



## **Welcome to the CNS Partners in Excellence Workshop**

**Event Topics:** Quality Requirements for Subcontractors, Construction & Design Opportunities, Contract Types & Clauses and Networking

**Note:** You are muted when you first join the event and cannot unmute yourself. If you need assistance, please send a message to the Host via Chat.

If your audio is not functioning, please call in using the information below:

**Phone Number:** US Toll +1(415) 527-5035

**Access Code:** 199 0713 834

**Event Password:** 25797822 (phone connections only)

**We Will Begin Shortly**

# General Webex Information

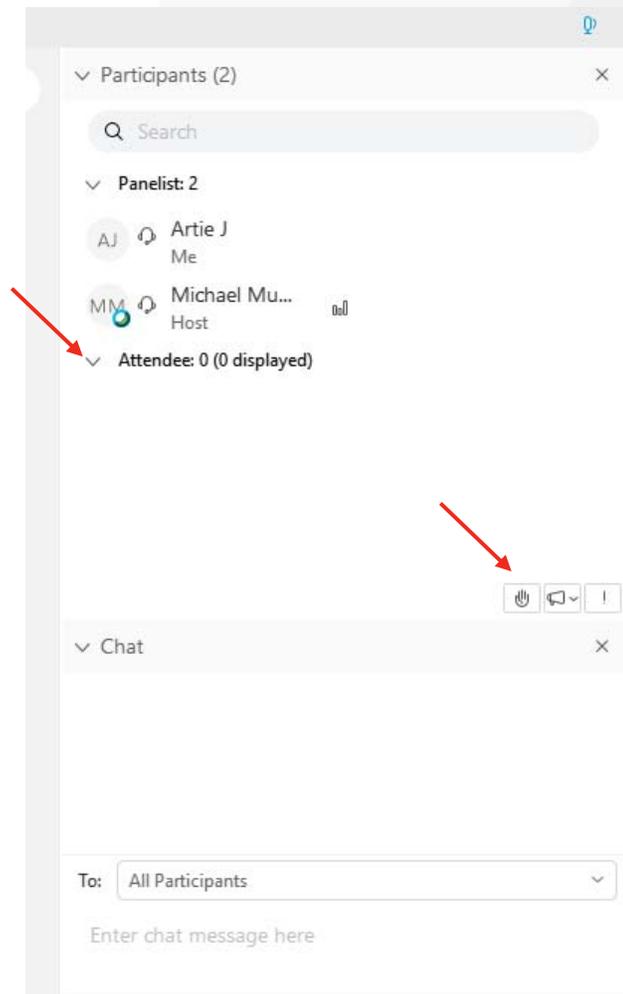
## Important Notes to Remember for All Participants:

- Please keep your mic on **mute** during the presentation to keep feedback or other background noise from distracting the presenter and/or other attendees 
  - **Note:** Attendees are automatically set to Mute upon entering the workshop and cannot Unmute themselves unless given permission by the Host
- Please do not speak out during the presentations unless requested/called upon by a panelist or presenter
- Slow or Questionable Internet Connection? Dial in:
  - **Audio Conference:** US Toll +1-415-527-5035
  - **Access Code:** 199 0713 834
  - **Event Password:** 25797822 (for phone connection only)
  - Please Note: This info is provided to us by Webex, however, individuals may receive slightly different login/password info based on their unique registration confirmation emails.

# General Webex Information

## Important Buttons to Take Note of:

- In the middle of your screen, to the right of your name in the Participants list, you will see a mic button. This controls the mute function.
- In the Participants list on the right side of your screen, you will see those who are designated as Panelists and just yourself within the Attendee section.
  - If you wish to view other Attendees, select the blue “**View All Attendees**” button located under your name in the Attendees section of the list
- If you have a question that you would like to ask, select the **Raise Hand Button** located at the bottom right side of the participants list on the right side of your screen.
- If you would like to say “**Yes**” or “**No**” you may select the response button located at the bottom of the Participants list on the right side of your screen (directly next to the raise hand icon)



# General Webex Information

## Chat Functions within Webex:

- Under the Participants list, there will be a Chat menu (may be collapsed at the bottom– if so select “Chat” and the menu should be revealed)
- Selecting the “**To**” button within the Chat menu will designate who will receive your message
  - **To all Participants:** Everyone in the meeting will be able to view your chat message (Should not be used unless directed to)
  - **To all Panelists:** Only all Panelists will be able to view your chat message
  - **To Host:** Your message will only be visible to the Host
  - **To Presenter:** Only the individual currently presenting will be able to view your chat message
  - **To Host and Presenter:** The Host and the Presenter will be able to view your message
  - **Selecting Individuals Name:** Selecting an individual’s name will make your chat message only visible to the individual that you have selected.
  - **Note:** During our Q&A Session, questions should be sent to all Panelists. **If questions are sent to another individual or group in the Chat menu, they may not be seen.**

# Workshop Agenda

<b>2:00 to 2:05/1:00 to 1:05</b>	<b>CNS Virtual Webex Overview &amp; Safety Share – Greta Ownby/Randy Crawford Distracted Driving Month</b>
<b>2:05 to 2:10/1:05 to 1:10</b>	<b>Welcome &amp; Opening Remarks – Cindy Morgan</b>
<b>2:10 to 2:30/1:10 to 1:30</b>	<b>Quality Requirements for Subcontractors –Lawrence Baldy Q &amp; A (5 Minutes)</b>
<b>2:30 to 3:10/1:30 to 2:10</b>	<b>Breakout/Networking Session Moderators: Bryant Bales, Bo Pebley, Jeff Gillmore, Lindsey Sullivan</b>
<b>3:10 to 3:25/2:10 to 2:25</b>	<b>CNS Construction and Design Opportunities Pantex and Y12 – Kim Irwin Q &amp; A (5 Minutes)</b>
<b>3:25 to 3:50/2:25 to 2:50</b>	<b>Contract Types &amp; Clauses – Bill Bridenbaugh Q &amp; A (5 Minutes)</b>
<b>3:50 to 4:00/2:50 to 3:00</b>	<b>Closing Comments – Jason Eaton</b>

# Safety is Our Top Priority

## Safety Message: Distracted Driving

- April is National Distracted Driving Awareness Month
- 3 Main Types of Distraction:
  - Visual – Eyes off the Road
  - Manual – Physical Activity other than driving
  - Cognitive – Talking or Mind on something else
- Texting/Messaging - considered the most dangerous type of distracted driving
- 3,142 people killed by distracted driving in 2019 – 1 out of every 4 accidents caused by texting and driving
- NHTSA U Drive. U Text. U Pay. Campaign
- TAKE ACTION: Remind family, friends and co-workers that if you're in the driver's seat, it's the only thing you should be doing





## Welcome & Opening Remarks

**Cindy Morgan**

[Cynthia.Morgan@cns.doe.gov](mailto:Cynthia.Morgan@cns.doe.gov)

Director, Enterprise Business Management in Supply Chain Management





## **Quality Requirements for Subcontractors**

**Lawrence Baldy**

[Lawrence.Baldy@cns.doe.gov](mailto:Lawrence.Baldy@cns.doe.gov)

Quality Projects & Programs



## Quality Requirements

- **The DOE/NNSA has established Quality Assurance Requirements for Nuclear Safety**
  - 10 CFR 830 Subpart A / DOE O 414.1D
    - Quality Assurance Requirements for Nuclear Facilities
  - ASME NQA-1-2008, with the NQA-1a-2009 and NQA-1b-2011 addenda
    - Quality Assurance Requirements for Nuclear Facility Applications
  - NAP-401.1
    - DOE/NNSA Weapon Quality Policy
- **CNS relies heavily on the Supplier's Quality Management System to ensure these requirements are met**
- **For projects involving nuclear safety related structures, systems or components, or other high risk/high consequence work, the Supplier is required to be on the CNS Quality Approved Supplier List (QASL)**

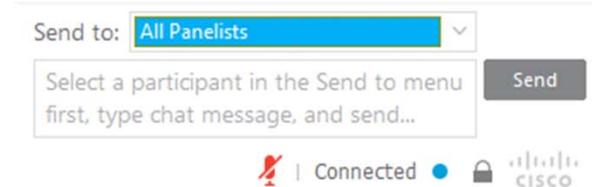
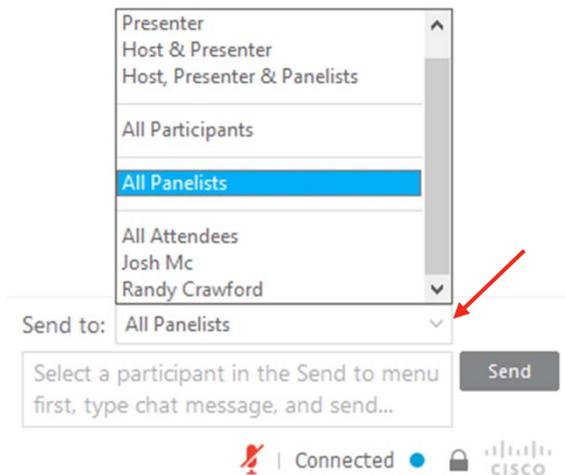
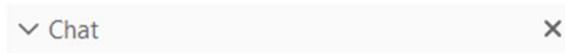
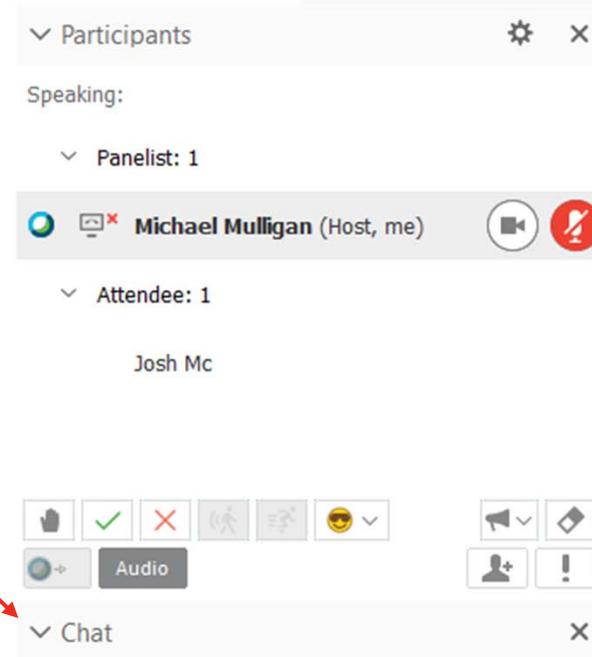
# Evaluation of Supplier's Quality Management System (QMS)

- **CNS will perform an audit of the subcontractor's QMS for placement on the QASL**
  - On-site audit at the subcontractor's facility
  - Review of Quality Assurance Program
  - Verification of implementations
  - Additional evaluation for subcontractors who perform welding
  - Qualification required prior to award of contract
- **Re-evaluation every 3 years**
- **Periodic surveillances will be performed within the 3 year period**
- **Project specific Quality Approved (QA) Plans will be required for each project**
- **For suppliers performing welding (whether on-site or at their facility), a review and approval of the suppliers welding program is required prior to performing welding.**
  - The extent of the review (desktop vs onsite) will be determined by the Weld Program Engineer.

# Q&A Chat - Webex Information

## Important Buttons to Take Note of:

- Locate the Chat tab on the right side of your screen
  - If it's not visible, try clicking the carrot to open up the Chat tab
- Navigate to "Send to:" and click the drop-down
- Select "All Panelists", type your question, and Send





**Question and Answer Session –  
Quality Requirements for Subcontractors**



## Breakout/Networking Session





## **CNS Construction and Design Opportunities 2021**

**Kim Irwin**

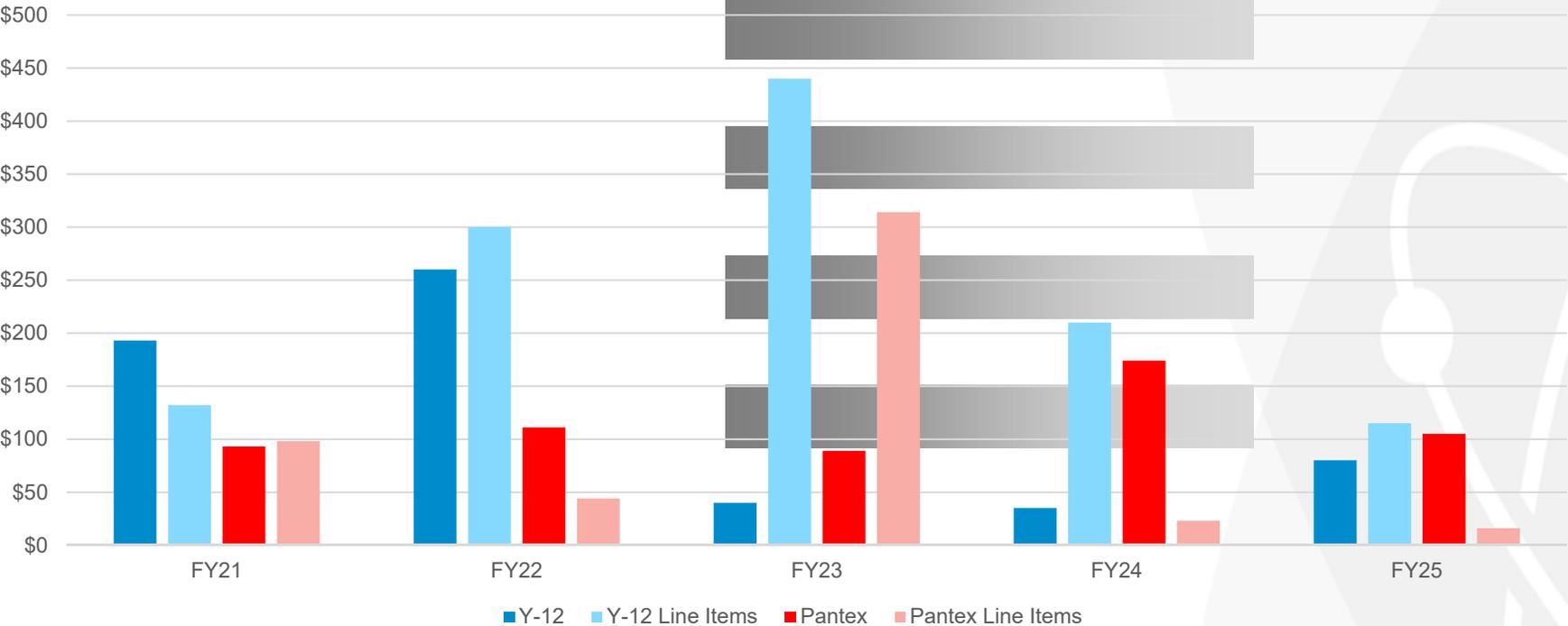
[Kimberly.Irwin@cns.doe.gov](mailto:Kimberly.Irwin@cns.doe.gov)

Senior Director, CNS Projects



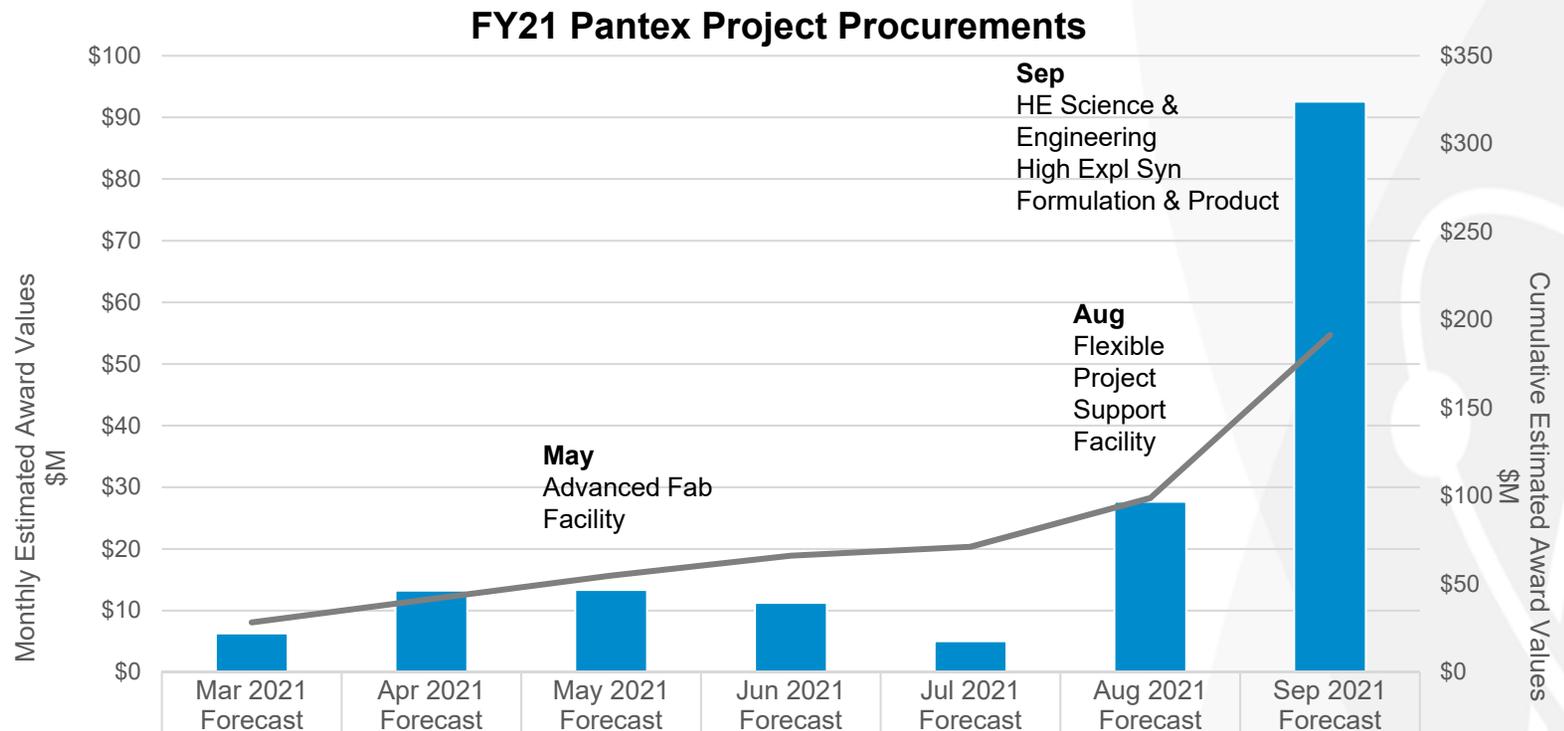
# FY21 Through FY25 Pantex & Y-12 Projections

FY21 through FY25 - Forecast Design & Construction Awards (\$-Mills)



# Pantex FY21 Projected Procurements Awards

- 55 contract awards for equipment, design and construction contracts projected for FY21 estimated at \$191M

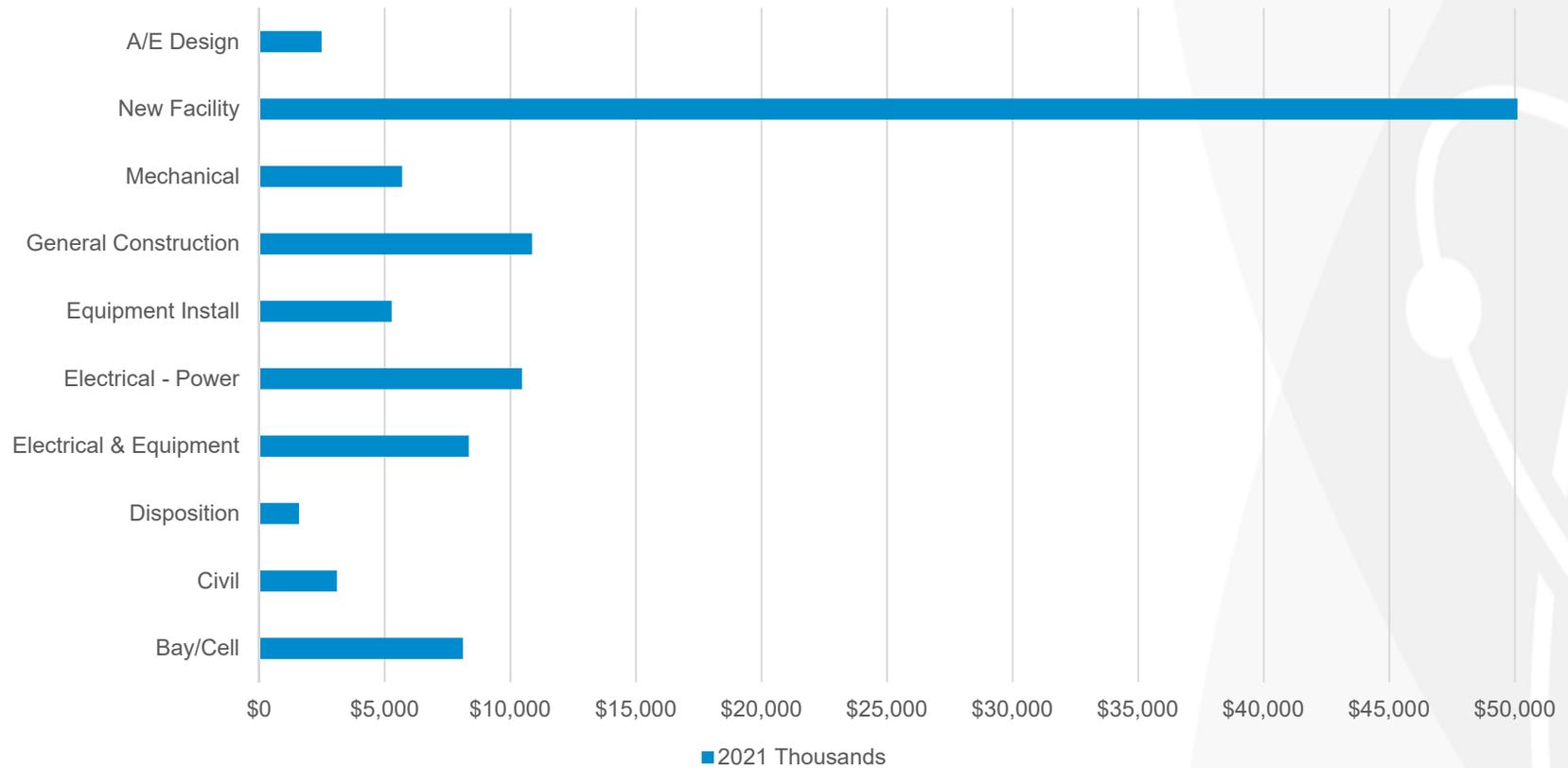


Monthly Award \$	\$6	\$13	\$13	\$11	\$5	\$28	\$93
Cum Planned \$	\$28	\$42	\$55	\$66	\$71	\$99	\$191
# Awarded	7	7	8	7	4	6	2
Cum # Awarded	21	28	36	43	47	53	55

# Pantex FY21 Projected Procurements Awards

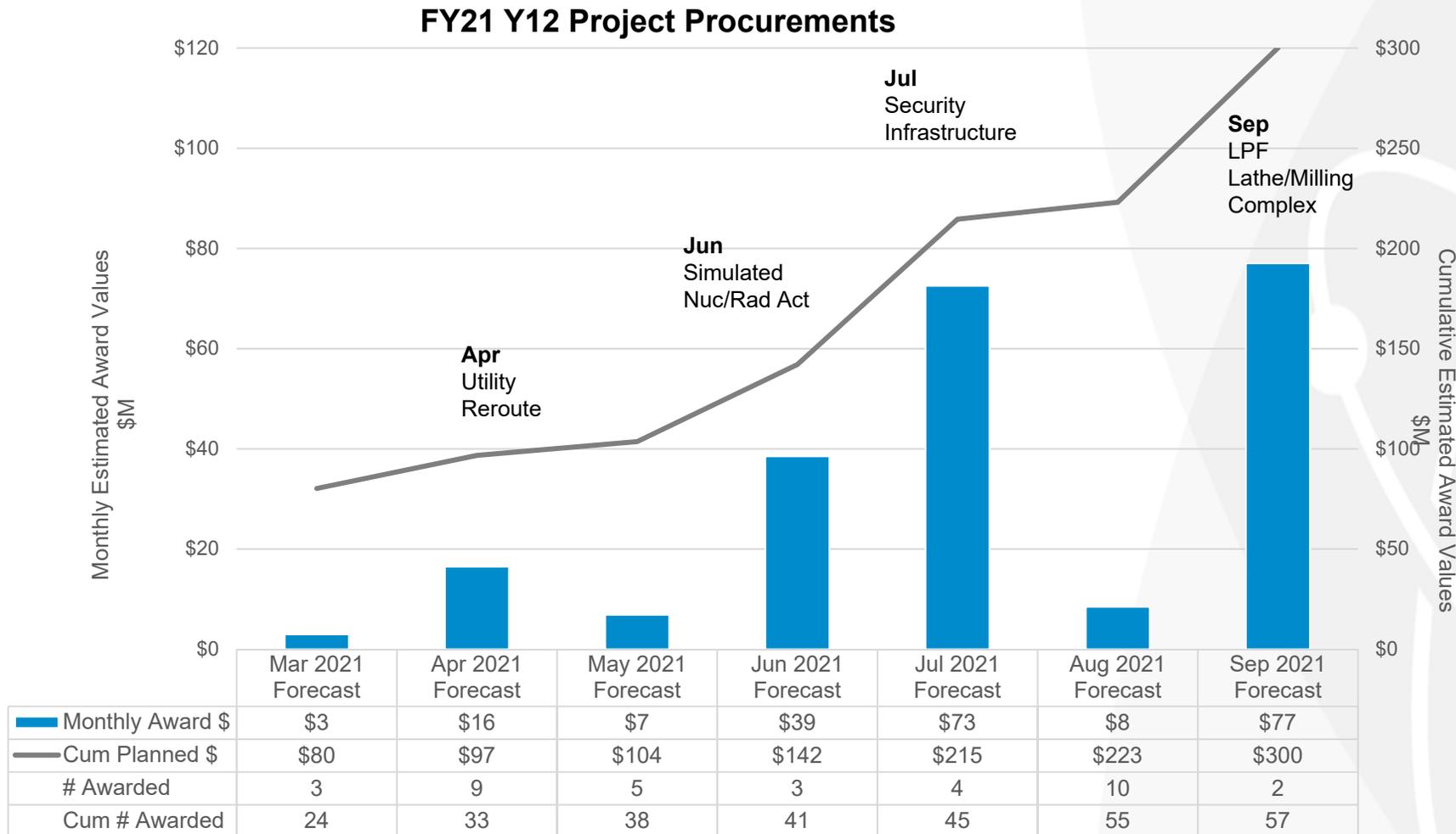
- 55 contract awards for equipment, design and construction contracts projected for FY21 estimated at \$191M

Pantex Anticipated Award Values



# Y-12 FY21 Projected Procurements Awards

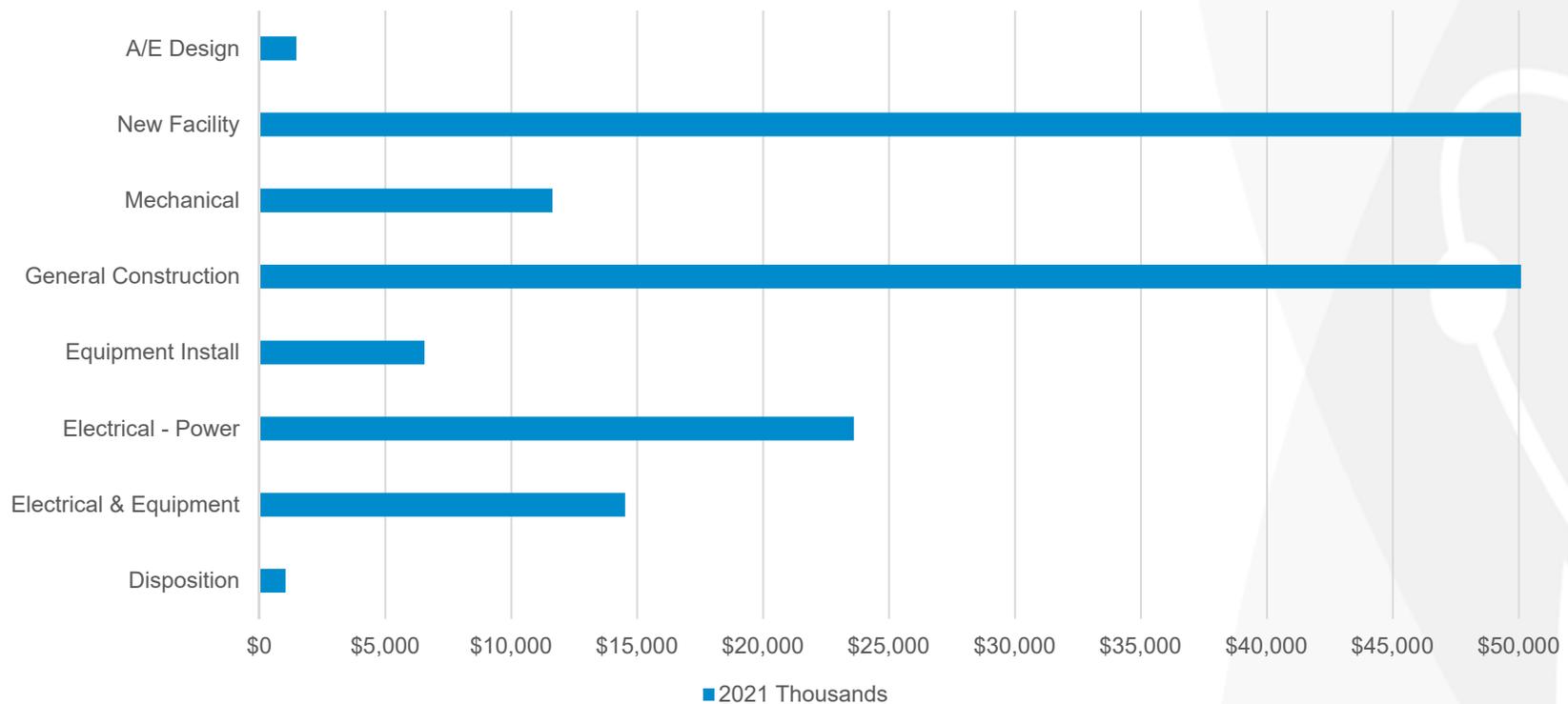
- 57 contract awards for equipment, design and construction are planned for FY21 estimated at \$300M



## Y-12 FY21 Projected Procurements Awards

- 57 contract awards for equipment, design and construction are planned for FY21 estimated at \$300M

Y-12 Anticipated Award Values





**Question and Answer Session –  
CNS Construction and Design Opportunities 2021**



## **Contract Types & Clauses**

**Bill Bridenbaugh**

*[William.Bridenbaugh@cns.doe.gov](mailto:William.Bridenbaugh@cns.doe.gov)*

CNS Procurement Manager



# Types of Agreements

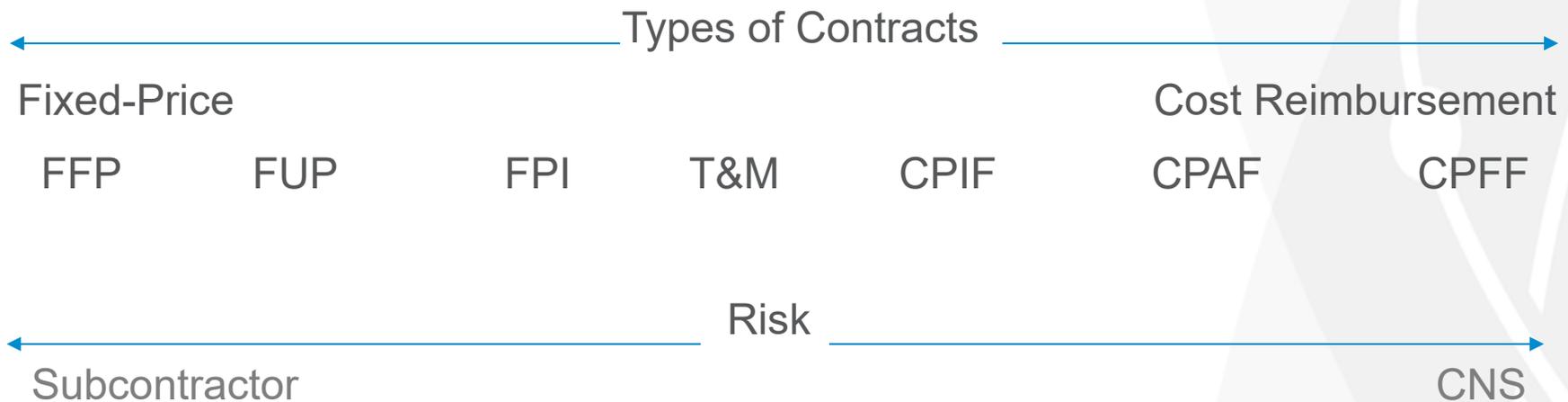
## Agenda:

- **Overview**
- **Agreement Types**
  - FFP (Firm Fixed Price)
  - T&M (Time & Material)
  - Cost Reimbursable
- **Other considerations**
  - Liquidated Damages
  - Incentives
- **Summary**

## Overview

Agreement Types – For this presentation agreement type is referring to the various compensation arrangements, and there are two broad categories:

- (1) Fixed price
- (2) Cost Reimbursement



Agreement type selection is the principle method of allocating cost and performance risk between CNS (as the DOE M&O) and the subcontractor.

# Overview

## Three pricing models:

### (1) Fixed-Price

- Pre-established priced based on clearly defined project requirements, specifications, and schedule
- Mutual understanding of deliverables and expectations

### (2) Time & Materials

- Fixed rate for labor and material expenditures toward a pre-defined work scope, up to an agreed upon ceiling amount

### (3) Cost Reimbursement

- Source of price from the application of a profit to material, labor, and overhead costs

# Overview

## Subcontractor and CNS Obligations:

Agreement Type	Subcontractor Obligations	CNS Obligations
Fixed Price	To deliver goods or services (Performance based subcontract)	To pay on delivery, inspection, acceptance and receipt of a proper invoice.
Time & Materials	To deliver the hours specified in the subcontract toward completion of the stated requirements and to acquire the materials required in the performance of the stated requirements.	To pay for hours delivered/accepted and material acquired toward completion of the Statement of Work requirements.
Cost Reimbursement	To provide the subcontractor's "best effort" toward completion of the stated requirements.	To reimburse the subcontractor's total cost of performance subject to the allowability and allocability rules included in the terms and conditions of the subcontract clauses.

## Firm Fixed Price (FFP)

### **Purpose:**

An FFP agreement provides a price that is not subject to any adjustment on the basis of the supplier's cost experience in performing the agreement.

### **When used:**

An FFP agreement should be used for acquiring commercial products or commercial-type products or for acquiring other supplies or services on the basis of reasonably definite functional or detailed specifications/SOW when the Procurement Representative can establish fair and reasonable pricing at award.

# Time & Materials (T&Ms)

## **Purpose:**

A Time & Material (or Labor Hour) agreement specifies a job to be done (such as repair of equipment or providing a service) and a ceiling price for performing the work scope.

## **When used:**

A Time & Material (T&M) agreement may be used when it is not possible at the time of placing the agreement to estimate accurately the extent or duration of the work or to anticipate costs with any reasonable degree of confidence.

# Cost Reimbursable

## Purpose:

Cost-reimbursement agreements provide for payment of allowable incurred costs, to the extent prescribed in the agreement.

## When used:

Cost-reimbursement agreements are suitable for use when uncertainties involved in agreement performance do not permit costs to be estimated with sufficient accuracy to use any type of FP agreement.

**NOTE #1:** A cost plus percentage of cost type contract is not permitted.

**NOTE #2:** CNS will not award both a cost-reimbursement and a fixed-price subcontract for construction or A-E services or any combination thereof to the same supplier where those subcontracts will be performed at the same time for CNS.

### Cost reimbursement options:

- Cost Plus Fixed Fee – Fee is fixed at inception of subcontract
- Cost No Fee – No fee permitted
- Cost Sharing – No fee and only agreed upon portion of allowable costs are reimbursed
- Cost Plus Incentive Fee – Fee is adjusted based on formula of total allowable cost to total target costs
- Cost Plus Award Fee – Fee is based on judgmental evaluation by CNS

# Other considerations...

## Liquidated Damages (LDs)

### **Purpose:**

Liquidated damages clauses in solicitations and agreements are contractual remedies CNS may use when there are delays in delivery or performance.

### **When used:**

Liquidated damages are not punitive and are not negative performance incentives. Rather, liquidated damages are used to compensate the Company for probable damages related to delays.

## Other considerations...

### Incentives

#### **Purpose:**

Useful to enhance subcontractor performance for a work requirement, but especially those with clear performance objectives.

#### **When used:**

This increase or decrease is intended to provide an incentive for the supplier to manage the agreement effectively.

The objective is to negotiate an agreement of a type and with a price providing the supplier the greatest incentive for efficient and economical performance.

***NOTE:*** *The negotiation of an agreement type and a price are related and should be considered together with the issues of risk to the supplier and CNS.*

# Summary

## CONTRACT CATEGORY CHARACTERISTICS

	<u>COST-REIMBURSEMENT</u>	<u>FIXED-PRICE</u>
<b>PROMISE</b>	<b>Best Efforts</b>	<b>Shall Deliver</b>
<b>RISK TO CONTRACTORS</b>	<b>Low</b>	<b>High</b>
<b>RISK TO GOVERNMENT</b>	<b>High</b>	<b>Low</b>
<b>CASH FLOW</b>	<b>As Incurred</b>	<b>On Delivery</b>
<b>PROGRESS PAYMENTS</b>	<b>None</b>	<b>% of Actual</b>
<b>ADMINISTRATION</b>	<b>Max Government</b>	<b>Min Government</b>
<b>FEE/PROFIT</b>	<b>Fee</b>	<b>Profit</b>

# Summary

## Three key points:

- (1) CNS awards mostly Fixed Price agreements, so make sure your company understands the deliverables and expectations of all subcontract agreements.
- (2) CNS will pay upon delivery, inspection, acceptance and receipt of a proper invoice, in accordance with the subcontract terms and conditions.
- (3) The objective is to negotiate an agreement with a price which provides the greatest incentive for efficient and economical performance.

Subcontracting is considered a partnership between the subcontractor and CNS.



## **Question and Answer Session – Contract Types & Clauses**



## Closing Comments

**Jason Eaton**

*[Jason.Eaton@cns.doe.gov](mailto:Jason.Eaton@cns.doe.gov)*

Senior Director, Supply Chain Management





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