

**PROPOSAL PREPARATION INSTRUCTIONS****1. INTRODUCTION**

This document contains instructions to the contractor for the preparation of a proposal in response to the modification of the contract which defines work that will be funded by and performed under the provisions of the American Recovery and Reinvestment Act (Recovery Act).

The contractor shall provide a written proposal consisting of a Technical Proposal and a Cost and Fee Proposal. The Technical Proposal shall contain the contractor's approach to perform the work, and the Cost and Fee Proposal shall contain the estimated cost of performing the work and any associated fee. The contractor shall assure that there is consistency between the Technical Proposal and the Cost and Fee Proposal.

**2. PREPARATION INSTRUCTIONS – GENERAL INFORMATION**

The contractor shall submit written proposal information in the format as outlined in Table 1.

Table 1

<b>Proposal Instructions</b>	
Number of Copies	<ul style="list-style-type: none"> <li>• Technical Proposal – 2 hard copies and 1 electronic copy.</li> <li>• Cost and Fee Proposal – 2 hard copies and 1 electronic copy.</li> <li>• Both portions of the proposal shall contain a table of contents.</li> </ul>
Paper Size	<ul style="list-style-type: none"> <li>• 8 1/2" x 11" paper.</li> <li>• Fold-outs shall not exceed 11" x 17"</li> </ul>
Print Type	<ul style="list-style-type: none"> <li>• Print type (Font size) used in the text portions of the proposal shall be no smaller than 12 point font.</li> <li>• Print type used in completing any forms attached to this document as Microsoft® (MS) Word®, Access®, or Excel® documents should not be changed from the styles used in the attachments.</li> <li>• Print type used in charts, graphics, figures and tables may be smaller than 12 point Font, but must be clearly legible.</li> </ul>
Page Margins	Page margins shall be 1-inch on the top, bottom, left, and right sides of the page, exclusive of headers and footers.
Page Numbering	All pages, including forms, tables, and exhibits, shall be appropriately numbered.
CD-ROM or DVD Requirements	CD-ROMs or DVDs shall be clearly labeled with the contract number. Files submitted shall be readable using Microsoft® (MS) Word®, Access®, or Excel® (Version 2007), and the proposal schedule shall be submitted as a Primavera P3e Version 5.x, "XER" file type.

**3. PREPARATION INSTRUCTIONS - COVER LETTER**

The cover letter shall include, but not be limited to, the following:

- (a) The contract and modification number.
- (b) The name, address, telephone numbers, facsimile numbers, and electronic addresses of the contractor's representative(s) responsible for providing additional information, as required, on the Technical Proposal and the Cost and Fee Proposal.
- (c) The name and contact information of the contractor's representative(s) with the authority to negotiate the definitization of this modification with the Contracting Officer.
- (d) Identification of any proposed changes to the statement of work or other terms included in this modification that the contractor believes would be in the best interest of the Government in meeting the objectives of the Recovery Act.
- (e) A statement that the contractor will cooperate fully and expeditiously in providing access to proposal information that may be necessary to be reviewed by representatives of DOE, e.g. Defense Contract Audit Agency (DCAA), for the purpose of definitizing this modification.

**4. PREPARATION INSTRUCTIONS - TECHNICAL PROPOSAL**

The Technical Proposal shall be organized in accordance with the WBS as shown in Section C. Statement of Work and shall include the following:

- (a) Description of the proposed strategy and technical approach (including any innovations) to implement the requirements of the Recovery Act work .
- (b) Description of the specific detailed approach to the management, execution and sequencing of the work for the major Work Breakdown Structure (WBS) elements identified in the Section C. Statement of Work. This description shall include the following:
  - i. A description of the work that will be performed by the contractor and the work that will be performed by subcontractors;
  - ii. The supporting rationale for the division of work between the contractor and subcontractors, including considerations related to efficiency of performance, cost, the need to hire additional staff, etc;
  - iii. The extent of utilization of small business subcontractors; and
  - iv. The extent of utilization of fixed-price subcontracting.
- (c) Identification of the risks and impacts to the proposed approach, rationale for the identified risks and impacts, and the contractor's approach to eliminate, avoid and/or mitigate the risks throughout performance of the Recovery Act work.
- (d) Integrated critical path method schedule, through completion, for the activities defined in the WBS.

- (e) Description of the contractor's approach to achieve regulatory approval, as required, for the proposed execution of the Recovery Act work and how the regulatory approach will be integrated with project management and execution.
- (f) Identification of the project staffing throughout the performance of the Recovery Act work. This should include the following:
  - i. The estimated staffing for both the contractor's employees and existing or proposed subcontractor employees (assure this is consistent with the man hours identified in the cost proposal).
  - ii. The names and area of responsibility of the contractor's lead personnel that will be directly responsible for the management and oversight of the Recovery Act work. The areas of responsibility should include, but not be limited to, the following: contracting, including prime contract, subcontracts, and small business; project management; project controls; safety; engineering; quality assurance; budget; finance; property; legal; environmental regulation; public communications; and security. The specific areas of responsibility will depend on the nature of the Recovery Act work to be performed.
- (g) Description of existing and/or any new methods or processes that the contractor will use in the oversight and control of the Recovery Act work to help assure the following:
  - i. The work is performed in accordance with the statement of work requirements;
  - ii. The performance schedule and milestones are accomplished;
  - iii. The deliverables are completed; and
  - iv. The performance outcomes and measures are attained.
- (h) Estimate of contractor's and first tier subcontractors' jobs that will be "created" or "retained" as a result of the performance of the Recovery Act work. The definitions for "created" and "retained" are based on the requirements of the clause added by this modification in Section I, entitled "52.204-11 American Recovery and Reinvestment Act – Reporting Requirements (MAR 2009)." This estimate should be by fiscal year.  
*(The requirement for reporting jobs many need to be further defined depending on the availability of information and any further guidance from either OMB or DOE HQ, e.g., categories of labor (craft, technical/engineering, administrative, management, etc.).*

## 5. PREPARATION INSTRUCTIONS – COST AND FEE PROPOSAL

The Cost and Fee Proposal shall be prepared in accordance with the following instructions:

- (a) FAR 15 - The contractor shall prepare its cost proposal in accordance with Table 15-2, of Part 15 of the Federal Acquisition Regulation (FAR).
- (b) WBS - Costs shall be proposed consistent with and at the lowest level of the WBS described in the statement of work and consistent with the Technical Proposal.
- (c) Formats - Formats contained in the appendices to this document shall be used for the submission of the estimated costs as follows:

Appendix 1 – Cost by WBS (Schedules A-C)

Appendix 2 – Labor – Consolidated Summary

Appendix 3 – Material, Equipment, Subcontracts, and Other Direct Costs -Consolidated Summaries (Schedules A-D)  
Appendix 4 – Waste Quantities and Cost – Consolidated Summary

The contractor should assure consistency and traceability between these various appendices, schedules, and supporting information. If multiple Recovery Act funding sources are identified, the contractor shall identify the estimated costs for each work activity by the appropriate funding source.

- (d) Appendix 2 - Appendix 2 is to be used to provide a direct labor summary (labor category, labor rate, and labor hours) on both a cumulative total and fiscal year basis. This should show the hours for the contractor, subcontractor, LLC members, and any other direct labor hours.
- (e) Appendix 3 - Appendix 3 is to be used to provide, in total and by fiscal year, materials (Schedule A), equipment (Schedule B), subcontracts (Schedule C, subcontracts over \$XM are to be individually listed), and other direct costs (Schedule D). Additional schedules should be included as appropriate to address elements of cost which are not included in Schedules A-D.
- (f) Appendix 4 - Appendix 4 is to be used to provide a separate summary table of waste quantities by waste type in cubic feet by fiscal year by WBS. The contractor shall provide the summary of waste quantities, at a minimum, to a level equal to the WBS. This waste summary shall be supplemented by additional tables that include all costs associated with waste disposition including treatment, transportation and disposal for each waste type by fiscal year. Separate detailed computations shall be provided for treatment, transportation, and disposal cost by WBS. The basis of estimate associated with information provided in the waste summary table (including the additional tables) should be fully explained in supporting documentation.
- (g) Schedule - A resource loaded P6 schedule shall be provided which shall be presented at the level of detail as shown in the WBS. The schedule shall include logic ties.
- (h) Basis of Estimate – A basis of estimate shall be provided that thoroughly documents all estimates. A basis of estimate description shall be provided for each activity at the lowest level in the estimate. The detailed narrative description of the basis of estimate shall be organized by WBS and include the following: how the proposed costs were derived; key assumptions and supporting rationale, including assumptions related to site conditions; source of existing verifiable data and judgment factors in projecting from known data to the estimate; estimating methods, parametric estimates, and models, etc; and other assumptions and related information to provide clarity and understanding of the contractor's basis of estimate to demonstrate reasonableness and realism.
- (i) Cost Elements - Costs shall be provided by major cost elements such as: direct labor (including labor categories, direct labor hours and direct labor rates for each labor category type), fringe benefits (if applicable), direct labor overhead (if applicable), material, material handling overhead (if applicable), equipment (including capital investments), subcontract cost, disposal cost, transportation cost, treatment cost, supplies, travel, relocation, other direct costs, and general and administrative (G&A) costs (if applicable). Notwithstanding that all "subcontract" costs are included above, LLC member/other teaming arrangement/subcontractors (\$X million or more) shall be individually estimated and costs provided by major cost elements as described in this paragraph. Appendix 1 is to be used to provide the costs by major cost elements, WBS, and fiscal year.
- (j) Indirect Rates - A detailed estimate for each indirect rate (fringe benefit, material handling, labor overhead and G&A, if applicable) proposed by fiscal year is to be provided. The

detailed estimate shall include cost, by cost element, for the allocation pool and the allocation base showing how each cost element within the allocation pool and allocation base was derived. The contractor shall provide all related information to provide a clear understanding of the basis of estimate. The contractor shall compute all of the indirect rates by fiscal year. This data shall be provided for each LLC member/other teaming arrangement/subcontractor (over \$X million).

- (k) Escalation - Identify the escalation factors used for each fiscal year, the source of the proposed escalation rates, and the rationale as to why the proposed escalation rates are reasonable.
- (l) Electronic Media - Cost Proposal information and any spreadsheets or mathematical computation shall be submitted using Microsoft Excel 2003 and shall be working versions, including formulas and computations. The contractor shall provide the electronic version of the cost proposal in Adobe Acrobat 8.0 (PDF) or higher. The electronic media versions provided shall be searchable.
- (m) Cognizant ACO/DCAA - The contractor shall provide the name, address and telephone number of the cognizant Administrative Contracting Officer and the cognizant Defense Contract Audit Agency (DCAA) office, if any. If the contractor is an LLC or has subcontractor(s) (\$X million or more), this data must be provided for each entity performing work.
- (n) Accounting System - The contractor shall submit an explanation of how costs related to the Recovery Act work will be accumulated, recorded, invoiced, and reported using the contractor's accounting system in order to assure that costs associated with Recovery Act work are separate from other costs incurred under the contract. The contractor shall describe how its existing accounting system, any proposed changes, and/or new oversight controls will help assure this necessary separation of Recovery Act funds. The contractor shall identify the cognizant Government audit agency that has issued reports regarding the adequacy of the accounting system for accumulating and billing costs under Government contracts. This data must also be provided for each member of an LLC and each subcontractor that is performing work estimated to be \$X million or more.
- (o) Cost Accounting Standards - If the contractor, LLC members, or subcontractor(s) (\$X million or more) performing work are covered by Cost Accounting Standards (CAS), the contractor shall discuss the adequacy of the disclosure statement. The contractor shall also identify whether the cognizant Government audit agency has issued any audit reports on the compliance with the CAS requirements of any of these entities.
- (p) Government Furnished Property - The contractor shall provide a list of any Government Furnished Property (GFP) that will be used in the performance of the Recovery Act work that is in addition to the GFP already provided.
- (q) Fee - The contractor's fee proposal shall address the following:
  - (i) The contractual basis for any adjustment in the fee currently in the contract;
  - (ii) The proposed amount of fee associated with the Recovery Act work; and
  - (iii) A description of how the proposed fee is calculated and the supporting rationale as to why the proposed fee amount is reasonable.
  - (iv) Proposed Performance-Based Incentives

Cost By WBS

<u>WBS</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
C.1.1 - Groundwater Environmental Actions				
C.2.1 - D&D of Building XX				
C.3.1 - Waste Disposal				
Total Cost				
Fee				
Total Cost and Fee				

**Cost by Cost Element WBS 1.1 - Groundwater Environmental Actions**

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
Direct Labor				
<i>Insert Direct Labor Categories</i>				
Fringe Benefits				
Direct Labor Overhead				
Materials				
Material Handling Overhead				
Equipment				
Subcontract Costs (Under \$?M)				
Disposal Costs				
Transportation Costs				
Treatment Costs				
Supplies				
Travel				
Relocation				
Other Direct Costs				
<i>Joint Venture/LLC Member/Other teaming arrangement/Subcontractor</i>				
<i>(\$?M or over) (complete for each major entity)</i>				
<i>Direct Labor</i>				
<i>Insert Direct Labor Categories</i>				
<i>Fringe Benefits</i>				
<i>Direct Labor Overhead</i>				
<i>Materials</i>				
<i>Material Handling Overhead</i>				
<i>Equipment</i>				
<i>Subcontract costs</i>				
<i>Disposal Costs</i>				
<i>Transportation Costs</i>				
<i>Treatment Costs</i>				
<i>Supplies</i>				
<i>Travel</i>				
<i>Relocation</i>				
<i>Other Direct Costs</i>				
<i>G&amp;A Costs</i>				
Subtotal Cost				
G&A Costs				
<b>Total Cost</b>				

Each Spreadsheet shall be completed by FY and cumulatively
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**Cost by Cost Element WBS 1.1.1 - Groundwater Subproject X**

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
Direct Labor				
Fringe Benefits				
Direct Labor Overhead				
Materials				
Material Handling Overhead				
Equipment				
Subcontract Costs (Under \$?M)				
Disposal Costs				
Transportation Costs				
Treatment Costs				
Supplies				
Travel				
Relocation				
Other Direct Costs				
<i>Joint Venture/LLC Member/Other teaming arrangement/Subcontractor</i>				
<i>(\$?M or Over) (complete for each major entity)</i>				
<i>Direct Labor</i>				
<i>Insert Direct Labor Categories</i>				
<i>Fringe Benefits</i>				
<i>Direct Labor Overhead</i>				
<i>Materials</i>				
<i>Material Handling Overhead</i>				
<i>Equipment</i>				
<i>Subcontract costs</i>				
<i>Disposal Costs</i>				
<i>Transportation Costs</i>				
<i>Treatment Costs</i>				
<i>Supplies</i>				
<i>Travel</i>				
<i>Relocation</i>				
<i>Other Direct Costs</i>				
<i>G&amp;A Costs</i>				
Subtotal Cost				
G&A Costs				
<b>Total Cost</b>				

Each Spreadsheet shall be completed by FY and cumulatively
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Labor - Consolidated Summary

<u>Labor Category:</u>	<u>FY 2009</u>			<u>FY 2010</u>			<u>FY 2011</u>			<u>Total</u>
	<u>Hourly Rate</u>	<u>Hours</u>	<u>Total</u>	<u>Hourly Rate</u>	<u>Hours</u>	<u>Total</u>	<u>Hourly Rate</u>	<u>Hours</u>	<u>Total</u>	<u>All Years</u>
Contractor:										
-Category A										
-Category B										
-Category C										
Total										
Subcontractor:										
-Category A										
-Category B										
-Category C										
Total										
LLC:										
-Category A										
-Category B										
-Category C										
Total										
Grand Total										

Materials - Consolidated Summary

<i>Description</i>	<i>FY 2009</i>			<i>FY 2010</i>			<i>FY 2011</i>			<i>Total All Years</i>
	<i>Units</i>	<i>Unit Rate</i>	<i>Total</i>	<i>Units</i>	<i>Unit Rate</i>	<i>Total</i>	<i>Units</i>	<i>Unit Rate</i>	<i>Total</i>	
-Item A										
-Item B										
-Item C										
-Item D										
-All Other Items										
Total										

Equipment - Consolidated Summary

<i>Description</i>	<i>FY 2009</i>			<i>FY 2010</i>			<i>FY 2011</i>			<i>Total All Years</i>
	<i>Units</i>	<i>Unit Rate</i>	<i>Total</i>	<i>Units</i>	<i>Unit Rate</i>	<i>Total</i>	<i>Units</i>	<i>Unit Rate</i>	<i>Total</i>	
-Equipment A										
-Equipment B										
-Equipment C										
-Equipment D										
Total										

Appendix 3  
Schedule C

**Subcontracts - Consolidated Summary**

<u>Description</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total All Years</u>
-A				
-B				
-C				
-D				
Total				

Other Direct Costs - Consolidated Summary

<i>Description</i>	<i>FY 2009</i>			<i>FY 2010</i>			<i>FY 2011</i>			<i>Total All Years</i>
	<i>Units</i>	<i>Unit Rate</i>	<i>Total</i>	<i>Units</i>	<i>Unit Rate</i>	<i>Total</i>	<i>Units</i>	<i>Unit Rate</i>	<i>Total</i>	
-A										
-B										
-C										
-D										
Total										