



DUF<sub>6</sub> Conversion  
Preproposal Conference  
RFP No. DE-RP05-01OR22717

RFP OVERVIEW

Don R. Sloan, Chairman  
Source Evaluation Board

December 8, 2000



## Ground Rules

- All Presentation Materials at the Preproposal Conference and the Site Tours will be Placed on the RFP Website
- All Questions Must be in Writing
- Answers Provided During the Preproposal Conference Q&A Session will be Placed on RFP Website
- Presentations are Provided as Summary Information. Rely on the Full Text of the RFP.
- Presentations, Comments, and Answers to Questions at the Preproposal Conference and the Site Tours do not Change the Terms of the RFP. Terms of the RFP can only be Changed Through a Formal Amendment to the RFP.



# Proposal Components

- Volume I - Offer and Other Documents
- Volume II - Technical and Business Management
- Volume III - Cost



## Volume I - Offer and Other Documents

- Signed Contract - Terms and Conditions
- Estimated Cost
- Fee
- Performance Requirements
- Schedule
- Key Personnel
- Small Business Subcontracting Plan
- Performance Guarantee
- Representations, Certifications, and Other Statements of Offerors
- Acknowledgment of Amendments to the RFP



## Fee

- Fixed Fee - Design
- Incentive Fee - Construction
- Award Fee - Operations and Cylinder Management



## Incentive Fee - Construction

- Separate Incentive Fee for Each Facility
  - » Paducah
  - » Portsmouth
- Incentivize Cost and Schedule
- Conditional Payment of Fee, Profit, or Incentives Clause (I.140)
  - » Applicable to all Fee Types: Fixed, Incentive, Award
- 25% Fee Retainage Until 10% of DUF<sub>6</sub> Processed



## Incentive Fee - Construction Cost Performance

- Offerors Will Propose:
  - » Target Cost (Estimated Cost in Contract)
  - » Target Fee
    - If Actual Cost = 95-105% of Target Cost, Target Fee is Earned
  - » Cost Share Ratio: To Calculate Fee Earned, If Costs are Plus or Minus 95-105% of the Target Cost
    - Example: 50/50
      - For Every Dollar the Actual Cost is Under 95% of the Target Cost, Contractor Earns \$.50 Over Target Fee Up to Maximum Fee
      - For Every Dollar the Actual Cost is Over 105% of the Target Cost, Contractor Earns \$.50 Under Target Fee But No Lower than Minimum Fee



## Incentive Fee - Construction Schedule Performance

- Accelerated Construction Completion
  - » Contractor Earns Additional 2% of Fee Earned for Cost Performance for Every Month Accelerated (Not to Exceed 10%)
- Delayed Construction Completion
  - » Fee Earned For Cost Performance is Reduced by 2% for Every Month Delayed (Not to Exceed 10%)



## Award Fee - Operations and Cylinder Management

- Offerors Propose Maximum Award Fee
- Annually, DOE
  - » Determines the Amount of Award Fee Available for the Annual Period, from Maximum Award Fee
  - » Establishes a Performance and Evaluation Measurement Plan
    - Sets Forth Criteria Upon Which the Contractor will be Evaluated
      - Technical, Schedule, Cost, or Management Objectives
      - Criteria will include Objective and Subjective Measures
    - Sets Forth the Method by Which Award Fee will be Determined
  - » Determine the Total Fee Earned



## Award Fee - Operations and Cylinder Management Performance Objectives

- Offerors Propose Award Fee Performance Requirements
- Performance Requirements Proposed Should:
  - » Be as Objective as Possible
  - » Reflect the Offeror's Willingness to Set Aggressive Requirements
  - » Reflect the Offeror's Confidence in its Proposed Technology/Process
  - » Reflect the Offeror's Confidence in its Ability to Successfully Operate the Facilities
- Performance Requirements Proposed shall Include:
  - » Cost Per Kilogram of  $\text{DUF}_6$  Processed
  - » Number of Kilograms Processed
  - » Number of Cylinders Shipped From ETTP to Portsmouth



# Fee RFP Evaluation Criteria

- Fee Will be Evaluated on:
  - » Its Amount
  - » Fee at Risk
    - Incentive Fee - Construction: Share Ratio and Minimum/Maximum Fee Proposed
    - Award Fee - Operations: Performance Requirements Proposed



# Schedule

Activity

Date

Complete System Requirements

\_\_\_\_\_

Complete Conceptual Design

\_\_\_\_\_

Complete Preliminary Design

\_\_\_\_\_

Complete Final Design

\_\_\_\_\_

Start Construction

Not Later Than 1/31/2004

Start Cylinder Management

One Year Prior to Operations

Complete Construction

\_\_\_\_\_

Start Operations

\_\_\_\_\_

Complete Transportation of ETTP Cylinders  
to Portsmouth, OH

Not Later Than 12/31/2009



## Volume II - Technical and Business Management Proposal

- Addresses the Offerors Capabilities and What it Will Do to Satisfy the Requirements of the Statement of Work
- Form and Content is Expressed in Section L of the RFP
- Content in Section L is Guide for Offerors
- Offerors Should Ensure They are Submitting Information That is Most Advantageous to Addressing the Evaluation Criteria in Section M
- Don't Assume We Know You. We will Only Evaluate What is Submitted in Proposal
- The Information in Section L is not Evaluation Criteria. Section M is the Only Basis on Which Proposals Will be Evaluated.



# Proposal Evaluation Criteria

## TECHNICAL AND BUSINESS MANAGEMENT CRITERIA

|             |   |     |     |
|-------------|---|-----|-----|
| Criterion 1 | Technology/Design                             |     | 30% |
|             | (i) DUF <sub>6</sub> Conversion               | 20% |     |
|             | (ii) Waste and Conversion Product Disposition | 10% |     |
| Criterion 2 | Project Management                            |     | 25% |
|             | (i) Method of Accomplishment                  | 15% |     |
|             | (ii) Project Management Systems               | 10% |     |
| Criterion 3 | Business Management                           |     | 15% |
| Criterion 4 | Environment, Safety and Health                |     | 15% |
| Criterion 5 | Experience                                    |     | 10% |
| Criterion 6 | Past Performance                              |     | 5%  |

The Technical and Business Management Proposal is Significantly More Important Than the Cost and Fee Proposal. However, Cost and Fee are a Substantial Element of the Evaluation

Selection will be Based on the Best Value to the Government



# Evaluation Process

- Evaluation of Proposals by:
  - » Source Evaluation Board Members
  - » Technical Advisors to the Board
  - » DOE Contractor Personnel may Assist the Government in its Evaluation
- Determination of Offers in the Competitive Range
  - » Most Highly Rated Proposals
  - » Source Selection Official will Approve Competitive Range
  - » Offerors not Considered Within the Competitive Range will be Notified
- Written or Oral Discussions (Negotiations) will be Initiated with all Offerors in the Competitive Range by the Source Evaluation Board



## Evaluation Process (continued)

- Submission of Revised Proposals
- Final Evaluation by the Source Evaluation Board
  - » Board's Evaluation of Proposals Contained in a Source Evaluation Board Report to the Source Selection Official
- Source Selection Official's Selection Decision
- Contract Award
- Debriefing of Offerors



## Award Schedule

|                                       |                    |
|---------------------------------------|--------------------|
| RFP Released                          | October 31, 2000   |
| Site Tours and Preproposal Conference | December 4-8, 2001 |
| Proposals Due                         | February 1, 2001   |
| Contract Award                        | July 2001          |