



Department of Energy

Environmental Management
Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, Ohio 45202
(513) 246-0500

February 25, 2015

EMCBC-00380-15

To: Interested Parties

IDAHO CLEANUP PROJECT (ICP) CORE – PROCUREMENT UPDATE

The purpose of this letter is to provide interested parties status of the ICP Core Final Request for Proposal (RFP) No. DE-SOL-0007097, and a summary of the salient changes to the fee structure as a result of the DOE's consideration of the comments received from interested parties in response to the Draft RFP. The Final RFP is currently anticipated to be issued within two weeks from the date of this letter. A summary of the salient changes to the fee structure with Section B for the Final RFP are as follows:

1. More specific objective measures were added in Section B for the Definitions and Acceptance Criteria for each of the Schedule Milestone (SM)s, Annual Milestone (AM)s and Performance Incentive (PI)s.
2. If the Contractor meets the 12/31/2018 Transuranic (TRU) waste Idaho Settlement Agreement milestone for certification and shipment of the Idaho Settlement Agreement (ISA) Contact Handled (CH) and Remote Handled (RH) TRU waste (this includes ISA TRU waste that assays as Mixed/Low Level Waste (M/LLW) after processing) out of the state of Idaho by December 31, 2018, then the fee associated with SM-2, SM-3, AM-1, AM-4, and PI-1 becomes earned fee and is no longer subject to the fee 'claw back' per B.6 (b).
3. If DOE does not provide adequate assets to the Contractor to ship the waste out of the state of Idaho within the contract period, the parties will re-negotiate the remaining portion of the 20% shipping fee for AM-1 and AM-2; the entire fee portion for AM-4; and the remaining portion of the 20% shipping fee for PI-1 and PI-2 if the waste was certified on time in accordance with the AM-1, AM-2, PI-1 and PI-2 acceptance criteria and definitions.
4. If DOE does not provide adequate shipping assets to ship the waste out of the state of Idaho by 12/31/18, but all of the waste has been certified and is ready to ship by this date, then the 80% of available fee associated with certification will become earned fee. Because the waste was certified by 12/31/18, the remaining 20% of available fee

associated with shipping ISA CH and RH TRU waste will become earned fee as the waste is shipped per the shipping schedule established by the receiving repository during the remainder of the contract period.

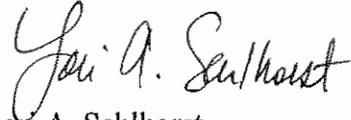
5. The Schedule Milestone incentives (SM-1 through SM-7) have been modified from an Early Date, Target Date, and Min Date to a Max Fee Date and a Min Fee Date. The Schedule Milestone Fee dollars from the Maximum Fee amount (i.e. Early Max Fee Date achievement through the No Min Fee Date) to the Min Fee amount will be calculated on a sliding scale per calendar day basis. The day after the Min Fee date the Contractor earns zero fee. The actual Min Fee dates for SM-1 through SM-7 have not changed from Min Dates in the Draft RFP.
6. The fourth Performance Incentive, PI-4 – Key Personnel has been deleted in its entirety.
7. The third Performance Incentive, PI-3 – Critical Failures, has been modified to delete the following areas: earned value performance, critical business system failure, and investment in reliability improvements and infrastructure. Other areas have been modified to provide additional detail and remove duplicative areas of performance already incentivized per the current schedule milestones, annual milestones and other performance incentives. Additionally, language has been added to allow the Contractor to correct performance issues and potentially recover withheld fee under this PI.
8. The language within Section B.15, *Advance Understanding – Changes to Cost and Fee*, was modified at paragraph (d) as follows: “Cost and fee negotiations relating to indirect cost for any added/deducted change to the contract will be based on the incremental change to the indirect cost when compared to the proposed indirect costs contained in the Contractor’s awarded proposal. The Contractor shall provide supporting justification and documentation detailing the incremental increase in each indirect cost for each contract pricing action.”

DOE continues to post various documents to the Documents Library at the ICP Core procurement website (<https://www.emcbc.doe.gov/SEB/ICPCORE/index.php>) in order to assist interested parties in preparation of a proposal. Sensitive documentation will be available to interested parties upon request per the instructions outlined on the procurement website under the “Requesting Sensitive Data.” Interested parties are encouraged to continue to monitor the ICP Core procurement website for these updates.

Interested parties will be given the opportunity to submit questions and comments in writing for DOE response once the Final RFP is issued. The DOE will require a proposal due date of no less than 60 calendar days from the date the Final RFP is issued. The DOE anticipates conducting a pre-proposal conference and site tour within two to three weeks from the date the Final RFP is issued.

After the Final RFP is issued and proposals are received in response to the Final RFP, DOE intends to award a contract on the basis of best value to the Government.

Sincerely,

A handwritten signature in cursive script that reads "Lori A. Sehlhorst".

Lori A. Sehlhorst
Contracting Officer

cc electronic w/enclosure:
Erin Kroger, EMCBC