**PROPOSAL EVALUATION & PROPOSAL PREPARATION INSTRUCTIONS (PEPPI)**

**RFP No. B644990**

**SECTION 1 – INTRODUCTION**

This PEPPI identifies the basis for award, evaluation factors, requirement category descriptions / definitions, proposal preparation instructions, and other corresponding information for Request for Proposal (RFP) No. B644990.

**SECTION 2 – BASIS FOR AWARD**

Evaluation factors that LLNS will use to evaluate proposals are performance features / elements, supplier attributes, and price. Refer to Section 4 below for the evaluation factors, which Offerors should address in their proposals. LLNS’ assessment of each proposal’s evaluation factors will form the basis for selection. LLNS intends to select the responsive and responsible Offeror whose proposal contains the combination of performance features / elements, supplier attributes, and price offering the best overall value to LLNS. LLNS will determine the best overall value by comparing differences in performance features / elements and supplier attributes offered with differences in price, striking the most advantageous balance between expected performance and the overall price. Offerors must, therefore, be persuasive in describing the value of their proposed performance features / elements and supplier attributes in enhancing the likelihood of successful performance or otherwise best achieving LLNS’ objectives.

LLNS reserves its rights to: (i) make selection on the basis of initial proposals; (ii) negotiate with a single offeror for any reason; (iii) negotiate with multiple offerors for any reason; and (iv) cancel this RFP at any time, for any reason, without cost to LLNS. LLNS will not reimburse Offerors for expenses incurred in responding to this RFP.

**SECTION 3 - REQUIREMENT CATEGORY DESCRIPTIONS / DEFINITIONS**

This RFP includes multiple requirement category descriptions. Each requirement category is identified and defined as follows.

Mandatory Requirements (designated MR) identified in the Draft Statement of Work (SOW) are features / elements, components, performance characteristics, or other properties that are essential to LLNS’ requirements, and an Offeror must satisfactorily propose all MRs in order to have its proposal considered responsive.

Target Requirements (TRs) identified in the Draft SOW are features / elements, components, performance characteristics, or other properties that are important to LLNS, but which will not result in a nonresponsive determination if omitted from a proposal. TRs add value to a proposal.

MRs, TRs, and additional features / elements proposed by the selected Offeror, and of value to LLNS, will be included in a final negotiated SOW incorporated within the resulting subcontract.

**SECTION 4 – EVALUATION FACTORS**

An Offeror’s proposal should identify and discuss the performance features / elements and supplier attributes that are important to the Offeror’s successful performance and attainment of LLNS’ objectives. LLNS has identified the performance features / elements and supplier attributes listed below, which should be discussed in the proposal. These factors are not necessarily listed in any order of preference or priority. An Offeror may identify and discuss other performance features / elements and supplier attributes that it believes may be of value to LLNS. If LLNS agrees, consideration may be given to them in the evaluation process. In all cases, LLNS will assess the value of each proposal as submitted. **In preparing proposals, Offerors are strongly advised to read and follow Section 5, below, regarding proposal content and organization, mindful that proposal contents will be evaluated consistent with the criteria set forth in this Section (4)**.

***Mandatory Requirements (MRs)***

MRs are identified in the Draft SOW. LLNS will evaluate whether the proposal satisfies all MRs.

***Target Requirements (TRs)***

TRs are identified in the Draft SOW. LLNS will evaluate how well the proposal offers / addresses TRs with consideration to the following performance features / elements, supplier attributes, and price evaluation criteria.

***Performance Features / Elements***

LLNS will evaluate the following performance features / elements.

* Whether the proposed R&D satisfies all MRs.
* The degree to which the proposed R&D meets or exceeds TRs.
* How well the proposed R&D supports collaboration between DOE NNSA Tri-Laboratories and Offeror.
* The extent to which the proposed R&D will impact the U.S. HPC marketplace and production system deployments in the 2024 timeframe or earlier.
* The degree of innovation reflected in the proposed R&D activities.
* The extent to which the proposed R&D may impact the broader U.S. technology marketplace, which extends beyond the primary HPC marketplace.
* Likelihood that the proposed R&D will achieve its stated objectives.
* Credibility of the productization plan for the proposed R&D and its implementation to Offeror’s NG-HPCN.

***Supplier Attributes***

LLNS will evaluate the following supplier attributes.

* The flexibility of Offeror’s NG-HPCN to support multiple processors (CPUs, GPUs, accelerators, etc.) from multiple component suppliers.
* Does the Offeror’s NG-HPCN represent: (i) a proprietary solution that only one source may offeror for sale in the U.S. marketplace; or (ii) a commodity solution that multiple sources (such as system integrators and original equipment manufacturers) may offer for sale in the U.S. marketplace.
* Offeror personnel’s experience and past performance in:
	+ collaborating with LLNS and DOE national laboratories
	+ the development, productization, and support of NG-HPCN for the U.S. HPC marketplace
	+ similar R&D activities
* For proposals that include work to be performed by lower-tier subcontractors – the extent to which the proposal demonstrates the qualifications of lower-tier subcontractor(s) and their ability to perform the assigned work.
* The Offeror’s experience and past performance in supporting open source software development and working with Linux distributions.
* The extent to which the proposal demonstrates contributions to be made by Offeror’s key personnel for this project to ensure the successful and timely completion of the proposed R&D.
* Whether Offeror is a domestic or a foreign corporation / LLC. LLNS will give preference to a domestic corporation / LLC Offeror over a foreign corporation / LLC Offeror during the proposal evaluation / selection process.
* Offeror’s proposed exceptions (i.e. quantity and nature) to terms and conditions stated in the Sample Subcontract and its Incorporated Documents. LLNS prefers Offeror proposals that indicate an unqualified acceptance of the terms and conditions in the Sample Subcontract and its Incorporated Documents.

***Price***

LLNS will evaluate the following price related factors.

* Offeror prices compared to LLNS’ perceived value.
* Offeror prices compared with other prices received in a competitive environment.
* Price trade-offs and options embodied in the Offeror’s proposal.

**SECTION 5 – PROPOSAL PREPARATION INSTRUCTIONS**

Hardcopy proposals are not requested. Offerors will submit proposals in electronic format (Word, PDF, Excel). Offerors will submit three separate proposal volumes:

Volume 1 - Technical Proposal

Volume 2 - Price Proposal

Volume 3 - Business Proposal

The selected offeror is expected to provide an editable version (i.e., Word version) of its proposal to facilitate negotiations of the final definitized SOW.

***Volume 1 - Technical Proposal***

**The Technical Proposal shall not include any price information.**

The Technical Proposal will clearly and specifically identify / confirm the proposed set of MRs and TRs for the proposed R&D.

The Technical Proposal will incorporate / use the RFP’s draft SOW structure / format to identify and partition the proposed R&D. For example, the proposed R&D will be partitioned into multiple work segments (Work Segment 1, Work Segment 2, Work Segment N where N is the Offeror’s last proposed work segment), and each Work Segment will be further partitioned into subsegments / milestones (Work Subsegment / Milestone 1.1, Work Subsegment / Milestone 1.2, Work Subsegment 1.N). The purpose of partitioning work into Work Segments / Subsegments is to specifically identify individual work scope / elements and associated milestone payment amounts, which will allow for periodic payment for completed work (i.e., milestones) and corresponding deliverable items (i.e. reports).

The Technical proposal will identify / describe the offeror’s proposed R&D, and include any other relevant technical information to allow LLNS to evaluate offeror’s proposal. Offerors should be persuasive in describing the value of their proposed R&D in relation to the Section 4 evaluation factors above.

The Technical Proposal shall offer, describe, and explain how the proposed R&D satisfies all MRs.

The Technical Proposal will offer, describe, and explain how the proposed R&D satisfies one or more of the TRs.

***Volume 2 - Price Proposal***

**Price information will be included in the Price Proposal. The Technical Proposal shall not include any price information.**

Offeror will use / complete the RFP’s Price Proposal Template to identify its proposal pricing.

The Price Proposal will clearly map to the Technical Proposal using the same work segment (Work Segment 1, Work Segment 2, Work Segment N) structure, and by using the same work subsegment (Work Subsegment / Milestone 1.1, Work Subsegment / Milestone 1.2, Work Subsegment / Milestone 1.N) structure. For example, the Technical Proposal will identify the proposed work scope for Work Segment / subsegment 1, while the Price Proposal Tab 1 will identify proposed price and price factors for Work Segment / subsegment 1.

As identified in the RFP’s Price Proposal Template, Offeror will identify proposed / estimated labor categories / titles, fully burdened hourly labor rates (FBHLRs) and other relevant price factors that sum to the total estimated price for each Work Segment (spreadsheet tab “Work\_Segment1” identifies total estimate price for Work Segment 1, spreadsheet tab “Work\_Segment2” identifies total estimated price for Work Segment 2, spreadsheet tab “Work\_SegmentN” identifies total estimated price for Work Segment N).

LLNS does not anticipate a need for Certified Cost or Pricing Data (as defined at FAR Part 15); however, LLNS reserves the right to request submission of Certified Cost or Pricing Data from the selected Offeror.

***Volume 3 - Business Proposal***

The Business Proposal will:

* Identify if Offeror is a domestic or a foreign corporation / LLC and include the physical address of its headquarters location. The Offeror will also disclose all locations where work is anticipated to be performed and disclose any/all foreign affiliates. See FAR 2.101 for definition of “affiliate”.
* Include a written description of contracts / agreements similar in type and complexity (as this RFP’s intended acquisition) which the Offeror has completed in the last 3 years. These may include public and private contracts. Include technical and business contact points by name, title, address, telephone number and, if available, e-mail address. Offerors should include a self-assessment of its performance on these contracts including what went well and what did not. Offerors should discuss the latter in the context of a lessons learned scenario.
* Include Offeror’s completed / signed Offeror Terms & Conditions Position, which will notify LLNS if: (i) Offeror accepts the terms and conditions of the Sample Subcontract and its Incorporated Documents without qualification / exception; or (ii) Offeror proposes exceptions to the Sample Subcontract and its Incorporated Documents.
* Include Offeror’s completed / signed Representations & Certifications Form
* Include Offeror’s completed / signed EEO Pre-Award Compliance Certification Form. Offeror shall complete, sign, and submit the EEO Pre-Award Compliance Certification Form, unless otherwise exempt from this requirement.\*
* Include Offeror’s response to Section 6 – Patents below.
* Include Offeror’s response to Section 7 – Royalties below.

**SECTION 6 - PATENTS**

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

**SECTION 7 - ROYALTIES**

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 LLNS Contract Analyst 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.

**SECTION 8 – FINANCIAL STATEMENTS**

Upon request, the Offeror shall provide statements that fully describe the Offeror’s current financial condition and its financial ability to support LLNS requirements during performance, and include a recent company history of sales and a growth profile. The statements should consist of either: (i) audited and certified year-end financial statements for a minimum of the last two years (balance sheet, income statement, statement of cash flows (if available), and other financial statements or reports as necessary); (ii) financial statements reviewed or compiled by a certified public accountant or other accounting professional (include the accounting firm’s cover letter); or (iii) other information acceptable to LLNS. LLNS reserves the right to request additional financial statements.

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