

Contract Strategy for National Nuclear Security Administration Nuclear Weapons Complex - Request for Information

Notice Date

9/10/2007

Notice Type

Special Notice

NAICS

561210

Contracting Office

U.S. Department of Energy, National Nuclear Security Administration (NNSA),
NNSA Service Center, M&O Contract Support Division, PO Box 5400,
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Solicitation Number

To be Determined

Response Due

10/01/2007

Description

PURPOSE OF THIS REQUEST FOR INFORMATION

The National Nuclear Security Administration (NNSA) is planning to develop and implement a contracting strategy to replace or revalidate the current approach of having separate Management and Operating (M&O) contracts at eight government-owned facilities. Our intention is to have one or more contracts (which may continue to be M&O contracts or could take other appropriate forms) that will promote effective and efficient technical and business operations in support of a more responsive and affordable Nuclear Weapons Complex (NWC). It should be noted that the NWC, while often defined as the eight current NNSA-designated Government-Owned Contractor Operated (GOCO) facilities listed in Table 1, in actuality comprises a broader scope, including Federal facilities, other DOE GOCOs, specialized facilities at universities, specialized facilities at industrial sites, and a significant multi-tier private sector supply chain. While recognizing that the primary focus of an acquisition strategy needs to be on the current NNSA GOCOs, this need not be the sole focus. We are open to consideration of a facilities-based approach (perhaps combining two or more sites under a single contract) and/or a function-based approach (providing to some

or all locations such capabilities as purchasing, financial management, information technology services and management, etc.). The purpose of this Request for Information (RFI) is to initiate an exchange of information with industry and other interested parties including other Federal agencies on potential acquisition alternatives and associated risks and costs for achieving NNSA objectives while promoting vigorous full and open competition. The NNSA Service Center has established a website at www.doeal.gov/mocontracts/ for the dissemination of information relating to this initiative. This website will be the principal distribution medium for the exchange of information among all interested parties. NNSA is requesting that written comments be submitted to Mr. Daniel Saiz, Contracting Officer, via e-mail at dsaiz@doeal.gov no later than October 1, 2007. At a later point in this process, NNSA may invite industry and other interested parties to request a one-on-one meeting with NNSA to discuss their ideas with NNSA face-to-face. NNSA will protect information on the identity of any respondent who requests in writing to remain anonymous.

OVERVIEW OF NNSA M&O CONTRACTS

NNSA manages three nuclear weapons laboratories [Lawrence Livermore National Laboratory (LLNL), Los Alamos National Laboratory (LANL), and Sandia National Laboratories (SNL)], four production plants [Kansas City Plant, Pantex Plant, Y-12 Plant and Savannah River Site (SRS) Tritium Operations], and the Nevada Test Site under eight M&O contracts listed in Table 1. Table 2 lists common support costs for each site from the Department's annual Support Cost by Functional Activity Report which is on the NWC Contract Strategy website. That report provides definitions and more detailed data on all NNSA and DOE sites. Production operations are performed at the four production plants and also at LANL and SNL as summarized on Table 3.

TABLE 1
NNSA M&O CONTRACTS – Key Dates

SITE	M&O CONTRACTOR	START DATE	END DATE WITHOUT AWARD TERM	LATEST END DATE WITH AWARD TERM *
LLNL	Lawrence Livermore National Security (LLNS)	10/1/2007	9/30/2014	9/30/2027
LANL	Los Alamos National Security (LANS)	6/1/2006	9/30/2013	9/30/2026
SNL	Lockheed Martin	3/30/1993	9/30/2008	9/30/2012
Kansas City Plant	Honeywell Federal Manufacturing and Technologies	1/1/2001	12/31/2010	NA
Pantex Plant	BWXT Pantex	1/31/2001	9/30/2010	NA
SRS Tritium Operations	Washington Savannah River Company (WSRC)	10/1/1996	6/30/2008 (currently being competed)	NA
Y-12 Plant	BWXT Y-12	9/30/2000	9/30/2010	NA
Nevada Test Site	National Security Technologies (NSTec)	7/1/2006	6/30/2011	6/30/2016

*NNSA's Award Term approach allows contractors to earn an additional year of contract term if they meet specified performance expectations during specified years of performance. The dates in this column are the latest contract expiration dates if the contractors were to earn each of the remaining available award term periods under the applicable contracts.

TABLE 2
FY2006 SUPPORT COSTS BY FUNCTIONAL ACTIVITY

	FY06 \$000							
	KCP	Y-12	PTX	NTS	SNL	LANL	LLNL	SRS** All Activities
Total Cost	\$509,716	\$830,873	\$477,423	\$632,638	\$2,272,618	\$2,147,997	\$1,600,696	\$1,675,307
Capital Construction	\$20,060	\$96,821	\$29,343	\$25,069	\$212,445	\$176,616	\$190,081	\$71,042
Mission Direct Operations	\$281,391	\$240,861	\$131,459	\$337,676	\$1,288,581	\$1,023,325	\$848,708	\$810,796
Total Support Cost	\$208,265	\$493,191	\$316,621	\$269,893	\$771,592	\$948,056	\$561,907	\$793,469
% of Total Cost	40.86%	59.36%	66.32%	42.66%	33.95%	44.14%	35.10%	47.36%
Total General Support Cost	\$68,919	\$116,359	\$51,405	\$59,613	\$286,403	\$308,872	\$191,783	\$182,919
% of Total Cost	13.52%	14.00%	10.77%	9.42%	12.60%	14.38%	11.98%	10.92%
Exec Direction	\$5,065	\$9,114	\$1,555	\$2,726	\$24,311	\$21,417	\$18,535	\$8,036
HR	\$3,495	\$16,300	\$6,740	\$4,462	\$30,707	\$22,827	\$18,246	\$13,123
CFO	\$6,414	\$8,655	\$4,876	\$4,769	\$11,563	\$14,740	\$7,964	\$12,517
Procurement	\$7,558	\$5,210	\$4,090	\$3,534	\$17,311	\$18,497	\$15,063	\$16,331
Legal	\$925	\$4,495	\$1,228	\$751	\$6,777	\$9,434	\$3,154	\$3,932
Central Admin Services	\$288	\$11,825	\$7,375	\$7,134	\$15,552	\$23,271	\$20,453	\$12,376
Program/Project Control	\$8,688	\$21,217	\$8,177	\$8,075	\$55,893	\$14,096	\$3,182	\$36,538
Information Outreach	\$4,742	\$4,559	\$1,528	\$2,477	\$13,084	\$33,516	\$19,146	\$5,107
Information Services	\$31,703	\$24,267	\$15,754	\$23,303	\$111,657	\$146,939	\$81,714	\$42,981
Other	\$41	\$10,717	\$82	\$2,382	-\$452	\$4,135	\$4,326	\$31,978
Total Mission Support Cost	\$109,405	\$340,196	\$235,298	\$177,792	\$287,639	\$504,667	\$305,100	\$498,226
% of Total Cost	21.46%	40.94%	49.29%	28.10%	12.66%	23.49%	19.06%	29.74%
Environmental	\$4,889	\$9,359	\$10,805	\$3,234	\$11,262	\$23,132	\$18,250	\$18,693
Safety & Health	\$5,131	\$46,048	\$46,123	\$22,902	\$50,408	\$80,995	\$55,055	\$130,196
Facilities Mgmt	\$12,587	\$21,977	\$20,119	\$11,572	\$74,448	\$84,811	\$52,755	\$28,822
Maintenance	\$37,573	\$78,585	\$45,236	\$33,061	\$46,462	\$74,762	\$51,718	\$106,184
Utilities	\$14,761	\$42,283	\$11,528	\$14,291	\$25,979	\$65,018	\$32,741	\$51,594
Safeguards & Security	\$11,516	\$107,251	\$78,987	\$52,850	\$64,373	\$118,466	\$59,081	\$91,697
Logistics Support	\$7,741	\$5,757	\$9,136	\$13,254	\$13,359	\$11,958	\$10,244	\$25,801
Quality Assurance	\$9,577	\$11,329	\$6,755	\$5,758	\$1,348	\$38,243	\$6,262	\$21,178
Laboratory/Tech Support	\$5,630	\$17,607	\$6,609	\$20,870	\$0	\$7,282	\$18,994	\$24,061
Total Site Specific Support Cost	\$29,941	\$36,636	\$29,918	\$32,488	\$197,550	\$134,517	\$65,024	\$112,324
% of Total Cost	5.87%	4.41%	6.27%	5.14%	8.69%	6.26%	4.06%	6.70%
Fee	\$26,690	\$31,300	\$27,500	\$20,913	\$26,045	\$32,616	\$13,888	\$111,206

Taxes	\$2,307	\$1,465	\$888	\$7,199	\$67,578	\$15,477	\$263	\$610
LDRD/PDRD/SDRD	\$944	\$3,871	\$1,530	\$4,376	\$103,927	\$86,424	\$50,873	\$508

** SRS Tritium Operations are about 12% of total SRS activities' costs

TABLE 3
SCOPE OF PRODUCTION WORK AT NWC SITES
(FY2008 Budget data)

SITE	LOCATION	WORK FORCE SIZE	PROPOSED 2008 BUDGET	MAJOR PRODUCTION ACTIVITIES
Kansas City Plant	Missouri	2,665	\$410M	Electronic & Electro Optical devices, plastic and machined parts, tritium reservoirs, safeguards transporter manufacturing
	New Mexico			
Y-12 Plant	Tennessee	4,250	\$886M	Uranium machining, case parts, uranium recycle and storage
Pantex Plant	Texas	3,290	\$538M	Nuclear Weapon Assembly/Disassembly, High Explosives fabrication
SRS Production	South Carolina	1,245	\$189M	Recycling tritium from weapons, producing new tritium, and filling tritium bottles
SNL Production	New Mexico	526	\$115M	Neutron Generators, weapons part acquisition, micro electronic parts manufacturing
LANL Production	New Mexico	1,547	\$234M	Pits, detonators, beryllium parts fabrication
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	TOTAL	13,523	\$2,372M	

NOTE: LLNL and NTS are not listed on this table because they do not have any production missions.

POTENTIAL ACQUISITION ALTERNATIVES

NNSA is interested in an acquisition strategy that will result in complex-wide improvements in the following areas:

- More uniform program execution with improved integration of resources and priorities;
- Increased standardization of technical processes and application of best practices to improve processes and capabilities;
- Improved inter-site coordination, cooperation, information sharing and technical integration;
- Improved workforce planning, maintenance of critical skills, and human capital management;
- Reduced cost and improved performance through streamlining of the organization with reduction of management layers, elimination of unnecessary redundancies, outsourcing appropriate activities, and integration and leveraging of technical and business expertise at multiple sites;

- Increased contractor authority and accountability in accomplishing the NNSA mission; and
- Sustained competition.

Any and all options that will assist NNSA in realizing its desired results are open for consideration. NNSA requests that respondents identify specific acquisition alternatives and discuss the advantages, disadvantages, constraints, risks, costs, and trade-offs associated with each alternative. Multiple alternatives with the requested information are welcome. Responses to this RFI could include, but are not limited to, consolidation of M&O contracts, use of other types of contracts on a single or multiple facility basis, use of function-based contracts (i.e. construction, information technology) applicable to two or more sites (with provision to be expanded to other sites), transfer of discrete work scope from one or more current contract(s) to other existing or new contracts. NNSA emphasizes that any and all options are open for consideration, and respondents are requested not to limit responses only to the possibilities identified in this announcement.

NNSA is also interested in receiving input regarding alternative contract provisions including but not limited to terms associated with contract type and attendant liability and fee; government furnished facilities; government furnished equipment; government furnished information; innovative workforce strategies (loaned personnel, temporary or limited term hiring); innovative subcontracting strategies (perhaps associated with anticipated long-term other funding sources or sponsorship); and work for others. Input should reflect NNSA's desired results as identified above.

Disclaimer

This RFI is issued solely for information and planning purposes and does not constitute a solicitation. In accordance with FAR 15.201 (e), responses to this notice are not offers and cannot be accepted by the Government to form a binding contract. Respondents are solely responsible for all expenses associated with responding to this RFI and responses to this RFI will not be returned.

Source

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