

The Idaho National Laboratory Contract

Managing the Nation's
Nuclear Technology and National Security
Laboratory

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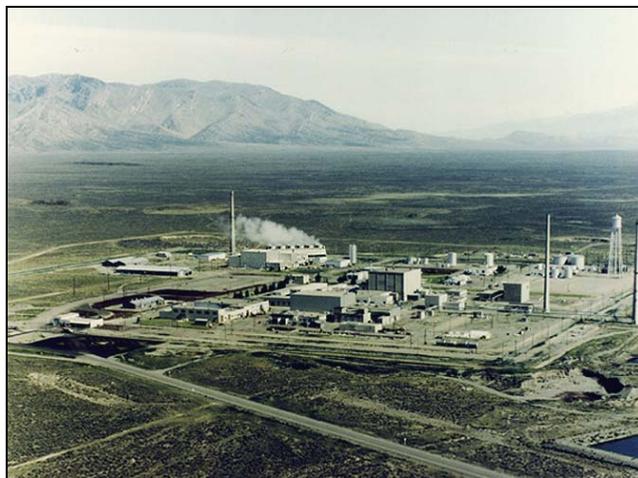
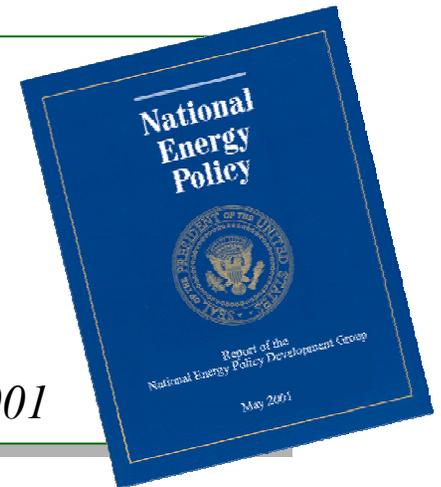
June 18, 2003



The *National Energy Policy*: Driving the need for the Idaho National Laboratory (INL)

“The NEPD Group recommends that the President support the expansion of nuclear energy in the United States as a major component of our national energy policy.”

Report of the National Energy Policy Development Group, May 2001



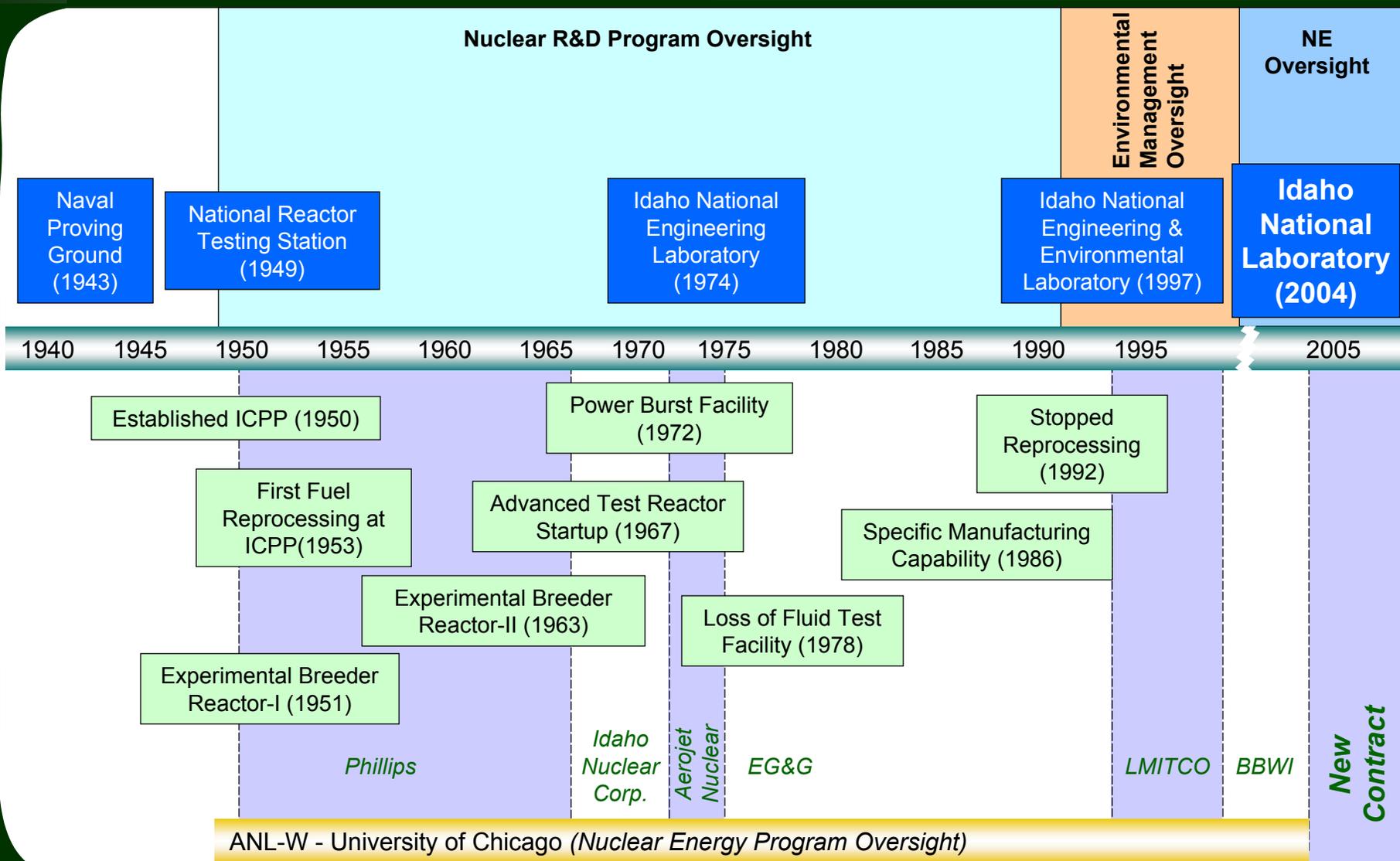
Test Reactor Area - Idaho

Recommendations:

- ◆ Support expansion of nuclear energy in the United States
- ◆ Develop advanced nuclear fuel cycles and next generation technologies
- ◆ Develop advanced reprocessing and fuel treatment technologies



Adding to a 50-Year History of Achievement



The Acquisition: *Keys to NE's Philosophy*

◆ **Flexible**

- Encourage a wide range of proposal approaches and teaming arrangements
- Allow for advantageous use of offeror's resources and capabilities

◆ **Open**

- Internet dialogue
- Exchanges with offerors
- Encourage offeror's input and ideas to maximize success

◆ **Creative**

- Allow for novel approaches
- Encourage participation from broadest possible range of potential offerors



How Did We Get to This Meeting?

Secretary of Energy Decision:

◆ Two separate and distinct missions

- Revitalize U.S. nuclear energy research and development
- Accelerate site cleanup and closure

◆ Existing contract work scope is not optimal for either mission

◆ Separation allows:

- EM contract to focus on cleanup
- Lab to develop and mature without distraction

◆ New contract:

- Enables integration of ANL-W with INEEL
- Change in central site mission to nuclear R&D



What We Will Accomplish at INL

The Office of Nuclear Energy Vision

- ◆ **Advance Nuclear Energy Technology Through Applied Research, Development, and Demonstration**
 - Gen IV Reactor Development
 - Advanced Fuel Cycle Initiative
 - Advanced Systems Modeling
 - Coordination of International Collaboration

- ◆ **Create a Center for National Security Technology**
 - Homeland Security Technologies
 - Technology Development for Intelligence Community
 - Department of Defense Program Support
 - Nonproliferation/Counter Proliferation Systems Development



What we will accomplish at INL

The Office of Nuclear Energy Vision (cont.)

- ◆ **Provide Advanced Technology Services and Support to Vital United States Government Missions**
 - Nuclear Space Initiative
 - Radioisotope Power/Heat Source Program
 - Specific Manufacturing Capability

- ◆ **Conduct Basic Scientific Research in Support of Key DOE Missions**
 - Materials Sciences and Testing
 - Nuclear Fuel Technology
 - Biological and Environmental Sciences
 - Fusion Energy



How Will We Accomplish This New Mission: *Our Overall Strategy*

- ◆ **Establish long-term relationship with a world-class contractor or team with strong R&D credentials**
- ◆ **Use high-level, objective performance measures to focus work and provide clear expectations**
- ◆ **Restructure work force to create an internationally recognized management, technical, and scientific team**
- ◆ **Develop strong, relevant domestic and international partnerships**
- ◆ **Encourage creativity, flexibility, reliability, and aggressive pursuit of objectives**



Key Interfaces with the New NE Contract

◆ EM Accelerated Cleanup and Closure Contractor

- EM contractor viewed as a tenant on an NE site
- EM contractor may purchase embedded services
- Goal is to minimize interfaces/interrelationships
- Shift financial resources to INL as EM cleanup resource needs decrease
- After clean up, some facilities will eventually transfer to INL

◆ Naval Reactors

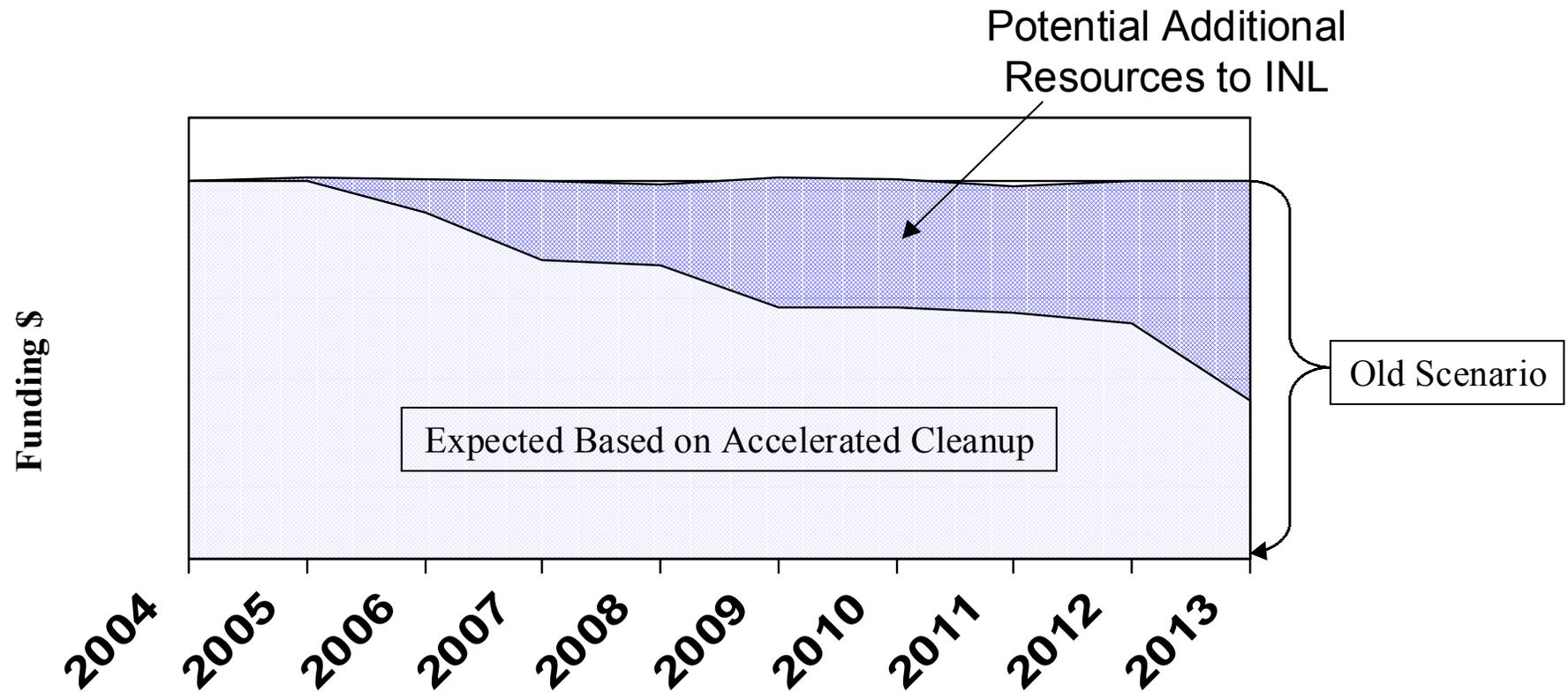
- No change - provide host services for Naval Reactors Facility

◆ Other Federal Users

- No change - still a multiprogram site providing technical staff, facilities, manufacturing/production capabilities, *etc.*



The Laboratory and Cleanup Contracts are Interdependent



Relationship Between INL Solicitation and EM Accelerated Cleanup and Closure Solicitation

- ◆ **Same contract start date**
- ◆ **Completely different scopes, contract types, strategies, and selection criteria**
- ◆ **Interfaces are recognized and accommodated**
- ◆ **Shift financial resources to INL as EM cleanup resource needs decrease**
- ◆ **NE and EM working closely throughout process**



Performance Goals for INL

- ◆ **Percent reduction in overhead costs: is 20 percent over the first three years of management achievable? 30 percent over five years?**
 - Additional fee for each year that overhead is reduced further?

- ◆ **Percent reduction in long-term Laboratory footprint: is 25 percent over five years achievable?**
 - Establish clear plan for consolidation by the end of the first year?

- ◆ **Increase non-DOE project/program investments at INL user facilities: is 400 percent over five years achievable?**



Performance Goals for INL

- ◆ **Increase proportion of INL staff that have advanced technical degrees: is 300 percent over five years achievable?**
 - Additional fee if 400 percent over five years?
- ◆ **Reduce safeguards and security costs: is 35 percent over five years achievable?**
 - Additional fee if 50 percent over five years?
- ◆ **Fully integrate ANL-W and INEEL staff, infrastructure, and programs, and achieve efficiency gains: is at least 5 percent of total costs before merger achievable?**
 - Additional fee if a 10 percent savings is achieved?

We Will Solicit Your Ideas



Acquisition Schedule

- ◆ **Draft RFP Issued for Comment:** **Early Fall 2003**
- ◆ **Final RFP Issued:** **Late Fall 2003**
- ◆ **Proposals Due:** **Early 2004**
- ◆ **Contract Award:** **Summer 2004**
- ◆ **Contract Effective Date:** **October 1, 2004**



<http://nuclear.gov>

VISIT THESE WEBSITES

<http://www.INL-RFP.gov>