



# PROCUREMENT & PROPERTY

Office of the Chief Financial Officer

June 6, 2014

**Subject: Request for Proposal (RFP) DesignForward-2 System Integration**  
**Proposal Due Date: July 17, 2014**

The Regents of the University of California, manager and operator of Lawrence Berkeley National Laboratory ("University" or "LBNL") request a proposal for Research and Development Leading to Exascale Computing, in accordance with this RFP and the enclosed Proposal Preparation Instructions, Sample Subcontract, and other enclosures.

This solicitation is governed by procurement policies and procedures established under the University's Prime Contract with the U.S. Government, represented by the Department of Energy ("DOE"), for management and operation of LBNL. Proposals submitted will be treated as offers and any resulting award(s) will be a Subcontract under the Prime Contract.

The objective of this RFP is to develop conceptual designs of an exascale computer that could be developed, manufactured and deployed in 2023. It is assumed that the proposed design will scale from petascale to exascale systems. The SOW provides exascale challenges and proposed metrics for evaluating the conceptual design.

This RFP letter and all of its associated documents may be downloaded from the following URL. This web site also contains links to other related web sites and a question and answer section.

<http://www.exascaleinitiative.org/design-forward-2>

LBNL is representing seven DOE Laboratories and the DOE for this RFP. See the attached draft statement of work (SOW) for a list of the Laboratories and DOE offices participating in the DesignForward project.

## **SUBMITTAL OF PROPOSALS**

Complete written proposals must be submitted by email to the undersigned LBNL Procurement Representative no later than 3:00pm Pacific Time on July 17, 2014.

**Email to:** [design-forward-rfp@lbl.gov](mailto:design-forward-rfp@lbl.gov)

It should be noted that LBNL's firewall may prevent submission of particularly large files. Therefore an Offeror should notify the LBNL Procurement Representative (via e-mail to [lerippe@lbl.gov](mailto:lerippe@lbl.gov)) prior to submitting its proposal.

The proposals shall be valid for a period of 180 days from the proposal due date. Acceptance of late proposals will be at the University's sole discretion. The University reserves the right to reject any and all proposals, to waive any minor irregularities in any proposal, or to cancel this RFP at any time prior to award without cost to the University. The University will not reimburse any firm for any preparation costs or any other costs related to the participation or preparation of this RFP.

### **NAICS CODE AND SMALL BUSINESS SIZE STANDARD**

The North American Industry Classification System (NAICS) Code for this acquisition is 541712, Research and Development in the Physical, Engineering and Life Sciences and the corresponding size standard is 500 or fewer employees.

The Offeror shall complete the *Small Business Program Representations* clause in the attached Representations and Certifications form based on this small business size standard. Refer to Subpart 19.1 - Size Standards, of the Federal Acquisition Regulation (FAR) for information on calculating the number of employees.

### **AWARD STRATEGY**

The University intends to select the responsive and responsible Offeror(s) whose proposal satisfies the minimum requirements specified in this RFP and offers the best overall value. The University will consider factors other than price. The University intends to make multiple awards from this RFP. However, the University reserves the right to make no awards, a single award, or multiple awards as a result of this solicitation, if it is in the best interest of the University.

The University will evaluate the proposals by comparing the performance features, supplier attributes, price, and other factors offered by each proposal, focusing on the strengths and weaknesses and striking the most advantageous balance between expected performance and the overall price to LBNL. Offerors, therefore, must be persuasive in describing their proposed performance features, supplier attributes, and other factors and value enhancing the likelihood of successful performance and achievement of LBNL's objectives.

The University's evaluation will be based on the information provided by the Offeror, the University's own experience, and/or information from the Offeror's customers and other sources. The University may select an offer based on the initial proposal(s) or the University may elect to negotiate with Offerors selected as finalists.

### **DESIGNFORWARD PROJECT SCHEDULE**

Proposal evaluation and source selection will commence immediately after receipt of proposals. LBNL will notify finalists of their selection or determination. At that time, negotiating teams, consisting of select members from the DOE Laboratories, will engage the finalists in negotiations to finalize the statements of work, milestones, price, and any other provisions, as required. Negotiations must be complete by September 30, 2014 or sooner. Therefore, it is imperative that the Offerors selected for negotiation have qualified and authorized personnel available to negotiate with the Laboratories' negotiating teams. The schedule calls for LBNL to award subcontracts by October 31, 2014. Each subcontract will have a two-year period of performance.

### **INTELLECTUAL PROPERTY**

DOE has granted a class advance waiver on intellectual property for DesignForward. In general, the waiver allows an awardee that is a large business, and any first tier subcontractor of that

awardee, who are not foreign owned, to assert copyright to its works of authorship and to elect title to its subject inventions without prior approval from the Government.

Cost sharing is a condition of the class advance waiver for a large business awardee. A large business must fund at least 40% of the total price of performance under its subcontract to have the class advance waiver language included in that subcontract. All Offerors shall include the total price of performance in their proposals and Offerors that are large businesses must make a specific assertion accepting the 40% share (or offering to share more than 40%) in order to obtain the terms of the class advance waiver. Offerors that are large businesses, that do not accept the 40% share, and that may be selected for award will be subject to the existing FAR and DEAR intellectual property clauses in the GENERAL PROVISIONS incorporated in the Sample Subcontract. Offerors are strongly encouraged to participate in cost sharing and an Offeror's proposal that does not propose cost sharing may be rated less favorably than a proposal that shares the cost of the R&D.

A large business Offeror that desires a lower cost share percentage or different terms than those granted in the class advance waiver will be required to negotiate directly with DOE. However, those negotiations will be time consuming and will not allow the DOE Laboratories to maintain the DesignForward2 schedule. As a result, the DOE Laboratories may view the Offeror's proposal less favorably than a proposal from another Offeror that is willing to cost share at least 40% and accept the class advance waiver provisions as is.

Offerors that are small businesses or non-profit entities and that may be selected for award should note that the class advance waiver provisions for patents will not be included in a subcontract. By statute, a small business may elect title to its subject invention without prior approval from the Government.

#### **AWARD VALUE**

The DOE Laboratories have established a limit of \$15M for the value of any subcontract awarded as a result of this RFP. Since the ideal is multiple awards from this RFP and because there is limited funding for these awards, the DOE Laboratories will not view favorably a proposal with a DOE cost share value<sup>1</sup> in excess of \$15M. Further, unless a proposal is very compelling in the way it addresses the systems integration focus area, proposals with a value of, for instance, less than \$10M may be viewed more favorably than a proposal nearing \$15M.

#### **FUNDING AVAILABILITY**

Funding for all of the work described in the Sample Subcontract is not currently available. The University anticipates that additional funding will become available so as to allow the selected Offerors to continuously perform until completion.

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<sup>1</sup> Offerors must be aware of the following. As discussed in INTELLECTUAL PROPERTY above, a \$15M proposal from a large business that accepts the 40% cost share would result in a DOE cost share value of \$9M, which is under the limit.

**ENCLOSURES**

The Offeror shall complete the following enclosure(s) and submit them with the proposal:

- Representations & Certifications
- EEO Pre-Award Compliance Certification (required if proposal total exceeds \$10M)

The following enclosures are provided and need not be returned with the proposal:

- Proposal Preparation Instructions
- Sample Subcontract and its Incorporated Documents
- Model Small Business Subcontracting Plan

This solicitation is governed by procurement policies and procedures established under the University's Prime Contract with the U.S. Government, represented by the Department of Energy ("DOE"), for management and operation of LBNL. Proposals submitted will be treated as offers and any resulting award(s) will be a Subcontract under the Prime Contract.

If there are any questions, please email us at [design-forward-rfp@lbl.gov](mailto:design-forward-rfp@lbl.gov)

Sincerely,

Lynn E. Rippe  
LBNL Procurement Representative

## **PROPOSAL PREPARATION INSTRUCTIONS**

### **PROPOSAL CONTENTS**

#### **General**

The proposal should consist of a technical/management proposal and a price proposal. Please see the DesignForward-2 Statement of Work for additional instructions.

The proposal should be submitted with a cover letter identifying the Offeror's name and address, solicitation number and title, the name(s), title(s), and telephone number(s) of the individuals in Offeror's organization who have commitment authority on behalf of the Offeror and will be responsible for contractual negotiations and administration of any resultant Subcontract.

#### **Technical/Management Proposal**

The technical/management proposal should contain a comprehensive discussion of how the Offeror will fulfill the technical/management requirements and successfully perform the Subcontract, including a discussion of the important performance features and supplier attributes, as described below, highlighting any aspects which separate it from its competitors.

#### **Mandatory Requirements / Performance Features and Supplier Attributes**

The Mandatory Requirements, Performance Features and Supplier Attributes are detailed in the DesignForward-2 Statement of Work.

#### **Price Proposal**

The price proposal shall include a total firm fixed price for the work proposed. The proposal shall include a basis of estimate (BOE) for the proposed total firm fixed price, denote cost share, milestone payments and deliverables. The BOE shall include, at a minimum, an estimate of labor categories, labor hours by category, and fully burdened hourly labor rates by category to perform the work. The BOE shall also identify proposed material, travel, or other expenses to perform each proposed activity or task. The proposal shall include a projected funding expenditure profile by month or quarter for each proposed research activity or task. LBNL does not anticipate the need for Certified Cost or Pricing Data (as defined at FAR Part 15); however, LBNL reserves its right to request submission of Certified Cost or Pricing Data from the selected Offeror(s).

Offerors should propose milestone payments and/or payments for deliverables. Milestone payments must conform to the following guidelines.

- A milestone payment cannot represent an advance payment. It must represent the value the DOE Laboratories will receive upon making the payment.
- A milestone payment must be in accordance with readily verifiable actions or achievements (e.g., receipt of purchased materials, measurable performance, or a report on accomplishments).
- The final milestone payment must be at least 10% of the total subcontract price.

#### **Small Business Subcontracting Plan**

Unless the Offeror is a small business or the total value of the offer is less than \$650,000, the successful Offeror must provide a Small Business Subcontracting Plan that includes anticipated total subcontracting amount and the percentage goals and amounts for all of the various small business categories. Refer to the *SMALL BUSINESS SUBCONTRACTING PLAN* clause referenced in the GENERAL PROVISIONS and the attached Model Small Business Subcontracting Plan for additional

information. The approved plan will be made a part of any resulting subcontract. Failure to submit an acceptable subcontracting plan shall likely render the Offeror ineligible for award of a subcontract. If the nature of the proposed work is such that the Offeror will perform all the work and no opportunities exist for subcontracting with small businesses, then the Offeror shall state so in its proposal.

### **Acceptance of Terms and Conditions**

Submission of a proposal shall indicate the Offeror's willingness to accept the terms and conditions of the Sample Subcontract and its attachments. These terms and conditions have been approved by the DOE. Changing them is time consuming. Failure to accept the terms and conditions will delay the DesignForward project schedule in award of a subcontract and could cause LBNL to reject an Offeror's proposal.

## **ADDITIONAL PROPOSAL INSTRUCTIONS**

### **Offerors' Questions**

The DOE Laboratories will respond to questions submitted in writing to the LBNL Procurement Representative on or before July 3, 2014. Questions must be submitted by e-mail to [design-forward-rfp@lbl.gov](mailto:design-forward-rfp@lbl.gov). Answers to questions that are germane to the interpretation of the DesignForward project requirements will be posted to the DesignForward-2 RFP web site for viewing by all potential Offerors.

### **Proprietary Information**

The DOE Laboratories will treat any commercial or financial information in the proposal as proprietary information. The DOE Laboratories prefer not to receive any proprietary technical information. If the proposal includes any proprietary technical information, it must be conspicuously marked as "Proprietary" or "Confidential", or an equivalent term. The DOE Laboratories will endeavor to maintain proprietary information in confidence to the same degree as its own proprietary information and will not disclose such information to personnel other than DOE Laboratories or Government employees who are bound by an obligation of confidentiality and solely for the purpose of evaluation of the proposal.

If the Offeror intends to use a product or process in which there is a proprietary or background patent position, the proposal should so indicate and list patent applications and/or patents granted (including dates, numbers, and descriptions), and whether the Government has rights related to the patents.

### **Royalty Information**

If the Offer in response to this solicitation contains costs or charges for royalties totaling more than \$250, the following information shall be included in the response relating to each separate item of royalty or license fee: name and address of licensor; date of license agreement; patent numbers, patent application serial numbers, or other basis on which the royalty is payable; brief description, including any part or model numbers of each item or component on which the royalty is payable; percentage or dollar rate of royalty per unit; unit price of item; number of units; and total dollar amount of royalties.

In addition, if specifically requested by the LBNL Procurement Representative before award, the Offeror shall furnish a copy of the current license agreement and an identification of applicable claims of specific patents or other basis upon which the royalty may be payable.

### **E-Verify Program Enrollment Verification**

The Subcontract will include FAR Clause 52.222-54, *Employment Eligibility Verification*. Accordingly, the selected offeror will be required to:

1. Be enrolled as a Federal contractor in the Government's online E-Verify system, which is located at: <https://e-verify.uscis.gov/enroll>) and, if necessary, provide LBNL with written verification of the enrollment;
2. Use the E-Verify system to verify the employment eligibility of all employees assigned to the Subcontract and of all new hires working in the United States, except that if the selected offeror is an institution of higher education as defined at 20 U.S.C. 1001(a), or a State or local government or the government of a Federally recognized Indian tribe, it may choose to verify only new hires assigned to the Subcontract; and
3. Include the clause in lower-tier subcontracts for construction or services exceeding \$3,000, as required by the clause, and, if necessary, provide LBNL with written verification of the inclusion of the clause in the subcontracts and the lower-tier subcontractors' enrollment in the E-Verify system.

Additional information about the employment eligibility verification requirements is available at <http://www.uscis.gov/everify>.

### **EEO Pre-Award Compliance Certification**

An award in the amount of \$10 million or more will not be made under this solicitation unless the successful offeror and each of its known first-tier subcontractors to whom it intends to award a subcontract of \$10 million or more are found, on the basis of a compliance review conducted by the responsible government agency, to be able to comply with the provisions of the Equal Opportunity clause in the General Provisions of the Sample Subcontract.

If the Offeror's proposal is valued at \$10 million or more, and the Offeror is not listed in the Office of Federal Contract Compliance Programs (OFCCP) National Pre-Award Registry, available on the Internet at <http://www.dol-esa.gov/preaward/>, or otherwise exempt from this requirement, then the Offeror shall complete and submit with its proposal the attached EEO Pre-Award Compliance Certification, along with the information stipulated in the form.

(End of Proposal Preparation Instructions)