

Call for Industry Feedback on the Future Savannah River Site Incentive Fee Structure

Part 1 -Savannah River Plutonium Processing Facility (SRPPF) Incentive Fee Structure

The National Nuclear Security Administration (NNSA) is seeking industry feedback on the incentive fee structure for the Savannah River Site (SRS) SRPPF construction project. NNSA is considering the arrangement described below and may also consider alternative fee arrangements or approaches suggested by industry. Feedback related to the incentive structure for the SRPPF construction project is limited to two pages per respondent and shall be submitted directly to SEB10@nnsa.doe.gov by November 8, 2024, at 2pm Eastern Time.

The SRPPF construction project is currently being performed by an affiliate of the current SRS management and operating (M&O) contractor under a cost-reimbursable construction management (CM) subcontract. The affiliate shares in the overall fee of 5.12% for the management and operation of the SRS. The awardee for the SRS M&O contract will be responsible for negotiating an incentive fee structure and a performance guarantee with the CM subcontractor. The fee for the SRS M&O contract is expected to be established annually in a manner that is similar to the process described in Draft Request for Proposals (RFP) Section B-2(d).

As part of this competition, NNSA contemplates using a total combined available fee ceiling approach for SRPPF. The SRS M&O contract awardee and the CM subcontractor will be responsible for negotiating a fee sharing arrangement using the total contemplated fee ceiling of 5% that would effectively incentivize the CM to successfully complete the project by 2032. In an effort to balance successful on-time completion, while maximizing construction industry expertise and best practices, NNSA is considering limiting the M&O contractor's portion of the fee to 1% or less.

More information SRPPF will be made available in the reading room.

Part 2 - Incentive Fee Structure for CLIN 0001 – CLIN 0006, excluding CLIN 0004A

In addition to feedback on CLIN 0004a for SRPPF, NNSA will also consider industry feedback on the incentive fee arrangements for CLINs presented in the draft Request for Proposals.

Feedback related to the incentive fee structure should be limited to one page per respondent and be submitted directly to SEB10@nnsa.doe.gov by November 8, 2024, at 2pm Eastern Time.