

## SECTION L – INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS

### L.1 LISTING OF PROVISIONS INCORPORATED BY REFERENCE

Provision(s) at the beginning of this Section are incorporated by **reference**, with the same force and effect as if they were given in full text. The Contractor is responsible for understanding and complying with the provisions.

The following contract provisions pertinent to this section are hereby incorporated by reference:

#### **FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) PROVISION**

<u>NUMBER</u>	<u>DATE</u>	<u>TITLE</u>
52.214-34	APR 1991	SUBMISSION OF OFFERS IN THE ENGLISH LANGUAGE
52.214-35	APR 1991	SUBMISSION OF OFFERS IN U.S. CURRENCY
52.215-1	JAN 2004	INSTRUCTIONS TO OFFERORS - COMPETITIVE ACQUISITION
52.215.22	OCT 2009	LIMITATIONS ON PASS-THROUGH CHARGES– IDENTIFICATION OF SUBCONTRACT EFFORT
52.222-46	FEB 1993	EVALUATION OF COMPENSATION FOR PROFESSIONAL EMPLOYEES
52.232-38	MAY 1999	SUBMISSION OF ELECTRONIC FUNDS TRANSFER INFORMATION WITH OFFER
52.237-10	OCT 1997	IDENTIFICATION OF UNCOMPENSATED OVERTIME

(End of Provisions Incorporated By Reference)

### L.2 CURRENT PERFORMANCE LOCATIONS (FOR INFORMATIONAL PURPOSES ONLY)

In addition to work performed at the incumbent Contractor's facility, some effort is currently being performed at the following remote locations:

- Fairfax, Virginia
- Leawood, Kansas
- Birmingham, Alabama

- Metairie, Louisiana
- Hilton Head, South Carolina

(End of Provision)

### L.3 **TYPE OF CONTRACT**

FRTIB contemplates issuing a Cost Plus Fixed Fee contract with Indefinite Delivery, Indefinite Quantity (IDIQ) task orders that may be Cost Plus Fixed Fee, Firm Fixed Price or Time and Materials.

All costs associated with the Phase-In of this Contract are Firm Fixed Price and will be handled by a separate purchase order/contract.

(End of Provision)

### L.4 **PERIOD COVERED BY PROCUREMENT**

This solicitation covers a period of 6 years and the 120-day phase-in\*. For contracting purposes:

<b>Period</b>	<b>Duration</b>	<b>Anticipated Dates</b>
Phase-In*	120 days	October 1, 2013 through January 31, 2014
Base Period of Performance	2 years	February 1, 2014 through January 31, 2016
Option Period 1 (two years)	2 years	February 1, 2016 through January 31, 2018
Option Period 2 (one year)	1 year	February 1, 2018 through January 31, 2019
Option Period 3 (one year)	1 year	February 1, 2019 through January 31, 2020

The Agency is not obligated to exercise any option if it determines for any reason that doing so is not in its best interest.

\* Phase In will be performed as a part of this contract but is not to be included in the proposed total cost.

(End of Provision)

### L.5 **QUESTIONS REGARDING THIS SOLICITATION**

Only written questions will be accepted. Questions regarding this solicitation shall cite the solicitation number and be directed to the Contracting Officer at the following email address: [TESS-CO@tsp.gov](mailto:TESS-CO@tsp.gov)

Questions submitted to other email addresses will not be considered.

Questions shall provide specific references (page and paragraph numbers). Offerors are encouraged to submit their questions as soon as they are identified to ensure a prompt response from the Agency. All questions shall be submitted no later than Wednesday, February 20, 2013. Agency responses will be posted at [www.frtib.gov](http://www.frtib.gov) and [www.fbo.gov](http://www.fbo.gov).

(End of Provision)

#### **L.6 PRESENTATION MATERIALS**

Conference presentation materials are posted at <http://www.frtib.gov> under the TESS Acquisition tab and at <http://www.fbo.gov>.

(End of Provision)

#### **L.7 PROPOSAL ACCEPTANCE PERIOD**

Proposals submitted in response to this solicitation shall remain firm for at least **280 calendar days** after the date specified for receipt and shall contain a statement to this effect. In addition, Offerors shall insert “**280**” into Block 12 of Standard Form 33, Solicitation, Acceptance, and Award.

(End of Provision)

#### **L.8 CENTRAL CONTRACTOR REGISTRATION (CCR)**

All Offerors shall be currently registered in the CCR at the time of proposal submission and shall provide their registration information in the model contract.

(End of Provision)

#### **L.9 PROPOSAL PAGE DEFINITION**

(a) A page is defined as one side of a 20lb bond sheet, 8 1/2" x 11", with at least 1-inch margins on all sides, using not smaller than 12 point (non-compressed) Arial type. Smaller font sizes (no less than 8 point Arial) are acceptable for notional graphics such as computer screen mock-ups or form/report print-outs. Foldouts count as an equivalent number of 8 1/2" x 11" pages. For example, an 11" x 17" foldout will be counted as two pages. The metric standard format most closely approximating the described standard 8 1/2" x 11" size may also be used.

(b) Title pages, cover sheets, tables of contents, acronym listings (or a glossary of abbreviations), and requested cross reference lists (see Paragraph L.11) are

excluded from the page counts specified. Information contained on these pages will not be evaluated. In addition, the Cost Volume of each proposal is not page limited. However, this Volume is to be strictly limited to cost and price information. Information that can be construed as belonging in one of the other volumes of the proposal will be so construed and counted against that volume's page limitation.

(End of Provision)

## **L.10 PROPOSAL PREPARATION INSTRUCTIONS**

The FRTIB's intention is to solicit information in a manner that will permit a competitive evaluation of the Offeror's proposal. The Offeror's proposal shall demonstrate the Offeror's competence and capability to successfully perform the requirements specified in the TESS Statement of Work (SOW).

(a) Offerors shall include all page limited information within the Mission Suitability and Past Performance Volumes and not in other unlimited page volumes. Failure to follow this instruction will result in the misplaced information not being evaluated.

(b) The proposal shall demonstrate the Offeror's understanding of the overall and specific requirements of the proposed contract; and convey the company's capabilities for meeting these requirements. The proposal shall provide the plans and methods for accomplishment.

(c) The proposal for all Evaluation Factors shall be clear, concise, shall not include ambiguous language or terms, and shall include sufficient detail for effective evaluation and substantiation of all information. The proposal should not simply rephrase or restate the Agency's requirements, but rather shall provide convincing rationale to address how the Offeror intends to meet these requirements.

(d) Elaborate brochures or documentation, detailed artwork, or other superfluous embellishments are unnecessary and are not desired, unless specifically requested in a Scenario or Representative Task Order (RTO) response.

(e) Offerors are requested to provide information responsive to the items set forth below. This information is considered essential for the FRTIB to conduct a fair and uniform evaluation of proposals in accordance with the evaluation factors and sub-factors provided in Section M. The items listed are not, however, all-inclusive and you should include in your proposals, consistent with the page limits established, any further substantiation demonstrating your ability to perform the work under this Contract.

(End of Provision)

**L.11 PROPOSAL VOLUMES, PAGE LIMITATIONS, FORMAT AND COPIES**

- (a) Proposal Volumes: Offerors shall arrange their proposals into seven volumes as set forth below.

**Table L-1: Proposal Volumes, Page Limitations, Format and Copies**

<b>Volume No.</b>	<b>Title</b>	<b>Page Limits</b>	<b>Electronic Format</b>	<b>Copies</b>
I/II/III/IV	Mission Suitability	125	MS Word / Adobe PDF	1 original, 5 hard copies, 2 CD-ROMs
I	Subfactor 1 – Overall Operational and Technical Approach, Business Process Services (Recordkeeping) and Information Security	Included in 125	MS Word / Adobe PDF	
II	Subfactor 2 – Overall Operational and Technical Approach, IT Services	Included in 125	MS Word / Adobe PDF	
III	Subfactor 3 - Management Approach	Included in 125	MS Word / Adobe PDF	
	Key Personnel Resumes	2 pages per individual, but excluded from 125	MS Word / Adobe PDF	
IV	Subfactor 3 – Plans and Other Documents	Not Limited		1 original, 5 hard copies, 2 CD-ROMs
	Total Compensation Plan	Not Limited	MS Word / Adobe PDF	
	Phase-In Plan	Not Limited	MS Word / Adobe PDF	
	Draft Contract Management Plan	Not Limited	MS Word / Adobe PDF	

<b>Volume No.</b>	<b>Title</b>	<b>Page Limits</b>	<b>Electronic Format</b>	<b>Copies</b>
	Draft Information Security Plan	Not Limited	MS Word / Adobe PDF	
	Joint Venture Teaming Agreement	Not Limited	MS Word / Adobe PDF	
	Errors & Omissions Insurance Policy	Not Limited	MS Word / Adobe PDF	
	Draft Organizational Conflict of Interest Plan	Not Limited	MS Word / Adobe PDF	
	Draft Operating Level Agreement Approach	Not Limited	MS Word / Adobe PDF	
V	Past Performance Volume	25	MS Word / Adobe PDF	1 original, 5 hard copies, 2 CD-ROMs
	Past Performance, including Attachment L.11 Reference Form	Not Limited	MS Word / Adobe PDF	
	Past Performance, including Attachment L.12 Table	Not Limited	MS Word / Adobe PDF	
VI	Cost/Price Proposal	Not Limited		1 original, 2 hard copies, 2 CD-ROMs  1 hard copy, 1 CD-ROM to DCAA
	Cost Narrative	Not Limited	MS Word / Adobe PDF	
	Cost Exhibits	Not Limited	MS Excel	
VII	Model Contract	Not Limited	MS Word / Adobe PDF	1 original, 1 hard copy
	Sections A-J, with all fill-ins completed, and Section K, Representations and Certifications, with all fill-ins completed	Not Limited	MS Word / Adobe PDF	

(1) Volumes I through V and VII shall each be separately bound in sequentially numbered 3-ring binder(s), no larger than 3-inches. Volume VI shall be separately bound in 3-ring binder(s), no larger than 5-inches.

The binder(s) shall permit(s) the volume to lie flat when open. Staples shall not be used. A cover sheet shall be included on each binder, clearly marked with date of offer, volume number, title, copy number, solicitation number and the Offeror's name. The same identifying data should be placed on the spine of each binder. Information should not be incorporated by reference. A suitable table of contents shall be provided with each volume for ready reference to sections, tables, and figures. Pages shall be formatted in a standard page style, without the use of columns. All pages in each volume shall be numbered sequentially with Arabic numerals for contents subject to page limitations and with lower case Roman numerals for contents not subject to page limitations (e.g., title pages, tables of contents, and acronym lists) and shall reflect the Offeror's identity.

Offerors shall tab each subsection within each volume for ease of reference. Tabs and dividers are not included in the page count limitations and will not be evaluated.

- (2) The judicious use of cross references is encouraged. However, Mission Suitability Subfactor 1 must stand alone.
- (3) Pages submitted in excess of the limitations specified in this provision will not be evaluated by the Agency. For example, if an Offeror submits Volume I with 130 pages, the final 5 pages will be removed, sealed, and will not be evaluated.
- (4) Offerors are highly encouraged to provide only the relevant information necessary to understand their proposal. Filling the page count with extraneous and/or repetitive information is highly discouraged.
- (5) If final proposal revisions are requested, separate page limitations will be specified in the Agency's request for that submission.

(b) Format

- (1) Each Offeror is required to submit its proposal in two formats, one conventional hard copy binder format in the quantities specified above, and one in an electronic format in the quantities specified above. The electronic submission must be compatible with the software and hardware specification described in paragraph (g) below. Electronic media must be labeled or tagged with the RFP Number, Company Name, Date Prepared, an indication of the files or range of files contained on the disks marked and in accordance with FAR 52.215-1(e), Restriction on Disclosure and Use of Data, and FAR 3.104-5, Disclosure, Protection, and Marking of Contractor Bid or Proposal Information and Source Selection Information.

- (2) A cover sheet should be contained as the first page of each book, clearly marked with volume number, title, solicitation identification, and the Offeror's name. Be sure to apply all appropriate markings, including those prescribed in accordance with FAR 52.215-1(e), Restriction on Disclosure and Use of Data, and FAR 3.104-5, Disclosure, Protection, and Marking of Contractor Bid or Proposal Information and Source Selection Information.
- (3) Provide a Cross Reference List that tracks the page and paragraph numbers of the Offer's proposal to the page and paragraph numbers in the Agency's instructions. A Cross Reference List shall be submitted in each Volume for that particular volume.

(c) Copies:

- (1) Hard copies are to be provided in the numbers set forth in Table L-1 above.
- (2) The electronic copies of the proposal shall be compatible with Microsoft Office® 2007. Further, the Microsoft Excel spreadsheets shall be submitted in Microsoft Excel format, and not in a scanned Microsoft Word or Adobe PDF file. To the extent of any inconsistency between data provided electronically and proposal hard copies, the hard copy data will be considered to be the intended data.

For electronic submissions, each tab of the proposal should be submitted as a separate electronic file. If a volume extends to multiple disks, the Offeror shall clearly indicate the sequence number. The Offeror shall perform an anti-virus/anti-malware scan prior to proposal submission. Offeror shall not embed sound or video files into the proposal files. Offeror shall minimize the use of scanned images and keep embedded graphics as simple as possible.

(End of Provision)

## **L.12 PROPOSAL DUE DATE**

Proposals shall be submitted no later than 3:00 PM Eastern Time, Wednesday, March 13, 2013, in accordance with the instructions reflected in Section L.11. Due to the critical nature of these services to the FRTIB, it is not expected that the proposal submission date will be extended.

(End of Provision)

### **L.13 EXTERNAL PROPOSAL MARKING, PACKAGING AND DELIVERY INSTRUCTIONS**

#### (a) External Proposal Marking

- (1) All proposal packages must be closed, sealed, and reflect in large letters the following:

**“PROPOSAL – DELIVER UNOPENED”**

- (2) The proposal package must include:

- (a) Offeror’s name and return mailing address
- (b) Attention - Contracting Officer: Marisol Vargas-Busch
- (c) Phone: 202-942-1621
- (d) Email: TESS-CO@tsp.gov
- (e) Solicitation Number: TIB-2013-RFP-0012
- (f) Box # of # (e.g., 1 of 9)

- (3) The proposal package must include the Offeror’s name and return mailing address.

#### (b) Packaging

- (1) All copies of each Volume, see Table L-1, shall be separately bound and boxed. Do not commingle Volumes in a single box. The exterior of each box shall be clearly marked on the exterior with the RFP number (TIB-2013-RFP-012) and appropriate volume designation. The appropriate Volume designations are:

<b>Volume</b>	<b>Title</b>
I	Mission Suitability – Subfactor 1
II	Mission Suitability – Subfactor 2
III	Mission Suitability – Subfactor 3
IV	Plans and Other Documents
V	Past Performance
VI	Cost/Price
VII	Model Contract

- (2) Offerors shall package their proposals in Banker Storage/Filing style boxes. Boxes should be no larger than 12” (W) x 10” (H) x 15” (D) and have handles on at least 2 sides.

#### (c) Delivery

- (1) Offerors shall contact the Agency via TESS-CO@tsp.gov at least 48 hours prior to planned delivery to receive a delivery appointment time. Offerors shall provide the following information in their requests:
  - (a) Company Name
  - (b) Proposal Number TIB-2013-RFP-0012
  - (c) Number of boxes being delivered
  - (d) Estimated business day for delivery
  - (e) Box # of # (e.g., 1 of 9)
- (2) On the day of delivery, Offerors shall call (202) 942-1600 and ask for the TESS Contracting Officer, if they are unable to arrive at their appointed time.
- (3) The Agency's loading dock is located on First Street NE, on the east side of the building entrance. There is no sign for the loading dock. It is the second drive on the right as you turn off K Street NE to First Street NE.
- (4) Offeror's delivery representative will be given a signed and dated/timed receipt from the Agency upon reaching the loading dock at their appointed time.
- (5) Upon arrival at the loading dock, check in with the security guard before unloading boxes onto the scanner. The loading dock is not staffed. Offerors shall ensure that their delivery personnel are prepared to unload the boxes for security scanning.
- (6) Certificate of Insurance. Building management, Brookfield Properties, requires that a Certificate of Insurance (COI) be on file for each vendor and/or courier making a delivery to 77 K Street, NE. The insurance requirements will vary depending on the delivery. Requirements for TESS deliveries are provided below (i.e., 10 banker boxes as described in Section L.13(2)). The certificate must be on file no later than 48 hours prior to services being rendered. A commercial carrier (e.g., UPS, FedEx or a courier service) may already have a COI on file with Brookfield (at 77K), but Offerors are responsible for ensuring that it is adequate for their deliveries. If you need to obtain a COI, you must deal directly with Brookfield.

**Brookfield Office Properties**  
**U.S. Commercial Operations**  
77 K Street NE, Washington, DC 20002  
T 202.467.7950, F 202.467.7959  
Shanette.Glenn@brookfield.com

**Certificate of Insurance Requirements (based on approximately 10 boxes)**

General Liability	Per occurrence	\$1,000,000
General Liability	Aggregate	\$2,000,000
General Liability	Products/completed ops	\$2,000,000
Worker's Compensation		Statutory
Employers Liability	Bodily Injury/Each Accident	\$1,000,000
Employers Liability	Bodily Injury by Disease per employee	\$1,000,000
Employers Liability	Bodily Injury Disease Aggregate	\$1,000,000
Automobile Liability	Combined Single Limit (CSL) per accident for owned, non-owned & hired autos	\$1,000,000
Umbrella	Umbrella per occurrence and aggregate	\$2,000,000

(End of Provision)

#### **L.14 PROPOSAL EVALUATION PROCESS**

- (a) The proposal shall be detailed and complete enough to clearly and fully demonstrate that the Offeror understands the requirements and the inherent risks associated with the objectives of this procurement. It is inadequate to simply state that the Offeror understands and will comply with the requirements, or to paraphrase the requirements such as: "standard procedures will be employed to..." and "well-known techniques will be used for...". The Mission Suitability Proposal shall comprehensively explain how you propose to comply with the applicable specifications, as well as the techniques and procedures you propose to implement.
- (b) For a more complete understanding of this portion of Section L, refer to the evaluation criteria set forth in Section M. The instructions in this portion of Section L are directly related to the evaluation factors set forth in Section M. This procurement will be conducted utilizing a combination of mission suitability, past performance and cost/price factors, as set forth in Section M.
- (1) Subfactor 1, Technical Approach, Business Process Services (Recordkeeping) and Information Security
- (a) Upon receipt of proposals, a page inventory will be accomplished and excess pages will be removed in accordance with (IAW) Table L-1. A review will then will be conducted to ascertain if the proposals have been properly organized IAW L.11.
- (b) Subfactor 1 will then be reviewed IAW the Evaluation Scoring System set forth in Section M paragraph M.2.

- (c) Those proposals receiving a Good, Very Good or Excellent adjective rating for Subfactor 1 will “Pass” and the remainder of their proposals will be evaluated.
  - (d) Those proposals receiving a Fair or Poor adjective rating for Subfactor 1 will “Fail” and the Offeror’s remaining proposal volumes will remain unopened and will not be evaluated. Offeror(s) will be notified upon approval of the Competitive Range Determination, if required, or at contract award.
- (2) Acceptability of Subfactor 2, Technical Approach, IT Services, and Subfactor 3, Management Approach, a page inventory will be accomplished and excess pages will be removed IAW Table L-1. A review will then will be conducted to ascertain if the proposals have been properly organized IAW L.11.
  - (3) Acceptability of Volume V - Past Performance, a page inventory will be accomplished and excess pages will be removed IAW Table L-1. A review will then will be conducted to ascertain if the volume has been properly organized IAW L.11.
- (c) The Agency reserves the right to award IDIQ Task Orders, for Representative Task Orders (RTOs) addressed in Mission Suitability Subfactors 1 and 2, as proposed. All other work will be authorized on IDIQ Task Orders negotiated between the Contractor and the Agency.
  - (d) Information previously submitted, if any, will not be considered unless it is resubmitted as part of the proposal; it must not be incorporated by reference. Offerors must not assume that the Source Evaluation Panel is aware of their company’s abilities, capabilities, plans, facilities, organization or any other pertinent fact that is important to the accomplishment of the work.

(End of Provision)

#### **L.15 USE OF CONTRACTOR PERSONNEL**

- (a) During evaluation of proposals received in response to this solicitation, the following Contractors will be utilized:

Best Value Technology Information, Inc.  
11350 Random Hills Road  
Fairfax, VA 22030

Gartner, Inc.  
56 Top Gallant Road  
Stamford, CT 06902

Poole & Associates  
121 Antler Circle  
San Antonio, TX 78232

- (b) The appropriate non-disclosure forms have been signed by all Contractor personnel and are on file with the TESS CO.

(End of Provision)

**L.16 PRESOLICITATION CONFERENCE**

- (a) A presolicitation conference was held on December 14, 1:00 – 3:00 PM at the Marriott Inn & Conference Center University of Maryland University College. Conference presentation materials are posted at [www.frtib.gov](http://www.frtib.gov) and [www.fbo.gov](http://www.fbo.gov).

(End of Provision)

**L.17 DETERMINATION OF COMPENSATION REASONABLENESS**

- (a) The proposal shall include a total compensation plan. This plan shall address all proposed labor categories. The total compensation plan shall include the salaries/wages, fringe benefits and leave programs proposed for each category of labor. The plan also shall include a discussion of the consistency of the plan among the categories of labor being proposed. Differences between benefits offered professional and non-professional employees shall be highlighted.
- (b) The Offeror shall provide written support to demonstrate that its proposed compensation is reasonable.
- (c) The Offeror shall require all service subcontractors with proposed cost reimbursement or fixed-price subcontracts having a total potential value greater than \$6,000,000 over the life of the contract to provide as part of their proposals the information identified in (a) and (b) of this provision.

(End of Provision)

**L.18 MISSION SUITABILITY****L.18.1 VOLUME I – MISSION SUITABILITY, SUBFACTOR 1**

The Offeror shall demonstrate that the proposal meets the contract requirements. The Offeror shall describe or provide the following:

**(a) Subfactor 1 – Overall Operational and Technical Approach, Business Process Services (Recordkeeping) and Information Security****(1) General Information**

- (a) Business Process Services (Recordkeeping): FRTIB's Recordkeeping systems receive, process, and administer significant volumes of participant financial and indicative information, including Personally Identifiable Information (PII), that requires accuracy, reliability, confidentiality, integrity, and availability. Work under this contract requires the Offeror to collect, interpret, store, retrieve, manipulate, test, maintain, and monitor participant defined contribution records.
- (b) Information Security: FRTIB's information systems store, process, and transmit significant volumes of sensitive information, including PII that require confidentiality, integrity, and availability. Work under this contract requires the Offeror to plan, design, implement, test, maintain, and monitor security controls.

**(2) Overall Operational and Technical Approach: Business Process Services (Recordkeeping)**

- (a) In consideration of the information provided in (a)(1) above, Offerors shall address their overall operational and technical approach for assuming and maintaining responsibility for the main TSP Recordkeeping system and all ancillary systems in the Statement of Work, in accordance with FRTIB's Recordkeeping requirements. The Offeror shall describe its approach to identifying potential Recordkeeping improvements and efficiencies as they apply to FRTIB's system of records with a description of how the approach will improve processing and reduce overall risk. Offerors shall propose their approach for maintaining flawless operations while improving the participant experience and finding efficiencies in the process.
- (b) Offerors shall propose best practices and innovations with respect to defined contribution Recordkeeping; including assumptions, rationale, and quantified efficiencies.

- (c) Offerors shall address compliance with the FRTIB regulations, Federal Employees' Retirement System Act of 1986 and applicable Internal Revenue Service regulations.

### **(3) Overall Operational and Technical Approach: Information Security**

- (a) Offerors shall address their overall operational and technical approach for implementing information security throughout the Statement of Work, in accordance with FRTIB's information security requirements. Offerors shall describe their approach to identifying potential information security improvements as they apply to FRTIB's information systems with a description of how the approach will reduce overall risk.
- (b) Offerors shall address compliance with Federal Information Security Management Act (FISMA), the National Institute of Standards and Technology (NIST) Federal Information Processing Standards (FIPS), and FRTIB's Enterprise Information System Risk Management (EISRM). In addition, Offerors shall include best practices and innovations with respect to information security; including assumptions, rationale, and quantified efficiencies.

### **(4) Scenario 1 – Thrift Savings Plan Pricing Error**

- (a) The Offeror shall provide the required information set forth in Attachment L.1.

## **L.18.2 VOLUME II – MISSION SUITABILITY, SUBFACTOR 2**

The Offeror shall demonstrate that the proposal meets the contract requirements. The Offeror shall describe or provide the following:

### **(1) Subfactor 2 – Overall Operational and Technical Approach, IT Services**

- (a) The Offeror shall address its overall operational and technical approach for assuming and maintaining responsibility for providing the IT services described in the Statement of Work. Services include: Cross Functional, Data Center, Data Network, Voice Network, End User, Service Desk, and Applications. The Offeror shall describe how its approach will maintain flawless operations, provide improvements and efficiencies, improve services, and reduce overall risk.
- (b) The Offeror shall propose best practices and innovations for the services, including assumptions, rationale, and quantified efficiencies.

**(2) Scenario 2 – Thrift Savings Plan Batch/Daily Processing**

(a) The Offeror shall provide the required information set forth in Attachment L.2.

**(3) Representative Task Order (RTO) 1 – Customer (Participant) Relationship Management System Replacement**

(a) The Offeror shall provide the required information set forth in Attachment L.3.

**(4) Representative Task Order (RTO) 2 – Migration from Virtual Infrastructure to Private Cloud Model**

(a) The Offeror shall provide the required information set forth in Attachment L.4.

**L.18.3 VOLUME III – MISSION SUITABILITY, SUBFACTOR 3**

The Offeror shall demonstrate that the proposal meets the contract requirements. The Offeror shall describe or provide the following:

**(1) Subfactor 3 - Management Approach****(a) Program Management**

The Offeror shall provide a detailed description of the program management responsibility for and authority over this contract. The Offeror shall include such elements as resolving internal resource conflicts with other company organizations, degree of autonomy of the Program Executive, and lines of communication among Agency, Contractor, and subcontractor.

The Offeror shall describe their proposed approach to the 120-day Phase-In period, including relating to and communicating with the incumbent Contractor and appropriate Agency personnel. The approach shall address how the Offeror will gain an understanding of the Agency's day-to-day operations. Details are to be provided in the Phase-In Plan, required by paragraph 18.4(b).

The Offeror shall describe how they propose to support multiple, simultaneous efforts that have competing requirements for technical expertise, timelines and delivery schedules. The Offeror shall identify their approach to maintaining and developing technical capabilities and competencies, while providing the appropriate support throughout the duration of the contract. The Offeror shall address assigning work in a changing, dynamic, and evolving technical environment, implementing delivery schedule management, identifying and managing risk, and obtaining user feedback for performance improvement.

The Offeror shall provide an approach that clearly identifies any proposed industry process models, best practices, and performance standards applicable to lifecycle management (including transition to service levels specified in the SOW) and governance of Information Technology systems.

### **(b) Organizational Structure and Chart**

The proposal shall include the Offeror's approach to organizational structure, quality management, staffing and effective utilization and distribution of the workforce, including subcontractors, in meeting contract requirements, cost constraints, and schedules. While the FRTIB organizational chart is provided for informational purposes, Offerors shall submit the organizational structure for their workforce that they believe is most efficient and effective to perform the work. Offerors should not simply reflect the Government's organizational structure as their own.

The Offeror shall describe the proposed organizational structure, including policies, procedures, and techniques for effectively and efficiently managing work, including subcontractors. Include an organizational chart that identifies where this contract fits within the corporate structure. Offerors shall provide a contract resource profile which reflects labor categories, number of positions, and hours grouped by the proposed Work Breakdown Structure (WBS) down to the fourth level. This information shall be included in the draft management plan and will be evaluated.

The Offeror shall provide an organizational chart identifying all key and critical positions by title. Key and critical positions are defined as managerial positions or positions essential to meet the Service Level Requirements (SLRs) described in the SOW. The Offeror shall describe the rationale for selecting key and critical positions and provide mapping to the applicable sections of the SOW, including SLRs. In addition, Offerors shall map the WBS in their organizational chart to the corresponding WBS set forth in Attachment L.10.

The Offeror shall describe their approach for defining interactions with FRTIB personnel in support of the governance structure.

If the Offeror is proposing a joint venture, the proposed organizational structure and chart shall reflect the joint venture.

### **(b) Key Personnel**

The Offeror shall discuss its approach and rationale for identifying, selecting and filling Key Positions (including Key Positions of Teaming Partners and

subcontractors). The Offeror shall address the Key Personnel positions proposed in Section H.10(d) Key Personnel. Describe how you will ensure key personnel maintain the minimum qualification standards.

Minimum qualifications for the following key personnel are:

Program Executives and Deputy(s)

- a Master's degree and 10 years of directly related experience and progressively greater responsibilities, or
- a Bachelor's degree and 10 years in a leadership/management role and 5-7 years professional IT experience.

Other key personnel must have a Bachelor's degree or 8 years of directly related experience and progressively greater responsibilities.

All key personnel shall submit three (3) professional or client references over the past 5 years, one of which must be a current or former supervisor.

The Key Personnel approach shall be consistent with the overall management approach and rationale.

The Offeror shall submit for each Key Personnel the following resume information:

1. Name
2. Education
3. Proposed assignment: title and organizational element
4. Current and previous positions occupied, including employers, on or after January 1, 2003
5. Current significant responsibilities or projects
6. Professional activities and achievements
7. Unique qualifications

**(d) Staffing Approach**

The staffing approach shall describe how the Offeror intends to staff this effort and how the approach will ensure the Offeror meets contract requirements. Consolidations, improvements, and other changes shall be explained in detail with a clear, convincing rationale. The staffing approach shall include a comprehensive hiring approach which presents the approximate rate of incumbent capture, those to be transferred from within the Offeror's own organization, and those from other sources.

The Offeror shall discuss their staffing approach and strategies if their primary staffing strategy is not completely successful. Offerors should describe their

ability to staff from existing resources and from outside sources to satisfy fluctuating requirements.

The Offeror shall describe the corporate reachback resources available to enhance technical, operational, and management performance under this contract. The Offeror shall describe the breadth of the corporate resource base beyond those of the contractual resources and how reachback may be obtained and applied.

**(e) Position Qualifications**

Offerors shall provide position qualifications for each specific labor category. Offerors shall provide the minimum requirements in the position qualifications, to include:

- duties and responsibilities
- licensing and/or certifications
- education
- experience

This information shall be included in the draft management plan and will be evaluated.

**(f) Significant Subcontractors**

For the purposes of the Mission Suitability Volume, a proposed significant subcontractor is defined as: 1) any proposed subcontractor that is either estimated to meet/exceed an average annual cost/fee of \$5,000,000; or, estimated to meet/exceed an average annual cost/fee of 25% of the proposed costs; or 2) any subcontractor performing work within the Recordkeeping Service Tower. *Note, the definition of significant subcontractor for the mission suitability evaluation may be different than for the past performance and cost evaluation.*

The Offeror shall describe the rationale and procedures for determining the work to be subcontracted, if any, and the procedures for managing significant subcontracts. The Offeror's planned usage, if any, of significant subcontracting agreements shall be addressed. For any significant subcontracting agreements, the Offeror shall detail the functional areas and functional split of responsibilities including the potential percentages of work to be performed. The Offeror shall discuss its plans for addressing any problems that arise as a result of the proposed organization structure or poor and/or non-performance of significantly subcontracted portions of the contract.

If significant subcontractors are proposed, the Offeror shall provide: 1) a separate organization chart for each subcontractor, 2) the basis for the

selection of each subcontractor, 3) the nature and extent of the work to be performed by each subcontractor, 4) the benefits of these arrangements to the Agency, and 5) methods of management and reporting of subcontractors' financials and technical plans and performance. The Offeror shall provide a proposed schedule for completion of subcontracting arrangements.

#### **L.18.4 VOLUME IV – PLANS AND OTHER DOCUMENTS**

##### **(a) Total Compensation Plan**

The Offeror shall provide a Total Compensation Plan (TCP) for all personnel proposed, which must:

- Classify all labor categories and provide a description of the work to be done within that category, and
- Identify the categories of personnel that are in an executive, administrative or professional capacity as defined by your organization

The Offeror and significant subcontractors (as defined in the cost volume) shall provide a detailed list of their fringe benefits and company estimated cost per hour, along with an itemization of the benefits that require employee contributions and the amount of that contribution as a percentage of the total cost of the benefit. Two exhibits shall be submitted, one containing the average of fringe benefit information for all the exempt labor categories and one containing the average of fringe benefits information for all the non-exempt labor categories. (The Mission Suitability Proposal must not include any Cost Exhibits but should reference where the information appears in the Cost Proposal Volume.)

The Offeror shall provide supporting data, such as recognized national, regional, and local compensation surveys and studies of professional, public and private organizations, used in establishing the total professional compensation structure.

The Offeror shall provide a benefit package that includes how the Offeror plans to address increases in pay, recognizing seniority of personnel.

##### **(b) Phase-In Plan**

The Offeror shall provide a detailed phase-in plan that addresses, at a minimum, how the Offeror will conduct a smooth and complete transition from the incumbent Contractor during the 120-day phase-in period to ensure continuity of operations and performance. The Phase-In period includes critical year-end Recordkeeping and tax reporting activities. The Phase-In Plan shall clearly demonstrate an ability to assume full contract responsibility, including statutory and regulatory requirements, immediately following the

Phase-In period. The Phase-In Plan shall also specifically address how ongoing work will be continued, the proposed management organization, detailed Phase-In schedule including milestones, and staffing transition. The Phase-In Plan shall address the Offeror's approach to communicating with the appropriate Agency personnel throughout the Phase-In period.

**(c) Draft Contract Management Plan**

The Offeror shall describe their day-to-day management of teams of technically and geographically diverse personnel and how multiple, simultaneous efforts with competing requirements for technical expertise, timelines and delivery schedules, will be managed throughout the duration of the contract. The Offeror shall include management of subcontractors to enhance performance and reduce risks. The Offeror shall also address methods of obtaining user feedback and implementing resulting changes to improve performance.

Based on the information provided in response to Section L.18.3, taking into account the potential growth of the Plan and technological changes, Offerors shall describe how they will maintain organizational structure and staffing (including subcontractors) to perform and manage the work on an on-going basis. Include risk management, quality management, and continuity of operations in this plan.

The Offeror shall describe their implementation and management of industry process models, best practices, and performance standards for lifecycle management and governance of Information Technology systems.

**(d) Draft Information Security Plan**

The Offeror shall submit a draft of MGMT-02 "Information Security Program Plan", as described in Attachment J.4.

**(e) Joint Venture Teaming Agreement**

If the Offeror is a joint venture, the Offeror shall provide a copy of the Joint Venture Teaming Agreement.

**(f) Errors and Omissions Insurance Policy**

The proposal shall include one complete copy of the Contractor's Errors and Omissions insurance policy, including all endorsements, riders, or other expressions of or modifications of coverage, all of which must be in a form acceptable to the FRTIB, in Volume IV, Plans and Other Documents.

**(g) Draft Organizational Conflict of Interest Plan**

In accordance with the principles of FAR Subpart 9.5, the Offeror shall submit a comprehensive OCI Avoidance Plan that thoroughly analyzes all organizational conflicts of interest that might arise because the Contractor has access to other companies' sensitive information (unequal access to information), due to biased ground rules, and/or due to impaired objectivity. The plan shall establish specific methods to control, mitigate, or eliminate all problems identified. The Final OCI Avoidance Plan, as approved by the Contracting Officer, shall be incorporated into the Contract as a compliance document.

The response shall include, at a minimum:

- i. A description of the risks to contract performance resulting from the various types of organizational conflicts of interest for the Offeror and proposed subcontractors, including consultants.
- ii. A description of the Offeror's approach, process and procedure for identifying, mitigating and/or avoiding potential organizational conflicts of interest and ensuring compliance with contract terms relevant to OCIs and limitations on future contracting.
- iii. A description of any known OCIs, including its approach for mitigating and/or avoiding them.
- iv. The Offeror shall describe its approach to identifying and protecting proprietary information and sensitive information as required by the Access to Sensitive Information clause and contract terms.
- v. The Offeror shall describe the impact of their OCI Avoidance plan on the effective and efficient performance of the Statement of Work for this contract.

#### **(h) Draft Operating Level Agreements Approach**

The Offeror shall describe its approach to negotiating and establishing Operating Level Agreements with other contractors as set forth in Section H.20.

### **L.18.5 VOLUME V – PAST PERFORMANCE**

An Offeror's past performance record indicates the relevant quantitative and qualitative aspects of performing services or delivering products similar in size and content to the requirements of this acquisition. These records shall include only contracts which began or ended during the period January 1, 2010 – Dec 31, 2012. The Offeror shall provide the following information about their past performance relevant to the requirements of the proposed contract.

#### **(1) INFORMATION FROM THE OFFEROR**

- (a) The Prime Offerors shall provide the information requested below for three to five contracts (completed and ongoing) of similar efforts with a minimum average annual cost and fee incurred of \$15M that your company has performed within the period specified above. Indicate those contracts that are most relevant to the proposed effort (i.e. similar in size and content) and how they are related. Prime Offerors also shall indicate those contracts that were performed by the division of your company that will perform the work of the proposed contract.
- (b) Offerors shall provide the information requested below for three to five contracts (completed and ongoing) of similar efforts that significant subcontractor(s) have performed similar efforts within the period specified above. For the purposes of the Past Performance Volume, a proposed significant subcontractor is defined as any proposed subcontractor that is either estimated to meet/exceed an average annual cost and fee of \$3M. Prime Offerors also shall indicate those contracts that were performed by the division of the subcontractor's company that will perform the work of the proposed contract. *Note: The definition of significant subcontractor for the past performance evaluation is different than for the mission suitability and cost evaluation.*
- (c) Offerors or significant subcontractors may consolidate past performance data on a contract vehicle that includes multiple tasks, orders, or similar arrangements, for the purposes of meeting the average annual cost or fee incurred in the instructions above and for the purpose of evaluating contract relevance for the proposed requirement.
- (d) Where applicable, Offerors shall provide the experience or past performance of their parent, affiliate or predecessor company (including a parent or affiliated company that is being otherwise proposed as a subcontractor on this effort) or joint venture where the firm's proposal demonstrates that the past performance of the parent, affiliate or predecessor is relevant.
- (e) The Offeror shall demonstrate that the resources of the parent or affiliate, such as their workforce, management, facilities, or other resources, shall have meaningful involvement in contract performance.

## **(2) PAST PERFORMANCE REFERENCE FORM AND TABLE**

- (a) The Offeror shall provide the information required by Attachment L.11 and Attachment L.12 indicating where services, similar to those required in this RFP were performed.

## **(3) PAST PERFORMANCE QUESTIONNAIRE**

- (a) The Offeror shall provide the following information on all past/current contract references that meet the above criteria for the prime Offeror and each significant subcontractor:

- (1) The company name, address, names of the references, including phone numbers, of both the lead contractual and technical personnel most familiar with the Offeror's performance record. ***Offeror must verify the telephone numbers provided are current and correct.***
  - (2) You may include up to one page of introductory material about the experience and performance of your company and subcontractors (if applicable). You may submit additional reference information on experience and past performance for consideration. This shall be subject to the page limitation constraints.
- (b) Offerors and significant subcontractors as defined above each shall submit the Past Performance Questionnaire, Attachment L.5, to all points of contact references required. The Offeror is responsible for ensuring that each of its references, including those from its major subcontractors, returns two copies of each questionnaire. The exterior of the envelope shall contain the following information:
- Past Performance Questionnaire
  - Name of the proposed prime or subcontractor being evaluated
  - The legend (DELIVER UNOPENED TO THE TESS CONTRACTING OFFICER)

Past Performance Questionnaires shall be mailed to:  
Ms. Marisol Vargas-Busch  
TESS Contracting Officer  
77 K Street NE, Suite 1000  
Washington, DC 20002

#### **L.18.6      VOLUME VI – COST/PRICE PROPOSAL**

It is important that Offerors (i.e., Prime Contractors) and significant subcontractors read and follow these cost proposal instructions carefully. The Agency reserves the right to consider an inaccurate or incomplete cost proposal indicative of the Offeror's inability to perform the work required under the contract and may be grounds for rejection of the proposal.

The cost proposal is the Offeror's estimate of the cost and fixed fee to perform the work described in this RFP. Because the Agency will use the cost proposal to determine the probable cost to the Agency, it is important that your cost proposal be accurate and complete. Each Offeror must submit cost proposals in accordance with Section L.13 and Attachment L.6, (Cost Exhibits L-001 thru L-006). Electronic format submissions of Cost

Exhibits shall contain all algorithms and calculations the Offeror utilized in developing proposed costs. No flat (e.g., PDF files) files are allowed.

Prime Offerors shall submit a pricing run as supporting information to be included within the Cost Volume. The pricing run shall include detailed cost element build up for each level of the Work Breakdown Structure (WBS), rolling into each CLIN for each contract year. The total CLIN amount included in the pricing run must match the total amount included in Cost Exhibit L-001A through L-001K. The details need to include but are not limited to the following cost elements: Direct labor hours for each labor category, direct labor amount, fringe, overhead, subcontractors, subcontractor's burden, travel, material, material burden, Other Direct Cost (ODC), G&A, Direct Labor Cost of Money, G&A Cost of Money, as well as fee. The WBS mapping to the SOW is provided in Attachment L.11.

The cost proposal shall be organized in the following manner:

Chapter	Title
-	Title Page, Cover Letter, Table of Contents
1	Prime Contractor Cost Exhibits L-001 thru L-006
2	Prime Contractor and Subcontractor Cost Exhibit L- A1 and L-A2
3	Subcontractor Cost Exhibits L-001 thru L-006
4	Prime or Subcontractor Cost Proposal Narrative

### **Cost Proposal Definition**

For cost proposal preparation instructions, the definition of a significant subcontractor is: "A significant subcontractor must exceed \$1,000,000 annually or \$6,000,000 for the total term of the contract."

Significant subcontractors shall provide Chapters 3 and 4 (see chart above) in the subcontractor cost proposal. A significant subcontractor is required to submit Chapter 2 only if the Offeror expects them to incur costs of any amount during the Phase-In period. Significant subcontractor information shall be provided to the Prime Offeror in a sealed package, appropriately marked with the subcontractor's name, and is to be included with the Prime contractor's cost proposal submission.

#### **L.18.6.1 Title Page, Cover Letter, Table of Contents**

The title page shall state the document, title, name and RFP Number, and the name of Offeror. Although a cover letter is not required, if the Offeror chooses to submit one, it must be placed at the beginning of the cost volume, after the title page. A table of contents shall be provided after the cover letter or title page listing the chapters,

sections, subsections, page numbers, and additional information deemed important for understanding the cost proposal.

The Offeror must state explicitly whether or not any exceptions are taken to the terms and conditions of the RFP. If exceptions are taken, the Offeror must list each exception, and provide the rationale for each exception. Each exception must be specifically related to a specific paragraph/section of the RFP.

**Mandated Agency Assumptions and Limitations for Offeror Pricing**

In order to promote fair and consistent pricing of this procurement, Offerors shall reflect all Agency directed assumptions and limitations in their cost proposals. Failure to comply with these assumptions and limitations may result in the determination that the proposal is non-responsive to the RFP and may be grounds for rejection of the proposal.

**L.18.6.2 Contract Start Date**

For cost proposal pricing purposes, the Offerors shall assume performance will begin **February 1, 2014**, and the Phase In period will be October 1, 2013 to January 31, 2014.

**L.18.6.3 Contractor Site Location**

In accordance with Section F.2, the Contractor's primary facility shall be located within 25 statute miles of 77 K St. NE, Washington, DC 20002. "Facility" refers to the physical office space where Contractor staff and Contractor materials will be located to service this contract.

**L.18.6.4 Definitions of Labor Categories and Skill Levels**

Section J, Attachment 7 --- Labor Category and Skill Level Descriptions, provides labor categories' minimum qualifications. Offerors must address these requirements when developing direct labor rates.

When labor categories prescribed by the Agency do not correspond to company categories and labor classifications, the Offeror must provide a mapping of company labor classifications proposed to the prescribed categories in Cost Exhibit L-003. The mapping should be included in Cost Exhibit L-003; however, if the Offeror chooses to submit the mapping of labor categories as a separate document it must be labeled as "Supplement to Cost Exhibit L-003" and included within the cost volume.

If Offerors are proposing labor categories from more than one company division in which different indirect rates apply for each division, Offerors shall submit separate Cost Exhibits L-002 and L-003 for each division.

### L.18.6.5 Historical Labor Categories and Hours Information

Section L, Attachment L.7 titled “Historical Labor Categories and Hours Information”, provides the Agency’s projected labor hours for each labor category for FY2013 work and is provided for informational purposes only. **NOTE: The RFP contains additional work not currently being performed during FY2013.**

### L.18.6.6 Direct Labor Rates including Yearly Increases

Direct Labor Rates: All references to the term “Direct Labor Rates” mean unburdened direct hourly labor rates. These rates shall represent base salaries divided by 2,080 hours, the average hours in a work year, taking into consideration weekends. The Agency will accept an Offeror’s direct labor rate annual hours other than 2,080 hours if it is in compliance with their DCAA-approved accounting practices and cost accounting standards (CAS) disclosure statements. The rate excludes all indirect burdens.

Offerors must propose detailed, unburdened base direct labor hourly rates by labor category, as identified by Cost Exhibit L-002 titled Proposed Direct Labor Hours, Rate, and Costs. Unburdened direct labor rates for all contract years must be based on the same methodology used for the proposed first annual year (basic) of the contract. Proposed escalation applied to direct labor rates for successive annual years must be specifically identified and supported by written discussion of the escalation methodology applied.

### L.18.6.7 Estimated Travel for Proposal Pricing Purposes

Offerors shall use the Agency's cost estimate for pricing travel costs by Prime and significant subcontractor(s). Travel will be cost reimbursable with 0% fee. The travel prescription amount does not include any indirect charges such as G&A and handling. If the Offeror normally applies any indirect charges (G&A and handling) to travel, they must be priced in Cost Exhibit L-0011.

Agency estimates for travel:

#### Travel Prescription

	Performance Period	Amount
1	Year 1 (Base Year)	\$150,000
2	Year 2 (Base Year)	\$150,000
3	Year 3 (Option 1 Year 1)	\$150,000
4	Year 4 (Option 1 Year 2)	\$150,000
5	Year 5 (Option 2 Year 1)	\$150,000

6	Year 6 (Option 3 Year 1)	\$150,000
<b>Total</b>		\$900,000

#### **L.18.6.8 Estimated Other Direct Costs for Proposal Pricing Purposes**

Offerors shall use the Agency's cost estimate for other direct costs (ODC). The Agency intends to exclude charges for such items as rental of facilities, purchase or rental of office furniture, office equipment, computers, peripheral devices, telephone network and any other expenses that may be captured in indirect charges (Fringe, Overhead, and G&A). If any of these costs are not captured in the Offeror's indirect expense pools in accordance with Contractor's approved and disclosed accounting practices, Offerors must propose estimates for those expenses under separate line item in Cost Exhibit L-001K. Facilities and Occupancy Costs are not to be combined with Agency ODC cost estimates below.

#### **ODC Prescription**

	<b>Performance Period</b>	<b>Amount</b>
1	Year 1 (Base Year)	\$65,000
2	Year 2 (Base Year)	\$65,000
3	Year 3 (Option 1 Year 1)	\$65,000
4	Year 4 (Option 1 Year 2)	\$65,000
5	Year 5 (Option 2 Year 1)	\$65,000
6	Year 6 (Option 3 Year 1)	\$65,000
<b>Total</b>		\$390,000

#### **L.13.6.9 Estimated Contractor Acquisition (Material or Purchases) for Proposal Pricing Purposes**

Offerors shall use the Agency's cost estimate for Material or Purchases pricing in accordance with SOW 3.3.1.2.4, and are inclusive of proposed Prime Offerors and significant subcontractors. Material or Purchases are cost reimbursable with 0% fee. The Material or Purchases prescription amount does not include any indirect charges, such as G&A and handling. If an Offeror applies any indirect charges to Material or Purchases, it shall be priced accordingly in Cost Exhibit L-001J.

Agency estimates for Material or Purchases:

**Material Purchases/ Prescription**

	<b>Performance Period</b>	<b>Amount</b>
1	Year 1 (Base Year)	\$500,000
2	Year 2 (Base Year)	\$500,000
3	Year 3 (Option 1 Year 1)	\$500,000
4	Year 4 (Option 1 Year 2)	\$500,000
5	Year 5 (Option 2 Year 1)	\$500,000
6	Year 6 (Option 3 Year 1)	\$500,000
<b>Total</b>		<b>\$3,000,000</b>

**L.18.6.9 Contract Line Item Pricing**

As part of their cost proposal, an Offeror must submit a copy of completed Section B from this RFP with all costs and fees appropriately inserted.

**L.18.6.10 Uncompensated Overtime**

The Agency requires a 40-hour workweek; therefore, uncompensated overtime shall not be included as part of the calculation of the direct labor rate.

Offerors shall propose base labor rates in accordance with the instructions set forth in Section L.18.6.6 for uniformity during the evaluation period. The Agency will accept an Offeror's direct labor rate methodology in compliance with their DCAA approved accounting practices and Cost Accounting Standards (CAS) Disclosure statements. The Offeror must provide proper and sufficient rationale if they need to deviate from Section L.18.6.6 in the development of base direct labor rates. An example is provided in Cost Exhibit L-003 "Development of Direct Labor Rates for First Year of Contract."

**L.18.6.11 Prime and Subcontractors Cost Exhibits, Section L, Cost Exhibits L-A1, L-A2, L-001, and L-006**

Below are the instructions for the required cost exhibits. Offerors and subcontractors must submit proposed cost data in the cost exhibits, utilizing Excel files included as part of the RFP. The provided labor hours in these exhibits will be used in preparation of the cost information. Offerors must clearly identify each cost exhibit, follow the prescribed format, include all of the information requested, and sequentially number the pages as appropriate. Deviations are to be clearly identified and explained. In addition to these

cost exhibits, each Offeror and subcontractor must submit any additional data, supporting schedules or substantiation that will facilitate the Agency's evaluation of the proposal. The Offeror is responsible for ensuring the accuracy and completeness of all proposed prime and subcontractor data.

Offerors may revise the format of the cost exhibits L-001-L-006 and L-A1 to either include or exclude line items to more accurately represent their elements of cost.

### Summary of Cost Exhibits

L-A1	Proposed Cost/Price by Element of Cost for Phase-In Period
L-A2	Phase-In Proposed Direct Labor Hours, Rates and Costs.
L-001(A-K)	Proposed Cost/Price by Element of Cost, Year, and Contract Term
L-002 (A-H)	Proposed Direct Labor Hours, Rates and Costs
L-003	Development of Direct Labor Rates for First Year of Contract
L-004	Indirect Expense Schedules
L-005	Summary of Offeror's Government Audit Information and Disclosure Statement
L-006 (Govt. Site) and (Contractor Site)	Proposed Summary of Offeror's Fully Loaded Direct Labor Rates for IDIQ efforts

#### **L.18.6.12 Section L – Cost Exhibit L-A1 - Phase-In Task Order to Be Issued At Contract Award**

The Agency anticipates handling Phase-In as a separate purchase order or contract as set forth in Section B. Offerors are required to price and submit Phase-In costs in Cost Exhibit L-A1. The contract type for the Phase-In effort is Firm Fixed Price. The price for the Phase-In shall not be included as part of the total proposed cost in Cost Exhibit L-001.

#### **L.18.6.13 Section L – Cost Exhibit L-001 – Proposed Cost and Price by Element of Cost, Year, and Contract Term**

Offerors and significant subcontractors shall provide this cost exhibit. This cost exhibit requires that the proposed cost be displayed by element of cost, by year, and by each of the six years of the contract to produce a cumulative cost by year, and a total proposed cost. Significant subcontractor costs, taken from the total price inclusive all of elements of each significant subcontractor's L-001, must be included as an element of cost in the Offeror's cost exhibit. The Offeror's cost exhibit (inclusive of all elements of cost) must match what is proposed in Section B. Cost elements shall reflect the Offeror's accounting system. If Facilities Capital Cost of Money (FCCM) is not originally proposed, it will not be an allowable cost under the contract.

The Summation of Cost Exhibits L-001A - L-001K shall match to L-001. L-001A - L-001K are the break out of cost and price by Element of cost, year and contract term at the CLIN level as described in Section B of the contract. Attachment L.8 is provided as a mapping of Cost Exhibits L-001A through L-001K to the CLINs outlined in Section B.

Cost Exhibit L-001 Direct Labor is the summation of the Prime Offeror direct labor cost taken from Cost Exhibit L-002, Proposed Direct Labor Hours, Rates and Costs.

For the Prime Offeror only, the elements of subcontractor cost must exactly match the total, inclusive of all of elements of costs, in Cost Exhibit L-001, Proposed Cost/Price by Element of Cost, Year, and Contract Term as submitted by the subcontractor. The Offeror must include references to the page number/section of their cost proposal that provides appropriate support for the cost element amounts.

#### **L.18.6.14 Section L – Cost Exhibit L-002 – Proposed Direct Labor Hours, Rates and Costs**

Each Offeror and significant subcontractor shall provide this cost exhibit, which is for direct labor only. Indirect rates and other direct charges appear on separate cost exhibits. There shall be a separate Cost Exhibit L-002, Proposed Direct Labor Hours, Rates and Costs for each Offeror or significant subcontractor.

The Summation of Cost Exhibits L-002A - L-002H shall match L-002. L-002A – L-002H are the proposed labor hours, rates and costs at CLIN level, as described in Section B, of the contract. Attachment L.8 is provided to map Cost Exhibits L-002A through L-002H to the CLINs outlined in Section B.

For years two (2) through six (6), the direct labor rate for each labor category must be based on the same methodology used to develop the prior year's rates. Proposed escalation for subsequent years must be specifically identified, by year, and include a supporting discussion of the methodology utilized for escalation.

It is not the Agency's intent to treat labor normally considered indirect, such as administrative functions, contract administration, subcontract administration, and

contract accounting as direct labor. The listed RFP categories do not include these functions.

Each proposing Offeror or significant subcontractor must define its policy, or intent, regarding the treatment of labor for such administrative functions as contract administration, subcontract administration, and contract accounting. If any of the above stated costs are not captured in the Offeror's indirect expense pools in accordance with Contractor's approved and disclosed accounting practices, Offerors must propose estimates for those expenses under a separate line item; not to be combined with the Agency provided labor categories under cost exhibits L-001, L-002, L-003 and L-006.

If Offerors are proposing labor categories from more than one company division in which different indirect rates apply, separate Cost Exhibit L-002 and L-003 shall be provided for each division.

#### **L.18.6.15 Section L – Cost Exhibit L-003 – Development of Direct Labor Rates for First Year of Contract**

This cost exhibit requires the methodology used to develop proposed direct labor rates. Each Offeror and subcontractor must provide this cost exhibit. Inaccurate, incomplete, or unsubstantiated information in Cost Exhibit L-003, or in its related discussion, could increase the risk of the proposal, or result in the elimination of a proposal from further consideration for award.

It is imperative that Offerors be as realistic as possible when preparing this exhibit. Bid category rates should exist, be easily verifiable, and Defense Contracting Audit Agency (DCAA) approved bid rates, or Defense Contract's Management Agency (DCMA)'s Forward Pricing Rate Agreement (FPRA), or Forward Pricing Rate Recommendation (FPRR).

If the Offeror does not have the approvals set forth above, the prime Offeror and significant subcontractors must show how they developed/proposed the year 1 rate using internal, corporate bid rates that can be easily audited or verified. It is assumed that the Offeror has pre-existing, readily accessible direct labor rates commonly used for proposal pricing and that the Offeror will use these rates to develop the proposed rates. If this is the case, the Offeror must show the RFP labor categories on the left side of the cost exhibit, the company bid categories and rates across the top, and at each intersection, must identify the percentage the bid category is of the labor category. At the far right, the Offeror must list the sum of the products of bid category rates and percentages that bid category are of the labor category. If an Offeror proposes to escalate the current bid category rate to a projected rate, they must list the current rate and the escalation rate at the top of the cost exhibit with a detailed explanation.

Where an Offeror does not have existing bid categories that correspond to the RFP categories, a mapping of proposed rates to Agency provided categories must be

provided. In addition, thorough explanations regarding the methodology employed in developing the labor category rates are mandatory. Offerors may have to base proposed direct labor rates on the rates of individual employees. If so, the Offeror must list each employee's name, current rate, and weighting (percent) assigned to the employee's rate. An Offeror that escalates the current rate must explain how and why it did so. Offerors that use individual employees' rates to develop RFP category rates must list the qualifications (education and experience) of each employee. Offerors shall provide their rationale for not using bid category rates and explain the development of each RFP category rate, including existing verifiable data, assumptions and methodologies applied.

Offerors may not change the mix of company bid labor categories from contract year to contract year. Proposed escalation for subsequent year direct labor rates must be specifically identified and supported by written discussion of the escalation methodology applied.

Once the Offeror has developed a mix of bid category rates for a given labor category, the same mix shall be utilized for every contract year, including all option periods.

Where labor categories prescribed by the Agency do not correspond to company categories and labor classifications, the Offeror shall provide a mapping of company labor classifications proposed to the prescribed categories in Cost Exhibit L-003. The mapping should be included in Cost Exhibit L-003, but if the Offeror (or significant subcontractor) chooses to submit the mapping of labor categories as a separate document, it is to be labeled as "Supplement to Cost Exhibit L-003", and shall be included with the cost volume.

If Offerors are proposing labor categories from more than one company division in which different indirect rates apply, separate Cost Exhibit L-002 and L-003 shall be provided for each division.

#### **L.18.6.16 Section L – Cost Exhibit L-004 – Indirect Expense Schedules**

Each Offeror must include a schedule of indirect expenses for every indirect cost pool included in the proposal (e.g., labor overhead, G&A, fringe, material overhead). Offerors are discouraged from creating indirect expense pools solely for purposes of responding to this RFP. However, if the Offeror commonly does this and has no practical alternative to meet proposal requirements, it must provide rationale for the expense pool, corporate policy regarding the establishment of the pool, and information on similar pools, along with any audit data available.

The Offeror must list amounts for individually accounted for pools, not group totals. For example, it must list amounts for specific fringe benefit items (vacation, holidays, sick leave, pension plan, medical insurance, etc.). Listing only a fringe benefit total is not sufficient. Similarly, the Offeror must list separate amounts for rent depreciation,

indirect labor, and the other items that comprise the overhead pool. Further, the Offeror must list the total expense pool amount (numerator), allocation base amount (denominator), and rate (quotient) for each indirect expense category proposed. See Section L, Cost Exhibit L-004 titled Indirect Expense Schedules as an example.

Note: Two sets of Indirect Expense Schedules shall be presented – one showing Contractor Facility indirect rates and one Agency Facility indirect rates.

#### **L.18.6.17 Section L – Cost Exhibit L-005 – Summary of Offeror’s Government Audit Information & Disclosure Statement**

Offerors and significant subcontractor are required to provide this cost exhibit, which provides summary information on each Offeror’s latest audit as well as Agency points of contact. The Offeror shall comply with FAR Cost Principles and submit an up-to-date copy of the Offeror’s CAS Disclosure Statement. The Offeror shall also provide any information resulting from Agency review and findings with regard to the Offeror’s accounting system or disclosure statement.

CAS Disclosure statements will be required from businesses acting as prime or significant subcontractors. Compliance with FAR Cost Principles is mandatory and associated information regarding the Offerors accounting system and ability to accurately collect costs under a cost reimbursable contract is required as part of your proposal submittal.

For CPFF contract types, primes and significant subcontractors not having DCAA/DCMA review of their accounting systems must detail their methods to accurately collect and segregate costs under a cost reimbursable contract to comply with FAR Cost Principles. Significant subcontractors who are expected to perform work only under a T&M or FFP contract types do not have to submit this information.

An Offeror’s accounting system must be adequate for determining costs applicable to the contract. DCAA/DCMA review and audit of an Offeror’s accounting system may be conducted after contract award. If the contractor does not have a DCAA/DCMA approved accounting system and purchasing system at the time of contract award, approval shall be obtained within 9 months from the performance start date. In the event an Offeror’s accounting or purchasing system is determined inadequate, the contract may be terminated for convenience.

In addition, and as part of this cost exhibit, all Prime Offeror’s shall provide the following information:

- Documentation that reflects the Offeror’s ability to cover payroll and other operating and administrative expenses to accommodate Agency “in arrears” payments for work performed for a period up to 60 days;

In addition, and as part of this cost exhibit, all Prime Offeror's and significant subcontractors shall provide the following information:

- The specific location (address or addresses for prime and significant subcontractors) where auditable cost information physically resides that supports amounts proposed;
- The company employee (name, address, phone number, e-mail address, etc.) who can be contacted by DCAA to provide cost realism audit information for your company (prime) or partners (in a teaming, joint venture or partnership situation) and significant subcontractor(s) as defined for cost proposal preparation;
- The name and address of the cognizant DCAA field audit office to which electronic and hardcopy proposals were sent; and
- The status of each Offeror's disclosure statement and business systems, such as accounting and estimating, as well as information that may assist the Agency in the performance of a DCAA audit (e.g., recent proposal audit, the basis for direct labor rates, escalation factors and indirect rates that the Offeror intends to use in developing its cost proposal).
- Cost Proposal (Volume IV) shall be concurrently delivered to the Cognizant DCAA auditor at the time specified for proposal submission in Section L.2.
- Each Offeror must provide the Audit Information called out in Cost Exhibit L-005 "Summary of Offeror's Agency Audit Information & Disclosure Statement."

#### **L.18.6.18 Section L- Cost Exhibit L-006 – Summary of Fully Burdened Direct Labor Rates**

Offerors and significant subcontractors shall propose fully burdened direct labor rates for each labor category by year. The fully burdened direct labor rates will become the maximum allowable rates permitted under any task order for IDIQ efforts for all contract types defined under this contract.

Note: Two sets of Fully Loaded Direct Labor Rates Schedules shall be presented – one showing Contractor-Site loaded with indirect rates and the other showing Government-Site loaded with indirect rates.

The fully burdened direct labor rate shall include the direct labor rate, applicable indirect rates, and fee.

The Prime Offeror's and significant subcontractor's sanitized, fully-burdened direct labor rates (Agency site) are to be included in Section B.

The Prime Offeror's and significant subcontractor's sanitized, fully-burdened direct labor rates (Contractor site) are to be included in Section B.

#### **L.18.6.19 Subcontractor/Consultant Listing**

The Prime Offeror must submit a complete listing of all proposed subcontracts, consultants, and inter-divisional transfers. This listing must provide the following information for each subcontract, consultant, and inter-divisional transfer:

Name of subcontractor, consultant, inter-divisional transfer  
Description of effort  
Type of contract  
Hours and costs proposed

#### **L.18.6.20 Contractor Cost Proposal Narrative**

**The Offeror must provide a detailed narrative that addresses the following areas:**

- 1) Direct Labor Rates (including escalation)
- 2) Indirect Rates (Fringe, OH, G&A and etc.)
- 3) Other Direct Costs (including escalation)
- 4) Proposed Fixed Fee
- 5) FTE Annual Productive Labor Hours

For each significant subcontractor, consultant, and inter-divisional transfer, the Offeror shall provide separate cost exhibits, Cost Exhibits L-001 thru L-006 found in Section L of this RFP. Additionally, the prime Offeror must provide its internal analysis of the all subcontractors/consultant/interdivisional-transfer proposal, including a determination that the proposed pricing is fair and reasonable.

#### **L.18.6.21 Direct Labor Rate Narrative**

The prime Offeror and each significant subcontractor, consultant, and inter-divisional transfer shall address the rationale used for the development of the proposed direct labor rates. The prime Offeror and each significant subcontractor must address the extent that DCAA/DCMA FPRA, FPRR/approved bid rates were utilized, and explain any differences between DCAA/DCMA approved rates and proposed rates and shall address use and rationale of escalation for direct labor.

The prime Offeror and significant subcontractors shall confirm that its proposed rates reflect a NOT-TO-EXCEED 40 hour workweek.

#### **L.18.6.22 Direct Labor Hours Narrative**

The prime Offeror and significant subcontractors shall verify that it does or does not include labor for the following administrative functions: contract administration, subcontract administration, human resources, and contract and invoice accounting.

Prime Offerors and significant subcontractors shall define their policy or intent regarding the treatment of labor for such administrative functions as contract administration, subcontract administration, and contract accounting. If any of the above stated costs are not captured in Offeror's indirect expense pools in accordance with Contractor's approved and disclosed accounting practices, Offerors shall propose estimates for these expenses as a separate line item under Cost Exhibits L-002, L-003 and L-006.

**Each firm shall include the following completed statement in their cost volume:**

**Administrative Function Statement**

**{Insert Company Name Here}, ( ) will not direct charge administrative functions associated with contract administration, subcontract management, human resources, contract/Invoice accounting, to the TESS contract, ( ) will direct charge labor for administrative functions as mentioned above as verified to be in accordance with the Contractor's approved and disclosed accounting practices. Estimates for these expenditures are captured as additional, separate line items in Cost Exhibits L-001, L-002, L-003 and L-006.**

**L.18.6.23 Indirect Rates**

Offerors shall address the rationale used for development of each proposed indirect rate. Offerors shall address the extent that DCAA/DCMA FPRA, FPRR/approved indirect rates were utilized, and explain any differences between DCAA/DCMA approved rates and proposed rates. Offerors shall clearly explain application of each rate.

**L.18.6.24 Other Direct Costs**

Offerors shall address any proposed other direct costs (prescribed), such as travel (prescribed), materials or purchases (prescribed), consultants, and interdivisional transfers. Please also provide a justification/narrative of the any additionally proposed ODCs.

The Agency intends to exclude charges for such items as rental of facilities, purchase or rental of office furniture, office equipment, computers, peripheral devices, telephone network and any other expenses that may captured in indirect charges (Fringe, Overhead and G&A). If any of the above stated costs are not captured in Offeror's indirect expense pools in accordance with Contractor's disclosed accounting practices, Offerors shall propose estimates for those expenses under a separate Contract Line Item for all CLINs associated with Occupancy and Facility Costs and shall not be combined with Agency cost estimates.

All Other Direct Costs shall be a 0% fee.

#### **L.18.6.25 Occupancy and Facility Cost**

The Agency intends to exclude charges for such items as rental of facilities, purchase or rental of office furniture, office equipment, computers, peripheral devices, telephone network and any other expenses that may be captured in indirect charges (Fringe, Overhead and G&A). If any of the above stated costs are not captured in Offeror's indirect expense pools in accordance with Contractor's approved and disclosed accounting practices, Offerors shall propose estimates for those expenses under Attachment L-001-K.

**Each firm shall include the following completed statement in their cost volume:**

#### **Occupancy and Facility Cost Statement**

**{Insert Company Name Here}, ( ) will not direct charge Occupancy and Facility Costs to the TESS contract, ( ) will direct charge for Occupancy and Facility Costs as verified to be in accordance with the Contractor's approved and disclosed accounting practices. The contract type for Occupancy and Facility Cost is Firm Fixed Price (FFP).**

All Occupancy and Facility Costs shall be a 0% fee.

#### **L.18.6.26 Cost or Price Data**

It is anticipated that the pricing of this RFP will be based on adequate price competition; therefore, Certified Cost or Pricing Data is not required. However, after receipt of proposals, it may be determined that adequate price competition does not exist and that certified cost or price data is required. In this event, a Certificate of Current Cost or Pricing Data will be required immediately after agreement on cost/price is reached. Meanwhile, the cost estimates, rationale and supporting cost information for Section B pricing is required in accordance with Section L, but need not be certified. The Agency reserves the right to obtain and require other than cost and pricing data from Offerors as necessary to determine cost/price reasonableness and realism for this procurement.

#### **L.18.6.27 Cost Plus Fixed Fee/Profit**

Offerors shall clearly address their proposed fixed fee dollars and percentage in its proposal and in Cost Exhibit L-001 "Cost Exhibit: Proposed Cost/Price by Element of Cost, Year, and Contract Term". Offerors need to clearly define their fee basis. The fixed fee, once negotiated, does not vary with actual cost but may be adjusted as a result of any subsequent changes in the scope of work or services to be performed under the contract.

**L.18.6.28 Requirement for Concurrent Cost/Price Proposal Delivery to DCAA**

A copy of the prime and all significant subcontractor's cost/price proposals (both electronic and hardcopy) are to be delivered to each respective Cognizant Defense Contract Audit Agency (DCAA) field audit office concurrent with delivery to FRTIB. If the Offeror does not know the Cognizant DCAA field audit office, the information is readily available on the world-wide-web at [www.dcaa.mil](http://www.dcaa.mil). Once the web site is accessed, click on the "Audit Office Locator" link. Enter the Offeror's company's 5 digit Zip Code in the area provided and click on the adjacent "Search" button. (It is important that the Offeror enter the 5 digit Zip Code for the Offeror's company location where auditable books and records supporting amounts in the Offeror's proposal physically reside.) Once the search is completed, the Cognizant field audit office physical and E-Mail addresses and Voice and FAX telephone numbers will be displayed.

**L.18.6.29 Commercial Pricing**

A Commercial Offeror or significant subcontractor shall submit the following items and Cost Exhibits L-001, and L-006.

Provide data related to prices that can be used to verify and validate the proposed price data related to prices (e.g., established catalog or market prices, sales to non-governmental and governmental entities). The Offeror shall include appropriate data for those prices at which the same or similar items have been sold previously, adequate for evaluating the reasonableness of the price.

Break out of the fully loaded rates are not required for businesses that are defined as Commercial by FAR 2.101:

"Commercial component" means any component that is a commercial item.

(c) "Commercial item" means---

(1) Any item, other than real property, that is of a type customarily used for nongovernmental purposes and that---

(i) Has been sold, leased, or licensed to the general public; or

(ii) Has been offered for sale, lease, or license to the general public;

(2) Any item that evolved from an item described in paragraph (c)(1) of this clause through advances in technology or performance and that is not yet available in the commercial marketplace, but will be available in the commercial marketplace in time to satisfy the delivery requirements under a Government solicitation;

(3) Any item that would satisfy a criterion expressed in paragraphs (c)(1) or (c)(2) of this clause, but for \_\_\_\_

(i) Modifications of a type customarily available in the commercial marketplace; or

(ii) Minor modifications of a type not customarily available in the commercial marketplace made to meet Federal Government requirements. "Minor" modifications means modifications that do not significantly alter the non-governmental function or essential physical characteristics of an item or component, or change the purpose of

a process. Factors to be considered in determining whether a modification is minor include the value and size of the modification and the comparative value and size of the final product. Dollar values and percentages may be used as guideposts, but are not conclusive evidence that a modification is minor;

(4) Any combination of items meeting the requirements of paragraphs (c)(1), (2), (3), or (5) of this clause that are of a type customarily combined and sold in combination to the general public;

(5) Installation services, maintenance services, repair services, training services, and other services if such services are procured for support of an item referred to in paragraphs (c)(1), (2), (3), or (4) of this clause, and if the source of such services---

(i) Offers such services to the general public and the Federal Government contemporaneously and under similar terms and conditions.

## **L.18.7 VOLUME VII – MODEL CONTRACT**

### **Part I: Standard Form 33 and Completed Model Contract**

In order to facilitate the possibility of award without discussions, Offerors shall submit five (5) original signed copies of the completed contract (including five (5) signed original Standard Form 33s) to be fully consistent with its proposal. The Offeror shall submit five (5) original copies of all SF-30, Amendment of Solicitation, issued for this solicitation.

The following items are parts of the contract that Offerors are required to complete:

Contract Selection	Areas of Model Contract Offerors are Required to Complete
Section A	Complete, sign, and date the SF 33
Section B	
Section C	NONE
Section D	NONE
Section E	NONE
Section F	NONE
Section G	NONE
Section H	NONE
Section I	NONE
Section J	Offerors will submit the required documents set forth in Section L
Section K	All

### **Part II: Representations, Certifications and Other Statements of Offeror**

Offerors shall submit their completed Representations and Certifications and other Section K provisions. This material is to be provided as part of the model contract.

**Part III: Contract Exceptions**

The Offeror must state explicitly whether or not any exceptions are taken to the terms and conditions of the RFP. If exceptions are taken, the Offeror must list each exception, and provide the rationale for each exception. Each exception must be specifically related to a specific paragraph/section of the RFP.

(End of Provision)

**L.19 LIST OF ATTACHMENTS**

<b>Attachment</b>	<b>Title</b>
<b>L.01</b>	TSP Pricing Error Correction Scenario
<b>L.02</b>	Daily Batch Scenario
<b>L.03</b>	Customer Relationship Management System Replacement
<b>L.04</b>	Virtual Infrastructure to Private Cloud
<b>L.05</b>	Past Performance Questionnaire Template
<b>L.06</b>	Cost Exhibits (L-A1, L-A2, L-001 through L-006)
<b>L.07</b>	Historical Labor Categories and Hours Information
<b>L.08</b>	Cost Exhibit Mapping to Section B (CLINs)
<b>L.09</b>	FRTIB/OTS Organization Chart and Functional Statements
<b>L.10</b>	Statement of Work - Work Breakdown Structure
<b>L.11</b>	Past Performance Reference Form
<b>L.12</b>	Past Performance Table

(End of Provision)

[END OF SECTION L]