

AMENDMENT OF SOLICITATION
(Negotiated Procurements)

PAGE OF PAGES

NOTICE: Offerors must acknowledge receipt of this amendment in writing, by the date and time specified for proposal submissions or the date and time specified in Block 6, whichever is later. **IF YOUR ACKNOWLEDGMENT IS NOT RECEIVED AT THE DESIGNATED LOCATION BY THE SPECIFIED DATE AND TIME, YOUR OFFER MAY BE REJECTED.** If, by virtue of this amendment, you wish to change your offer, such change must make reference to the solicitation and this amendment and be received prior to the date and time specified in Block 6.

I. AMENDMENT

1. SOLICITATION NUMBER	2. SOLICITATION DATE	3. AMENDMENT NUMBER	4. AMENDMENT DATE
5. ISSUED BY		6. DUE DATE	
		THIS AMENDMENT DOES NOT CHANGE THE DATE BY WHICH OFFERS ARE DUE UNLESS A DATE AND TIME IS INSERTED BELOW.	
		A. DATE	B. TIME
7. FOR INFORMATION CALL <i>(No collect calls)</i>			
A. NAME	B. TELEPHONE		C. E-MAIL ADDRESS
	AREA CODE	PHONE NUMBER	
8. DESCRIPTION OF AMENDMENT			

Except as provided herein, all terms and conditions of the solicitation remain unchanged and in full force and effect.

II. ACKNOWLEDGMENT OF AMENDMENT

In lieu of other written methods of acknowledgment, the offeror may complete Blocks 9 and 10 and return this amendment to the address in Block 5.

9. NAME AND ADDRESS OF OFFEROR	10A. OFFEROR <i>(Signature of person authorized to sign)</i>
	10B. NAME OF SIGNER
	10C. TITLE OF SIGNER
	10D. DATE

- I. Section B Clauses are clarified to eliminate any ambiguity that this is a Term Contract and not a Level of Effort Contract. A definitive end date will be defined at time of award. All hours previously provided were estimates as originally stated. Clause B.2 is amended to include additional information at time of award. Clause B.3 is defined at this time. Clause B.4 is amended to remove Level of Effort language and note that dates and DPLH will be determined at time of award. Clause B.5 is amended to allow for adjustments to the fee based on usage of DPLH. Clause B.7 is amended to note that evaluation periods and fee availability will be determined at time of award. Clause B.8 is amended to delete dates and estimated hours from the price schedules. This will be determined at time of award.

B.2 Type of Contract and Maximum Price (JAN 2006)

This contract is a "modified" Time and Material (T&M) contract. The T&M aspect of this contract is modified from the usual definition by providing for the base fee (i.e. profit) to be included as a separate item and not included as part of the labor rate.

- (a) The cost of the transition period is \$_____ (TBD)
- (b) The estimated ceiling price (excluding fee) of this contract is \$_____ (TBD)
- (c) The base fee for this contract is \$_____ (TBD)
- (d) The total performance-based fee available for this contract is \$_____ (TBD)
- (e) The total estimated ceiling price (including base fee, if any, and performance-based fee of this contract is \$_____ (TBD)

B.3 Obligation of Funds (Time-And-Materials/Labor-Hour) (JAN 2006)

Pursuant to clause H.27 entitled "Limitation of Funds," the total amount obligated to the contract for the items described in the Schedule is \$_____ (TBD) which is estimated to be sufficient to cover the contract performance period through (To Be Determined.)

(Total obligations are composed of obligations for \$ _____(TBD) for Clin 001, \$_____ (TBD) for Clin 002, and \$_____ (TBD) for Clin 003.)

B.4 ORO B35 Option(s) to Extend the Contract (Time-and-Materials/ Labor-Hour) Alternate III (JAN 2006)

- (a) In order to demonstrate the value it places on quality performance, the Department has provided a mechanism for continuing a contractual relationship with a successful Contractor that performs at a level which meets or exceeds quality performance expectations as communicated to the Contractor, in writing, by the contracting officer or designated representative. When deciding whether to exercise the option, the Contracting Officer will consider the quality of the Contractor's performance under the contract, in addition to the requirement as stated in the FAR.
- (b) This contract may be extended at the unilateral option of the Government in accordance with FAR 52.217-9 set forth in Section I. Further, the Contractor agrees that the

performance under option(s) which are exercised shall be accomplished within the hourly rates and contract ceiling price set forth in clause B.8 Price Schedule.

- (c) The Contractor shall provide personnel in the labor classifications and at the hourly rate set in clause B.8 Price Schedule. The quantities of labor-hours are estimated amounts and may vary during the period of performance. The hourly rates are fixed for the full period of performance of the contract. The wage rates included in the fully burdened hourly rates are not subject to revision unless required by the Service Contract Act. Any adjustment required by the Service Contract Act will be in accordance with Department of Labor (DOL) Wage Determinations. Any revised DOL Wage Determination will be included in [Section J, Attachment D](#), of this contract. The indirect costs, general and administrative expense, and profit are fixed for the full term of the contract and will not be changed if wage rates are adjusted as a result of the Service Contract Act.

Materials, supplies, and equipment will be furnished by the Government as set forth in Section J, Attachment A (Appendices B-2.2 thru B-2.7, C-1 and C-2). In the event, however, that the Contractor is required by the Contracting Officer to acquire such items, reimbursement will be in accordance with FAR 52.232-7. In the event that any travel is required, the Contractor will obtain the approval of the Contracting Officer or any duly authorized representative. Reasonable and allocable material handling costs may be included in the charge for materials in accordance with the Contractor's usual accounting practices consistent with Subpart 31.2 of the FAR. The material handling cost rate is fixed for the full period of performance of the contract. The Contractor's price proposal will serve as the basis for such adjustments.

- (d) In accordance with FAR 52.246-6 Inspection--Time-and-Materials and Labor-Hour, the Government may require the Contractor to replace or correct services or materials that at time of delivery failed to meet contract requirements. Except as otherwise specified in FAR 246-6, paragraph (h), the costs of replacement or correction shall be determined under FAR 52.232-7, Payments Under Time-and-Material and Labor-Hour Contracts, but the hourly rates for labor incurred in the replacement or correction shall not include profit which is consistent with the pricing schedule. The Contractor's price proposal will serve as the basis for such adjustments.
- (e) Direct Productive Labor Hours (DPLH) are transferable between Contract Line Item Numbers (CLINs).
- (f) Nothing in this clause shall be construed to constitute authorization for work not in accordance with the FAR 52.232-7, Payments Under Time-and-Material and Labor-Hour Contracts clause of the contract.

(g) Schedule:

1. First Option Period

Start Date: Transition Period plus 3 years after contract award date

End Date: One year after First Option Period Start Date

Estimated DPLH: (TBD)

Estimated Ceiling Price: (TBD)

2. Second Option Period

Start Date: Day after end of First Option Period

End Date: One year after Second Option Period Start Date

Estimated DPLH: (TBD)

Estimated Ceiling Price: (TBD)

B.5 Performance-Based Fee Determination

- (a) The Government shall at the conclusion of each specified evaluation period(s) evaluate the Contractor's performance for a determination of performance-based fee earned. The determination as to the amount of performance-based fee earned will be made by the Government Fee Determination Official (FDO).
- (b) It is agreed that the evaluation of contract performance shall be in accordance with the Fee Administration Plan referenced in the clause entitled "Fee Administration Plan" in Section B and that the Contractor shall be promptly advised in writing of the determination, and the reasons why it was or was not earned.
- (c) Fees unearned for one fee cycle may not be carried forward to another fee cycle. Unearned fee may be unilaterally de-obligated from the contract by the Government.
- (d) The performance-based fee of this contract is based upon the Contractor furnishing the estimated DPLH set forth herein. The performance-based fee shall be adjusted only as specified below:
 - (1) In the event the Contractor shall be required to provide less than 90 percent of the estimated DPLH, the performance-based fee of this contract shall be reduced as mutually agreed by the parties and a contract modification will be issued to reflect adjustments. The performance-based fee adjustment shall be based solely on the difference between the DPLH actually provided or authorized, whichever is less, and the estimated DPLH. At the Contracting Officer's discretion, the adjustment may take into consideration efficiencies in the Contractor's performance, including productivity improvements, if any, which contributed to the lesser number of DPLH being provided. In the event that the parties do not mutually agree on adjustments

within a fourteen day period, the Contracting Officer will unilaterally adjust the performance-based fee.

- (2) In the event the Contractor shall be required to provide more than the estimated DPLH, the contract term shall prevail and the Contractor will be required to provide the DPLH considered reasonable by DOE and authorized by DOE during the term of the contract. However, prior to the Contractor providing these additional DPLH, a contract modification will be required to increase the estimated DPLH and associated estimated cost and performance based fee. This will require the preparation and submission of a cost proposal by the Contractor. The performance-based fee will be adjusted only if the increase in DPLH exceeds 110 percent of the estimated DPLH (i.e., the performance-based fee will not be increased if the Contractor is required to provide no greater than 110 percent of the estimated DPLH).

B.6 Fee Administration Plan

- (a) A Fee Administration Plan upon which the determination of performance-based fee shall be issued, including the criteria to be considered under each area evaluated and the percentage of fee available for each area, will be unilaterally established by the Government. The first evaluation period will start at the conclusion of the transition period. A copy of the plan shall be provided to the Contractor 30 calendar days prior to the start of the first evaluation period.
- (b) The Fee Administration Plan shall set forth the criteria upon which the Contractor will be evaluated for performance relating to the technical and management functions selected for performance measurement and evaluation.
- (c) The Fee Administration Plan may, consistent with the contract, be revised unilaterally by the Government at any time during the period of performance. Notification of such changes shall be provided to the Contractor 30 days prior to the start of the evaluation period to which the change will apply.

B.7 Distribution Of Performance-Based Fee

The total amount of performance-based fee available under this contract is assigned to the following evaluation periods:

Transition Period: Performance-based fee is not available for the transition period.

BASE TERM

Evaluation Period 1: (60 days after date of contract award (ADCA) plus 6 months)

Available Performance-Based Fee: \$ (TBD) _____

Base Fee: \$ (TBD) _____

Evaluation Period 2: (End of Evaluation Period 1 plus 6 months)

Available Performance-Based Fee: \$ (TBD) _____

Base Fee: \$ (TBD) _____

Evaluation Period 3: (End of Evaluation Period 2 plus 6 months)
Available Performance-Based Fee: \$ (TBD)
Base Fee: \$ (TBD)

Evaluation Period 4: (End of Evaluation Period 3 plus 6 months)
Available Performance-Based Fee: \$ (TBD)
Base Fee: \$ (TBD)

Evaluation Period 5: (End of Evaluation Period 4 plus 6 months)
Available Performance-Based Fee: \$ (TBD)
Base Fee: \$ (TBD)

Evaluation Period 6: (End of Evaluation Period 5 plus 6 months)
Available Performance-Based Fee: \$ (TBD)
Base Fee: \$ (TBD)

TOTAL FEE FOR BASE TERM
Total Performance Base Fee: \$ (TBD)
Total Base Fee: \$ (TBD)

OPTION YEAR ONE

Evaluation Period 7: (End of Evaluation Period 6 plus 6 months)
Available Performance-Based Fee: \$ (TBD)
Base Fee: \$ (TBD)

Evaluation Period 8: (End of Evaluation Period 7 plus 6 months)
Available Performance-Based Fee: \$ (TBD)
Base Fee: \$ (TBD)

OPTION YEAR TWO

Evaluation Period 9: (End of Evaluation Period 8 plus 6 months)
Available Performance-Based Fee: \$ (TBD)
Base Fee: \$ (TBD)

Evaluation Period 10: (End of Evaluation Period 9 plus 6 months)
Available Performance-Based Fee: \$ (TBD)
Base Fee: \$ (TBD)

B.8 Price Schedule (Time-And-Material And Labor-Hour) (JUNE 2004)

- (a) The Contractor shall provide personnel in the labor categories and at the hourly rates (wages, indirect costs, general and administrative expenses) set forth below. The quantities of labor-hours are estimated amounts and may vary during the period of performance. The hourly rates are fixed for the full period of performance of the contract. The wage rates included in the fully burdened hourly rates are not subject to revision unless required by the Service Contract Act. Any adjustment required by the Service Contract Act will be in accordance with Department of Labor (DOL) Wage Determinations. Any revised DOL Wage Determination will be included in [Section J](#) of this contract. The indirect costs (excluding fringe benefits established by DOL), general

and administrative expense applied to the hourly rates, are fixed for the full term of the contract and will not be changed if wage rates are adjusted as a result of the Service Contract Act.

- (b) Materials, supplies, and equipment will be furnished by the Government as set forth in Section J, Attachment A (Appendices B-2.2 thru B-2.7, C-1 and C-2). In the event, however, that the Contractor is required by the contracting officer to acquire such items, reimbursement will be in accordance with FAR 52.232-7. In the event that any travel is required (other than local), the Contractor will obtain the approval of the Contract Technical Monitor (CTM) or any other duly authorized representative. Reasonable and allocable material handling costs may be included in the charge for materials in accordance with the Contractor's usual accounting practices consistent with Subpart 31.2 of the FAR. The material handling cost rate is fixed for the full period of performance of the contract.
- (c) In accordance with FAR 52.246-6, Inspection--Time-and-Material and Labor-Hour, the Government may require the Contractor to replace or correct services or materials that at time of delivery failed to meet contract requirements. Except as otherwise specified in FAR 52.246-6, paragraph h, the cost of replacement or correction shall be determined under FAR 52.232-7, Payments Under Time-and Material and Labor-Hour Contracts, but fee shall be excluded from the cost incurred in the replacement or correction of services.
- (d) Schedule:

The Contract Line Items Numbers (CLINs) are defined by location and are listed as follows. Individual Tasks will be issued under each CLIN.

CLIN

[001 Department of Energy, Office of Science, Oak Ridge Office, Oak Ridge National Laboratory \(DOE/OS/ORO/ORNL\)](#)

[002 Department of Energy, Environmental Management, Oak Ridge \(DOE/EM/Oak Ridge\)](#)

[003 National Nuclear Security Administration \(NNSA\)](#)

CLIN 0001

DOE/SC/ORO/ORNL			
Transition Period: 60 Days – Dates to be Determined			
Labor Category	Estimated DPLH	Fully Loaded Hourly Rate Transition Period	Estimated DPLH Price

DOE/SC/ORO/ORNL TRANSITION PERIOD SUMMARY

Total Estimated DPLH: _____
Total Estimated DPLH Price: \$ _____
Material/Other Direct Cost: \$ _____

Total Ceiling Price: \$ _____

CLIN 0001

DOE/SC/ORO/ORNL										
Base Period: Three Years - Dates to be Determined										
Labor Category/ Level	Estimated DPLH	Onsite Fully Loaded Hourly Rate Year 1	Offsite Fully Loaded Hourly Rate Year 1	Onsite Fully Loaded Hourly Rate Year 2	Offsite Fully Loaded Hourly Rate Year 2	Onsite Fully Loaded Hourly Rate Year 3	Offsite Fully Loaded Hourly Rate Year 3	Onsite Estimated Overtime Rate Year 1/Year 2/ Year 3	Offsite Estimated Overtime Rate Year 1/Year 2/ Year 3	Estimated DPLH Price
								TBD After Award Applicable to SCA Employees	TBD After Award Applicable to SCA Employees	

DOE/SC/ORO/ORNL BASE PERIOD SUMMARY

Total Estimated DPLH: _____
Total Estimated DPLH Price: \$ _____
Material/Other Direct Cost: \$ _____
Base Fee: \$ _____
Performance Based Fee: \$ _____

Total Ceiling Price and Fee: \$ _____

CLIN 0001

DOE/SC/ORO/ORNL						
Option Year 1: One Year - Dates to be Determined						
Labor Category/ Level	Estimated DPLH	Onsite Fully Loaded Hourly Rate Option Year 1	Offsite Fully Loaded Hourly Rate Option Year 1	Onsite Estimated Overtime Rate Option Year 1	Offsite Estimated Overtime Rate Option Year 1	Estimated DPLH Price
				TBD After Award Applicable to SCA Employees	TBD After Award Applicable to SCA Employees	

DOE/SC/ORO/ORNL OPTION YEAR ONE SUMMARY

Total Estimated DPLH: _____
Total Estimated DPLH Price: \$ _____
Material/Other Direct Cost: \$ _____
Base Fee: \$ _____
Performance Based Fee: \$ _____

Total Ceiling Price and Fee: \$ _____

CLIN 0001

DOE/SC/ORO/ORNL						
Option Year 2: One Year - Dates to be Determined						
Labor Category/ Level	Estimated DPLH	Onsite Fully Loaded Hourly Rate Option Year 2	Offsite Fully Loaded Hourly Rate Option Year 2	Onsite Estimated Overtime Rate Option Year 2	Offsite Estimated Overtime Rate Option Year 2	Estimated DPLH Price
				TBD After Award Applicable to SCA Employees	TBD After Award Applicable to SCA Employees	

DOE/SC/ORO/ORNL OPTION YEAR TWO SUMMARY

Total Estimated DPLH: _____
Total Estimated DPLH Price: \$ _____
Material/Other Direct Cost: \$ _____
Base Fee: \$ _____
Performance Based Fee: \$ _____

Total Ceiling Price and Fee: \$ _____

CLIN 0001

DOE/SC/ORO/ORNL

Summary of Proposed Cost

Period of Performance: _____

Total Estimated DPLH:	_____
Total Estimated DPLH Price:	\$ _____
Material/Other Direct Cost:	\$ _____
Base Fee:	\$ _____
Performance Based Fee:	\$ _____
Total Ceiling Price and Fee:	\$ _____

CLIN 0002

DOE/EM/BJC OAK RIDGE			
Transition Period: 60 Days - Dates to be Determined			
Labor Category	Estimated DPLH	Fully Loaded Hourly Rate Transition Period	Estimated DPLH Price

DOE/EM/BJC OAK RIDGE TRANSITION PERIOD SUMMARY

Total Estimated DPLH: _____
Total Estimated DPLH Price: \$ _____
Material/Other Direct Cost: \$ _____

Total Ceiling Price: \$ _____

CLIN 0002

DOE/EM/BJC OAK RIDGE										
Base Period: Three Years - Dates to be Determined										
Labor Category/ Level	Estimated DPLH	Onsite Fully Loaded Hourly Rate Year 1	Offsite Fully Loaded Hourly Rate Year 1	Onsite Fully Loaded Hourly Rate Year 2	Offsite Fully Loaded Hourly Rate Year 2	Onsite Fully Loaded Hourly Rate Year 3	Offsite Fully Loaded Hourly Rate Year 3	Onsite Estimated Overtime Rate Year 1/Year 2/ Year 3	Offsite Estimated Overtime Rate Year 1/Year 2/ Year 3	Estimated DPLH Price
								TBD After Award Applicable to SCA Employees	TBD After Award Applicable to SCA Employees	

DOE/EM/BJC OAK RIDGE BASE PERIOD SUMMARY

Total Estimated DPLH: _____
 Total Estimated DPLH Price: \$ _____
 Material/Other Direct Cost: \$ _____
 Base Fee: \$ _____
 Performance Based Fee: \$ _____

 Total Ceiling Price and Fee: \$ _____

Note: It is anticipated that FTE levels will decline over the period of performance.

CLIN 0002

DOE/EM/BJC OAK RIDGE						
Option Year 1: One Year - Dates to be Determined						
Labor Category/ Level	Estimated DPLH	Onsite Fully Loaded Hourly Rate Option Year 1	Offsite Fully Loaded Hourly Rate Option Year 1	Onsite Estimated Overtime Rate Option Year 1	Offsite Estimated Overtime Rate Option Year 1	Estimated DPLH Price
				TBD After Award Applicable to SCA Employees	TBD After Award Applicable to SCA Employees	

DOE/EM/BJC OAK RIDGE OPTION YEAR ONE SUMMARY

Total Estimated DPLH: _____
Total Estimated DPLH Price: \$ _____
Material/Other Direct Cost: \$ _____
Base Fee: \$ _____
Performance Based Fee: \$ _____

Total Ceiling Price and Fee: \$ _____

Note: It is anticipated that FTE levels will decline over the period of performance.

CLIN 0002

DOE/EM/BJC OAK RIDGE						
Option Year 2: One Year - Dates to be Determined						
Labor Category/ Level	Estimated DPLH	Onsite Fully Loaded Hourly Rate Option Year 2	Offsite Fully Loaded Hourly Rate Option Year 2	Onsite Estimated Overtime Rate Option Year 2	Offsite Estimated Overtime Rate Option Year 2	Estimated DPLH Price
				TBD After Award Applicable to SCA Employees	TBD After Award Applicable to SCA Employees	

It is planned that no hours are allocated under the contract for Option Year 2 for DOE/EM/BJC OAK RIDGE

DOE/EM/BJC OAK RIDGE OPTION YEAR TWO SUMMARY

Total Estimated DPLH: _____
Total Estimated DPLH Price: \$ _____
Material/Other Direct Cost: \$ _____
Base Fee: \$ _____
Performance Based Fee: \$ _____

Total Ceiling Price and Fee: \$ _____

CLIN 0002

DOE/EM/BJC OAK RIDGE

Summary of Proposed Cost

Period of Performance: _____

Total Estimated DPLH:	_____
Total Estimated DPLH Price:	\$ _____
Material/Other Direct Cost:	\$ _____
Base Fee:	\$ _____
Performance Based Fee:	\$ _____
Total Ceiling Price and Fee:	\$ _____

CLIN 0003

NNSA/BWXT Y-12			
Transition Period: 60 Days - Dates to be Determined			
Labor Category	Estimated DPLH	Fully Loaded Hourly Rate Transition Period	Estimated DPLH Price

NNSA/BWXT Y-12 TRANSITION PERIOD SUMMARY

Total Estimated DPLH: _____
Total Estimated DPLH Price: \$ _____
Material/Other Direct Cost: \$ _____

Total Ceiling Price: \$ _____

CLIN 0003

NNSA/BWXT Y-12										
Base Period: Three Years - Dates to be Determined										
Labor Category/ Level	Estimated DPLH	Onsite Fully Loaded Hourly Rate Year 1	Offsite Fully Loaded Hourly Rate Year 1	Onsite Fully Loaded Hourly Rate Year 2	Offsite Fully Loaded Hourly Rate Year 2	Onsite Fully Loaded Hourly Rate Year 3	Offsite Fully Loaded Hourly Rate Year 3	Onsite Estimated Overtime Rate Year 1/Year 2/ Year 3	Offsite Estimated Overtime Rate Year 1/Year 2/ Year 3	Estimated DPLH Price
								TBD After Award Applicable to SCA Employees	TBD After Award Applicable to SCA Employees	

NNSA/BWXT Y-12 BASE PERIOD SUMMARY

Total Estimated DPLH: _____
 Total Estimated DPLH Price: \$ _____
 Material/Other Direct Cost: \$ _____
 Base Fee: \$ _____
 Performance Based Fee: \$ _____

 Total Ceiling Price and Fee: \$ _____

CLIN 0003

NNSA/BWXT Y-12						
Option Year 1: One Year - Dates to be Determined						
Labor Category/ Level	Estimated DPLH	Onsite Fully Loaded Hourly Rate Option Year 1	Offsite Fully Loaded Hourly Rate Option Year 1	Onsite Estimated Overtime Rate Option Year 1	Offsite Estimated Overtime Rate Option Year 1	Estimated DPLH Price
				TBD After Award Applicable to SCA Employees	TBD After Award Applicable to SCA Employees	

NNSA/BWXT Y-12 OPTION YEAR ONE SUMMARY

Total Estimated DPLH: _____
Total Estimated DPLH Price: \$ _____
Material/Other Direct Cost: \$ _____
Base Fee: \$ _____
Performance Based Fee: \$ _____

Total Ceiling Price and Fee: \$ _____

CLIN 0003

NNSA/BWXT Y-12						
Option Year 2: One Year - Dates to be Determined						
Labor Category/ Level	Estimated DPLH	Onsite Fully Loaded Hourly Rate Option Year 2	Offsite Fully Loaded Hourly Rate Option Year 2	Onsite Estimated Overtime Rate Option Year 2	Offsite Estimated Overtime Rate Option Year 2	Estimated DPLH Price
				TBD After Award Applicable to SCA Employees	TBD After Award Applicable to SCA Employees	

NNSA/BWXT Y-12 OPTION YEAR TWO SUMMARY

Total Estimated DPLH: _____
Total Estimated DPLH Price: \$ _____
Material/Other Direct Cost: \$ _____
Base Fee: \$ _____
Performance Based Fee: \$ _____

Total Ceiling Price and Fee: \$ _____

CLIN 0003

NNSA/BWXT Y-12

Summary of Proposed Cost

Period of Performance: _____

Total Estimated DPLH:	_____
Total Estimated DPLH Price:	\$ _____
Material/Other Direct Cost:	\$ _____
Base Fee:	\$ _____
Performance Based Fee:	\$ _____
Total Ceiling Price and Fee:	\$ _____

- II. The following clause is based on DOE Acquisition Letter AL-2006-4 dated December 14, 2005, and implements OMB MEMORANDUM M-05-22. The clause is added as clause H.26.

H.26 Compliance with Internet Protocol version 6 (IPv6) In Acquiring Information Technology

This contract involves the acquisition of Information Technology (IT) that uses Internet Protocol (IP) technology. The contractor agrees that: (1) all deliverables that involve IT that uses IP (products, services, software, etc.) will comply with IPv6 standards and interoperate with both IPv6 and IPv4 systems and products; and (2) it has IPv6 technical support for development and implementation and fielded product management available. If the contractor plans to offer a deliverable that involves IT that is not initially compliant, the contractor agrees to: (1) obtain the Contracting Officer's approval before starting work on the deliverable; (2) provide a migration path and firm commitment to upgrade to IPv6 for all application and product features by June 2008; and (3) have IPv6 technical support for development and implementation and fielded product management available.

Should the contractor find that the statement of work or specifications of this contract do not conform to the IPv6 standard, it must notify the Contracting Officer of such nonconformance and act in accordance with instructions of the Contracting Officer.

- III. The following clause is added based on an omission in the RFP.

H.27 Limitation of Funds (Time and Material) (JAN 2006)

- (a) The parties estimate that performance of this contract will not exceed the ceiling price as specified in clause B.2 Type of Contract and Maximum Price. However, the contract will not initially be fully funded to this amount. Funds will be added incrementally by modification to the contract.
- (b) Clause B.3 Obligation of Funds specifies the amount presently available for payment by the Government and allotted to this contract. The parties contemplate that the Government will allot additional funds incrementally to the contract up to the full ceiling price. The Contractor agrees to perform, or have performed, work on the contract up to the point at which the total amount paid and payable by the Government under the contract approximates but does not exceed the total amount actually allotted by the Government to the contract.
- (c) The Contractor shall notify the Contracting Officer in writing whenever it has reason to believe the costs it expects to incur under this contract in the next 30 days, when added to all costs previously incurred, will exceed 85 percent of the total amount so far obligated to the contract by the Government. The notice shall state the estimated amount of additional funds required to continue performance for the period specified in the Schedule.
- (d) If, after notification, additional funds are not allotted by the end of the period specified in the Schedule or another agreed-upon date, upon the Contractor's

written request the Contracting Officer will terminate this contract on that date in accordance with the provisions of the Termination clause of this contract. If the Contractor estimates that the funds available will allow it to continue performance beyond that date, it may specify a later date in its request, and the Contracting Officer may terminate this contract on that later date.

- (e) Except as required by other provisions of this contract, specifically citing and stated to be an exception to this clause—
 - (1) the Government is not obligated to reimburse the Contractor for costs incurred in excess of the total amount allotted by the Government to this contract; and
 - (2) the Contractor is not obligated to continue performance under this contract (including actions under the clause 1.67 52.249-6 Termination) or otherwise incur costs in excess of the amount then allotted to the contract by the Government.
- (f) No notice, communication, or representation in any form other than an executed contract modification or from any person other than the Contracting Officer, shall affect the amount allotted by the Government to this contract. In the absence of the specified notice, the Government is not obligated to reimburse the Contractor for any costs in excess of the total amount allotted by the Government to this contract, whether incurred during the course of the contract or as a result of termination.
- (g) When and to the extent that the amount allotted by the Government to the contract is increased, any costs the Contractor incurs before the increase that are in excess of the amount previously allotted by the Government shall be allowable to the same extent as if incurred afterward, unless the Contracting Officer issues a termination or other notice and directs that the increase is solely to cover termination or other specified expenses.
- (h) Change orders shall not be considered an authorization to exceed the amount allotted by the Government specified in the Schedule, unless they contain a statement increasing the amount allotted.
- (i) Nothing in this clause shall affect the right of the Government to terminate this contract. If this contract is terminated, the Government and the Contractor shall negotiate an equitable distribution of all property produced or purchased under the contract, based upon the share of costs incurred by each.

IV. Provision L.27 is amended for further clarification. Overtime is not requested which is consistent with Amendment 004 and further clarified by this amendment. Direct Productive Labor Hours are also clarified. The entire clause is provided for convenience.

L.27 52.215-20 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data. (OCT 1997) – Alternate IV (Oct 1997)

- (a) Submission of cost or pricing data is not required.

- (b) This RFP contains two requirements affecting this section and [Section B](#), Price Schedule. These requirements are the Rights of First Refusal and Substantially Equivalent Salary and Benefits for “incumbent” employees who transition to an entity awarded the subject contract.

Offerors must structure their labor categories and pay scales in levels of responsibility and corresponding pay so as to allow transitioned employees to fit within such levels. Offerors must decide on the proper structuring and the number of levels in each labor category. For example, there could be four levels of Systems Analyst with a \$5,000 salary increment range (such as Level 1, \$40,000 - \$45,000; Level 2, \$45,000 - \$50,000; Level 3, \$50,000 - \$55,000; Level 4, \$55,000 - \$60,000) differentiated by work experience and duties.

The proposed salary amount for this section shall be within the salary range for each labor category utilizing the applicable categories/levels included in [Section L, Attachment III](#), Salary Ranges for Non-Managerial Labor Categories, for transitioning employees that meet the Right of First Refusal requirements. The salary amount for [Section B](#) and, therefore, the loaded labor rate that will be billed under the contract, must also be within the salary range of each labor category.

An incumbent employee who transitions must be placed within the category level whose range contains her/his equivalent salary. Continuing with the previous example, if an incumbent Systems Analyst transitions with an equivalent salary of \$59,000, then that employee would be classified as a Level 4 System Analyst for billing purposes. [Section B](#) loaded labor rate would be based on a salary amount within the appropriate range, consistent with the bid amount in this price proposal. However, if an incumbent employee's equivalent salary is greater than the range of the highest level, a new level will be negotiated after award, to accommodate the pay.

Offerors should propose appropriate salary range and fringe benefit rates for the subject geographical area; however, some incumbent salary and fringe benefit information is being provided for consideration. This information is provided at [Section L, Attachment III](#) of the RFP and Section L, Attachment VII, Estimate of Average Benefit Cost for IT Employees.

- (c) A specific format is mandated for [Section B](#), Price Schedules, and [Section L, Exhibit A, Exhibit B, Exhibit C, and Exhibit D](#). All proposed costs and fee shall be reflected on the Price Schedules. The following shall be submitted to support the proposed price for the term of the contract, including option years.

Section B, Price Schedules. Offerors shall complete all Price Schedules included in [Section B](#) of the RFP. One Price Schedule shall be completed for the transition period, one for the base period, and one for each option year for DOE/SC/ORO/ORNL and NNSA/Y-12. For DOE/EM Oak Ridge, one Price Schedule shall be completed for the transition, one for the base period, and one for option year one only. No cost shall be incurred in option year two for DOE/EM Oak Ridge. In addition, a summary price schedule shall be completed for each site -- DOE/SC/ORO/ORNL, DOE/EM Oak Ridge, and NNSA/Y-12. All proposed costs and fee must be reflected on the Price Schedule. The fixed

direct labor rates set forth in the Price Schedule shall be firm for the full term of the contract, including option years. All Hourly Rates and Fully Loaded Hourly Rates shall be rounded to two decimal places. All price extensions (Estimated Amounts and Ceiling Prices) shall be rounded to the nearest whole dollar.

Volume III, Price Proposal. The Price Proposal, Volume III, shall consist of the Offeror's proposed price (cost and fee) to perform the required work set forth in the Performance Work Statement (PWS) as well as the Offeror's financial capability information. The specific format required for the price proposed for labor rates is included in [Exhibits A, B, C, and D](#). The Offeror shall determine the labor categories, the number of DPLH, and labor mix by level necessary to accomplish the [PWS](#). A list of current labor categories performing the PWS is set forth in [Section L, Attachment III](#) of this RFP. Please note that this attachment is provided for informational purposes only and that it is the responsibility of the Offeror to determine the labor categories and level, the number of DPLH, and labor mix required to accommodate the Offeror's proposal.

The Price Proposal shall be inclusive of the prime contractor, teaming partners/subcontractors, and/or joint ventures, and consultants proposed to perform the PWS. Fixed direct labor rates-per-hour are to include all full-time and part-time employee costs directly related to accomplishing activities in support of the PWS, including labor, fringe, overhead, and G&A, (for onsite and offsite activities). The base fee and the performance-based fee amount shall be specified as separate amounts.

All pages in the Price Proposal, including forms, tables, and exhibits, must be numbered and identified in a table of contents. The Price Proposal shall be sufficiently complete so that cross-referencing to other Volumes is not necessary. None of the information contained in this Volume (Volume III) should be included in any other proposal Volume unless specifically requested in this solicitation. There is no page limitation to the Price Proposal.

DOE RESERVES THE RIGHT TO REQUEST ANY ADDITIONAL INFORMATION DEEMED NECESSARY TO PROPERLY EVALUATE VOLUME III, PRICE PROPOSAL.

The following information shall be provided in the Volume III Price Proposal:

- (I) A table of contents.
- (II) Completed Section B Price Schedules of the RFP. Offerors shall complete and submit the Price Schedules included in [Section B](#) for each site.
- (III) [Exhibit A Total Contract Ceiling Price](#). Offerors shall provide a summary cost of the transition period, base period (years 1, 2 and 3), option year 1 (year 4) and option year 2 (year 5), and total for the following cost elements: Loaded Labor, Material/Other Direct Cost, Subcontract Cost (loaded labor, material/other direct costs), and Fee, utilizing [Section L, Exhibit A](#). All price extensions shall be rounded to the nearest whole dollar.

- (IV) [Exhibit B Total Contract Ceiling Price by Service Category](#). Offerors shall complete and submit the components of ceiling price utilizing Section L, Exhibit B (DOE/SC/ORO/ORNL, DOE/EM/Oak Ridge, and NNSA Y-12.) This exhibit shall include Direct Productive Labor Hours (DPLH), Loaded Labor Price, Material/Other Direct Cost, and Fee, by service category. Fee is not allowed for the transition period. All price extensions shall be rounded to the nearest whole dollar.
- (V) [Labor Categories](#). Offerors must provide their job classification structure with the corresponding salary ranges.
- (VI) [Exhibit C Calculation of Fully Loaded Hourly Labor Rates](#). Offeror shall provide the detailed components of the fully loaded hourly rates for the prime and the subcontractor(s) utilizing Section L, Exhibit [C-1](#) and [C-2](#).

Offerors shall complete and submit [Exhibit C-1](#) for the transition period, for each site (DOE/SC/ORO/ORNL, DOE/EM/Oak Ridge, and NNSA Y-12).

Offerors shall complete and submit [Exhibit C-2](#), by service category, for each base year and each option year, for each site (DOE/SC/ORO/ORNL, DOE/EM/Oak Ridge, and NNSA Y-12.)

Offerors shall complete and submit [Exhibit C-3](#), a summary of proposed labor for the prime and subcontractor for the contract periods.

All unit prices shall be rounded to two decimal places. All price extensions shall be rounded to the nearest whole dollar. Offerors shall add additional rows as needed in preparing Exhibit C.

Hourly labor rates shall be proposed on the basis of direct productive labor hours worked, exclusive of nonproductive labor hours such as vacation leave and sick leave.

- (VII) [Exhibit D Table of Hourly Labor and Indirect Rates by Level](#). Offerors shall complete and submit hourly labor (\$) by level and Indirect rates (%) using Section L, Exhibit D. All indirect rates included in Section L, Exhibit D shall be applied to the labor rates for all years in [Section L, Exhibit C](#). The fully loaded labor rates shall then be applied to the proposed labor hours. Total labor cost in Section L, Exhibit C shall agree with total labor cost as presented in [Section L, Exhibit B](#). All price extensions and percentages shall be rounded to two decimal places.
- (VIII) [Consistency with Technical Proposal](#). Offerors must provide evidence, such as cross reference, that the type and level of personnel included in this cost section is the same as included in the Technical Section.
- (IX) [Employees Located On-Site, Section L, Attachment III](#), Current Labor Categories Performing PWS, lists employee positions that are required to be located on-site.

- (X) Material/Other Direct Cost. Material, including Other Direct Cost, shall be proposed in detail, including quantities and dollar amounts as provided in [Section L, Exhibit B](#), or the detail may be attached as a separate exhibit.
- (XI) Software Material. Tivoli (or equivalent) and Remedy (or equivalent) software products and associated hardware shall be provided by the Contractor, as defined in the [PWS](#). The cost to the Government for those products shall be listed as material line items of [Section L, Exhibits A and B](#) or if costs are included in overhead, attach a separate schedule showing the name of the software and the yearly cost.
- (XII) Establishment of Local Office. [Section F, F.4](#) of the RFP states the requirements of a local office.
- (XIII) Cost of Security Clearance. Security Clearances as required by the RFP [Clause H.7](#) Security Qualifications (JUNE 2004), shall be paid for by the Government.
- (XIV) Off-site to On-site Data Connection. Each site (Y-12, ORNL, and ETP) has an internal network with clearly defined perimeter and perimeter protection. A DOE owned fiber triangle connects these sites at each site's perimeter access point. The Offeror shall propose as part of its technical proposal a 100 megabit Ethernet link from the Offeror's planned off-site facility to Y-12 National Security Complex. BWXT Y-12 will provide connectivity from this point to the Y-12 National Security Complex network and perform routing to the Y-12, ORNL, and ETP perimeter access points. All remote access connections to each site that allow a point of presence on that site's network shall be made via a VPN server at that site. Client VPN software is available for those connections once the Offeror's accounts are approved and established. In addition, an approved facility security plan is required for all of the Offeror's facilities that will be utilized to perform work on this contract. This plan shall be submitted 30 days prior to activation of the network link. Approval of this plan is required before actual use of the link.
- The Offeror shall determine the format for submission of all network cost including installation and any recurring cost, assuring that specific details for proposed cost elements are provided. The Government expects cost, such as installation, will be incurred during the transition period and recognizes that some costs may be incurred beyond this time period. Such cost, if any, shall be included on a month to month basis.
- (XV) Equipment for Employees Located On-Site. For employees located on-site, necessary equipment, including materials and supplies, as set forth in [Section J, Attachment A](#) (Appendices B-2.2 thru B-2.7, C-1 and C-2) shall be furnished by the Government.
- (XVI) Indirect Cost. Indirect Cost related to materials shall be in accordance with [Section B, Supplies or Services and Prices/Costs, B.4 \(c\)](#).

- (XVII) Employee Relocation. The Government will not reimburse the Contractor directly for employee relocation cost.
- (XVIII) Fee. The Offeror shall define their proposed ratio of base fee and performance based-fee as requested in Exhibit A. Fee shall include only one amount for all team members. Base fee and performance-based fee shall be included as line items in [Exhibits A](#) and [B](#). The performance-based fee determination will be based on evaluation of Contractor performance as described in the Quality Assurance Surveillance Plan/Fee Administration Plan (QASP/FAP) ([Section L, Attachment XIII.](#))
- (XIX) Accounting System. The Offeror shall briefly describe its accounting system and the adequacy of that system for reporting of cost against government time and material contracts. The Offeror shall submit an explanation of how costs will be recorded and tracked in its accounting system. In addition, the Offeror shall identify the cognizant Government audit agency or any other Government agency that has formerly approved the accounting system, if applicable.
- (XX) Determined Financial Capability. FAR 9.104-1(a) requires a prospective contractor to have adequate financial resources to perform the contract or the ability to obtain them in order to be determined responsible. It is the Offeror's responsibility to demonstrate its financial capability to complete this contract. Information provided by the Offeror shall include, but not be limited to, the following:

A current balance sheet and a profit/loss statement covering all quarters completed in the current fiscal year and projected data for the remainder of the year. Additionally, the Offeror shall provide certified financial statements, where available, for the last three accounting periods. Certified financial statements must include, at a minimum, a balance sheet and a statement of operations (profit and loss).

The above information is required for all participants if the Offeror is a teaming arrangement or for any subcontractor whose portion of the work is 10 percent or more of the total proposed price.

If the Offeror is a Limited Liability Corporation or other similar entity created for the purpose of performing this contract and lacking financial resources, the information required above shall be submitted for the parent corporate entity/ies or other guarantors.

An irrevocable letter of credit containing the name of the lender and the financing terms if credit is to be obtained;

The determination of financial capability to complete this contract shall be made by DOE. However, a financial capability review may be performed by the Defense Contract Audit Agency for DOE's consideration.

Should an apparent small business Offeror be determined to lack elements of responsibility, the Contracting Officer shall refer the matter to

the Small Business Administration for a Certificate of Competency in accordance with FAR 19.6.

- (XXI) Points of Contact. Offerors shall provide the name, address, and telephone number for the cognizant Administrative Contracting Officer and the cognizant Audit Agency Office, if applicable. Offerors shall also provide the name, address, and telephone number of the person(s) authorized to provide any clarifying information regarding the Volume III, Price Proposal.
- (XXII) Overtime. Overtime for employees covered by the Service Contract Act (SCA) will be negotiated after award. Overtime rates are not requested at this time.
- (XXIII) Direct Productive Labor Hours (DPLH). For clarification purposes the DPLH hours are deleted from Schedule B and added as Attachment L.XIV. Consistent with deletion of the total estimated DPLH in Schedule B, these hours are included as historical data in Attachment L.XIV. The Contractor is to propose hours consistent with its technical approach.

Section L

Attachment XIV

Estimated Labor Hours Based on Historical Data

	Base Period	Option Year 1	Option Year 2	Total
CLIN 0001 DOE/SC/ORO/ORNL	118,560 hours	39,520 hours	39,520 hours	197,600 hours
CLIN 0002 DOE/EM/BJC Oak Ridge	148,491 hours	21,358 hours	0 hours	169,849 hours
CLIN 0003 NNSA/BWXT Y-12	1,101,810 hours	367,270 hours	367,270 hours	1,836,350 hours

- V. Provision L.30 is added to the solicitation. The clause was issued June 2005 by DOE Acquisition Letter 2005-08. Offerors are urged to read the clause and the regulations cited in this clause.

L. 30. GUIDANCE FOR PROSPECTIVE OFFERORS - IMPACT OF TEAMING ARRANGEMENTS ON SMALL BUSINESS STATUS

- (a) This procurement has been set aside for small business. In order to ensure that award is made to an eligible small business, prospective Offerors, in consultation with legal counsel, are encouraged to review the Small Business Administration's (SBA's) size eligibility standards found at Title 13 of the Code of Federal Regulations, Section 121 (13 C.F.R. § 121). In particular, Offerors proposing a joint venture, subcontracting, or another form of teaming arrangement should review 13 C.F.R. § 121.103, "How does SBA determine affiliation?" prior to submitting a proposal.
- (b) The SBA is the sole authority for making determinations of small business status for small business programs. Such determinations are binding on the Offeror and the Contracting Officer. Accordingly, a finding by the SBA of affiliation between an Offeror and its proposed team member(s) or subcontractor(s) may result in the Offeror being found to be other than a small business and therefore ineligible for contract award.
- (c) Business concerns are considered to be affiliates of each other if either one directly or indirectly controls or has the power to control the other, or if another concern controls both. In determining whether affiliation exists, factors such as common ownership (stock ownership or options, convertible securities and agreements to merge), common management, and contractual relationships are considered. An Offeror will also be found to be affiliated with its subcontractor(s) if the Offeror is unusually reliant upon its subcontractors or if the subcontractor(s) will perform primary and vital requirements of a contract.
- (d) The SBA has issued several decisions concerning its evaluation of affiliation of an Offeror and its proposed subcontractor(s). The following examples set forth characteristics that the SBA has reviewed in considering the question of affiliation and may assist prospective Offerors in developing any teaming arrangements and their proposals.
- (1) The SBA considers whether proposed subcontracting, partnership, joint venture, or other teaming arrangements contain discrete descriptions of the tasks or work to be performed by each party. The SBA considers whether the Offeror or, if the Offeror is a joint venture or partnership, the joint venture participants or partners, perform the primary or vital portions of the Statement of Work. The SBA considers whether teaming arrangements clearly set forth the relationship between the parties, as well as the individual roles and responsibilities assigned.
- (2) The SBA considers whether there is a clear separation of facilities, employees, and management (decision-making authority) between the Offeror and any entities with which it has teaming arrangements.

- (3) The SBA considers the extent to which the Offeror directly employs Key Personnel (Program Manager, Project Manager, etc.).
- (4) If the Offeror is an eligible small business prime contractor, the SBA considers whether the majority of the technical expertise resides with the Offeror. If the Offeror is an eligible joint venture the SBA considers whether the majority of the technical expertise resides among the joint venture members.
- (5) The SBA considers the Offeror's profit sharing arrangements with its proposed subcontractor or other entities.
- (6) In reviewing affiliation between the Offeror and its proposed subcontractors or entities with which the Offeror has a teaming arrangement, SBA considers the previous contractual or business relationships between the Offeror and that entity.

VI. M.3 is reformatted and amended to clarify and provide details on the evaluation of the Price Proposal and Best Value Selection. Part B Price Proposal discusses the price evaluation. The Best Value Selection discussion is reformatted as Part C. The Technical and Business Management Criteria are part of Part A, and Criteria, Criteria 1 through 4, are not changed as a result of this amendment.

M.3 ORO M05 Evaluation Criteria (Alternate I) (MAY 1997)

Part A - Technical and Business Management Criteria.

Technical aspects of proposals will be evaluated in accordance with the following criteria:

Criterion 1 – Technical Approach (300 points)

The feasibility and efficiency of the Offeror's overall technical approach to support the IT environment and requirements identified within the PWS will be evaluated. The degree to which the Offeror's section by section response to the PWS demonstrates technical understanding of the specific tasks to be performed will be evaluated. The Offeror's proposal will be evaluated to determine the extent to which the proposed mix of labor categories and technical approach:

- maximizes system availability;
- enhances response times;
- minimizes end user disruption;
- leads to the overall successful performance of the PWS;
- demonstrates how technical proficiency will be maintained;
- describes specific performance responsibilities; and
- identifies automated tools to be used for operation; and
- provides smooth and efficient interactions with customer support staff and end users.

Criterion 2 – Key Personnel and Resource Availability (200 points)

A. Key Personnel (100 Points)

Key management personnel will be evaluated for their experience, availability, and overall qualifications applicable to the position for which they are proposed.

B. Resource Availability (100 Points)

The Offeror will be evaluated on its ability and commitment to provide qualified staff should the incumbent employees (who have Right of First Refusal) elect not to accept employment with the successful Offeror at the time of award, and to provide qualified staff over the life of the contract.

Criterion 3 – Corporate Experience and Past Performance (200 points)

A. Corporate Experience (150 points)

The Offeror and any teaming partners, subcontractor, or joint venture company will be evaluated to determine the extent to which the proposal demonstrates that prior experience has prepared the Offeror, teaming partner, subcontractor, or joint venture company to efficiently and effectively accomplish those PWS requirements for which they are proposed to perform.

B. Past Performance (50 points)

The Offeror, and any teaming partner, subcontractor, or joint venture company will be evaluated on the basis of past performance information furnished by customers on recent contracts similar to the PWS in contract type, duration, scope, complexity, and dollar value. The Past Performance Evaluations (see RFP, Section L, Attachment VIII) will be used to collect information. However, the Government may consider information in other forms, and from any source, and may conduct evaluations based on any number of returned Past Performance Evaluations. DOE may use additional past performance information obtained from available Federal Government electronic databases, as well as other sources. When no past performance information is received from the Offeror's references or obtained from other Federal sources, Offerors will be given a past performance rating that is neither favorable nor unfavorable. The Government has no obligation to contact any or all of the references.

Criterion 4 – Business Management and Operating Plans (300 points)

A. Transition Plan (100 points)

The proposed Transition Plan will be evaluated to determine the ability, feasibility and credibility of the plan and how the Offeror will: minimize the duration of the transition (from predecessor to Offeror); minimize the disruption of end user services; provide a smooth transition to the successful Offeror; and make the change in contractor transparent to the customer base.

B. Business Plan (200 points)

The proposed Business Plan will be evaluated to determine the ability, feasibility and credibility of the plan and how the Offeror will: Utilize structure and interrelationships among teaming partners, subcontractors, or joint venture company, the customer, and end users to achieve seamless integration, responsiveness, and overall successful performance of the work; maintain or improve quality and timeliness of services; implement best business practices; adapt to expected reductions in the level of support and performance based services required during the five year period of this agreement; respond to fluctuating peak workloads and accelerated service requests; meet the PWS performance standards; adapt to a changing IT environment; and describe the details of the benefits package that is substantially equivalent in the aggregate, including an actuarial certification of same.

Part B - Price Proposal

Price will neither be point scored nor adjectively rated, but will be evaluated for consistency with the technical proposal and will be used in determining which proposal represents the best value to the Government. Price will be reviewed to determine reasonableness, realism and completeness. The Offeror's willingness to risk profit on performance in terms of amount of base fee proposed, if any, will also be considered. Price is considered to be significantly less important than the technical and business management factors.

For purposes of award, DOE will develop an evaluated price based upon the Offeror's proposal. The evaluated price will be based on the Offeror's proposed labor rates applied against the proposed hours adjusted to reflect the government's evaluated most likely number of hours, evaluated labor categories and labor mix, considering the proposed technical approach; other costs elements may also be adjusted to reflect the evaluated price. The evaluated price will be the sum of the proposed base and performance-based fees, the proposed price for the transition period and the evaluated price for the base period and the two option periods.

Part C - Best Value Selection

The proposals will be evaluated to determine if the Offeror demonstrates a thorough understanding of, and capability to successfully accomplish, the requirements of the PWS. Award will be made to the responsible Offeror whose proposal is responsive to the RFP and is determined to be the best value and most advantageous to the Government. Selection of the best value will be achieved through a process of evaluating the strengths and weaknesses of each offeror's proposal against the evaluation criteria described in M.03, Part A and the evaluated price. To determine the best value to the Government, a trade-off analysis between the evaluated technical merit of the competing proposals and the evaluated prices may be performed. A best value decision reflects the Government's willingness to

accept other than the lowest evaluated price if the perceived benefits of an offer with a higher evaluated price merits the increase.