

I. Introduction

I am the Source Selection Official (SSO) designated for the purpose of selecting a contractor to manage and operate the Lawrence Livermore National Laboratory (LLNL). The Source Evaluation Board (SEB) solicited and received proposals. The SEB evaluated and assessed the proposals received and prepared a Final Report that detailed its findings. I reviewed the SEB's Final Report, and the SEB briefed me on its findings. In addition, I attended the oral presentations, reviewed the written proposals, and conferred with ex officio members of the SEB. Based on my consideration of this information and using my independent judgment, I select Lawrence Livermore National Security, LLC (LLNS) as the offeror whose proposal is the most advantageous to the Government. This document provides the basis for my selection decision.

II. Description of the Solicitation Process

On January 27, 2004, the Secretary of Energy announced that the Department of Energy (DOE) intended to compete, on a full and open basis, the contract for the management and operation of LLNL. A draft Request for Proposals (RFP) was issued for comment on May 10, 2006, on a website created for this solicitation and comments were requested. The SEB also conducted a pre-solicitation conference and site tour of LLNL for interested parties on May 23 and 31, 2006, respectively. The final RFP was issued on July 14, 2006. The RFP stated that the National Nuclear Security Administration (NNSA) intended to award a cost-reimbursement management and operating type contract that includes fixed fees and a performance incentive fee for the seven-year basic term (FY 2008 through FY 2014) of the contract and, if earned, additional one-year award-term periods. The due date for receipt of proposals was October 12, 2006. The RFP was amended four times prior to receipt of proposals. The fourth amendment extended the due date for receipt of proposals to October 27, 2006.

III. Offerors

Three Offerors submitted proposals by October 27, 2006. The following is a list of the three Offerors, their parent companies, and proposed major subcontractors:

- A. Advanced Science and Engineering Technologies LLC (ASET)
 - Parent Company: Northrop Grumman Technical Services, Inc.
 - Parent Company: AECOM Government Services, Inc.
 - Parent Company: Wackenhut Services, Inc. (WSI)
 - Parent Company: Nuclear Fuel Services, Inc.
 - Parent Company: CH2M HILL Constructors, Inc.
 - Major Subcontractor: None proposed.

- B. Lawrence Livermore National Security, LLC
 - Parent Company: Bechtel National, Inc. (Bechtel)
 - Parent Company: University of California (UC)

- Parent Company: BWX Technologies, Inc. (BWXT)
- Parent Company: Washington Group International, Inc. (WGI)
- Major Integrated Subcontractor: Battelle Memorial Institute
- Major Subcontractor: Professional Project Services (Pro2Serve)
- Major Subcontractor: Dynamac Corporation
- Major Subcontractor: GEM Technology International Corp.
- Major Subcontractor: TerranearPMC, LLC (dba Livermore Remediation Company, LLC)

C. Livermore Lab Green Renewable Energy and Environmental Nexus, LLC (LL Green)

- Parent Company: Tri-Valley CAREs (Communities Against a Radioactive Environment)
- Parent Company: Nuclear Watch of New Mexico
- Parent Company: The New College of California
- Parent Company: WindMiller Energy
- Major Subcontractor: None proposed.

IV. Evaluation of Proposals

The Contracting Officer conducted an initial review of the proposals to determine if they were complete and in compliance with all requirements of the RFP. The Contracting Officer determined that the proposal submitted by LL Green did not represent a reasonable initial effort to address the mandatory RFP requirements and therefore rejected its proposal. The Contracting Officer notified LL Green that its proposal was rejected and would not be further evaluated by the SEB. LL Green filed an agency protest with the Acting Head of the Contracting Activity who, after fully considering the allegations, dismissed the protest.

The SEB then undertook a comprehensive evaluation of the proposals submitted by ASET and LLNS using the evaluation criteria specified in Section M of the RFP. The SEB prepared an extensive Final Report, dated April 20, 2007. I have reviewed the Final Report in its entirety. The Final Report included detailed information concerning the strengths and weaknesses of the two proposals relative to the evaluation criteria set forth in the RFP. The Final Report also included the following consensus adjectival rating and point score for each Technical and Management criterion:

(b)(4), (b)(5)

With regard to Indicator #2, Parent Organization Involvement, the SEB concluded that

(b)(4), (b)(5)

With respect to Indicator #3, Teaming Arrangements, the SEB found a (b)(4), (b)(5)

(b)(4), (b)(5)

The SEB found a (b)(4), (b)(5) with respect to Indicator #4 Utilization of Small Businesses as team members. The solicitation expressly stated that NNSA would evaluate small business participation as a team member(s). (b)(4), (b)(5)

(b)(4), (b)(5)

(b)(4), (b)(5)

The SEB (b)(4), (b)(5)

(b)(4), (b)(5)

In addition, ASET's (b)(4), (b)(5)

(b)(4), (b)(5)

The SEB (b)(4), (b)(5)

(b)(4), (b)(5)

b4
b5

Both Offeror's (b)(4), (b)(5)

(b)(4), (b)(5)

(b)(4), (b)(5)

Criterion 3. Science and Technology

For Science and Technology, the most heavily weighted factor, the SEB rated the LLNS proposal as (b)(4), (b)(5) and the ASET proposal as (b)(4), (b)(5)
(b)(4), (b)(5)

With regard to Indicator #1, Major R&D Programs, the SEB (b)(4), (b)(5)

(b)(4), (b)(5)

(b)(4), (b)(5)

With regard to Indicator #2, Advancing Science, the SEB

(b)(4), (b)(5)

(b)(4), (b)(5)

With regard to Indicator #3, Communications, Cooperation and Integration, the SEB

(b)(4), (b)(5)

With regard to Indicator #4, Integrating World-Class S&T, the SEB found a

(b)(4), (b)(5)

(b)(4), (b)(5)

(b)(4), (b)(5)

Criterion 4. Laboratory Operations

For Laboratory Operations, the SEB rated the LLNS proposal as (b)(4), (b)(5) and ASET's proposal as (b)(4), (b)(5)

(b)(4), (b)(5)

With regard to Indicator #1, Security, the SEB

(b)(4), (b)(5)

(b)(4), (b)(5)

With regard to Indicator #2, ES&H, the SEB

(b)(4), (b)(5)

(b)(4), (b)(5)

With regard to Indicator #3, Nuclear Safety, the SEB

(b)(4), (b)(5)

(b)(4), (b)(5)

(b)(4), (b)(5)

With regard to Indicator #4, Emergency Operations, the SEB (b)(4), (b)(5)

(b)(4), (b)(5)

Criterion 5. Business Operations

For Business Operations, the SEB rated (b)(4), (b)(5)

(b)(4), (b)(5)

With regard to Indicator #1, Strategic Human Capital Management (SHCM), the SEB

(b)(4), (b)(5)

Although ASET was (b)(4), (b)(5)

(b)(4), (b)(5)

(b)(4), (b)(5)

With regard to Indicator #2, Financial Management, the SEB (b)(4), (b)(5)

(b)(4), (b)(5)

With regard to Indicator #3, Purchasing Management, the SEB (b)(4), (b)(5)

(b)(4), (b)(5)

With regard to Indicator #4, Information Resources Management, the SEB (b)(4), (b)(5)

(b)(4), (b)(5)

Criterion 6. Past Performance

Under Criterion 6, the SEB rated (b)(4), (b)(5)

(b)(4), (b)(5)

With respect to ASET, I find that (b)(4), (b)(5)

(b)(4), (b)(5)

In addition to the information provided by the SEB, I considered (b)(4), (b)(5)
(b)(4), (b)(5)

(b)(4), (b)(5)

With regard to LLNS, I took into account

(b)(4), (b)(5)

(b)(4), (b)(5)

The assessment of past performance requires taking into account all the information available concerning performance under past relevant contracts plus national or international recognition/accomplishments in the performance of world-class science and reaching an overall judgment as to whether the totality of past performance by the entire team proposed demonstrates the ability to be successful in performing the statement of work under the contract to be awarded. On the whole, I find a

(b)(4), (b)(5)

(b)(4), (b)(5)

Cost Evaluation

For purposes of selection, the RFP specified that the evaluated price for source selection would be the Offeror's proposed maximum available fee for the seven year basic term (FY 2008 through FY 2014) of the contract. I concur with the SEB's cost evaluation, and base my source selection decision on the total proposed maximum available fee for FY 2008 through FY 2014. The total proposed maximum available fee for LLNS of \$297,542,170 is lower than the (b)(4) for ASET.

VI. Source Selection Decision

In determining the best value to the Government, Section M-2 of the RFP provides that the Technical and Management evaluation criteria are significantly more important than the evaluated cost and that the Government is more concerned with obtaining a superior Technical and Management proposal than making an award at the lowest evaluated cost.

On balance, I conclude that when considering the technical discriminators in favor of LLNS outlined above and the issues associated with its technical proposal, the LLNS

