

ENVIRONMENTAL MANAGEMENT SITE-SPECIFIC ADVISORY BOARD

**Hanford
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**Nevada
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**Northern New Mexico
Savannah River**

January 21, 2010

Inés R. Triay
Assistant Secretary for Environmental Management
U.S. Department of Energy, EM-1
1000 Independence Avenue, SW
Washington, DC 20585

Dear Assistant Secretary Triay:

The U. S. Department of Energy (DOE) has awarded numerous contracts in recent years to manage projects and to perform work in an effort to complete environmental cleanup at Environmental Management sites across the DOE complex. These contracts contain a myriad of provisions designed to expediently and efficiently accomplish the work. Currently, DOE awards prime contracts for a Base Period of Performance, which is typically five years, some with option periods, some without. If an option period is not included, DOE must go through the formal process of bidding each contract when the Base Period of Performance of five years is nearing expiration. New contracts are awarded through Request for Proposals.

In the event that a prime contract is awarded to a contractor other than the current contractor, the DOE, the local community, and the workforce endure the transition to another contractor. The rebid process and transition are costly and time consuming, create significant retraining requirements, can cause delays in cleanup schedules, distract the workforce which can result in safety issues, and cause economic uncertainty within the local community.

From a business standpoint, the flexibility of option periods to extend contract terms helps cultivate and sustain long-term business relations, and provides needed continuity on complex contracts with steep learning curves, such as DOE's major prime operating contracts. Use of such option periods should specify measurable quality requirements for performance under the contract.

In order to maintain continuity of service and to minimize future impacts on footprint reduction, the EM SSAB recommends the inclusion of option periods in the language of all future DOE Request for Proposals for prime contracts when appropriate.



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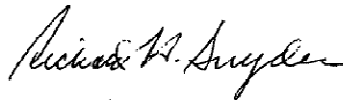
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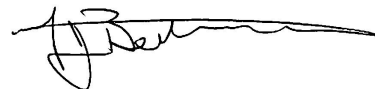
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cc: Melissa Nielson, EM-42
Catherine Brennan, EM-42