

Question 1:

Would DOE consider revising the current annual fee amount as set forth in the draft RFP to better reflect anticipated work scope challenges and trends in recent Management and Operating (M&O) contract with respect to fee levels?

Initial Response (December 11, 2006):

The Source Evaluation Board is considering appropriate revisions to the annual fee as set forth in the draft RFP. The revisions under consideration include:

1. Revising the total annual available fee to a range comparable to total annual fees available to be earned by contractors under other current M&O and site management contracts of similar size, scope, and complexity consistent with policy and program needs.
2. Establishing an exclusion from the "single fee" requirement in Clause B.7 of the model contract section of the draft RFP for the prime contractor team/major teaming subcontractors for those team members that are small businesses.
3. Providing a contract provision that would permit DOE and the contractor to mutually agree to negotiate additional fee earning potential through the performance of work scope and activities that are not achievable under the currently projected contract funding profile where the contractor can affirmatively and conclusively demonstrate operating and other efficiencies that allow for the successful completion of the additional work.

Updated Response (February 2, 2007):

On December 11, 2006, DOE provided an initial response to this question. DOE has given further consideration to this issue and performed an analysis of the total annual fees available to be earned by contractors under other current laboratory and non-laboratory Management and Operating (M&O) and site management contracts of similar size, scope, and complexity consistent with policy and program needs. As a result, DOE has decided to increase the maximum annual fee in the Savannah River Site M&O solicitation to approximately \$54 million. Offerors should note that under the solicitation an offeror may propose the amount of annual fee it deems reasonable up to, but not exceeding, the maximum annual fee set forth in the solicitation. Potential offerors are directed to Sections M.2(h) and M.3 of the draft solicitation for an explanation on how fee will be evaluated in the competition. Any additional revisions to the draft solicitation relating to this issue will be reflected in the final solicitation.