

April 12, 1999

**EXECUTIVE SUMMARY
REQUEST FOR PROPOSALS FOR
MANAGEMENT AND OPERATION OF
THE OAK RIDGE NATIONAL LABORATORY
RFP NO. DE-RP05-99OR22725**

The Department of Energy (DOE), Oak Ridge Operations Office (ORO), plans to award a performance based contract for the management and operation of the Oak Ridge National Laboratory (ORNL). The Request for Proposals (RFP) consists of the model contract (Sections A through J); Offeror's Representations, Certifications, and Other Statements (Section K); and the process by which proposals are to be prepared, submitted and evaluated (Sections L and M). This RFP reflects a number of comments received on the draft RFP which was released in December 1998.

Key Features of the Procurement

Scope - The purpose of the resulting contract is the management and operation of ORNL and includes support of all DOE mission related work. The selected contractor will provide integrated line management of the research institution, aligning DOE multiple program scientific and technical missions with the appropriate resources, capabilities, and core competencies to deliver world class science and technology in a safe and cost effective manner. ORNL conducts basic and applied research and development to advance scientific knowledge, the nation's energy resources, and environmental quality and strengthen educational foundations and national economic competitiveness. These efforts are carried out in partnership with academia, the private sector, other DOE laboratories, the international scientific community, and other Government agencies.

Spallation Neutron Source (SNS) - The SNS project, initiated in October 1998, is extremely important to the neutron science user community. The estimated cost to build the facility is approximately \$1.3 billion, and the current schedule is for the facility to begin operations during 2005. The National Environmental Policy Act (NEPA) process is underway and the preferred facility site is ORNL. The SNS project is an important element of the Statement of Work and Evaluation Criteria. Offerors will include the incumbent Project Director for the SNS in their proposed Key Personnel.

Environment, Safety and Health - Safe accomplishment of the work and protection of human health and the environment are of primary importance as indicated in the Statement of Work and Evaluation Criteria. An Integrated Safety Management System is required and will flow down to subcontractors. The Contractor, or the cognizant subcontractor, is responsible for any required permits for its activities.

Performance Based Contract - The performance based contract will include performance expectations. These expectations include Science and Technology; Leadership; Environment, Safety, and Health; Infrastructure; Business Operations; and Stakeholder Relations. The selected contractor will be expected to meet these performance expectations through the accomplishment of annual performance objectives.

Fee - Offerors will propose a fixed fee which shall not exceed, but may be less than, \$3.5 million for the first eight months (two months transition and six months contract performance). Offerors will propose a fee discount factor which will be applied to the total available performance fee of \$7 million for each annual period for the remainder of the base period. In addition, offerors will propose a separate fee discount factor for the option period.

Limitation of Liability - The contract contains a provision, applicable to nonprofit organizations only, that limits the Contractor's liability for certain obligations to 1.25 times the total available fee for each fiscal year.

Employee Transition - A number of contract requirements are specified to facilitate a smooth transition of Lockheed Martin Energy Research employees to the selected contractor. These requirements include retention of substantially equivalent base pay and benefits and recognition of the current bargaining unit.

Corporate Citizenship - DOE contractors are expected to be good corporate citizens in the communities in which they perform work. Therefore, offerors will include in their offer the degree of their proposed company and employee involvement with financial and non-financial commitments to area educational, cultural, civic, and health and welfare organizations.

Contract Period - The selected contractor will become responsible for the work on April 1, 2000, for a base period of 5 years. An option period for an additional five years is included. A transition period will begin February 1, 2000, and extend through March 31, 2000.

Qualification Criteria - Only offerors: (1) with at least \$50M in average annual research and development revenues/costs over the last three completed and audited years, and (2) that have been responsible for the operation and maintenance of an industrial/scientific infrastructure of at least one million square feet; will be eligible for evaluation and award of the proposed contract.

Evaluation Criteria - Evaluation criteria and relative weights of weighted factors are given below:

Weighted Factors	Relative Weights
(1) Management of Science and Technology	68%
(i) Science and Technology Programs	35%
(ii) Spallation Neutron Source	13%
(iii) Laboratory Operations	10%
(iv) Environment, Safety and Health	10%
(2) Leadership	24%
(i) Management Team	14%
(ii) Organization	5%
(iii) Transition Plan	5%
(3) Corporate Experience and Past Performance	5%
(4) Corporate Citizenship	3%

Factors Considered but Not Weighted

Cost and Fee

Preproposal Conference - A preproposal conference is planned for 8:30 AM on May 4, 1999. It will be held at the American Museum of Science and Energy in Oak Ridge, Tennessee. In order for questions to be addressed in the preproposal conference, they should be submitted by 4:00 PM on April 28, 1999.

Proposal Due Date - Proposals are due by 4:00 PM (local prevailing time) on July 12, 1999.

Contract Award - Since it is the Government's intention to evaluate proposals and award a contract without negotiations, each initial proposal should contain the offeror's best terms from a cost, fee, and technical standpoint. However, the Government reserves the right to conduct negotiations if it later determines that negotiations are necessary. The contract is expected to be awarded in December 1999.

Questions related to the RFP should be provided to Mary Lou Crow, via e-mail at ORNLseb@oro.doe.gov or facsimile at 423-241-1647. Questions should identify the specific section or clause of the RFP to which they apply. Information regarding the RFP as well as other information relating to the overall procurement effort is posted on the Internet at <http://www.oro.doe.gov/ornlseb>. As appropriate, questions and answers will be posted on the Internet. The identity of the organization and/or individual submitting questions will not be revealed.