September 20, 2018

To: Prospective Offerors

REQUEST FOR PROPOSAL 89303318REM000007 FOR THE HANFORD MISSION ESSENTIAL SERVICES CONTRACT (HMESC) PROCUREMENT

This letter hereby serves as the official notice to prospective Offerors that the Department of Energy (DOE) is releasing the Final Request for Proposal (RFP) 89303318REM000007 for the HMESC procurement through its Environmental Management Consolidated Business Center (EMCBC). The Final RFP can be found on the HMESC procurement website at: https://www.emcbc.doe.gov/SEB/HMESC/rfppage.php.

Questions pertaining to the Final RFP shall be submitted in writing to HMESC@emcbc.doe.gov no later than 11:59 p.m. Eastern Time, October 11, 2018. Prospective Offerors shall use the enclosed “Industry Comment Template” when submitting questions in accordance with Final RFP Provision L.8(h), Questions. DOE will post amendments issued to the Final RFP, responses to questions, and other official communication from the Contracting Officer on the EMCBC HMESC procurement and FedBizOpps/FedConnect websites. Prospective Offerors are encouraged to conduct a thorough review of the Final RFP and submit questions pertaining to the Final RFP as early as possible, but no later than the date shown above to allow for a thorough and timely DOE response to all questions submitted.

The established due date for receipt of proposal submission is 60 calendar days from the issuance of the RFP as specified on the Standard Form (SF 33), Solicitation, Offer and Award (See Section A, Block 9).

Background

On October 19, 2017, the HMESC Contracting Officer's Preliminary Organizational Conflicts of Interest (OCI) Analysis and a draft copy of the HMESC Section C Performance Work Statement (PWS) were posted to provide potential Offerors an early opportunity to review the preliminary OCI analysis as it relates to the PWS, understand how it might affect their teaming arrangements, and allow them the opportunity to provide early feedback to DOE.

On November 21, 2017, DOE released the Draft RFP. The Draft RFP was released to facilitate the understanding of the Government’s requirements with interested parties, and to provide interested parties with the opportunity to submit comments and provide feedback.
pertaining to the Draft RFP. From December 11th through December 15th, 2017, DOE held a pre-solicitation conference, site tour, and one-on-one meetings with interested parties. On December 12, 2017, DOE posted Alternate Cost Model documentation for industry consideration and feedback. DOE requested that industry provide objective input (favorable comments, recommended changes, and non-favorable comments) on both cost models (cost model in Draft RFP and Alternate Cost Model). DOE requested written comments from interested parties regarding the Draft RFP by January 8, 2018, and the Alternate Cost Model by January 19, 2018.

On March 1, 2018, the Contracting Officer’s Organizational Conflicts of Interest (OCI) Final Analysis for the Hanford Mission Essential Services Contract was posted.

On May 4, 2018, the DOE issued a formal notice to interested parties clarifying that the Alternate Cost Model posted on December 12, 2017 would be utilized for the Section L Volume III proposal preparation instructions and corresponding templates for the Final RFP as a result of DOE’s consideration of the comments received from interested parties in response to the Alternate Cost Model concept.

DOE has carefully considered comments received on the Draft RFP, as well as comments received on the Contracting Officer's OCI Final Analysis, and made changes to the Final RFP that it believed were appropriate. The Final RFP is the result of these changes and considerations, and other changes made since the Draft RFP issuance on November 21, 2017.

**Notices**

This cover letter provides a summary level description of the notable changes that have been made from the Draft RFP to the Final RFP. Additionally, for informational purposes only, a redlined copy of the Final RFP is posted to the EMCBC HMESC procurement website at: https://www.emcbc.doe.gov/SEB/HMESC/rfppage.php. The Final RFP specifies all of the requirements for the HMESC procurement, and takes precedence over this cover letter and the redlined copy of the Final RFP sections. Information contained in this cover letter or the redlined copy of the Final RFP sections shall not be construed as being part of the Final RFP. Prospective Offerors shall prepare their proposals based solely on the requirements specified in the Final RFP and in accompanying amendments, if issued.

In response to industry Draft RFP feedback, DOE is posting to the EMCBC HMESC procurement website, for Offerors’ convenience, the MS Word versions of the following Section L Attachments for the Hanford Mission Essential Services Contract – Final RFP Solicitation No. 89303318REM000007:

- Attachment L-1 Performance Guarantee Agreement
- Attachment L-2 Key Personnel Standard Resume Format
- Attachment L-3 Past Performance Reference Information Form
- Attachment L-4 Past Performance Cover Letter and Questionnaire
- Attachment L-5 List of Contracts Terminated for Default or Convenience
- Attachment L-9 List of DOE Contracts
In the event there is a conflict between the MS Word versions of the Section L Attachments and the current version of the .pdf file for Section L provided on the EMCBC HMESC procurement and FedBizOpps/FedConnect websites, the .pdf file will control.

In order to further the Government’s policy of maximizing electronic commerce, electronic media will be the primary method of communication regarding this procurement. The Final RFP, amendments issued, responses to questions received from prospective Offerors, and other official communications from the DOE will be posted on the EMCBC HMESC procurement and FedBizOpps/FedConnect websites. Prospective Offerors shall be responsible for reviewing the procurement website regularly for information, notices, and updates regarding the Final RFP.

**Notable Changes from the Draft RFP to the Final RFP**

Below is a brief description of some of the notable changes from the Draft RFP to the Final RFP.

**Section B:**

- The period of performance for Option Period One was increased from 24 months to 36 months, and Option Period Two was decreased from 36 months to 24 months.
- The maximum quantity of services the Government will acquire under the Indefinite Delivery/ Indefinite Quantity (IDIQ) Contract Line Item Numbers (CLINs) for the full Contract Period of Performance, including Options 1 and 2, if exercised, was increased from $400 million to $610 million (inclusive of any fee or profit).
- Clause B.4, *Estimated Cost, Fee, and Period of Performance* was deleted in its entirety and replaced with a different clause, *Other Costs and Projects*. Clause B.4, *Other Costs and Projects* was incorporated to clarify the type of work scope that could be authorized under the IDIQ CLINs 0008, 1008, and 2008 related to Other Directed Work Scope.
- Clause B.7, *Estimated Annual Contract Value* was revised to capture Total Estimated Contract Cost and Fee by Period of Performance via Table B-2 and Total Base and Options Period of Performance Estimated Cost and Fee by Fiscal Year via Tables B-3a, Table B-3b, and Table B-3c.
- Clause B.8, *DOE-H-2060 Fee (Oct 2014) (Revised)* was retitled to *Fee*, and updated to clarify process details regarding the Performance Evaluation and Measurement Plan (PEMP) (Section J, Attachment J-4) and Fee Determination.
- Clause B.10, *Allowability of Subcontractor Fee*, was updated within paragraph (a) to reflect that separate, additional subcontractor fee is not an allowable cost under this Contract for individual team members as defined in FAR Subpart 9.601(1) and (2), or for a subcontractor, supplier, or lower tier subcontractor that is a wholly-owned, a majority owned, or an affiliate of any team member.
- Clause B.11, *Fee Reductions* was updated to remove certain clauses that would not impose fee reductions under the Contract.

**Section C:**

- Various minor updates were made throughout the Performance Work Statement
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(PWS) to clarify and refine the scope requirements as a result of industry feedback and further internal DOE discussions.

- C.1 Contract Transition, was revised to include the transition of the workforce needed to execute the mission of the contract.
- C.4.12.6 Program and Project Performance Management was revised to clarify the requirements for Hanford Site interface management and Site integration.
- C.5 DOE Small Business Procurement Pre-Award Support, was revised to clarify that the Contractor shall identify meaningful work from the HMESC PWS to be awarded to small businesses as prime contracts to DOE, and to delete the estimated total value of $55 million annual requirement for such contracts.

Section F:

- Clause F.3 DOE-F-2003 Period of Performance – Alternate I and Alternate II (Oct 2014) (Revised) was revised to add definitions as a new paragraph (a), as well as necessary updates to the Periods of Performance table.
- Clauses F.4 DOE-F-2007 Delivery of Limited Rights Data (Oct 2014) and F.5 DOE-F-2008 Delivery of Restricted Computer Software (Oct 2014) were removed from the contract.

Section H:

- Revised clause H.26 DOE-H-2016 Performance Guarantee to remove the requirement for an ownership interest of 51% or greater if the Contractor is a joint venture, limited liability company, or other similar entity where more than one organization is involved.
- Revised clause H.47 DOE-H-2070 Key Personnel - Alt I (Oct 2014)(Revised) to indicate the Chief of Hanford Patrol and Chief of Hanford Fire are “TBD” instead of “Offeror Fill-In” and shall be designated by the selected Contractor during the Transition period.
- Revised clause H.53 Subcontracted Work as follows:
  - Revised to require at least 50 percent of the Total Subcontracted Work be performed by small businesses instead of at least 25 percent of the Total Contract Value.
  - Removed reference to “at time of Contract award (exclusive of the maximum value under the IDIQ CLINs)” for the subcontracting requirements.
  - Added a requirement that as Task Orders are issued under the IDIQ CLINs, the Contractor shall update the Small Business Subcontracting Plan to reflect the increase in Total Contract Value within the Small Business Subcontracting Plan associated with awarded IDIQ Task Orders.
  - Clarified that subcontracts with affiliates, if consented by the CO in accordance with the Section H clause, Organizational Conflict of Interest – Affiliate (s), shall not apply towards meeting the 40 percent subcontract requirement.
  - Updated the definition of Meaningful Work to include staff augmentation services.
- Revised clause H.61 Integrated Work Control Systems and Reporting Requirements for Cost Plus Type Contracts (Apr 2018) to reflect the most recent EM approved clause requirements.
- Added clause H.63 Safety Act Coverage – Not Applicable to clarify that the product(s)
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Section J:

- Revised Attachment J-3 to add an introduction and crosswalk table to clarify the purpose and relationship of the enclosed J-3a and J-3b, Hanford Site Services and Interface Requirements Matrices. Revised Attachment J-3a to reflect changes from the Mission Support Contract, Contract No. DE-AC06-09RL14718, Section J, Modification 694. Changes to J-3.b included revisions throughout to clarify service descriptions, direct funded services, and user base services.

- Attachment J-9, Wage Determinations – Service Contract Labor Standards (formerly known as the Service Contract Act) and Construction Wage Rate Requirements (formerly known as the Davis-Bacon Act) have been updated to the most current
versions issued by the Department of Labor.
- Attachment J-10, *Contract Deliverables*, has been revised to match revisions made to Section C as well as other updates throughout the RFP.
- Attachment J-14, *Manhattan Project National Historical Park Description* was added.
- Attachment J-17, *Contract PWS and WBS Crosswalk Tables*, additional tables added for clarification and identification of Proposal WBS structure and evaluation package levels.

### Section K:
- Updated provision K.1 FAR 52.204-8 *Annual Representations and Certifications* to the current version dated January 2018.
- Added a new provision at K.8 *DOE-H-2079 Agreement Regarding Workplace Substance Abuse Programs at DOE Sites* (Apr 2018).
- Updated provision K.10 *Organizational Conflicts of Interest Disclosure* regarding involvement of the Offeror’s affiliates (if applicable), the Offeror shall indicate whether the involvement of an affiliate will be performed as part of the Prime Contract or as a subcontract.

### Section L:
- Provision L.7 *Offer Acceptance Period* has been updated to 365 calendar days.
- Provision L.8 *DOE-L-2001 Proposal Preparation Instructions – General* has been updated for the proposal submission requirements, including the number of copies and exceptions.
- Provision L.9 *DOE-L-2002 Proposal Preparation Instructions, Volume I – Offer and Other Documents* has been updated as follows:
  - Updated the minimum small business goal to be 50 percent of total subcontracted work and removed the requirement to submit the Section L Attachment, *Small Business Subcontracting Tables*, from the solicitation.
  - Updates to paragraph (m) for the compliance requirements and submission of information related to the performance restrictions described in the Section H clause, *Organizational Conflict of Interest Between Hanford Site Contracts*.
  - Added a new paragraph (n) for solicitation requirements related to the Section H clause, *Organizational Conflict of Interest – Affiliate(s)*.
- Provision L.11 *DOE-L-2004 Proposal Preparation Instructions, Volume II – Technical Approach* has been updated as follows:
  - Updated to require the Offeror’s technical approach on the specified PWS elements identified in the added Table L-4.
  - Updated to include specific instructions if the Offeror chooses not to apply the out-year cost profile factors for a static scope of work.
  - Updated paragraph (e) for instructions related to the Commitment to Small Business Utilization only.
- Provision L.12 *DOE-L-2005 Proposal Preparation Instructions, Volume II – Key Personnel* has been updated as follows:
  - Removal of the “Chief of Hanford Patrol” and “Chief of Hanford Fire” from the required key personnel positions for the Offeror’s Volume II proposal.
  - Within paragraph (e) Organization, removed various details and consolidated
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instructions into two major sub-paragraphs.

- The provision entitled DOE-L-2009 Proposal Preparation Instructions, Volume II—Experience has been removed, as Experience is no longer an evaluation factor.
- Provision L.13 DOE-L-2010 Proposal Preparation Instructions, Volume II—Past Performance has been updated as follows:
  - Expanded the past performance consideration of contracts completed within the last five years from the original solicitation issuance date.
  - Paragraph (c) Newly formed entity and predecessor companies was updated for specific instructions related to past performance of parent organization(s), member organizations in a joint venture, LLC, or other similar or affiliated companies.
  - Paragraph (d) Work to be performed was updated to reflect that the past performance information provided for the Offeror, to include all members of a teaming arrangement, as defined in FAR 9.601(1), and/or all critical subcontractors, shall describe its relevancy to the proposed acquisition and to the work that is proposed to be performed by that individual entity.
  - Removed the requirement to submit the Section L Attachment, Work Performance Matrix, from the solicitation.
- Provision L.14 Proposal Preparation Instructions, Volume III—Cost and Fee Proposal has been updated for the alternate cost proposal/analysis method. Notable updates are as follows:
  - For the Cost-Plus-Award-Fee CLINS (CLINs 0004, 1004, 2004, 0005, 1005, 2005 0006, 1006 and 2006), the Offeror may not propose an award fee that exceeds 8% of the estimated CLIN cost.
  - The cost instructions were updated to clarify specific instructions as they apply to the Offeror and Critical Subcontractors. The Offeror shall complete all cost proposal worksheets within the updated Attachment L-6, Cost Detail Worksheets, and the updated Attachment L-7, Cost Summary Worksheets, to the level of detail indicated in the attachments and Section L instructions. The same applies to Critical Subcontractors, however, Critical Subcontractors shall complete the cost proposal worksheets utilizing the Attachment L-6a Critical Subcontractor Cost Detail Worksheets and Attachment L-7a Critical Subcontractor Cost Summary Worksheets. Significant updates to these cost proposal worksheets were incorporated to reduce the amount of required input data, and instead include a new ‘Estimating Flat File’ worksheet in the L-6 and L-6a.
  - DOE has provided the Offerors a list of static scopes of work (these are typically non-variable) as well as Government provided out-year cost profiles for the static scopes of work by PWS and Proposal WBS within the Section L, Attachment L-8, ‘Static Scope Profile’ tab. The Offeror shall develop a base year cost (See “Direct Cost Base Year” instructions under the Estimating Flat File within Section (j)(1)(iii) of these instructions) and may apply the Government provided out-year cost profile contained in the HMESC Static Scope Profile by PWS table for development of their cost proposal for each static scope of work. If the Offeror applies the Government provided out-year cost profile, no additional supporting documentation within Volume III will be required to support these out-year costs. If the Offeror chooses not to apply the Government provided out-year cost profile(s), then the Offeror shall provide a
bottoms-up estimate for each static scope of work by Government FY, including the rationale, the basis of estimate and other required supporting documentation. For all other scopes of work (i.e. non-static work), the Offeror and Critical Subcontractors shall provide a bottoms-up estimate and the required supporting documentation for all years.

- The Historical Reference (HREF) information posted to the Documents Library has been updated to Historical Cost Reference Data (HCRD) to reflect activity levels for FY17 on the Hanford Site.
- The accounting system to be used by the Offeror is part of the Business Management System (BMS). As a result, the requirement to submit the Section L Attachment entitled Offeror's Proposed Accounting System Information has been removed from the solicitation.

- Provision L.24 List of Section L Attachments has been updated to reflect the revised Volume III – Cost and Fee Proposal submission worksheet templates, including the separate L-6a and L-7a Critical Subcontractor worksheet templates. Attachment L-8 has been renamed to Assumptions and has been updated to include the HME/SC Static Scope Profiles by PWS. Attachment L-8 has also been reviewed and updated for various Proposal WBS/Assumptions and Resource Codes from the Draft RFP.

Section M:

- Made revisions to align with Section L.
- Provision DOE-M-2007 Evaluation Factor – Experience has been removed, and remaining Section M provisions have been renumbered accordingly.
- Provision M.5 Evaluation Factor – Cost and Fee was updated to clarify the evaluation methodology for the Offeror's total evaluated price. The review of information to assist in the determination of responsibility in accordance with FAR Part 9 was also added.
- Provision M.6 DOE-M-2011 Relative Importance of Evaluation Factors has been updated to reflect the removal of the Experience evaluation factor, as well as other updates made to the relative importance of evaluation factors.

DOE intends to answer all questions pertaining to the Final RFP as thoroughly and efficiently as possible, and looks forward to receiving proposals in response to the Final RFP.

Sincerely,

Lori A. Sehlorst
Contracting Officer

Enclosure:
(1) Industry Comment Template