

PART IV – REPRESENTATIONS AND INSTRUCTIONS

SECTION M

EVALUATION FACTORS FOR AWARD

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M.1 PROPOSAL EVALUATION – GENERAL

- (a) This acquisition will be conducted pursuant to Federal Acquisition Regulation (FAR) Part 15, Contracting by Negotiation, and Department of Energy Acquisition Regulation (DEAR) Part 915, Contracting by Negotiation. DOE has established a Source Evaluation Board (SEB) to evaluate the proposals submitted for this acquisition. Proposals received in response to this solicitation will be evaluated by the SEB members in accordance with the procedures contained in FAR Part 15, DEAR Part 915, and the Evaluation Criteria hereinafter described. The Source Selection Official (SSO) will select an Offeror for contract award using the best value analysis described in this section.
- (b) The proposal preparation instructions set forth in Section L are designed to provide guidance to the Offeror concerning the type and depth of information the Government considers necessary to conduct an informed evaluation of each proposal. The Offeror shall furnish adequate and specific information in its proposal response. Cursory proposal responses that merely repeat or reformulate the Performance Work Statement are not acceptable. Further, a proposal will be eliminated from consideration before the evaluation if the proposal is so grossly and obviously deficient as to be totally unacceptable on its face. For example, a proposal will be deemed unacceptable if it does not represent a reasonable effort to address itself to the essential requirements of the solicitation, or if it clearly demonstrates that the Offeror does not understand the requirements of the solicitation. In the event a proposal is rejected, a notice will be sent to the Offeror stating the reason(s) that the proposal will not be considered for further evaluation under this solicitation.
- (c) A proposal deficient in any evaluation criteria will not be selected for award. A deficiency is defined in FAR 15.001
- (d) The Government intends to evaluate proposals and award a contract without discussions or exchanges with Offerors (except clarifications as described in FAR 15.306(a)). If a competitive range is established pursuant to FAR 15.306(c), Offerors are hereby advised that the CO may limit the number of proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals. Offerors that are not included in the competitive range will be promptly notified. Therefore, the Offeror's initial proposal shall contain the Offeror's best terms from a cost or price and technical standpoint. The Government reserves the right to conduct discussions if the Contracting Officer later determines them to be necessary.
- (e) Prior to award, a determination will be made regarding whether any potential Organizational Conflicts of Interest (OCI) exist with respect to the apparent successful Offeror or whether there is little or no likelihood that such conflict exists. In making this determination, the Contracting Officer (CO) will consider

the representation required by Section K of this solicitation and the information required in Volume I per Section L of the solicitation pertaining to OCI. An award will be made if any potential OCI can be appropriately avoided, neutralized, or mitigated.

- (f) Any exceptions or deviations by the Offeror to the terms and conditions stated in this solicitation for inclusion in the resulting contract may make the offer unacceptable for award without discussions. If an Offeror proposes exceptions to the terms and conditions of the contract, the Government may make an award without discussions to another Offeror that did not take exception to the terms and conditions of the contract.

M.2 BASIS FOR CONTRACT AWARD

- (a) DOE intends to award one contract to the responsible Offeror whose proposal is responsive to the solicitation and determined to be the best value to the Government. Selection of the best value to the Government will be achieved through a process of evaluating the strengths and weaknesses of each Offeror's proposal and the favorability of each Offeror's relevant past performance information in accordance with the Evaluation Factors described in Section M.4. The Government will assign adjectival ratings for each of the Technical Evaluation Factors based upon these strengths and weaknesses and favorability of each Offeror's relevant past performance information. The adjectival ratings to be assigned for each of the Technical Evaluation Factors are shown in Tables M-1 and M-2 in Section M.3.
- (b) In determining the best value to the Government, the Technical Evaluation Factors are significantly more important, when combined, than the Evaluated Price. Evaluated Price is defined in Section M.5 below. The Government is more concerned with obtaining a superior Technical and Management proposal than making award at the lowest Evaluated Price. However, the Government will not make an award at a price premium it considers disproportionate to the benefits associated with the evaluated superiority of one Offeror's Technical and Management proposal over another. The Government will assess what the strengths and weaknesses and relevant past performance information between or among competing Technical and Management proposals indicate from the standpoint of (1) what the difference might mean in terms of anticipated performance; and (2) what the evaluated cost/price to the Government would be to take advantage of the difference. The closer or more similar in merit that Offerors' Technical and Management proposals are evaluated to be, the more likely the Evaluated Price may be the determining factor in selection for award.

M.3 RELATIVE IMPORTANCE OF EVALUATION FACTORS

Proposals will be evaluated on the four technical evaluation factors below using information submitted by the Offerors:

- (1) Past Performance
- (2) Technical and Management Approach
- (3) Key Personnel and Organizational Structure
- (4) Relevant Experience

Past Performance and Technical and Management Approach will be considered equal in importance and, when combined, are significantly more important than Key Personnel and Organizational Structure and Relevant Experience. Key Personnel and Organizational Structure is considered more important than Relevant Experience. Areas within an evaluation factor are not sub-factors and will not be individually rated, but will be considered in the overall evaluation for that particular evaluation factor.

The adjectival ratings to be assigned for each of the Technical Evaluation Factors are shown in Tables M-1 and M-2 below:

Table M-1: Adjectival Ratings Factor 1, Past Performance*:

Substantial Confidence
Satisfactory Confidence
Limited Confidence
No Confidence
Unknown Confidence (Neutral)

*The adjectival ratings for Factor 1 indicate, based on the Offeror's relevant performance record, confidence in the Offeror's ability to perform the required effort.

Table M-2: Adjectival Ratings Factor 2, Factor 3 and Factor 4:

Outstanding
Good
Satisfactory
Marginal
Unsatisfactory

M.4 TECHNICAL EVALUATION FACTORS

Factor 1: Past Performance

DOE will evaluate the past performance of the Offeror, including each entity participating in a joint venture, LLC, or teaming agreement thereof as defined within the Section H clause

“Corporate Governance Plan,” and each major or critical subcontractor (as defined in provision L.5) for contracts or projects currently on-going or completed within the last five (5) years from the date of the solicitation issuance that are similar in size, scope and complexity to the PWS.

- Size is defined as dollar value and duration
- Scope is defined as the type of work (e.g. work as identified in the PWS); and
- Complexity is defined as performance challenges (e.g., types of waste and associated processing through final disposition; handling, storage and transfer of spent nuclear fuel; maintaining and operating aging nuclear facilities; complex regulatory environment; quality assurance requirements such as 10 CFR Part 50 Appendix B, 10 CFR Part 830.120, or their equivalents; relevant RCRA and CERCLA experience; interfaces with multiple site contractors; and management of a multi-disciplined workforce that includes integrated unions performing various and differing aspects of a project; etc.).

DOE will evaluate past performance information submitted by the Offeror on the Attachment L-3, Past Performance & Relevant Experience Reference Information Form, information submitted by the Offeror’s references on Attachment L-4, Past Performance Questionnaire (where applicable for non-DOE Office of Environmental Management work or where a PPIRS record is not available), information submitted by the Offeror on the Attachment L-5, List of Contracts Terminated for Default or Convenience, and any other information obtained through the available Federal Government electronic databases, readily available Government records, and sources other than those identified by the Offeror. Contract references, including those identified by the Offeror on Attachment L-3 and Attachment L-4 and those not identified by the Offeror, but listed in E-government databases, may be contacted for information to be used in the past performance evaluation.

The higher the degree of relevance of the work described to the PWS, the greater the consideration that may be given. Additionally, more recent relevant past performance information may also be given greater consideration. Work performed for DOE’s Office of Environmental Management generally will be considered to be at least Somewhat Relevant.

In the case of an Offeror without a record of relevant past performance, or for whom information on relevant past performance is not available, the Offeror will be evaluated neither favorably nor unfavorably.

Factor 2: Technical and Management Approach

DOE will evaluate the effectiveness of the Offeror’s technical approach to achieve the PWS objectives and activities in the following areas:

- CERCLA Remediation;
- Waste Management;
- Liquid Waste Facility Closure; and
- Spent Nuclear Fuel Management

Additionally, DOE will evaluate the Offeror's technical understanding of the following PWS elements including how these elements are integrated into the overall effort: EM Facility Infrastructure, and Program Management and Support Functions.

DOE will evaluate the feasibility of any technical assumptions the Offeror used to determine its technical approach and/or support its technical understanding. DOE will evaluate the Offeror's proposed facilities and equipment to be used, and any key interfaces with DOE, stakeholders or other external organizations proposed by the Offeror necessary to perform the PWS.

DOE will evaluate the Offeror's approach for the consolidation of two prior incumbent contractors' scopes of work and consideration for potential future contractor interfaces to ensure efficient, effective performance and safe execution of the PWS throughout the contract period of performance.

DOE will evaluate the Offeror's approach for compliantly characterizing, processing, storing, transporting, and dispositioning the various waste types and quantities identified in the PWS (Section C.5.0 and corresponding Section C exhibits). DOE will evaluate the Offeror's approach per each waste program, i.e., CH-TRU (C.5.1 and C.5.2), RH-TRU (C.5.3 and C.5.4), and CH M/LLW (C.5.5), including the quantities anticipated to be processed for each waste type under each program during the contract period. DOE will evaluate the Offeror's process flow diagram(s) for the waste program including the steps identified from retrieval/exhumation through disposal of the waste inventory and any waste anticipated to be generated during the contract period..

DOE will evaluate the extent to which the Offeror's staffing plan demonstrates the ability to obtain, retain, and maintain the breadth and depth of qualified staff necessary to accomplish the work in a safe and efficient manner. DOE will evaluate the Offeror's approach for ensuring that an adequate workforce is available with the appropriate skills and qualifications necessary to safely and effectively accomplish the work over the term of the contract (for the full scope of contract performance, including the transition period, base period, and all priced options). DOE will evaluate any ramp-up or ramp-down of employment and the associated impacts to productivity during transition and throughout the contract period. DOE will evaluate the sufficiency of the proposed skill mix by FTE for each year of the contract to perform the required services in the PWS..

DOE will evaluate the Offeror's proposed management approach to contract transition and the extent to which it describes the process, rationale and planned activities for conducting a safe, orderly transition; minimizing impacts on continuity of operations; identifying key issues that may arise during transition and resolutions; overcoming barriers; and interacting with DOE, the incumbent contractor, incumbent employees, and other site contractors. DOE will also evaluate the proposed implementation schedule, including the transition milestones and associated activities that are identified.

DOE will evaluate the Offeror's proposed integrated schedule (for the full scope of contract performance, including the transition period and all priced options) for consistency with its proposed technical approach, realism, and the likelihood that the work can be completed within

the contract period with the available resources. DOE will evaluate the Offeror's identified key milestones, deliverables, logic ties, predecessor and successor relationships, activity durations, float, and proposed critical activities to complete the PWS work scope.

Factor 3: Key Personnel and Organizational Structure

DOE will evaluate the designated Key Personnel positions relative to how well they will contribute to the effectiveness of the Offeror's organizational structure and the Offeror's capability to successfully perform the PWS. DOE will evaluate the rationale for the selection of the Key Personnel designated by the Offeror; the proposed Key Personnel level of authority and access to corporate resources; and the Offeror's approach to retention of its Key Personnel. DOE will evaluate the suitability of the Key Personnel for their proposed positions.

In evaluating the Key Personnel, the Program Manager will be considered more important than other proposed Key Personnel.

Failure to submit Letters of Commitment from all proposed Key Personnel or use the resume format identified in Attachment L-1 may result in the Offeror receiving a lower evaluation rating for this criterion or the Offeror's proposal being eliminated from further consideration for award. Failure to propose, at a minimum, a Program Manager, ESH&QA Manager and Business Manager will result in the Offeror's proposal being eliminated from further consideration for award.

DOE will evaluate the Offeror's rationale for the chosen organizational structure including the Offeror's use of subcontracting or teaming arrangements (if any), including joint venture, LLC, or teaming agreement thereof as defined within the Section H clause "Corporate Governance Plan," to accomplish the PWS in accordance with the Offeror's proposed Technical and Management Approach. DOE will evaluate the Offeror's organizational chart, including the internal organization of the Offeror's personnel positions, employer, locations of key personnel; and the extent to which all major functional areas essential for management of the PWS are reflected.

DOE will evaluate the roles and responsibilities for the major functional areas of the organization and the lines of authority between organizational elements. Additionally, DOE will evaluate the roles and responsibilities and lines of authority between the Offeror and any teaming partners and subcontractors, including access to key personnel. DOE will evaluate the approach for monitoring and ensuring teaming partner and/or subcontractor performance, including incentives for performance and disincentives for lack of performance. DOE will evaluate how these roles and responsibilities align to the PWS.

DOE will evaluate the Offeror's organizational responsibilities and approach to interfacing with any outside entities that relate to, or affect, the Offeror's performance of the work, including the DOE, other DOE prime contractors, regulatory agencies, state and local government, the public and other entities.

DOE will evaluate how well the Offeror's organization and business systems support implementation of the Technical and Management Approach proposed and provide control and accountability for contract performance.

DOE will evaluate the Offeror's plans and rationale for subcontracting PWS requirements instead of utilizing the Offeror's own employees, including the Offeror's process for identifying distinct subcontracts that can be performance-based and/or performed on a fixed-price subcontracting basis and how these subcontracts will be competed after contract award in a timely and effective manner; the approach for integrating the subcontracted work within the overall scope of work to be performed; and the approach to achieving the Offeror's required Small Business Subcontracting Plan, including how the Offeror will establish small business work scopes and how they will be competed after contract award in a timely and effective manner.

Factor 4: Relevant Experience

DOE will evaluate the relevant experience of the Offeror, including each entity participating in a joint venture, LLC, or teaming agreement thereof as defined within the Section H clause "Corporate Governance Plan," and the each major subcontractor (as defined in provision L.5) for the same contracts or projects referenced for past performance information on the Attachment L-3, Past Performance and Relevant Experience Reference Information Forms. DOE will evaluate the entity's relevant experience performing work similar in size, scope and complexity to the functions of the PWS that the entity is being proposed to perform as identified in the Attachment L-3 including any improvements implemented in the performance of the work.

- Size is defined as dollar value and duration
- Scope is defined as the type of work (e.g. work as identified in the PWS); and
- Complexity is defined as performance challenges (e.g., types of waste and associated processing through final disposition; handling, storage and transfer of spent nuclear fuel; maintaining and operating aging nuclear facilities; complex regulatory environment; quality assurance requirements such as 10 CFR Part 50 Appendix B, 10 CFR Part 830.120, or their equivalents; relevant RCRA and CERCLA experience; interfaces with multiple site contractors; and management of a multi-disciplined workforce that includes integrated unions performing various and differing aspects of a project; etc.).

M.5 COST AND FEE EVALUATION

The cost/price proposal will be evaluated but will not be point scored or assigned a rating. DOE will evaluate each Offeror's proposed cost for realism, reasonableness and completeness. The evaluation of cost realism may include an analysis of specific elements of each Offeror's proposed cost to determine whether the proposed estimated cost elements are realistic for the work to be performed; reflect a clear understanding of the requirements; and are consistent with the methods of performance and materials described in the Offeror's technical proposal.

The total evaluated price will be calculated by combining the most probable cost for CLIN 00001 including Option CLINs 00001a through 00001g); most probable cost for CLINs 00002, 00003, 00004, and 00006; most probable DOE cost related to NNSS disposal costs/fees; the DOE-provided cost of \$70.9 million for CLIN 00005; the calculated cost incentive fee for CLIN 00001, proposed schedule milestones fee, proposed annual milestones fee, and proposed performance incentives for CLIN 00001; the calculated cost incentive fee for CLIN 00002, and proposed schedule milestones fee for CLIN 00002; proposed fixed fee for CLIN 00003; and proposed fixed fee for CLIN 00006. Cost incentive fee for CLINs 00001 and 00002 is computed by taking the proposed target cost for CLINs 00001 and 00002 and then subtracting the computed most probable cost applying an 80/20 (Government/Offeror) share ratio on all computed cost over/underruns. Cost incentives for Option 00001a through 00001g is computed by taking the proposed target cost for each CLIN (00001a through 00001g) and subcontracting the computed most probable costs applying an 80/20 (Government/Offeror) share ratio on all over/underruns probable costs. Proposed CLIN 00001, all priced Options (CLIN 00001a through 00001g) and CLIN 00002 fee shall not exceed 7% for target fee computations with a maximum fee not to exceed 15%. Schedule milestones, annual milestones and performance incentives for CLIN 00001 and the schedule milestone for CLIN 00002 will be computed in accordance with Section B. Proposed CLIN 00003 fee shall not exceed 7% of the total estimate cost. Proposed CLIN 00006 fee shall not exceed \$8.00 per unit (gallon of sodium bearing waste treated), NTE 12.5% of the total estimated cost whichever is lower.

DOE will compare the total evaluated price to both the total anticipated contract funding and the anticipated funding by contract period. Because the funding is subject to change based on actual appropriation and actual award date of the Contract, DOE may make an award to an Offeror whose evaluated price differs from the anticipated funding profile provided in Section L. Offerors may propose to carry funds over from a previous contract period. However, a total evaluated price that significantly exceeds the funding profile as set forth in Section L, either by a contract period or total contract basis, may be considered unacceptable for award.

In the event of a conflict between the total proposed prices specified by the Offeror in Volume III and the proposed prices reflected in Section B, the prices in Section B will be used to determine the total proposed price.

The Offeror has the responsibility to fully document and provide traceability of its cost proposal to the technical proposal. DOE may adjust the most probable cost as part of its cost realism analysis if the Offeror does not adequately substantiate its proposed costs.

An unreasonable, unrealistic, or incomplete Cost Proposal may be evidence of the Offeror's lack of, or poor understanding of, the requirements of the PWS and thus may adversely affect the rating of the Offeror's Technical and Management Proposal.

There should be no inconsistencies between the Cost Proposal and Technical and Management Proposal. Should the Government determine that inconsistencies exist; such inconsistency may result in an adjustment to the Offeror's proposed costs and/or may result in an adjustment under Factor 2 and/or 3.

Certain aspects of Volume III will be evaluated for responsibility and financial capability. In accordance with FAR Part 9, the responsibility and financial capability evaluation will take into consideration whether the Offeror has adequate financial resources and the minimum insurance liability coverage per the Section H provision *Insurance – Work on a Government Installation* to perform the contract or has the ability to obtain it.

M.6 TECHNICAL ANALYSIS OF VOLUME III, COST AND FEE PROPOSAL

DOE will evaluate proposals in accordance with the M.4 Technical Evaluation Criteria and M.5 Cost and Fee Evaluation. As part of this evaluation, DOE will also perform a technical analysis of the Cost and Fee Proposal, and consider this analysis in the evaluation of Volume II, Technical and Management Proposal, and as part of the evaluation of Volume III, Cost and Fee Proposal. As part of the technical analysis of the Cost and Fee Proposal, DOE will evaluate the reasonableness and realism of the proposed resources, traceability, errors and omissions, and other problem areas.

M.7 FAR 52.217-5, EVALUATION OF OPTIONS (JUL 1990)

Except when it is determined in accordance with FAR Subpart 17.206, *Evaluation*, not to be in the Government's best interests, the Government will evaluate Offerors for award purposes by adding the total price for all options to the total price for the basic requirement. Evaluation of options will not obligate the Government to exercise the option(s).