

**University of Chicago (UofC)/Jacobs Engineering/BWXT and ANL SEB
One-on-One Exchange
January 27, 2006**

One-on-One Meeting Summary

Pursuant to Federal Acquisition Regulation (FAR) Part 15.201, a One-on-One meeting was held on January 27, 2006 with University of Chicago/BWXT/Jacobs Engineering relating to the future management and operation of the Argonne National Laboratory (ANL). The themes and comments received as a result of the meeting are summarized below. DOE appreciates the efforts of all individuals who participated in the One-on-One meeting. All comments and issues raised during the meeting have been taken under advisement by the Source Evaluation Board (SEB). Initially, the ANL SEB summarized the purpose of the One-on-Ones as offering potential offerors the opportunity to present issues and/or concerns, regarding the draft RFP, to the SEB in an interactive setting so that DOE has the benefit of fully understanding the marketplaces concerns before finalizing the RFP.

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UofC/JACOBS ENGINEERING/BWXT TOPIC I – Separate Legal Entity:

UofC/JACOBS ENGINEERING/BWXT:

Clarify the RFP requirement regarding Separate Legal Entity, particularly the apparent conflict between Section L.1 and Clause H.21.

ANL SEB:

The intent of the RFP is to require all Offerors to form a separate legal entity. We have not predetermined what that entity should be – that decision is left up to the Offeror to determine. The SEB does not believe there is a conflict between the language in L.1(a) under the definitions stating, “(Offeror) may be preexisting or newly formed for the purpose of competing for this contract,,” as contrasted with clause H.21. The language in L.1(a), regarding a preexisting entity, would allow an existing entity, currently not performing any other work, to be the offeror, as well as cover the situation where an existing entity spins-off all its work and then proposes as the offeror. The ANL SEB will review the Draft RFP and clarify these provisions if it is determined to be necessary.

UofC/JACOBS ENGINEERING/BWXT:

Provide explanation on importance of a Separate Legal Entity

ANL SEB:

There is language in the Department of Energy Acquisition Regulation which addresses Federally Funded Research and Development Centers being operated by organizations as an autonomous organization or as an identifiable separate operating unit. While this requirement has existed for some time the existing contracts which are being competed predate this requirement and it was not pursued when the agreements were extended. Now that the contract is being competed inclusion of this requirement has been considered and included.

In addition, Separate Legal Entity, serves a two fold function for the RFP.

First, it will provide an entity whose sole purpose would be the management and operation of the laboratory, which would provide the focus necessary for the work to be performed.

Second, the Office of Science believes that a separate legal entity might enhance the ability to better limit the home office expenses that typically get allocated to the Contract.

UofC/JACOBS ENGINEERING/BWXT:

A number of issues related to joint appointments, impact on operating costs and operating approach, and transition costs were presented.

ANL SEB:

Your specific issues and areas of concern as they relate to the Separate Legal Entity requirement are valued by the SEB and will be considered in finalizing the RFP.

UofC/JACOBS ENGINEERING/BWXT TOPIC II – Performance Fee:

UofC/JACOBS ENGINEERING/BWXT:

Clarify whether corporate oversight costs are considered home office expenses and should be considered as unallowable when developing a fee proposal.

ANL SEB:

The Draft RFP states that Offerors should predicate their fee proposal on the basis that Home Office Expenses will not be separately reimbursed as in the University's current contract. Similarly, the intent was also to have a fee which also covers corporate oversight costs. If you choose to use a Board of Governors again, or a similar oversight approach, there are aspects of the administration of the Board of Governors that probably would be considered Home Office Expense, and thus unallowable, while other costs could be considered direct costs and allowable under the contract. The allowability of Board of Governors' expenses may also be impacted by the formation of a Separate Legal Entity.

UofC/JACOBS ENGINEERING/BWXT:

Provide a rationale for a Maximum Performance fee for the first 5 years and the first five years of Award Term (10 year cap). This cap does not allow for escalation based on inflation or adjustment for an increase/decrease of funding

ANL SEB:

The Department has historically not allowed for an escalation factor on fee. The SEB's establishment of a maximum performance fee also took into account that Award Term is a benefit to the contractor and a performance incentive. The SEB will consider the issues raised in establishing a final fee structure for this RFP.

UofC/JACOBS ENGINEERING/BWXT TOPIC III – Employee Retention:

UofC/JACOBS ENGINEERING/BWXT:

Clarify Employee Retention (those at risk) and how it relates to Key Personnel; also, typically only key personnel are put at risk.

ANL SEB:

These are two separate issues. All Offerors must retain the majority of employees except those regular employees (people at risk) permanently assigned to the positions reflected in the ANL Organization Chart as stated in the RFP. This was completely consistent with what was done on the Berkeley RFP and the SEB does not agree that historically, only Key Personnel have been put at risk. Establishing a category of employees at risk allows Offerors the flexibility to establish their own management team. It also provides the incumbent with the opportunity to restructure its management team if it so chooses.

Key Personnel has some overlap with the employees at risk but normally would be a smaller subset of the at risk group depending on the management structure proposed by the Offeror. The RFP is written to assure that the Offeror, not DOE, will define the management structure. If the RFP identified all Key Personnel positions, that identification could derive a certain management structure and inhibit the Offeror's ability to establish their own management team and structure.

UofC/JACOBS ENGINEERING/BWXT TOPIC IV – Evaluation Criteria

UofC/JACOBS ENGINEERING/BWXT:

Key Personnel Scoring – Regarding the increase in points for Lab Director and decrease in points for Other Personnel. Was there a rationale in changing the point value from that assigned for the LBNL competition?

ANL SEB:

For the Argonne competition, we increased the value of Offeror's commitment and involvement and added a factor regarding the value brought by the parent organization. When values are added, points for the added value must be taken from somewhere. Because we historically haven't seen the majority of Other Personnel changed out much when a new contractor takes over the contract and given the weight the SEB desired to assign to other criteria, a decrease in the points for Other Personnel was determined to be the most appropriate approach.

UofC/JACOBS ENGINEERING/BWXT:

L.3.a – Provide the rationale for use of the following language, “Provide no more than three examples of how your organization would implement your long term Science Strategy.” In addition, clarify if the purpose of this language is to solicit three different ways to implement the same strategy or three different ways to implement three specific aspects of the strategy.

ANL SEB:

In previous competitions, Offerors have provided a strategy without addressing how that strategy would be accomplished. The referenced sentence in L.3.a was deliberately added to ensure we would receive a specific discussion with regard to how the Offeror proposes to accomplish the proposed Science Strategy.

The SEB is looking for three different examples of how you'd move science forward in various areas. When you're a multi-program lab, you have many different program areas. What the SEB is asking for are three different examples that would enhance program areas in the laboratory's broad portfolio of programs.

UofC/JACOBS ENGINEERING/BWXT TOPIC V – Past Performance

UofC/JACOBS ENGINEERING/BWXT:

Does an offeror have to submit three Past Performance Information Forms(PPIF)? Is it acceptable to only provide one?

ANL SEB:

The RFP does allow for only submitting one PPIF. However, the RFP also allows an offeror to submit other PPIF's for other relevant recent past performance which is similar in complexity and scope to activities identified in Section C.

UofC/JACOBS ENGINEERING/BWXT:

How is it scored? Would each PPIF receive a certain amount of points?

ANL SEB:

No. The Past Performance Criterion will be rated as a whole and no specific break out of points is made based on the number of PPIF's submitted.

UofC/JACOBS ENGINEERING/BWXT TOPIC VI – Right To Assign Subcontracts/De-Scope Work

UofC/JACOBS ENGINEERING/BWXT:

H.7.c – ability to assign subcontracts – How does this apply to team members providing services as a subcontractor?

ANL SEB:

The right to assign a subcontract was not intended to apply to team members providing services as a Subcontract. These Subcontracts are referred to as Designated Subcontracts.

UofC/JACOBS ENGINEERING/BWXT

H.7.c – does the ability to de-scope work include activities assigned to a designated subcontractor.

ANL SEB:

While it gives us the conceptual right, it's more likely that we might target a particular and focused portion of the work performed. It is unlikely that entire section of the Scope of Work would be removed. However, it is more likely that a particular part of the work being performed by a Designated Subcontractor may be extracted. Our intent is not to disrupt the work being performed at the laboratory, only to identify areas which can be readily removed and awarded as a prime. In some instances the portions of the administration of these DOE prime awards will be re-assigned back to the Laboratory.

UofC/JACOBS ENGINEERING/BWXT TOPIC VII – Clarification of L.2.b and L.4.b

UofC/JACOBS ENGINEERING/BWXT:

L.2.b and L.4.b – provide clarification on the expected structure of a response to these areas.

ANL SEB:

How an Offeror structures these areas is entirely up to them. C.1 through C.8 and the areas of emphasis must be addressed. There is not a one-on-one alignment to the eight factors in the Statement of Work. The Offeror may prepare a response specific to each of the items in the Statement of Work and the areas of emphasis, they may address areas of emphasis within discussion of the sections of the statement of work, or may address the areas of the statement of work within the discussion of the areas of emphasis.

ANL SEB Closing Statement:

If something remains unclear about the RFP, please raise the issue with the Department prior to the close of the comment period. The whole purpose of the draft is to put the most clear and concise product on the street, in order to enhance the competition.