

eliminate the associated DM. As indicated in Attachment F-2, the MDNC facilities, including utility facilities, will not receive sufficient funding nor benefit from footprint reduction to achieve the FCI goal. In FY09, the Laboratory will evaluate a new site-wide integrated prioritization method to ensure the proper balance of sustainment funding is achieved.

### Tradeoffs to Reduce Maintenance Costs

Given the fiscal realities of declining budgets, maintenance investment decisions require consideration of potentially significant tradeoffs at the site level. FYNSP constraints are expected to result in generally flat maintenance budgets until CMRR becomes operational. Therefore, as previously stated,

to reduce the maintenance budget gap, the Laboratory must reduce the overall site footprint, enabling the maintenance budget to support remaining facilities and systems at sustainable levels. A detailed F&I funding gap analysis will be performed in FY09 utilizing updated facility inspection data, updated DM/RPV data and revised RM.

The Laboratory is refining site maintenance business practices to reduce overhead and improve safety and productivity. LANS started transforming the 60-year-old maintenance subcontracting model in FY07 by in-sourcing several functions. As a result, overhead costs dropped and efficiency increased. Further refinement of the site service model is planned in FY08 and FY09.