



**Department of Energy**  
Savannah River Operations Office  
P.O. Box A  
Aiken, South Carolina 29802

March 23, 2007

TO: Prospective Offerors

SUBJECT: Request for Proposal (RFP) No. DE-RP09-06SR22470 for the Selection of a Management and Operating Contractor for the Savannah River Site (SRS)

This Executive Summary Letter is a summary of the salient elements of the acquisition, but is not an integral part of the attached RFP. Should there be any conflict between this Letter and the RFP, the data and information in the RFP shall prevail.

The Department of Energy (DOE), Savannah River Operations Office, is releasing the RFP for award of a contract for the management and operation of the SRS. DOE is seeking proposals from qualified organizations interested in competing for this contract. Specific details of the contract performance requirements are described in the RFP. The RFP can be found on the Industry Interactive Procurement System (IIPS) at <http://e-center.doe.gov> and the SR Acquisition Web Site at <http://professionals.pr.doe.gov/srs/>. All questions regarding the RFP must be submitted through the "Submit Questions" feature on IIPS. The Government asks that this process be used rather than letters, e-mails, and/or telephone calls. Responses, if required, will be posted on the SR Acquisition Web Site. It is requested that all questions on the RFP be submitted by April 23, 2007.

DOE issued a draft RFP on October 31, 2006, and hosted a Pre-Solicitation Conference and one-on-one meetings with potential bidders in November and December. As a result of these interactions, DOE made several changes to the RFP. Notable changes intended to encourage competition are an increase in the amount of the available fee, provision for additional fees in the future, allowability of subcontractor fee, removal of the intent to sever the laboratory from the M&O contract, and removal of the transition plan from the evaluation criteria.

SRS is a 310-square mile DOE industrial facility located in Aiken, Allendale, and Barnwell Counties in South Carolina. SRS is dedicated to environmental management cleanup, developing and deploying technologies to support the cleanup mission, providing capability for supporting the enduring nuclear weapons stockpile, and processing and storing nuclear materials in support of the U.S. nuclear non-proliferation efforts. DOE's Office of Environmental Management (EM) is responsible for the SRS and for cleanup missions and the Savannah River National Laboratory (SRNL). The current EM focus at SRS is on the cleanup of legacy materials, facilities, and wastes left from the Cold War.

SRNL has a three-fold mission to support the success of SRS operations; to provide technical leadership for future site missions; and to utilize its technical expertise to provide vital national and regional support in Environmental Management, National Security, and Energy Security. The National Nuclear Security Administration (NNSA) is also present on SRS and is responsible

for the nuclear weapons stockpile programs and non-proliferation activities on the Site. Anticipated funding for work under this management and operating contract for FY 2008 for SRS, from all sources, is approximately \$791,400,000.

In order to further the Government's policy of maximizing electronic commerce and making the acquisition process optimally cost effective, electronic media will be the primary method of communication from the Government regarding this solicitation. The solicitation, solicitation amendments, and other official communications from the Government will be posted on IIPS and the SR Acquisition Web Site. Additional background information is located at <http://professionals.pr.doe.gov/srs/>. Offerors are responsible for checking IIPS and the SR Acquisition Web Site frequently for information, notices, and updates regarding this solicitation.

The objective of the solicitation is to select the Contractor most capable of managing and operating the SRS programs and facilities in a safe, technically and financially sound manner. A Source Evaluation Board (SEB) has been established to develop the RFP and to evaluate proposals submitted in response to the RFP. The SEB will conduct its activities in accordance with DOE's regulations and policies. Proposals will be evaluated in accordance with the specific methodology and evaluation criteria set forth in Part IV, Section M of the RFP.

#### **Significant items of interest concerning this solicitation**

Offerors are encouraged to pay particular attention to the following aspects of the RFP:

Scope of Work. This contract does not include management of the Liquid Waste program at SRS, which is the subject of a separate competitive procurement. Also, Offerors are advised that DOE has further identified removal of emergency management services from the scope of work as well as the following work for prospective separate small business set-aside federal contracts:

- Transportation & Mechanical Services
- Health and Human Services
- Information Management Services

Contract Type. DOE will award a single, cost-plus award-fee management and operating contract to the responsible Offeror whose proposal represents the best value to the Government. The Government intends to evaluate proposals and award a contract without discussions with Offerors (except clarifications as described in FAR 15.306(1)). Therefore, the Offeror's initial proposal should contain the Offeror's best terms from a technical and cost or price standpoint. The Government reserves the right to conduct discussions if the Contracting Officer (CO) later determines them to be necessary (Refer to Section L, Provision L.1).

Separate Corporate Entity. The work performed under this Contract must be conducted by a separate corporate entity from its parent organization(s). The separate corporate entity must be set up solely to perform this contract and shall be totally responsible for all Contract activities. In addition, the parent Organization(s) or all member organizations shall guarantee the Contractor's performance by signing the Performance Guarantee(s) incorporated in the contract. (Refer to Section H, Clause H-41)

Fee(s), Home Office Expenses. DOE anticipates awarding performance fee under this contract. The total available fee for the six-month period July 1, 2008 – December 31, 2008 shall not exceed \$25,177,390. The total available fee for each annual period of the base contract (CY 2009-CY2012) and the option period (CY 2013-2017) shall not exceed \$50,354,780. The Offeror shall propose the total available fee and fixed fee for each applicable performance period in accordance with the instructions in Sections L-3 and L-5. Home Office expenses, whether direct or indirect, relating to activities of the Contractor are unallowable, except as otherwise specifically provided in the Contract or specifically agreed to in writing by the CO.

Employee Retention, Compensation and Benefits. Subject to the availability of funds, the Contractor shall offer employment to all incumbent employees who, as of the date of Contract award, are in good standing and hold regular appointments, are engaged in the performance or work within the scope of work under this contract and are not considered “discretionary incumbent management employees.” The current listing of these discretionary incumbent management positions is in Section L, Attachment E. The final list of discretionary incumbent management employees will be provided to the winning Offeror shortly after contract award in order to facilitate the hiring process during the transition period.

The contractor shall establish pay and benefit programs for Incumbent Employees and Non-Incumbent Employees. The contractor shall provide equivalent pay to incumbent employees as compared to pay provided by Washington Savannah River Company for at least the first year of the Contract. Incumbent Employees (and retirees) will continue to receive their same pension benefits. The contractor shall provide a total package of benefits to Incumbent Employees comparable to that provided by Washington Savannah River Company. All Non-Incumbent Employees shall receive an overall pay and benefits package that provides for market-based retirement and medical benefit plans that are competitive with the industry from which the Contractor recruits its employees and in accordance with Contract requirements.

Small Business Plan. Offerors are required to submit an acceptable Small Business Subcontracting Plan with their offer. For purposes of Offerors’ development of the Small Business Subcontracting Plan, the information library includes the past six years of small business percentages of the current contractor’s Small Business accomplishments. The Small Business Subcontracting Plan shall be submitted as part of Volume I.

Pre-Proposal Conference. A pre-proposal conference will not be held because DOE held a pre-solicitation conference and issued a draft with an appropriate length of public comment period to seek input.

Proposal Due Date. Proposals, and any modifications or revisions, are due on May 23, 2007, by 4:00 p.m., Eastern Standard Time. Proposals shall be submitted in writing. Instructions for submission of proposals are located in Section L. Late proposals, modifications, and withdrawals will be treated in accordance with Provision L-1, FAR 52.215-1 – Instructions to Offerors – Competitive Acquisition (JAN 2004).

Oral Presentations. Oral presentations will be conducted with all proposed Key Personnel for each Offeror as part of the Key Personnel criteria evaluation. Oral presentations are tentatively scheduled for the week of June 4, 2007. DOE will schedule the oral presentations based on a drawing of lots and will notify each Offeror within five working days after the proposal submission date of the date, time, location, and other instructions related to its oral presentation. The oral presentation will be held at a location in the vicinity of SRS. The Government reserves the right to reschedule the oral presentation at its discretion, and the Government shall not consider requests to reschedule the oral presentation except in extenuating circumstances. Evaluation of proposals will be based on both the written information and the oral presentation. (Refer to Section L, Provision L-4).

Evaluation Criteria. The RFP describes the criteria DOE intends to use in selecting a successful future contractor. Each Offeror's proposal will be evaluated against the following technical evaluation criteria: Key Personnel, Organizational Structure and Management Approach, Technical Management Approach, ES&H, Past Performance, and Relevant Experience. All technical criteria will be adjectivally rated. The technical evaluation criteria combined are significantly more important than the cost and fee. The cost and fee will not be adjectivally rated, but will be evaluated with respect to cost reasonableness and realism.

Sincerely,



Angela Sistrunk-Morton  
Contracting Officer

Enclosure:  
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