

## **Questions and Answers #1: DACW41-03-R-0068**

Due to technical difficulties, an amendment to Solicitation No. DACW41-03-R-0068, Pre-Placed Remedial Action Contract (PRAC) will be issued at a later date.

It is the Government's intent to amend the solicitation to: (1) extend the proposal submission date to 29 September 2003 (amend SF 33, Block 9 and Section L.1). (2) Questions concerning the solicitation may be submitted in writing until close of business 12 September 2003 (amend Section L.2).

### **Caution Page:**

Item #5; Delete. PROPOSAL GUARANTEE.

Item #13; Insert the following sentence, "Sufficient bid guarantee in proper form must be furnished with your proposal."

Item #14: Add the following sentences, "See minimum proposal acceptance period in Section L, paragraph L.11. Failure to provide bid guarantee or allowing less than the Government's minimum acceptance period will require rejection of the proposal.

### **Section L**

#### **L.11 – Add the following paragraph:**

Minimum Proposal Acceptance Period – See SF33, Block 12. The Government requires a minimum acceptance period of 365 calendar days from date of proposal submission. Bidders may specify a longer acceptance period than the Government's minimum requirement on the Standard Form 33, Block 12. However, Block 12 of the SF 33 must not state a period of time less than 365 calendar days. The offeror shall ensure validity of the bid guarantee for the entire proposal acceptance period or until contract award, whichever is earlier. "Acceptance period" means the number of calendar days available to the Government for awarding a contract from the date specified in this solicitation for receipt of proposals. A proposal failing to provide a bid guarantee or allowing less than the Government's minimum acceptance period will be rejected.

### **Questions from prospective Offerors.**

#### **Section C**

- 1) Question: In Section C, paragraph 1.4.1.2, we are instructed to use ER 1110-1-263, Chemical Quality Data Management, and dated 1 October 1990. May we use the updated version of this ER from 1998?

Answer: Section C; paragraph 1.4.1.2, 1<sup>st</sup> sentence – change to read "dated 30 April 1998".

- 2) Question: Please clarify the inclusion of C.3.5 requirements in Subfactor 3A and C.3.6 requirements in Subfactor 3B. What level of detail is required to be included in Volume 3?

Answer: Change Section L, Subfactor 3A, 1<sup>st</sup> paragraph; 1<sup>st</sup> sentence, to read, "Safety and Health requirements for task orders awarded under this solicitation are specified in Section C."

Answer: Change Section L, Subfactor 3B, 1<sup>st</sup> paragraph, 1<sup>st</sup> sentence to read, "Chemical Quality Management requirements for task orders awarded under this solicitation are specified in Section C."

- 3) Question: Do we need to designate a laboratory in the proposal?

Answer: No

- 4) Question: Please clarify C.3.6.2. Must we include a laboratory proposal (see C.6.2.2) or may laboratories be procured at the task order level?

Answer: Laboratories will be procured at the task order level and are not required as part of this proposal.

- 5) Question: In Section C, several paragraphs in 1.4 and 3.10 are presented in bold type. Is it the intention that these paragraphs hold more weight than other paragraphs, or is this simply a document anomaly?

Answer: Bolding in Section C is inadvertent and adds no additional meaning (i.e. sections 1.4.1.3; 1.4.1.23; 3.10.1.1; 3.10.4.2)

## **Section L**

- 6) Question: May multiple projects that are either 80+% complete or more than 18 months old, that are being performed under an ID/IQ contract, be included as a single project description?

Answer: As stated in Section L, a project is defined as a “task order” (TO) and an ID/IQ typically has more than one task order. Section L also notes “other projects with related experience may be provided to supplement each project”. This should allow the offeror to present experience on multiple sites for a specific technology. If the ID/IQ contract task orders were all the same technology, it would be acceptable to use one TO as the “project” and the others as “supplement” information.

- 7) Question: Please clarify Section L.8, Subfactor 3Bb. The instructions state that the "SAP/SOPs shall be provided as an Appendix to Volume 3, and only the original and one copy shall be provided." Does this mean that we are precluded from including these SOPs and all copies or our proposal Volume 3 for ease/continuity of production?

Answer: It is preferred that only the original and one copy be provided.

- 8) Question: Sections A.13, L.9(4), and L.10, 52.228-1 indicate that a Bid Bond/Guaranty is required. However, this ID/IQ contract does not provide a project-specific scope of work nor require a project-specific price proposal. ID/IQ contracts do not normally require Bid Bonds or Guarantees. Should the requirement for the bid bond/guaranty be removed from this solicitation?

Answer: No. See FAR 52.228-1 for requirements of bid guarantee.

- 9) Question: Subfactor 3Ab(1). May we put the OSHA Logs in an Appendix?

Answer: No.

## **Section M**

- 10) Question: Please clarify the Section M evaluation factors for Volume 4, Cost. They do not correspond to the Factors/Subfactors requested in Section L.9.

Answer: The evaluation factors in Section L.9 are correct. Section M.3 evaluation factors will be revised.

Section M, paragraph M.5a should be deleted and replaced with the following paragraph:

M.5a. “Subfactors 4A through 4C will be considered with respect to their deviation from the “norm.” The “norm” will be established by the cost evaluation team based on current market trends and cost data received from all offerors. Subfactor 4D will be the most important factor.”

## Section L

- 11) Question: Are DCAA 2003 audit-determined provisional billing rates considered estimates, forward pricing, or capped rates, or can they be used in the proposal?

Answer: Yes, DCAA 2003 audit-determined provisional billing rates are considered estimates and/or forward pricing rates. Provisional billing rates are exactly what the term provisional denotes. They are estimates subject to adjustment to actual rates when the fiscal year is complete. A DCAA audit does not change the fact that provisional rates are estimates and/or forward pricing rates. Therefore, they cannot be used in this proposal.

- 12) Question: How does the USACE take into consideration that mid-year actual indirect rates are partial year data and probably do not reflect what the rates will be for the full year, causing higher but inaccurate indirect rates to be in the analysis?

Answer: Please carefully review Note 3 on L.9, Subfactor 4A. We are requesting fiscal year data not partial year data. Partial year data is not acceptable. Please use your company's three most recently completed fiscal years (historical and complete year).

- 13) Question: May we use our DCAA 2003 audit-determined provisional billing rates instead of an average of prior years as long as the trend over that period has been in a downward direction?

Answer: No. See Question 11 for additional comments on use of provisional billing rates.

- 14) Question: Can we use the expected wage rate of a new hire for a labor category that we do not currently staff?

Answer: Yes.

- 15) Question: If a key labor category is to be provided by a subcontractor (i.e., CHP, Civil Engineer, etc), should we provide hourly rates from the sub in these categories? If we do this, the hourly rate would then have the prime's overhead applied. If not, should this column be left blank or should we provide subfactors 4A-4C for our sub?

Answer: You should provide and propose the rate that the subcontractor is proposing to you. Do **not** apply your company's (prime) overheads to this rate. The note on Subfactor 4C that states "Do not include any fringe or overhead costs in this computation" applies only to you, the prime contractor. If a subcontractor is going to provide a labor category, that subcontractor labor rate necessarily has to include the subcontractor's overhead and profit. However, regardless of the source, you are to propose the hourly labor rate you (the prime) will be paying exclusive of your (the prime) applicable overheads. To state it another way, if it is your own employee and you pay that employee \$20 an hour, then you will show \$20 for the hourly labor rate. If the labor category will be supplied by a subcontractor and the subcontractor wants to be paid \$30 an hour for that labor category, then you will show \$30 for the hourly labor rate. The column should not be left blank nor should you provide subfactors 4A-4C for your subcontractor. As stated above, simply provide the rate that the subcontractor is proposing to you.

## Section C

- 16) Question: RFP Section C - 3.10.2.1. Would the government consider allowing for a substitution of X years experience in place of a college degree? Maybe 10 years?

Answer: No – the requirements are as stated in Section C.

## Section J

- 17) Question: RFP Section J - Attachment #2 - Sample Resume part b. Experience. Is it USACE's intention that the "Period MM/YY to MM/YY" be for the length of time at that employer? Or length of time with that title/discipline?

Answer: Section J requires employment history to detail the period of employment, employer/location and Position Title. It is the offeror's decision to determine relevant employment history for inclusion in their proposal.

## **Section L**

- 18) Question: RFP Section L - Subfactor 1A, Company Experience, second paragraph, last sentence. "Projects may be presented in spreadsheet, or tabular format." Is this a requirement or a suggestion? Would it be acceptable to have the "data"-type information in tabular format followed by the Description of Work in a narrative format?

Answer: It is NOT a requirement to use a spreadsheet or tabular format. The offeror should decide how best to present this information.

- 19) Question: RFP Section L - Subfactor 1C, Past Performance. Can we "reproduce" the Past Performance Evaluation Form" electronically for legibility and ease of completion by the client? Would the government consider allowing for electronic submittals of the Past Performance Evaluation Form as there is no signature required and that would allow for faster turnaround for completion?

Answer: The Past Performance Evaluation may be reproduced electronically. The Past Performance Evaluation Form may not be submitted to the government via electronic means.

- 20) Question: RFP Section L - Clauses Incorporated by Reference: 52.228-1 Bid Guarantee. Is it the intent of the RFP to require a \$3,000,000/or 20% bid bond at the time of submittal? If so, with four awards, what should the bidders use as the contract amount? Or is this a requirement on individual deliver orders?

Answer: A bid guarantee is required and shall be based on the JTAV of \$600,000,000. A bid guarantee is not required on individual task orders. Payment and Performance bonds may be required on individual task orders.

- 21) Question: Can an ID/IQ contract be included as one of the 10 projects in Subfactor 1A? If so, are we allowed to detail all TOs under the ID/IQ contract or only the ones that are 80% to 100% complete?

Answer: As stated in Section L, a project is defined as a "task order" (TO) and an ID/IQ typically has more than one task order. Section L also notes "other projects with related experience may be provided to supplement each project". This should allow the offeror to present experience on multiple sites for a specific technology. If the ID/IQ contract task orders were all the same technology, it would be acceptable to use one TO as the "project" and the others as "supplement" information.

- 22) Question: If an ID/IQ contract is permitted, can it be a worldwide or regional contract as opposed to a base-specific contract?

Answer: An ID/IQ contract is not applicable as a "project".

- 23) Question: The RFP states, "At the Team's discretion, other projects with related experience may be provided to supplement each project example." Do the projects listed in this table need to be at least 80% complete?

Answer: Yes

- 24) Question: In Subfactor 1B, the RFP requests mailing addresses for all offices of each team member. Is it adequate to include the Corporate mailing address for the Prime and each Team member and limit the regional and other office locations to City and State only?

Answer: Yes

- 25) Question: Could USACE please clarify the instruction contained under RFP Section L.6. Subfactor 1A 2nd paragraph: "At the TEAM's discretion, other projects with related experience may be provided to supplement each project example" Does this mean that additional narrative beyond the "up to ten (10) example projects" can be used to describe other experience, or must the other project examples be incorporated within the text and description of the 10 example projects.

Answer: The offeror may add narrative (or table/spreadsheet) to describe other projects with related experience to supplement any of the 10 projects required under Subfactor 1A. This narrative should be included with the particular project it is being used to supplement.

- 26) Question: Could USACE please clarify the instruction contained under RFP Section L.6. Subfactor 1B 1st paragraph: "Submit the actual organizational charts for the prime and the affiliates". Are we correct in our interpretation that the term "affiliates" refers to organizations within the prime contractor's corporate family (for example subsidiaries) and that it does not refer to our team subcontractor organizations?

Answer: Subfactor 1B: 2<sup>nd</sup> sentence, change to read – "Submit the actual organizational charts for the prime and the TEAM".

- 27) Question: Solicitation Page 134 of 144, Table 4A, Cost Proposal. If a contractor has a cost structure in which burden/fringe rate is separate from overhead, please clarify how this information should be portrayed in Table 4A. Are we to assume that burden/fringe is already included in the \$200,000 base labor amount, or should we include the burden/fringe calculation as part of the overhead?

Answer: Burden/fringe rates separate from overhead should be portrayed as explained in note 3 of Table 4A, which states in part "For example, if you apply fringe and a separate labor overhead to field office labor, provide a breakdown of the rates used with a note reference in the far right column. You are NOT to assume that any indirect expense (burden/fringe, overhead, G&A or otherwise) is included in any of the \$200,000 base amounts. Therefore, you should include the burden/fringe calculation as part of the overhead and note the rates used in the far right column (as explained in note 3 in Table 4A).

- 28) A series of questions are related to bonding requirements. For your convenience, listed below are highlighted references, including sections and pages numbers from the solicitation.

- Section A, page 2 of 144, Caution 2 states, in part: "Sufficient proposal guarantee in proper form must be furnished with your proposal..." On that same page, Caution #13 states, in part: "Bid bonds must be accompanied by original signature from the surety".
- Section G, page 32 of 144, article G.12 discusses payment and performance bonds.
- Section I, incorporates the following FAR clause by reference: 52.228-11 Pledge of Assets, 52.228-15 Prospective Subcontractor Request for Bonds, 52.228-14 Irrevocable Letter of Credit, 52.228-15 Performance and Payment Bonds-Construction.
- Section L, article 4(a)1, Page 128 of 144 states, in part: page limitation exclusions: Offer Guarantee.
- Section L, article 10, page 137 of 144 outlines, in full text the requirements of FAR 52.228-1

Based on the above, some confusion exists as to what information is required in an Offeror's proposal. Are the phrases "proposal guarantee", "bid bond", "offer guarantee", and "bid guarantee" interchangeable? In light of the above reference, please clarify the requirements as to what an Offeror needs to provide with the proposal submission.

Answer: Bid guarantee is the proper term. Other terms will be replaced with "bid guarantee" as necessary. Bid bonds are a form of bid guarantee. The offer must comply with FAR Provision 52.228-1 and must submit some form of bid guarantee with its proposal. Payment and Performance Bonds are a post-award requirement and may be required on task orders.

- 29) Question: Please clarify that Company Experience and Past Performance client evaluation documents are exempt from the proposal page count.

Answer: Section L, 4.a.(1) "Page Limitations". A bullet will be added under the list of "Page Limitation Exclusions" that reads:

- Past Performance evaluations submitted by clients.

- 30) Question: Section L.9 Volume 4 – Cost set forth instructions for completing the (Excel spreadsheet) cost proposal tables. Please clarify how the tables should be completed if one or more of the proposed key personnel are from a subcontractor versus the prime contractor.

Answer: You should provide and propose the rate that the subcontractor is proposing to you. Do **not** apply your company's (prime) overheads to this rate. The note on Subfactor 4C that states "Do not include any fringe or overhead costs in this computation" applies only to you, the prime contractor. If a subcontractor is going to provide a labor category, that subcontractor labor rate necessarily has to include the subcontractor's overhead and profit. However, regardless of the source, you are to propose the hourly labor rate you (the prime) will be paying exclusive of your (the prime) applicable overheads. To state it another way, if it is your own employee and you pay that employee \$20 an hour, then you will show \$20 for the hourly labor rate. If the labor category will be supplied by a subcontractor and the subcontractor wants to be paid \$30 an hour for that labor category, then you will show \$30 for the hourly labor rate.

- 31) Question: Section M.3 Evaluation Factors, Factor 4 Cost – the evaluation factors listed do not match the requirements in Section L.9. Please clarify the evaluation criteria for Volume 4.

Answer: The evaluation factors in Section L.9 are correct. Section M.3 evaluation factors will be revised.

- 32) Question: Section M.5 Relative Weight of Cost Evaluation Data, paragraph a – The second sentence refers to evaluation of a sample proposal, which is not listed as a requirement in Section L.9. Please clarify this evaluation criteria.

Answer: Section M, paragraph M.5a should be deleted and replaced with the following paragraph:  
M.5a. "Subfactors 4A through 4C will be considered with respect to their deviation from the "norm." The "norm" will be established by the cost evaluation team based on current market trends and cost data received from all offerors. Subfactor 4D will be the most important factor."

- 33) Question: Note 3 to the Overhead Cost Analysis (Subfactor 4A) states that for all rates we are to use the simple average of the most recent 3 fiscal years. If 3 fiscal years are not available, 2 years or 1 year are to be used. Our company has existing COE contracts that cover our most recent 3 fiscal years (calendar years 2000, 2001, and 2002). The cost input base we used and which DCAA approved for developing indirect cost rates for these contracts was total cost input. If we were awarded this new contract, the expected subcontract costs would significantly distort the allocation of the G&A expense pool in relation to the benefits received using a total cost input allocation. The DCAA Contract Audit Manual (July 2003) discusses a similar situation in Section 8-410.2. The proposed solution is for the contractor to change its base from total cost input to value-added input. Changing the cost allocation base in this manner would typically be used for forward pricing. Projected or estimated rates are not allowed for this submittal, however.

We therefore wonder if we have any flexibility regarding the G&A rates we use in completing the Overhead Cost Analysis. We are not suggesting any changes to the total allowable costs approved by DCAA, but rather only a change in their allocation to reflect the impact on our business of a contract of this magnitude. Can we restate our indirect rates for the most recent 3 fiscal years using a value-added input allocation, or must we instead use the total cost input allocation reviewed by DCAA on the earlier contracts?

Answer: First of all, be aware that the Defense Contract Audit Manual (DCAM), Section 8-410.2 is discussing Cost Accounting Standard (CAS) 410 (in fact, Chapter 8 of the DCAM deals only with CAS). As a certified small business, you are not subject to the CAS. That having been said, the principles in CAS 410 can be used as a reference in evaluating an appropriate base for allocation of G&A expenses and appropriate reasons to change the G&A allocation base. Also, DCAM Chapter 6 (specifically 6-604 through 6-606) should be

reviewed to assist in making this determination. If you do not have access to a copy of the DCAM, an electronic version of the DCAM is available on the DCAA website at [www.dcaa.mil](http://www.dcaa.mil).

Before addressing the specific question, a word of caution is offered. Accounting changes, such as the one proposed, should be made based on sound accounting practices and principles. A change involving a company entering a new business area (such as the one you reference in DCAM 8-410.2b) may require a change in a G&A allocation base for the equitable distribution of G&A expense. A contract that includes a subcontract that is two, three, or even ten times larger than any other subcontract a company currently has is not necessarily a sound basis for changing the G&A allocation base. Changes of this type should be viewed from a long-term, total company perspective as opposed to a short-term, program perspective.

If you believe you have a sound basis to change the G&A allocation base from total cost input to a value added base, the following steps should be performed:

- a. Re-compute your G&A rate for the last three fiscal years by removing materials and subcontracts from the G&A base. This will give you historical G&A rates using a value added base. Use the simple average of those re-computed historical G&A rates on the L9 sub-factor 4A worksheet computation.

- b. Disclose the accounting change you are proposing to make in a note to the sub-factor 4A worksheet and provide the G&A rates that you would have used if you were using your current allocation base.

- c. State the reasons that you believe the change is necessary. For example, in this case, why do you believe that the expected subcontract costs will significantly distort the allocation of the G&A expense pool. A DCAA audit may be requested of your proposed accounting change to determine that the proposed change is based on sound accounting practices and principles and is not simply an attempt to arbitrarily increase or decrease costs charged to government contracts. Documentation should be readily available in case such an audit is requested.