

Third Set of  
**Questions & Answers**  
**(Previous Questions from Draft RFP, Responses Reflect Final RFP)**

The following questions were received prior to the release of the final RFP. The SEB chose not to respond previously since the responses were dependent upon content in the final RFP. The answers below reflect final RFP content.

**Question:** The description of what will be evaluated in Corporate Experience as described here is slightly different than the description contained in L-14(c) at page 17 (SEB NOTE: This question pertains to L-14(d)). The latter provides a description of relevancy that anticipates evaluation of experience with projects of similar size, complexity, and risk. This does not appear in M-5(c) (SEB NOTE: This question pertains to M-5(d)). Further, M-5(c) states that in addition to relevancy of experience, the government will evaluate “currency” and “depth”. These matters are not mentioned in L-14(c). To avoid confusion please conform the provisions or address the evaluation criteria/method only in Section M.

**Answer:** The Section M-5 terms “relevancy, currency and depth” of the offeror’s experience are intended as a short form of the requirements contained in Section L-14. The terms mean, as related to Section L-14, as follows:

“relevancy” means “contracts of the similar size, complexity, and risk as this solicitation involving work in the following areas:

- (1) Operating high hazard facilities (nuclear or biological or chemical) either in a commercial or noncommercial environment or manufacturing major weapon systems;
- (2) Project management and integration of projects associated with general plant infrastructure, high hazard facilities (nuclear or biological or chemical);
- (3) Integrating two or more geographically dispersed high hazard sites (nuclear or biological or chemical) under one management structure through consolidation or merger that resulted in significant cost efficiencies;
- (4) Reducing the cost of performing work; and
- (5) Supporting operations as an interdependent, integrated enterprise.

“currency” means “The experience cited must be within the last five (5) years and in place for at least nine months.”

“depth” means “Describe no more than three contracts for each proposed team member for the work experience cited for CLIN 0001. (For example, a prime Contractor with two subcontractors shall describe no more than 9 contracts. Two teaming partners and two subcontractors shall describe no more than 12 contracts.)”

**Question:** It is not clear whether “relevancy” will be evaluated beyond the limitation of 5 years for providing project information as contained in L. (SEB NOTE: This questions applies to CLIN 0001 only). Will current, on-going experience be evaluated more favorably than experience that is 2 years old? Or is an experience within the last 5 years evaluated equally? What is meant by “depth”?

**Answer:** The contracts proposed may be of longer duration than five years. However, as provided in Section L-14, the offerors shall only describe work experience “within the last five (5) years”. Experience described within the last five years will be evaluated in its entirety. With regard to what is meant by “depth”, please see the answer above.

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**Question:** "This section [L-12(b)] defines offeror. Would DOE consider using the definition of the offeror in the FAR that defines the offeror to be participants with greater than \$10 million worth of work under the base term of the contract? This will allow the bidders to have small business team mates without submitting past performance, reps and certs and other documents for each of these small businesses. This will streamline DOE's review and reduce the documents produced."

"The FAR reference is to FAR 9.601, which is specified in L-12(c). The intent of the question was to determine if NNSA wants past performance forms and other documents for small businesses that are part of the contractor team arrangement. The draft RFP requires up to 6 forms for each firm. If a team has 3 small businesses, there could be up to 18 small business forms for review.

In the past, DOE and other agencies have specified that these forms and other proposal documents are to be provided for only the major subcontractors, which is defined by the amount of work for that subcontractor (e.g., \$10 million). This type of clause added to section L (the FAR does not specify a size or limit) reduces paperwork, while providing information important to the selection. For example, the DUF6 RFP contained the following clause:  
"L.21(b) - the term "major subcontractor" as used in the Section L is defined as proposed subcontractors with a proposed subcontract of \$10 million or more at any tier of the proposed organization."

Would NNSA consider adding this type of clause to section L?"

**Answer:** Based on the question, Section L-12 has been revised to add the following: "The offeror shall not submit the information required at Section L, L-13(c), L-13(d), L-13(e), L-14(c), L-14(d), L-14(e), and L-14(h) for small business team members with a proposed work scope less than \$10 million."

**Question:** What are the severance benefits for existing employees at PX/Y-12/SRTO?

**Answer:** The severance benefits applicable to existing employees are listed in Section J, of the current Personnel Appendices, of the M&O contracts. These Personnel Appendices can be found through the SEB Website under Current Contracts. Section J, Appendix A, Chapter III, Subsection 3.2.8 of the RFP requires the successor Contractor to propose a severance plan and schedule to cover employees under the new Contract.

**Question:** Section J, Appendix A, Chapter III, Subsection 3.2.6, would seem to prohibit the immediate use of corporate reach back resources on Day One of the Transition Term if 30-day advance submittal of requests and approval by the Contracting Officer prior to assignment is required.

**Answer:** Section J, Appendix A, Chapter III, Subsection 3.2.6 does not apply. The Contractor shall address corporate reach back during the transition in the Transition Plan.

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**Question:** Section J, Appendix A, Chapter III, Subsection 5.0, Labor Relations, does not specify that the Contractor needs to recognize any incumbent unions and bargain with the union over work historically performed by the union. The clarification is essential to define the Contractor's right to negotiate a new collective bargaining agreement versus assuming an existing agreement.

**Answer:** Section J, Appendix A, Chapter III, Subsection 5.0, Labor Relations states that the Contractor shall comply with the National Labor Relations Act (NLRA). The NLRA is clear regarding the requirements in this area.

**Question:** The Contractor should have the latitude to fill managerial and supervisory positions with non-incumbent resources best suited to facilitate transition, the introduction of new systems, and the introduction of new company culture.

**Answer:** The latitude to fill key personnel and managers who directly report to them is identified in Section J, Appendix A, Chapter III, Subsection 2.3, Incumbent Employees.

**Question:** The requirements identified in the Section 6.2, Workforce Restructuring, Chapter III of the SOW do not provide the contractor with the ability to conduct effective workforce restructuring aligned with cost savings initiatives. Can these requirements be waived or at least streamlined?

**Answer:** Section 3161 of the National Defense Authorization Act cannot be waived. However, on May 5, 2011 Secretary Chu signed a memorandum (available on the SEB website) authorizing changes to Workforce Restructuring Policy which are designed to facilitate and expedite necessary contractor workforce restructuring activities. Further, the Department has some flexibility in how it meets the requirements of section 3161. For example, if workforce restructuring activities are anticipated to be necessary for more than one year, NNSA can approve a specific multi-year workforce restructuring plan. After a multi-year plan is established and approved by NNSA, the Contractor would only have to notify NNSA of reductions as they occur to the extent the reductions are consistent with the plan.

**Question:** The final RFP needs clarification as what happens to existing provider contracts that may extend beyond the award date. For example, if existing healthcare contracts expire after the start of the new contract is the payment of termination penalty fees an allowable cost?

**Answer:** The RFP allows for the existing contract(s) to remain in place until such time that the new contractor can provide adequate services and at that time will perform a cost benefit analysis. Cost allowability would be determined on a case by case basis.

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**Question:** Previous RFP's for M&O contracts required the successor contractor to hire all incumbent non-management employees. Not including this provision can lead to a significant amount of workforce instability. Why is the Department deviating from this past practice?

**Answer:** While the RFP does not have language that requires the successor contractor to hire all incumbents, the RFP does require the successor contractor to offer to incumbent employees (other than the Key Personnel and those managers that directly report to them) the right of first refusal of employment for every position identified as necessary for completing the requirements of this contract. This practice still provides for continuity of vital operations. The RFP requires the successor contractor to retain a workforce comprised of employees who possess the skills necessary to perform the mission work.

**Question:** In the past, DOE has required the successor contractor to retain the represented employees pay and benefits in accordance with the collective bargaining agreement. How are the represented employees pay and benefits protected under the new contract?

**Answer:** As stated in Section J, Appendix A, Chapter III, Subsection 2.3 of the RFP, "Incumbent employees offered the same position shall be provided their same base salary/pay rate in existence (provided by the incumbent Contractor) at the time the offer is made." In addition, any changes to benefits for represented employees are subject to the collective bargaining process.

**Question:** Section J, Appendix K indicates that a Small Business Subcontracting Plan will be inserted into the final RFP by the Contracting Officer. While it is clear that NNSA is committed to small business (SB) concerns relative to this competition, it is not clear what level of participation and/or effort is expected to be performed by SB concerns (i.e., percentage of overall work that is expected to be assigned to SBs). Further, it is unclear how an offeror's plan for meeting /exceeding SB participation goals will be evaluated and scored (specifically what weight or level of importance will be assigned to meeting SB goals). Since this area of the RFP is currently somewhat nebulous, it is extremely difficult for SB's to gain extensive traction for teaming with potential large business prime contractors. Is it possible for NNSA to provide a bit more guidance relative to their expectation for SB participation (and associated level of evaluation importance), even though the final SB plan may still be unformulated?

**Answer:** While the Small Business Subcontracting Plan will not be evaluated the RFP requires offerors to describe their approach to utilizing small business concerns including the extent to which they will participate and the work they will perform as a team member.

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**Question:** With the NNSA's planned plant consolidation and efficiency gains and the resultant savings, a business person would expect to see the operating budget of the plants decline over the 10 year period of the contract. There is statement in B-2 that reads "Changes in the estimated costs as a result of cost saving will not impact Total Available Fee". One would anticipate as the contractors earn more, and perhaps maximum shared savings fee, resulting in declining operating budgets (the goal); their performance incentive fee would also decline as there would now be less work and budget to manage. The B-2 statement would preclude NNSA reducing the performance fee as one would expect. Is the NNSA anticipating the payment of full performance fee over the entire ten year contract period, regardless of the amount and evolution of shared savings achieved? Please clarify.

**Answer:** The final RFP delinks fee from budget.

**Question:** Does Section B-2(a) (2) (iii) mean that CSIF reflected in CLIN 1 tables represents the not-to-exceed values and there is no further opportunity to propose additional savings over the contract term?

**Answer:** The cost savings fee structure has been significantly revised, please see final RFP

**Question:** H-8 (d) indicates Contractor may receive 20% share of net cost savings from CRP accepted by the Government at time of contract award. I-124 DEAR 970.5215-4 Cost Reduction (This clause applies to new savings initiatives after Option 1 is exercised) allows Contractor to earn 10% of net savings. Does I-124 open door to additional savings beyond what was included in cost savings tables submitted with proposal? Is parenthetical statement on I-124 a mistake (only applies after Option 1 exercised)?

**Answer:** The cost savings fee structure has been significantly revised, please see final RFP. H-8 has been deleted and the Cost Reduction Clause (now I-19) and B-2(a)(3) clarifies when additional cost savings will be considered by the Government.

**Question:** Will the CRP approved at time of contract award represent the final approval by government of the CRP and the Contractor can then proceed to prepare to implement during transition and actually implement at the beginning of the Base Term , and the government involvement, in general, is limited to the validation of savings after each year is completed? Or do the I-124(d) requirements apply to each cost savings included in the proposal, which means the proposal is just a starting point for getting government approval of a cost savings idea?

**Answer:** Yes the Contractor may begin to implement cost savings at the beginning of Base Term in accordance with B-2(a)(3).

**Question:** Does Contractor have any opportunity to renegotiate CLIN 1 CSIF table values due to change in timing of actual implementation of savings action, not due to the Contractor's action or inaction?

**Answer:** The CRP for CLIN 0001 will have a change control process.

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**Question:** Would NNSA consider cost reduction proposals under CLIN 0002? Assuming that one contract is awarded for both CLIN 0001 and CLIN 0002, will the successful contractor be able to propose cost reduction proposals against the full scope of the contract in the years following contract award?

**Answer:** The fee for CLIN 0002 is separate and severable from CLIN 0001. CLIN 0002 will include reward and penalty structures, which may account for cost savings.

**Question:** The NNSA has not specified an allocation of the page count between CLIN 1 and CLIN 2. Will NNSA not expect a wide range of interpretations on how the pages should be allocated by Industry making NNSA's evaluation of different sized proposals more difficult?

**Answer:** The NNSA has specified a page count range for CLIN 0001 and CLIN 0002.

**Question:** The Draft RFP states that the Contractor's share of cost savings will be 20% of the previous years validated sustained cost savings. What time period of cost saving performance will be defined as demonstrating "sustained" savings (may be introduced late in the year) Will the cost savings fee be paid on the multiple years of savings realized or does NNSA foresee limiting it to a defined period.

**Answer:** The cost savings fee structure has been significantly revised, please see final RFP.

**Question:** Do the plants have activity based process (cost) standards for the variety of processes that will be consolidated; or will the cost savings be calculated on gross budget numbers. If currently nonexistent, will the new contractor need to develop specific process cost standards for existing processes in order to demonstrate the true and validated cost savings.

**Answer:** The NNSA will provide the initial cost information, FTE data and scope framework on the effective date of the Contract reference Section 3.3 of the Statement of Work. The Contractor shall develop a baseline for all Contractor direct programs and indirect support costs in accordance with DOE institutional cost reporting categories as found in Section J, Appendix M, Institutional Cost Reporting, and utilize the WBS reporting structure for further program granularity, as applicable and as it continues to develop within NNSA. Also, the CRP submitted by the Contractor shall contain, at a minimum, the following:

- (1) Current Baseline-A verifiable description of the current scope of work, cost, and schedule to be affected by the CRP, and supporting documentation.
- (2) Proposed Baseline-A verifiable description of the new scope of work, cost, and schedule, how the CRP will be accomplished and supporting documentation.
- (3) Feasibility Assessment-A description and evaluation of the proposed initiative and benefits, risks, and impacts of implementation. This evaluation shall include an assessment of the difference between the current baseline and proposed baseline including all related costs.

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**Question:** As a substantial portion of the annual plant funding is labor (people); will the new contractor(s) be allowed to earn (paid) fee for cost savings representing reduced employment (headcount) and benefits. If yes, what will keep the contractors from trading off jobs and benefits for fee?

**Answer:** The Government has defined savings that will not be considered credible to include savings resulting from shifting the employer paid portion of employee benefits costs to employees. Please see paragraph (c)(5) of the Section I Clause DEAR 970.5215-4 Cost Reduction.

**Question:** The Draft RFP states that the Contractor's share of cost savings will be 20% of the previous years validated sustained cost savings. What time period of cost saving performance will be defined as demonstrating "sustained" savings? (may be introduced late in the year) Will the cost savings fee be paid on the multiple years of savings realized or does NNSA foresee limiting it to a defined period.

**Answer:** The cost savings fee structure has been significantly revised, please see final RFP.

**Question:** Why is the NNSA willing to pay 75% of the first year's fee and 50% of the second as fixed (guaranteed) fee; regardless of the level of success achieved? Why isn't the contractor (selected as the best overall candidate) expected to earn their fee through successful performance / achievement of their proposed commitments and plans?

**Answer:** Fixed fee is only paid for the first year and recognizes the challenges of merging two geographically dispersed sites in the first year of the contract. Significant changes have occurred in the Final RFP please see the B-2 of the RFP.

**Question:** Section H-12, "Evaluation of Performance for CLIN 0002" states: "(G) Project management of UPF includes the management and oversight of design, construction (title III services), test and checkout, integration with on-going operations, and transition to operations, which shall be performed in accordance with the UPF Project Execution Plan (Section J, Appendix G)". Is it the Government's intent to include and allow self performance of design completion, procurement and construction, i.e., the normal EPC scope of UPF—as part of CLIN 0002, or only the project management and oversight of these activities, with the actual EPC execution performed by others, i.e., tier 2 subcontractors? Under the "management and oversight" approach would the NNSA or the M&O hold the subcontracts for procurement and construction? Further, does "construction (title III services)" include both construction and title III services or only title III services?

**Answer:** H-12 has been removed, please see final RFP.

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**Question:** Has the fee pool been increased to be commensurate with the exposure and risk to be accepted by the consolidation, integration contractor?

**Answer:** Significant changes have occurred in the Final RFP and should be referenced relative to the fee structure.