

Second Set of
Questions & Answers to the Draft RFP

Question: I am looking at DE-SOL-0001458 "Management & Operating (M&O) for Y-12 National Security Complex (Y-12), Pantex Plant Site (PX), & Savannah River Site (SRS)." Any word on when the RFP for this opportunity may be released? I appreciate your time.

Answer: We will continue to update the NNSA Web Site on the status of the procurement. As discussed on previous occasions, NNSA has stated final RFP would be released in approximately 30-60 days after the comment period closed, depending on the comments received.

Question: Due to their smaller number of employees, small businesses cannot obtain the same insurance coverage levels as large businesses without paying substantially greater fees. Thus, to ensure that incumbent employees will have the required level of benefits whether they work for a large business prime or a small business subcontractor, the site will need multi-employer insurance plans, so all employers can acquire similar coverage for the same price. Will DOE allow multi-employer insurance plans?

Answer: Although DOE does not specifically prohibit it, creating a new multi-employer insurance plan is not a preferred arrangement; however, if such an arrangement could be shown to be cost-effective and beneficial, it may be presented to the Contracting Officer following award of the Contract.

Question: Solicitation Number: DE-SOL-0001458 – Management and Operating Contract of the Y-12 National Security Complex and Pantex Plant. Is NNSA planning on conducting site tours of Pantex and Y-12 prior to the issuance of the final Request for Proposal?

Answer: Yes, tours are planned for those who intend to bid and submit the requisite supporting information. Please continue to monitor the web site for details.

Question: Where may I locate the solicitation in regards to the efforts discussed under DE-11-RFI-UPFCCS?

Answer: The UPF project is included as a separate line item within the Y-12 National Security Complex, Pantex Plant, and Savannah River Tritium Operations Management and Operating (M&O) Contract Competition.

Question: Would you please advise as to when we can expect an update to the website Q&A for the subject solicitation. We would appreciate our access to the most recent questions and the SEB's responses.

Answer: The Q&As are being updated periodically as decisions are being made. You can subscribe to be notified automatically as updates are made.

Question: Many times SB subcontracting plans, submitted as a part of the proposal package, merely describe a prime contractor's commitment and expected level of SB participation (typically the minimum participation the Government defines), as well as the method for securing, monitoring and reporting against the plan. Seldom do these plans describe the type of work that is envisioned to be performed by SB's. Post-award, SB work is often relegated to services that the prime contractor does not wish to perform themselves, or to acquire third party

Second Set of
Questions & Answers to the Draft RFP

components through an SB supplier (at potentially an increased cost to the Federal Government versus buying from the supplier directly). Neither of these scenarios provide substantial long-term value-add to NNSA. NNSA should seek both large and small businesses that provide continuous value and innovation to NNSA and the economic posture of our country. As the SB subcontracting plan is being developed, would NNSA consider establishing multiple technical and non-technical SB participation goals?

Answer: The NNSA encourages all types of small business activity in the subcontracting plan submitted by offerors, which already includes technical and non-technical activities. Specific goals for those categories are not defined.

Question: That link under Site Information does not work...works for Pantex and SRS Tritium.

Answer: Thank you for alerting the SEB. The links have been updated.

Question: Will the medical portion be specified as small biz set aside as this is what has been articulated and think it would be better to have a small biz mentor program instead as there is not the small biz capability in this sector to provide the quality of service.

Answer: The NNSA will not specify to the Contractor which small business partnerships will be pursued but will allow the Contractor to decide what scope will be most advantageous to award to small businesses.

Question: Are the government's costs associated with the NNSA's validation (calculation) of the cost savings relating to an initiative considered an element of the overall costs used to determine the actual amount of savings achieved.

Answer: No. The Government's costs to validate will not be part of the implementation costs for savings calculations.

Question: The subject report on "MODERNIZING THE NUCLEAR SECURITY ENTERPRISE" was released on September 20th. In this report, the GAO stated that 18 improved management practices had been identified as key to NNSA achieving the projected savings and benefits from the upcoming consolidated procurement for Y-12 and Pantex (see pages 12, 24 and 25). The GAO quoted incumbents saying "officials representing the contractors at Pantex and Y-12 both said their companies had begun implementing some of these changes at their respective sites and had seen efficiencies and savings already." The GAO report did not identify or define these 18 key practices in the report. Through subsequent correspondence with the GAO, the GAO stated "they did not release them (in the report) because these practices are NNSA 'procurement sensitive' information, and therefore releasable only by the NNSA."

If as the GAO claims the incumbents have procurement sensitive information and have already been acting upon it - it is conceivable that a potential unfair competitive advantage exists. Moreover possession of and acting upon the procurement sensitive information may constitute an OCI condition, that could arguably preclude the incumbent from competing for the consolidated procurement, or worse place them at risk of Procurement Integrity Act violations. Whatever the outcome of remedy, the procurement opportunity is greatly complicated. The fact that the

Second Set of
Questions & Answers to the Draft RFP

incumbents have procurement sensitive information certainly complicates competition decisions and the realization of NNSA’s consolidation goal.

Given the above would the SEB consider: Releasing the 18 key practices as part of a revised draft RFP so all potential competitors (particularly those not inside the complex but who have considerable capability in consolidation and cost efficiencies) could evaluate the key practices NNSA is considering and delaying final RFP release in order that the competition might have sufficient time to analyze the NNSA’s planned improvements and determine want comparable or exceptional commercial practices they may have, to better assist NNSA and accomplish the consolidation mission and achieve cost savings necessary?

Answer: Neither GAO nor NNSA have released the 18 recommendations shown below external to the Government, including the contractors at Y-12 and Pantex. The GAO reference is to efficiencies in general and not specific to the 18 recommendations contained in the AST Report. The NNSA has concluded, based on review of the draft RFP, that the 18 recommendations do not contain any competitively useful non-public information. Accordingly, given the interest from industry, the 18 recommendations are provided below. The SEB is not considering delaying the release of the final RFP.

No.	Recommendation
1	Authorize PX to conduct nuclear material container recertification to avoid shipping empty containers to Y-12 solely for that purpose.
2	Centralize M&O contractor vendor certification acceptance activities for procured items at KCP.
3	Optimize surveillance and screening of CSAs by authorizing and funding PX to have and implement the capability for Non-Destructive Evaluation.
4	Use commercial best practices in-lieu of DOE Directives for non-nuclear activities where there is a documented benefit and no performance penalty. Create nuclear “islands” on a site in which to apply nuclear requirements. All other activities should use industrial standards in lieu of DOE Directives.
5	Apply industrial standards to non-nuclear activities in lieu of DOE directives. Consider elimination of the following Directives at non-nuclear facilities: DOE O 226.1 – consider revising or replace with contract clause DOE O 414.1 C – replace with contract clause requiring an integrated quality management system with third party validation DOE O 5480.19 – eliminate DOE O 151.1 – replace with National Fire Protection Association (NFPA) 1600 Environment Safety and Health (ES&H) Directives – replace with Worker Safety and Health Plan (10 CFR 851) DOE O 450.1 replace with Voluntary Protection Program (VPP)-like, but involuntary Security Directives – replace with a site specific standard based on National Industrial Security Program Operating Manual (NISPOM)

Second Set of
Questions & Answers to the Draft RFP

6	NNSA should develop and implement Functional Transformation Plans by conducting top to bottom reviews of key functions (beginning with those in the AST cost data call) and develop plans to streamline and standardize policies, processes, and procedures with a goal of reducing costs and improving service delivery. The KCRIMS project should be considered a good model to follow for the functional transformation planning process.
7	Conduct a study concerning the feasibility of obtaining neutron generators from one or more of the commercial sources identified in the NCI Report as an alternative to producing them in-house at the SNL.
8	Recommend that all contractors implement the CDNS standardization initiative requiring the use of supply chain management for procurement of equipment.
9	Issue a Request for Proposal and place an Integration, Management, and Execution (IME) contract for management of all construction activities across the NNSA, including major construction projects, general projects, general plant projects, and facilities infrastructure and revitalization projects. The timing should coincide with the placement of a contract(s) for PX, Y-12 and KCP and be recognized in the PX, Y-12 and KCP RFPs under the new contract for any construction projects post-FY10 to be with the IME. The IME contract will be held an independent organization within NNSA.
10	Implement the short-term, mid-term, and long-term recommendations identified by the AST-chartered Grant Thornton IT Optimization study.
11	As NNSA Chief Executive Officer, the Principal Deputy Administrator (NA-2) should make cost management within NNSA a priority. NNSA should establish a robust cost management function which reports to the NA-2 level. Dedicated resources should be assigned to work the cost management function full time. The scope of the initiative should include development of processes to collect, analyze, and report cost performance, and to initiate actions to reduce costs. NNSA staff should be trained to properly utilize cost analysis data. Senior management should receive regular briefings and reports on cost performance and savings initiatives.
12	NNSA should implement the AST-developed Uniform Cost Reporting Structure for transparent cost information collection, analysis and use for cost management. An automated system for collecting, validating, analyzing and communicating cost information should be developed. Until such time as an automated system is implemented, cost data should be collected annually using an updated and refined version of the AST Data-call, beginning with FY09 data.
13	NNSA should follow-up on the NCI high-level benchmark to investigate the apparent gap with the commercial nuclear power industry in the cost of providing safeguards and security.
14	NNSA should complete and fully Implement an NNSA National Work Breakdown Structure (NWBS). NNSA should expand the DP NWBS to include all work (NNSA, other DOE, and WFO) and products in the complex and fully implement its use in program management.

Second Set of
Questions & Answers to the Draft RFP

15	Subsequent to a decision that is made regarding AST options, NNSA should establish a follow-on Workforce Team which should recommend changes to the NNSA's federal organizational structure and processes taking the AST interview themes into account to ensure effective implementation of the recommended new contracts.
16	<p>Responsibility and processes for administering pension, health and medical benefits should be reviewed for opportunities to reduce cost by eliminating unnecessary complexity, increasing economies of scale, and adjusting benefit values.</p> <p>NNSA should investigate opportunities to reduce the cost of providing health and medical benefits to current employees through consolidation of plans to leverage purchasing power and increase economies of scale in benefits administration. As an example, the Federal Employee Health Benefit Program could serve as a model for a plan covering employees nationwide. The feasibility of joining or creating a nationwide plan with similar features should be explored.</p> <p>NNSA should review the costs and benefits of centralizing the administration and funding of pension, health and medical benefits for retired workers. NNSA should evaluate the costs and benefits of consolidating responsibility for administering and budgeting for retiree pension, health and medical benefits within a central organization either within NNSA, or possibly the DOE Office of Legacy Management, or other centralized entity. This would eliminate the burdening of these costs with M&O overhead charges.</p>
17	Transfer responsibility for the Performance Evaluation Plan (PEP) process back to NA-63 and the change back to NNSA Policy Letter 4A (NAP-4A) as directed by NA-1 Memorandum dated January 22, 2008. NA-63 should establish an Integrated Project Team (IPT) to review and improve the process including clearly defining roles and responsibilities in HQ and the Field, considering the observations and comments regarding the PEP process in the AST Report, revising the process as appropriate in response to the AST comments and others, and documenting any changes in a revision to NAP-4A as appropriate.
18	The NNSA should aggressively pursue closing the Finance, HR, and Procurement gaps found by the Hackett Benchmarking analysis, and ensure that its contractors work under the NNSA NSE – Integration Committee to take advantage of every opportunity to become more effective and efficient.