

Workforce Questions & Answers

Question: Neither the DOE nor the NNSA has bundled the maintenance and operation of two separate and distinct facilities – such as Y-12 and Pantex – into one request for proposal for bidding as one contract?

Answer: DOE/NNSA has consolidated separate sites under one Management and Operating contract previously. For example, NNSA consolidated both Bettis and Knolls Atomic Power Laboratories under one contract which was awarded on September 18, 2008.

Question: Maintenance and Operation (“M&O”) contracts are cited as examples of contracts covered by the Service Contract Act (SCA) under SCA regulation 29 C.F.R. § 4.130, so why does the Agency not specifically include the Federal Acquisition Regulations relating to the Service Contract Act in this draft RFP?

Answer: Management and Operating contracts are specifically excluded from the Service Contract Act as covered in DEAR 970.2210 entitled Service Contract Act. However, the draft RFP requires the contractor to flow down the Service Contract Act requirements to its subcontracts for service. Specifically, Section I of the draft RFP incorporates DEAR 970.5244-1, Contractor Purchasing System. In particular, DEAR 970.5244-1 (x)(4) requires the contractor to “include the following clauses in subcontracts, as applicable . . . (4) Service Contract Act clauses prescribed in 48 CFR 22.1006.”

Question: SCA regulation 29 C.F.R. § 4.113 requires that there be posted in any draft RFP the SCA language contained in 29 C.F.R. § 4.6. The contracting officer can only skip this step if “service employees will in no event be used by the contractor in providing the contract services.” On what basis does the Agency believe that service employees will not be employed by the successful bidder to perform work under the Y-12/Pantex contract?

Answer: Management and Operating contracts are specifically excluded from the Service Contract Act as covered in DEAR 970.2210 entitled Service Contract Act. However, the draft RFP requires the contractor to flow down the Service Contract Act requirements to its subcontracts for service. Specifically, Section I of the draft RFP incorporates DEAR 970.5244-1, Contractor Purchasing System. DEAR 970.5244-1 (x)(4) requires the contractor to “include the following clauses in subcontracts, as applicable . . . (4) Service Contract Act clauses prescribed in 48 CFR 22.1006.”

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Question: Even if the Agency does not believe the SCA applies to the draft RFP, the Department of Energy has provided the protections set forth in the SCA in prior prime contracts for work performed at Y-12 and Pantex. By not including such provisions in the RFP, the NNSA is changing this established practice. What are the reasons for changing this practice?

Answer: While we are not requiring the successor contractor to hire all incumbents, we are requiring the successor contractor to offer to incumbents 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 draft RFP requires the new contractor to retain a workforce comprised of employees who possess the skills necessary to perform the mission work consistent with their proposal.

Question: SECTION J, APPENDIX A, PAGE 21 @ 2.3 of the draft RFP states “Incumbent Hiring Preferences” “[t]he Contractor shall give right of first refusal of employment for every position identified as necessary for completing the requirements of this contract (other than positions occupied by Key Personnel and managers who directly reported to them) under this Contract to Incumbent Employees as identified in 1.0 Definitions who meet the qualifications for a particular position.” How does the Agency define “necessary” in this context? If the Agency is not defining the term “necessary,” what guidance will it provide to the successful bidder to determine whether a position is necessary or not? “Necessary” incumbent employees have not been defined in the draft RFP – will the positions “identified as necessary for completing the requirements of this contract” be identified in the final RFP? Who will do the identifying, the DOE/NNSA, or the contractor?

Answer: The draft RFP requires the successor contractor to regularly analyze workforce capabilities consistent with current and future mission requirements. The draft RFP also requires the successor contractor to develop appropriate workforce management strategies to ensure appropriate skills are available at the right time, in the right number, in the right place. The successor contractor will identify what positions are necessary to perform the statement of work.

Question: Does the DOE/NNSA have required minimal manning levels for the combined workforces of the merged Y-12/Pantex contract? If so, what are the numbers, by job description, of these minimal manning levels? Will these minimal manning levels be required in writing in the final RFP, or will they be left to the discretion of the contractor?

Answer: NNSA does not prescribe manning levels at any of the M&O sites and will not be provided in the final RFP.

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Question: The July 21, 2011 cover letter announcing the draft RFP did not ask prospective offerors to comment on how or if the draft RFP would ensure a motivated and skilled workforce, and how it would help retain the current valuable, experienced workforce. Is that a priority for the Department, and if so, where and how is that priority reflected in the draft RFP?

Answer: Yes, the Statement of Work at Section J, Appendix A, Chapter I, 4.5 states “The Contractor shall be responsible for identification and maintenance of critical skills and for the employment of all professional, technical, skilled, and other personnel engaged and to be engaged by the Contractor in the work hereunder, and for the training of personnel.” To that end, the draft RFP Statement of Work emphasizes its priority by requiring the contractor to submit, no later than 150 calendar days of the effective date of the contract, a Human Resources Plan which describes how they will support effective recruitment and retention of a highly skilled, motivated, and experienced workforce. Further, the Statement of Work states the objective is to provide a level of total compensation which, within available funds, attracts, motivates and retains a highly competent workforce and maintains a competitive position in the applicable labor markets.

Question: The draft RFP states at SECTION J, APPENDIX A, PAGE 9 @ 4.5, “Contractor Human Resources” the following: “[t]he Contractor shall have the flexibility to restructure the workforce and make changes to employee benefits throughout the term of the contract, as may be permitted by this Contract and applicable law, to maximize efficiencies.” What does the Agency envision in terms of “flexibility” and “changes.” What would the Agency expect from bidders when it comes to these issues?

Answer: The Agency’s intent is to provide the successor contractor the flexibility to evaluate which skills are necessary to perform the mission work and then determine how many employees it needs to retain to perform that work. With regard to changes to employee benefits throughout the term of the contract, Section J, Appendix A, Chapter III, 2.2.1, states the contractor will submit no later than 75 calendar days after the effective date of the contract its proposed employee benefit plans. The proposed benefit plans for non-bargaining unit Incumbent Employees and non-bargaining unit Non-Incumbent Employees must be within 105% of the net benefit value of the comparator group included in the contractor’s benefit value study. Per Section J, Appendix A, Chapter III, 4.1.5.1, an employee benefits value study for bargaining unit employees will be conducted 6 months prior to the end of the relevant collective bargaining agreement. Paragraph 4.1.5.3 states that when the net benefit value exceeds the comparator group by more than five percent, the contractor shall submit to the contracting officer a corrective action plan no later than 90 days after the benefit value study is conducted.

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Question: The draft RFP requires a “market based” pay and benefit program. See: SECTION J, APPENDIX A, PAGE 22 @ 3.1, “Total Compensation System” “[c]onsistent with the requirement in 2.2, Pay and Benefits, the Contractor shall establish an integrated, market based pay and benefit program. The objective is to provide a level of total compensation which, within available funds, attracts, motivates and retains a highly competent workforce and maintains a competitive position in the applicable labor markets.” Please define what “market-based” means. What factors will be taken into account when determining whether a particular wage rate is “market based?”

Answer: Market based wages are determined by comparing the contractor’s average pay to the market pay by using NNSA-approved salary surveys relevant to the contractor organization. These salary surveys include wage data for the occupations from employers in the applicable geographic region and represent the industry the contractor competes with for employees. NNSA considers pay to be “at market” if it is at the average as compared to the market rate.

Question: The draft RFP lists the DOE orders and directives applicable to it, but does not mention DOE O 350.1 regarding “Contractor Human Resource Management.” Why has this directive not been listed? Has the DOE rescinded this order?

Answer: DOE has not rescinded DOE O 350.1. The requirements identified in DOE O 350.1 are described in Chapter III of the SOW 3.0 – 6.2.

Question: The “market based design concepts” language of SECTION J, APPENDIX A, PAGE 20 @ 2.2, and the “market based pay and benefit program” language of SECTION J, APPENDIX A, PAGE 22 @ 3.1 resemble the mandatory market based benefits requirements language of the now-cancelled DOE N 351.1. Has the DOE decided to implement the DOE N 351.1 policy instead of the DOE O 350.1 policy?

Answer: No. DOE O 351.1 required contractors to provide retirement benefits via a defined contribution plan for all new hires. The draft RFP contains no such requirement. Also see the previous response regarding the specific requirements for benefit plans set forth in the draft RFP at Section J, Appendix A, Chapter III.

Question: Does the Agency have plans to combine the bidding of request for proposals for other facilities, such as Sandia or Lawrence Livermore, for example?

Answer: The timing of the expiration of the Y-12 and Pantex contracts provided an opportunity for NNSA to evaluate the consolidation of nuclear production work, including tritium operations. NNSA will review all options as future contracts expire.