



U.S. Department of Energy
Hanford Site

08-OEC-0002

OCT 25 2007

Ms. Susan L. Leckband, Chair
Hanford Advisory Board
1933 Jadwin Ave., Suite 135
Richland, Washington 99352

Dear Ms. Leckband:

HANFORD ADVISORY BOARD (HAB) ADVICE #195 AND #200 ON REQUESTS FOR PROPOSALS (RFPs) FOR THE MISSION SUPPORT CONTRACT (MSC), PLATEAU REMEDIATION CONTRACT (PRC), AND TANK OPERATIONS CONTRACT (TOC)

Thank you for HAB Advice #195 and #200 on the Requests for Proposals (RFPs) for the MSC, PRC, and the TOC. Though the U.S. Department of Energy (DOE) was unable to have detailed dialogue with the HAB on these solicitations given the requirements of the acquisition process and specific limitations on the release of information, DOE did consider HAB Advice #195 in the development of the RFPs.

In HAB Advice #200, the HAB proposed DOE amend the RFPs or enter into post-award contract negotiations to address your recommendations. Given the timing of this advice, amendment of the RFPs was not possible because of the schedule to complete the acquisitions within the current incumbent contractor period of performance. DOE believes the advice reflects some misunderstandings about the approach and requirements contained for the three new contracts that will be awarded and have addressed these below.

- Element 1: The contract should not set expectations different from or pre-empt the Hanford Federal Facility Agreement and Consent Order (Tri-Party Agreement [TPA]) and regulatory processes.

DOE is firmly committed to fulfilling its responsibilities under the TPA. Each contract contains an Environmental Responsibilities clause in Section H that requires full compliance with all environmental laws, regulations, and procedures for the work contained within the contract, and specifically requires that the ". . . TPA constitutes a requirement pursuant to which the Contractor agrees to plan and perform contract work." For the purposes of proposal preparation, where regulatory decisions have not been made, assumptions were required in the RFPs to provide a common basis for proposal preparation and evaluation. These assumptions do not pre-empt regulatory decision-making or programmatic solutions during contract execution.

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- Element 2: The scope of work for both the TOC and PRC should include retrieval of contaminants and wastes.

In both of the TOC and PRC, cleanup standards are established through decisions that are reached through the regulatory process and the resulting regulatory documents. For example, under the TOC, waste retrieval standards are currently established in the TPA. However, under the PRC, waste retrieval standards remain to be established through the completion of decision-making under regulatory processes such as the Comprehensive Environmental Response, Compensation, and Liability Act. The preparation of the regulatory documents is provided for under the scope of the PRC and TOC (and assumptions were used in the RFPs to provide a common basis for proposal preparation and evaluation).

- Element 3: The RFPs should be amended to reflect changes in approach to fee, incentives and contractor performance.

In all three contracts, the range of fee reward was based on the “weighted guidelines” analysis in the Federal Acquisition Regulation, which considers performance risk, contract type, and contractor investment. A contract incentive framework is established in Section B to align incentives with effective contractor performance in delivering results. DOE has reserved broad discretion to establish incentives linked to each year of contract performance. During contract performance, full compliance with safety, compliance, and security requirements is required. Each contract has DOE and site-specific Conditional Payment of Fee clauses to link fee payment to contractor performance, providing a basis to reduce fee where safety, compliance, or security performance does not meet requirements.

- Element 4: The RFPs should be amended to reflect further emphasis on worker health and safety.

Each contractor will implement a worker safety and health program in accordance with 10 Code of Federal Regulations 851, *Worker Safety and Health Program*, prior to performing work under each contract, and will use standardized training and site safety practices established in Section C, such as a Chronic Beryllium Disease Prevention Program. Environmental Safety, Health and Quality (ESH&Q) is part of the evaluation process; as part of the evaluation factors described in Section M, DOE will evaluate the written proposal for the overall depth, quality, maturity and effectiveness of the proposed ESH&Q programs and processes, and will evaluate the oral presentation for key personnel team knowledge, expertise, capabilities, and commitment to implement the proposed ESH&Q programs and processes.

- Element 5: TOC Work Scope should be amended to accommodate support of design and eventual waste transfer for Low-Activity Waste vitrification.

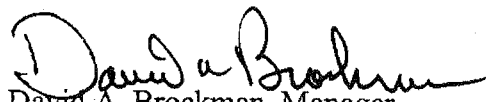
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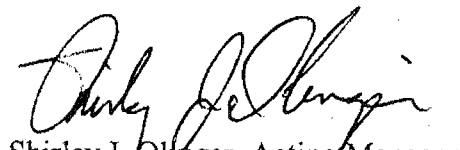
Within the TOC, Section C.2.4, CLIN 4, Supplemental Treatment, provides for the demonstration of the bulk vitrification system, and supplemental treatment design, construction, and operations. Please note that all three contracts are written to provide an inclusive level of scope performance to be performed during the full period of contract performance; this provides the flexibility to respond to programmatic and regulatory decisions during contract execution. A life-cycle plan will be developed and maintained throughout contract performance, with work authorizations for each year of contract performance based on programmatic direction and funding, regulatory decisions, and contract performance. Given the regulatory decisions that will be made in the future, assumptions were required for proposal preparation and evaluation.

By way of background, we want to summarize the opportunities the HAB has had to provide input during the acquisition process:

- In February 2006, DOE met with the involved HAB committees, summarized the requirements of the acquisition process and limitations on interactions, and identified the areas where HAB input would benefit DOE. The HAB did issue advice, but it did not address the specific areas on which DOE had requested input.
- In November 2006, DOE issued draft RFPs and invited input from industry and other interested parties by December 22, 2006. Though the HAB meeting schedule did not allow it to produce advice on that timeline, the HAB did give DOE consensus advice (#195) following its next meeting, in February 2007. DOE considered that advice.
- In December 2006, based on interest expressed by HAB in being able to receive answers to specific questions, DOE received no questions from HAB members in the web-based question/answer process prior to issuance of the Final RFPs.

Again, thank you for your advice and for the opportunity to respond to some of the HAB's stated concerns. If you have further questions, please contact Karen Lutz, Richland Operations Office, on (509) 376-4766 or Erik Olds, Office of River Protection on (509) 372-8656.


David A. Brockman, Manager
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Shirley J. Olinger, Acting Manager
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cc: See page 4

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