Bechtel Nevada
Nevada Test Site
Small Business Subcontracting Plan
for Fiscal Year (FY) 2003

Introduction

This subcontracting plan is implemented by Bechtel Nevada (BN) in performance of the work described in Part I, Section C, Description/Specification/Work Statement, of the contract. BN has a well established record of performance, both in prime Government contracts, which include contracts with the U. S. Department of Energy (DOE) and other Government agencies, and has been recognized for exceeding its socioeconomic goals.

BN believes that diversity is much more than affirmative action in the work place. It is a belief that when transformed into action, provides an organization with comparative advantages over its competition, both in the work place and in the business community.

Diversity in subcontracting is not just a promise with respect to BN's performance in the performance-based management contract at the Nevada Test Site (NTS). It is an operating principal in management, with which BN has had experience and demonstrated success. Much of BN's commercial business has been based in and has succeeded with subcontracting to small, small disadvantaged, women-owned small business, and historically underutilized business zones (SB/SDB/WOSB/HUBZONE. BN will apply these same principals to sourcing requirements with Veteran Owned Small Business (VOSB) concerns.

Building on this experience and success has resulted in the institutionalizing of diversity and small business development, while setting challenging and aggressive goals. BN has extended this approach to the management and operating support for the DOE Nevada operations at NTS.

Statement of Policy and Commitment

It is the policy of BN to encourage the participation of SB/SDB/WOSB/HUBZONE and VOSBs in its programs to the maximum extent consistent with efficient performance and compliance with applicable public laws and prime contract requirements, and consistent with current DOE policies and practices.

BN is committed to making the maximum practicable use of SB/SDB/WOSB/HUBZONE and VOSBs. All BN procurements are subject to review for opportunities: to identify potential SB/SDB/WOSB/HUBZONE and VOSB suppliers and contractors; to develop good working relationships with them; and to encourage them to offer their products and services. The subcontracting plan includes the utilization of key SB/SDB/WOSB subcontractors to perform specific areas in the scope of work.

BN has extensive experience in qualifying SB/SDB/WOSB to perform technical work scope. BN has five such key subcontractors. The specific work scope areas are: (1) support defense programs, operations, strategic business development, and re-engineering activity; (2) perform engineering and technical services in management of special nuclear materials; (3) performance assurance, re-engineering, strategic business development, emergency response, nuclear test readiness, and core competency; (4) water and wastewater services and environmental engineering services, hazardous waste and waste management general engineering, and related support services; and (5) technical support service in support of the nonproliferation deterrence/counter-proliferation and new business development initiatives.

KEY SUBCONTRACTOR	WORK ACTIVITY	COMPANY SIZE
Keystone International, Inc.	Support defense programs, operations, strategic business development, and re-engineering activity.	SWOB
Los Alamos Technical Associates, Inc. (LATA)	Perform engineering and technical services in management of special nuclear materials.	LB
PAI Corporation	Performance assurance, re-engineering, strategic business development, emergency response, nuclear test readiness.	SWOB
PEER Consultants	Water and wastewater services and environmental engineering services, hazardous waste and waste management, general engineering, and related support services.	SWOB

BN's management, along with its Teaming Partners Lockheed Martin Nevada Technologies, Inc., and Johnson Controls Nevada, Inc., believe that diversity in subcontracting provides a vital link to the local community, strengthens the economy, creates new opportunities, is cost effective, and is a good business practice.

Small, Small Disadvantaged, Women-Owned Business, HUB, and Veteran Owned Small Business Participation Goals

This plan is effective for the term of the contract. The SB/SDB/WOSB/HUBZONE and VOSB goals will be negotiated on an annual fiscal year basis, and this plan will be updated accordingly. As appropriate and based on the mutual agreement of the parties to this contract, any other provisions or requirements of this plan may be negotiated and updated on an annual basis.

Based on the best available information in forecasting acquisitions for FY2003, BN has established a goal to award approximately **$55,800,000** to small business concerns. This is approximately **62 percent** of the total amount available for subcontracting, which is estimated to

be approximately **$90,000,000**. The goal established for first tier subcontract awards to SDB concerns (to include 8a) is approximately **$9,000,000** or **10 percent** of the total estimated amount available for subcontracting. The goal for WOSB participation is approximately **$9,000,000** or **10 percent** of the estimated total. Hub Zone participation goal will be **4 percent** or **$3,600,000**. The goal for awards to VOSBs is **$4,500,000** or **5 percent**. The projected amount for large business concerns is approximately **$34,200,000** or **38 percent** of the estimated total. Indirect costs are not included in establishing goals under this plan. These goals are considered to be realistic and attainable.

The following method was used in developing subcontract goals for Small Business Concerns:

Based on past experience in the various task areas, capability statements from vendors, catalogs, and previous buys.

Networking, recommendations, and trade shows provided the Small Business determinations for businesses.

Additionally, the following factors were reviewed to develop this year's goals:

Large and small vendor awards in support of National Center for Combating Terrorism as well as the various work for others program.

Increase in dollars expended under the credit card where size status is not captured.

On-going expenditures within each category for FY 2002 and projected forward for 2003.

Forecasted expenditures for FY2003 as identified by the Mission Managers.

Pro-Net vendors listed within the NAICS for anticipated FY2003 purchases.

Potential Subcontract Opportunities for Small, Small Disadvantaged and Women-Owned Business

The total amount of subcontracting opportunities to be made available for procurement during the period of performance in support of this contract consists of the items described in the table below. The amount shown for the general work categories are estimates only. A site Master Plan for Make-or-Buy subcontracting opportunities is updated annually. As new opportunities are identified, the base of dollars available for procurement and subcontracting will be expanded upward, while the goal percentages will remain constant. The base will also be adjusted periodically to reflect changes in the DOE mission at the NTS.

Work Category	Opportunity Area	Estimate Millions	Company Size
General Engineering and R&D	All Traditional Disciplines Laser Technology and Other Sciences	$2.2	LB
Environmental Engineering, Remediation, and Waste Operations and Analytical Laboratory Construction Services	Testing, Air Quality Sampling, Waste Management, Chemical Analysis, Site Evaluation Studies, and Permitting	$3.1	S/SDB/WO/HUB/WOSB/VOSB
Construction Services	Drilling and General Construction including Equipment Rental, Renovation, Construction Materials and Surveying	$6.5 $3.0	S/SDB/WO/HUB/VOSB LB
Labor Augmentation including Temporary Staffing and technical support of Business Systems	Engineering and Temporary Staff	$12.5 $ 4.0	S/SDB/WO/HUB/VOSB LB
Special Use Material	Special Metals and Metal Processing Equipment	$11.0	SB
General Support Services	Custodial, Maintenance, Repair, Lawn Care, etc.	$ 3.0	S/SDB/WO/HUB/VOSB
Communications	Telecommunications, Data Base Management, Paging, Radio/Cellular Service, Satellite TV, and Fiber Optics	$ 8.6	LB
Bus Service	NTS Buses	$ 4.3	LB
General Supplies	Construction, Automotive, Office, Maintenance, Machine Shop, Aviation, etc.	$15.4 $ 7.9	S/SDB/WO/HUB/VOSB LB
Leases	Buildings	$ 5.5	VSOB & LB
Leases-Equipment	Computers, Copiers, and other leased equipment	$ 3.0	LB
	Total Estimate	**$90.0**	

Administrator of Subcontracting Plan

Doris M. Burnett, Procurement and Property Management Department Manager, (702) 295-2337, is designated as BN's representative to administer this subcontracting plan. In the performance of the responsibilities under this plan, BN representatives shall ensure that the following activities are managed in a timely and effective manner.

1. Solicit source lists of potential SB/SDB/WOSB/HUBZONE and VOSB suppliers and subcontractors. Maximize use of Internet listings.

2. Seek out other SB/SDB/WOSB/HUBZONE and VOSB concerns when the number of prospective sources is not adequate.

3. Keep records describing BN's performance against the goals established herein.

4. Make bi-monthly reports to BN's senior management concerning awards made under this program.

5. Submit required reports in accordance with the prime contract.

6. Ensure customers are acquainted with SB/SDB/WOSB/HUBZONE and VOSB goals and their importance.

7. Verify that subcontracts issued by BN contain the flow-down clauses pertaining to SB/DB/WOSB/HUBZONE and VOSB concerns when required and maintain policies and procedures as required by the prime contract.

8. Require lower tier subcontractors to submit subcontracting plans pursuant to PL 95-507 and monitor those plans for compliance.

Subcontract Terms and Conditions

All subcontracts placed under this plan that offer further subcontracting opportunities will include the "Utilization of Small, Small Disadvantaged, Women-Owned Small Business Concerns" clause.

Except for Small Business concerns, subcontractors receiving subcontracts in excess of $1,000,000 for construction, or in excess of $500,000 for all other subcontracts, shall be required to submit and obtain an approved subcontracting plan. If it is deemed that there are no subcontracting opportunities the contract file will contain documentation to support this decision.

BN agrees that the clause entitled Utilization of Small Business Concerns will be included in all subcontracts which offer further subcontracting opportunities, and all subcontractors except small business concerns who receive subcontracts in excess of $500,000 or $1,000,000 for

construction of a public facility will be required to adopt and comply with a subcontracting plan similar to this one. Such plans will be reviewed as required by Public Law 95-507 and implemented by DEAR 952.219-9, entitled, "Small Business and Small Disadvantaged Business Subcontracting Plan", ensuring that all minimum requirements of an acceptable subcontracting plan have been satisfied. The acceptability of percentage goals shall be determined on a case-by-case basis depending on the supplies/services involved, the availability of potential small and small disadvantaged lower-tier subcontractors, and prior experience. Once approved and implemented, plans will be monitored through the submission of periodic reports, and/or, as time and availability of funds permit, periodic visits to subcontractors' facilities to review applicable records and subcontracting program process.

Reports and Surveys

BN will submit periodic reports such as the Standard Form 294 and Standard Form 295 in accordance with the instructions on the form and any other reports as required to indicate progress in achieving the goals stated herein. BN will cooperate in any studies or surveys, as may be required, by DOE or the Small Business Administration to take advantage of new programs and to determine the extent of compliance by BN with the subcontracting plan.

Records

BN will maintain records of the subcontracts made under this plan. The following information for subcontracted products and services will also be maintained:

1. SB/SDB/WOSB/HUBZONE and VOSB source lists.

2. Records on all competitive subcontract solicitations indicating on each solicitation whether or not SB/SDB/WOSB/HUBZONE and VOSB sources were solicited.

3. Records of outreach efforts, contacts with minority and small business trade associations, and attendance at small and minority business procurement conferences and trade fairs.

4. Records of internal activities to train, guide and encourage buyers and project personnel to support NTS socioeconomic goals. Such records include reports of workshops, seminars, training programs, and monitoring activities to evaluate performance and compliance.

5. Subcontract reports and statistics including records to support subcontract awards.

Outreach

The following additional functions will be performed to effectively implement this plan:

1. Arrange solicitations, time for preparation, quantities, specifications, and delivery schedules so as to facilitate participation by SB/SDB/WOSB/HUBZONE and VOSB concerns.

2. Provide mentoring and general information to representatives of SB/SDB/WOSB/ HUBZONEs and VOSBs regarding subcontracting opportunities and solicitation, bid and proposal practices.

3. Establish and maintain contacts with SB/SDB/WOSB/HUBZONE and VOSB trade associations and business development organizations.

4. Maintain an effective outreach program, with a planned schedule of outside events, including conferences and trade fairs. Maximize use of automated means to publicize and transmit solicitation documents.

5. Fully integrate acquisition planning with the site master plan for Make-or-Buy implementation. The resulting increase in subcontracting opportunities will be focused on developing new and commensurate opportunities for SB/SDB/WOSB/HUBZONEs and VOSBs.

6. Various outreach activities will be undertaken to ensure that SB/SDB/WOSB/HUBZONE and VOSB firms have an equitable opportunity to compete for subcontracts.

7. Additional emphasis will be placed on Hub Zone/VOSB vendors in areas to include Pahrump, Lincoln, and Nye County as well as Las Vegas certified vendors.

BN's strategy and implementation plan, outlined above, will have the full support of BN and Bechtel National, Inc., management.

Signed: Doris M Burnett

Bechtel Nevada

Title: Senior Manager, Procurement & Property Management Department

Date: 10-7-02

Plan Accepted By: _____

Contracting Officer
U. S. Department of Energy

Date: _____