

Eighth Set of
Questions & Answers to the Final RFP

Reference: Section b-2(b) (1)

Question: In question set 6, a response to a question referencing Section b-2 (b) (1), NNSA responded that *“Is it not intended that the fee/incentive structures for CLIN 0001 and CLIN 0002 be developed by the government and contractor during transition. The fee/incentive structures for CLIN 0001 and CLIN 0002 will be proposed by the offeror, evaluated by the Government for selection, and will be incorporated into the Contract.”* This answer appears to introduce a new RFP requirement for the offeror to propose an incentive structure for CLIN-0001. Will there be an amendment to provide specific guidance on where this is to be addressed in Sections L-12, L-13 or L-14?

Answer: The referenced answer to the question in set 6 was not intended to mean that offerors propose an incentive structure for CLIN 0001. The CLIN 0001 information in Section B will be completed, in part, utilizing the fees and share in savings proposed. Accordingly, there is no need to amend the RFP to provide guidance on this subject since offerors are not required to propose an incentive structure for CLIN 0001 as they are for CLIN 0002. Details regarding what the Offeror shall propose for each CLIN are available in Section L.

Reference: Section L, Attachment E, Table 1

Question: In question set 3, NNSA responded that the cost reduction proposal savings in Table 1 of Section L, Attachment E are to be net savings, as defined in Section I, I-19, DEAR 970.5215-4, Cost Reduction. This would imply that any investment cost is included in net savings for a particular year. This causes an issue in calculating the Cumulative Savings column, as the RFP provided the calculation as being; $(A1*10) + (A2*9) + \dots (A10*1)$. If the investment cost is included in the net savings, then applying that net savings for the remainder of the contract term implies the investment occurs every year for the remainder of the contract term. For example, a \$2M gross savings in year 1, less a \$1M one-time investment results in a net savings of \$1M. Per the formula, $\$1M \times 10$ years is a \$10M cumulative savings. However, the true savings are \$1M in year 1 plus \$2M per year thereafter, for a total of \$19M ($(\$1M \times 1 \text{ year}) + (\$2M \times 9 \text{ years})$). Will NNSA consider revising the formula or providing additional direction on how to account for capital investments in Attachment E?

Answer: The Cost Reduction Proposal Savings row in Section L, Attachment E represents the new net savings initiatives for that particular year which is the difference between the hard savings and the execution costs.