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**PART I - THE SCHEDULE**  
**SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS**

**B-1. Services Being Acquired**

The Contractor shall manage and operate the Oak Ridge National Laboratory (ORNL or Laboratory), a Federally Funded Research and Development Center (FFRDC). The Contractor shall use its best efforts to provide the necessary personnel, equipment, materials, supplies, and services (except as may be provided by the Government) and otherwise do all things necessary for, or incidental to, performing the Statement of Work set forth in Section C as directed by the Contracting Officer within the scope of this contract, or as may be agreed upon by the Contractor and the Contracting Officer.

**B-2. Fixed Fee**

A fixed fee of \$3,500,000 shall be paid to the Contractor for performance of the work under the contract for the period February 1, 2000, through September 30, 2000, in accordance with the provisions of the clause in Section I entitled, "Payments and Advances." There shall be no adjustment in the amount of the fee by reason of differences between any estimate of cost for performance of the work under this contract and the actual costs for performance of that work. Fee is subject to adjustment only under the provisions of the clause in Section I entitled, "Changes." The fixed fee shall be applicable to the prime contractor and its members in a joint venture or limited liability company, teaming partner, and subcontractors identified and considered a part of the selection and award of this contract, if any.

**B-3. Performance Fee**

In implementation of the clause in Section I entitled, "Total Available Fee: Base Fee Amount and Performance Fee," the following shall apply:

- (a) There is no base fee for the period October 1, 2000, through March 31, 2005. During the period October 1, 2000, through September 30, 2004, annual total available performance fee shall be \$7,000,000 less a fee discount factor of 2%. During the period October 1, 2004, through March 31, 2005, total available performance fee shall be \$3,500,000 less the fee discount factor stated above.

- (b) There will be no annual negotiation of total available performance fee since the total available performance fee for the basic period of the contract has been established. There shall be no adjustment in the amount of the total available performance fee by reason of differences between any estimate of cost for performance of the work under this contract and the actual costs for performance of that work. Total available performance fee is subject to adjustment only under the provisions of the clause in Section I entitled, "Changes." The total available performance fee shall be applicable to the prime contractor and its members in a joint venture or limited liability company, teaming partner, and subcontractors identified and considered a part of the selection and award of this contract, if any.
- (c) Based on the annual evaluation of the Contractor's overall performance, the total performance fee earned for each evaluation period shall be as defined in H-33 Performance Expectations and further defined in the annual Performance Evaluation Plan.
- Performance fee earned shall be available for payment in accordance with the provisions of this clause and the clause in Section I entitled, "Payments and Advances."
- (d) Performance expectations, including relative weights, and performance objectives upon which the Contractor will be evaluated annually will be contained in a Performance Evaluation and Measurement Plan consistent with the clause in Section H entitled, "Performance Expectations," and the clause in Section I entitled, "Total Available Fee: Base Fee Amount and Performance Fee."
- (e) The Contractor may be paid provisional performance fee payments consistent with the provisions of the clause in Section I entitled, "Payments and Advances." The Contractor shall promptly refund to the Government any amount of performance fee paid that exceeds the amount of performance fee earned.

#### **B-4. Fee During Option Period**

- (a) The fee shall not exceed that allowed by DEAR 970.1504-1-3, "Special Considerations: Laboratory management and operation." and shall not include the application of classification factors in DEAR 970.1504-1-9, "Special considerations: cost-plus award-fee."
- (b) The fee shall be consistent with the approach used in the basic term of the contract.

- (c) A fee discount factor of 2% shall be applied to the fee resulting from (a) and (b) above to produce the total available performance fee applicable to the option period.
- (d) During the period April 1, 2005 and September 30, 2005, total available performance fee shall be \$5,459,184 less the 2% fee discount factor stated above. During the period October 1, 2005 and September 30, 2009, total available annual performance fee shall be \$10,918,368 less the 2% fee discount factor stated above. During the period October 1, 2009 and March 31, 2010, total available performance fee shall be \$5,459,184 less the 2% fee discount factor stated above.