

The Regents of the University of California

**COMMITTEE ON GOVERNANCE
COMMITTEE ON OVERSIGHT OF THE
DEPARTMENT OF ENERGY LABORATORIES**

January 20, 2011

The Committees on Governance and Oversight of the Department of Energy Laboratories met on the above date at Price Center, San Diego campus.

Members present: Representing the Committee on Governance: Regents Blum, Lozano, Pattiz, Ruiz, Schilling, and Varner
Representing the Committee on Oversight of the Department of Energy Laboratories: Regents Blum, DeFreece, De La Peña, Marcus, Pattiz, and Varner; Ex officio members Gould and Yudof; Advisory member Simmons

In attendance: Regents Cheng, Crane, Hime, Island, Kieffer, Makarechian, Newsom, and Zettel, Regents-designate Hallett, Mireles, and Pelliccioni, Faculty Representative Anderson, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Pitts, Executive Vice Presidents Brostrom and Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Darling, Lenz, and Sakaki, Chancellors Block, Blumenthal, Desmond-Hellmann, Drake, Fox, Kang, Katehi, White, and Yang, and Recording Secretary McCarthy

The meeting convened at 9:40 a.m. with Committee on Oversight of the Department of Energy Laboratories Chair Pattiz presiding.

1. AMENDMENT OF REGENTS POLICY 7104: PROCEDURE FOR APPOINTMENT OF LABORATORY DIRECTORS

The President recommended that the Committee on Oversight of the Department of Energy Laboratories recommend that Regents Policy 7104: Procedure for Appointment of Laboratory Directors, be amended as shown in Attachment 1.

[Background material was mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Vice President Darling stated that the recommendation to revise the Regents Policy for the appointment of the three National Laboratory directors is in recognition of the fact that the Los Alamos National Laboratory (LANL) and the Lawrence Livermore National Laboratory (LLNL) are no longer managed solely by the University of California, but by two separate limited liability companies (LLCs). The proposed revision specifies two

procedures, one for the Lawrence Berkeley National Laboratory (LBNL) and another for LANL and LLNL.

Existing policy would be maintained for the LBNL, because UC is the sole manager of the LBNL and the director of the LBNL is a UC employee; however, the policy would be updated to add three features: a requirement for ongoing succession planning for the Laboratory director in preparation for future searches; an explicit commitment to diversity in seeking the most qualified candidates for Laboratory director; and a provision to include the appointment of one search committee member from the Academic Senate to be selected from a slate recommended by the Chair of the Academic Senate.

Mr. Darling turned to provisions for the LANL and the LLNL, which would have more substantial revisions recognizing the fact that both Laboratories are managed by LLCs in which the University is one of the partners, but no longer the sole manager of the Laboratories. The two Laboratory directors are employees of the LLCs and no longer employees of the University. By agreement among the LLC partners, UC has been given the primary responsibility for nominating proposed Laboratory directors to the LLCs. The University-nominated chair of the LLC board, currently Committee on Oversight of the Department of Energy (DOE) Laboratories Chair Pattiz, would nominate the proposed Laboratory directors to the LLCs. Mr. Darling stated that these proposed changes to the policy recognize the LLC management, while retaining the essence of the former University policy.

Mr. Darling indicated that Committee on Oversight of the DOE Laboratories Chair Pattiz, in his capacity as the University-appointed chair of the LLC board, and President Yudof would appoint a search committee composed of members of the LLC board, Regents, UC faculty, one member from the Academic Senate to be selected from a slate recommended by the chair of the Academic Senate, and others with appropriate experience.

The chair of the LLC board would convene the search committee who would conduct a national search, decide which candidates the search committee should interview, and recommend the candidate to be appointed at either LANL or LLNL to the Chairman of the Board of Regents, the Chair of the Committee on Oversight of the DOE Laboratories, and the President of the University for their concurrence. Mr. Darling indicated that, following concurrence, the chair of the LLC board would then present the University's nominee to the LLC executive committee for its consideration and for approval by the LLC chairman and the vice chairman, a representative of Bechtel. The chair of the LLC board would then recommend the proposed candidate to the DOE for approval.

The proposed revisions to the policy pertaining to LANL and LLNL also include provisions identical to the LBNL provisions regarding succession planning, commitment to diversity, and appointment of a member of the Academic Senate to the search committee.

Regent Varner noted that these revisions are appropriate since they are consistent with the operating agreements for the LLCs and the current operations of the Laboratories.

Upon motion duly made and seconded, the Committee on Oversight of the DOE Laboratories approved the President's recommendation and voted to present it to the Board.

2. **AMENDMENT OF STANDING ORDER 100.4, DUTIES OF THE PRESIDENT OF THE UNIVERSITY, TO AUTHORIZE THE PRESIDENT TO EXECUTE CERTAIN AMENDMENTS TO THE DEPARTMENT OF ENERGY CONTRACT FOR THE LAWRENCE BERKELEY NATIONAL LABORATORY**

The President recommended that the Committee on Oversight of the Department of Energy Laboratories recommend that:

1. Standing Order 100.4(dd)(2) be amended as shown in Attachment 2; and
2. Pursuant to Bylaw 7.3, the notice requirement in Standing Order 130.1 be suspended.

[Background material was mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Vice President Darling explained that the Regents have delegated to the President the ability to approve University contracts, with some notable exceptions, including any changes to the Lawrence Berkeley National Laboratory (LBNL) contract. Therefore, any changes to the LBNL contract have been brought to the Regents on a routine basis. Mr. Darling pointed out that the number of such items has been increasing and that the items are largely routine. The current recommendation would amend the Standing Orders to delegate to the President the authority to approve routine contract amendments to the LBNL prime contract. Examples include accounting and reporting requirements for federal stimulus funding, or small business subcontracting provisions. These routine amendments typically incorporate standard federal and Department of Energy (DOE) contract changes into the LBNL contract while imposing no management, legal, or financial risks to the University.

Committee on Oversight of the DOE Laboratories Chair Pattiz noted that the National Laboratories' ability to work for other agencies of the federal government or private sector clients may be expanded. He stated his support for such expansion, which could be a source of further revenue for the University.

Upon motion duly made and seconded, the Committee on Oversight of the DOE Laboratories approved the President's recommendation and voted to present it to the Board.

The meeting adjourned at 9:50 a.m.

Attest:

Secretary and Chief of Staff

Additions shown by underscoring; deletions shown by strikethrough

**Regents Policy 7104: ~~PROCEDURE FOR APPOINTMENT~~ POLICY ON SELECTION
OF LABORATORY DIRECTORS**

~~That the following procedure for appointment of Directors of the three major Department of Energy Laboratories be endorsed by The Regents and be utilized for an experimental period, subject to review after appropriate experience:~~

- A. Procedure for the Appointment of a Director of the Lawrence Berkeley National Laboratory
- (1) The President will engage in succession planning for the position of Director of the Lawrence Berkeley National Laboratory in support of the systematic nationwide search that will be undertaken each time a vacancy occurs.
 - (2) When a vacancy occurs or is imminent in the position of Director of the Lawrence Berkeley National Laboratory, a joint Committee, including Regents and others, will be appointed to advise the President of the University. The Committee will consist of five Regents appointed by the Chairman of the Board, five members appointed by the President of the University from the University's faculty, research scientists, and research administrators (including one Academic Senate member selected from a slate of faculty with appropriate expertise that is proposed by the Chair of the Academic Senate), and the Chairman of the Board and the President of the University, ex officio. The President of the University will convene the Committee.
 - (3) The President of the University will submit to the Committee for evaluation not ~~less~~ fewer than five nor more than fifteen names of candidates whom he or she considers promising. The Committee will evaluate these nominations of the President and may consider or suggest other names. It may interview candidates. It will solicit the opinions of other interested groups in whatever manner it considers appropriate.
 - (4) Both the Committee and the President shall be mindful of the University's firm commitment to diversity in the employment of women and minorities in seeking out the most qualified candidates.

- (5) After the Committee has completed its evaluations and advised the President of the University, ~~he~~ the President will make his or her recommendation to the Regents through the Committee on Oversight of the Department of Energy Laboratories for consideration and approval.

(~~ Revised to update Atomic Energy Commission to Department of Energy and Committee on Special Research Projects to Committee on Oversight of the Department of Energy Laboratories.~~)*

B. Procedure for Nomination of Los Alamos National Security, LLC (LANS) and Lawrence Livermore National Security, LLC (LLNS) Laboratory Directors (and LLC Presidents)

- (1) The Chairman of the LANS and LLNS LLC Board of Governors will engage in succession planning for the position of Director of the Los Alamos National Laboratory and the Director of the Lawrence Livermore National Laboratory in support of the systematic nationwide search that will be undertaken each time a vacancy occurs.
- (2) When a vacancy occurs or is imminent in the position of the Director of the Los Alamos National Laboratory or the Lawrence Livermore National Laboratory, the University-appointed Chairman of the LLC Board of Governors and the President of the University will appoint a Committee to advise the Chairman of the LLC Board. The Committee will consist of members drawn from the LLC Board of Governors, Regents, and members of the University of California faculty as well as others with appropriate expertise and experience, and will include one Academic Senate member selected from a slate of faculty with appropriate expertise that is proposed by the Chair of the Academic Senate. The Chairman of the LLC Board will convene the Committee.
- (3) The Chairman of the LLC Board will submit to the Committee for evaluation an appropriate list of candidates (typically not fewer than five or more than fifteen) whom he or she considers promising. The Committee will evaluate these nominations and may consider or suggest other names. It may interview candidates. It will solicit the opinions of other interested groups in whatever manner it considers appropriate.
- (4) Both the Committee and the Chair of the LLC Board shall be mindful of the University's and the LLC's firm commitment to diversity in the employment of women and minorities in seeking out the most qualified candidates.
- (5) After the Committee has completed its evaluations and advised the Chairman of the LLC Board, the Chairman of the LLC Board will make his or her recommendation to the Chairman of the Regents, the Chairman of the Committee on Oversight of the Department of Energy Laboratories, and the President of the University for consideration and concurrence.

ATTACHMENT 2

Deletions shown by ~~strikeout~~; additions shown by underscore

STANDING ORDER 100.4

DUTIES OF THE PRESIDENT OF THE UNIVERSITY

(dd)

Except as otherwise specifically provided in the Bylaws and Standing Orders, the President is authorized to execute on behalf of the Corporation all contracts and other documents necessary in the exercise of the President's duties, including documents to solicit and accept pledges, gifts, and grants, except that specific authorization by resolution of the Board shall be required for documents which involve or which are:

1. Exceptions to approved University programs and policies or obligations on the part of the University to expenditures or costs for which there is no established fund source or which require the construction of facilities not previously approved.
2. Renewal or modification of the prime contracts with the Department of Energy for the operation of the Ernest Orlando Lawrence Berkeley National Laboratory, the Los Alamos National Laboratory or the Lawrence Livermore National Laboratory that, in the opinion of the General Counsel, would constitute a cardinal change as a matter of law; and renewals or substantive modifications of the Los Alamos National Security LLC and Lawrence Livermore National Security LLC Agreements; ~~and modifications to the prime contracts pertaining to the Los Alamos National Laboratory or the Lawrence Livermore National Laboratory that would constitute a cardinal change.~~