Basic Ordering Agreements for Staff Augmentation

This is a running list of questions received and answered prior to release of the ORNL RFPs for staff augmentation services. Questions related directly to the RFP will be answered at the pre-solicitation and pre-proposal meetings.

Explanation of Approach

The goal of ORNL's new strategy is to utilize staff augmentation as it is intended—that is, for short-term needs—and to do so more effectively and efficiently. We are not making these changes because we want to internalize the work within the laboratory. ORNL will continue to utilize deliverable-based subcontracts, and we will continue to fill longer-term labor needs by hiring lab employees.

Our new approach will improve our overall small business performance because there are currently large businesses providing these services. In the future, all work within these scopes will be set aside for small businesses.

This is an open competition. ORNL has no predetermined winners for any of the four BOAs.

Also, it is important to note that the federal government is undertaking its own strategic sourcing actions under the Category Management requirements of the Office of Management and Budget (OMB), with the common goals of "buying common goods and services as an enterprise to eliminate redundancies, increase efficiency, and deliver more value and savings from the Government's acquisition programs." (https://www.whitehouse.gov/wp-content/uploads/2019/03/M-19-13.pdf). ORNL evaluated the use of GSA OASIS labor agreements and obtained agreement from DOE to solicit proposals directly.

General Basic Ordering Agreement (BOA) Details

1. At some time, can you provide more details on the labor categories for each Basic Ordering Agreement (BOA) for assembling a team?
    Answer: Yes, this will be discussed at the pre-bid meeting and each statement of work (SOW) will have examples of labor categories.

2. What is the expected annual value?
    Answer: The estimated range is $5M - $8M annually for each BOA. The maximum for each BOA for the base 2 years plus option year will be <$25M.

3. What will be the duration of the new BOAs? Are they 5-year agreements?
    Answer: Each will be a 2-year base with one option year.

4. Is there going to be a max ceiling for each of the 4 BOAs?
    Answer: The estimated range is $5M - $8M annually for each BOA. The maximum for each BOA for the base 2 years plus option year will be <$25M.

5. How will you handle sponsor by-name requests for services under this model?
    Answer: We are not certain of the meaning of this question. If this refers to individuals identified by ORNL (such as retirees), the solicitation will address this scenario.

6. Can you provide a list of all existing BOAs incumbent contractors under the four categories?
    Answer: It is not our standard practice to provide lists of incumbents. We are doing business with around 80 suppliers currently across the four categories.

7. Did ORNL consider a Managed Service Provider model?
   Answer: We benchmarked commercial industry and government and developed this strategy based on ORNL's specific needs and requirements. We did evaluate a traditional Managed Service Provider as an alternative.

8. Will both Fixed Price and "staff aug" tasks be issued under the BOAs?
   Answer: Yes.

9. How long after RFP release will the proposals be due?
   Answer: This will be answered in each solicitation. Generally, proposal development time is expected to be 6 weeks. We recognize that more time may be required and will consider due date extensions after the RFP is released.

10. If we have a current employee on a subcontract that ends prior to the new BOAs being awarded (i.e. contract ends in Feb., but BOA isn't awarded until May). Will there be an opportunity to extend until the new BOA if employee is still needed or will there be a gap until the new BOA is awarded?
    Answer: We won't have a gap in service, but because each situation is unique, we can't generalize an answer. For all current subcontracts or task orders, contact the cognizant UT-Battelle Procurement Officer. The Procurement Officer will address any needed actions on the orders they administer.

11. How is a contractor to know exactly which of the 4 BOAs their current work will fall under in the future?
    - Answer: The solicitations for the BOAs will provide additional detail regarding what is included in each. At a high level:
        - **Project Management/Business** is traditional project management and business functions. Administrative assistants are in this scope. Project manager, project assistant, project controls analysist, etc. Procurement, finance, accounting, HR, auditors, etc.
        - **Engineering** includes all engineering, design, and drafting functions (except software engineering)
        - **IT** includes all traditional IT functions.
        - **Science and Technical Support** covers research assistants, as well as ES&H, quality, and technician type labor categories.

12. Is software development under IT or engineering?
    Answer: Software Development labor categories, such as software engineers, will be included in the scope of the Information Technology solicitation. Specific software development work is often deliverable-based and would not be within the scope of these staff augmentation procurements.

13. Will the BOA winners have to perform 50% of the work?
    Answer: To meet the requirements of a set-aside, at least 50% of the cost of performance for personnel shall be for employees of the small business (or service-disabled veteran-owned small business (SDVOSB) for the IT BOA awardee). Under SBA rules, the small business prime contractor can utilize similarly situated subcontractors to meet these performance requirements. A similarly situated subcontractor is a subcontractor that has the same required size and small business program status as the prime contractor.

14. Wasn't there a BOA in late 2020 for Architectural and Engineering (AE) services, is that null and void or still open?
    Answer: AE services are deliverable-based and therefore not within the scope of these staff augmentation procurements.

15. We have submitted recently for an AE BOA. Where does this solicitation fall in the current strategy?
    Answer: AE services are deliverable-based and therefore not within the scope of these staff augmentation procurements.

16. We recall what we think is a comparable strategy being applied at Y-12 about 5 or 6 years ago, resulting in approximately ½ of small businesses interested in that work leaving Oak Ridge. Is there a concern that this situation may be duplicated with this action?
    Answer: This is not a duplicate of Y-12's action, which involved establishment of a single BOA. We spoke with Y-12 at length about their experience. Our approach is based on lessons learned at Y-12 and other DOE sites as well as input we sought from the Oak Ridge business community over the past two years.

17. With the projected growth of ORNL employees, is it anticipated that work formerly subcontracted to small businesses will now be self-performed by ORNL employees? If so, what is the projected annual value of this work or projected percentage split between ORNL employees and suppliers?
    Answer: Any decision to hire ORNL staff rather than to subcontract the work will be based on the requirements of the job and based on the criteria outlined in the "Worker Type Decision Guide" that we have posted to our website. ORNL's FY21 procurement volume is projected to be the same as FY20.

18. Have other DOE labs implemented this strategy?
    Answer: Yes, most Labs of ORNL's size are using a similar approach.

    If so, which ones and what has been the documented downside and/or upside for the small business community that they have observed? What are the referenced lessons learned from DOE labs?
    We cannot speak for other labs or sites.

19. In terms of the differing rate structures referenced previously, what other subcontracting options, beyond the current plan of 4 BOAs, were considered to lessen this variable?
    Answer: Implementation of a BOA in the four areas we have outlined is the most logical way to ensure consistency across the laboratory.

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21. Can you please review/explain the "industry benchmarking" discussed previously?
Answer: We benchmarked other DOE sites, TVA, the NASA Jet Propulsion Laboratory, and Vodaphone, and we performed market research via publications. We identified several common best practices and used this information to develop a strategy that satisfies the needs of the Lab and keeps small businesses engaged. Key points:
- Human Resources should be part of the process of obtaining labor, whether via a contracting mechanism or the hiring process.
- A "term limit" for staff augmentation workers is common and ensures staff augmentation is used for short-term or surge capacity rather than as a longer-term solution that effectively bypasses the hiring process.
- A structured contracting mechanism is critical to providing an understandable, efficient, and consistent process for onboarding staff augmentation workers.
- Having fewer suppliers reduces the direct and indirect costs of these services and provides for a clear, manageable process.
- Companies that implement this type of strategy continue using it because it meets their organization's goals.

22. Is it your expectation that the current escalation of small business spend will continue growing under the new strategy? If so, please explain how the 4 BOAs will accommodate this rate of small business spending. If not, can you offer a projection of how small business spend will decrease under the new strategy?
Answer: Yes, we expect continued growth in small-business spending because large businesses currently provide many of these services and, going forward, all work within these scopes will be set aside for small businesses.

23. For the planned subcontracting strategy, there is much concern within the small business community related to the teaming that may result. For example, under the Technical Engineering Professional Services (TEPS) Basic Procurement Agreement (BPA), it is observed that the small business lead keeps all the work, sharing none or little with small business partners. As teaming within the small business community is different in many ways with large business teaming, this situation has "soured" many across the small business community for the concept proposed by ORNL. How will ORNL respond to this undesirable condition such that work is not limited to just the small business leads but is rather shared across their teaming partners?
Answer: Each successful offerors' proposed strategy will become part of the agreement and they will be held accountable to conduct business in the manner proposed.

24. Can large businesses be a sub to the small business leads?
Answer: Yes, subject to the Limitations on Subcontracting requirements of each award.

25. Collapsing 100+ contracts into 4 BOAs will leave out many smaller companies. The BOAs were presented as single award and represent a very large and diverse scope to manage. The presentation did not discuss how second tier contractors can be structured, which leaves the door wide open for a large business to hide behind a small business front. Please address this issue.
Answer: Half (50%) of the scope must be performed by the awardee or "similarly situated" businesses, and the awardees will be small businesses. The other half of the work is unrestricted.

26. Please explain the alignment of the 4 BOAs at < $25M each to the $375.3M ORNL spent with Small Business in 2020.
Answer: ORNL is not consolidating all of its subcontracts into these four BOAs. The four BOAs represent a limited scope that has historically ranged from $20M-$30M in invoiced cost annually. The $375.3M cited on our slide includes all awards to all small businesses and illustrates that ORNL has been and always will be committed to meeting (and often exceeding) our small business goals. ORNL's total procurement spend in FY20 was about $1B.

27. The Small businesses support a lot of specialized work at ORNL. Currently, the PI's have the flexibility to source the expertise they need. The plan removes the PI independence and inserts an organization that does not have the requisite subject matter expertise into the decision process. The plan appears to encourage a "lowest price only mentality" on the part of those making the award decision. Please address this observation.
Answer: This will be a competitive procurement selected on a best-value basis where technical merit is of higher importance than price. ORNL will include technical staff on the source selection teams. If the selected suppliers are not able provide the services required, we will be able to obtain them via another procurement mechanism.

28. What are the NAICS codes?
Answer: This will be answered at each pre-solicitation meeting.

29. Will a recently awarded BOA, last November, be honored?
Answer: Subcontracts and task orders will not be ended early under this strategy. However, periods of performance will not be extended. Following implementation, new task orders will not be issued under existing BOAs.

30. How does the small business office fit in the process?
Answer: The ORNL Small Business office is a resource and advocate for small businesses navigating any ORNL procurement action.

31. When, how, and what criteria will be utilized for determining hire vs subcontract?
Answer: These BOAs are intended for labor needs with a duration of 18 months or less. Each new requirement for labor will be evaluated against a set of internal criteria and ORNL will take the action that supports our strategy for obtaining labor.

32. How soon after the pre-solicitation meeting will the RFPs be released?
Answer: This will be answered in the Pre-Solicitation meeting.

33. I am very curious about future opportunities for technical services, that are best provided as a task or one-time project basis, such as, Environmental Assessment, an engineering design, a Civil Survey, specialty study.
Answer: Statement of work-based actions with firm deliverables are not part of this procurement.

34. We are new vendors to ORNL and are still understanding the process. If each BOA is awarded to one company, where do smaller sub-contractors/vendors fit in?
Answer: This is a new acquisition strategy for ORNL, so whether a new or existing supplier, everyone is getting up to speed on the new approach at the same time. In our benchmarking we found that many successful awardees were teamed suppliers that brought the highest value to the table. To be clear, we do not favor one approach or the other and will evaluate each offer on its merits against the evaluation criteria in the solicitation. To facilitate teaming opportunities, we will share the attendee list of the pre-solicitation meetings.

35. In that these are staff augmentation contracts, will staff augmentation resources be permitted to continue working offsite once ORNL's COVID restrictions are relaxed? very curious about future opportunities for technical services, that are best provided as a task or one-time project basis, such as, Environmental Assessment, an engineering design, a CivilSurvey, specialty study.
Answer: Yes, provided it meets the needs of the TPO, work meets standards, etc. Situations are evaluated on a case-by-case basis.

36. A significant portion of the cost associated with staff augmentation contracting at ORNL is due to the site and organizational burden that ORNL applies on top of staff augmentation billing rates over which subcontractors have no control. In that a stated goal of these BOAs is to reduce cost, will ORNL be sharing the responsibility for this goal by reducing the site and organizational burden applied to the staff augmentation subcontractors' billing rates or is it ORNL's expectation that staff augmentation contractors are solely responsible for delivering UTB's cost savings by offering severely discounted pricing?
Answer: ORNL's cost accounting practices are an internal matter and are not part of any cost savings equation.

37. What will happen with existing subcontracts that have a natural termination date that occurs before the award of the BOA that will encompass the effected scope of work?
Answer: New procurements and extensions will be processed to continue work as required.

38. It was stated during the Community Meeting that these will be best value awards. Since bidders will presumably be providing past performance and rates for staff augmentation positions based upon position descriptions or other criteria provided by ORNL, what criteria, in diminishing order of importance, will UTB be basing a best value determination on? Please indicate the percentage value of each criteria.
Answer: To maintain the integrity of the procurement process, solicitation-specific information will not be released outside of the formal process.

39. It Will BOA awardees be able to add team members after BOA award?
Answer: Key subcontractors may be requested during performance.

40. Will registration be required for the Pre-Solicitation meetings?
Answer: Yes. Please see the home page of https://smallbusiness.ornl.gov for registration.

50-Mile Radius

41. Can you elaborate further on the 50-mile criteria and which Basic Ordering Agreements (BOAs) they will pertain to?
Answer: The 50-mile radius will apply to: Project Management/Business, Engineering, and Science and Technical Support. The 50-mile radius will NOT apply to IT.

42. Is the 50-mile radius a hard requirement?
Answer: Yes.

43. How do you define "presence" within 50 miles? Office space, employees in the area etc.….?
Answer: We define "presence" as having a staffed and operating office within a 50-mile radius of ORNL that is ready to support the BOA at the time of award. The solicitation will have details on how this will be evaluated.

44. Can a business that does not have a presence within 50 miles of the laboratory be part of a larger BOA team if they are not the prime contractor?
Answer: Yes, subject to the Limitations on Subcontracting requirements of each award.

45. Wanted to get clarification on the 50-mile radius requirement. If a contractor has a satellite office within the 50 miles does that meet the requirement? Does the contractor employee need to reside in the 50-mile radius?
Answer: We define "presence" as having a staffed and operating office within a 50-mile radius of ORNL that is ready to support the BOA at the time of award. The solicitation will have details on how this will be evaluated. Distance limitations do not apply to employees of the Seller.

46. An out-of-state small business has been informing many that they are the "preferred company" to win the ORNL IT Staff Augmentation. With ORNL not setting the "local company within a 50-mile radius" requirement, many believe this could be corrected to get clarification on the 50-mile radius requirement. If a contractor has a satellite office within the 50 miles does that meet the requirement? Does the contractor employee need to reside in the 50-mile radius?
Answer: ORNL has no such preferred company for the IT BOA or any of the other BOAs. The awards will be based on the selection criteria.

IT BOA

47. Will ORNL still get service-disabled veteran-owned small business (SDVOSB) (Small business credit) if the awarded SDVOSB is acquired by a LB or they size out during the contract period?
Answer: The normal rules and regulations will apply for situations like this one. Suppliers do not "size out" during the period of performance of an agreement. If the small business is acquired by a different company it will be at ORNL's discretion whether to proceed with the new supplier via a novation or follow another course of action.

48. Will there be a Foreign Ownership, Control or Influence (FOCI) requirement for clearances under the IT Basic Ordering Agreement (BOA)?
Answer: Yes, the proposal must demonstrate the offeror's ability to obtain a favorable FOCI determination. However, a currently active FOCI is not required to bid.

49. What happens if a reseller has recently responded to a standalone RFP for IT staffing services or IT Training services?
Answer:
Subcontracts and task orders will not be ended early under this strategy. However, periods of performance will not be extended. Following implementation, new task orders will not be issued under existing BOAs. Training services are typically a deliverable-based subcontract and would not be part of this procurement.

50. With the many IT full-service providers in the local area, can you further explain why you believe the IT BOA does not need to require the company to be within a 50-mile radius?
Answer: ORNL establishes set-asides based on its small business subcontracting goals and performance.

51. The only SDVO small business that performs work outside of 50 miles from ORNL is in Huntsville, AL. If it's set aside for an SB outside of Oak Ridge, why would any local SDVO bid on the opportunity?
Answer: There are many SDVO small businesses that provide IT services across the country. Any SDVO that is interested in this opportunity is welcomed and encouraged to submit a proposal on this procurement, including any local SDVOs.

52. For existing IT contractors, will there be a "badge swap", or will this be a BOA for future projects only?
Answer: We think this question is regarding transitioning workers from one BOA to another. This will be addressed in the solicitation.

53. Why limit and restrict IT to only Disabled Veteran owned? That cuts a lot of small companies out of contention.
Answer: ORNL establishes set-asides based on its small business subcontracting goals and performance.

54. Was market research conducted to make the determination to solicit the IT BOA as SDVOSB?
Answer: Yes.

55. If there are 4 procurement awards. Looking at the one for IT. Then does that mean 1 company will be similar to a Prime and responsible for fulfilling all of Oak Ridge's staff augmentation needs? Or there could be several IT staffing firms able to serve?
Answer: There will be one awardee for each of the four BOAs. How that awardee fulfils the requirements of the BOA will be based on the proposal offered. As has already been noted, firms are able to team together for this requirement.

56. During the community meeting, ORNL stated that after research, a local company could not be located to supply ORNL's needs. This seems unlikely with knowledge of several highly qualified IT SDVOSB's that are local, and with teaming opportunities, their qualifications will be further strengthened. Will ORNL reconsider and allow local companies the opportunity to compete for this work?
Answer: Local SDVOSB's have always had the opportunity to compete for this work. Openness to firms nationwide includes openness to local firms, too.

57. Does UTB have a preferred SDVOSB IT provider outside the local area, thus necessitating the removal of the local area restriction?
Answer: No.

58. In that the VA's Center for Verification and Evaluation (CVE) is the only verifying body for Service-Disabled Veteran-Owned Small Businesses pursuant to 13 CFR 125, will UTB be requiring current CVE-verification for bidders on the IT BOA?
Answer: No.

59. During the presentation, it was stated that IT, the only SDVOSB-set aside, was the only BOA that was not restricted to a local firm reportedly because of the breadth of the IT scope. Ironically, breadth of scope is usually the rationale given for NOT setting scope aside for SVDOSBs, not the reason for casting the SDVOSB net wider. How was the availability of adequate IT skilled SDVOSBs in the local market assessed?
Answer: We considered the relatively small number of SDVOSB's available locally and determined a national reach would better ensure the best quality and value for ORNL.

60. The timeline is aggressive and appears inadequate for those who wish to compete for this work. Pre-solicitation meetings are a week away and RFPs are expected about a week later. This will not allow enough time to perform due diligence for teaming partners and teaming arrangements. One explanation is that a preferred awardee already exists and there is a desire to diminish competition. That impression is very strong regarding the SDVOSB RFP that is about to go out for the Information Technology BOA. What assurances can you provide that this is or is not the case?
Answer: ORNL does not have a preferred awardee and we desire multiple competitive proposals. Any allegation to the contrary is false.

Engineering BOA

61. If there is only 1 awardee per category how will the engineering boa be awarded. I find it difficult to see one engineering company taking on all of the capabilities of oak ridge from transportation to nuclear fission work. Also, if 1 company is awarded the revenue from that award alone would bump them out of a small business category (roughly 35 million per procurement) small businesses are supposed to be under 7 million in revenue per year. Am I interpreting this incorrectly?
Answer: The SBA publishes rules for determining a business's size status, It is up to each individual business owner to evaluate whether taking on new work will change their size classification and if so, how that fits in their own business growth strategy.

Project Management and Business BOA

62. Is the PM/Business Support a set-aside. What services are expected to be included?
Answer: Yes, it is a small business set-aside. Project Management/Business is traditional project management and business functions. Administrative assistants are in this scope.

63. When is the project management and business BOA solicitation expected to be released?
Answer: As early as February 2021.

64. Does only the prime small business have to be local? Answer: The company awarded the BOA must be local.

18-Month Limitation

65. Will ORNL hire the small-business person after 18 months if they are still needed? What if theyare part time?
    Answer: If a worker is needed for more than 18 months ORNL will hire for that position. All hiring is accomplished through a job posting and evaluation of candidates.

66. Is the contract length of 18 months inclusive of base year and option years?
    Answer: These are two separate items: 1) the BOA's base term will be for 2 years with a one-year option and 2) any staff member provided will be limited to an 18-month term of service.

67. You have addressed the advantages of the combined BOA approach. What are the advantages of the 18-month cap on the contingent workforce?
    Answer: This is an internal business decision made by ORNL based on our strategy for executing work. We plan to use contingent workers for short-term needs and hire employees for longer-term needs.

68. It sounds like at the end of the 18-month cap ORNL will want to change transition staff to ORNL permanent staff. Is that accurate?
    Answer: No, If a position needs to be filled by an ORNL employee, hiring is accomplished througha job posting and evaluation of candidates.

69. ORNL has described a scenario in which contingent (i.e. BOA) staff can be assigned for a maximum of 18 months, and then must be away for 6 months before returning to the assignment. During the 6 month "away" period, can the staff be working on another contract or contingent task at ORNL, or are they not allowed to work an ORNL activity during that time? We ask because the new 18-month cap on continuous work for contingent staff presents small businesses with a significant challenge.
    Answer: During the 6-month "away" period the person could not work under another one of the staff augmentation BOAs for UT-Battelle. There are no restrictions on workers performing other work, such as under a separate fixed priced subcontract.
    a. Small business options are to release staff from employment after 18 months and find new staff (creating a greater challenge in hiring as "temp" work, creating a continual hiring loop, and increasing HR costs which are then passed on in the form of higher rates)
    b. IF alternate employment options are available (very low probability for SB), SB's may retain staff.
    c. Consider the potential need to increase rates to cover 24 months of employment over an 18-month period
    d. Given these challenges and options, what is ORNL's vision for how small businesses are expected to handle the new 18-month cap rule on contingent staff?
    We appreciate this feedback and these concerns are noted. ORNL will evaluate offers and award the BOAs based on the source selection strategy. In all BOAs, technical factors will be of higher importance than price.

70. If the subcontractor has not finished his task in 18 months, can we get an exception to extend the subcontract (like engineers' time)?
Answer: No.

71. Will the employee be released after 18 months? If yes, won't this discourage applicants knowing they only have job for 18 months, thus eliminating qualified candidates working for ORNL? Why or why not?
Answer: Yes, staff augmentation subcontractors will be limited to 18 months followed by a six-month break. Jobs that require a longer tenure will be filled as ORNL term or staff positions or through subcontracting mechanisms approved for temporary but longer- than-18-month terms.

72. If the Will the employee be hired by ORNL after 18 months? If yes, will there be an option for the client to receive an additional fee from ORNL for the permanent placement?
Answer: If ORNL determines that a position previously filled by a subcontractor needs to be filled by an ORNL employee, the lab will post the position and hire the best candidate. The lab will not "convert" subcontractors into permanent staff members.