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WBS: 3.1.07
QA: QA

TRW

M-38

SN 76000
VA.CS.WLS.8/94.037
August 8, 1994

TO POTENTIAL OFFERORS AND TO WHOM IT MAY CONCERN

Subject: Multi-Purpose Canister System(s)
Request for Proposal No. VA.CS.WLS.6/94.015
Amendment No. 004

Submitted herewith for your information and use is Amendment No. 004 to Request for Proposal (RFP) No. VA.CS.WLS.6/94.015 dated 3 June 1994.

Section 1.10, Page 4, Proposal Requirements of the RFP states: "....Offerors must notify TESS in writing that they have received all amendments immediately upon receipt of an amendment. The Offeror must identify in its proposal all of the RFP amendments." In addition, notification of receipt of amendments may be faxed to TESS at (703) 204-8855.

TESS acknowledges that additional written vendor questions and requests for clarifications have been received. These questions and requests for clarifications are in the process of being answered and written responses will be provided to the RFP requesters as soon as possible.

Sincerely,

W. L. Schneider

W. L. Schneider
Subcontract Manager

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PDR PROJ
M-38 PDR

TRW Inc.



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Amendment No. 004
to
RFP VA.CS.WLS.6/94.015
dated 3 June 1994

The following are changes to the Request for Proposal. The major changes are deleting the requirement for the guaranteed maximum prices for Phase 2 and Phase 3 and requesting certified cost and pricing data for those phases prior to receiving a fixed price proposal.

Item 1. Proposal Requirements; Section 1.2; Procurement Strategy; Paragraph 6; Page 2 is deleted in its entirety and the following substituted in lieu thereof:

To ensure best value to the government, TESS is requesting: 1) with the initial offer, fixed prices for Phase 1 CLINs and subCLINs and estimated costs for Phase 2 and Phase 3 CLINs and subCLINs; 2) nine months (270 days) after Phase 1 contract award, fixed price offers for Phase 2 CLINs and subCLINs and revised estimated costs for Phase 3 CLINs and subCLINs; and 3) 24 months (730 days) after Phase 1 contract award, fixed price offers for Phase 3 CLINs and subCLINs. Evaluation of proposals for award of work under Phase 1, Phase 2, and Phase 3 shall be based on the technical, business and management, and price evaluation criteria for each Phase identified in this RFP.

Item 2. Proposal Requirements; Section 1.3; Proposal Due Dates; Paragraphs 2, 3, and 4; Page 3 and Item No. 2 of Amendment No. 1 are deleted in their entirety and the following substituted in lieu thereof:

The proposal due date for the Executive Summary, Initial Proposal (Volume 1), Initial Technical Proposal (Volume II), and the Initial Business and Management Proposal (Volume III) is 3 P. M. EDT, 3 October 1994. The proposal due date for the Initial Cost Proposal (Volume IV) is 3 P. M. EDT, 17 October 1994. The initial proposal shall be submitted as a fixed price for Phase 1, estimated costs for Phase 2, and estimated costs for Phase 3.

Your fixed price proposal for the Phase 2 option CLINs, subCLINs, and sub-tier subCLINs and revised estimated costs for Phase 3 option CLINs, subCLINs, and sub-tier subCLINs must be received by TESS not later than 3 P.M. Eastern Daylight Time 270 days after contract award.

Your fixed price proposal for the Phase 3 option CLINs, subCLINs, and sub-tier subCLINs must be received by TESS not later than 3 P.M. Eastern Standard Time 730 days after Phase 1 contract award.

Item 3. Proposal Requirements; Section 2.8; Initial Proposal Format for Volume IV; Paragraphs 2 and 3; Page 19 are deleted in their entirety and the following substituted in lieu thereof:

The Offeror shall submit a price proposal for: (1) Phase 1 - SAR Design; (2) Phase 2 - NRC Certification; and (3) Phase 3 - Fabrication. The price proposal shall be prepared in accordance with the proposal format instructions and priced as follows: 1) with the initial offer, fixed prices for Phase 1 CLINs and subCLINs, and estimated costs for Phase 2 and Phase 3 CLINs, subCLINs, and sub-tier subCLINs; 2) nine months (270 days) after contract award, fixed price offers for Phase 2 CLINs, subCLINs, and sub-tier subCLINs and revised estimated costs for Phase 3 CLINs and subCLINs; and 3) 24 months (730 days) after contract award, fixed price offers for Phase 3 CLINs, subCLINs, and sub-tier subCLINs.

A fully executed SF 1411, along with adequate and appropriate summary sheets and backup data, (to include any proposed subcontracts) **must** be submitted, by Phase, with each fixed price proposal. The priced CLINs, subCLINs, and sub-tier subCLINs must agree with the information submitted in the SF 1411s. **Failure to provide adequate and proper cost and price data may result in the disqualification of your proposal at the discretion of TESS.** Estimated costs for subsequent phases should be submitted in conjunction with, but separately from, the fixed price proposals. As required herein, estimated costs should be submitted for all CLINs, subCLINs, and sub-tier subCLINs and include a synopsis of how the estimated costs were developed. **A SF 1411 is not required for the estimated costs initially, but will be required for the fixed price proposals for Phase 2 and Phase 3 during Phase 1 and Phase 2 of the subcontract, respectively.**

Item 4. Proposal Requirements; Format, Volume IV - Price Proposal; Section 1.0, Price Proposal; Paragraph 2; Page 20 is deleted in its entirety and the following substituted in lieu thereof:

For planning purposes only, the initial supply of production MPC Assembly Subsystem Elements is estimated to be approximately 167 MPC Assemblies, and the initial supply of MPC Welding Equipment Subsystem Elements is estimated to be approximately twenty-two (22). However, these estimated requirements will vary according to MPC capacity offered and changing CRWMS Program requirements. To recognize the potential life cycle costs of MPC Assembly Subsystem Elements such as those that may be procured for 1998 and 1999, TESS will perform the price evaluation for Phase 3 Options using a mixture of fuel types and lengths of design basis spent nuclear fuel assemblies representative of the mix anticipated during the first ten (10) years of CRWMS' operations.

Item 5. Proposal Requirements; Section 3.0, Hours, Materials, ODC Detail/Explanations; Paragraph 3.1 (Format), Pages 21 and 22 is deleted in its entirety and

the following substituted in lieu thereof:

- 3.1 Format.** The outline shown below shall be used in preparing this Section of the Offeror's fixed price proposals. The same format should be used for submitting estimated prices. Detailed cost and pricing data and SF 1411 is required for each fixed price proposal submitted.

3.1.1 Summary Price

Phase 1 Fixed Price	\$ _____
Phase 2 Estimated Costs	\$ _____
Phase 3 Estimated Costs	\$ _____
Total Proposed and Estimated Costs	\$ _____

3.1.2 Completed Priced CLIN list

- 3.1.3** SF 1411 for applicable Phase fixed price proposals for applicable CLINs, subCLINs and sub-tier subCLINs with cost breakdown as follows (see Section 3.2 and following subparagraphs):

Direct Labor Hours
Labor Rates
Basis of Estimate
Overtime
Subcontracts
Direct Materials and Supplies
Travel Costs
Other Direct Costs
License Fees
Indirect - Overhead and General and Administrative Costs
Subtotal
Profit/Fee
Contract Facilities Capital and Cost of Money
Total

- 3.1.4** The format for the cost estimates is shown below. Detailed cost and pricing that is required to be submitted with SF 1411 is not required for the estimated prices submitted. However, a narrative (synopsis) of how the estimates were derived with the Phase 2 and Phase 3 estimated costs is required by CLIN, subCLIN, and sub-tier subCLIN.

Direct Labor Hours
Labor Rates
Basis of Estimate

Overtime
Subcontracts
Direct Materials and Supplies
Travel Costs
Other Direct Costs
License Fees
Indirect -- Overhead and General and Administrative Costs
Subtotal
Profit/Fee
Contract Facilities Capital and Cost of Money
Total

Item 6. Proposal Requirements; Section 5.1, Contract Line Item Number List/Deliverables Schedule; Fourth Sentence (beginning on sixth line); Page 26 is deleted in its entirety and the following substituted in lieu thereof:

At a minimum, detailed cost and pricing data, to support each fixed price proposal submitted, are required for each CLIN, subCLIN, and sub-tier subCLIN as specified in the CLIN List.

Item 7. Proposal Requirements, Section 2.9, Revised Proposal for Phase 2 and Phase 3 Option CLINs, the introductory paragraph, Page 27 is deleted in its entirety and the following substituted in lieu thereof:

The proposal shall be prepared and submitted in accordance with the following instructions:

Item 8. Proposal Requirements, Section 2.9.6, Volume IV - Revised Price Proposal For Phase 2 And Phase 3 Options CLINs, Page 29 is deleted in its entirety and the following substituted in lieu thereof:

Using the Contract Line Item Number List, format and instructions provided for the initial price proposal, the Statement of Work, and the MPC System Preliminary Designs, the Offeror shall prepare a fixed price proposal for Phase 2 (previously offered as estimated costs) CLINs (CLINs 0007 through subCLIN 0016CC, less 0016D) and revised estimated costs for Phase 3 CLINs (CLINs 0017 through 0036 - excluding subCLIN 0027A) with complete documentation supporting the prices proposed. Do **not** resubmit a price proposal data for Phase 1 CLINs (CLINs 0001 through 0006) with the revised Phase 2 and Phase 3 proposals. The prices provided for Phase 2 CLINs, subCLINs, and sub-tier subCLINs (CLINs 0007 through 0016) shall be the Offeror's best and final fixed prices. The costs for Phase 3 CLINs (CLINs 0017 through 0036 - excluding subCLIN 0027A) shall be estimated costs.

Item 9. Proposal Requirements, Section 2.10, Revised Proposal for Phase 3 Option CLINs, the introductory paragraph, Page 29 is deleted in its entirety and the following substituted in lieu thereof:

The proposal shall be prepared and submitted in accordance with the following instructions:

Item 10. Proposal Requirements, Section 2.10.6, Volume IV - Revised Price Proposal For Phase 3 Options CLINs, Page 30 is deleted in its entirety and the following substituted in lieu thereof:

Using the Contract Line Item Number List (Appendix A), format and instructions provided for the initial price proposal, the Statement of Work, and the MPC System Interim Designs, the Offeror shall prepare a fixed price proposal (formerly submitted as estimated costs) for Phase 3 CLINs (CLINs 0017 through 0036 - excluding subCLIN 0027A) with complete documentation supporting the prices proposed. Do **not** resubmit price proposal data for Phase 1 CLINs (CLINs 0001 through 0006) and Phase 2 CLINs (CLINs 0007 through 0016). The prices provided for Phase 3 CLINs, subCLINs, and sub-tier subCLINs (CLINs 0017 through 0036 - excluding subCLIN 0027A) shall be the Offeror's best and final fixed prices.

Item 11. Proposal Requirements, Section 4.0, Evaluation Criteria, First Paragraph, Page 32 is deleted in its entirety and the following substituted in lieu thereof:

Only offers determined to be qualified in accordance with Section 3 will be further evaluated by the SEB using pre-established evaluation criteria. TESS intends to select the proposal(s) which best satisfies the technical, management, and schedule requirements at a price most advantageous to the government. In evaluating proposals, the advantages of individual technical and business and management proposals will be evaluated and considered with the total price. The proposal(s) will be selected which is/are considered to be the overall best value to the Government with technical, business and management and price factors considered. Prior to each Phase of this procurement, the relevant factors will be evaluated. These factors are described below.

Item 12. Proposal Requirements, Section 4.2, Basis of Award, Second Sentence, Page 32 is deleted in its entirety and the following substituted in lieu thereof:

Final selection will be made on the basis of the evaluation criteria specified in Sections 4.3, 4.5, and 4.6.

Item 13. Proposal Requirements, Section 4.3.3, Evaluation Criteria, Page 34 is deleted

in its entirety and the following substituted in lieu thereof:

4.3.3 Price Evaluation (Volume IV). Cost and price will be evaluated on the basis of the total fixed price offered for Phase 1 and the estimated costs for Phases 2 and 3.

The cost and price proposal will not be point scored, assigned a numerical weight, or adjectivally rated. The price proposals will be evaluated in accordance with the following:

- A. Cost/Price Evaluation. Cost or price analysis will be performed (See FAR - Part 15) to evaluate the prices and costs estimates proposed, not only to determine whether they are reasonable and realistic, but also to determine the Offeror's understanding of the work and ability to perform the contract.
- B. For purposes of this price evaluation the number and types of fuel listed in Tables A and B (attached to Amendment No. 4) shall be used by the Buyer for the Phase 3 estimate. The fuel mixture has been selected to be representative of the average mix of fuel types for the first ten (10) years of CRWMS requirements and may not represent the size and number of MPC Assemblies procured under this contract for 1998 and 1999. The Offeror shall prepare the Phase 3 estimate using Tables A and B (attached to Amendment No. 4) and the capacity offered by their designs to compute the numbers of MPC assemblies by type and size to be priced.
- C. Evaluation of Third Party Royalty Payments. Any proposed third party royalty payments will be evaluated for reasonableness. They will not be included in determining the total cost to the Government. Reasonableness will be determined based on consideration of the royalty charged under any existing license, the customary royalty for similar items, the nature, scope, and term of the license, the proposed license fees/royalty per unit, the development costs for the licensed item, and the utility and advantages of the item to the Government.

Item 14. Proposal Requirements, Section 4.4.3, Evaluation Criteria, Page 37 is deleted in its entirety and the following substituted in lieu thereof:

4.4.3 Price Evaluation (Volume IV). Cost and price will be evaluated on the basis of the total fixed price offered for Phase 2 the revised estimate for Phase 3.

The cost and price proposal will not be point scored, assigned a numerical weight, or adjectivally rated. The price proposals will be evaluated in accordance with the following:

- A. Cost/Price Evaluation. Cost or price analysis will be performed (See FAR - Part 15) to evaluate the estimates and prices proposed, not only to determine

whether they are reasonable and realistic, but also to determine the Offeror's understanding of the work and ability to perform the contract.

- B. For purposes of this price evaluation, the number and types of fuel listed in Tables A and B (attached to Amendment No. 4) shall be used by the Buyer for the revised Phase 3 estimate. The fuel mixture has been selected to be representative of the average mix of fuel types for the first ten (10) years of CRWMS requirements and may not represent the size and number of MPC Assemblies procured under this contract for 1998 and 1999. The Offeror shall prepare the revised Phase 3 estimate using Tables A and B (attached to Amendment No. 4) and the capacity offered by their designs to compute the numbers of MPC assemblies by type and size to be priced.
- C. Evaluation of Third Party Royalty Payments. Any proposed third party royalty payments will be evaluated for reasonableness. They will not be included in determining the total cost to the Government. Reasonableness will be determined based on consideration of the royalty charged under any existing license, the customary royalty for similar items, the nature, scope, and term of the license, the proposed license fees/royalty per unit, the development costs for the licensed item, and the utility and advantages of the item to the Government.

Item 15. Proposal Requirements, Section 4.4.4, Relative Importance, First Paragraph, Page 38 is deleted in its entirety and the following substituted in lieu thereof:

The Technical proposal has a higher importance than the Business and Management proposal. For Business and Management factors, Personnel, Management Plans and Facilities are of equal importance. For Technical factors, Design and Certifiability are of equal importance and each are more important than either System Operability or Fabricability, which are of equal importance.

Item 16. Proposal Requirements, Section 4.5.3, Evaluation Criteria, Page 39 is deleted in its entirety and the following substituted in lieu thereof:

4.5.3 Price Evaluation (Volume IV). Cost and price will be evaluated on the basis of the total Fixed Price offered for Phase 3.

The cost and price proposal will not be point scored, assigned a numerical weight, or adjectivally rated. The price proposals will be evaluated in accordance with the following:

- A. Cost/Price Evaluation. Cost or price analysis will be performed (See FAR - Part 15) to evaluate the estimates and prices proposed, not only to determine

whether they are reasonable and realistic, but also to determine the Offeror's understanding of the work and ability to perform the contract.

- B. For purposes of this price evaluation, the number and types of fuel listed in Tables A and B (attached to Amendment No. 4) shall be used by the Buyer for the Phase 3 fixed price proposal. The fuel mixture has been selected to be representative of the average mix of fuel types for the first ten (10) years of CRWMS requirements and may not represent the size and number of MPC Assemblies procured under this contract for 1998 and 1999. The Offeror shall prepare the revised Phase 3 fixed price proposal using Tables A and B (attached to Amendment No. 4) and the capacity offered by their designs to compute the numbers of MPC assemblies by type and size to be priced.
- C. Evaluation of Third Party Royalty Payments. Any proposed third party royalty paymer,s will be evaluated for reasonableness. They will not be included in determining the total cost to the Government. Reasonableness will be determined based on consideration of the royalty charged under any existing license, the customary royalty for similar items, the nature, scope, and term of the license, the proposed license fees/royalty per unit, the development costs for the licensed item, and the utility and advantages of the item to the Government.

Item 17. Proposal Requirements, Section 1.11 Clarifications and Questions, First Sentence, Page 4 is deleted in its entirety and the following substituted in lieu thereof (also see Amendment Nos. 1 and 2:

Any clarification or questions related to the RFP or amendments must be received in writing by the TESS Subcontract Manager and must be received by TESS at the address in Section 1.4 no later than 22 August 1994.

Table A

Basis of Evaluation for
Estimate of [or Proposed Price for] 1998 MPC Assembly Prices for Phase 3 MPC Assemblies

MPC Type/Size	<u>A</u> Number SNF Assemblies for 1998	<u>B</u> Proposed MPC Design Capacity	<u>C</u> Number MPC Assemblies	<u>D</u> Proposed Unit Price	<u>E</u> Total Price for (Year) MPC Assemblies
Formulas			$A / B = C$		$C * D = E$
Large BWR	540			\$	\$
Large PWR					
180 Inch Cavity Length	150			\$	\$
169 Inch Cavity Length	360			\$	\$
Small BWR	390			\$	\$
Small PWR					
180 Inch Cavity Length	2			\$	\$
140 Inch Cavity Length	21			\$	\$
Total 1998 Price	-	-	-	-	\$

Table B

Basis of Evaluation for
Estimate of [or Proposed Price for] 1999 MPC Assembly Prices for Phase 3 MPC Assemblies

MPC Type/Size	<u>A</u> Number SNF Assemblies for 1998	<u>B</u> Proposed MPC Design Capacity	<u>C</u> Number MPC Assemblies	<u>D</u> Proposed Unit Price	<u>E</u> Total Price for (Year) MPC Assemblies
Formulas			$A / B = C$		$C * D = E$
Large BWR	810			\$	\$
Large PWR					
180 Inch Cavity Length	230			\$	\$
169 Inch Cavity Length	530			\$	\$
Small BWR	580			\$	\$
Small PWR					
180 Inch Cavity Length	40			\$	\$
140 Inch Cavity Length	30			\$	\$
Total 1999 Price	-	-	-	-	\$

Question 1. In both the MPC Statement of Work and the MPC Transportation Cask Subsystem Design Procurement Specification, statements are included which imply that the rail cars needed to satisfy the requirements of the RFP are available. Specifically, in Section 4.3.1 of the MPC SOW: "This applies to items that the Seller has already designed and supplied or pieces of that design, such as the rail car, which already exist; and Section 3.2.1 of the Specification: "The rail cars for the Small and Large MPC Transportation Casks are commercially available rail cars....". Please provide specific information identifying the existing and/or commercially available rail cars referred to in these sections.

Response: Reference is made to "commercially available rail cars" in the Transportation Cask Subsystem Design Procurement Specification and "existing rail cars" in the MPC System Statement of Work. The intent of the Buyer as it relates to rail car designs, is that the Seller use existing AAR approved rail car designs owned by commercial firms where possible and compatible with the Seller's Transportation Cask designs. If there are no suitable commercial AAR approved rail car designs available, then the Offeror's proposal shall include design and AAR certification of the design as a part of the proposed work scope. The Buyer's intentions are not clearly stated in the Statement of Work and Design Procurement as written; therefore the Statement of Work and MPC Transportation Cask Subsystem Design Procurement Specification are being revised to reflect the above stated intentions.

Question 2. MPC Transportation Cask Subsystem DPS, Section 3.2.1, P-7, Rail Car Design. This paragraph specifies that the rail car is a "commercially available rail car." Although designed to AAR standards, the rail car will be a special design in lieu of a standard design. What is meant by "commercially available?"

Response: See response to Question 1 above.

Question 3. DOE 5481.1B, Safety Analysis and Review System. The note before the Directive Text states in part: "For nuclear facilities, this directive was cancelled by DOE 5480.23." Is DOE 5481.1B applicable to this procurement?

Response: No. DOE 5480.23 is the applicable reference document. The Statement of Work is being revised to reflect this correction.

Question 4. DOE N4700.5, Project Control System Guidelines. The date of the directive is 8/21/92 and has the notation "Expires: 8/21/94." As stated, expiration date is before the RFP proposal date, is this directive applicable to this procurement?

Response: The expiration date on this DOE Notice has been extended to December 31, 1994. Thereafter, the applicable requirements in the Notice will be reflected in the new

version of DOE Order 4700.1, Project Management. Yes, it is applicable to this procurement.

Question 5. Design Procurement Specification; MPC Subsystem, MPC Transportation Cask Subsystems; and OST and OSS Segment, QA Classification. The cover page is annotated: "QA Classification: MGDS QA Classifications 1, 2, 5, 6, 7; Storage QA Classifications 1, 3, 5, 6, 7; Transportation QA Classifications 1." Where are the noted QA Classifications defined and/or what is the classification document?

Response: The noted QA Classifications are defined in the TESS' Quality Assurance Program, Quality Administrative Procedure QAP-2-3. The classification "document" is three documents, not one, prepared by the Buyer under its QA Program for the purpose of establishing the QA controls to be used by the Buyer for the preparation of the engineering calculations, design requirements documents, Design Procurement Specifications and Statement of Work.

Question 6: SOW, page 34, Chapter 2 - "... and other equipment important to safety" implies that the storage trailer should be classified as "important to safety." Please clarify.

Response: The Quality classification of the various components of the MPC System shall be the responsibility of the Seller. Section 4.3.3.4.2, Chapter 2, Page 34 will be changed as follows:

Sections shall be added describing the design criteria for the transfer cask, storage trailer, lifting yokes, and all other equipment.

Question 7. SOW, 6.2, P-74, Buyer Surveillance Support. SOW requires Seller to provide facilities for Buyer's representatives (also Draft Subcontract Article XV). For pricing purposes, how many representatives should Seller assume the Buyer will assign?

Response: The Buyer intends to have various representatives work in the Seller's facilities on an intermittent basis. For planning purposes, the Seller shall provide accommodations at the Seller's facility for Phase 1 and 2 and that of its fabrication subcontractor's facilities for Phase 2 and 3 for two individuals. It shall consist of adequate office space, telephone, fax, and reproduction (copy) services. Secretarial and clerical support are not to be provided.

Question 8. SOW, 4.3, P-27, Design. In subparagraph c, reference is made to Design Procurement Specification CB0000000-01717-6300-00001, Rev. 3, May 6, 1994. Revision 3 provided with the RFP is dated May 17, 1994. Please confirm Rev. 3, dated May 17,

1994 is correct document.

Response: The current and applicable Design Procurement Specification CB0000000-01717-6300-00001 is Revision 3, dated May 17, 1994. The Statement of Work is being changed to reflect this revision.

Question 9. SOW, 4.6.2.3, P-60, Fabrication Acceptance Testing - (Phase 3). SOW requires submittal of an "Acceptance Report for each production unit...". No CLIN is referenced. What is the CLIN for these reports?

Response: The CLIN for these reports, as delineated in the Contract Line Item (CLIN)/Deliverable Schedule is 0020D for production year 1998 units 0031D for production year 1999.

Question 10 Have NRC internal priorities been set to accommodate the one year SARP review and C of C process implied by the program schedule?

Response: The period provided for in the RFP for NRC certification of designs is 18 months for the final 10 CFR 71 certification and draft 10 CFR 72 certification. The successful Sellers are responsible for obtaining certification of their designs within this time period. The NRC is aware of the DOE's MPC System acquisition and deployment schedule.

Question 11. Proposal Requirements, 1.2, P-2, Procurement Strategy/Schedule. Procurement strategy indicates that approximately 18 months is planned for design certification. This item is controlled by the NRC and not the Seller (or the Buyer). In the Seller's experience, this schedule is not consistent with the duration required for similar NRC actions and is a significant schedule risk. Has TESS or the DOE obtained NRC commitment to support an 18-month certification schedule for one or more MPC System designs?

Response: See response Question 10 above.

Question 12. Proposal Requirements, 4.0, 2.0, P-17, P-13, CLIN Deliverables Schedule, 0004AC, P-4, Certification Plan. The Proposal Requirements Section 4.0 states that a "draft Certification Plan" is to be submitted with the proposal. CLIN 0004AC is not annotated with an "X". Also, Proposal Requirements Section 2.0 only requires a synopsis of the plan be submitted. Is a draft Certification Plan required to be submitted with the proposal?

Response: The requirement for submission with proposal is only for a synopsis of the

Certification Plan. Proposal Requirements, Section 4.0, Management Information and Plans, Page 17, First Bullet: delete in its entirety and insert the following in lieu thereof:

"copies of the draft Project Management Plan and synopsis of the Certification Plan (Not included in page Count)."

Question 13. Proposal Requirements, 3.0, P-17, Personnel Resumes. Certain resumes are required to be submitted. Are resumes included in the proposal page count limitations?

Response: No.

Question 14. General Provisions of Purchase, Paragraph 6, P-7, Subcontracting. Request for Proposal requires identification of subcontractors. Noted paragraph requires specific written Buyer approval of Seller's subcontractors. Confirm that acceptance of Seller's Proposal by Buyer will satisfy the noted paragraph 6 requirement and that a separate approval after contract award is not required.

Response: No. The proposal requirement for submission is only a synopsis of the Offerors plans for subcontracting. While the Offerors may submit their complete subcontracting plan to fulfill this proposal requirement, Buyer acceptance of the offer does not constitute approval of the subcontracting plan as required by paragraph 6 of the Provisions of General Purpose and Section 4.1.2 of the Statement of Work (CLIN 0002C). The Buyer acceptance of the subcontracting plan, and the subcontractors, shall occur subsequent to contract award.

Question 15. General Provisions of Subcontract, Preamble, P-2, Government Contract Clause Passdowns. Last sentence, first paragraph requires Seller to accept passdown of any later revisions of Government contract clauses cited that are set forth in Buyer's contract with its customer. Seller's right to an equitable adjustment for changes which result in increased cost or period of performance are not addressed. Confirm that Seller retains the right to an equitable adjustment for changes which result in increased cost or period of performance to Seller.

Response: Section III, Article 9 of the General Provisions of Subcontract provides a means for addressing changes and equitable adjustment related to pass down of revised Government clauses contained in TESS' prime contract with the Government.

Question 16. General Provisions of Purchase, IV, Special Contract Requirements, P-21, 22, 24, H.017 Discounts, H.025 Ownership and Disposition of Records, H.032 Use of Proprietary Computer Codes and H.052 Reporting Requirements. Special Contract Requirements H.017, H.025, H.032 and H.052 appear to be provisions in Buyer's prime

contract with DOE which are not applicable to the contemplated Fixed Price Contract. Paragraph H.052 makes reference to a WBS and clauses not provided with the RFP. Confirm that the noted paragraphs are not applicable to this procurement.

Response: Clauses H.017 and H.052 are not applicable. Clauses H.025 and H.032 are applicable.

Question 17. Proposal Requirements, 3.5, P-25, Verification. Proposal Requirements state that TESS representatives "must" have direct access to any cost or pricing data. TESS form "System 4461, Rev.4-91; Proposal Audit and Administration of Cost Accounting Standards on Subcontracts" permits the option of cost review by the Government in lieu of TESS. Is access to Seller's cost by TESS a mandatory requirement of the RFP.

Response: The RFP requirement remains as stated. All detailed cost information will be treated as confidential, will be held as proprietary information by TESS procurement personnel, and will not be provided to any other party without the express written authorization of the Offeror.

Question 18. Proposal Requirements, Appendix A, CLIN Items 0005B, 0013, 0014A, 0026A, Long Lead Time Materials. Noted CLINS are priced separately from the associated hardware. All CLINs for hardware (0015, 0022C, 0023C, 0024B, 0025C, 0033C, 0034C, 0035B and 0036C) are all inclusive and stand alone. To avoid double costing, should the hardware prices assume that the associated long leadtime material options have been exercised and that material is available?

Response: Assume that long leadtime material options have been exercised and the material is available for use. Long leadtime material costs for the scale model and prototypes shall be costed and priced only in long leadtime CLINs 0005B and 00013. Long leadtime materials costs for production of MPC System components shall be costed only to the long leadtime material CLINs 0014A and 0026. The Offeror shall provide a separate price for those components in which long leadtime materials were used reflecting the reduction in price for cost of those materials.

Question 19. SOW vs. General Provision of Purchase, 3.0 vs. Paragraph 10, P-16 vs. P-8, Effective date of reference documents. Amendment 003, Question 40 states that the effective date of referenced specifications is the revision in effect on the date of the RFP. General Provisions of Purchase (a higher precedence document per the Draft Subcontract) specifies the revision in effect on the date of the subcontract. Please confirm that the effective issue is that in effect on June 3, 1994, the date of the RFP, General Provisions, Paragraph 10 will have to be revised. Also Amendment 002, Question 7 and Amendment 003, Question 90 responses will require revision.

Response: The General Provisions of Purchase, Section III, Paragraph 10 prevail. The Statement of Work and Design Procurement Specifications are being changed to reflect that the editions of the specifications which apply to this procurement, are those that are in effect on the effective date of the subcontracts. This response supersedes the response to Question 7 in Amendment 002 and Questions 40.a and 90 in Amendment 003.

Question 20. SOW, 4.6.1g, P-56, Acceptance Plan. Paragraph 4.6.1 states that the Acceptance Plan shall "include preparation of" the TE Plans. TE Reports and Acceptance Report. These items are separate CLINs with their own specified delivery dates. Confirm that the Acceptance Plan requirement is only to address planning for preparation of these CLINs and does not mean the actual preparation of the documents.

Response: Yes.

Question 21: In Section 4, Evaluation Criteria, paragraph 4.3.3.C "Evaluation of Third Party Royalty Payments. Any proposed third party royalty payments will be evaluated for reasonableness. They will not be included in determining the total cost to the government."

Please define "reasonableness."

Are you suggesting that the Department of Energy will pay royalty payments for a patented design for ever how many systems are fabricated? If so, how can this not be considered in the total cost? For example, a system designed and licensed at a cost of \$10 million with a \$100,000 royalty payment per unit will cost more than a system designed for \$20 million. How will this be evaluated?

Response: Reasonableness is defined in paragraph 4.3.3.C. No, the Department of Energy will not pay any royalty payments. However, third parties may have equipment fabricated to the designs developed and these third parties may be required to pay royalties and the reasonableness of these royalties will be evaluated.

Question 22: Why is the Phase III selection made prior to the completion of NRC licensing? If the licensing process changes the design after fixed price quotes for Phase II are submitted, Will DOE request quotes?

Response: The due date for the Phase 3 fixed price proposal is now 730 days after the initial contract award. NRC certification should be substantially complete by this time. The Phase 3 selection must be made on the schedule shown in the CLIN list in order to ensure delivery of the first MPC in early 1998. For design changes required for NRC certification occurring after submission of the fixed price proposal for Phase 3, the change will be the responsibility of the Seller. However, if the Buyer revises its specifications, the

Seller is entitled to seek an equitable adjustment. See response to Question 36 below.

Question 23: Section 1.7 "Rejection of Proposals" permits TESS to reserve rights which include the right "...to negotiate separately with any source whatsoever in any manner deemed necessary to serve the best interests of and best value to the government".

Will TESS flatly declare that despite these rights no Offeror which does not entirely meet Section 3.1. will be given a contract to design an MPC system or parts thereof unless the entire MPC RFP is withdrawn or abandoned?

Response: No. TESS intends only to evaluate proposals which satisfies all of the Qualification Criteria specified in Section 3.0. Furthermore, as stated in Section 4.1, "TESS intends to award a subcontract(s) to the Offeror(s) whose proposal meets all of the MPC systems' requirements and is judged to represent the best value to the Government using the evaluation criteria". Be advised that as the RFP is amended, qualification and evaluation criteria may also be amended. The following phrase is deleted from the first sentence of Section 1.7: "...or to negotiate separately with any source whatsoever in any manner deemed necessary....".

Question 24: The selection of fixed-price contract format, combined with the integration of design development, certification plus an *optional* high volume fabrication will maximize contractual complexity while minimizing the chances of overall programmatic success. First, the essential balance of risk and reward under a fixed-price contract has been upset by the contingent nature of the fabrication effort. This is because the risks of development and certification are not directly offset by the possible rewards of a profitable fabrication - fabrication is only an option in this RFP. Second, on highly visible national programs, the certification risks become excessive due to third party intervention and/or participation. In the fixed price mode, these risks simply become excessive hard costs incorporated into bids which are in-turn absorbed by the government whether or not actually experienced. Third, fixed-price contracts are ill suited to accommodating changes and have been repeatedly proven to not work unless the surrounding institutional processes are restructured to minimize both external changes and excessive involvement in contractor operations and decisions.

Response: Fixed price requirements remain as stated, except for the revisions to the guaranteed maximum provisions. Due to the nature of a fixed price contract, third party intervention will be minimized. Any required changes will be directed by TESS and, based upon their substance, will be addressed either as a modification to the subcontract or as a change in accordance with the changes clause. For design changes required for NRC certification occurring after submission of the fixed price proposal for Phase 3, the change will be the responsibility of the Seller. However, if the Buyer revises its specifications, the Seller is entitled to seek an equitable adjustment.

Question 25: The SOW and various DPSs use wording such as "to the extent possible", "to interest of, and best value to the government. The right includes the type of subcontract to be awarded. (a) " Does that mean TESS could selectively pick parts of different proposals and integrate those separate efforts? (b) Could TESS choose to negotiate separately with a source which did not submit a bid under this RFP? (c) Could TESS change the type of subcontract to be awarded, after some potential bidders did not bid because of the current fixed price nature of the RFP?

Response: Verification of full conformance with the performance and prescriptive requirements of the Statement of Work and the Design Procurement Specifications will be through tests, inspections, and demonstrations as outlined in the Certification and Acceptance Plans.

- a) No.
- b) No.
- c) Tess does not intend to change the type of subcontract to be awarded. Fixed price requirements remain as stated; however the guaranteed maximum price requirements have been changed.

Question 26: Format Instructions, Section 5.0 Fabricability, requests submission of a synopsis of the Fabrication Plan in order "to permit an evaluation of the fabricability of the equipment to be performed". This is an extensive level of detail (tolerances, weld details, etc.) for a proposal. Generally these levels of detail are not provided until completion of the Preliminary Design phase, well after contract award. Please verify that such a level of detail is desired with the proposal and provide an explanation of how it will be utilized in the proposal evaluation process.

Response: Fabricability is an evaluation criteria. Offerors are required to provide a synopsis of their plans for fabrication of the MPC System components to support the Buyer's evaluation of offers.

Question 27: CLIN List & CLINS Deliverable Schedule. The CLINS tend to represent deliverable elements of documentation, rather than a comprehensive listing of work tasks necessary to achieve the end results. In particular, there are two important elements of engineering effort that do not comfortably "fit" this deliverable document structure. These include the major engineering design processes, which are generally measured by milestone events (e.g., design reviews), and the continuing engineering management functions associated with large projects (e.g., document control). In the context of the CLIN system, where does TESS prefer to see these types of costs allocated? Our concern relates to both

the costing process itself and the subsequent liquidation of individual CLINS, after award, via progress payments. We want to assure that the structure of these cost estimates facilitates both objectives. Also, note that the Statement of Work (pages 10 & 19) refers to "tasks" (as contrasted with "deliverables"); how are these tasks structurally related to CLINS?

Response: Costs incurred in the performance of the tasks associated with creation of the deliverables are to be allocated to the applicable deliverables. Tasks are those activities which, when performed by the Seller, will produce the deliverables identified in the Contract Line Item Number (CLIN)/Deliverables Schedule.

Question 28: Technical factors item 4.3.1.1 indicates that optimized fuel capability is a basis of award. At the time of proposal submittal, how can any offeror claim an "optimized" capability which won't be established until associated optimization studies are completed? What disadvantage exists for proposing a large capacity only to find that optimization studies result in a lower capacity?

Response: The technical evaluation criteria regarding optimized fuel capability will be utilized for Phases 1, 2, and 3. The proposal shall indicate the capability of the proposed designs which are optimized for the SNF reference characteristics provided in the MPC Design Procurement Specification. The Offeror must provide sufficient detail to support the adequacy of the proposed design.

Question 29: Although similar in design, the large and small casks will not be scaled versions of one another. Quarter scale testing of each design may therefore be required by the NRC. If testing of both sizes becomes required, will that be treated as new scope? Will a bidder be non-responsive if he justifies and proposes to fabricate and test a 1/4 scale of the small rather than the large system?

Response: Scale model testing is not necessarily required by the NRC certification process. If the Offeror's design solutions dictate the potential need for a scale model for each size system, then the Offeror's proposal shall include the requirement for the additional model and additional testing within the proposed scope of work. An offer containing two scale models will **not** be determined nonresponsive if the Offeror's proposed design solutions require them and the second model is included in the workscope of the proposal. If a particular type of testing is not required, the option for that line item will not be exercised.

Question 30: In order to perform a meaningful Filler Material Design Study (SOW Sec 4.3.4.6.2A), the ultimate purpose (e.g., moderator exclusion, enhanced heat transfer, etc.) of and requirements for the filler material must be clearly stated. Please provide such

information.

Response: The filler material could perform a number of functions including mechanical stability, chemical buffering, moderator displacement, heat removal, or waste isolation. The requirement for filler material, as well as filler material specifications, have not been finalized at this stage of design. Accordingly, the purpose of the Filler Material Design Study is to determine the feasibility of modifying the MPC Assembly Subsystem Element design to provide a capability for filling loaded MPC Assemblies with the specified filler material.

Question 31: MPC Spec., page 32, section 5.1.1.8 - Please provide the acceptance criteria for evaluation of filler materials.

Response: The requirement for accommodating the addition of filler material is being removed from the MPC Design Procurement Specification, Section 4.3.3.4.4, and is being replaced with the following requirement:

- A. The MPC shall be capable of being opened by removal of the outer and inner lids. The MPC shell shall allow for weld preparation to reseal the MPC after removal of the outer and inner lids.
- B. A means shall be provided for lifting a loaded MPC after the outer and inner lids have been removed.

Question 32: Systems are required to have adequate reliability (e.g., Sec 4.4 A of Canister DPS). (a) What constitutes adequate? (b) Is a numerical reliability required? (c) Is a failure modes and effects analysis and/or formal reliability assessment required? (d) Or, is a simple subjective judgment on the part of the system developer sufficient?

Responses:

- a) The Offeror must demonstrate that equipment reliability is sufficient to ensure that tasks listed in Section 4.4.A.1-4 can be accomplished. The particular processes utilized to generate design solutions to meet the Design Procurement Specification requirements are Offeror decisions.
- b) No.
- c) Only the failure modes and effects analysis is required in accordance with the Statement of Work, Section 4.3.4.1.
- d) No.

Question 33: Proposal Requirements, page 2, Section 1.2 - Revised price submittal dates for Phases 2 and 3 are tied to fixed calendar dates. These dates should be tied to NRC licensing milestones, since the contractor does not control the NRC licensing schedule.

Response: The RFP provides for an 18 month certification process. Given that: 1) the designs are well developed at time of SAR submission; 2) Seller's design solutions employ technology, materials, and analyses previously accepted by the NRC; 3) that the SARs are well prepared and conform to NRC requirements, 18 months is a reasonable period for NRC review and certification. The date for submission of the Phase 3 fixed price proposal has been extended from 548 days to 730 days after initial subcontract award.

Question 34: As presently stated, the offeror has no rights period which is overly restrictive and is a significant impediment to participation in the program from a commercial business perspective. The lack of proprietary rights significantly decreases the worth of participation in the program if the end result is that you develop something that is given to all your competitors at the end of the development and certification phase. That doesn't make sense from a commercial business perspective.

Response: DOE will have unrestricted rights to the designs, and Offerors should price their proposals accordingly. Reasonable royalties may be allowed if patented design features are provided to a third party. See RFP Section 4.3.3.C, 4.4.3.C, and 4.5.3.C (Items 13, 14, and 16 above).

Question 35: Proposal Requirements, page 25, Section 4.2 - May third parties be provided the designs only after the completion of Phase 3 of this procurement?

Response: DOE/OCRWM reserves the right to make the designs available to appropriate third parties upon receipt of NRC certification/approval.

Question 36: CLIN Deliverables, page 10 - Interim design reports are shown in Phase 2. However, a final design must be submitted to the NRC for certification. How is the contractor expected to reconcile any changes made as a result of the interim design report subsequent to NRC submittal of the SAR? SAR amendments?

Response: See response to Question 66, Amendment No. 3. The following will be added to Statement of Work Section 2.1.2:

The Seller shall be responsible for any changes to the design required by the NRC for certification and any such changes will not be deemed changes under FAR 52.243-01. Only changes necessitated by NRC requirements which differ from those issued as of contract award will be considered under FAR 52.243-01. See response to Question 22

above.

Question 37: SOW, page 42, section 4.3.3.4.4 - It is required that the as-built design packages should be "updated . . . to reflect any changes in the design that occurred during the production of the first units . . ." Since the NRC certification will certify the design drawings, please clarify how the certification reconciliation will occur and if a certification amendment is planned.

Response: The following will be added to Statement of Work Section 4.3.3.4.4:

It shall be the Seller's responsibility to perform a reconciliation of the as-built design drawing package to ensure compliance with the Certificate of Compliance (C of C). If the Seller believes an amendment to the C of C is required, the Seller shall notify the Buyer immediately. The nature and extent of the differences noted in the reconciliation process will determine the requirement for amendment of the C of C (See Section 4.2.4, Requirements for Non-Compliance Reporting). The reconciliation shall be performed in accordance with the Seller's design control procedures and QA program. (See response to Question 66, Amendment No. 3.)

Question 38. Reference MPC Subsystem Design Procurement Specification 5.1.2.4, MPC Materials. A.) The MPC shall not contain explosive, pyrophoric, or chemically reactive materials. D.) Shield Plug Depleted Uranium. It is my understanding that DU is pyrophoric. Which section rules - A or D?

Response: The massive size and shape of the depleted uranium metal which would be used in the shield plug prevents pyrophoricity. Therefore, Sections 5.1.2.4.A and 5.1.2.4.D are mutually consistent and applicable.