

## WM2013 Conference Panel Report

### PANEL SESSION 66: Procurement and Contracting Opportunities with US DOE Prime Contractors

**Co-Chairs:** **Roger Merrick**, *Engineering/Remediation Resource Group, Inc.*  
**John Coffman**, *DeNuke Contracting Services, Inc.*

**Panel Reporter:** **Lisa Burns**, *WAI Energy and Sustainability Consultant*

#### Panelists:

1. **David Hess**, *Procurement Director, US DOE-EM Consolidated Business Center*
2. **James Hall**, *Director of Business Development, URS Corporation, Global Management and Operations Services*
3. **William Badger**, *Public Affairs and Strategy Manager, CH2M HILL Nuclear Business Group*
4. **William Shingler**, *Vice President of Operations, Fluor Government Services, Environmental and Nuclear Group*
5. **Ed Wannemacher**, *Director of Business Development, Babcock and Wilcox (B&W) Technical Services Group*

About 80- 100 people attended this panel session which focused on small business procurement/contracting opportunities within the US DOE Complex. The session was in response to the DOE encouraging prime contractors to obtain greater amounts of goods and services from small businesses. In April of 2012, the Secretary of Energy increased the Department's small business goal from 6 to 10 percent of US DOE prime contracting dollars. These goals are often reflected in the prime contractor's award fees. The panelists discussed their particular company's response to this increased goal of 10 percent and how and if they are meeting the goal.

#### **Summary of Presentations**

**David Hess** provided an overview of the function of the EM Consolidated Business Center (EMCBC) as well as a discussion of the recent accomplishments and challenges ahead in upcoming DOE-EM procurements. David provided a list of the ongoing and upcoming procurements:

- ▶ EM Nationwide Multiple Award Indefinite Delivery/Indefinite Quantity (ID/IQ) for Commercial Waste Disposal
  - ▶ Portsmouth Engineering and Technical Services
  - ▶ DUF6 and Lexington Engineering and Technical Services
  - ▶ Paducah Gaseous Diffusion Plant Deactivation
  - ▶ Lawrence Berkeley National Laboratory "Old Town" D&D
  - ▶ Hanford Laboratory Services
  - ▶ ETEC Site Operations and Cleanup
  - ▶ Los Alamos National Laboratory
    - Natural Resources Damages Assessment Implementation
    - Below Ground Waste Retrieval
- ▶ EM Nationwide ID/IQ Architect/Engineer Owners Rep

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In addition, David stated that the EMCBC achieved a 30 percent funding obligation to small businesses in FY 2012 (the goal was 6 percent). The EMCBC continues to look for ways to structure procurements for small businesses. David provided a list of subcontractor points of contact as well as points of contact for the EM Nationwide ID/IQ ER/D&D contracts. David suggested that to achieve success as a small business in DOE procurements, small businesses should respond to special notices for market research, attend pre-proposal conferences, visit the Office of Small Disadvantaged Business Utilization (OSDBU) website, contact the EMCBC Small Business Program Manager, and attend small business conferences, summits, and business fairs.

**James Hall** described the URS corporate structure and their current market share in the DOE-EM market. Jim then discussed the current URS Management Services Contracts within DOE and how these contracts are structured for small business opportunities. Jim stated that URS negotiated an award fee goal of 52% of procurement dollars to be provided to small businesses in FY 2013, 2014, and 2015. URS beat this goal in FY 2012 by providing 56% of its prime contract procurement dollars to small businesses, equating to \$987.13 M. Jim is confident that URS will continue to achieve or beat the goal of 52%. URS subcontracting plans for future work includes mostly low risk work from pre-selected subcontractors. Jim's advice to small businesses included concentrating on how to execute the work, communicating with prime contractors on your capabilities, and doing extensive homework prior to a procurement opportunity.

**Bill Badger** started his discussion with a view of CH2M Hill today and the current DOE prime contracts. Bill stated that the CH2M Hill corporate goal is 45% of prime contract dollars should be allocated to small businesses. This is reflected in the success at the Hanford PRC contract which provided 49% of contract dollars to small businesses in FY 2012 and the Idaho Cleanup Project 1 achieved 66%. Both the ICP 1 and the new ICP 2 contracts have a small business contracting goal of 45%. Bill did interject that the ICP contract needs small businesses that can provide and meet the DOE's contract requirement for environmental sustainability, including the purchase of environmentally preferable products such as recycled content, bio based and energy and water efficient. Bill also delineated their Small Business Program Mission which was to match knowledgeable and skilled subcontractors with meaningful work; promote, develop and implement aggressive small business and socioeconomic subcontracting goals; serve as an advocate for small businesses; and integrate with subcontracts and procurement. Bill relayed the need to use small businesses that work safely, provide high quality products and services, adhere to cost and schedule requirements, and provide innovative tools and ideas. Bill ended by suggesting that small businesses register in their Central Contractor Registration database.

**Bill Shingler** provided a comprehensive overview of the Fluor corporate structure and in particular, the Fluor Government Group and its long history of work for DOE. Bill stated that the Fluor small business program is more than just a contractual goal, it is an integral part of their organization, culture, and business philosophy and that Fluor thinks of small businesses as a partner, not a necessary contract condition. To prove this point, Bill stated that the Fluor Government Services Group awarded \$3B to small businesses in the last 3 years and has exceeded all contract goals for small businesses at SRNS. In addition, Fluor achieved a 55% subcontract award percentage to small businesses at PORTS in FY 2012. Bill assured small businesses that Fluor wants to award substantive subcontracts to small businesses, not just staff

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augmentation type of subcontracts. Bill described Fluor's extensive DOE Mentor-Protégé program and stated that they currently have two DOE protégé firms. Bill encouraged small businesses to position themselves during these tough economic times and develop strong partnerships between yourselves and large businesses (stating that the mentor-protégé program is worthwhile). Bill's key to weathering the current economic times is to:

- Build on current relationships,
- Perform well and safely,
- Bring solutions to the table,
- Maintain a competitive edge, and
- Understand the regulations.

**Ed Wannemacher** began with an overview of the B&W legacy within the DOE complex and the current company metrics. Ed included a summary of the four major B&W business units and their evolving technology portfolio. His discussion continued with a list of the major DOE-EM projects and their current scope. Ed encouraged small businesses to get involved in the pre-proposal stage of contracts and to contact the B&W Small Business Program managers at each of the current sites where B&W is involved. The presentation included a slide on small business opportunities and needs at DUF6, Y-12, and Pantex.

### **Questions and Answers**

In response to a question regarding contract structure for upcoming procurements at Lawrence Livermore and other sites, David Hess replied that no decision has been made but he assumes they will be structured for small business. He suggested a decision will be made in FY 2014.