Under Secretary for Science and Technology
U.S. Department of Homeland Security
Washington, DC 20528

Homeland Security

February 29, 2008

[redacted]

Dear [redacted]

On behalf of the Department of Homeland Security (DHS), I would like to thank you for your continued support of the National Bio and Agro-Defense (NBAF) mission. The purpose of this letter is two-fold: (1) to confirm the details of your final site offer and for you to have the opportunity to identify any contingencies affecting your offer; and (2) to provide you with background on the process DHS is following to identify its preferred site alternative among the six siting alternatives and no action alternative that DHS is currently analyzing in accordance with the National Environmental Policy Act (NEPA).

As you know, as the DHS site selection authority, I included your site as a reasonable alternative for the construction and operation of the proposed NBAF in the DHS Notice of Intent (NOI) to prepare an Environmental Impact Statement (EIS) which was published in the *Federal Register* on July 31, 2007. Your site was identified as a reasonable alternative based upon the evaluation of your consortium's Expression of Interest (EOI) submission, additional information submitted in response to DHS's December 8, 2006 letter requesting additional information, and information gathered during DHS representatives' site visit.

DHS is in the process of preparing the EIS, as required by NEPA, to assess your site, the five other reasonable siting alternatives identified in the published NOI, and the no action alternative which must be analyzed in accordance with NEPA. DHS has also developed an internal Decision Process Plan which will guide DHS's decision making process as to if and where the proposed NBAF will be built. In addition to the EIS, DHS is preparing additional studies which it will factor into its final decision. These additional studies are: Threat Risk Assessment (DHS's goal is to select a site with the fewest unique security threats, vulnerabilities, and consequences); Site Cost Analysis (DHS's goal is to minimize the construction, infrastructure, and operating costs of the NBAF consistent with public health and safety, security, and environmental protection); Site Characterization Study (DHS's goal is to select a site with the least physical and geographical encumbrances so that the site may be developed without extremely complicated, costly, invasive, or lengthy construction or environmental mitigation techniques); and Plum Island Animal Disease Center (PIADC) Facility Closure and

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Transition Study (DHS's goal is to ensure the continuity of operations during the construction and commissioning of the NBAF, while considering the potential costs and decommissioning requirements of the PIADC if the decision is made to build the NBAF). Finally, in addition to the foregoing documents which are being prepared, DHS's internal document "The Final Selection Memorandum for Site Selection for the Second Round Potential Sites for the National Bio and Agro-defense Facility (NBAF)," signed by me on July 10, 2007, will also factor into DHS's decision as this document analyzed the competitively selected site alternatives against DHS's communicated evaluation criteria and preferences. DHS reserves the right to re-consider my July 2007 analysis if there are subsequent material changes impacting how a site measures up against DHS's communicated evaluation criteria and preferences. Once DHS selects its preferred site alternative or the no action alternative, DHS's final decision will be published as a Record of Decision (ROD) in the *Federal Register* following the publication of the NBAF EIS.

With respect to your offer, the original project cost estimate of $451M did not include the cost of acquiring the site, site work, utilities, and infrastructure. Therefore, DHS is preparing a site characterization study and cost estimate to understand the site specific costs to build the NBAF at the [redacted] Attached you will find the following:

1. Site Costs Summary: A narrative that explains the process DHS used to develop the estimated utility costs and loads found in attachment 2.
2. [redacted] Site Related Cost Estimate (Class 3): As explained in attachment 1, this chart provides the cost and load requirements. In keeping with the Association for the Advancement of Cost Engineering (AACE) International estimate class designations, this estimate is a Class 3 estimate. A Class 3 estimate is developed using a mixed methodology of judgment and stochastic but is primarily stochastic. The typical end use of a Class 3 estimate is budget authorization or control.
3. [redacted] In-Kind Contributions: This chart provides the in-kind contributions as currently understood by DHS compared to DHS requirements.
4. [redacted] Preliminary Site Diagram: Identifies the proposed NBAF layout, site boundaries, and utility routings used in our analysis.

The utility load requirements shown in Attachment 2 are to assist you in verifying that the utility providers can meet the NBAF requirements. While the cost estimate does include the cost to run to the closest point of available utility service, it does not include the cost to upgrade the existing local utility infrastructure if necessary to build the NBAF.

We now ask that you provide the following:

1. Verification that the existing or upgraded local utility infrastructure, as applicable, is capable of supporting the NBAF based on the requirements and loads provided in the attachments. While the upgrade costs can be a part of your in-kind

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contribution, please ensure that these costs are shown separately from the cost to run to the closest point of available utility service.

2. The expected utility rate and rate structure for electric, natural gas, water, and sanitary based on the expected loads provided in Attachment 2.
3. Please provide a chart clearly detailing the in-kind contributions your consortium offered to DHS during the first two phases of the site selection process. Feel free to use the attached In-Kind Contributions chart, modified as necessary to reflect your final offer. If your consortium wishes to update the original in-kind contributions offered, you may do so in this chart with reference to such updates also made in an accompanying letter.
4. For each identified in-kind contribution, please provide the following information: (a) the source of the monies funding such contribution (e.g., consortium, state government, local government, or private entity); (b) any contingencies on funding such contribution (e.g., the state legislature must approve a bill or budget, your consortium must exercise an option to acquire land, etc.); (c) the date on which you expect any identified contingency to be met, if known or reasonably determined (e.g., the date by which the state legislature will have passed its budget, the date by which your consortium must exercise its option to acquire land, etc.); and (d) any expiration date on your offer to provide or fund such contribution.
5. Please provide a map that clearly defines the site boundaries and the coordinates for the final site to be offered as an in-kind contribution.

The above information must be on appropriate letterhead with a signature of authority and be postmarked by March 30, 2008 (please submit to: Department of Homeland Security, Attn: James V. Johnson/Science and Technology Directorate, Anacostia Naval Annex, 245 Murray Lane SW, Bldg. 410, Washington, D.C. 20528). For FEDEX, UPS, and DHL deliveries please use the mail room phone number 202-772-9747. Please note that if your letter and attachments contain information that is privileged or confidential, the appropriate portions of the submittal should be marked "Proprietary Information." This restriction does not limit the Government's right to use or disclose data without restriction from any source including the submitter.

I thank you and your consortium for your continued involvement in and support of this process. DHS anticipates that the NBAF will play a vital role in the enhancement and defense of the country's agriculture and public health and greatly appreciates your consortium's participation in this important mission. If you have any questions, please contact the NBAF Program Management Office at nbafprogrammanager@dhs.gov.

Sincerely,

Jay M. Cohen

Jay M. Cohen
Under Secretary for Science and Technology

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Attachment 1: Site Costs Summary

I. FACILITY DESCRIPTION

The NBAF project scope will consist of two laboratory facilities and three outbuildings within the site itself. One of the two laboratory buildings will be the primary research building containing the BSL-2, BSL-3E, BSL-3Ag, & BSL-4 laboratories with their associated support spaces. The other laboratory building will be a Current Good Manufacturing (cGMP) laboratory located adjacent to the primary research laboratory. In addition to the two laboratory facilities, there will also be other outbuildings which support the overall operation of NBAF:

- Entry Guard House – Controls site access
- Central Receiving Facility – Controls all deliveries to the site for transfer to the laboratory facilities
- Quarantine Building / Paddocks – Will house all livestock in an outdoor enclosure for processing and quarantining
- Parking – General surface parking for staff and visitors
- Central Utility Plant (CUP) - Will be located within NBAF's primary security zone.

II. ESTIMATED SITE COSTS SUMMARY

The site characterization study analyzed each specific site and estimated the anticipated costs using the preliminary site diagrams dated December 11, 2007 which indicate conceptual layouts of the NBAF site program. This site program includes the research and support buildings, central utility plant, anticipated utility corridors (both on-site and off-site), security fencing, and estimated earthwork using preliminary finish floor elevations as indicated on the site diagrams. These costs were applied to each individual site in 2012 dollars, include CM fees, and have been adjusted for their respective geographic location. The costs have been separated into the following categories:

1. **Earthwork**
2. **Roadways and Parking**
3. **Fencing**
4. **Utility distribution (On-Site and Off-Site)**
5. **On-Site Central Utility Plant (CUP)**

While the cost estimate does include the cost to build the CUP, it does not include the cost to upgrade the local utility infrastructure (water, wastewater, power) if necessary to build the NBAF. The cost for each utility includes the cost to connect to the closest point of available utility service. If after this point of connection any upgrade is required, this cost is not included in the estimate.

The breakdown of the site costs include specific line items which may or may not pertain to each of the sites but have been included for the sake of consistency and comparison. Each applicable line item includes the estimated quantity as determined from the conceptual site diagrams noted above. The totaled costs have been shown as a range as the responsibility of final costs cannot be determined until the design has been developed further.

<u>Site Specific Utility Routing</u>

[redacted]

The site diagrams in Attachment 4 indicate the anticipated utility feeds from the proposed location of the CUP to the nearest existing utility service. The estimated quantities of these lines are included in the specific site costs. The actual size of lines should be determined based on the required loads as listed in the utility chart.

Power, water, and gas can be run directly from [redacted] along the proposed entrance drive directly into the CUP. It is anticipated that water and gas upgrades may be necessary along [redacted] by the utility companies to support the facility.

It is anticipated that sanitary sewer will be collected outside the basement level and will be required to be pumped 9500 feet from the facility to a gravity line [redacted]

III. SITE SPECIFIC UTILITY LOAD REQUIREMENTS

In order to determine the extent and size of the CUP, the anticipated utility requirements necessary to support the NBAF program are included. Due to the secure nature of this facility, it will be necessary that the central utility plant be located within NBAF's secure site boundary thus any potential campus connection for steam or chilled water cannot be considered. It is DHS's intention to operate the CUP once the facility is operational.

The utility chart indicates the anticipated loads, redundancy, and capacities for each utility. This information should be used to size the CUP and associated support systems as necessary.

The mission critical program of the NBAF facility requires that the utility services to the new NBAF campus be highly reliable. All major services shall be provided with adequate and redundant capacities. Further, redundant or looped service pathways will be required for all critical utilities such that a service line failure will not result in total loss of that utility to the campus.

Electrical Power: It is required that medium voltage power at 34.5 kV (or other appropriate distribution voltage) be provided to the campus via a minimum of two feeders in separate duct banks such that failure of one feeder or failure of power source at one feeder will result in an automatic transfer to the alternate power source.

Standby Power: It is required that the NBAF have on-site diesel generators with adequate capacity to support all critical loads (nearly the entire load of the campus). One of the generators will be redundant such that normal equipment maintenance may occur without loss of reliable capacity. On-site fuel storage will be based on maximum fuel consumption for thirty days.

Water: It is required that municipal water service is brought to the site via redundant or looped feeds such that maximum water demand may be satisfied with loss of one feed line. Based on the availability, pressures, and reliability, on site water storage tank may be considered.

Sewer: It is required that the campus will be provided with public storm and sanitary sewer services. Multiple service lines are recommended and will be coordinated with the availability at the specific site.

Natural Gas: A Central Utility Plant (CUP) is required to support the NBAF and will house multiple dual-fuel (Natural Gas/Fuel Oil) boilers. The CUP shall be provided with adequate natural gas supply from the public utility system to serve the peak demand of the boilers. In

[redacted]

addition, on site fuel storage will be provided (integrated with the standby power system fuel storage) to support the operation of the boilers for thirty days.

Telephone and Data: Local utility providers shall bring voice and data services to the site through underground duct banks.

Steam and Chilled Water: The on-site Central Utility Plant (CUP) will provide steam and chilled water services with all the required equipment and system redundancies, N + 1. Such services will include the redundancy and reliability provisions described above.

[redacted]

Attachment 2: [redacted] Site Related Cost Estimate (Class 3)

I.	Facility Description	Quantities		Unit Prices	Cost	Cost Range	
	Main Building	[redacted]	gsf	Reference only			
	cGMP	[redacted]	gsf	Reference only			
II Estimated Site Costs Summary							
1. Earthwork	Site cut, per Engineer	[redacted]	cy				
	Site fill, per Engineer	[redacted]	cy				
	Select fill	[redacted]	cy				
	Haul off-site	[redacted]	cy				
	Haul/site disperse	[redacted]	cy				
	Basement cut	[redacted]	cy				
	Basement backfill, select	[redacted]	cy				
	Basement haul/site disperse	[redacted]	cy				
	Basement haul/off-site	[redacted]	cy				
	Site Grading Subtotal Including 2012 Escalatio	[redacted]	**nd Site Adjustment**			[redacted]	
2. Roadways /Parking							
	Parking	[redacted]	sf				
	Entry roadway	[redacted]	sf				
	Entry roadway, curbs	[redacted]	lf				
	Interior circulation roads and loading areas	[redacted]	sf				
	Interior circulation roads and loading areas, curbs	[redacted]	lf				
	Perimeter security drive	[redacted]	sf				
	Perimeter security drive, curbs	[redacted]	lf				
	Public highway paving	[redacted]	sf				
	Connecting road to main highway	[redacted]	sf				
	Connecting road to main highway, curbs	[redacted]	lf				
	Entry walks	[redacted]	sf				
	Roadway and Parking Subtotal Including Escalation for 2012, CM Fees and Site Adjustment					[redacted]	
3. Fencing	Perimeter fence	[redacted]	lf				
	Interior fence	[redacted]	lf				
	Fencing Subtotal Including Escalation for 2012, CM Fees and Site Adjustment					[redacted]	
4. Utility Distribution							
	Water (W)	[redacted]	lf				
	Gas (G)	[redacted]	lf				
	Power (P)	[redacted]	lf				
	Relocate Overhead Power (P)	[redacted]	lf				
	Sanitary (S)	[redacted]	lf				
	Force main (FM), on-site	[redacted]	lf				
	Force main (FM), off-site	[redacted]	lf				
	Lift station	[redacted]	ea				
	Sanitary manhole	[redacted]	ea				
	Site lighting, per paved area	[redacted]	sf				
	Utility Subtotal Including Escalation for 2012, CM Fees and Site Adjustment					[redacted]	[redacted]
5. CUP	Central Utility Plant (Allowance)	1	ea				
	CUP Subtotal Including Escalation for 2012, CM Fees and Site Adjustment					[redacted]	[redacted]
					Total Estimated Site Costs	[redacted]	

III Site Specific Utility Load Requirements	
Utilities	**Required Loads**
Chiller Peak Load (Tons) N+1 required	[redacted]
Boiler Peak Load (PPH) N+1 required	
Normal Power (kW)	
Emergency Power (kW)	
Building Sanitary (GPD)	
CUP Sanitary (Gallons per Year)	
Total Sanitary (Gallons per Year)	
CUP Water (GPM)	
CUP Water (Gallons per Year)	
Total Peak Water (GPM)	
Total Water (Gallons per Year)	

[redacted]

Attachment 3: [redacted] In-Kind Contributions

[redacted] - Site Related In-Kind Contributions			
	Consortium In-kind Contributions		DHS Rqmt (Range)
I Land	Provided	Comments	
Land	[redacted]		
Total			
II Site Costs			
1 Earthwork			
2 Roadways & Parking			
3 Fencing			
4 Utility Distribution			
5 On-Site Central Utility Plant			
Total			
III Other			
[redacted]			
Total			

[redacted]

Attachment 4: [redacted] Preliminary Site Diagram

[redacted]

[redacted]