Date: June 18, 2020

Subject: Announcement of Changes to Los Alamos National Laboratory (LANL) Procurement System

Dear Valued LANL Supplier:

We are excited to announce that we have an initiative underway to transform our overall procurement process and organization at LANL. Procurement at LANL is moving toward a digital future — with new systems and streamlined processes to provide enhanced supplier collaboration. We are confident that our new procurement approach will enhance the Laboratory's mission and enable continued growth in the future. This Project Notification Letter (PNL) will provide you with information about our initiative.

Our suppliers are key business partners in supporting the Laboratory's mission. We believe that you are critical to its success and bring great value to LANL. Therefore, as part of our transformation, we are also fundamentally changing the way we approach supplier relationship management at LANL. We need your support and input as we adopt these new processes and systems, including defining our shared core values (i.e. safety, security, quality), establishing performance measures and metrics, and implementing a supplier development program. We are excited to invite you to join us on this journey!

What's changing?

We are moving to new e-commerce based systems to provide a more efficient and simplified transaction experience. These new systems will support all supplier interactions that will be completely paperless, and allow for more timely communications and transparency.

- SAP Ariba — The implementation of the SAP Ariba platform will automate our end-to-end procurement process, which includes the request for proposal, sourcing, contracting, invoicing, and payment processes, in addition to the management of supplier information. This implementation will include the Ariba Network and Ariba Discovery.
- SAP Fieldglass — The implementation of SAP Fieldglass contingent worker module will provide a centralized system for LANL to manage hiring and time tracking for our staff augmentation ("contingent worker") workforce.
- CertFocus – The implementation of CertFocus will provide for web-based certificate of insurance management system.

The Ariba Network and platform will apply to all suppliers. However, the Fieldglass module will only be used by suppliers who have staff augmentation contracts with LANL. CertFocus will only apply to select suppliers who perform on-site services.

What are the benefits to you?

We understand that these systems may be new to you and will change the way you normally work with us. But we are confident in the tangible benefits these systems provide to you as a supplier, including getting paid faster, using electronic purchase orders and invoices, tracking the status of your invoices, having more control over order processing, keeping track of documents with a searchable archive, saving time and money by eliminating paper and manual processing, and communicating more efficiently. Set-up is simple; all you need is an internet connection.

As noted, virtually all tasks will soon be digital. Certain documents you currently receive from and submit to LANL will be digitized within Ariba, Fieldglass and CertFocus. Our interactions with each other will be simpler and more standardized. The status of your opportunities, qualifications, solicitations, subcontracts, purchase orders and invoices will be available to you online 24/7/365.

What you can expect

The solutions will be rolling out in a phased approach beginning in the summer of 2020. We need each of you to support this transformational effort and be ready for the "Go-Live" date. Immediate next steps and actions are discussed below.

Future solicitations and awards will be conducted via Ariba, and will require usage of the Ariba Network. Future hiring and timekeeping for contingent workers will require usage of Fieldglass Network. Future insurance, certification and bond processing will go through CertFocus. We are committed to supporting you during this transition period.

Associated costs

There are no fees associated with establishing an Ariba Network Standard Account. Also, there are no fees at this time for Ariba Network Enterprise accounts for our small business catalog vendors or for our staff augmentation vendors transacting on the Fieldglass Network.

If you have an Ariba Network Enterprise Account that does not fall into one of the two categories identified above, you may be required to pay the subscription and transaction fees when transacting on the Ariba Network.

Action Required – Ariba Registration and Enablement Processes

You will receive important communications and instructions from Ariba for the two immediate next steps: registration and enablement in Ariba. All LANL suppliers will be invited to register in the Ariba Supplier Lifecycle & Performance tool in the near future. In addition, all suppliers will need to establish a trading relationship with LANL on the Ariba Network and configure your Ariba Network account. An invitation to accept your trading relationship request will be sent in the near future as well. We appreciate your prompt action on all communications and requests from Ariba regarding this initiative.

How can you learn more about these changes?

Information about our overall procurement system transformation and supplier reference materials on the new systems (including Frequently Asked Questions, training information, etc.) can be found on our LANL supplier website at www.lanl.gov/business.

Also, we would like you to attend a short web-based briefing with LANL and Ariba known as a Supplier Summit where you will be provided with information on:

- LANL procurement changes
- Details on the features and mutual benefits of the Ariba automated solution
- Enablement on the Ariba Network
- Instructions on next steps

Attendance is highly encouraged at the Supplier Summit as you will have the opportunity to participate in a live Q&A with experts from SAP and LANL. To register for the summit, please click on the hyperlink below. Shortly thereafter, you will receive a confirmation e-mail with instructions for joining the meeting.

Please Note: The summit presentation will contain information that may be important to other members of your organization. Please invite anyone from your organization that may benefit from the presentation. If you are unable to attend the summit presentation, a recording will be available on the LANL supplier website at www.lanl.gov/business.

Summit Title	Date	Time	Registration
Los Alamos National Laboratory Supplier Summit	Tuesday, June 23, 2020	1:00 PM – 2:00 PM MST	Register Here

We believe these improvements will strengthen our business relationship, and allow for more robust collaboration and purchasing capabilities. We look forward to welcoming you as an important partner on our journey, and thank you for your commitment!

Please contact LANL's Supplier Management Team with any questions at aribasuppliers@lanl.gov or visit our supplier website.

Thank you,

Drew Fuller

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