting the goals of its plan; and (3) describe training resources relating to diversity, equality, and inclusion mandated for contractor employees with hiring authority at nuclear security enterprise sites, and identify how many of those employees have been trained. Pub. L. No. 116-283, div. C, tit. XXXI, § 3146(b)(3)-(5), 134 Stat. 3388, 4387.

recommend specific actions to the contractors because the contractors are private sector employers.²⁸

Nevertheless, the M&O contractor diversity plans we reviewed generally included efforts the contractors are taking or plan to take to improve the representation of diverse groups within their workforces at each nuclear security enterprise site. For example, the report summarized some actions the contractors are taking, which are described in their diversity plans and include

- attending recruiting events at minority-serving educational institutions across the country to attract minority students to apprenticeship programs and internships,
- participating in local community diversity boards and providing educational programs for students in under-resourced and marginalized local communities, and
- supporting employee resource groups at the sites designed to enhance employee engagement and retention by promoting awareness of cultural and ethnic diversity among employees.²⁹

However, NNSA's report did not fully address the statutory requirement because it did not discuss how the diversity plans described in the report respond to any data trends identified in the report. For example, the report did not include information on whether or how specifically the agency or the contractors intend to address the relative decline in the percentage of Black or African American contractor employees. Similarly, the report did not include information on whether or how the agency or the contractors intend to address the gender disparities among employees at the weapons production sites and national laboratories or the relative decline in employees with veteran status in the contractor workforce.

Instead of including such information, NNSA officials told us that the M&O contractors' diversity plans—required by their contracts with the agency—

²⁸The specific content of the contractors' diversity plans is at the discretion of the contractors, but at a minimum must address the six topics specified in the DEAR. DOE also provides guidance for such plans. Appendix IV includes the applicable DEAR diversity provisions and DOE Acquisition Guidance.

²⁹Employee resource groups exist for racial and ethnic minorities; lesbian, gay, bi-sexual, transgender, queer, and other related employees; employees with disabilities; and individuals with shared backgrounds such as veterans or women in science, technology, engineering, and mathematics.

describe the efforts, or planned future actions, the contractors have in place to improve representation of diverse groups at each nuclear security enterprise site. NNSA officials also told us that decisions related to the contractors' diversity plans and the composition of their workforces, including hiring and retention of employees, are exclusively those of the contractors because they are private companies.³⁰

In addition, we found that NNSA's report partially addressed the statutory reporting requirement to identify the offices at nuclear security enterprise sites responsible for implementing the plans to increase diversity and to describe how those offices determine whether the site is meeting the goals of the plan. Specifically, the report identified the contractor offices responsible for developing each contractor's diversity plan for each site. However, we found that the report did not include information describing how those offices determine whether their given site is meeting the goals of the site's diversity plan.

Lastly, we found that NNSA's report did not address the statutory reporting requirement to describe training resources related to diversity, equality, and inclusion that are mandated for contractor employees with hiring authority at nuclear security enterprise sites and to identify how many of those employees have been trained. The report summarized limited general information on diversity and inclusion training available to the M&O contractor workforce. However, the report did not describe the training resources that are mandated for contractor employees with hiring authority or identify how many employees with hiring authority have been trained.

NNSA's report asserts that "almost all" M&O contractor employees have completed mandatory training on the prevention of sexual harassment, but it does not describe whether prevention of sexual harassment training is mandatory training specifically for contractor employees with hiring authority or state how many of those employees have been trained. Further, the report asserts that "most" contractor employees have completed mandatory diversity and inclusion training. However, the report then acknowledges the need for the agency to work with the contractors, going forward, to better track mandatory training requirements for diversity and inclusion and the extent to which contractor employees have

³⁰The specific content of the contractors' diversity plans is at the discretion of the contractors, but at a minimum must address the six topics specified in the DEAR. DOE also provides guidance for such plans. Appendix IV includes the applicable DEAR diversity provisions and DOE Acquisition Guidance.

completed such training, since these details were not collected by the agency or readily available for inclusion in the report.

The FY2021 NDAA does not require NNSA to provide any additional reports to the congressional defense committees on the diversity of the agency's M&O contractor workforce. Accordingly, we are not making any recommendations for improvements to future agency reports. See appendix II for a table that includes the statutory requirements for NNSA's report and our assessments of the extent to which the report addressed each requirement.

Nuclear Security Enterprise Contractors Prepare Annual Plans to Address Workforce Diversity, but DOE's Guidance for These Plans Could Be Improved

Contractor Diversity Plans Generally Address DOE Guidance

We reviewed the M&O contractors' diversity plans because in its description of efforts to increase diversity at nuclear security enterprise sites, NNSA's report included summary information from these plans. As discussed above, DOE's management and operating contracts require contractors to develop and annually update diversity plans for their contractor workforces that address, at a minimum, specific topics identified in the DEAR.³¹ The contracts also identify DOE guidance for the contractors' preparation of their diversity plans.³² The DOE Acquisition

³¹48 C.F.R. §§ 970.2671-2, 970.5226-1. The specific topics are promoting diversity through (1) the contractor's work force; (2) educational outreach; (3) community involvement and outreach; (4) subcontracting; (5) economic development, including technology transfer; and (6) the prevention of profiling based on race or national origin. 48 C.F.R. § 970.5226-1. Regulatory requirements for the federal acquisition process are set forth in the Federal Acquisition Regulation (FAR) and are supplemented by the DEAR.

³²See 48 C.F.R. § 970.5226-1.

Guide (DOE guidance) directs that the contractors' diversity plans may include the given contractor's

- efforts to establish and maintain results-oriented Equal Employment Opportunity (EEO) and Affirmative Action (AA) programs;
- strategies to foster relationships with minority educational institutions and other institutions of higher learning (e.g., Historically Black Colleges and Universities, Hispanic-serving institutions, and Native American institutions) to increase their participation in federally sponsored programs;
- outreach activities for enhancing subcontracting opportunities for small disadvantaged businesses (e.g., small businesses owned and controlled by socially and economically disadvantaged individuals, Native American Tribes, Alaska Native Corporations, or Native Hawaiian Organizations), small business firms located in historically underutilized business zones, women-owned small businesses, and veteran-owned (including service-disabled veteran-owned) small businesses; and
- approaches to preventing profiling based on race or national origin, including strategies for early detection of potential profiling in the contractor's business activities.

Appendix IV includes the applicable DEAR diversity provisions and DOE Acquisition Guidance for M&O contractor diversity plans.

We confirmed that all the M&O contractors at the nuclear security enterprise sites have diversity plans in place. In addition, we reviewed the most recent diversity plans for each nuclear security enterprise site against the DOE guidance for such plans. We found that all seven diversity plans generally addressed all relevant aspects of the DOE guidance for such plans.³³ For example, the M&O contractor for Sandia National Laboratories addressed the DOE guidance on EEO and AA programs by referencing Sandia's associated programs in the site's

³³Consolidated Nuclear Security, LLC, is the M&O contractor for both the Pantex Plant in Texas and the Y-12 National Security Complex in Tennessee. For the purposes of our report, we present the Pantex and Y-12 data combined because NNSA presented the data combined in its report. For the purposes of our review, we excluded the DOE guidance on the inclusion of economic development and technology transfer plans in the M&O contractors' diversity plans. Such guidance is only relevant to M&O contracts that include clauses dealing with technology transfer. Only some contracts include such a clause. Planning or activities developed under such clauses may or may not be applicable to the M&O contractors' diversity plans.

diversity plan, as well as noting that the contractor's DEIA office provides all Sandia divisions with AA goals at the beginning of the fiscal year and that the office issues quarterly updates on progress toward these goals. In addition, in the site's diversity plan, the contractor addressed the DOE guidance on the contractor's strategies to foster relationships with minority educational institutions by referencing Sandia's workforce planning activities for recruitment, including working with minority-serving educational institutions and professional societies.

DOE Guidance for Contractor Diversity Plans Is Generally Consistent with Most Leading Practices for Diversity Management, but Does Not Address Three Practices

We found that DOE's existing guidance for M&O contractor diversity plans is generally consistent with six of our nine leading practices for diversity management.³⁴ Specifically, the guidance generally addresses the following leading practices for diversity management: (1) top leadership commitment, (2) diversity as part of an organization's strategic plan, (3) diversity linked to performance, (4) measurement, (5) accountability, and (6) recruitment. For example, the guidance discusses the requirement for contractor diversity plans to include information on diversity-related educational and community outreach efforts by the contractors, such as strategies to foster relationships with minority-serving educational institutions and other institutions of higher learning. These efforts and relationships help the contractors attract qualified minority applicants for employment at the site, consistent with our leading practice for diversity management of recruitment.

We found that the DOE guidance for diversity plans did not require M&O contractors' diversity plans to address three of the nine leading practices: (1) employee involvement, (2) diversity training, and (3) succession planning. Specifically, our assessment of the DOE guidance found that it does not explicitly direct the contractors to address these three topics in their diversity plans. Table 3 describes the significance of these three leading practices to diversity management.

³⁴[GAO-05-90](#).

Table 3: Significance of the Leading Practices of Employee Involvement, Diversity Training, and Succession Planning for Diversity Management

Diversity management leading practice	Significance of the leading practice
Employee involvement	Employee involvement in diversity management helps the workforce to contribute to enhancing diversity throughout an organization. Employees may become involved in their organizations' diversity management efforts by forming employee diversity task forces, councils, boards, and networks (also called advisory, advocacy, support, affinity, or resource groups) to identify issues, recommend actions, and help develop diversity-related initiatives.
Diversity training	Diversity training can help an organization's management and staff increase their awareness and understanding of diversity. Such training can provide employees with an awareness of their differences—including cultural, work style, and personal presentation—and an understanding of how diverse perspectives can improve organizational performance.
Succession planning	Succession planning is a comprehensive, ongoing strategic process that provides for forecasting an organization's senior leadership needs; identifying and developing candidates who have the potential to be future leaders; and selecting individuals from among a diverse pool of qualified candidates to meet those needs. Succession planning with a diversity focus can better ensure improved representation of diverse groups in the M&O contractor's pipeline of candidates for future senior leadership needs.

Source: GAO, Diversity Management: Expert-Identified Practices and Agency Examples, GAO-05-90 (Washington, D.C.: Jan. 14, 2005). | GAO-24-107221

According to NNSA officials, the DOE guidance is consistent with and currently reflects the DEAR provision for M&O contractor diversity plans. In reviewing the DEAR provision, we found that it does not currently address these three leading practices for diversity management. However, an official from DOE's Office of Acquisition Management stated that the existing guidance could be updated to reflect such practices without needing to revise the DEAR.

Notwithstanding these limitations in the DOE guidance, in our review of the M&O contractors' diversity plans, we found that all seven plans generally addressed two of these three leading practices: employee involvement and diversity training. The leading practice of succession planning was not generally addressed in the contractors' diversity plans, except for National Technology and Engineering Solutions of Sandia's diversity plan for Sandia National Laboratories and Consolidated Nuclear Security, LLC's combined diversity plan for the Pantex and Y-12 sites. The latter plan included succession planning in its goals; specifically, monitoring diversity in succession planning efforts in order to increase diversity in the contractor's senior leadership ranks within 3 to 5 years.

By more fully incorporating GAO's leading practices into DOE guidance for M&O contractor employee diversity plans, DOE and NNSA could better ensure that their contractors consistently address all aspects of diversity management in their future plans. By having diversity plans that

address all of the leading practices, organizations such as DOE and NNSA and their contractors can better create and manage a diverse work environment in which the similarities and differences of all employees are valued, enabling them to reach their potential and maximize their contributions toward organizational objectives.

Conclusions

NNSA has emphasized the importance of fostering a diverse and inclusive workforce and improving representation of diverse groups among its federal workforce and contractor employees. DOE guidance states that M&O contractors' diversity plans are intended to help the contractors plan for and create a more diverse workforce and to develop integrated approaches to managing diversity across their business operations. However, DOE's existing guidance does not address employee engagement in diversity efforts, diversity training requirements, or succession planning with a diversity focus. By updating DOE guidance to ensure contractors consider addressing all leading practices for diversity management in the contractors' diversity plans, DOE and NNSA can better ensure that the contractors are effectively planning for and managing diversity within their workforces.

Recommendations for Executive Action

We are making the following three recommendations to the Department of Energy:

The Secretary of Energy should update the DOE Acquisition Guide for M&O contractor diversity plans to ensure contractors consider addressing employee involvement in diversity efforts during the development of such plans, consistent with leading practices for diversity management. (Recommendation 1)

The Secretary of Energy should update the DOE Acquisition Guide for M&O contractor diversity plans to ensure contractors consider diversity training requirements during the development of such plans, consistent with leading practices for diversity management. (Recommendation 2)

The Secretary of Energy should update the DOE Acquisition Guide for M&O contractor diversity plans to ensure contractors consider succession planning with a diversity focus during the development of such plans, consistent with leading practices for diversity management. (Recommendation 3)

Agency Comments

We provided a draft of this report to DOE and NNSA for review and comment. In its comments, reproduced in appendix V, DOE concurred with our recommendations. DOE noted that the department intends to incorporate the three additional leading practices for diversity management we identified into DOE's guidance for M&O contractor diversity plans. In technical comments NNSA provided separately, and which we incorporated as appropriate, the agency indicated that it believed our ratings on the extent to which NNSA's May 2023 M&O contractor employee diversity report addressed the statutory reporting requirements could have been higher in several cases. We reassessed our ratings based on the information in NNSA's report and continue to believe our assessment is a fair and balanced representation of the extent to which NNSA's report addressed the statutory reporting requirements.

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

If you or your staff have any questions about this report, please contact me at (202) 512-3841 or bawdena@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VI.



Allison Bawden
Director, Natural Resources and Environment

List of Committees

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

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

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

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

Appendix I: Additional Information on Nuclear Security Enterprise Management and Operating Contracts

Table 4 includes information on the current management and operating (M&O) contracts for the nuclear security enterprise sites. The nuclear security enterprise includes eight research laboratories and nuclear weapons production facilities, which are managed and operated by seven M&O contractors.

Table 4: Nuclear Security Enterprise Management and Operating Contracts, as of June 2024

Contract name	Mission type	Mission or work performed	Contractor (composition of contractor)	Award year	Current end year (potential end year with all options/award terms)
Kansas City National Security Campus	Production	Produces and procures nonnuclear components for nuclear weapons.	Honeywell Federal Manufacturing & Technologies LLC (Honeywell International Inc.)	2015	2025
Lawrence Livermore National Laboratory	Research and development	Conducts research in national defense, nuclear weapons stockpile stewardship, weapons of mass destruction, and nuclear nonproliferation.	Lawrence Livermore National Security, LLC (Bechtel National Inc., University of California, Babcock & Wilcox Company, Amentum)	2007	2026
Los Alamos National Laboratory	Research and development; production	Conducts research in national defense, nuclear weapons stockpile stewardship, weapons of mass destruction, and nuclear nonproliferation. Produces certain fuel and detonators.	Triad National Security, LLC (Battelle Memorial Institute, University of California, Texas A&M University)	2018	2028
Nevada National Security Site	Research and development	Conducts high-hazard operations, experiments, and training in support of NNSA, the Department of Defense, and other agencies.	Mission Support and Test Services, LLC (Honeywell International Inc. [Honeywell], Jacobs Engineering Group Inc. [Jacobs], and HII Nuclear, Inc.)	2017	2027
Pantex Plant and Y-12 National Security Complex^a	Production	Produces nuclear and nonnuclear components for weapons and evaluates, repairs, assembles, and disassembles nuclear weapons.	Consolidated Nuclear Security LLC (Bechtel National Inc., Leidos Innovations Corporation Inc., ATK Launch Systems Inc., SOC LLC)	2014	2025 (2027)

**Appendix I: Additional Information on Nuclear
Security Enterprise Management and
Operating Contracts**

Sandia National Laboratories	Research and development; production	Conducts research in national defense, weapons of mass destruction, transportation, energy, telecommunications and financial networks, and environmental stewardship. Engineers and produces certain nonnuclear components for weapons.	National Technology and Engineering Solutions of Sandia (Honeywell International Inc.)	2017	2027
Savannah River Site^b	Research and development; production	Processes and stores nuclear materials, and develops and deploys technologies to improve the environment and treat solid and liquid nuclear and hazardous wastes. Construction under way to produce plutonium-based components.	Savannah River Nuclear Solutions, LLC (Fluor Corporation, Newport News Nuclear)	2008	2026 (2027)

Source: GAO analysis of National Nuclear Security Administration (NNSA) information. | GAO-24-107221

^aAccording to NNSA officials, NNSA is pursuing two competitions for separate contracts to manage the Pantex Plant and Y-12 National Security Complex.

^bThe contract for the Savannah River Site is currently administered by the Department of Energy's Office of Environmental Management. NNSA will assume the administrator role for the site in fiscal year 2025.

Appendix II: Statutory Requirements for the Content of the National Nuclear Security Administration’s (NNSA) Management and Operating (M&O) Contractor Employee Diversity Report

Table 5 includes all of the requirements in the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 for the content of NNSA’s M&O contractor employee diversity report and our assessment of the extent to which the report addressed each requirement.¹

Table 5: Statutory Requirements for the Content of NNSA’s Management and Operating (M&O) Contractor Employee Diversity Report and GAO’s Assessment of the Extent to Which the Report Addresses the Requirements

Statutory requirement for report contents ^a	GAO assessment of the extent to which the report addresses the requirement ^b
<p>With respect to the fiscal year covered by the report and the previous fiscal year, demographic data of—</p> <ul style="list-style-type: none"> (a) the contractor employees of the covered element; (b) the contractor employees hired at the covered element during each such year; and (c) the contractor employees of the covered element who voluntarily separated during each such year. 	<p>Addressed</p> <p>NNSA included, for each covered element (i.e., nuclear security enterprise site), demographic data for fiscal years 2019-2022 for incumbent employees, new hires, and employees who voluntarily separated.</p>
<p>To the extent practical, a breakdown of the data under paragraph (1) by each position in the Standard Occupational Classification system of the Bureau of Labor Statistics.</p>	<p>Partially Addressed</p> <p>NNSA included, for each covered element (i.e., nuclear security enterprise site), a breakdown of the demographic data by NNSA’s existing Common Occupational Classification System instead of the Bureau of Labor Statistics’ Standard Occupational Classification system. NNSA determined it was more practical to use its existing system rather than the Bureau of Labor Statistics’ system. NNSA’s system uses a total of nine occupational categories, whereas the Bureau of Labor Statistics’ system includes 867 detailed occupations aggregated into 459 broad occupations, 98 minor groups, and 23 major groups.</p>
<p>A description of the plan to increase diversity at the covered element, and how such plan responds to any trends identified with respect to the data [included in the report].</p>	<p>Partially Addressed</p> <p>NNSA’s report included, for each covered element (i.e., nuclear security enterprise site), limited summary information on the M&O contractors’ diversity plans required by their contracts.</p> <p>However, NNSA’s report did not include information on how the M&O contractors’ diversity plans respond to demographic data trends identified in NNSA’s report.</p>

¹Pub. L. No. 116-283, div. C, tit. XXXI, § 3146(b), 134 Stat. 3388, 4387.

Appendix II: Statutory Requirements for the Content of the National Nuclear Security Administration's (NNSA) Management and Operating (M&O) Contractor Employee Diversity Report

An identification of the office of the covered element responsible for implementing such plan and a description of how that office determines whether the covered element is meeting the goals of the plan.

Partially Addressed

NNSA's report included, for each covered element (i.e., nuclear security enterprise site), the M&O contractor offices responsible for developing the contractors' diversity plans.

However, NNSA's report did not include information on how these offices determine whether their site is meeting the goals of their site's diversity plan.

A description of the training resources relating to diversity, equality, and inclusion mandated for contractor employees of the covered element with hiring authority, and an identification of how many such contractor employees have been trained.

Not Addressed

NNSA's report did not include a description of training resources mandated for contractor employees with hiring authority or identification of how many contractor employees had been trained.

Source: Federal statute and GAO analysis of the National Nuclear Security Administration's (NNSA) May 2023 M&O contractor employee diversity report. | GAO-24-107221

^aPub. L. No. 116-283, div. C, tit. XXXI, § 3146(b), 134 Stat. 3388, 4387.

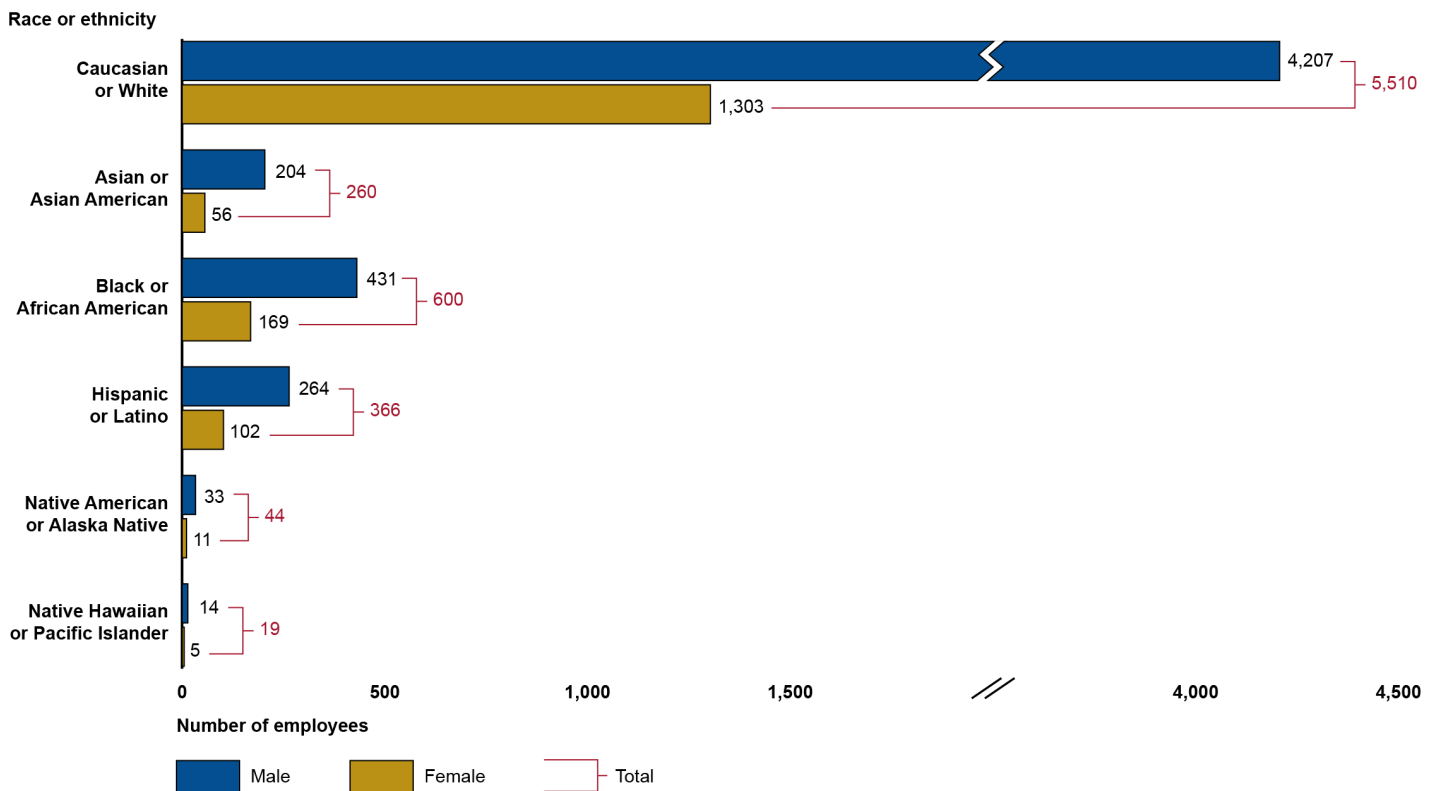
^bAddressed means that NNSA included in its report information fully responsive to the requirement. Partially addressed means that NNSA included in its report some information to respond to the requirement, but the information was not responsive to all aspects of the requirement. Not addressed means that NNSA did not include information in its report that was responsive to the requirement.

Appendix III: Race and Ethnicity, Gender, and Disability and Veteran Status for Management and Operating (M&O) Contractor Employees at Nuclear Security Enterprise Sites

The following figures provide summary race and ethnicity and gender information for 2022 on M&O contractor employees at each nuclear security enterprise site, as well as these employees' disability and veteran statuses by occupational category, based on the data included in NNSA's report.

Kansas City National Security Campus

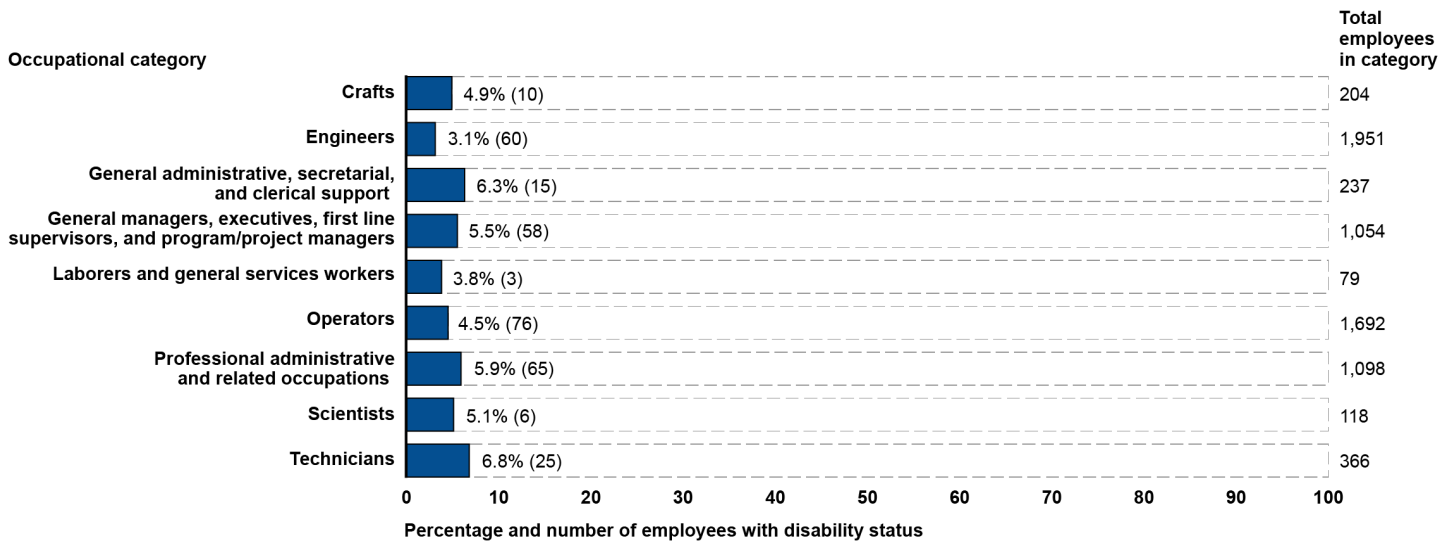
Figure 2: Race, Ethnicity, and Gender Information on Management and Operating Contractor Employees at Kansas City National Security Campus, 2022



Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

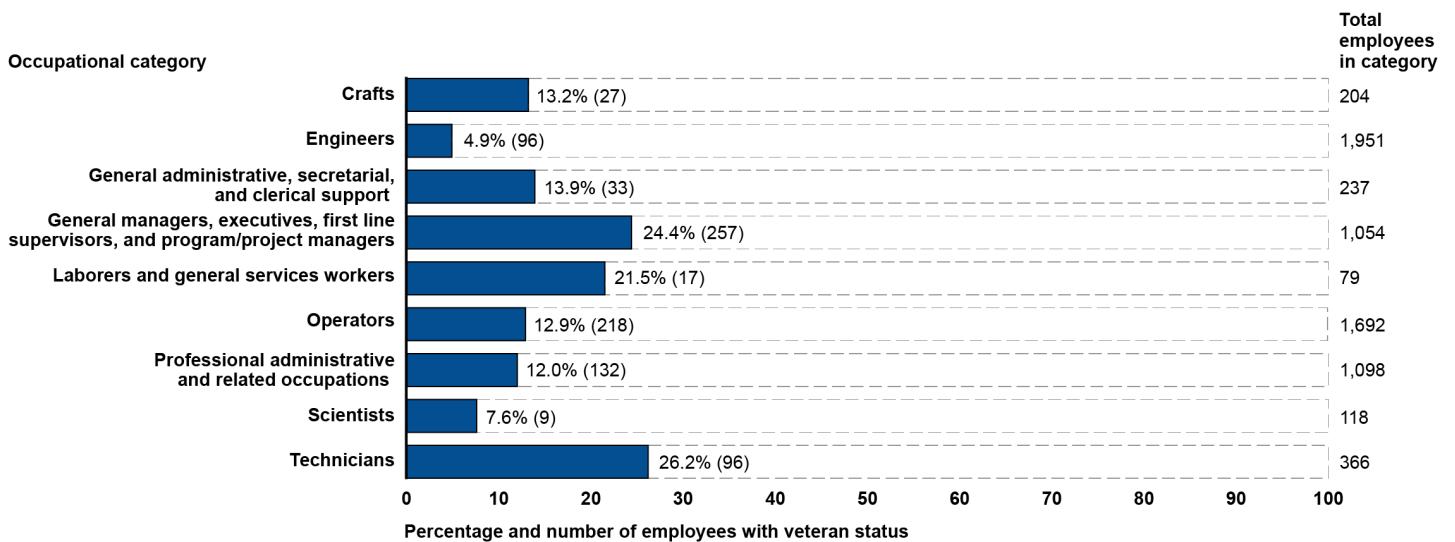
Appendix III: Race and Ethnicity, Gender, and Disability and Veteran Status for Management and Operating (M&O) Contractor Employees at Nuclear Security Enterprise Sites

Figure 3: Disability Status of Management and Operating Contractor Employees by Occupational Category at Kansas City National Security Campus (2022)



Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

Figure 4: Veteran Status of Management and Operating Contractor Employees by Occupational Category at Kansas City National Security Campus (2022)

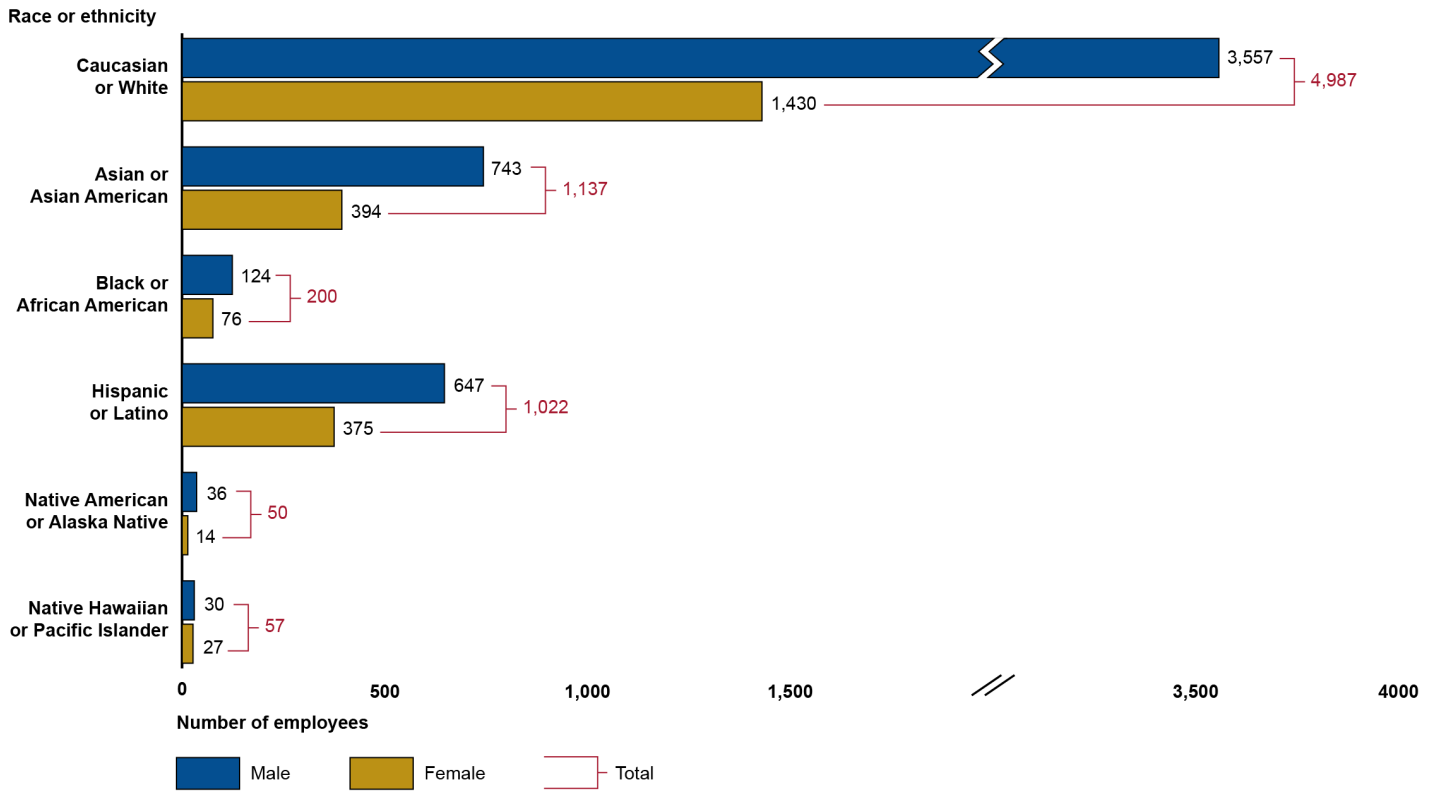


Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

Appendix III: Race and Ethnicity, Gender, and Disability and Veteran Status for Management and Operating (M&O) Contractor Employees at Nuclear Security Enterprise Sites

Lawrence Livermore National Laboratory

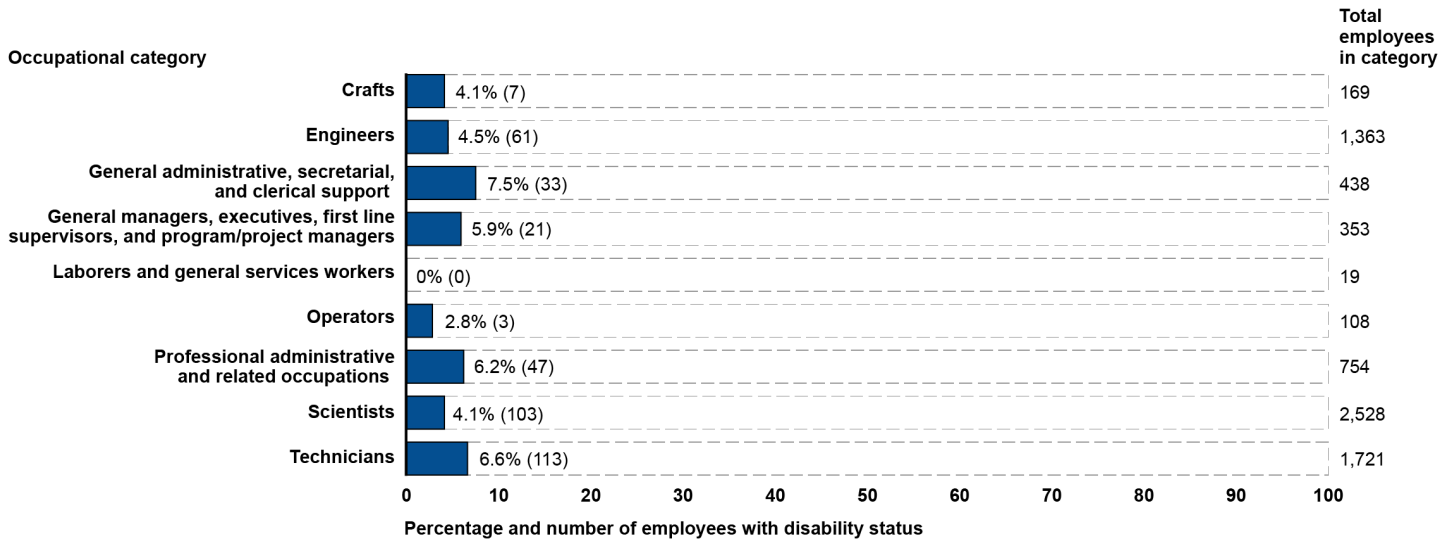
Figure 5: Race, Ethnicity, and Gender Information on Management and Operating Contractor Employees at Lawrence Livermore National Laboratory (2022)



Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

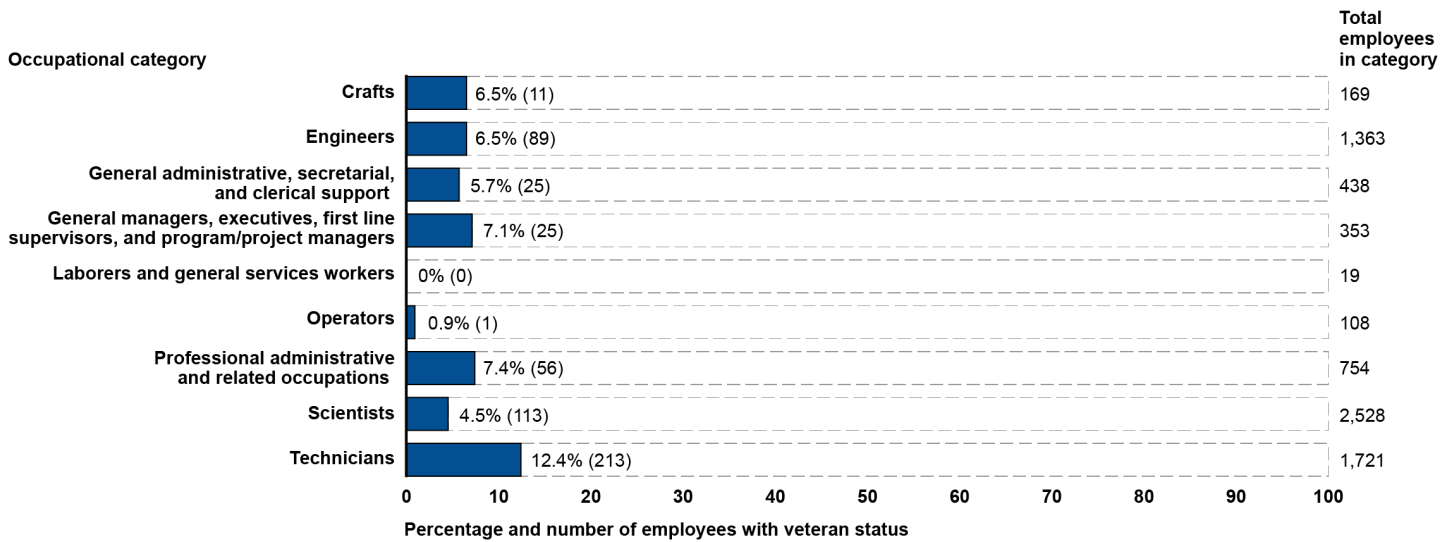
Appendix III: Race and Ethnicity, Gender, and Disability and Veteran Status for Management and Operating (M&O) Contractor Employees at Nuclear Security Enterprise Sites

Figure 6: Disability Status of Management and Operating Contractor Employees by Occupational Category at Lawrence Livermore National Laboratory (2022)



Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

Figure 7: Veteran Status of Management and Operating Contractor Employees by Occupational Category at Lawrence Livermore National Laboratory (2022)

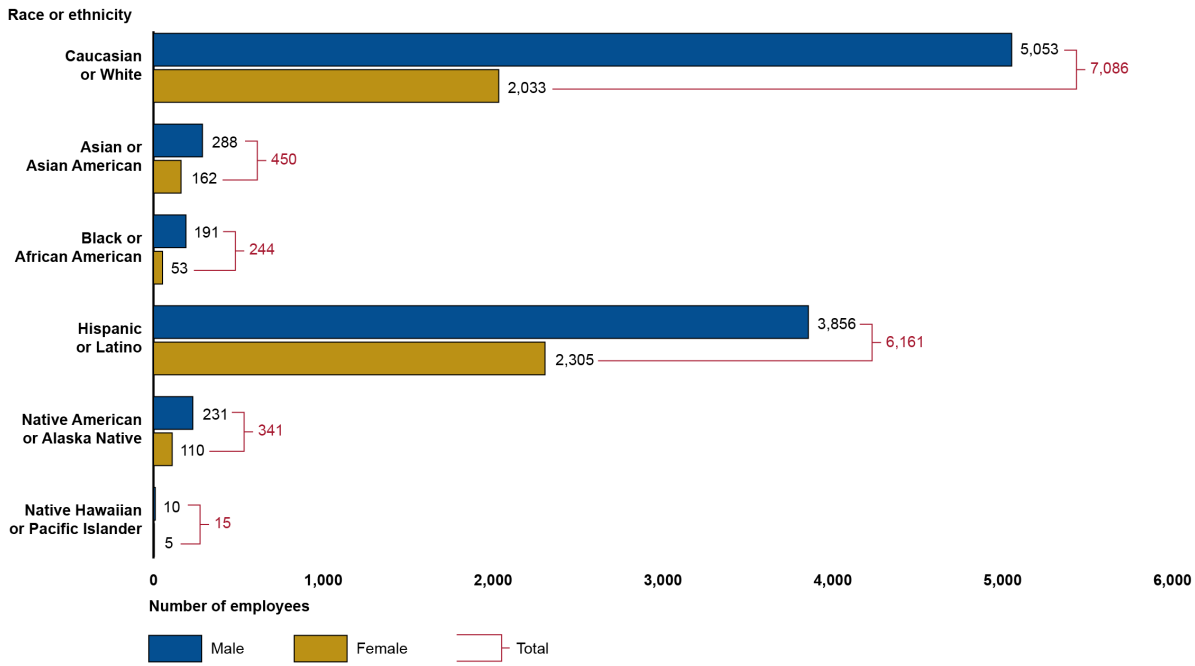


Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

Appendix III: Race and Ethnicity, Gender, and Disability and Veteran Status for Management and Operating (M&O) Contractor Employees at Nuclear Security Enterprise Sites

Los Alamos National Laboratory

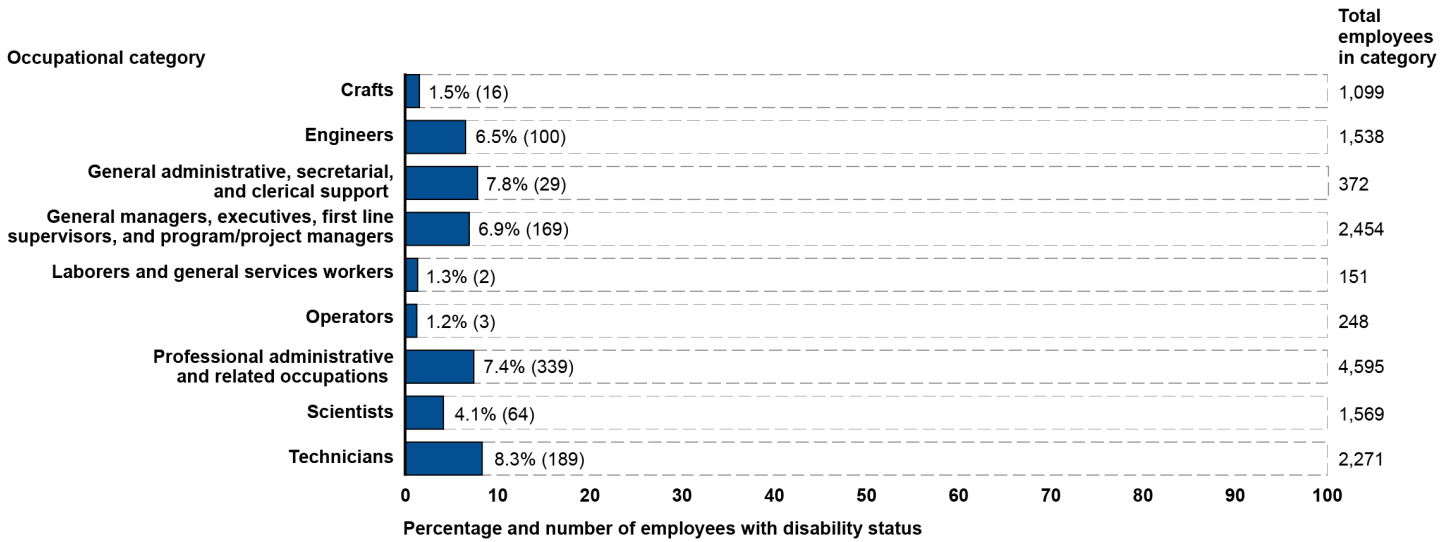
Figure 8: Race, Ethnicity, and Gender Information on Management and Operating Contractor Employees at Los Alamos National Laboratory (2022)



Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

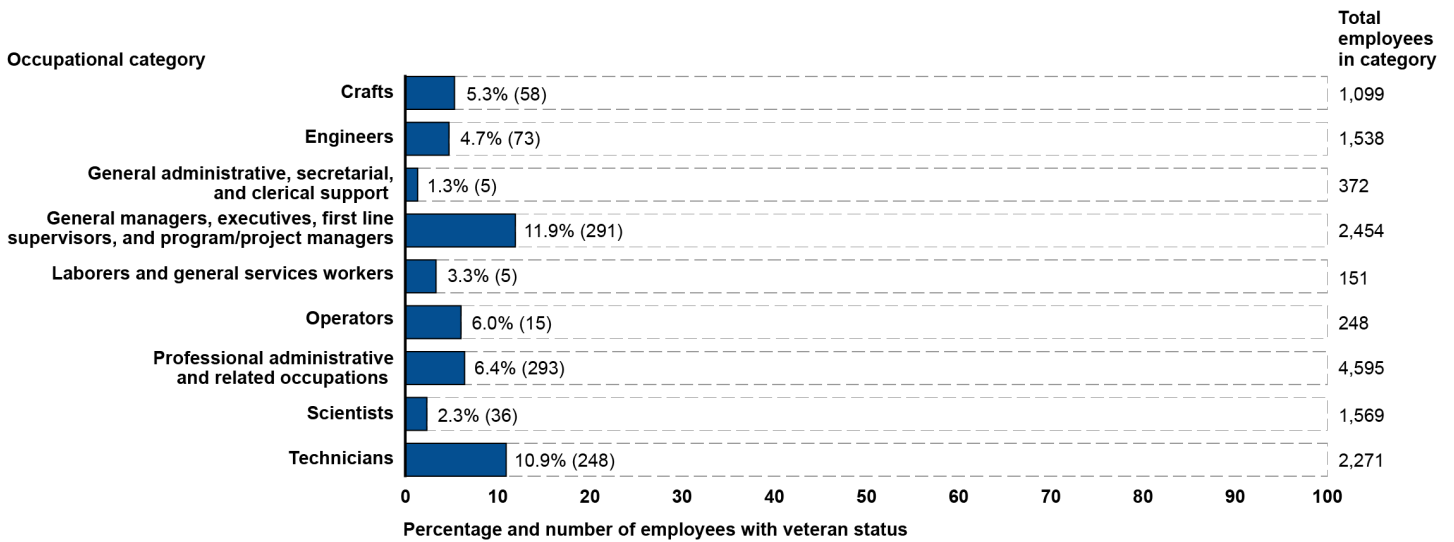
Appendix III: Race and Ethnicity, Gender, and Disability and Veteran Status for Management and Operating (M&O) Contractor Employees at Nuclear Security Enterprise Sites

Figure 9: Disability Status of Management and Operating Contractor Employees by Occupational Category at Los Alamos National Laboratory (2022)



Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

Figure 10: Veteran Status of Management and Operating Contractor Employees by Occupational Category at Los Alamos National Laboratory (2022)

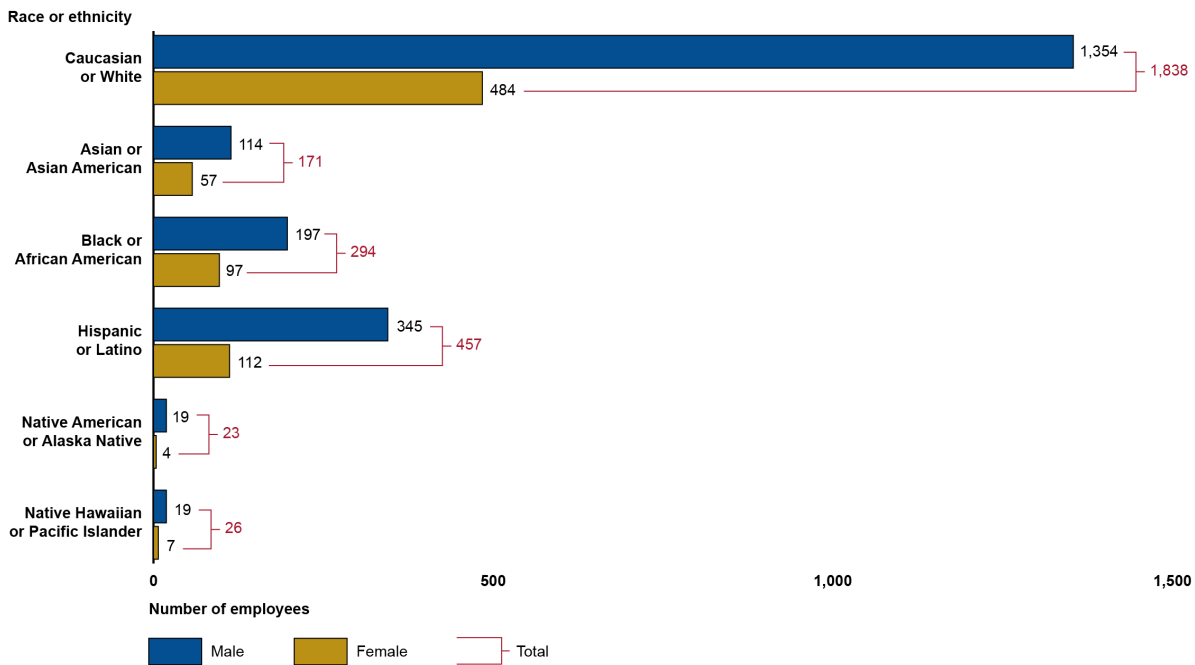


Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

Appendix III: Race and Ethnicity, Gender, and Disability and Veteran Status for Management and Operating (M&O) Contractor Employees at Nuclear Security Enterprise Sites

Nevada National Security Site

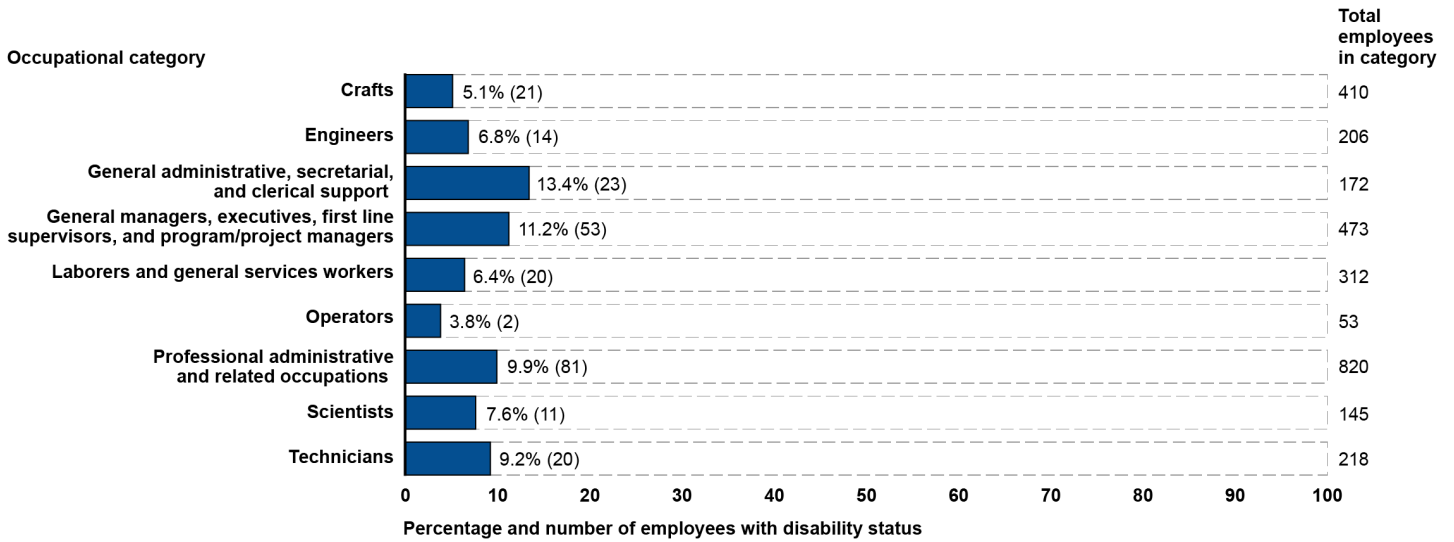
Figure 11: Race, Ethnicity, and Gender Information on Management and Operating Contractor Employees at Nevada National Security Site (2022)



Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

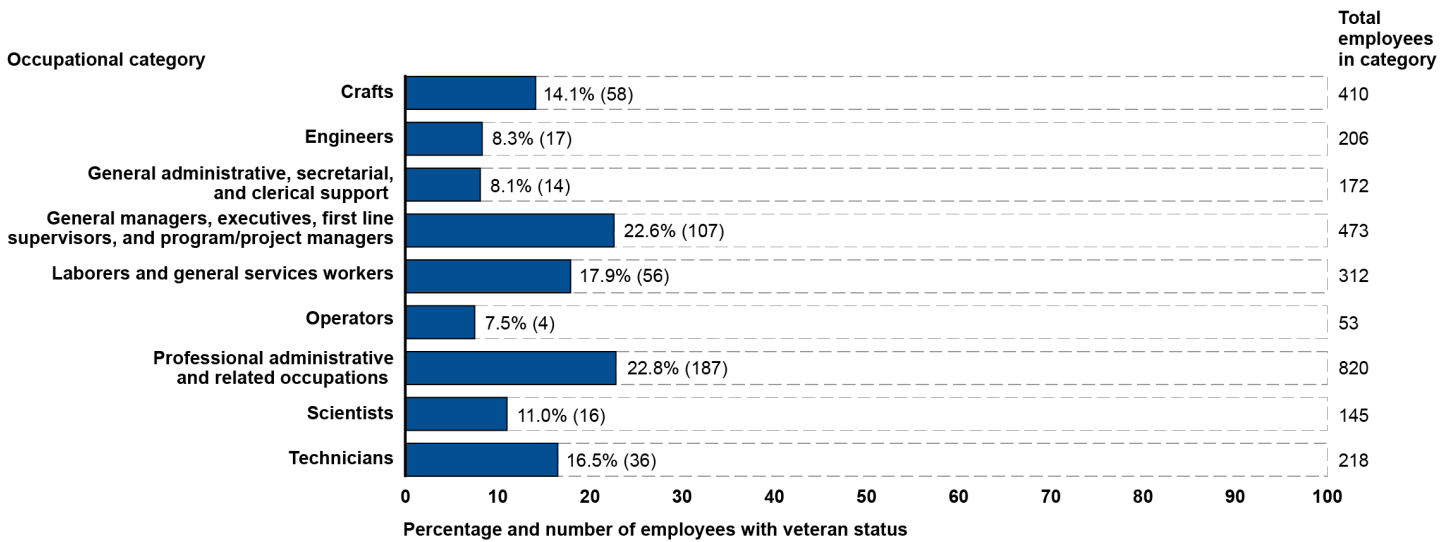
Appendix III: Race and Ethnicity, Gender, and Disability and Veteran Status for Management and Operating (M&O) Contractor Employees at Nuclear Security Enterprise Sites

Figure 12: Disability Status of Management and Operating Contractor Employees by Occupational Category at Nevada National Security Site (2022)



Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

Figure 13: Veteran Status of Management and Operating Contractor Employees by Occupational Category at Nevada National Security Site (2022)

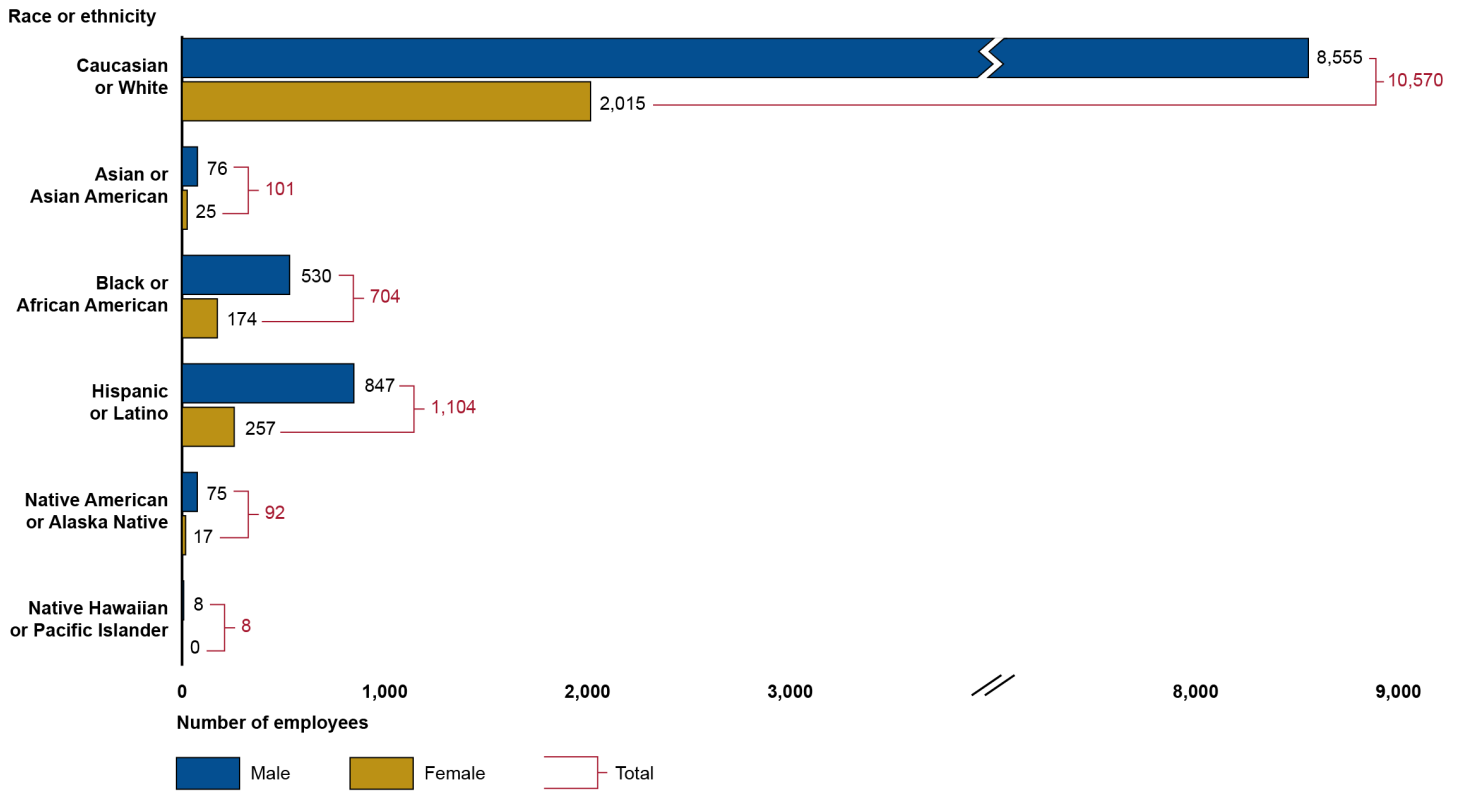


Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

Appendix III: Race and Ethnicity, Gender, and Disability and Veteran Status for Management and Operating (M&O) Contractor Employees at Nuclear Security Enterprise Sites

Pantex Plant and Y-12 National Security Complex¹

Figure 14: Race, Ethnicity, and Gender Information on Management and Operating Contractor Employees at Pantex Plant and Y-12 National Security Complex (2022)

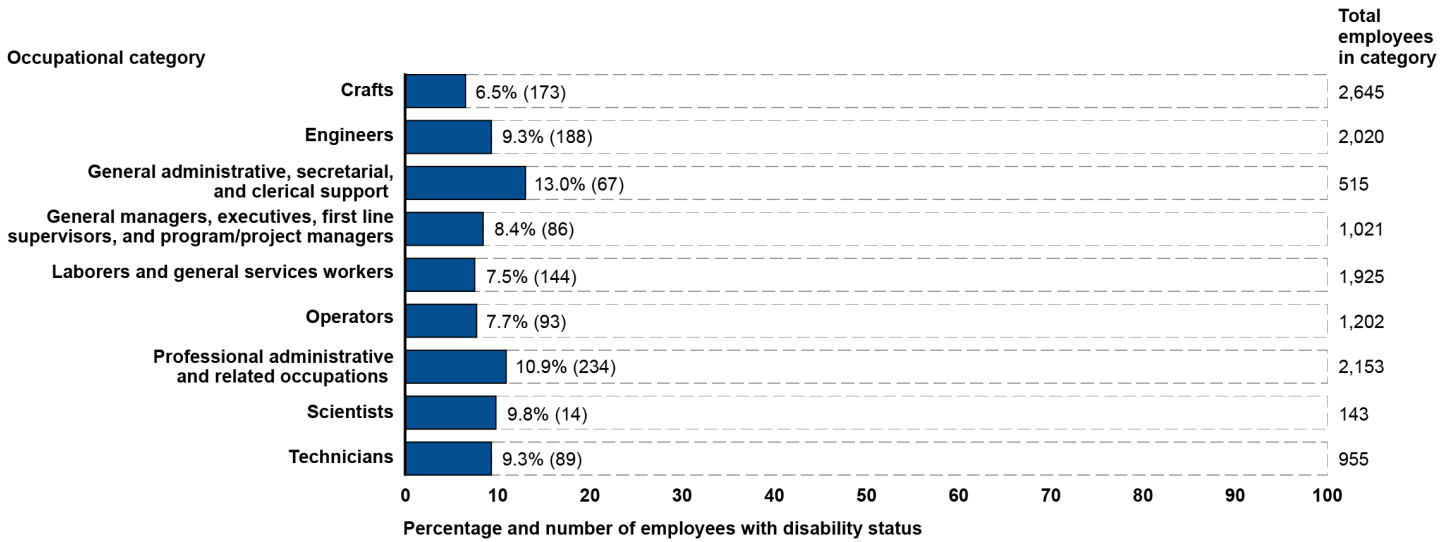


Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

¹Consolidated Nuclear Security, LLC, is the M&O contractor for both the Pantex Plant in Texas and the Y-12 National Security Complex in Tennessee. For the purposes of our report, we present the Pantex and Y-12 data combined because NNSA presented the data combined in its May 2023 M&O contractor employee diversity report.

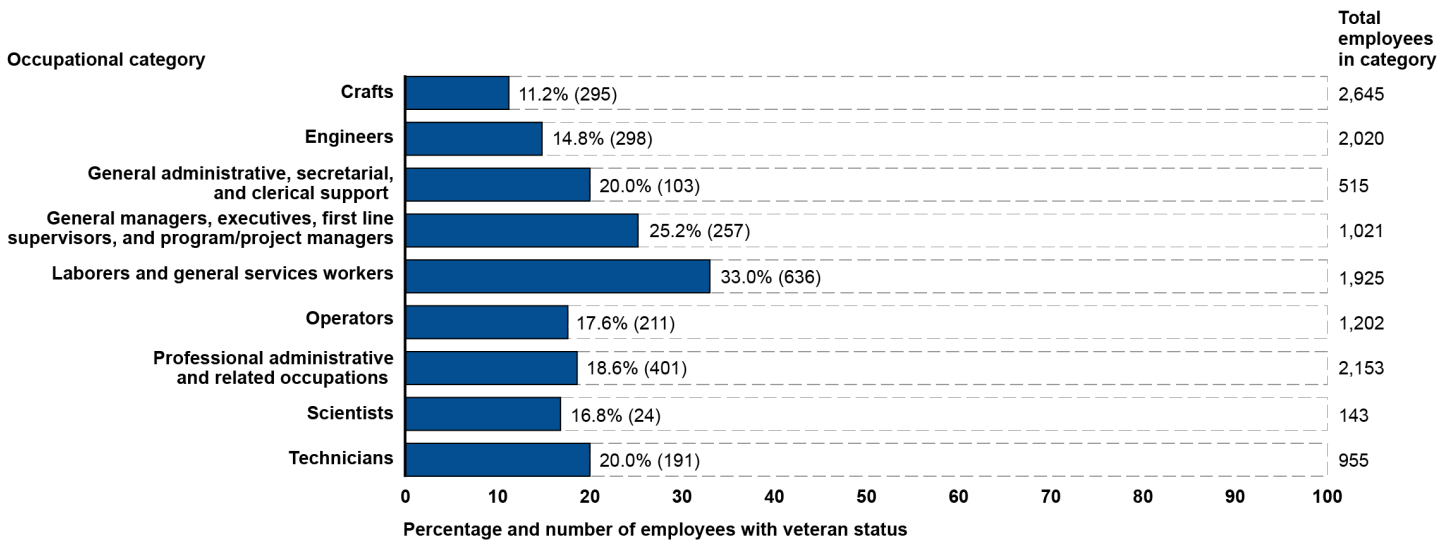
Appendix III: Race and Ethnicity, Gender, and Disability and Veteran Status for Management and Operating (M&O) Contractor Employees at Nuclear Security Enterprise Sites

Figure 15: Disability Status of Management and Operating Contractor Employees by Occupational Category at Pantex Plant and Y-12 National Security Complex (2022)



Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

Figure 16: Veteran Status of Management and Operating Contractor Employees by Occupational Category at Pantex Plant and Y-12 National Security Complex (2022)

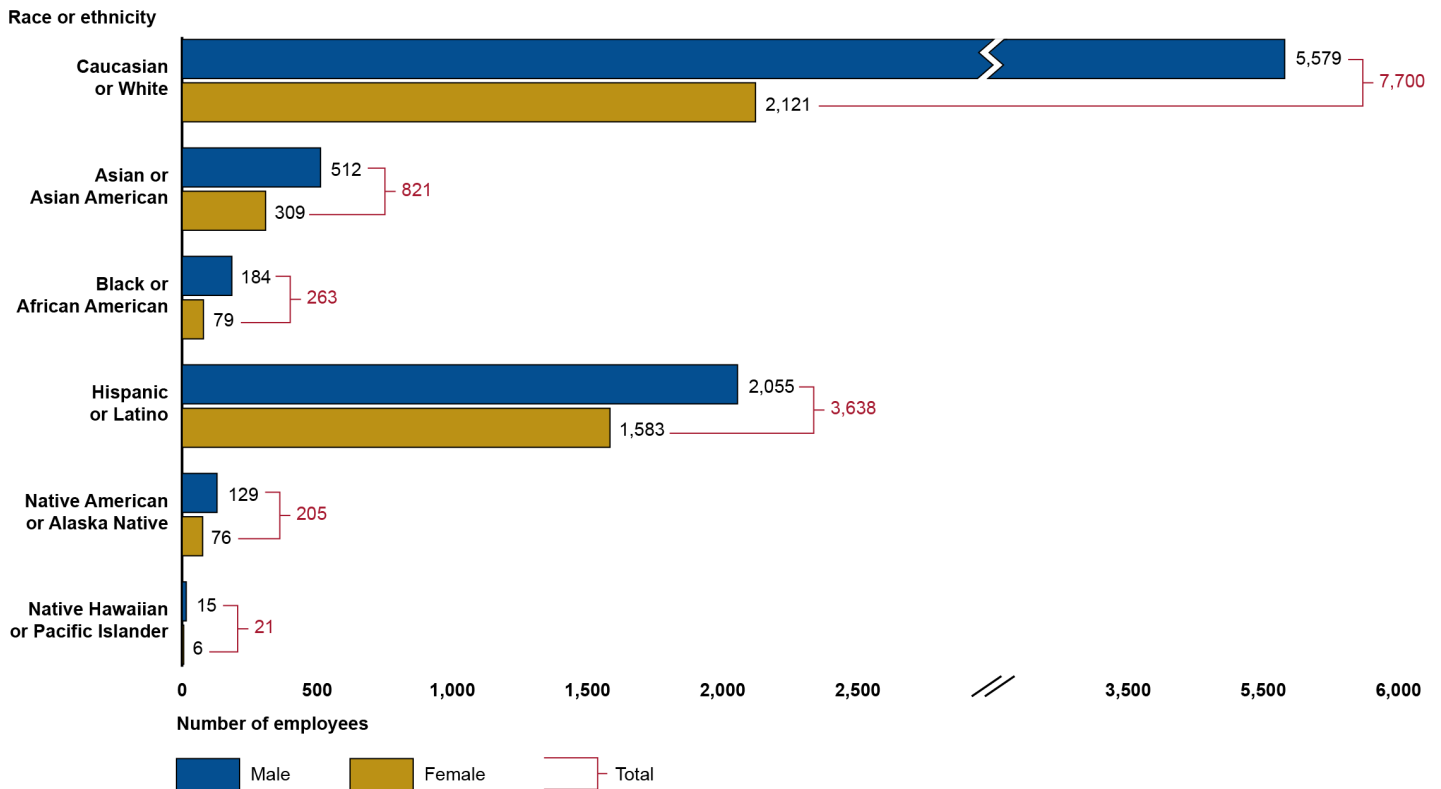


Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

Appendix III: Race and Ethnicity, Gender, and Disability and Veteran Status for Management and Operating (M&O) Contractor Employees at Nuclear Security Enterprise Sites

Sandia National Laboratories

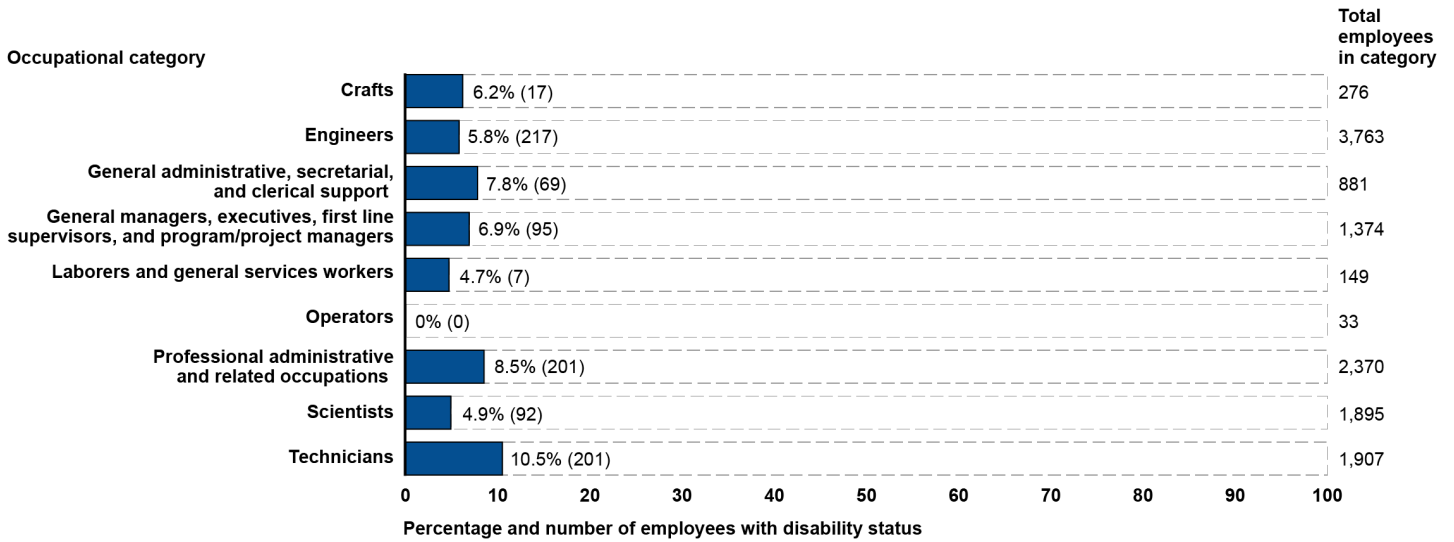
Figure 17: Race, Ethnicity, and Gender Information on Management and Operating Contractor Employees at Sandia National Laboratories (2022)



Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

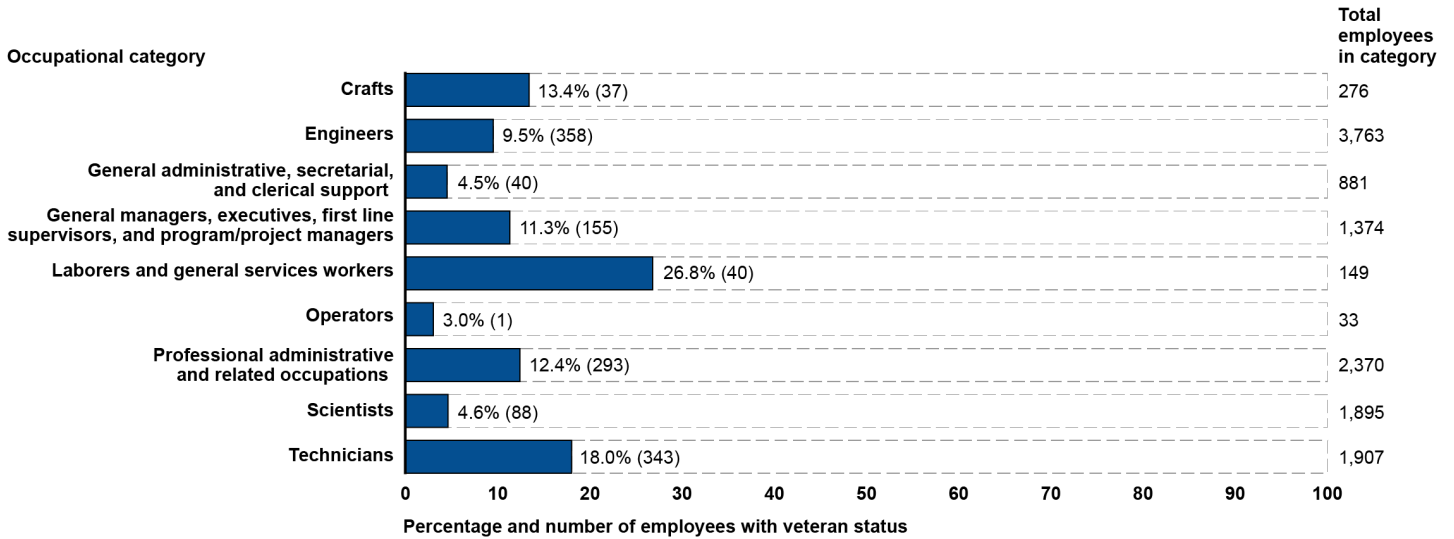
Appendix III: Race and Ethnicity, Gender, and Disability and Veteran Status for Management and Operating (M&O) Contractor Employees at Nuclear Security Enterprise Sites

Figure 18: Disability Status of Management and Operating Contractor Employees by Occupational Category at Sandia National Laboratories (2022)



Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

Figure 19: Veteran Status of Management and Operating Contractor Employees by Occupational Category at Sandia National Laboratories (2022)

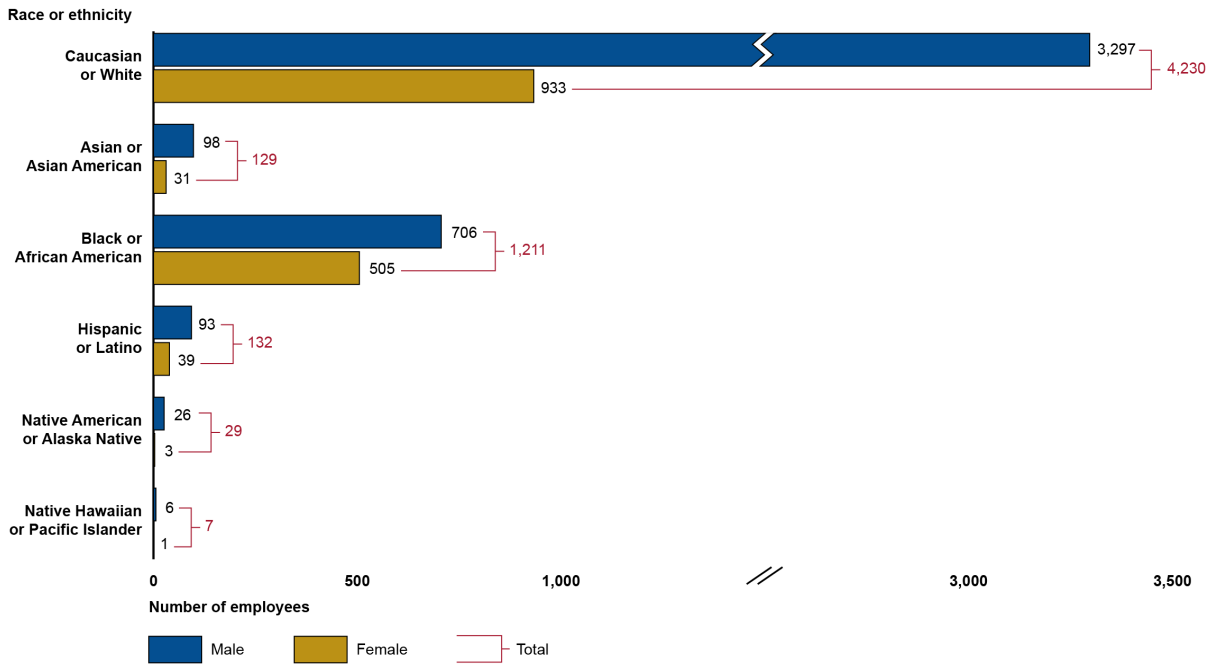


Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

Appendix III: Race and Ethnicity, Gender, and Disability and Veteran Status for Management and Operating (M&O) Contractor Employees at Nuclear Security Enterprise Sites

Savannah River Site

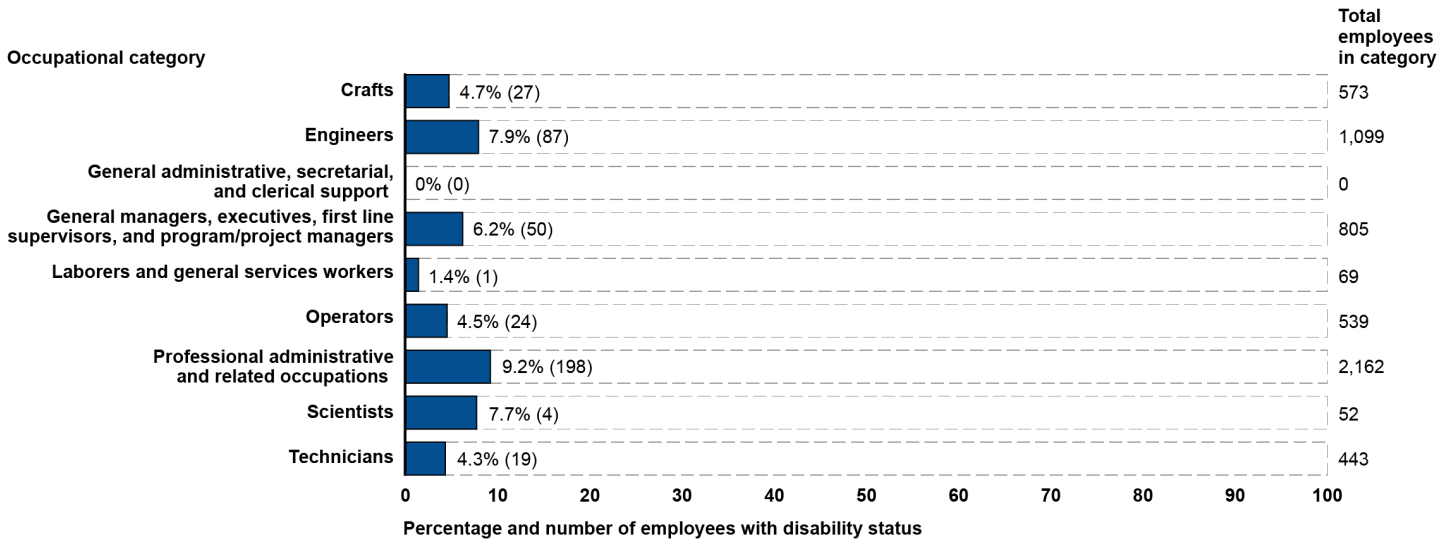
Figure 20: Race, Ethnicity, and Gender Information on Management and Operating Contractor Employees at Savannah River Site (2022)



Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

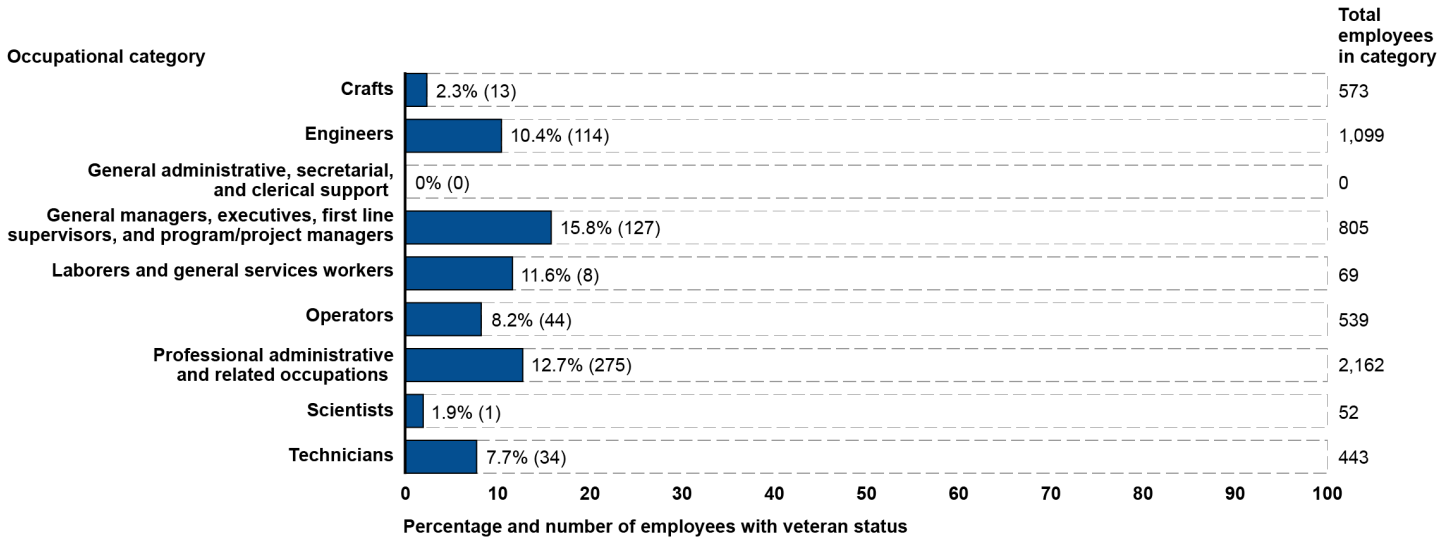
Appendix III: Race and Ethnicity, Gender, and Disability and Veteran Status for Management and Operating (M&O) Contractor Employees at Nuclear Security Enterprise Sites

Figure 21: Disability Status of Management and Operating Contractor Employees by Occupational Category at Savannah River Site (2022)



Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

Figure 22: Veteran Status of Management and Operating Contractor Employees by Occupational Category at Savannah River Site (2022)



Source: GAO analysis of National Nuclear Security Administration (NNSA) data. | GAO-24-107221

Appendix IV: Relevant Department of Energy Acquisition Regulations and Acquisition Guidance Chapter 70.2671 Guiding Principles, Objective, and Requirements for Management and Operating (M&O) Contractor Diversity Plans

Department of Energy Acquisition Regulation Section 970.2671-1 Policy.

Department of Energy (DOE) policy recognizes that full utilization of the talents and capabilities of a diverse work force is critical to the achievement of its mission. The principal goals of this policy are to foster and enhance partnerships with small, small disadvantaged, women-owned small businesses, and educational institutions; to match capabilities with existing opportunities; to track small, small disadvantaged, women-owned small business, and educational activity; and to develop innovative strategies to increase opportunities.

DOE Acquisition Regulation Section 970.2671-2 Contract clause.

The contracting officer shall insert the clause at 970.5226-1, Diversity Plan, in all management and operating contracts.

DOE Acquisition Regulation Section 970.5226-1 Diversity plan.

As prescribed in 970.2671-2, insert the following clause:

Diversity Plan

The Contractor shall submit a diversity plan to the contracting officer for approval within 90 days after the effective date of this contract (or contract modification, if appropriate). The contractor shall submit an update to its plan annually or with its annual fee proposal. Guidance for preparation of a diversity plan is provided in the appendix __ [the appendix is DOE Acquisition Guidance Chapter 70.2671]. The plan shall include innovative strategies for increasing opportunities to fully use the talents and capabilities of a diverse work force. The plan shall address, at a minimum, the contractor's approach for promoting diversity through (1) the contractor's work force, (2) educational outreach, (3) community involvement and outreach, (4) subcontracting, (5) economic development (including technology transfer), and (6) the prevention of profiling based on race or national origin.

DOE Acquisition Guidance Chapter 70.2671 Guiding Principles, Objective, and Requirements for M&O Contractor Diversity Plans

Diversity Plan Guiding Principles

- Plan for and create a more diverse workforce.
- Develop an integrated approach to managing diversity across business operations.

2.1 Diversity Plan Objective. The objective of the diversity plan, as implemented by the Department of Energy Acquisition Regulation (DEAR) 970.5226-1, “Diversity Plan” clause is to obtain the contractor’s commitment to diversity sensitivity and inclusiveness in all aspects of its business practices, the workplace, and relations with the community at large. DOE M&O contractors have the opportunity to be innovative with their diversity plans in order to increase opportunities for

- minorities,
- women,
- veterans,
- American Indians,
- Hispanics,
- Asian/Pacific Americans,
- African Americans,
- disabled, and
- other groups of workers, who, historically, have not had the opportunity to fully use their talents.

2.2 Diversity Plan Contents. DEAR 970.5226-1, “Diversity Plan” requires contractors to submit a plan within 90 days of contract award that includes innovative strategies for increasing opportunities to fully use the talents and capabilities of a diverse work force. The diversity plan should be tailored to the unique circumstances of the individual contract site (e.g., mission, organization culture). The contractor’s business and management strategies for diversity should focus on creating a work environment that accepts and respects the characteristics, skills, and experiences that each individual brings to the work environment consistent with the department’s policy on diversity (see DEAR 970.2671-1) and the department’s objectives for its diversity program (see DOE O

311.1B). Accordingly, the contractor's diversity plan should address the linkage between the following elements and the contractor's organizational business and management strategies for diversity, including the contractor's vision and definition of diversity:

2.2.1 Contractor's Workforce. The department's contracts contain clauses on Equal Employment Opportunity (EEO) and Affirmative Action (AA). The plan may discuss how the contractor has or plans to establish and maintain results-oriented EEO and AA programs in accordance with the requirements of these clauses, and how the contractor's organization includes or plans to include elements/dimensions of diversity that are targeted at enhancing such programs.

2.2.2 Educational Outreach. The plan may discuss the contractor's strategies to foster relationships with Minority Educational Institutions and other institutions of higher learning (e.g., Historically Black Colleges and Universities, Hispanic-serving institutions, and Native American institutions) to increase their participation in federally sponsored programs through subcontracting opportunities, research and development partnerships, and mentor-protégé relationships. The contractor's plan may also discuss cooperative programs which encourage underrepresented students to pursue science, engineering, and technology careers.

2.2.3 Community Involvement and Outreach. The plan may discuss the contractor's community relations activities in support of diverse elements of the local community, for example: Support for science, mathematics, and engineering education; support for community service organizations; assistance to governmental and community service organizations for equal opportunity activities; community assistance in connection with workforce reduction plans; strategic partnerships with professional and scientific organizations to enhance recruitment into all levels of the organization; and use of direct sponsorship or making individual employees available to work with a specific community activity. Also, the contractor's plan may discuss cooperative programs which encourage underrepresented students to pursue science, engineering, and technology careers.

2.2.4 Subcontracting. If appropriate to the contractor, the contract will contain FAR clause 52.219-9, entitled, "Small

Business Subcontracting Plan,” and other small business-related clauses. Additionally, the solicitation under which the contractor proposed may have contained additional guidance on small business subcontracting. The plan may discuss outreach activities and achievements for enhancing subcontracting opportunities for small businesses, small disadvantaged businesses (e.g., small businesses owned and controlled by socially and economically disadvantaged individuals, Native American Tribes, Alaska Native Corporations, or Native Hawaiian Organizations), small business firms located in historically underutilized business zones, women-owned small businesses, and veteran-owned (including service-disabled veteran-owned) small businesses. The plan may also discuss actual or planned participation in the department’s Mentor-Protégé Program.

2.2.5 Economic Development Including Technology Transfer.

Some of the department’s contracts include clauses dealing with technology transfer, DEAR 970.5227-2, 970.5227-3, 970.5227-10, and 970.5227-12. Planning or activities developed under such clauses may apply to this element of the diversity plan. Additionally, subcontracting policies and activities undertaken or planned by the contractor with small, small disadvantaged, Hubzone small business, women-owned, and veteran-owned small business concerns for the purpose of assisting the economic development of, or transferring technology to, such business concerns may be discussed.

2.2.6 Prevention of Profiling Based on Race or National

Origin. Profiling pertains to 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. The plan may discuss the contractor’s approach to preventing prohibited profiling practices, including strategies for early detection of potential profiling in the contractor’s business activities (e.g., personnel actions, security clearances).

2.3 Evaluation. The department evaluates the contractor’s performance against the requirements of the diversity plan to determine the extent to which the contractor’s performance complies with the approved plan. Evaluated performance that is less than that required under the contract may result in either a reduction in the amount of award fee awarded to the contractor or, for those contracts not containing award fee provisions,

**Appendix IV: Relevant Department of Energy
Acquisition Regulations and Acquisition
Guidance Chapter 70.2671 Guiding Principles,
Objective, and Requirements for Management
and Operating (M&O) Contractor Diversity
Plans**

other measures. For contracts that provide for an award fee, heads of contracting activities may evaluate the contractor's performance against its diversity plan under the award fee portion of the annual contract Performance Evaluation and Measurement Plan (or similar document) of the contract. To the extent that general business management is a factor in the evaluation of the contract performance relating to award fee, the diversity plan is included as an element in that evaluation. If any elements of the diversity plan are already evaluated elsewhere (e.g., subcontracting plan or technology transfer) under the contract for the purposes of award fee, those elements must not be evaluated again under the diversity plan.

Appendix V: Comments from the Department of Energy



Department of Energy

Washington, DC 20585

Ms. Allison B. Bawden
Director, Natural Resources
and Environment
U.S. Government Accountability Office
Washington, DC 20548

Dear Ms. Bawden:

Thank you for the opportunity to review the Government Accountability Office (GAO) draft report entitled: "*National Nuclear Security Administration: Guidance Enhancements Could Improve Contractors' Diversity Plans (GAO-24-107221)*". The Department of Energy, including the National Nuclear Security Administration, appreciate the auditors' observations and confirmation that the management and operating contractor diversity plans reviewed as part of this audit comply with applicable requirements, which largely overlap with GAO's leading practices for diversity management.

The enclosed Management Decision concurs with, and outlines the specific actions planned to implement, GAO's recommendation to incorporate the consideration of those leading practices into Departmental acquisition guidance. The National Nuclear Security Administration has provided technical and general comments under separate cover for your consideration to enhance the clarity and accuracy of the report.

If you have any questions about this response, please contact Jason Passaro at Jason.Passaro@hq.doe.gov or 240-364-4062.

Sincerely,

Ingrid A.C.
Kolb

Digitally signed by Ingrid
A.C. Kolb
Date: 2024.06.07
11:54:59 -0400

Ingrid Kolb
Director
Office of Management

Enclosure

**GAO Draft Report Response:
National Nuclear Security Administration: Guidance Enhancements
Could Improve Contractors' Diversity Plans (GAO-24-107221)**

Recommendation 1: *The Secretary of Energy should update the DOE Acquisition Guide for M&O contractor diversity plans to ensure the contractors consider addressing employee engagement in diversity efforts during the development of such plans, consistent with leading practices for diversity management.*

DOE Response: Concur

DOE concurs with GAO's recommendation and will update the Diversity Plan Chapter (Chapter 70) of the DOE Acquisition Guide. The update will incorporate consideration of additional best practices for diversity plan contents.

Estimated Completion Date:
December 30, 2024

Recommendation 2: *The Secretary of Energy should update the DOE Acquisition Guide for M&O contractors diversity plans to ensure the contractors consider diversity training requirements during the development of such plans, consistent with leading practices for diversity management.*

DOE Response: Concur

DOE concurs with GAO's recommendation and will update the Diversity Plan Chapter (Chapter 70) of the DOE Acquisition Guide. The update will incorporate consideration of additional best practices for diversity plan contents.

Estimated Completion Date:
December 30, 2024

Recommendation 3: *The Secretary of Energy should update the DOE Acquisition Guide for M&O contractors diversity plans to ensure the contractors consider succession planning with a diversity focus during the development of such plans, consistent with leading practices for diversity management.*

DOE Response: Concur

DOE concurs with GAO's recommendation and will update the Diversity Plan Chapter (Chapter 70) of the DOE Acquisition Guide. The update will incorporate consideration of additional best practices for diversity plan contents.

Estimated Completion Date:
December 30, 2024

Appendix VI: GAO Contact and Staff Acknowledgments

GAO Contact:

Allison Bawden, (202) 512-3841 or bawdena@gao.gov

Staff Acknowledgments

In addition to the contact named above, the following staff members made key contributions to this report: William Hoehn (Assistant Director), David Lysy (Analyst in Charge), Cindy Gilbert, Gwendolyn Kirby, Dan C. Royer, Jeanette Soares, Wesley Sholtes, and Jeff Tessin.

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