

September 26, 2000

Subject: Amendment No. 2 to Solicitation for Letters of Interest (LOIs)  
No. RDO -0-30628-00 entitled "PV Manufacturing R&D – In-Line Diagnostics And  
Intelligent Processing In Manufacturing Scale-Up"

**This amendment consists of two parts: A) an additional question and, B) Revised Amendment 1 clarifying any confusion that may have occurred (e.g., "Solicitation for Letters of Interest" vis-à-vis "Letters of Interest." The solicitation for Letters of Interest was issued by NREL, and the Letters of Interest will be submitted by responders in response to this solicitation).**

**A) ADDITIONAL QUESTION**

1. **Question:** If a University is included as a lower tier subcontractor for over 10% of the total contract amount, can the University use the purchase of equipment as their part of the required cost share?

**Answer:** Yes, the University can use the purchase of equipment as all or part of the required price participation. See question #2 of Amendment #2, and page 4-last paragraph of the solicitation for LOI.

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**B) REVISED AMMENDMENT 1**

**QUESTIONS/ANSWERS**

1. **Question:** Stated in the Solicitation for Letters of Interest, page 9: "This plan should be sufficient to establish that the responder has, or intends to establish, guidance from the potential customers of the product, system or component." Who is the customer in this case?

**Answer:** The customer is the potential customer(s) for the product system or component being developed by the responder. In other words, the customer is the perspective buyer(s) of your developed product.

2. **Question:** How would incremental investments in process automation equipment, used in conjunction with in-line diagnostics and intelligent processing, be definable solely for this project? (i.e. not regarded as a capital expense?).

**Answer:** Capital equipment can be purchased or fabricated and credited to the Responder's price participation [1] as long as the Responder pays 100% of equipment cost (including any shipping, installation, and associated labor) out of their price participation (no capital equipment costs will be paid for by NREL/Government funds). The subcontractor will own the equipment.

3. **Question:** What does a “mix of technologies” in the Program Policy Factors section mean?

**Answer:** A “mix of technologies” means a variety of manufacturing technologies.

4. **Question:** Are there any preliminary meetings or paperwork that are required before the 9/8 cutoff for technical questions or the 10/9 cutoff for the Letter of Interest?

**Answer:** No preliminary meetings or paperwork are required before the 9/8 cutoff for technical questions or the 10/9 cutoff for the LOIs (see page 1).

5. **Question:** The following questions and answers were addressed for the “Thin-Film Photovoltaics Partnership Program” (TFPPP) solicitation. Are the answers the same for this solicitation?

**Answer:** The answers are the same for this solicitation, except “Cost Sharing” as used in the TFPPP solicitation Questions and Answers would be replaced with “Price Participation”. The two questions and answers addressed for TFPPP follow:

Q. Can capital equipment purchased for the project be credited towards the cost sharing funds?

A. Capital equipment can be purchased or fabricated and credited to the Subcontractor's price participation[1] as long as the Subcontractor pays 100% of equipment cost (including any shipping, installation, and associated labor) out of their price participation (no equipment costs are paid for by NREL/Government funds). The subcontractor will own the equipment.

Q. Can capital equipment be purchased or fabricated and credited to the subcontractor's cost share? What is the appropriate accounting? How do we handle depreciation of the equipment?

A. 100% of the cost of capital equipment can be used to satisfy price participation[1] requirements. The accounting of capital equipment must follow Cost Accounting Standards (CAS) in accordance with the Subcontractor's Disclosure Statement to their audit agency. The depreciation of such equipment must also follow your CAS. Our main concern is that all equipment costs show up as being paid under your side of the ledger, there is no strict format.

6. **Question:** If a portion of the equipment is used as cost share, is it appropriate to depreciate the portion of the equipment not used as cost share?

**Answer:** The determination is appropriate for the proposed subcontractor's own accounting system(s), policies, and procedures. However, the appropriate accounting must be in accordance with Generally Accepted Accounting Principals (GAAP).

7. **Question:** Can "use charges" be credited to the subcontractor's cost share? What is the appropriate accounting?

**Answer:** Yes, provided the use charges are allowable, reasonable and allocable to the proposed NREL subcontract cost (which is inclusive of price participation[1]) and in accordance with the Cost Principles enumerated in the Federal Acquisition Regulation (FAR) and the Department of Energy Acquisition Regulation (DEAR). The accounting for such charges by the subcontractor would be whatever is appropriate for the proposed subcontractor's own accounting system(s), policies, and procedures. However, the appropriate accounting must be in accordance with Generally Accepted Accounting Principals (GAAP).

8. **Question:** Section 16 titled "SIC and Small Business Size Standard" under A, B and C talks about SIC codes and the definition of "small business size standard". Small Business Size Standard for SIC 8731 is 500 or fewer employees and for SIC 8732 and 8733 is \$5.0 million in annual receipts. Does one have to fulfill both the conditions to qualify as a small business for this proposal? Or is it sufficient to fulfill one of those requirements.

**Answer:** At this stage, you need only qualify as a small business for one of the SIC codes.

9. **Question:** Are the applications referred to in the announcement solely related to terrestrial PVs or does it include space based photovoltaics.

**Answer:** The applications referred to in the solicitation for LOIs are solely related to terrestrial PVs. Appropriate applications are those that are consistent with the achievements of the objectives and goals stated in section 4.

10. **Question:** Can a company receive two awards in the same category if the Team Members are different- say a thin film and a crystalline team?

**Answer:** The answer is provided on page 4 of the solicitation for LOIs: "In response to this request for LOIs, responders may address either category A...OR category B... OR both. A responder may be a Primary Team Member and/or a Majority Team Member for no more than two LOIs. There will be no more than one award to any responder as the Primary Team Member and/or the Majority Team Member".

11. **Question:** Can capital expense be used as a portion of the cost share? Not the use of funding for capital, but for the matching portion on the company's expense?

**Answer:** See Answer No. 2.

12. **Question:** We are considering bidding manufacturing R&D for more than one photovoltaic product. Is that acceptable or would a proposal be evaluated more favorably by limiting the R&D to a single PV product?

**Answer:** There are no restrictions as to the number of products or technologies that can be proposed under one LOI. All proposals will be evaluated in accordance with the Qualitative Merit Criteria For Best Value Selection (Section 8 on page 7).

13. **Question:** If the cost of capital equipment purchased for the project exceeds the Subcontractor's share cost for a phase, can the amount exceeding the Subcontractor's share cost for this phase be credited to the Subcontractor's share cost for a following phase at the Subcontractor's risk with regard to obtaining incremental funding?

**Answer:** Yes

14. **Question:** Assuming that the Majority Team member receives greater than 50% or more of the NREL funding and the Primary Team member is a secondary team member, what is the minimum % of funding that must go to the Primary team member to still qualify as a Primary Team member?

**Answer:** There is no minimum % of funding for a Primary Team Member (see page 3 of the solicitation for LOIs).

[1] Cost Sharing is not an applicable term for this solicitation for Letters of Interest. This Solicitation for Letters of Interest requires price participation. Price participation is defined on page 4 of the solicitation for Letters of Interest as a percentage of the total allowable and allocable price under the subcontract, which may be met by direct cash contribution by the Subcontractor and by contributions from the Subcontractor's lower-tier subcontractors or suppliers at no cost to NREL under the subcontract and which must be allowable and allocable direct prices under the terms of the Federal Acquisition Regulations and DOE Acquisition Regulations.

**Responders are required to acknowledge receipt of this Amendment No. 2, with any LOI submitted in response to this solicitation.**

RECEIPT ACKNOWLEDGED

COMPANY \_\_\_\_\_

NAME AND TITLE \_\_\_\_\_

DATE \_\_\_\_\_