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September 17, 1999

Raymon D. Cox, Acting Director
Contract Management Division
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Subject: Contract No. DE-AC08-96NV11718
CONTRACT NO. DE-AC08-96NV11718
SMALL, SMALL DISADVANTAGED, AND WOMEN-OWNED SMALL BUSINESS CONCERNS SUBCONTRACTING PLAN-FY2000-REV. 1
Project No. N/A

As discussed with Angela L. Avery on September 16, 1999, the attached revised plan is hereby submitted.

If you have any questions, please contact Patricia A. Gill at 5-2125.

(.)

D. M. Burnett, Manager
Procurement & Property Management Division

PAG:mlw
Subject Code: PNC 27

Enclosure: as stated

cc: Correspondence Control, w/enc., NLV008
A. L. Avery, w/enc., DOE/NC 505
M. M. Maxfield, w/enc., NLV052

Bechtel Nevada
Nevada Test Site Subcontracting Plan for Utilization Small Business Concerns for Fiscal Year (FY) 2000

Introduction

This subcontracting plan is implemented by Bechtel Nevada (BN) in performance of the work described in Part I, Section C, Description/Specification/Work Statement, of the contract. BN has a well established record of performance, both in prime Government contracts, which include contracts with the Department of Energy (DOE) and other Government agencies, and has been recognized for exceeding it's socioeconomic goals.

BN believes that diversity is much more than affirmative action in the work place. It is a belief that when transformed into action, provides an organization with comparative advantages over its competition, both in the work place and in the business community.

Diversity in subcontracting is not just a promise with respect to BN's performance in the performance-based management contract at the Nevada Test Site (NTS). It is an operating principal in management, with which BN has had a lot of experience and a lot of demonstrated success. Much of BN's commercial business has been based in and has succeeded with subcontracting to small, small disadvantaged, women-owned small business, and Hubzone Small Business (SB/SDB/WOSB/HSB).

Building on this experience and success has resulted in the institutionalizing of diversity and small business development, while setting challenging and aggressive goals. BN has extended this approach to the management and operating support for the DOE Nevada operations at NTS.

Statement of Policy and Commitment

It is the policy of BN to encourage the participation of SB/SDB/WOSB/HSB in its programs to the maximum extent consistent with efficient performance and compliance with applicable public laws and prime contract requirements, and consistent with current DOE policies and practices.

BN is committed to making the maximum practicable use of SB/SDB/WOSB/HSBs. All BN procurement are subject to review for opportunities: to identify potential SB/SDB/WOSB/HSB suppliers and contractors; to develop good working relationships with them; and to encourage them to offer their products and services. The subcontracting plan includes the utilization of key SB/SDB/WOSB/HSB subcontractors to perform specific areas in the scope of work.
BN has extensive experience in qualifying SB/SDB/WOSB/HSB to perform technical work scope. BN has six such key subcontractors. The specific work scope areas are: (1) support defense programs, operations, strategic business development, and reengineering activity; (2) provide supervision, personnel, equipment, material, and transportation as necessary to perform engineering and technical services in management of special nuclear materials; (3) performance assurance, reengineering, strategic business development, emergency response, nuclear test

readiness, and core competency; (4) water and wastewater services and environmental engineering services, hazardous waste and waste management general engineering, and related support services; and (5) technical support service in support of the nonproliferation deterrence/counter-proliferation and new business development initiatives.

KEY SUBCONTRACTOR	WORK ACTIVITY	COMPANY SIZE
Keystone International, Inc.	Support defense programs, operations, strategic business development, and reengineering activity.	SWOB
Los Alamos Technical Associates, Inc. (LATA)	Provide supervision, personnel, equipment, material, and transportation as necessary to perform engineering and technical services in management of special nuclear materials.	SB
PAI Corporation	Performance assurance, reengineering, strategic business development, emergency response, nuclear test readiness, and core competency.	SWOB, SDB
PEER Consultants	Water and wastewater services and environmental engineering services, hazardous waste and waste management, general engineering, and related support services.	SWOB, SDB
SO Technologies, Inc.	Technical support service in support of the nonproliferation deterrence/counter-proliferation and new business development initiatives	SB
A. D. Little	Specializes in economic development, strategic and infrastructure planning	SB

BN's management, along with its Teaming Partners Lockheed Martin Nevada Technologies, Inc., and Johnson Controls Nevada, Inc., believe that diversity in subcontracting provides a vital link to the local community, strengthens the economy, creates new opportunities, is cost effective, and good business practice.

Small, Small Disadvantaged, and Women-Owned Business Participation Goals

This plan is effective for the term of the contract. The SB/SDB/WOSB/HSB goals will be negotiated on an annual fiscal year basis, and this plan will be updated accordingly. As appropriate and based on the mutual agreement of the parties to this contract, any other provisions or requirements of this plan may be negotiated and updated on an annual basis.

Based on the best available information for forecasting acquisitions during FY2000, BN has established a goal to award approximately $35,000,000 to small business concerns. This is approximately 50 percent of the total amount available for subcontracting, which is estimated to be approximately $70,000,000. The goal established for first tier subcontract awards to SDB concerns (to include 8A) is approximately $4,900,000 or 7.0 percent of the total estimated

amount available for subcontracting. The goal for WOSB participation is approximately $4,200,000 or 6 percent of the estimated total. The newly established Hub Zone participation goal will be .5 percent or $350,000. * The projected amount for large business concerns is approximately $35,000,000 or 50 percent of the estimated total. Indirect costs are not included in establishing goals under this plan. These goals are considered to be realistic and attainable.

The following method was used in developing subcontract goals for Small Business Concerns:

- Based on past experience in the various task areas, capability statements from vendors, catalogs, and previous buys.

- Networking, recommendations, and trade shows provided the Small Busness determinations for businesses.

These goals are considered to be realistic and attainable.

Potential Subcontract Opportunities for Small, Small Disadvantaged and Women-Owned Business

The total amount of subcontracting opportunities to be made available for procurement during the period of performance in support of this contract consists of the items described in the table below. The amount shown for the general work categories are estimates only. A site Master Plan for Make-or-Buy subcontracting opportunities is updated annually. As new opportunities are identified, the base of dollars available for procurement and subcontracting will be expanded upward, while the goal percentages will remain constant. The base will also be adjusted periodically to reflect changes in the DOE mission at the NTS.

* *BN will make a best faith effort to attain this goal; however, accomplishment is subject to SBA identifying HUB Zone certified firms who can meet program requirements.*

Work Category	Opportunity Area	Estimate Millions	Amt	Type
General Engineering and R&D	All Traditional Disciplines Laser Technology and Other Sciences	$1.2	$1.2	LB
Environmental Engineering, Remediation, and Waste Operations	Testing, Air Quality Sampling, Waste Management, Chemical Analysis, Site Evaluation Studies, and Permitting	$3.8	$3.8	SBI/SDBI WOSB/HSB
Construction Services	Drilling and General Construction	$13.2	$5.0	SB/SDB WOSB/HSB
			$8.2	LB
Technical Service	Engineering and Scientific Support	$12.7	$6.0	SB/SDB WOSB/HSB
			$6.7	LB
Computers	Hardware, Software, and General Maintenance	$3.0	$3.0	SB/SDB WOSB/HSB
General Support Services	Custodial, Maintenance, Repair, Lawn Care, etc.	$2.9	$2.9	SB/SDB WOSB/HSB
Communications	Telecommunications, Data Base Management, Paging, Radio/Cellular Service, Satellite TV, and Fiber Optics	$4.5	$4.5	LB
Temporary Service	Office Help	$1.9	$1.9	SB/SDB WOSB/HSB
Bus Service	NTS Buses	$4.0	$4.0	LB
General Supplies	Construction, Automotive, Office Maintenance, Machine Shop, Aviation, etc.	$20.3	$12.4	SB/DB WOSB/HSB
			$7.9	LB
Leases	Buildings	$2.5	$2.5	LB
	TOTAL ESTIMATE	**$70.0**	**$35**	**SB**
			$35	**LB**

Administrator of Subcontracting Plan

Doris M. Burnett, Procurement and Property Management Division Manager, is designated as BN's representative to administer this subcontracting plan. In the performance of the responsibilities under this plan, BN representatives shall ensure that the following activities are managed in a timely and effective manner.

1. Solicit source lists of potential SB/SDB/WOSB/HSB suppliers and subcontractors. Maximize use of Internet listings.

2. Seek out other SB/SDB/WOSB/HSBs when the number of prospective sources is not adequate.

3. Keep records describing BN's performance against the goals established herein.

4. Make bi-monthly reports to BN's senior management concerning awards made under this program.

5. Submit required reports in accordance with the prime contract.

6. Ensure customers are acquainted with SB/SDB/WOSB/HSB goals and their importance.

7. Verify that subcontracts issued by BN contain the flow-down clauses pertaining to SB/DB/WOSB concerns when required and maintain policies and procedures as required by the prime contract.

8. Require lower tier subcontractors to submit subcontracting plans pursuant to PL 95-507 and monitor those plans for compliance.

Subcontract Terms and conditions

All subcontracts placed under this plan that offer further subcontracting opportunities will include the "Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns" clause.

Except for Small Business concerns, subcontractors receiving subcontracts in excess of $1,000,000 for construction, or in excess of $500,000 for all other subcontracts, shall be required to submit and obtain an approved subcontracting plan. If it is deemed that there are no subcontracting opportunities the contract file will contain documentation to support this decision.

Reports

BN will submit reports, as required, to indicate progress in achieving the goals stated herein. BN will cooperate in any studies or surveys as may be required by the DOE or the Small Business Administration to take advantage of new programs and to determine the extent to which BN is compliant with prime contract requirements.

Records

BN will maintain records of the subcontracts made under this plan. The following information for subcontracted products and services will also be maintained:

1. **SB/SDB/WOSB/HSB** source lists.

2. Records on all competitive subcontract solicitations indicating on each each solicitation whether or not **SB/SDB/WOSB/HSB** sources were solicited.

3. Records of outreach efforts, contacts with minority and small business trade associations, and attendance at small and minority business procurement conferences and trade fairs.

4. Records of internal activities to train, guide and encourage buyers and project personnel to support NTS socioeconomic goals. Such records include reports of workshops, seminars, training programs, and monitoring activities to evaluate performance and compliance.

5. Subcontract reports and statistics including records to support subcontract awards.

Implementation

The following additional **functions** will be performed to effectively implement this plan:

1. Arrange solicitations, time for preparation, quantities, specifications, and delivery schedules so as to facilitate participation by **SB/SDB/WOSB/HSB** concerns.

2. Provide mentoring and general information to representatives of **SB/SDB/WOSB/HSBs** regarding subcontracting opportunities and solicitation, bid and proposal practices.

3. Establish and maintain contacts with **SB/SDB/WOSB/HSB** trade associations and business development organizations.

4. Maintain an effective outreach program, with a planned schedule of outside events, including conferences and trade fairs. Maximize use of automated means to publicize and transmit solicitation documents.

5. Fully integrate acquisition planning with the site master plan for Make-or-Buy implementation. The resulting increase in subcontracting opportunities will be focused on developing new and commensurate opportunities for **SB/SDB/WOSB/HSBs**.

BN's strategy and implementation plan, outlined above, will have the full support of BN and Bechtel National, Inc., management.

Signed: (.) [redacted]

Bechtel Nevada

Title: Manager, Procurement & Property Management Division

Date: SEP 17 1999

Plan Accepted By: (.) [redacted]

Contracting Officer
Department of Energy

Date: OCT 20 1999