



PANTEX SITE OFFICE

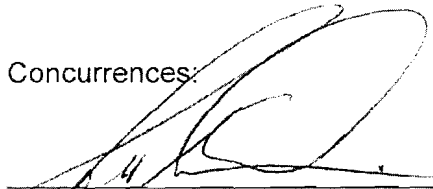
CONTRACT MANAGEMENT PLAN

CONTRACT NO. DE-AC04-00AL66620

With


Babcock & Wilcox
Technical Services Pantex, LLC
(B&W Pantex)

Concurrences:



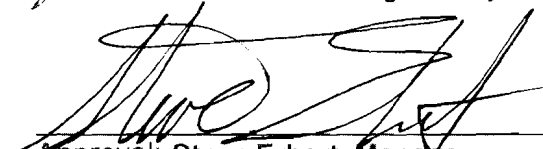
Seb Klein, Contracting Officer

2/7/2008
Date



Concur: Joseph F. Waddell
NA-63 Head of Contracting Activity

2-22-08
Date



Approval: Steve Erhart, Manager

3/5/08
Date



Pantex Site Office



COORDINATION & APPROVAL DOCUMENT

TITLE OF DOCUMENT: Pantex Site Office Contract Management Plan Contract No: DE-AC04-00AL66620	Document No. N/A
	Modification/Amendment Number N/A
DESCRIPTION: Implementation and Approval of the Contract Management Plan for PXSO with B&W Pantex.	Department: Pantex Site Office (PXSO)
	Division: Contract Administration and Business Management
	POC Name and Telephone Number Seb Klein 806-477-2337 (Sklein@pantex.doe.gov)

You are requested to review the attached document and indicate your coordination/approval in the space provided. Comments/Non-concurring statements should be attached on a separate sheet. Check appropriate box for comments.

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LEGEND FOR ORDER: The numbers reflect the order in which to accomplish the review and coordination.

P-Preparation: prepares the document
A-Approval: affixes signature as the approving official

C-Coordination: coordinates & reviews
S-Signature: signs/executes the document

Table of Contents

ABBREVIATIONS AND ACRONYMS	3
1.0 INTRODUCTION	4
2.0 PURPOSE	5
3.0 CONTRACT SUMMARY	6
3.1 Type and Duration	6
3.2 Performance-Based Contracting	6
3.3 Scope	7
4.0 ORGANIZATIONAL ROLES AND RESPONSIBILITIES	10
4.1 PXSO	10
4.2 Headquarters Program Offices	16
4.3 Department Staff and Support Offices	17
4.4 National Nuclear Security Administration (NNSA)	18
4.5 B&W Pantex Team	18
5.0 CONTRACTING AUTHORITIES, DELEGATIONS AND LIMITATIONS	18
5.1 Contracting Officers	19
5.2 Contracting Officer’s Representatives	19
5.3 PXSO Facility Representatives	19
5.4 Communication Between the Parties	19
6.0 CONTRACT PERFORMANCE MANAGEMENT	22
6.1 Planning, Programming, Budgeting and Evaluation (PPBE)	22
6.2 Line Oversight Plans	23
6.3 Earned Value Management System (EVMS)	24
7.0 PERFORMANCE EVALUATION PLAN	26
7.1 Performance Fee	26
7.2 Reviews	27
7.3 Performance Evaluation Plan Revisions	27
7.4 Contractor’s Self-Assessment	27
7.5 Performance Incentive Fee Determination	27
8.0 FEEDBACK AND IMPROVEMENT	28
8.1 Integrated Safety Management System (ISMS)	28

8.2	Integrated Management and Tracking Program	28
8.3	PXSO Assessment Program.....	29
8.4	Contractor Assurance System (CAS).....	30
9.0	CONTRACT CLAUSES AND DELIVERABLES.....	30
	APPENDIX 1 PXSO PROCEDURES	32
	APPENDIX 2 CONTRACT CLAUSE SUMMARY MATRIX	35

ABBREVIATIONS AND ACRONYMS

AM – Assistant Manager	HCA – Head of Contracting Activity
AMCABM – Assistant Manager for Contract Administration and Business Management	HEMWAD – High Explosives Manufacturing, Weapons Assembly/Disassembly
AMESEP – Assistant Manager for Environmental and Site Engineering Programs	HQ – NNSA Headquarters
AMNE – Assistant Manager for Nuclear Engineering	ICO – Integrated Contractor Order
AMO – Assistant Manager for Operations	IMB – Issues Management Board
AMOA – Assistant Manager for Oversight and Assessment	ISM – Integrated Safety Management
AMSS – Assistant Manager for Safeguards and Security	ISMS – Integrated Safety Management System
CAP – Corrective Action Plan	IWAP – Integrated Weapons Activity Plan
CAS – Contractor Assurance System	MA-5 - Headquarters Office of Procurement and Assistance Management
CMP – Contract Management Plan	M&O – Management and Operating (Contract)
CO – Contracting Officer	MOA – Memorandum of Agreement
COR – Contracting Officer’s Representative	NNSA – National Nuclear Security Administration
CPAF – Cost Plus Award Fee	NTS – Nevada Test Site
D&D – Decontamination and Decommission	PBI – Performance Based Incentive
DEAR – Department of Energy Acquisition Regulation	PDRD – Plant-Directed Research, Development and Demonstration
DNFSB – Defense Nuclear Facilities Safety Board	PEP – Performance Evaluation Plan
DoD – Department of Defense	PMB – Performance Measurement Baseline
DOE – Department of Energy	PO – Performance Objective
DM – Deputy Manager	PPBE – Planning, Programming, Budgeting and Evaluation
DP – Defense Programs	PXSO – National Nuclear Security Administration Pantex Site Office
DSW – Directed Stockpile Work	SME – Subject Matter Expert
ES&H – Environment, Safety and Health	SOW – Statement of Work
ESTARS – Electronic Suspense Tracking & Routing System	S/RIDS – Standards and Requirements Identification Documents
EVMS – Earned Value Management System	WA – Work Authorization
FAR – Federal Acquisition Regulation	WAD – Work Authorization Directive
FDO – Fee Determination Official	WBS – Work Breakdown Structure
FR – Facility Representative	WETL – Weapons Evaluation Test Laboratory

1.0 INTRODUCTION

It is the policy of the U. S. Department of Energy (DOE) National Nuclear Security Administration (NNSA) Pantex Site Office (PXSO) in the administration of this Contract to be fiscally and managerially responsible. Protection of the health and safety of the Babcock & Wilcox Technical Services Pantex, LLC (B&W Pantex), federal, laboratory and contract employees, the public, and the environment shall be paramount in all actions taken by PXSO and required of B&W Pantex. PXSO shall "partner" with the Contractor to create a dynamic working relationship that strives for a "win-win" for all parties and stakeholders. The Contract document and all attachments govern the relationship between NNSA and B&W Pantex and take precedence over this Contract Management Plan (CMP).

The CMP provides overall guidance to employees involved with the oversight of the M&O contract. The CMP is a flexible contract administration tool and will be updated as changes occur in the contract oversight process. A key component of effective contract management under the CMP is the use of a team approach of NNSA/HQ, Site Office staff and M&O Contractor staff focused on the common goal of successful contract performance.

The CMP is developed in conjunction with the Line Oversight and Contractor Assurance System (LOCAS) process. Since the CMP and the LOCAS drive the mode of operation at the NNSA Site Office, the following Figure 1 depicts the relational hierarchy between the systems.

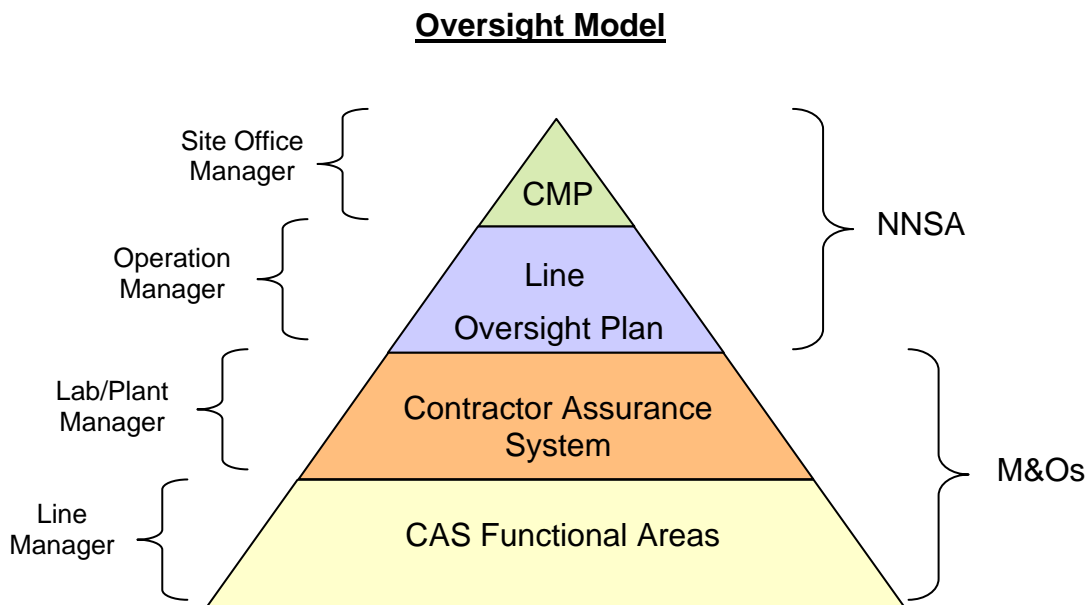


Figure 1.
Graphically demonstrates the hierarchy and responsibilities associated with CMP/LOCAS process.

The Contract Management Plan (CMP) defines the contract administration process and various sub-processes, and their integration, to assure that the terms of the contract are met by the contractor and NNSA. The CMP summarizes in a single document how contract oversight responsibilities will be conducted. The CMP does not identify every action that the government or contractor must complete or perform but rather sets forth the higher level contract requirements, deliverables, and performance activities. The CMP references other contract oversight tools that have been or will be implemented such as the Line Oversight Plan and the Contractor Assurance System, Site Office Functions, Responsibilities, and Authorities Manuals, Prime Contract Clauses, and the annual Performance Evaluation Plan (PEP).

Administration and oversight of the M&O contractor is based on the (1) terms and conditions of the contract, (2) Federal Acquisition Regulation (FAR), (3) Department of Energy Acquisition Regulation (DEAR), (4) NNSA procurement directives and (5) other applicable laws, rules, and regulations.

2.0 PURPOSE/APPLICABILITY/UPDATES AND DISTRIBUTION

Purpose: The CMP provides contract administration and performance oversight¹ guidance to PXSO, federal agencies and National Laboratory employees involved with the direction, oversight, and evaluation of the B&W Pantex Contract, and provides guidance to B&W Pantex employees and subcontractors on the means and processes used in performance evaluation of the Contract. While the contract document is definitive, this plan provides the conceptual framework in which the contract is administered. Questions about this plan, contract administration or performance should be addressed to the PXSO Contracting Officer (CO).

The principles and concepts of contract assurance requirements are incorporated into the CMP. Specifically, the CMP:

- a. Summarizes NNSA employees' involvement with the management and administration of the contract,
- b. Identifies lead and support contract administration responsibilities,
- c. Identifies deliverables and actions that are critical to achieving success and complying with regulatory and contract requirements,
- d. Provides a high level overview in how the contract is to be administered,
- e. Summarizes the purpose, scope, features, and requirements of the contract,
- f. Defines the roles and responsibilities of the organizations involved in the management and administration of the contract,
- g. Discusses the contracting authorities, delegations, and limitations of authorities,
- h. Identifies how work is assigned or authorized, and

¹ Contract administration and performance oversight refers to those actions that are necessary to complete the government's contract responsibilities and obligations (e.g., establishment of PXSO's requirements, budget formulation, etc.). Contract administration is defined as those functions specified in FAR, Subpart 42.3.

- i. Outlines the contract management process including planning, execution, evaluation, fee determination, and improvement.

Other key contract management and oversight tools include the Quality Assurance Program, the ISSM Program, the Environmental Management System, Work Authorization System, and the Information Management System. Key policies and procedures include: Functions, Responsibilities, Authorities Manual (FRAM); Emergency Management and Performance Evaluation Plan/Performance Evaluation Report Procedures. Specific systems, policies, procedures, and processes applicable to the management and oversight of the Contract are discussed in subsequent sections of this CMP.

Applicability: The CMP is applicable for the management and administration of Contract number DE-AC04-00AL66620, a Management and Operating (M&O) contract, with B&W Technical Services Pantex, LLC.

Updates and Distribution: The PXSO Contracting Officer (CO) has responsibility for updating the CMP and will revise the plan periodically as needed based on contract modifications or other contract administration changes. The PXSO Assistant Manager for Contracts Administration and Business Management (AMCABM) in conjunction with B&W Pantex Contracts Department personnel shall maintain configuration control for this document. A copy of the plan is located on the Pantex website.

3.0 CONTRACT SUMMARY

NNSA enters into contracts as a means of accomplishing its missions. NNSA defines the work to be accomplished, provides the means for accomplishing the work (i.e., facilities and funding), and evaluates contractor performance. The NNSA PXSO provides on-site performance oversight of those tasks or actions necessary to complete the government's contract requirements. PXSO is also responsible for approving annual work scope direction and budgets.

3.1 Type and Duration

Contract DE-AC04-00AL66620 is a Cost Plus Award Fee (CPAF) Management and Operating (M&O) Contract with performance-based management provisions. The contract was awarded to BWXT Pantex effective February 1, 2001, and contains an option to extend performance for an additional 5 years (an extension was made to September 30, 2010). There was a prior non-fee-bearing transition period from November 13, 2000, through January 31, 2001. Effective November 12, 2007, BWXT Pantex changed its name to B&W Pantex. The name change was recognized in contract modification M143.

3.2 Performance-Based Contracting

PXSO implements performance-based contracting principles through processes associated with strategic planning, budget formulation, budget execution, and performance evaluation. These processes, defined in various PXSO procedures (see

Appendix 1), include strategic planning, developing performance objectives (PO), defining work scope through the task planning process, and evaluating results against a baseline to measure progress.

PXSO utilizes performance fee to incentivize and reward B&W Pantex for performance. Fee consists of two components: an incentive fee component which provides management focus and emphasis on PXSO's critical performance measures, and an award fee component that focuses on all other aspects of B&W Pantex's performance such as overall management acumen, customer service, and problem solving.

A Performance Evaluation Plan (PEP) is developed for each fiscal year, and a formal change control process is used to incorporate changes throughout the year. The PEP includes both incentive fee criteria and award fee criteria.

3.3 Scope

3.3.1 Defense Programs (DP) Strategic Planning Process (See Part 1, Section C, Sub-Section C.2, [Paragraph 2.1](#) of the Contract)

The Contractor shall contribute to the development of the DOE's Office of Defense Programs strategic planning process and execute the plans. The goal of the DP planning process is to integrate programmatic work to maximize scientific and technical accomplishments, minimize duplication between programs and sites, and provide for major investments in facilities with essentially fixed budgets. Work is defined in three major categories:

- Directed Stockpile Work (DSW) supports ongoing stockpile maintenance and refurbishment, as well as the scientific understanding and engineering development capabilities necessary for the refurbishment and certification of the stockpile to support Stockpile Life Extension Programs.
- Campaigns involve the weapons plants, weapons laboratories, and the Nevada Test Site (NTS), to address critical capabilities needed to achieve key future program objectives. Campaigns are technically challenging, multi-function efforts that have definitive milestones, work plans, and end dates. The Pantex Plant is a major participant in the Enhanced Surveillance and Advanced Design and Production Technologies engineering campaigns, and leader of the High Explosive Assembly Readiness Campaign.
- Readiness in Technology Base and Facilities are scientific and technical activities required to ensure that the infrastructure and facilities are operationally safe, secure, compliant, and an acceptable level of readiness is sustained at all facilities.

3.3.2 Technology and Business Integration (See Part 1, Section C, Sub-Section C.2, [Paragraph 2.2](#) of the Contract)

The Contractor shall utilize the best available technology and management practices from both Government and commercial sources to achieve excellence. The DOE is continuously looking for opportunities to optimize the efficiency of the site and the collective accomplishment of the weapons production mission through integration of multiple site activities. The Contractor shall participate with other DOE Contractors and other Federal Contractors and agencies to achieve these efficiencies.

The Contractor shall provide the management expertise and other services necessary to accomplish the efficient operation of facilities at the Pantex Plant. The Contractor shall maintain national security mission competency and capability.

3.3.3 Plant-Directed Research, Development and Demonstration (PDRD) Program (See Part 1, Section C, Sub-Section C.2, [Paragraph 2.3](#) of the Contract)

The Contractor shall conduct a DOE-approved PDRD Program that supports science-based manufacturing related to the NNSA weapons mission, and encourages advanced research, development, and demonstration work to enhance the science and technology capabilities and core competencies required to fulfill the mission of the plant.

3.3.4 Directed Stockpile Work (See Part 1, Section C, Sub-Section C.2, [Paragraph 3.0](#) of the Contract)

DSW includes weapons programs and production support programs. These programs are performed to achieve stockpile evaluation, stockpile maintenance, and nuclear weapons assembly and disassembly objectives in accordance with DOE directive schedules. The Contractor shall provide the following:

- Weapons Programs (See Part 1, Section C, Sub-Section C.2, [Paragraph 3.1](#) of the Contract)
- Production Support Programs (See Part 1, Section C, Sub-Section C.2, [Paragraph 3.2](#) of the Contract)

3.3.5 Campaigns (See Part 1, Section C, Sub-Section C.2, [Paragraph 4.0](#) of the Contract)

- Enhanced Core Surveillance Campaign (See Part 1, Section C, Sub-Section C.2, [Paragraph 4.1](#) of the Contract)
- Advanced Design and Production Technologies Campaign (See Part 1, Section C, Sub-Section C.2, [Paragraph 4.2](#) of the Contract)
- High Explosive/Assembly Readiness Campaign (See Part 1, Section C, Sub-Section C.2, [Paragraph 4.3](#) of the Contract)

- Additional Campaigns (See Part 1, Section C, Sub-Section C.2, [Paragraph 4.4](#) of the Contract)

3.3.6 Readiness in Technology Base and Facilities (See Part 1, Section C, Sub-Section C.2, [Paragraph 5.0](#) of the Contract)

The Contractor shall provide management and administrative capabilities as follows, to maintain the Pantex Plant in the production readiness posture defined by DOE.

- General Management, Administration and Oversight (See Part 1, Section C, Sub-Section C.2, [Paragraph 5.1](#) of the Contract)
- Waste Management (See Part 1, Section C, Sub-Section C.2, [Paragraph 5.2](#) of the Contract)
- Construction Programs and Capital Equipment (See Part 1, Section C, Sub-Section C.2, [Paragraph 5.3](#) of the Contract)
- Asset Management (See Part 1, Section C, Sub-Section C.2, [Paragraph 5.4](#) of the Contract)
- Site Services (See Part 1, Section C, Sub-Section C.2, [Paragraph 5.5](#) of the Contract)
- Other Site Services (See Part 1, Section C, Sub-Section C.2, [Paragraph 5.6](#) of the Contract)

3.3.7 Other DOE Program Support (See Part 1, Section C, Sub-Section C.2, [Paragraph 6.0](#) of the Contract)

- Non-Proliferation, Treaty-Related Issues, and Verification (See Part 1, Section C, Sub-Section C.2, [Paragraph 6.1](#) of the Contract)
- Emergency Response (See Part 1, Section C, Sub-Section C.2, [Paragraph 6.2](#) of the Contract)
- Environmental Restoration and Decontamination & Decommissioning (D&D) (See Part 1, Section C, Sub-Section C.2, [Paragraph 6.3](#) of the Contract)
- Surplus Plutonium Pit Storage (See Part 1, Section C, Sub-Section C.2, [Paragraph 6.4](#) of the Contract)
- Workers Compensation Matters (See Part 1, Section C, Sub-Section C.2, [Paragraph 6.5](#) of the Contract)

3.3.8 Other Non-DOE Support (See Part 1, Section C, Sub-Section C.2, [Paragraph 7.0](#) of the Contract)

The Contractor shall manage and execute other assigned programs related to the Pantex Plant mission for other Government agencies or privately owned organizations on a non-interference basis with other DOE work.

3.3.9 Work Standards (See Part 1, Section C, [Sub-Section C.4](#) of the Contract)

The Contractor shall comply with applicable federal, state, and local laws and regulations and shall be responsible for obtaining such licenses, permits, and other authorization that may be necessary for the performance of the work.

Pursuant to the Contract Clause entitled "Laws, Regulations, and DOE Directives," the Contractor shall conform to the requirements of all applicable DOE Orders and Directives which may establish management, technical, procedural or other standards, and specifications for Contractor work activities. (Section J, Appendix E.)

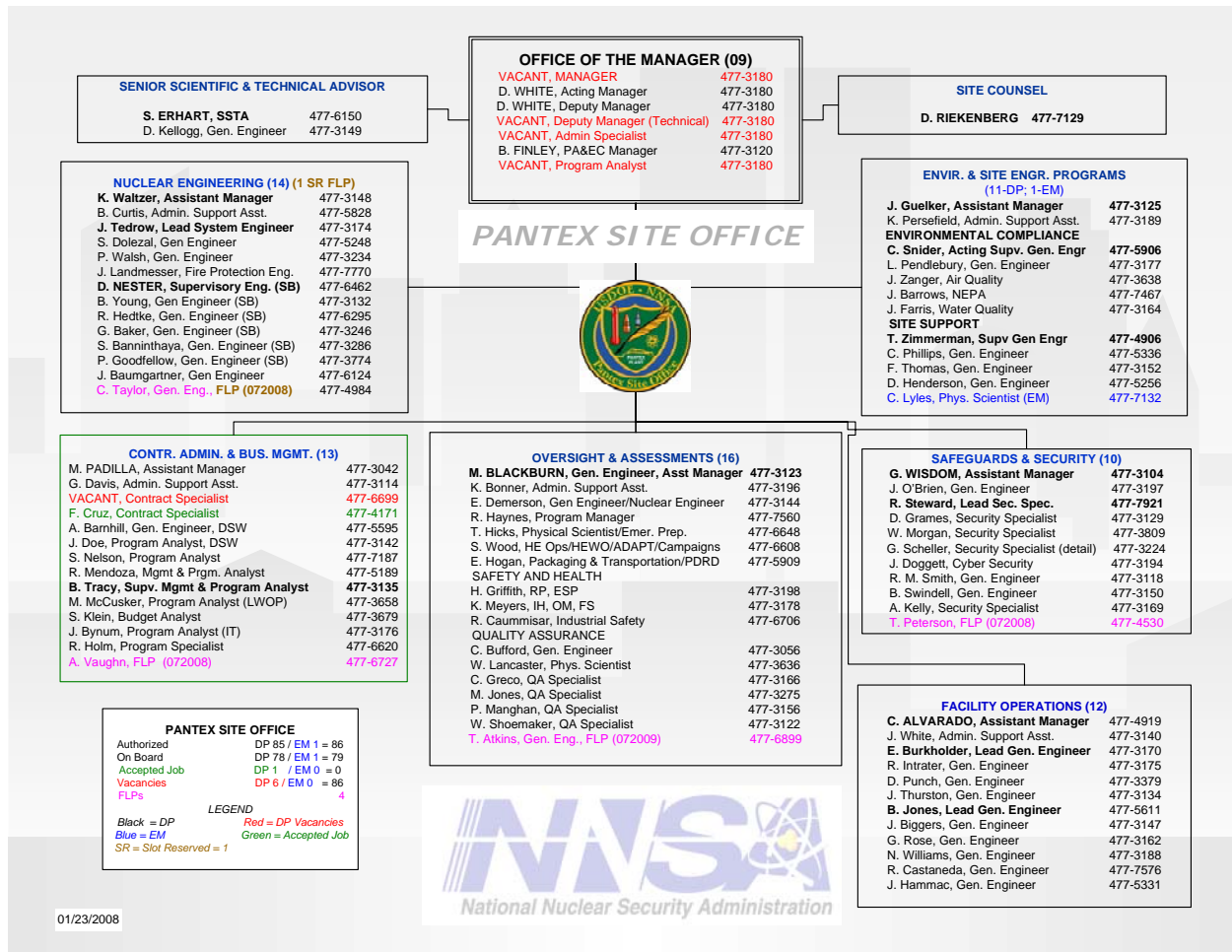
3.3.10 Work For Others

Subject to the prior written approval of the CO, and in compliance with applicable requirements imposed by the CO pursuant to DOE Acquisition Regulation ([DEAR](#) 970.5204-2, "Laws Regulations and DOE Directives," the Contractor may, perform non-DOE activities which are consistent with and complementary to the DOE's mission involving the use of Contract equipment, facilities, or personnel. Such proposed work is called Work for Others and may be performed for other Federal agencies or non-Federal entities.

4.0 ORGANIZATIONAL ROLES AND RESPONSIBILITIES

4.1 PXSO

The following is an organization chart for the Pantex Site Office. The sections that follow identify key individuals and/or organizations directly or indirectly responsible for the management, administration and performance oversight of the Contract, and generally describe the corresponding roles and responsibilities. (Reference: PXSO Procedure 103.4.0, "[Functions, Responsibilities, and Authorities Manual](#).")



4.1.1 PXSO Manager

The National Nuclear Security Administration (NNSA) Headquarters’ line interface with the Pantex Site Office is the Site Office Manager (Manager). This interface takes place for program and Health, Safety & Security matters through the appropriate Deputy or Associate Administrator and, for all matters as deemed necessary or required, with the Office of the Administrator (NA-1) and specifically the Principal Deputy Administrator (NA-2) and the Chief Of Staff (NA-3).

The Manager is responsible for:

- Administering assigned prime and related subcontract operations for the contractor’s fulfillment of mission requirements pertaining to weapons assembly and disassembly operations and nuclear material disposition and staging operations, and the overall appraisal of contractor performance within this structure
- Conducting day-to-day oversight and evaluation of program management and contract administration activities at the site;

- Directing a staff to include all activities of the PXSO;
- Participates in quality evaluations and safety evaluations; conducts quality surveys to ensure assembled weapons meet Design Agency specifications; and monitors contractor assembly and disassembly operations to ensure adherence to approved procedures;
- Providing program management and leadership for the implementation of ISM requirements;
- Providing program management for assigned weapon activities;
- Holding full authority for day-to-day execution of the Safety Management Program at the Pantex Plant;

4.1.2 Office of the Manager

The Office of the Manager is comprised of the Deputy Manager, Site Counsel, Senior Scientific and Technical Advisor, Public Affairs and Employee Concerns Manager, and the DSW Program Liaison.

Functions, responsibilities and authorities common to most of the Office of the Manager are:

- Providing full cooperation with the Defense Nuclear Facilities Safety Board;
- Assisting in the development/review of guidance documents that promulgate expectations for Pantex activities and performance (including Rules, NNSA and DOE Policies, Orders, Notices, Manuals, Guides, and Technical Standards);
- Preparing the PXSO FRAM, submitting for approval by the Deputy Administrator, and implementing processes and procedures for PXSO that delineate how the applicable responsibilities and authorities in the NNSA FRAM are performed;
- Reviewing and supporting development of expected performance objectives and related Deputy Administrator goals and priorities;
- Approving the Technical Safety Requirements and other hazards controls for Hazard Category 2 and 3 nuclear facilities and ensure sufficient funding for implementation;
- Reviewing and providing recommendations to the Deputy Administrator on requests for exemptions to 10 CFR Parts 830 and 835;
- Determining the appropriate level of readiness necessary for the startup on non-nuclear facilities and ensure that it has been attained;
- Ensuring that readiness reviews are conducted in accordance with DOE Order 425.1C;
- Ensuring that duly authorized independent oversight personnel have unfettered access to information and facilities, consistent with safety and security requirements;
- If delegated, approving Corrective Action Plans (CAPs) within 60 calendar days of the issuance of the formal independent oversight assessment report;
- Participating in Change Control Boards; and

- Authorizing accident investigations, when applicable.

4.1.3 Deputy Manager (DM)

Assists the Manager in managing the PXSO. The DM has the authority to act for the Manager when the Manager is not present or has delegated his or her responsibilities to the Deputy

The DM has the following specific functional responsibility areas, in addition to the applicable duties listed under the Office of the Manager.

- Represents the Site Office in DOE/NNSA/PXSO and M&O Contractor meetings, Department Standards Committee, Work Authorization Directive (WAD) and Work Authorization Control Change Control Board (Chair);
- Facilitates Emergency Management planning, training and exercises;
- Develops the PXSO Operational Plan and associated performance indicators;
- Supervises and provides oversight of Public Affairs, Community Outreach, and Employee Concerns, including Whistle Blower reports;
- Serves as a PXSO CO in administration of the M&O Contract; and
- Facilitates administration of business and financial functions.

4.1.4 Site Counsel

The Site Counsel reports to the DM on programmatic, administrative, and functional matters and the NNSA General Counsel on matters of law and legal policy. The Counsel provides legal advice and assistance to the Manager and Staff, and is responsible for and represents DOE/NNSA in all matters of law and legal policy related to the functions of the PXSO.

In addition to the applicable duties listed under the Office of the Manager, the Site Counsel reviews and concurs on Environmental Assessments (“Finding Of No Significant Impact”) and Environmental Impact Statements and provides contract oversight and legal direction to the M&O Contractor legal personnel.

4.1.5 Senior Scientific and Technical Advisor

The Senior Scientific and Technical Advisor (SSTA) is responsible for technical and scientific assistance, readiness assessments, and serves as the primary Defense Nuclear Facilities Safety Board (DNFSB) contact at PXSO.

The SSTA manages the PXSO Readiness Review program for PXSO, approves Startup Notification Reports (SNRs) and Plans of Action (POAs), generates quarterly Precursor Event Report, serves as the Chair of the Pantex Operations Security (OPSEC) Committee and reviews, coordinates, and obtains approval of the Memorandums of Agreement with the Tri-Lab Project Office and the Weapons Evaluation Test Laboratory.

4.1.6. Public Affairs and Employee Concerns Program Manager.

The Public Affairs and Employee Concerns Program Manager reports directly to the DM. Public Affairs is responsible for relations between PXSO and its stakeholders concerning DOE/NNSA/PXSO missions and activities, and ensures public participation (both formal and informal) is an open, ongoing, two-way communication. Employee Concerns is responsible for maintaining an effective Employee Concerns Program for Federal personnel.

The Public Affairs and Employee Concerns Program Manager assures that the M&O Contractor has a viable public affairs program and provides oversight of that program. The Manager provides oversight of the Contractor Employee Concerns Program.

4.1.7. DSW Program Liaison.

The Directed Stockpile Work (DSW) Program Liaison reports to the Deputy Manager and serves as the Program Liaison among the various organizations within PXSO, the M&O Contractor and appropriate Headquarters organizations to ensure that Defense Program work is accomplished.

In addition to the applicable duties listed under the Office of the Manager, the DSW Program Liaison supports Startup/Restart and associated Operational Readiness Review (ORR)/Readiness Assessment (RA), coordinates review and closeout of DSW-related findings from NNSA/PXSO Startup/Restart activities, reviews and communicates administrative and technical issues in meeting directive schedule requirement and monitors processes and facilities available to support directive schedule work, reviews and communicates issues relating to completion of Documented Safety Analyses, review and communicate administrative and technical issues regarding the completion of weapons-related projects, coordinates startup activities for transfer of new technologies and nuclear material operations, and monitors and communicates M&O Contractor progress in fulfilling explosives operations,

4.1.8. Assistant Manager for Nuclear Engineering (AMNE)

The Assistant Manager for Nuclear Engineering (AMNE) acts as the Contracting Officer's Representative in all matters relating to safety basis, nuclear explosives and criticality safety, and safety systems.

In addition to the applicable duties listed under the Assistant Managers, the AMNE directs and performs supervisory, oversight, and contract administration activities over Safety Basis, Nuclear Explosives Safety, Nuclear Criticality Safety, System Engineering, ensures that all Hazard Category 3 nuclear facilities have a current Authorization Agreements and evaluates and verifies the effectiveness of the M&O Contractor's safety Software Quality Assurance (SQA).

4.1.9 Assistant Manager for Oversight and Assessment (AMOA)

The Assistant Manager for Oversight and Assessments (AMOA) acts as the Contracting Officer's Representative in all matters relating to occupational safety and health, construction safety, the Price Anderson Amendment Act, assessment program, emergency management program, operations quality assurance, and weapons and operations quality.

The AMOA manages LOCAS, oversees the contractor's Emergency Management Program reviews and approves the contractors' Quality Assurance Programs (QAPs), directs the preparation of the Radiological Protection Plans (RPPs), monitors contractor reporting of potential nuclear safety violations and non-compliances with nuclear safety Rules, resolves Unsatisfactory Reports (URs), coordinates the review of assessment findings and monitors and assesses the M&O Contractors' Lessons Learned program.

4.1.10 Assistant Manager for Facility Operations (AMFO)

The Assistant Manager for Facility Operations (AMFO) acts as the Contracting Officer's Representative in all matters relating to the Federal Facility Representative program, Conduct of Operations, Occurrence Reporting and Processing System (ORPS), and the PXS0 Duty Officer Program.

The AMFO tracks and verifies closure of NNSA Readiness Assessment post-start findings, monitors and assesses the M&O Contractors' Lessons Learned program and monitors contractor processes for USQs and compliance with the TSRs. The AMFO also serves as the Federal Technical Capability Program Agent for PXS0.

4.1.11 Assistant Manager for Safeguards and Security (AMSS)

The Assistant Manager for Safeguards and Security (AMSS) acts as the Contracting Officer's Representative in all matters relating to safeguards and security, integrated safeguards and security management, and the human reliability program.

4.1.12 Assistant Manager for Environmental and Site Engineering Programs (AMESEP)

The Assistant Manager for Environmental and Site Engineering Programs (AMESEP) acts as the Contracting Officer's Representative in all matters relating to environmental restoration and project management, component disposition, new construction and facility upgrade projects, Work for Others (reimbursables), and waste management.

The AMESEP oversees compliance with Configuration Management policy for physical plant arrangement and documentation control to ensure operation within the approved Safety Basis, Plant Maintenance, Utilities, and Energy Conservation programs, monitors costs and schedules for major systems acquisitions, line item projects, and other assigned programs.

4.1.13 Assistant Manager for Contract Administration and Business Management

The Assistant Manager for Contract Administration and Business Management (AMCABM) acts as the Contracting Officer's Representative in all matters relating to Federal Human Capital Management, Procurement and Contracting, Personal Property and Fleet Management, Budget Formulation and Execution, Internal Audit, External Audit Liaison, and Information Resources Management (Technology & Records) and Directed Stockpile Work Program Oversight.

The AMCABM issues and modifies contracts, reviews and recommends M&O Contracting Officer Representative appointments to Manager, supports Small Business Programs, implements the Business Clearance Policy at PXSO, coordinates and issues the Performance Evaluation Plan and the Performance Evaluation Report, provides Contracting Officer review and approval for Work for Others projects, provides OIG/GAO audit liaison coordination and oversight of the M&O Contractor's Internal Audit program.

4.2 Headquarters Program Offices

Headquarters (HQ) program offices provide leadership, establish policy, integrate program planning and budgeting, and evaluate the adequacy of field activities. NNSA/DP is responsible for coordinating activities with other DOE programs, Department of Defense (DoD), other Federal agencies, and Congress. DP/HQ and NNSA partner with PXSO in the oversight and fee determination of the B&W Pantex Contract.

NNSA Nuclear Explosives Safety Responsibilities

The Nuclear Explosives Safety Operations Division (NA-121.2) has direct authority to review and analyze the effectiveness of the Pantex Plant M&O Contractor's nuclear explosive safety program to prevent the accidental or deliberate detonation of a nuclear explosive or the main charge explosive and the resultant Pu dispersal. NA-121.2 oversees and participates with other senior scientific nuclear explosive safety experts within the Nuclear Weapons Complex (NWC) in the approval process for the design, development, assembly, disassembly, or testing of specific nuclear explosives, as well as specific operations being evaluated by Nuclear Explosive Safety Study Group (NESSG) in regard to work at Pantex Plant. NA-121.2 is the "approval authority" for all Pantex Plant related Nuclear Explosives Safety Studies (NESS).

NNSA Directed Stockpile Work (DSW) Program Management Responsibilities

The Director, Nuclear Weapons Stockpile (NA-122) serves as the Contracting Officers Representative (COR) for DSW activities at the Pantex Plant that directly relate to Program Control Document deliverables. NA-122 ensures that the M&O Contractor complies with all requirements of DSW work defined in the scope of work including reports, documentation, data, work products, milestone schedules, and deliverables.

NA-122 is responsible for:

- Nuclear weapons activities performed by the M&O Contractor.
- Direction through Funding Authorization.
- Initiating Work Authorizations.
- Performing oversight activities directly related to DSW production, maintenance, refurbishment, evaluation, dismantlement and disposition, production support, and field engineering at the Pantex Plant.

4.3 Department Staff and Support Offices

The Department's staff offices provide business, administrative, financial, and other support services to NNSA, such as assistance in processing Freedom of Information Act requests, investigating claims of discrimination, and processing financial, procurement, and personnel actions.

4.3.1 Memorandum of Agreement (MOA)

In October 2000, a MOA was executed between DOE and NNSA recognizing NNSA's need to contract for goods and services and establish financial assistance agreements to fulfill its mission requirements. The agreement recognized that HQ Office of Procurement and Assistance Management (MA-5) would be a service provider to the NNSA. The scope of the agreement included ". . . the full range of acquisition, financial assistance, and property management services necessary to support the NNSA, including contract, grant, and cooperative agreement award and administration . . ."

In November 2000, it was concluded that the MOA was limited in scope by excluding other DOE offices, and needed to include a provision for reciprocity because some DOE elements would require acquisition-related support from NNSA. An Addendum broadened the scope to include DOE as a whole, and a provision recognized the need for DOE to provide the full range of its acquisition and related services to NNSA organizations. The MOA and Addendum provide the basis for mutual cooperation in fulfilling DOE and NNSA contractual and financial assistance-related requirements. The level of support between specific DOE and NNSA offices is reflected in a separate MOA addendum.

4.3.2 Service Level Agreements

The NNSA Service Center and the PXSO have entered into a series of [Service Level Agreements](#) to define the roles and responsibilities in administering the B&W Pantex Contract. The agreements cover: Human Capital Management; Contractor Human Resources Oversight; Procurement and Contracting; Personal and Real Property Management; Public Affairs, Information & Intergovernmental Relations; Environmental, Safety & Health Support; Security and Counterintelligence; and Equal Opportunity / Diversity Functions.

4.4 National Nuclear Security Administration (NNSA)

Section 3211 of the NNSA Act (Title 32, Pub. L. 106-65) established the NNSA in March 2000. The NNSA is a separately organized agency within DOE comprised of DP, Nonproliferation and National Security (NN), and Naval Reactors. NNSA discharges its responsibilities for national security, in part, through the conduct of research and development in a number of scientific and technical areas at highly specialized research facilities owned by the U.S. and managed and operated by contractors.

The Under Secretary for National Security for DOE serves as the NNSA Administrator. The Administrator has authority over, and is responsible for, all programs and activities of the Administration (except for the functions of the Deputy Administrator for Naval Reactors): These responsibilities are executed pursuant to the Atomic Energy Act of 1954, as amended (42 U.S.C. §§ 2011, et seq.), the DOE Organization Act, as amended (42 U.S.C. §§ 7101, et seq.), Public Law 106-65 (50 U.S.C. §§ 2401, et seq.), and other applicable laws.

4.5 B&W Pantex Team

B&W Technical Services Pantex, LLC (B&W Pantex) is a Delaware Limited Liability Company and is composed of three Member companies, Babcock and Wilcox Technical Services Inc., Honeywell International, Inc., and Bechtel National, Inc. B&W Pantex, the M&O Contractor, is responsible for performance of the missions assigned to the Pantex Plant, including; Weapons Assembly, Weapons Disassembly, Evaluation of Weapons, High Explosive Research and Development and Interim Plutonium Pit Storage. The Pantex Plant has been actively engaged in the production of weapons for approximately 65 years and currently employs approximately 3,300 personnel. B&W Pantex is also responsible for supporting roles throughout the DOE/NNSA Complex, coordinating with the labs, and providing support to Environmental Management. (Reference DIR-0001, latest edition)

Senior executives of the Member companies serve on the B&W Pantex Board of Managers and act as the interface with their respective Member organizations. This relationship allows B&W Pantex to draw upon the diverse experience and personnel resources of the Member organizations to supplement their capabilities.

5.0 CONTRACTING AUTHORITIES, DELEGATIONS AND LIMITATIONS

PXSO has been designated by the Agency Head as a "contracting activity" and has been delegated broad authorities and responsibilities regarding acquisition functions. The PXSO Manager has overall responsibility for managing the DOE and NNSA contracting activities. The NNSA Head of the Contracting Activity (HCA) re-delegates contracting authority through the appointment of COs for pre-award and post-award activities. The NNSA HCA and COs may appoint and designate Contracting Officer Representatives for post-award activities. The appointments and designations take the form of either a "Certificate of Appointment" or a "Contracting Officer's Representative (COR) Delegation Letter." In either case, the appointment

spells out the specific authorities, responsibilities, and limitations of the COR's delegation of authority.

5.1 Contracting Officers

Pursuant to Federal Acquisition Regulation (FAR) 1.601, contracts may be entered into and signed only by the HCA or designated CO(s). Pursuant to clause H.2, of the contract, only the CO is authorized to accept non-conforming work; waive any requirement of the contract; or modify any term or condition of the contract. The CO holds the responsibility to administer or terminate (if found necessary) the contract and make related determinations and findings. The CO also has "Stop Work" authority in accordance with contract clause F.5, "Stop Work Order - Alternate 1."

The CO implements contract administration functions through the appropriate PXSO organizations in accordance with the PXSO Procedure 103.4.0, "Functions, Responsibilities, and Authorities Manual."

5.2 Contracting Officer's Representatives

CORs are designated by the CO to advise and assist the CO in administration of the contract pursuant to Section H.20 "Performance Direction" of the contract. CORs are designated to act as an authorized representative of the CO for specified functions, such as technical direction and monitoring. The COR shall be fully responsible for providing technical and/or administrative direction to the Contractor, relative to their project or area of responsibility, in accordance with the contract and their COR delegation letter. All direction to the Contractor shall be in writing. Can we insert COR letters and/or a small list of the COR's and their areas of responsibility?

5.3 PXSO Facility Representatives

PXSO FRs shall assist the PXSO Manager, CO, and CORs in providing oversight of operations to ensure that the facilities are operated in a safe, healthful, and environmentally acceptable manner in accordance with DOE Orders and other requirements (refer to PXSO FR). FRs, along with all other PXSO employees, have "Stop Work" authority in cases of imminent environmental, safety or health hazards, pursuant to the PXSO Procedure 101.1.1 "Stop Work Authority." Should a FR or other PXSO employee "Stop Work" he or she shall be responsible to notify the CO and the appropriate COR as close to the occurrence of the event as practical. The FR shall also recommend restart based on his or her evaluation of the Contractors readiness to proceed.

5.4 Communication Between the Parties

5.4.1 Communicating With the Contractor

Communication protocols are commonly cross-referenced by the levels of contract authority (from unlimited authority to no authority). Since there are varying degrees of contract authority, both formal and informal communication protocols have to be carefully followed by all parties to prevent the misapplication of contract effort and direction.

5.4.1.1 Formal Communications from PXSO

Formal communications occur between individuals who are authorized to represent the contracting parties. For this contract the authorized representatives are the COs (the PXSO Manager and other warranted COs and CORs). Formal communications will usually be in writing, however oral communication may be used. Oral communications occur in meetings, briefings, by phone, and/or tele-video conferencing. Formal direction given orally shall be confirmed in writing.

All formal written correspondence to the Contractor shall include the contract number (DE-AC04-00AL66620) within the subject line. Any PXSO Office may initiate correspondence to the Contractor, however, it must be routed through the Contract Administration and Business Management Division for concurrence and signed by either a designated COR for the B&W Pantex contract, the CO, or the PXSO site manager as appropriate. In general, technical direction should be issued from the COR. Only a CO shall issue any changes to the contract or interpretation of contract terms and conditions. Also, the contract requires CO signature for some specific actions (i.e., Clause I.2, FAR 52.242-1, Notice of Intent to Disallow Costs and Clause I.2, DEAR 970.5204-2, Laws, Regulations and DOE Directives, etc.) The PXSO Manager has the authority to sign any of the above correspondence, but normally the PXSO Manager only signs correspondence requiring higher visibility (i.e., final performance evaluations/fee determinations, major contract revisions, Site-wide policy direction, etc.).

5.4.1.2 Informal Communications from PXSO

Informal communications are encouraged and expected from PXSO staff and management in performance of their oversight responsibilities with the Contractor. In their informal communications, PXSO employees need to avoid the impression that the communications are formal. Particularly, when CORs are engaging in informal communications, they must be careful to identify those communications as non-binding. CORs should inform the Contractor as to whether or not the communications are formal or informal, and the Contractor should inquire to determine if the communication is formal direction.

5.4.1.3 Non-PXSO Communications

The Contractor will be required to communicate to other than PXSO employees in conjunction with its responsibilities and work scope. The following parties are most likely to be involved: DOE/HQ, NNSA/HQ, National Laboratories, other Federal Government agencies, Environmental Protection Agency, other regulatory agencies or entities, DNFSB, other PXSO contractors, and the general public. Because these entities are outside of the contractual relationship between PXSO and the Contractor they are

limited to informal communications only. They may not provide direction to the Contractor or issue any changes to the scope or terms and conditions of the contract. It is expected that these other sources of communication be coordinated and/or monitored by the responsible PXSO counterpart/organization, CO, or COR. When the Contractor becomes aware of any such communication, notice should be provided to the CO.

5.4.2 Contractor Communications with PXSO

All communications from PXSO will be logged into the Correspondence Control System managed by the Contractor (E-STARS). The Contractor will further track all open action items related to correspondence, and maintain a log of all such actions closed by responsive return correspondence.

5.4.2.1 Formal Communications from the Contractor

All formal communications from the Contractor to PXSO shall be in the form of a letter in accordance with contract requirements, specifically Section G. Formal correspondence. Correspondence that makes changes to the contract or obligates B&W Pantex to specific performance may be signed ONLY by a B&W Pantex employee holding appropriate authority from the Board of Managers. The B&W Pantex General Counsel, as appropriate, will designate those persons holding such authority from time to time. Any Contractor division or department may initiate such correspondence, but it must be routed through all appropriate offices for concurrence before being submitted to Contracts for execution. Generally, the General Manager or the Prime Contract Manager will sign such correspondence.

5.4.2.2 Informal Communications from the Contractor

Informal communications are encouraged and expected to PXSO staff and management in assisting them to perform their oversight responsibilities with the Contractor. In their informal communications, Contractor employees need to avoid the impression that the communications are formal. Particularly, when employees are engaging in informal communications, they must be careful to identify those communications as non-binding. If there is ever any question concerning whether a particular communication should be formal or informal, guidance should be obtained from the B&W Pantex Contracts Department.

5.4.2.3 Electronic Suspense Tracking and Routing System (E-STARS)

The Contractor uses E-STARS to track correspondence action items internally and provides periodic E-STARS reports to contractor management.

6.0 CONTRACT PERFORMANCE MANAGEMENT

6.1 Planning, Programming, Budgeting and Evaluation (PPBE)

To achieve NNSA's vision of operating an efficient and agile nuclear security enterprise recognized for world-class technical leadership and program management, NNSA is implementing a new operating philosophy supported by new business systems and practices throughout the complex. The key concept is that all four stages of the PPBE process are linked into a continuous cycle. Through planning, everyone understands how their individual contributions help accomplish our overall goals. Through programming and budgeting, program and project managers and teams assume responsibility for budget and performance integration; and through evaluation, progress can be assessed, feedback provided for future planning, and achievement can truly be rewarded so that people recognize the advantage in performing well.

The PPBE operating philosophy is mutually supportive with the newly-established roles and missions of NNSA whereby planning, programming and budgeting are primarily HQ functions, and execution and evaluation of the programs are the province of the field elements. At HQ, NNSA's PPBE process is focused on horizontal integration of the five principal program management elements: DP, Defense Nuclear Nonproliferation, Naval Reactors, Facilities and Operations, and Management and Administration. The vertical integration of the HQ's programs and Federal and contractor elements in the field is the responsibility of the five principal program/management elements.

This approach recognizes that each of the five elements manages its program execution and the interface with the field contractors differently. Both the horizontal and vertical elements are equally important to a successful PPBE environment, and they must be cascaded to assure that NNSA is operating effectively at all levels.

- (1) In this cascade, the NNSA Strategic Plan is at the top of the pyramid. Top-to-bottom linkages are built into planning, programming, budgeting, and evaluation activities
- (2) The strategies to achieve goals are translated into supporting multi-year Program Plans.
- (3) Program Plans are the primary documents used to *make* key programming decisions and develop budgets within the enterprise. From these multi-year program plans will flow Annual Operating Implementation Plans and metrics for program execution and evaluation and contract performance agreements.

Work Authorizations (WA) represent the final step in cascading from Strategic Plans to work performance. WA's document all work to be performed by the M&O Contractor. The NNSA Project/Program Managers develop the Statement of Work (SOW) in the WAs to reflect the work scope in the 5-Year Program Plans, Annual Implementation Plans/Annual Operating Plans and work plans (or updates thereto). The WAs provide program guidance consistent with distribution of each AFP and are approved by program

managers at NNSA HQ, and concurred on/signed by the NNSA Service Center, PXSO, non-NNSA Operations Offices, M&O Contractors and other Contractors. WAs that crosscut multiple programs require the review and approval of multiple program managers to ensure that all programmatic interdependencies have been appropriately reflected.

All NNSA WAs shall be performance-based and cascade down from the goals, objectives, strategies and performance measures reported in the NNSA Strategic Plan, Program Integrated Plans, 5-Year Program Plans, Annual Implementation Plans/Annual Operating Plans and work plans, and other guidance specifically tasked and approved by the responsible HQ managers. Implementation of the NNSA's planning and performance cascade will provide a path of accountability between the long-term vision outlined in the strategic plan and the day-to-day activities of individual federal and contractor employees.

6.2 Line Oversight

NNSA oversight responsibilities of PXSO are to monitor and evaluate contractor performance against contract requirements. NNSA fulfills these responsibilities through the review and analysis of selected internal performance indicators and results from contractor self-assessment activities, independent (external) assessments of the contractor, and direct observation of contractor performance through the Contractor Assurance System.

NNSA has established a set of oversight requirements derived from DOE Directives or Orders, applicable portions of the Federal Acquisition Regulations (FAR) and Department of Energy Acquisition Regulations (DEAR) or best practices to oversee contract performance. In all cases these requirements are identified in, and have oversight authority provided by, the contract.

Line Oversight Plans are developed in conjunction with the LOCAS Integration Council. A statement from the LOCAS Integration Council Charter states its purpose is to support NNSA Line Management and NNSA Contractors in developing, using and sustaining vital, mature line oversight and contractor assurance systems throughout NNSA. The council will promote communication and continuous learning and improvement of line oversight and contractor assurance systems throughout the NNSA complex. The council will assist NNSA line management in formulating and coordinating LOCAS actions which require the approval of senior NNSA managers.

As required by DOE O 226.1A, Line Oversight Plans are developed for Contract Administration and Business Management as well as major functional areas including Integrated Safety Management, Safeguards and Security, Cyber Security, and Emergency Management as shown in the table below.

Functional Area	Oversight Plan Document
Contract Administration and Business Management	Business Systems Oversight Plan

Functional Area	Oversight Plan Document
Integrated Safety Management	Contractor Assurance System Assessment Schedule
Safeguards and Security	S&S Survey Program Guide
Cyber Security	S&S Survey Program Guide
Emergency Management	Emergency Readiness Assurance Plan

Each of the Line Oversight Plans describes the number and subject area for assessment, surveillance, monitoring and shadowing activities to be conducted during a fiscal year and this data is included in the LOCAS application as a scheduling tool. Results are included and retained in both the Site Office’s and the Contractor’s Contractor Assurance System database applications.

Assessments

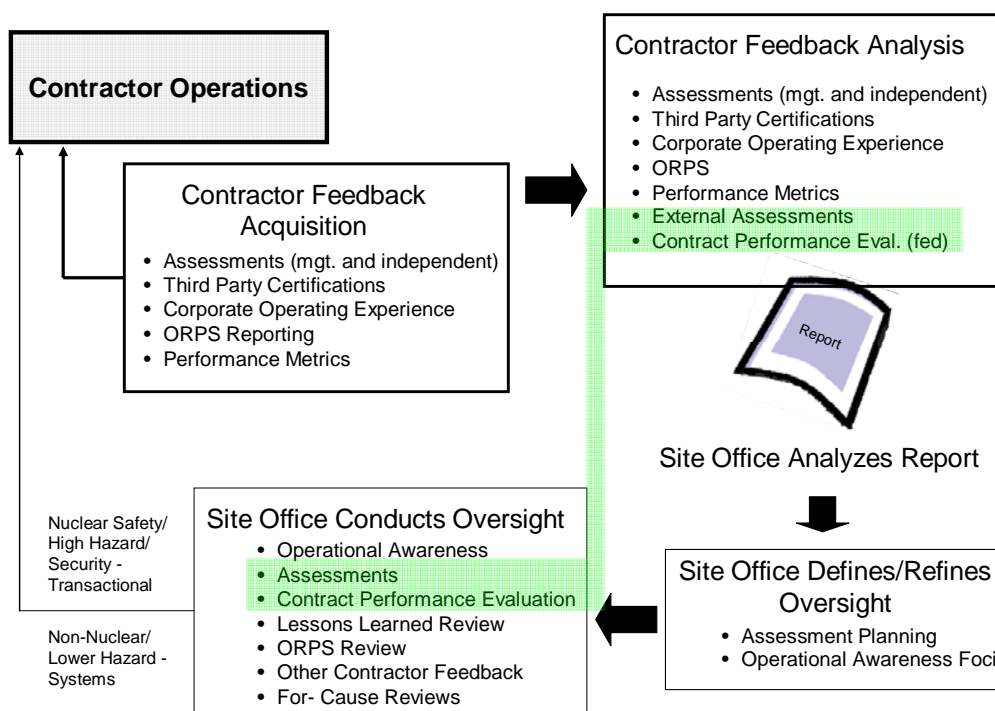


Figure 2.

6.3 Earned Value Management System (EVMS)

Earned Value progress and performance measurement principles will be utilized for the management of all work performed by B&W Pantex. A time-phased progress plan will be established for all work and the progress and performance will be measured and reported at least monthly.

The B&W Pantex Chief Financial Officer with the support of Program, Project and Department Management, implements and trains personnel in the EVMS and related procedures. The Program/Project Manager will provide the CO, and duly authorized representatives, access to all of the EVMS records and supporting documents. The Chief Financial Officer will provide support in the area of indirect costs.

6.3.1 System Organization

The EVMS is an integrated management control system composed of a set of major subsystems. These subsystems are defined in project controls procedures that are tailored to meet specific applications and formats, depending on the risk involved.

6.3.2 System Process

The EVMS process begins with the identification of a need by B&W Pantex or the customer. This need is developed into a concept or mission, and the responsible B&W Pantex Program Director is identified. The Program Director is responsible for developing the scope of work and execution plan that satisfies the mission need. A Work Breakdown Structure (WBS) is selected for control of the work and all components of the work are assigned to this framework. For new work, a cost estimate and schedule are prepared and summarized by WBS component.

All authorized work is scheduled in a manner that identifies interdependencies and permits the evaluation of progress and performance against milestones. Time-phased budgets for each control account are developed by resource loading each schedule activity with estimated labor hours and direct non-labor costs using the established cost elements.

The progress data is compared monthly to the baseline plans at the control account level, and at higher levels of the WBS. Variances from the baseline plan are identified. The responsible control account manager analyzes the data to determine the impact on cost and schedule and to provide the basis for corrective action. Program Management issues management reports in accordance with defined requirements.

Changes to the Performance Measurement Baseline (PMB) from actions either by B&W Pantex or the customer are not official until authorized in writing by appropriate personnel using the baseline change control process.

Retroactive adjustments to records pertaining to budgets or actual costs of completed work are not allowed except for routine accounting adjustments or for correction of errors.

6.3.3 System Integration

B&W Pantex's approach to project control is to use a suite of control modules that are integrated to produce cost and schedule data, including:

- Accounting and Financial;
- Scheduling and Resource Loading;
- Cost and Schedule Performance Reporting; and
- Procurement and Subcontracts.

Module Description	Name	Primary Use
Accounting and Financial	PeopleSoft GL	Accounting actual labor hours, cost and revenue data for all cost elements
Cost Estimating	Microsoft Excel	Develop estimating at a detailed level
Project Scheduling, Resource Loading, and EVMS Performance Measurement	Primavera Project Manager	Control Schedule, schedule analysis, resource loading, basis for BCWP
Budgetary Cost Performance Reporting	WACS	Annual budget compilation, cost performance reporting, Cost Management Report production
Procurement and Subcontracts	Indus Passport	Commitment and expenditure data

Figure 3 B&W Pantex Integrated EVMS Software System Components

Data integration is maintained using a common, project-wide coding structure tied to the WBS. This integrated systems approach enables production of technical, schedule and cost reports that provide both B&W Pantex and NNSA/PXSO management with data for Project Controls, performance measurement, problem identification, and corrective actions as required to mitigate project cost and schedule risk.

7.0 PERFORMANCE EVALUATION PLAN

The [PEP](#) and the Fee Administration Procedure define the PXSO approach in evaluating, documenting, and providing performance fee to B&W Pantex in accordance with the execution of requirements defined in the contract. The PEP period of performance is October through September of each contract fiscal year. The total award fee earned and payable will be determined at the conclusion of the evaluation period by the Fee Determination Official (FDO) within 70 days after the end of the evaluation period, or 60 days after the receipt of the contractor's self assessment.

7.1 Performance Fee

B&W Pantex provides operations and maintenance of the Pantex site and research and development efforts. PXSO utilizes performance fee consisting of an incentive fee and an award fee component to incentivize and reward B&W Pantex for performance. The

purpose of the PEP is to initiate a fee concept in which B&W Pantex has the potential to earn fee through Performance Based Incentives (PBIs), and through Award Fee (POs).

7.2 Reviews

PXSO will schedule a [monthly review](#) of the current status for all PBIs/POs. This presentation will be made by the three Program Directors (DSW & Campaigns, RTBF Programs, and Security). The PXSO Manager and the B&W Pantex Senior Manager will attend. Prior coordination will be made with each PXSO functional representative. If agreement cannot be reached, those items will be discussed at this monthly session and consensus reached on the proper color grade for each PBI or PO. At midyear, a separate evaluation/assessment will be provided reflecting performance for the year up to the date of the presentation. ([Mid-Year Self-Assessment](#))

7.3 Performance Evaluation Plan Revisions

The content of the PEP can be revised through mutual agreement between PXSO and B&W Pantex and a formal change control process. If the parties cannot reach agreement on changes to the PEP, the CO may unilaterally establish changes, providing B&W Pantex receives notice of the changes at least thirty days prior to the beginning of the performance period or at least ninety days prior to the end of the performance period but at least 30 calendar days prior to the effective date of the change as stated in contract clauses entitled Performance Based Management and Performance Incentives.

7.4 Contractor's Self-Assessment

The Contractor shall prepare an [annual self-assessment](#) of its performance against each of the performance objectives and incentives contained in the Performance Evaluation Plan. The annual self-assessment shall be submitted within five-working days after the end of the appraisal period. The Contracting Officer will identify the structure and medium to be used by the Contractor in delivering its annual self-assessment.

7.5 Performance Incentive Fee Determination

The determination as to the amount of Performance Incentive Fee earned will be made in accordance with the Performance Evaluation Plan and is a unilateral determination made by the Fee Determining Official. The Contracting Officer will issue the Fee Determination Official's final total Performance Incentive Fee amount earned determination, and the basis of the Performance Incentive Fee determination, in accordance with: the schedule set forth in the Performance Evaluation Plan; or as otherwise set forth in this Contract. However, a determination must be made within sixty calendar days after the receipt by the Contracting Officer of the Contractor's self-assessment report.

8.0 FEEDBACK AND IMPROVEMENT

To provide for continuous performance improvement and comply with DOE Order 226, PXSO and the Pantex M&O contractor have implemented and use several systems and programs. Those systems and programs include the Integrated Safety Management System, Issues Management and Tracking Program, the PXSO Assessment Program and the Contractor Assurance System. The Contractor Assurance System which is described later in this Plan, provides for assessments, event reporting, worker feedback and lessons learned. Together these systems and programs fulfill all of the requirements of DOE Order 226.

8.1 Integrated Safety Management System (ISMS)

ISMS provides a formal, organized process whereby people plan, perform, assess, and improve the safe conduct of work. ISMS is institutionalized through DOE directives and contracts. The DOE and M&O Contractor systematically integrate safety into management and work practices at all levels so that missions are accomplished while protecting the public, the worker, and the environment. A central component of ISMS depends on the identification of ES&H Standards and Requirements Identification Documents (S/RIDs) which, will provide adequate assurance that the public, the workers, and the environment are protected from adverse consequences. S/RID review and approval authority is the responsibility of PXSO.

As part of the effort to institutionalize a standards-based culture, the PXSO has established an ISMS Description Management Program to maintain the Pantex ISMS Description and review, approve and maintain environment, safety and health protection, business and security S/RIDs for Pantex. The Pantex ISMS Description and identified S/RIDs become part of the current infrastructure at Pantex and support controls that ensure the contractor provides competitive, quality, on-time products and services that meet or exceed DOE expectations and are achieved in a manner that protects the environment, safety and health of employees and the public, national security, business and mission objectives of the DOE. PXSO provides oversight of the implementation of a standards-based management culture and integration of ISMS principles and core safety functions with the plan, design, analysis, and performance of mission work. To insure adequacy and effectiveness, PXSO initiates improvement of the hazard and risk controls through assessments of M&O Contractor activities from planning and designed through implementation.

The Pantex ISMS Description Management Program ensures that the M&O Contractor complies with the Pantex ISMS Description and identified S/RIDs. In addition, through the PXSO's review of draft DOE policies, orders, manuals, guides, technical standards and supplemental directives, the program sustains our capability to identify and clarify DOE expectations for on-site use of those S/RIDs.

8.2 Issues Management and Tracking Program

The Issues Management and Tracking Program consist of three separate and distinct processes: issues identification; issues communication and action tracking; and issues closeout and validation.

- (1) Identification of issues requiring tracking: PXSO and Pantex assessments generate numerous findings and observations. Not all of these require high-level management attention and tracking for resolution to a satisfactory conclusion, as most can be resolved at the subject matter expert (SME) or appropriate management level. The function of the Issues Management Board (IMB) is to designate findings and observations that are significant issues requiring senior PXSO management focus and attention for resolution.
- (2) Issues communication and action tracking: Once significant issues are identified by the IMB, the appropriate Assistant Manager (AM) is responsible for preparing a letter that: (a) describes the problem and (b) requests that the contractor identify the root cause and develop a corrective action plan (CAP). The SME enters a brief description of the issue in the Field Activities Database and indicates the due date assigned for the contractor CAP. The status of issues will be tracked using information provided by the AMs and SMEs/FRs.
- (3) Issues closeout and validation: SMEs designated by AMs to support individual issues will verify the closure of an issue and recommend approval to the appropriate AM. The AM is responsible for providing a recommendation approving the closeout of assigned issues. Information specific to the closure of all significant issues will be provided as documentation of closure.

Other issues that are considered important and are not designated significant by the IMB or do not meet the criteria of significant should also be tracked. Each manager is responsible for designating other issues to be tracked and tracking those issues to closure. Managers shall also periodically brief the IMB on the status of other issues being tracked as appropriate. Other issues are typically generated from internal commitments made by the M&O Contractor through self-assessments and issues generated through SME/FR surveillances and assessments. These issues should be tracked in the Field Activities Data Base. For example, these issues may or may not require the development of a CAP, or closure of the issue may require a less extensive validation process.

8.3 PXSO Assessment Program

The PXSO Assessment Program establishes the processes for conducting PXSO's "for cause" oversight assessments (or audits) of Pantex events, accidents, corrective actions, activities and operations.

This process is to be used to ensure PXSO employs an effective and consistent approach when it is necessary to conduct "for cause" effectiveness reviews including; formal validations of the contractor's corrective actions (closure), identification of the causes and facts associated with events or accidents, and when necessary to identify the source of performance problems or promote improvement in Pantex operational areas. This will include issues from the PXSO IMB, Price Anderson Amendments Act Noncompliance Tracking System (NTS) and the Occurrence Reporting and Processing System (ORPS).

The “for cause” oversight assessment program is fundamentally established to provide ISMS principle functions involving “Feedback and Improvement.” However, this oversight program’s activities will also encompass other ISMS process elements. For example, a pre-startup facility or program “ISMS-Confirm Readiness” assessment may be scheduled and conducted as directed by this procedure.

8.4 Contractor Assurance System (CAS)

CAS was developed to provide assurance to B&W Pantex Senior Management and PXSO that B&W Pantex is looking at and working on the right things in the evaluation and improvement of business processes.

CAS is the process for managing the program of Collection, Evaluation and Improvement, and Communication of B&W Pantex Performance Assurance data and information to Senior B&W Pantex Managers, the Executive Issues Review Board (EIRB), and PXSO. As conceived, CAS enables:

- (1) Optimal use of NNSA resources at PXSO
- (2) Enhanced business performance by B&W Pantex, and
- (3) Increased partnership and trust between the NNSA and B&W Pantex as accountability for site performance becomes a shared and integrated activity.

B&W Pantex prepares and submits for PXSO approval a [CAS Plan](#) that describes the development, implementation and performance of comprehensive assessments of all facilities, systems and organizational elements, including subcontractors, on a recurring basis. All B&W Pantex program elements participate in the CAS Program. Formal [assessment schedules](#) for each program element are in place to track progress, capture reports and issues, and provide periodic reporting.

9.0 CONTRACT CLAUSES AND DELIVERABLES

The contract contains the terms and conditions typical for a DOE CPAF M&O Contract, except that the contract was awarded near the time that the DEAR was reissued. The contract has been revised so that it contains clauses primarily from the 2000 version of the DEAR. A contract clause summary matrix is attached as Appendix 2.

The primary deliverable under this Contract is Nuclear Weapons assembly and disassembly. To ensure that effective and efficient systems exist for the management and operation of the Pantex Plant, this Contract also requires the delivery of certain documents, plans, and reports for the CO’s review and approval. These requirements are specified elsewhere in this Contract; however, they include the following:

- Site Safeguards and Security Plan (DOE Order 470.4A)
- Quality Assurance Plan (10 CFR 830.120)
- Radiation Protection Plan (10 CFR 835)
- Emergency Preparedness Plan (DOE Order 151.1)
- Material Control and Accountability Plan (DOE O 470.4A)

- Authorization Agreements
- Diversity Plan
- Standards/Requirements Identification Document
- ISM Program Plan (DEAR 970.5204-2)
- Workers Safety and Health Program (10 CFR 851)

The CO may require additional reports, analysis, or other information relevant to the Pantex Plant management and operations.

APPENDIX 1

PXSO PROCEDURES

PXSO PROCEDURES

Updated as of March 23, 2007

PXSO Procedure	Procedure Title	Responsible Organization
101.1.0	Quality Assurance Program	AMOA
101.1.1	Stop Work Authority	AMNE
102.1.0	Qualification and Training Program	AMESEP
103.2.0	Authorization Agreements	AMNE
103.4.0	Functions, Responsibilities and Authorities Manual (FRAM)	DM
104.1.1	Procedure Development, Control and Issuance	AMCABM
104.2.0	Records and Information Management System	AMCABM
105.2.0	Nuclear Explosive Safety	AMNE
105.2.1	PXSO Human Reliability Program	AMSS
106.1.0	Authorization Basis Program	AMNE
106.5.0	PXSO Project Management System	AMESEP
106.5.1	Energy Systems Acquisition Advisory Board (ESAAB) Equivalent Process	AMESEP
107.1.0	Audit Resolution and Follow-up	AMCABM
108.1.0	PXSO Integrated Safeguards and Security Management (ISSM)	AMSS
110.2.1	Line Oversight and Contractor Assurance System (LOCAS) Program	AMOA
110.3.0	Differing Professional Opinion Process	OM
111.2.0	Employee Concerns Program	OM
112.1.3	Offsite Emergency Response Interface Program	AMOA
112.1.4	PXSO Closure, Early Closure, or Delayed Opening Notifications	AMOA
114.1.0	PXSO Self-Assessment Program	AMOA
115.1.0	Startup and Restart of Pantex Plant Activities	SSTA
123.1.0	Duty Officer & Critique Attendance	AMFO
125.1.0	Price-Anderson Amendment Act Program	AMOA
251.1.1	Directives, Standards and Requirements	AMCABM

PXSO Procedure	Procedure Title	Responsible Organization
	Management	
350.1-1	Davis-Bacon Act Determination Process	AMCABM
402.1.1	New Employee Orientation Program	AMCABM
407.1.1	Work Authorization (WA) Procedure, Prime Contract No. DE-AC04-00AL66620	AMCABM
407.2.1	Planning Programming, Budgeting and Evaluation (PPBE) Process, Prime Contract No. DE-AC04-00AL66620	AMCABM
506.2.0	Nuclear Criticality Safety	AMNE
510.6.1	Federal Employee Occupational Safety and Health Program	AMOA

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
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SECTION A: SF33

None	Solicitation, Offer, and Award					This form provides information used during solicitation. It includes the contract number, the fact that this is a DO-E2 rated order, and the signatures of the offeror and the government Contracting Officer.
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SECTION B: SUPPLIES OR SERVICES AND PRICES/COSTS

B.1	Services Being Acquired					This clause provides the basic nature of the services to be provided; requires the contractor to use its “best efforts” to operate the Pantex plant “in an efficient and effective manner” and to “do all things necessary for, or incident to providing” these services.
B.2	Transition Cost, Estimated Cost, Maximum Available Fee, and Available Fee					The clause provides the Estimated Cost, Performance Incentive Fee, Fixed Fee for Work for Others and Fee for Other Reimbursable Work. These amounts are updated as appropriate. Other elements of the clause describe billing of “Provisional Fee” and conditions under which fee amounts may be adjusted.
B.3	Availability of Appropriated Funds					Provides that except for the clause entitled “Nuclear Hazards Indemnity Agreement,” the government shall not expend funds unless appropriated by congress for the purposes described in such appropriation.
B.4	RESERVED					

SECTION C: DESCRIPTION / SPECIFICATION / WORK STATEMENT

C.1	General Information					This clause sets forth the basic requirements of a DOE “Management and Operating” (M&O) contract. (Ref. FAR 17.6 and DEAR 917.6). The background of the Pantex Plant is presented and the Scope of Work is defined to include all things necessary to operate the plant and to take on those duties and tasks as assigned to the plant from time to time. Five performance objectives are specified, and five performance enhancement objectives are stated. The contractor is to seek operational excellence in all areas.
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APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
C.2	Work Requirements					Specific work requirements are established annually in accordance with clause H.19 “Work Authorization System”. General Requirements include Defense Programs Strategic Planning Process and Technology and Business Integration. Specific requirements include Directed Stockpile Work, Campaigns (existing and as assigned), Readiness in Technology Base and Facilities, and DOE Program Support, other non-DOE Support and a Plant-Directed Research, Development and Demonstration Program.
C.3	Deliverables					The primary deliverable is Nuclear Weapon assembly and disassembly. Certain other deliverables include documents, plans, and reports for the Contracting Officer’s review and approval. While specified elsewhere in the contract, these deliverables include: Site Safeguards and Security Plan (DOE Order 470.1), Quality Assurance Plan (10 CFR 830.120), Radiation Protection Plan (10 CFR 835), Emergency Preparedness Plan (DOE Order 151.1), Material Control and Accounting Plan (DOE 5633.3B), Authorization Agreements, Diversity Plan, Standards/Requirements Identification Document, and Integrated Safety Management Program Plan (DEAR 970.5204-2). The CO may require additional reports, analysis, or other information.
C.4	Work Standards					Requires contractor to comply with applicable federal, state, and local laws and regulations; requires contractor to obtain such licenses, permits, and other authorization that may be necessary for the performance of the work. It further requires compliance with all applicable DOE Orders and Directives as specified in Section J, Appendix E (as modified from time to time).
SECTION D: PACKAGING AND MARKING						
D.1	RESERVED					
SECTION E: INSPECTION AND ACCEPTANCE						

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
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E.1	Inspection Of Services – Cost Reimbursement (FAR 52.246-5) (APR 1984)					Standard FAR clause that establishes the Government’s right to inspect and evaluate work performance under the contract. Requires that the Contractor provide and maintain an inspection system acceptable to the Government, maintain complete records of all inspections, and provide the government access to inspect and test “all services called for by the contract, ...at all places and times”. Rework is performed at cost, without additional fee. Continued rework can result in fee decrement or even termination.
E.2	Inspection and Acceptance					Inspection of all activities and acceptance of all work shall be accomplished by the CO or duly authorized representative.

SECTION F: DELIVERIES OR PERFORMANCE

F.1	Term of Contract					Establishes the contract term consisting of a transition period and continuing for 5 years. MOD 2 changed the transition period to November 13, 2000 through January 31, 2001, and changed the five-year term to conclude on January 31, 2006. MOD 100 extended the contract end date to September 30, 2010.
F.2	Principal Place of Performance					Indicates the work occurs in a variety of locations, but primarily at the Pantex Plant near Amarillo, TX
F.3	Option to Extend the Term of the Contract					Allows the government to extend the term of the contract with 30 days notice, so long as intent to do so was communicated at least 12 months before expiration. Notice of intent does not commit the government to exercise the option. Excluding the transition period, the contract shall not exceed 10 years.
F.4	Exercise of Option(s)					Quality of performance will be the primary indicator of whether the government should exercise any option. Option periods may be from one to five years, may be exercised successively, but shall not exceed the 10-year limit for the entire contract. MOD 2 changed the option periods to the time frame of February 1, 2006 to January 31, 2011, setting the latter date as the absolute maximum term of this contract.
F.5	Stop-Work Order FAR 52.242-15 (AUG 1989) Alternate I (APR 1984)					Standard FAR clause that establishes the Government’s right to issue a written order for the Contractor to stop all, or any part of the work under the contract. The Contracting Officer shall make an equitable adjustment (e.g., delivery schedule, estimated cost, fee, etc.) as appropriate.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
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SECTION G: CONTRACT ADMINISTRATION DATA

G.1	Technical and Administrative Correspondence/Matters					Identifies the NNSA Site Manager at the Pantex Site Office (PXSO) as the ACO for technical and administrative matters. Correspondence is to be addressed to the CO with a copy to the ACO. PXSO is established as the CO address of record. Patent and technical data correspondence goes to the Assistant Chief Counsel for Intellectual Property in Albuquerque.
G.2	Contract Administration					Identifies the Pantex Site Office, AMCABM as the address for the ACO.

SECTION H: SPECIAL CONTRACT REQUIREMENTS

H.1	Representations and Certifications	None				Incorporates by reference that part of the proposal that includes Representations, Certifications, and Other Statements of Offeror. See Section K.
H.2	Modification Authority	None				Establishes the CO as the sole authority to accept non-conforming work, waive any contract requirement, or to modify any term or condition of the contract.
H.3	Subcontract Labor Law Application	None			✓	For all subcontracts for the manufacture or furnishing of supplies, the contractor shall apply and follow the provisions of the Walsh-Healy Public Contracts Act (41 U.S.C. et seq.). For subcontracts in excess of \$2,000, subject to the Davis Bacon Act, follow the requirements of FAR 22.4.
H.4	Small Business Subcontracting Plan	Yes – Annual Plan Quarterly Report on goals	Procurement	CO approval		The original Small Business Subcontracting Plan provided by the contractor is incorporated by reference (Section J, Appendix C). An annual plan shall be provided to the CO for approval and incorporation into the contract. MOD 32 deleted the “incorporated into the contract” language, but retains the requirement that an annual plan be submitted and reviewed and approved by the CO.
H.5	Small Business and Small Disadvantaged Business Participation Targets	None				Targets from the proposal are incorporated by reference. Specific firms identified in the proposal are also included in this contract and substitution requires CO notification. Success in performance in this area will be assessed as part of the Award Fee determination.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
H.6	Government Owned Property and Equipment	None				On February 1, 2001, B&W Pantex accepted transfer of and accountability for Government-owned property and equipment from Contract No. DE-AC04-91AL65030.
H.7	Approval of Expenditures	None		Obtain CO approval as required.		“Whenever approval or other action by the CO is required” for any expenditure under this contract, the government is not responsible unless and until such action or approval is taken or obtained.
H.8	RESERVED					
H.9	Assumption of existing Agreements and Subcontracts	None				Effective February 1, 2001, B&W Pantex assumed responsibility for existing contracts and other agreements from Contract No. DE-AC04-91AL65030.
H.10	Privacy Act System of Records	None				The following systems of records shall be included under Privacy Act requirements: DOE-5 Former Contractor Employees DOE-31 Firearms Qualification Records DOE-33 Personnel Medical Records DOE-35 Personnel Radiation Exposure Records DOE-38 Occupational and Industrial Accident Records DOE-43 Personnel Security Clearance Files DOE-45 Weapon Data Access Control System DOE-50 Personnel Assurance Program DOE-51 Employee and Visitor Access Control System DOE-77 Employee and Visitor Access Control System The list shall be amended from time to time by mutual agreement
H.11	Unclassified Controlled Nuclear Information (UCNI)	None				Whether generated by the contractor or provided by the government, UCNI shall be protected from unauthorized dissemination.
H.12	Contractor Employees: Employer/Employee Relationship	None		Submit annual factor and obtain CO approval		Employees of B&W Pantex are employees of B&W Pantex and not the Government. B&W Pantex is responsible for all actions of an employer toward these employees including training. Personnel assigned to this contract may be used “intermittently” by the Contractor elsewhere, but all costs occasioned thereby shall be at B&W Pantex expense, including all applicable fringe and overhead. A factor for computing this amount shall be agreed to each year between the CO and B&W Pantex.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
H.13	Contractor's Managerial Personnel	None				"Managerial Personnel", for purposes of the clauses "Property", and "Insurance-Litigation and Claims" shall be those listed in the key personnel clause (Section J, Appendix D).
H.14	RESERVED					
H.15	Lobbying Restrictions	None				Prohibits the use of any funds under this contract from being used to influence Congress in any way. This limitation is stated as being over and above other statutes and regulations.
H.16	Notice Regarding the Purchase of American-Made Equipment and Products – Sense of Congress	None				Congress believes that all purchases made with funds obligated to this contract should be for American Made products.
H.17	RESERVED					
H.18	Limitation of Long Term Liability Regarding Personnel Costs	Yes – Plan	Complete			DOE wishes to limit its long-term exposure to these costs, but not at the detriment of the employees. B&W Pantex is to submit a plan during FY2001 for achieving this goal.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
H.19	Work Authorization System	Annual Work Authorizations with SOW, budget and schedule	Finance	Obtain PXSO agreement and approval of WAS and changes		<p>This clause specifically addresses the process of preparing, budgeting, and authorizing work. Contractor is required to develop work programs with DOE consultation and approval.</p> <p><u>DOE Actions:</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Provide program execution guidance in sufficient detail to allow B&W Pantex to respond; <input type="checkbox"/> Work with B&W Pantex to develop each task to level 3; <input type="checkbox"/> Issue Work Authorizations. If no agreement is reached, WAs may be issued unilaterally; <input type="checkbox"/> In the absence of WAs, issue direction concerning continuation of activities; <input type="checkbox"/> Issue modifications to the WAs as necessary. <p><u>B&W Pantex Actions:</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Prior to start of each fiscal year, submit to CO for approval a detailed SOW, a budget estimate, and schedule of performance for the coming fiscal year; <input type="checkbox"/> Sign the WAs; <input type="checkbox"/> Comply with the funding limitations imposed, and notify the Contracting Officer, in writing, whenever it becomes apparent that there is likely to be an overrun or under run on any specific WA. An under run or over run is reportable when the cost incurred to date plus the projected cost to complete the work on any WA is expected to exceed or under run the estimated cost by 10%. Any such notice shall be accompanied by a change proposal to the WA to address the funding surplus or deficit. NOTE: "Obligation of Funds" clause speaks in terms of running out of money in the next 30 days, all things considered; <input type="checkbox"/> Prepare cost proposals/impacts for modifications to the WAs; <input type="checkbox"/> The contractor shall not incur cost for any work until a WA has been properly issued. Further expenditure is controlled by the "Obligation of Funds" clause. That clause, along with the clauses Allowable Costs, Base Fee, and Performance Fee (Management and Operating Contracts)", and "Payments and Advances" all take precedence over this clause; <input type="checkbox"/> In the event of conflict between WAs and Section J, Appendix E, "List of Applicable Directives", the contractor shall obtain guidance from the Contracting Officer; <input type="checkbox"/> In the event of an emergency the contractor is authorized to take corrective actions as may be necessary to sustain operations in a manner consistent with applicable environmental, safety, health, and security statutes, regulations, and procedures. The Contracting Officer shall be notified within 24 hours of the contractor taking such action, and the contractor shall submit a proposal for adjustment in the estimated costs and schedule within 30 days.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
H.20	Performance Direction	Impact analyses as required.	Contracts	Impact notifications to CO within prescribed time limits.		The CO is the sole authority for the assignment of WAs, establishing work priorities, and directing work requiring the expenditure of funds obligated on the contract. The CO may delegate these tasks to Contracting Officer’s Representatives (CORs) (except for changes in scope, cost, terms, or conditions of the contract) and copies of those delegations will be provided to the contractor. The contractor shall accept performance direction from any authorized COR so long as it does not cause the WA funding to be exceeded, increase the fee, change any terms and conditions of the contract, or affect the contractor’s rights under the contract. If the contractor believes performance direction is inappropriate for any of the above reasons, the contractor shall notify the CO orally (confirm in writing within 10 days) and shall comply with any resultant direction of the CO. The clause states explicitly that the parties will maintain “full and open communication at all times, and on all issues”.
H.21	Reporting Requirements	Yes – Plans and reports as directed	Finance		✓	The WBS provides the basis for all reports required under this subsection. Periodic plans and reports shall be provided as directed by the CO in a format prescribed by the CO. Changes in work shall be reflected in revisions to the WBS. Essentially all changes need to be documented throughout the WA and work planning processes. <i>The requirements of this clause shall be included in all subcontracts where the value exceeds \$2M, or the CO determines that the subcontracted work is or involves a critical task related to the contract.</i>
H.22	RESERVED					
H.23	Third Parties	None				Eliminates Third Parties from any rights under the contract. The effect of this clause is to preclude a 3 rd party suit against DOE or B&W Pantex to enforce or derive a benefit under the contract.
H.24	Defense Nuclear Facilities Safety Board	Yes – Acceptable documented process	Contracts			B&W Pantex shall assist DOE in dealings with the DNFSB and provide DNFSB access to personnel, work areas, and information. The contractor shall maintain a document process consistent with the DOE manual on interface with the DNFSB, and shall be accountable for ensuring that subcontractors adhere to these requirements.
H.25	RESERVED					
H.26	Work Allocation	None				The contractor shall establish a process reasonably calculated to allocate Unassigned Work in a manner agreeable to the affected unions, applicable law, and the terms of this contract.
H.27	RESERVED					
H.28	RESERVED					

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
H.29	RESERVED					
H.30	Advance Understanding on Human Resources	None		CO approval of changes to Appendix A		The contractor and DOE shall reach an advance understanding on Human Resource issues, which shall become Appendix A of the contract. DOE Order 350.1 "Human Resources Management Program" shall be the governing document.
H.31	Corporate Home Office Expenses	None		CO approval		All corporate home office expenses must be specifically approved by the CO.
H.32	Separate Corporate Entity	None				The work under this contract shall be performed by a separate corporate entity from the parent set up solely to perform this contract and shall be totally responsible for all contract activities.
H.33	Responsible Corporate Official	None	Legal	CO notification of change		The contractor shall identify a single corporate official, at a level above the contractor, who is accountable for performance under the contract. Changes shall be promptly identified to the CO. Effective 12/31/02, John A. Fees replaced E. Allen Womack, Jr.
H.34	Performance Guarantee	None				All parents or member organizations of the contractor shall execute a performance guarantee agreement that shall be incorporated in the contract, as Section J, Appendix G. Joint and several liability shall apply. If any signatory initiates bankruptcy proceedings, the CO shall be notified in writing.
H.35	RESERVED					
H.36	Consecutive Numbering	None				Due to automated processes, clauses may not be consecutively numbered.
H.37	Quality Assurance System	Yes – Quality Assurance Program.	Quality & Performance Assurance	DOE approval of QA Program	✓	The Contractor shall establish and maintain a Quality Assurance Program approved by DOE that satisfies the requirements of DOE Order 4124.1A, "Quality Assurance" encompassing all areas of performance by the contractor, and the QA Rule (10 CFR Part 830.120) for nuclear facilities. <i>Any subcontractor supporting this work shall comply with the contractor's approved QA Program and/or Plans.</i>
H.38	Confidentiality of Information	None			✓	This clause contains the confidentiality agreement accepted by B&W Pantex for all DOE and third party confidential information that comes into its possession during performance of the contract. Individual B&W Pantex employees may be requested to acknowledge this agreement, and B&W Pantex agrees to enter into similar agreements with third parties that supply confidential information. <i>This clause flows down to all appropriate subcontracts.</i>
H.39	Environmental Justice	None				B&W Pantex agrees to embrace the principles of Environmental Justice, and to comply with EO 12898 on Environmental Justice

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
H.40	Environmental, Safety, and Health	Yes – Annual ISM Plan	ES&H	CO approval as required		B&W Pantex shall submit an Integrated Safety Management Plan for approval by the CO. This plan is to be annually updated by September first of each year, and shall demonstrate how the contractor will meet the requirements of the clause entitled “Integration of Environment, Safety and Health Into Work Planning and Execution”. Changes require the approval of the Area Office Manager. Where separate Authorization Agreements are required, changes shall be subject to Contracting Officer approval and shall be prepared for Cat-2 non-reactor nuclear facilities new starts, Weapon Program Startups and as directed by the CO.
H.41	Environmental Permits and Applications	None				This clause requires the Contractor to execute environmental permits and applications as “operator or co-operator”; such signing shall not cause additional liability to accrue to the contractor, insurance or bonding costs are allowable costs; and any such permits will be transferred to any successive contractor.
H.42	Nuclear Facility Operations	None				Operations under this contract include nuclear explosive operations where accidents, while rare, would have serious consequences. The contractor shall therefore exercise due care in all such operations and shall comply with applicable DOE rules, regulations, and orders.
H.43	Special Assessment of Contractor Performance	None	Complete			This clause required a performance assessment of the contractor at the end of the second full contract year. The assessment was conducted in February 2003. DOE opted not to exercise its “off-ramp” options at that time.
H.44	RESERVED					
H.45	RESERVED					
H.46	RESERVED					
H.47	RESERVED					
H.48	RESERVED					
H.49	RESERVED					
H.50	Royalty Information	Yes – Annual Report				Any royalty or license fee requires a report to the CO containing prescribed information; copies of applicable licenses may be requested by DOE.
H.51	Transition and Transfer Understandings and Direction	None				Incorporates Appendix I into the contract.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
H.52	Definition of “Contractor” in Clause I.137 (FAR 52.250-1) (MAR 2000)	None				This clause defines, for purposes of this contract, various terms used in FAR 52.250-1, Indemnification under Public Law 85-804 (Alternate I – APR 1984).
H.53	Technical Monitoring of NNSA Prime Contracts	None				Describes NNSA’s award of Contract work to other contractors or the performance of contract work by Government employees and the designation of B&W Pantex as “Technical Monitor.” In the event work is performed by others the clause also provides for adjustment of the Small Business Subcontracting Plan.
H.54	Contractor Assurance System	Yes – CAS	Quality & Performance Assurance			Contractor to develop a Contractor Assurance System (CAS) that is approved and monitored by the B&W Technical Services Pantex, LLC Board of Managers. Attributes of the CAS are listed. Internal and external reviews required by CAS will be used to evaluate the Contractor’s Management Systems. Effective operation of CAS, as evaluated by NNSA, will result in revision to H.55, “ NNSA Oversight.”
H.55	NNSA Oversight	None				Requires Contractor cooperation with NNSA oversight personnel, Facility Representatives and subject matter experts and defines the level of oversight as at the “transaction level.” Generally, NNSA satisfaction with the Contractor’s CAS will result in oversight at the “system level.”
H.56	Accountability	None				States that the Contractor is responsible for the quality of its products and, through assessments, identifying deficiencies and implementing improvements. The Contractor is not to rely on NNSA oversight in assessing its performance.
H.57	Performance Based Management	Yes – Annual Assessment Plan				This clause provides an overview of the development of and process for changes to the annual Performance Evaluation Plan. It further states the requirement for an annual Contractor Self-Assessment.
H.58	Performance Incentives	None				This clause describes the process used wherein the Fee Determination Official identifies the amount of Performance Incentive Fee that the Contractor has earned. Time frames for issuance of the determination and conditions when interest is due and payable are included.

SECTION I: CONTRACT CLAUSES

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
I.1	FAR 52.252-2 Clauses Incorporated by Reference (FEB 1998)	None				Standard clause indicating that other clauses are incorporated by reference into the contract. Full text is available from the Contracting Officer or various websites
I.2	NOTICE – SECTION I CLAUSES INCORPORATED BY REFERENCE					
1. FAR (48 CFR CHAPTER 1) CLAUSES						
	FAR 52.202-1 Definitions (as modified by DEAR 952.202-1 Definitions (MAR 2002)	None				This clause provides the definitional basis for various terms used in the contract. It also includes some that are specific to DOE.
	FAR 52.203-3 Gratuities (APR 1984)	None				This clause establishes that the agency head or designee may terminate the contract if the Contractor offered or gave a gratuity to an officer, official or employee of the government with the intent to influence a governmental decision to obtain a contract or a favorable decision under an existing contract.
	FAR 52.203-5 Covenant Against Contingent Fees (APR 1984)	None				The effect of this clause is to preclude a party from brokering government contracts. Contingent fee arrangements to 3 rd party salesmen are believed to harbor bad business practices and would prevent the government from knowing who is ultimately responsible for performance of the contract.
	FAR 52.203-6 Restrictions on Subcontractor Sales to the Government (JUL 1995)	None			✓	This clause stipulates that the Contractor shall not enter into any agreement with an actual or prospective subcontractor, which has or may have the effect of restricting that subcontractor from making sales directly to the Government. <i>The substance of this clause shall be flowed down to all subcontracts >\$100,000.</i>
	FAR 52.203-7 Anti-Kickback Procedures (JUL 1995)	None			✓	This clause authorizes the Contracting Officer to offset the amount of any kickback against any monies owed by the Government and / or direct the Contractor to withhold sums owed to a subcontractor if kickbacks are found. <i>The substance of this clause (without subparagraph (c)(1)) shall be flowed down to all subcontracts >\$100,000.</i>
	FAR 52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (JAN 1997)	None				This clause refers to the rights and remedies available to the government in the event there is a violation of the Procurement Integrity Act, which prohibits the use of a competitor's data or confidential government source selection information in competing for a contract. The government can determine to rescind the contract in extreme cases. Suspension and debarment are additional options available to the government.
	FAR 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (JAN 1997)	None			✓	This clause refers to the rights and remedies available to the government in the event there is a procurement integrity violation by the contractor or subcontractor. The HCA, or designee, can determine to reduce the fee or to terminate the contract for default. <i>This clause is not a required flow-down, but given the application to subcontractors, best practices indicate that it should be flowed down or a similar clause drafted that makes the same penalties applicable.</i>

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	FAR 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (JUN 1997)	Yes – SF LLL	Legal		✓	This clause addresses the prohibition of using Federal appropriated money for lobbying to influence or attempting to influence an agency or Congress in connection with a Federal contract, grant, loan or cooperative agreement. This clause also requires that any entity that uses its own funds disclose that fact in a report (OMB SF LLL Disclosure of Lobbying Activities) at the end of any quarter where such a payment has been made. <i>This clause requires that subcontractors receiving contracts >\$100,000 also provide a certification and provide a quarterly disclosure if applicable.</i>
	FAR 52.204-4 Printed or Copied Double-sided on Recycled Paper (JUN 1996)	None				The contractor is encouraged to submit paper documents that are printed/copied double-sided on recycled paper that meets minimum content standards specified in Executive Order 12873 (10/20/93) as amended by EO 12995 (3/25/96).
	FAR 52.204-7 Central Contractor Registration (OCT 2003)	None				The CCR database is the primary Government repository for Contractor information required for the conduct of business with the Government. Information contained in the registry derives from the contractor's DUNS or DUNS+4 number and is used for Electronic Funds Transfer (EFT) activity. Registration is required prior to award.
	FAR 52.209-6 Protecting the Government's Interest when Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment (JUL 1995)	None		CO notification if debarred subcontractor is used	✓	This clause stipulates that the Contractor shall not enter into subcontracts >\$25,000 with a party that is debarred, suspended or proposed for debarment unless there is a compelling reason to do so. Contractor shall notify the Contracting Officer with specific information before entering into any agreement with a subcontractor that is debarred, suspended or proposed for debarment. <i>Subcontractors are required to disclose their status before contract award.</i>
	FAR 52.211-5 Material Requirements (OCT 1997)	None		CO authorization required for use of other than new materials	✓	B&W Pantex must provide only "new" material under this contract. Used, reconditioned, or remanufactured supplies, or unused former Government surplus property may not be used unless the CO authorizes it.
	FAR 52.211-15 Defense Priority Allocation Requirements (SEP 1990)	None				This is a rated order certified for national defense use (DO-E2), and the contractor shall follow all of the requirements of the Defense Priorities and Allocations System regulation (15 CFR 700).
	FAR 52.215-8 Order of Precedence Uniform Contract Format (OCT 1997)	None				This clause establishes the order of precedence in the contract to resolve any inconsistencies as follows: (a) The Schedule (i.e., the cover page through Section H); (b) Representations and other instructions; (c) Contract clauses (i.e., Section I); (d) Other documents, exhibits, and attachments; and, (e) The Specifications.
	FAR 52.215-15 Pension Adjustment and Asset Reversions (DEC 1998)	Yes – If prescribed action is taken	Finance			When a defined benefit pension plan is terminated or funds recaptured, the government must be notified and if the government contributed to that plan under a contract, the government is due a credit in accordance with proscribed procedures and allocations. This is a required flow-down for all subcontracts where cost or pricing data is required or for which any preaward or post award cost determinations will be subject to Part 31 of the FAR.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	FAR 52.219-8 Utilization of Small Business Concerns (MAY 2004)	None			✓	This clause presents the Government policy concerning small business concerns (i.e., veteran-owned, service-disabled veteran-owned, HUBZone, small disadvantaged, and women-owned small business concerns) and further requires the contractor to establish procedures to adhere to such policies. The Contractor agrees to carry out the small business policy of the Government in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. <i>FAR 52.219-9 requires this clause to be included as a flow-down in any subcontract (except with small businesses) that has further subcontracting opportunities.</i>
	FAR 52.219-9 Small Business Subcontracting Plan (JUL 2005)	Yes – SF 294 SF 295 Annual Plan	Procurement	CO approval of Plan and incorporation into contract	✓	This clause requires the Contractor to annually submit a subcontracting plan, which separately addresses subcontracting with the various categories of small businesses, for approval by the Contracting Officer. The clause provides a description of what the plan should cover. The Contracting Officer is required to approve / disapprove any goals and deviations to the plan. <i>This clause shall be flowed down to all subcontracts (except those with small business concerns) in excess of \$500,000 (\$1,000,000 for construction of any public facility).</i> This clause further requires the filing of periodic reports, and the active development of small businesses as suppliers.
	FAR 52.219-16 Liquidated Damages Subcontracting Plan (JAN 1999)	None				This clause provides for procedures to enforce liquidated damages to the contractor if the contractor fails to make a good faith effort to meet its subcontracting goals. The Contracting Officer provides the contractor written notice specifying the failure and permitting the contractor to demonstrate what good faith efforts have been made to meet the goals. Should the Contracting Officer find that the contractor failed to make a good faith effort, the Contracting Officer shall issue a final decision to that effect and require the contractor to pay the Government liquidated damages in an amount, dollar for dollar, that the contractor failed to meet for each subcontract goal.
	FAR 52.219-25 Small Disadvantaged Business Participation Program – Disadvantaged Status and Reporting (OCT 1999)	Yes – Optional Form 312 and SF 294	Procurement			B&W Pantex is charged with ascertaining the correct status of any JV, teaming arrangement, or subcontractor by requesting a self-certification and then verifying against SBA data. NOTE: This clause requires the reports to be filed at contract completion “or as otherwise provided in this contract.”
	FAR 52.222-1 Notice to the Government of Labor Disputes (FEB 1997)	None	Legal	CO notification of labor dispute		This clause requires the Contractor to give notice to the Contracting Officer of any actual or potential labor dispute that may adversely impact performance under the contract.
	FAR 52.222-3 Convict Labor (JUN 2003)	None				This clause stipulates that currently incarcerated convicts are not to be employed in the performance of this or any federal contract, except under specific circumstances.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	FAR 52.222-4 Contract Work Hours and Safety Standards Act-Overtime Compensation (JUL 2005)	None			✓	Laborers or mechanics working in excess of 40 hours in a workweek shall be paid overtime compensation. The Contracting Officer may withhold payments to the contractor required to satisfy any liabilities for unpaid wages and liquidated damages. The Contractor will make payroll and basic records available to the Contracting Officer or DOL representatives and will allow the same to interview employees to validate payrolls. Records must be retained for three years following completion of the contract. <i>This clause shall be flowed down to all subcontracts >\$100,000 at all tiers.</i>
	FAR 52.222-6 Davis Bacon Act (JUL 2005)	None			✓	Required for construction work valued at more than \$2,000. Incorporates into the contract a Wage Determination of the Secretary of Labor and requires personnel working in the listed categories be paid no less than the wages and benefits listed in the determination. <i>Insert this clause in construction subcontracts.</i>
	FAR 52.222-7 Withholding of Funds (FEB 1988)	None			✓	Authorizes withholding of payments under any federal contract held by the Contractor for failure to pay personnel as required by the contract. <i>Insert this clause in construction subcontracts.</i>
	FAR 52.222-8 Payrolls and Basic Records (FEB 1988)	Weekly payrolls to the CO			✓	Requires maintenance of payroll records for 3 years after completion of the contract and provides for weekly payroll reports to be sent to the Contracting Officer. Failure to provide the required report can result in withholding of payments. <i>The prime contractor is responsible for submittal of subcontractor's payroll reports; therefore, this clause should be inserted into any subcontracts for construction.</i>
	FAR 52.222-9 Apprentices and Trainees (JUL 2005)	None			✓	Provides conditions for the employment of apprentices and trainees who are paid less than the prevailing wage rate for their job classifications. <i>Insert this clause in construction subcontracts.</i>
	FAR 52.222-10 Compliance with Copeland Act Requirements (FEB 1988)	None			✓	Requires compliance with the provisions of the Copeland Act (29 CFR Part 3) relative to reporting of payroll and withholding in construction contracts that are subject to the Davis Bacon Act. <i>Insert this clause in construction subcontracts.</i>
	FAR 52.222-11 Subcontracts (Labor Standards) (JUL 2005)	None			✓	This clause specifies that the prime contractor shall insert the clauses at FAR 52.222-4 and 52.222-6 through -15 into all construction subcontracts. In addition, the prime contractor must deliver to the Contracting Officer a SF1413 signed by each subcontractor to indicate that the subcontractor is aware that the FAR clauses are incorporated into his subcontract. The prime contractor is responsible for subcontractor compliance. <i>Insert the substance of this clause in all construction subcontracts.</i>
	FAR 52.222-12 Contract Termination – Debarment (FEB 1988)	None			✓	This clause provides for penalties including termination for default and debarment for breach of the Davis Bacon Act clauses and/or the associated clauses. <i>Insert this clause in construction subcontracts.</i>
	FAR 52.222-13 Compliance with Davis-Bacon and Related Act Regulations (FEB 1988)	None			✓	Incorporates all rulings and regulations regarding the Davis Bacon Act and related Acts into the contract by reference (29 CFR Parts 1, 3 and 5). <i>Insert this clause in construction subcontracts.</i>

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	FAR 52.222-14 Disputes Concerning Labor Standards (FEB 1988)	None			✓	Disputes concerning labor standards will be settled in accordance with procedures developed by the U. S. Department of Labor, not by the Disputes clause of this contract. <i>Insert this clause in construction subcontracts.</i>
	FAR 52.222-15 Certification of Eligibility (FEB 1988)	None			✓	The prime contractor certifies that they are not ineligible to receive a contract as determined by the Secretary of Labor and will not award a subcontract to any organization that has been determined ineligible for award by the Secretary of Labor. <i>Insert this clause in construction subcontracts.</i>
	FAR 52-222-16 Approval of Wage Rates (FEB 1988)	None			✓	Proposed straight time wage rates that exceed the rate required in the Davis Bacon minimum wage determination must receive the written approval of the head of the contracting activity or his specific designee. Payment of higher rates without the required approval will be unallowable cost. <i>Insert this clause in construction subcontracts.</i>
	FAR 52-222-17 Labor Standards for Construction Work – Facilities Contracts (FEB 1988)	None			✓	This clause makes the Davis Bacon Act and associated clauses applicable to construction, alteration or repair of public buildings performed under a facilities type contract. <i>Insert this clause in construction, alteration and repair subcontracts covering existing structures.</i>
	FAR 52.222-20 Walsh-Healey Public Contracts Act (DEC 1996)	None			✓	<i>The contractor must insure flow down provisions concerning Walsh Healy regarding the prescribed minimum wage requirements are contained in subcontracts for the manufacture or furnishing of materials, supplies, articles or equipment in an amount that exceeds \$10,000. This clause references 41 U.S.C. Sections 35 through 45, and incorporates by reference 41 CFR Chapter 50.</i>
	FAR 52.222-21 Prohibition of Segregated Facilities (FEB 1999)	None			✓	B&W Pantex agrees to not use segregated facilities or any subcontractor who does. <i>Required flow down in all subcontracts subject to the Equal Opportunity clause of this contract (i.e. any subcontractor who receives > \$10,000 in Federal contracts in a 12 month period.</i>
	FAR 52.222-26 Equal Opportunity (APR 2002)	Yes – EEO-1 (41 CFR Part 60-1)	Employee Concerns		✓	This clause prohibits discrimination against employees and requires the contractor to take affirmative action to ensure that discrimination does not exist as regards to personnel issues. The Contracting Officer will provide an EEO poster to the contractor that will be displayed in a prominent place of business. Requires compliance with EO 11246. <i>This clause shall be flowed down to all subcontracts.</i>
	FAR 52.222-29 Notification of Visa Denial (JUN 2003)	Yes – If Visa is denied				Requires notification to the Departments of State and Labor if the Contractor has knowledge that an entry Visa has been denied any person for work on a federal contract where that denial is based on the race, color, religion, sex, or national origin of the employee or potential employee.
	FAR 52.222-35 Equal Opportunity for Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001)	None			✓	This clause prohibits the Contractor from discriminating against disabled and Vietnam Veterans, and requires the Contractor to take affirmative action to employ Vietnam Era veterans. Requires listing openings with the State unemployment office. <i>This clause shall be flowed down to all subcontracts >\$10,000.</i>

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	FAR 52.222-36 Affirmative Action for Workers with Disabilities (JUN 1998)	None			✓	This clause requires the Contractor to not discriminate against any employee because of physical or mental disability and to take affirmative action to employ, advance, and otherwise support disadvantaged individuals. <i>This clause shall be flowed down to all subcontracts >\$10,000 and requires prime contract enforcement of its provisions.</i>
	FAR 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and other Eligible Veterans (DEC 2001)	Yes – VETS 100	Employee Concerns		✓	This clause requires the Contractor to report annually concerning the number of disabled and Vietnam era veterans in the workforce and those hired during the year. <i>This clause shall be flowed down to all subcontracts >\$10,000.</i>
	FAR 52.223-3 Hazardous Material Identification and Material Safety Data (ALT 1 - JUL 1995)	None				This clause provides a framework for the deliver of hazardous material under the contract, the submittal of a Material Safety Data Sheet, and requires the Contractor’s compliance with Federal, State and local laws, codes and ordinances, and regulations in connection with hazardous materials. Federal Standard 313 and 29 CFR 1910.1200(g) are incorporated by reference. Fed Std 313 is a dynamic document and the contractor is responsible for keeping current with all changes and updating MSDS data as necessary. NOTE: There is a blank in this clause where the hazardous material that is delivered under this contract is to be listed. It says that if there is none, to so state. The clause is blank.
	FAR 52.223-5 Pollution Prevention and Right to Know Information (ALT 1 - AUG 2003)	Yes	ES&H			This clause requires the Contractor to provide all information necessary to comply with the provisions of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11050) and the Pollution Prevention Act of 1990 (PPA) (42 U.S.C. 13101-13109). Includes planning, notice, MSDS, inventory, and toxic chemical release inventory (including reduction and recycling). Also includes compliance with EO 12856.
	FAR 52.223-6 Drug-Free Workplace (MAY 2001)	Yes – Drug Free Workplace Program	ES&H	CO notification as required		This clause requires the Contractor to establish and maintain a program to discourage the use of controlled substances, to supply personnel with information regarding the program and to provide notification to the Contracting Officer of any conviction of an employee for violation of a criminal drug statute for a violation occurring in the workplace.
	FAR 52.223-10 Waste Reduction Program (AUG 2000)	Yes – Waste Reduction Program	Waste Operations			The Contractor shall establish a program to promote cost-effective waste reduction in all operations and facilities covered by this contract.
	FAR 52.223-12 Refrigeration Equipment and Air Conditioners (MAY 1995)	None				Requires compliance with 42 U.S.C. 7671g and 7671h of the Clean Air Act as they relate to the use of freon and refrigerants.
	FAR 52.223-14 Toxic Chemical Release Reporting (AUG 2003)	Yes – Form R	ES&H		✓	B&W Pantex is required to comply with 42 U.S.C. 11023(a) and (g), the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) by filing Form R by July 1 for the prior calendar year. Failure to comply can result in termination of the contract. <i>This is a required flow down for all competitive subcontracts expected to exceed \$100,000.</i>

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
FAR 52.224-1	Privacy Act Notification (APR 1984)	None				This clause provides notice that the Contractor will be required to design, develop or operate a system of records on individuals to accomplish an agency function subject to the Privacy Act (5 U.S.C. 552a) and applicable agency regulations. Violations may involve imposition of criminal penalties.
FAR 52.224-2	Privacy Act (APR 1984)	None				This clause requires the Contractor to comply with the Privacy Act of 1974, which protects the rights of individuals when records are being maintained in a fashion that would permit the identification of any individual based on the information contained in those records.
FAR 52.225-1	Buy American Act – Supplies (JUN 2003)	None				B&W Pantex is required to use only domestic end products, with four possible exceptions. Authority is the Buy American Act, 41 U.S.C. 10.
FAR 52.225-8	Duty-Free Entry (FEB 2000)	None		Request and obtain CO approval of Duty-Free Entry	✓	This clause provides the process for obtaining CO approval for duty free entry of foreign made products. Failure to obtain CO approval will result in any duties paid being unallowable costs. <i>This is a required flow down for any subcontract awarded to provide supplies identified in the schedule as supplies to be afforded duty free entry (none are) and other foreign supplies in excess of \$10,000.</i>
FAR.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (FEB 2006)	None			✓	This clause stipulates that the Contractor shall not acquire supplies or services originating from or flowing through countries (i.e., Cuba, Iran, Iraq, Libya, North Korea and Sudan) whose products are banned from importation into the United States unless advance written approval of the Contracting Officer is obtained. <i>This clause shall be flowed down to all subcontracts at all tiers.</i>
FAR 52.226-1	Utilization of Indian Organizations and Indian Owned Economic Enterprises (JUN 2001)	None				The Contractor shall use its best efforts to give Indian organizations and Indian-owned economic enterprises (25 U.S.C. 1544) the maximum practicable opportunity to participate in the subcontracts it awards to the fullest extent consistent with efficient performance of its contract.
FAR 52.227-3	Patent Indemnity (APR 1984)	None				B&W Pantex indemnifies the government for any liability arising out of the infringement of a US Patent arising out of work performed on this contract.
FAR 52.227-10	Filing of Patent Applications – Classified Subject Matter (APR 1984)	None		CO notification	✓	The filing of a patent application does not suspend the rules pertaining to the protection of classified material. Prior to filing any such patent application the CO shall be notified and the contractor shall follow established procedures to protect the classified nature of any such patent application. <i>This is a required flow down in any subcontract at any tier likely to cover classified subject matter.</i>
FAR 52.227-23	Rights to Proposal Data (Technical) (JUN 1987)	None				This clause grants the government unlimited rights in all technical data contained in the proposal submitted by B&W Pantex in winning this contract. The clause should have indicated the date of the proposal rather than inserting N/A in the blank, but that probably does not affect the effectiveness of the clause.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	FAR 52.229-8 Taxes – Foreign Cost Reimbursement Contracts (MAR 1990)	None				This clause applies if all or part of a contract is performed in a foreign country. It specifies that taxes paid for which there is an exemption by agreement between the U. S. Government and the government of the foreign country are not an allowable cost under this contract. Further, the clause requires a repayment of any income tax reduction caused by a foreign tax credit that results from performance under this contract.
	FAR 52.229-10 State of New Mexico Gross Receipts and Compensating Tax as Modified by DEAR 970.2904-1(a) (APR 2003)	None			✓	Provides for a Type 15 Nontaxable Transaction Certificate from the State of New Mexico, Taxation and Revenue Department, Revenue Division, pursuant to the Tax Administration Act of the State of New Mexico. <i>This clause shall be inserted in any cost reimbursement subcontract for the acquisition of tangible personal property as a direct cost under the subcontract, where title to such property passes directly to and vests in the United States upon delivery of the property by the vendor and where the contract will be for services to be performed in whole or in part within the State of New Mexico.</i>
	FAR 52.230-2 Cost Accounting Standards (APR 1998)	Yes – for changes to the disclosure statement	Finance	Submittal of initial CAS Disclosure Statement	✓	Requires compliance with CAS requirements (48 CFR 9903.201-1 and –2) including the requirement for the contractor to submit a Disclosure Statement, which discloses the Contractor’s accounting practices. Negotiations are required to determine when a change may be made to cost accounting practices except that no agreement will be made that increases the costs paid by the Government. <i>The substance of this clause shall be flowed down to all negotiated subcontracts >\$500,000, unless exempt.</i>
	FAR 52.230-6 Administration of Cost Accounting Standards (APR 2005)	Yes – 1) Notice & cost impact proposal 2) Notice to subs’ ACO	Finance and Procurement	Notification to CO and CO approval of changes	✓	This clause proscribes the actions required for the administration of CAS. Specifically: <input type="checkbox"/> Submit a description of any cost accounting practice change including cost impact proposal; <input type="checkbox"/> Notify the Contracting Officer of any adjustments to subcontracts as appropriate; and, <input type="checkbox"/> Require subcontract CAS compliance as appropriate. <i>Required flow down in all negotiated subcontracts.</i>
	FAR 52.232-17 Interest (JUN 1996)	None				Requires that interest be paid on any amounts due the government if not paid within 30 days of becoming due, at a rate established by the Secretary of the Treasury under the Contract Disputes Act (PL 95-563).
	FAR 52.232-18 Availability of Funds (APR 1984)	None		CO supplies written notice of funds obligation		This clause states that if the Contracting Officer has not provided written notice of the availability of funds, there is no obligation on the part of the Government to reimburse the Contractor for costs incurred.
	FAR 52.232-24 Prohibition of Assignment of Claims (JAN 1986)	None				This clause states that the Contractor may not assign or transfer any interest or claim under this contract.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	FAR 52.233-1 Disputes (DEC 1998) ALTERNATE I (DEC 1991)	None				This clause indicates that this contract is subject to the Contract Disputes Act of 1978 (41 U.S.C. 601-613), and sets out the procedural requirements of submitting and resolving a claim under the contract. For claims less than or equal to \$100,000, the CO must, if requested in writing by the Contractor, render a decision within 60-days of the request. For claims over \$100,000, a certification is required and the government has 60 days to either decide the claim or state when a decision will be rendered. The CO's decision is final unless the Contractor appeals or files a suit as provided in the Act. The Contractor is required to continue performance pending final resolution of any request for relief, claim, appeal or action arising under or relating to this contract.
	FAR 52.233-3 Protest After Award (AUG 1996) ALTERNATE I (JUN 1985)	None				Provides a procedure to stop work in the event of a protest. Clause is moot at this point, but may become operative in the event of the exercise of one or more options under the contract.
	FAR 52.233-4 Applicable Law for Breach of Contract Claim (OCT 2004)	None				United States law will apply to resolve any claim of breach of this contract.
	FAR 52.237-2 Protection of Government Buildings, Equipment, and Vegetation (APR 1984)	None				Establishes a standard of reasonable care in operating on government sites. Makes contractor responsible for repair or replacement for damage caused by their unreasonable actions.
	FAR 52.237-3 Continuity of Services (JAN 1991)	None				This clause requires the Contractor to furnish phase-in, phase-out training and services for up to 90-days after the contract expires upon written notice by the Contracting Officer for continuity purposes should a successor contractor be awarded a contract for the site. Requires that personnel and their records be made available to a successor contractor. Costs occasioned by this clause are reimbursable with fee.
	FAR 52.242-1 Notice of Intent to Disallow Costs (APR 1984)	None		Notify CO of justification within 60 days		Upon notice of intent to disallow costs from the Contracting Officer, the contractor may respond in writing within 60-days with justification for allowance of the costs. Within a subsequent 60-day period the Contracting Officer may either withdraw the notice of intent or issue a written final decision. Such notice is not a pre-requisite for cost disallowances.
	FAR 52.242-13 Bankruptcy (JUL 1995)	Yes – In the event of bankruptcy.		CO notification		This clause requires the Contractor to provide written notification to the Contracting Officer by certified mail within 5-days of the initiation of bankruptcy proceedings to include pertinent information associated with the bankruptcy petition. This clause is operative until final payment under the contract.
	FAR 52.244-5 Competition in Subcontracting (DEC 1996)	None				Requires subcontracts to be awarded on a competitive basis "to the maximum practical extent". Provides exceptions under the DOD Mentor-Protégé program.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	FAR 52.244-6 Subcontracts for Commercial Items and Commercial Components (FEB 2006)	None			✓	This clause requires, to the maximum extent practicable, that the Contractor incorporate and require its subcontractors to incorporate commercial items or nondevelopmental items as components of items to be supplied under the contract. <i>The terms of this clause shall be flowed down to all subcontracts.</i> Further, in a commercial contract only three flow downs are proscribed, namely 52.222-26, Equal Opportunity; 52.222-35 Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era; and 52.222-36, Affirmative Action for Workers with Disabilities.
	FAR 52.247-1 Commercial Bill of Lading Notations (APR 1984)	None				Informational type clause on commercial bill of lading notations if the Contracting Officer authorizes this method of shipment.
	FAR 52.247-63 Preference for U.S.-Flag Air Carriers (JUN 2003)	None			✓	This clause indicates that the Contractor and subcontractors are to use U.S. flag air carriers. <i>The substance of this clause shall be flowed down to all subcontracts that may involve international air transportation. Ref. 49 U.S.C. 40118.</i>
	FAR 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006)	None			✓	This clause requires that the Contractor use privately owned U.S.-flag commercial vessels to transport at least 50% of the gross tonnage of equipment, materials or commodities that may be transported in ocean vessels. The contractor is required to provide a copy of a rated onboard ocean bill of lading to the Contracting Officer. <i>The substance of this clause shall be flowed down to all subcontracts above the simplified acquisition threshold. Ref. 46 U.S.C. 1241(b).</i>
	FAR 52.249-6 Termination (Cost Reimbursement) (MAY 2004) as modified by DEAR 970.4905-1(b)	None				This clause permits the government to terminate the effort under the contract for either convenience or default. Detailed procedures are proscribed to settle claims and close out the contract.
	52.249-14 Excusable Delays (APR 1984)	None				The Contractor shall not be in default because of any failure to perform this contract under its terms if the failure arises from causes beyond the control and without its fault or negligence. If the failure to perform is caused by the failure of a subcontractor different requirements apply but the Contracting Officer may adjust the schedule if neither party is at fault.
	FAR 52.250-1 Indemnification Under Public Law 85-804 (ALTERNATE I – APR 1984)	None		CO approval required for inclusion in subcontracts	✓	This clause implements PL 85-804’s indemnification provisions for “unusually hazardous or nuclear” activities, relieving the contractor from financial liability beyond insurable levels for specified incidents. Specific activities for which this indemnification applies are listed in the clause and apply to activities primarily outside of the US. <i>With CO approval this indemnification may be passed along to subcontractors.</i>
	FAR 52.251-1 Government Supply Sources (APR 1984)	None		CO letter of authorization required		The Contracting Officer may issue the contractor an authorization to use government supply sources (e.g. GSA Schedules).

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
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	FAR 52.251-2 Interagency Fleet Management System (IFMS) Vehicles and Related Services (JAN 1991)	None		CO letter of authorization required		The CO may authorize Pantex to obtain interagency fleet management system (IFMS) vehicles and related services in performance of the contract. If so, the use is in accordance with 41 CFR 101-39 and 101-38.301-1.
	FAR 52.253-1 Computer Generated Forms (JAN 1991)	None				This clause allows the Contractor to submit data required to be on Standard or Optional Forms prescribed by the FAR or any agency supplement to be submitted on a computer generated version of the Standard or Optional Form so long as it is identical in all respects.
2. DEAR (48 CFR CHAPTER 9) CLAUSES						
	DEAR 952.203-70 Whistleblower Protection for Contractor Employees (DEC 2000)	None			✓	This clause requires the Contractor to comply with the “DOE Contractor Employee Protection Program” at 10 CFR Part 708. <i>The substance of this clause shall be included in all subcontracts at all tiers where work is performed at DOE sites.</i>
	DEAR 952.204-2 Security (MAY 2002)	None			✓	This clause stipulates that it is the Contractor’s duty to safeguard all classified information, special nuclear material and other DOE property. In the event the contract is terminated, and the Contracting Officer approves retention of classified information, the security provisions of the contract shall remain applicable. Types of information are defined, and reference is made to criminal prosecution for those who violate federal law related to the protection of classified information. <i>Similar provisions to this clause shall be flowed down to all subcontracts.</i>
	DEAR 952.204-70 Classification/Declassification (SEP 1997)	None			✓	This clause requires the Contractor or subcontractor to comply with all DOE regulations and Directives, which apply to work involving the classification and declassification of information, documents, or materials. It specifies that original classification is an inherently governmental function, but that contractors may serve as derivative classifiers. The clause further encourages the declassification of material, as appropriate, to better inform the public. <i>This clause shall be flowed down to all subcontracts at any tier that involves or may involve access to classified information.</i>
	DEAR 952.204-71 Sensitive Foreign Nations Controls (APR 1994)	None			✓	This clause activates Section J, Appendix F concerning Sensitive Foreign Nations and reports required concerning any activities that involve persons from those countries. <i>This clause is a required flow down in all subcontracts.</i>
	DEAR 952.204-75 Public Affairs (DEC 2000)	None				The Contractor must coordinate with the Contracting Officer and DOE Public Affairs personnel relative to the release to the public of any unclassified information regarding DOE policies, programs, and activities relating to its effort under the contract. Proactive Public Affairs programs must insure that releases are coordinated with appropriate levels of Contractor management. The Contractor must comply with DOE procedures for obtaining advance clearances on oral, written, and audio/visual informational material prepared for public dissemination or use.
	DEAR 952.208-7 Tagging of Leased Vehicles (APR 1984)	None				This clause refers to the intention to use Government license tags for leased vehicles, but DOE may utilize state tags on leased vehicles if necessary to accomplish its mission. If so, the contractor is responsible to obtain the necessary forms from the state.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	DEAR 952.209-72 Organizational Conflicts of Interest (JUN 1997) (ALTERNATE I – JUL 1997)	None		CO approval of mitigation if necessary	✓	The purpose of the clause is to ensure the contractor is not biased and does not obtain any unfair advantage by virtue of its performance of this contract. Contracting Officer approval is required for waivers to provisions of this clause. <i>A clause substantially similar to this clause shall be included in all subcontracts that exceed the simplified acquisition threshold of the FAR and involving the performance of advisory and assistance services as defined in FAR 37.201.</i> Requires the obtaining of a subcontractor disclosure in accordance with DEAR 909.507-1 and the written determination that there is no conflict.
	DEAR 952.211-71 Priorities and Allocations (Atomic Energy) (JUN 1996)	None				The contractor shall follow the rules and procedures of the Defense Priorities and Allocations System regulation (15 CFR Part 700) in obtaining controlled materials.
	DEAR 952.215-70 Key Personnel (DEC 2000)	Yes – Proposed changes for approval	GM and Contracts	CO approval of changes		This clause indicates that “key personnel” identified in Section J, Appendix D are essential to the work being performed under the contract, and that any change to the key personnel listed must be approved by Contracting Officer in advance.
	DEAR 952.217-70 Acquisition of Real Property (APR 1984)	None		CO approval of lease or purchase of real property	✓	Prior approval by the Contracting Officer is required for purchase (where title is vested in the Government), lease or acquisition of a temporary interest (including easements, license or permit) of real property by the Contractor. Such approval is rarely granted. <i>Flow down required in any subcontract where such a property interest might be acquired.</i>
	DEAR 952.219-70 DOE Mentor Protégé Program (MAY 2000)	None				This provision encourage DOE’s prime contractors to assist firms certified under section 8(a) of the Small Business Act by SBA, other small disadvantaged businesses, women-owned small businesses, Historically Black Colleges and Universities and Minority Institutions, other minority institutions of higher learning and small business concerns owned and controlled by service disabled veterans in enhancing their business abilities. Under Award Fee contracts, the Contractor’s performance as a Mentor may be evaluated as part of the award fee plan.
	DEAR 952.223-75 Preservation of Individual Occupational Radiation Exposure Records (APR 1984)	None				DOE has right of inspection to all such records, and contractor shall retain all such records generated in the performance of work under this contract until authorized by DOE to dispose of them. Upon completion or termination, they may be surrendered to DOE. Title vests with DOE upon surrender. NOTE: Long-term retention by contractor is at contractor’s expense.
	DEAR 952.224-70 Paperwork Reduction Act (APR 1994)	None				This clause applies only to directions by DOE to the contractor specifically to collect information on behalf of DOE from 10 or more persons who are not Federal employees. The clause indicates the procedural requirements that are imposed by the Act and OMB in the collection of the information. A 90-day suspense period is necessary for OMB clearance.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	DEAR 952.226-74 Displaced Employee Hiring Preference (JUN 1997)	None			✓	This clause refers to a current or former employee of a Contractor or subcontractor employed at a DOE Defense Nuclear Facility (1) whose employment has been, or will be, involuntarily terminated (except if for cause), and (2) meets the criteria in the DOE guidance for Contractor workforce restructuring, and (3) is qualified for a particular DOE job vacancy or with one of its contractors. The Contractor is required to provide a preference in hiring to an eligible employee to the extent practicable for work performed under the contract. <i>The requirements of this clause shall be flowed down to all subcontracts at any tier >\$500,000 (excluding subcontracts for commercial items).</i>
	DEAR 952.247-70 Foreign Travel (DEC 2000)	None		CO approval of foreign travel		This clause requires the Contractor to obtain CO approval for any foreign travel (defined as outside of the US, Canada, and Mexico) charged directly to the contract. NOTE: This is in addition to the traveler's responsibility to notify Security.
	DEAR 952.251-70 Contractor Employee Travel Discounts (DEC 2000)	None				This clause requires B&W Pantex to make use of travel discounts that are offered to Federal travelers as they may be offered by contracted airlines, hotels and motels and car rental companies when use of such discounts would result in lower overall trip costs and the discounted services are reasonably available to the Contractor's employees performing official government contract business. The Contracting Officer may have to issue a letter of identification for the traveler if required to do so by the vendor providing the services to the traveler.
	DEAR 970.5203-1 Management Controls (DEVIATION) (DEC 2000)	Yes – Mgmt. Controls System Documentation		CO approval indicating DOE satisfaction		This clause requires B&W Pantex to have an effective system of management controls for both administrative and programmatic functions to reasonably ensure the mission and functions assigned to the contractor are properly executed. The system of controls employed shall be documented and satisfactory to DOE. Internal Audit should test these systems periodically, and there shall be a baseline QA program.
	DEAR 970.5203-2 Performance Improvement and Collaboration (MAY 2006)	None				The contractor will collaborate with other NWC contractors to improve safety and operations. A spirit of continuous improvement across the complex is encouraged; assistance from the CO shall be sought when appropriate. This clause has been updated from DEC 2000 to MAY 2006 per DOE Policy Flash 2006-23
	DEAR 970.5203-3 Contractor's Organization (DEC 2000)	Yes – Org chart original and updates	GM via Contracts	CO notification		This clause requires the Contractor to furnish the Contracting Officer an organization chart showing the names, duties and organization of key personnel utilized under the contract, provide a full time resident supervisor in charge of all work under the contract, maintain satisfactory standards of employee competency, conduct, and integrity; and, take disciplinary actions with employees as appropriate. Standards shall be established i/a/w DEAR 970.2272, subject to CO approval.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	DEAR 970.5204-1 Counterintelligence (DEC 2000)	None				This clause requires the Contractor to protect DOE programs, facilities, technology, personnel, and unclassified sensitive as well as classified information from foreign intelligence threats and activities in accordance with DOE Order 5670.3, Counterintelligence Programs, EO 12333, US Intelligence Activities, “and other pertinent national and Departmental Counterintelligence requirements”. It also requires the Contractor to appoint a Counterintelligence Officer for such purposes.
	DEAR 970.5204-2 Laws, Regulations, and DOE Directives (DEC 2000)	Yes – Impact analysis within 30 days of request	Quality (with support from all)		✓	This is the clause for implementation of the Directives process. Applicable directives are listed in Appendix E. The CO can change the list at any time, with notice, and increased costs are subject to the “Changes” clause. <i>It is the contractor’s responsibility to determine appropriate flow down of directives to subcontractors.</i> NOTE: Agreement to provide impact analysis within <u>40 days</u> of request.
	DEAR 970.5204-3 Access to and Ownership of Records (DEC 2000)	Yes – Records as required by the CO			✓	This clause indicates that all records, except what is identified as Contractor-owned records in subparagraph (b) of the clause, are the property of the Government. However, all records acquired or generated by the Contractor under the contract, including Contractor-owned records, shall be delivered to a location specified by the Contracting Officer for inspection, copying and audit as directed. DOE Order 200.1, Information Management Program contains applicable special record retention standards. <i>Unless waived by the Contracting Officer, this clause shall be flowed down to cost reimbursement subcontracts greater than \$2 million or when the Contracting Officer determines that the subcontract is or involves a critical task related to the contract, or the subcontract includes 970.5223-1, Integration of Environment, Safety, and Health into Work Planning and Execution, or a similar clause.</i>
	DEAR 970.5208-1 Printing (DEC 2000)	None			✓	This clause requires the Contractor to provide or obtain duplicating or printing services in accordance with the Government Printing and Binding Regulations. <i>The substance of this clause shall be flowed down to all subcontracts that require printing.</i>
	DEAR 970.5215-3 Conditional Payment of Fee, Profit, or Incentives – Facility Management Contracts (JAN 2004)	None				This clause provides for the reduction of any or all fee of any type (up to 100% of the fee earned) for any performance failures in ISMS or ES&H or for any fatality or other catastrophic event. If the contractor fails to meet minimally acceptable standards of performance against the PEMP, or fails to manage costs effectively (as determined unilaterally by the FDO) the total fee earned can be reduced no lower than 25% of the total available fee pool.
	DEAR 970.5215-4 Shared Savings (DEVIATION) (JAN 2005)	Yes – CRP’s	Contracts with support form Finance and SME’s			Provides a mechanism for the submission of cost reduction proposals, their evaluation, and the potential for the contractor to share in any cost savings occasioned thereby. There is an affirmative duty on the contractor to submit cost reduction proposals. <i>This clause MAY be flowed down to subcontractors so long as DOE’s net saving is not affected.</i>
	DEAR 970.5217-1 Work for Others Program (Non-DOE Funded Work) (JAN 2005)	None				Uncollected receivables due to any work for others effort is the responsibility of the contractor and not DOE, however the contractor is authorized to expend corporate funds for the furtherance of the WFO program.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
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	DEAR 970.5222-1 Collective Bargaining Agreements – Management and Operating Contracts (DEC 2000)	None			✓	This clause requires the contractor to use their best efforts to maintain continuity of services in the provisions of any collective bargaining agreement entered into at the site by ensuring that grievances and disputes are settled without resorting to strike, lockout or other interruption of normal operations. <i>The substance of this clause shall be included in any subcontracts for protective services or other services on the site, which might affect the continuity of operations of the facility.</i>
	DEAR 970.5222-2 Overtime Management (DEC 2000)	Yes – When OT exceeds 4% of payroll	Finance	CO notification		This clause requires the Contractor is to maintain adequate internal controls over employee overtime and notify the Contracting Officer when overtime is expected to exceed 4% of the payroll. The Contracting Officer may require the contractor to submit a formal annual overtime control plan.
	DEAR 970.5223-1 Integration of Environment, Safety, and Health Into Work Planning and Execution (DEC 2000)	Yes – annual update to the SMS	ES&H		✓	This clause indicates that the in the performance of work under the contract, the Contractor will perform work safely, in a manner that protects employees, the public and the environment in accordance with a documented Safety Management System (SMS) approved by DOE. The clause provides detailed guidance on the content of the SMS. <i>This clause, substantially as written, shall be included in any subcontracts to ensure compliance with ES&H requirements applicable to the contract. May require that subcontractor provide SMS to B&W Pantex for approval.</i>
	DEAR 970.5223-2 Affirmative Procurement Program (MAR 2003)	Yes – Report i/a/w CO guidance	Procurement with support from ES&H and Property			This clause requires the Contractor to comply with the requirements of: <ul style="list-style-type: none"> • EO 13101; • Section 6002 of the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C. 6962); • 40 CFR Part 247; and • the “US DOE Affirmative Procurement Program for Products Containing Recovered Materials.” It also requires a report on the contractor’s success under these programs i/a/w CO guidance.
	DEAR 970.5223-4 Workplace Substance Abuse Programs at DOE Sites (DEC 2000)	Yes – Approved Program	ES&H	Approval of subcontractor plan, as appropriate	✓	This clause requires the Contractor to develop, implement and maintain a workplace substance program that is approved by DOE, and consistent with 10 CFR Part 707. <i>This clause shall be included in subcontracts, at any tier, that are subject to the provisions of 10 CFR Part 707.</i> The CO must be given at least 30 days notice prior to the award of any such contract. <i>Each subcontractor subject to these provisions must also prepare a plan for approval by the contractor.</i>
	DEAR 970.5223-5 DOE Motor Vehicle Fleet Fuel Efficiency (OCT 2003)	None				The Contractor will conduct operations relating Government-owned vehicles in accordance with the goals and requirements of <i>Executive Order 13149, Greening the Government Through Federal Fleet and Transportation Efficiency</i> , and implementing guidance contained in the document entitled <i>U.S. Department of Energy Compliance Strategy for Executive Order 13149</i> (April 2001) and future revisions of this compliance strategy that are identified in writing by the Contracting Officer. Section 506 of Executive Order 13149 exempts military tactical, law enforcement, and emergency vehicles from the requirements of the order.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
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	DEAR 970.5226-1 Diversity Plan (DEC 2000)	Yes – Plan with annual updates	Employee Concerns	CO Plan Approval		This clause requires the Contractor to submit a Diversity Plan for approval by the Contracting Officer, with annual updates. The components of the Plan are stipulated in the clause. (See Appendix H).
	DEAR 970.5226-2 Workforce Restructuring Under Section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (DEC 2000)	None			✓	This clause indicates that if DOE determines that a change in workforce at a DOE Defense Nuclear Facility is necessary, the contractor agrees to comply with the DOE Workforce Restructuring Plan for the facility and use its best efforts to accomplish workforce restructuring or displacement so as to mitigate social and economic impacts. <i>The requirements of this clause shall be included in subcontracts at any tier (except for commercial items) that exceed \$500,000 in value.</i>
	DEAR 970.5226-3 Community Commitment (DEC 2000)	None				Contractor shall establish business operations and performance that gives back to the community, recognizes its diversity, and engages regional stakeholders in issues and concerns of mutual interest.
	DEAR 970.5227-2 Rights in Data – Technology Transfer (DEC 2000) (ALT 1 – DEVIATION)	Yes – Request approval to use IP of Others for cost and to assert copyrights.		CO approval required under certain circumstances	✓	This clause applies to data and copyrightable works created by B&W Pantex employees. The Contractor is required to obtain Contracting Officer approval to include any material copyrighted by others without first granting or obtaining a no-cost license. Contractor shall obtain advance written permission of the Contracting Officer to assert copyright in data, whether in the form of technical reports, articles, or software. <i>Contractor agrees to use the Rights In Data-General clause in subcontracts, and the various alternates under that clause as approved by the Contracting Officer.</i>
	DEAR 970.5227-3 Technology Transfer Mission (ALT I) (DEC 2000)	None				This clause implements the National Competitiveness Technology Transfer Act of 1989 as amended and requires the contractor to conduct technology transfer activities with a purpose of providing benefit from Federal research to US industrial competitiveness. The use of CRAD, user facilities, WFO, science education activities, consulting, personnel assignments, and licensing are all tools specified for use in performing the mission of the “Weapon Production Facility”. This clause invokes the authority provided in the Stevenson-Wydler Technology Innovation Act of 1980, as amended (15 U.S.C. 3710). Conflicts of interest must be particular monitored and avoided. An additional 13 pages of guidance is provided.
	DEAR 970.5227-4 Authorization and Consent (AUG 2002)	None			✓	The government authorizes and consents to the use and manufacture of any invention covered by a patent. <i>Required flow down in all subcontracts.</i>
	DEAR 970.5227-5 Notice and Assistance Regarding Patent and Copyright Infringement (AUG 2002)	None		Report infringement to the CO	✓	Any claim of infringement shall be reported to the CO and the contractor shall assist the government in its defense against any claim for patent or copyright infringement. <i>Required flow down in all contracts above the simplified acquisition threshold at FAR 2.101.</i>
	DEAR 970.5227-6 Patent Indemnity – Subcontracts (DEC 2000)	None			✓	<i>Patent indemnity shall be sought from all subcontractors in accordance with 48 CFR 52.227-3.</i>

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	DEAR 970.5227-8 Refund of Royalties (AUG 2002)	Yes – (before final payment) a statement of all royalties paid	Finance		✓	This clause requires the Contractor to provide information to the Government concerning the amount of royalties paid during contract performance and to refund to the government any rebate or release from the obligation to pay royalties for a period extending three years beyond final payment. <i>This clause shall be included in subcontracts at any tier, suitably modified to identify the Parties in which the amount of royalties reported during negotiations of the subcontract exceeds \$250.</i>
	DEAR 970.5227-9 Notice of Right to Request Patent Waiver (DEC 2000)	None				The Contractor has a continuing right to request a waiver of the rights of the Government in identified inventions, i.e., individual inventions conceived or first actually reduced to practice in performance of the contract.
	DEAR 970.5227-12 Patent Rights – Management and Operating Contracts, For-Profit Contractor, Advance Class Waiver (AUG 2002) (ALT I – DEVIATION)	Yes – Annual report on inventions	Legal			This clause applies to inventions conceived or first actually reduced to practice by B&W Pantex. Under certain circumstances, the contractor can elect to capture the rights to a subject invention. The government will retain certain license rights and march-in rights. The contractor must actively seek to commercialize the invention within five years. The Contracting Officer shall have the right to examine any books or records. There are prescribed clauses for large and small businesses for any contract that involves any form of R&D. Alternate I adds subparagraphs (a)(9) and (b)(10) dealing with “Weapons Related Subject Inventions.”
	DEAR 970.5228-1 Insurance – Litigation and Claims (MAR 2002)	None		CO approval prior to litigation		This clause indicates that B&W Pantex can be directed by the Contracting Officer to initiate litigation against third parties pursuant to performance under the contract. Prior written authorization from the CO is necessary to defend litigation. Liability expenses to third persons will be disallowed if resulting from willful misconduct or bad faith of the Contractor’s managerial personnel (Ref clause H.13), or for the failure to maintain authorized levels of insurance and bonding. This clause also authorizes the purchase of insurance and bonds.
	DEAR 970.5229-1 State and Local Taxes (DEC 2000)	None				This clause requires B&W Pantex to notify the Contracting Officer of any State or local tax, fee or charge levied on the Contractor with respect to the contract work, but which the Contractor has reason to believe, or the Contracting Officer has so advised, is or may be inapplicable or invalid. In such an event, the Contractor agrees to refrain from paying any such tax, fee, or charge unless authorized in writing by the Contracting Officer. B&W Pantex may be requested to file suit to recover taxes. The contractor is held harmless under this clause, and all recoveries or credits inure to the benefit of the government.
	DEAR 970.5231-4 Preexisting Conditions (ALT I) (DEC 2000)	None				This clause establishes the date from which preexisting conditions, generally associated with a claim, liability or litigation, occurred. For B&W Pantex the baseline date is February 1, 2001, DOE’s obligations under the contract are subject to the availability of appropriated funds. The contractor is under a duty to investigate to determine if areas of potential liability exist.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	DEAR 970.5232-1 Reduction or Suspension of Advance, Partial, or Progress Payments (DEC 2000)	None				This clause indicates that payments to the contract may be reduced or suspended upon a written determination of the Secretary that substantial evidence exists that the Contractor's request for payment is based on fraud. The contractor will be given an opportunity to respond.
	DEAR 970.5232-2 Payments and Advances (ALT III) (DEC 2000)	Yes – Annual cost statement as of 9/30 each year	Finance			This clause describes the process for contractor access to funds, including a reference to the special bank account appendix (Appendix B), and the process necessary to close out the account at the end of the contract. It requires that the contractor take advantage of all applicable discounts, trade credits, refunds, or rebates.
	DEAR 970.5232-3 Accounts, Records and Inspection (ALT II) (DEC 2000)	Yes – Financial reports as requested by the CO and an annual report	Finance and Procurement		✓	<p>This clause provides direction to the Contractor for disposition and inspection of financial records under the contract. It also requires the Contractor to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Maintain an internal audit function satisfactory to DOE; <input type="checkbox"/> Maintain a system of accounts subject to inspection and audit by DOE (Ref. Clause I.121); <input type="checkbox"/> Preserve all financial records as government property for 3-years after final payment at which time the Contractor may dispose of records at the direction of the Contracting Officer; <input type="checkbox"/> Furnish progress reports and schedules concerning the work as directed by the Contracting Officer; <input type="checkbox"/> Request an "assist audit" of subcontractor's costs or arrange for an audit by the cognizant government audit agency through the Contracting Officer; <input type="checkbox"/> Provide adequate facilities to GAO for examination of contractor's records as well as subcontract records. <p><i>The Contractor is required to flow-down provisions similar to those in paragraphs (a) through (g) and paragraph (i) in all subcontracts where costs incurred are a factor in determining the amount payable to the subcontractor.</i></p>
	DEAR 970.5232-4 Obligation of Funds (DEC 2000)	Yes – Notification that funds will be expended within 30 days	Finance			This clause describes the funds obligation process along with the rights and obligations of the Parties. The Contractor should provide written notice to DOE when unexpended balance of available funds is insufficient to cover performance for next 30 days; and, whenever any DOE imposed limitation on costs through financial plans are expected to be exceeded or substantially under-run. Contractor agrees to follow and be bound by Financial Plans or other directives of DOE. NOTE ALSO: Clause H.19 contains additional and different guidance related to any over or under spending on individual WADs.
	DEAR 970.5232-5 Liability with Respect to Cost Accounting Standards (DEC 2000)	None			✓	Failure to comply with CAS is not the contractor's risk if the contractor is otherwise complying with published DOE orders, policies, or procedures or directives from DOE's CFO or Procurement Executive. <i>The contractor is not responsible to DOE for any subcontractor's failure to comply with CAS so long as the subcontract contains the appropriate clause and the contractor assists DOE in enforcing its rights against the subcontractor.</i>

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	DEAR 970.5232-6 Work for Others Funding Authorization (DEC 2000)	None				Uncollected receivables due to any work for others effort is the responsibility of the contractor and not DOE, however the contractor is authorized to expend corporate funds for the furtherance of the WFO program.
	DEAR 970.5232-7 Financial Management System (DEC 2000)	Yes – Annual plan, notice of any deviations	Finance	CO approval		This clause requires the contractor to maintain an approved accounting system to conduct DOE’s business and requires the submission of an annual plan for new financial management systems or subsystems as well as major enhancements or upgrades to currently existing systems or subsystems. Thirty (30) days notice is required for any planned implementation that deviates from the plan, and at CO direction the contractor may be required to obtain written DOE approval before implementation.
	DEAR 970.5232-8 Integrated Accounting (DEC 2000)	None				The contractor's financial management system shall include an integrated accounting system that is linked to DOE's accounts.
	DEAR 970.5237-2 Facilities Management (DEC 2000)	Yes – 1) Annual site development plan; 2) 10-year energy mgmt. plan with annual reviews and revisions	1) RTBF 2) RTBF		✓	This clause spells out the process for site development planning, general design criteria, and energy management. General design criteria are contained in the DOE Directives, 6430 series. Acquisition of utility services shall be conducted i/a/w 48 CFR 970.41. <i>To the degree any of this is subcontracted, the substance of this clause must be flowed down.</i>
	DEAR 970.5242-1 Penalties for Unallowable Costs (DEC 2000)	None				This clause provides for penalties if unallowable costs are included in a submission for settlement for cost incurred. Penalties can be the amount of the unallowable cost plus interest or can be double the amount of the cost. <i>Although not required to be inserted in subcontracts, insertion is suggested for cost reimbursable subcontracts where inclusion of unallowable costs could cause a penalty to be assessed against the Prime Contractor.</i>
	DEAR 970.5243-1 Changes (DEC 2000)	None				The Contracting Officer may direct, in writing, a change within the general scope of the contract. The parties shall negotiate a change to the terms and conditions if appropriate, and the contractor shall continue work pending settlement of any claim under this clause.
	DEAR 970.5244-1 Contractor Purchasing Systems (DEC 2000) (DEVIATION)	Yes – Approved System		CO approval of documented system		This clause requires the Contractor to develop, implement, and maintain formal policies, practices and procedures to be used in the award of subcontracts consistent with 48 CFR 970.71 and 48 CFR 970.7102. The system shall be subject to periodic Contractor Purchasing System Reviews i/a/w 48 CFR subpart 44.3. Advance notice shall be sought in accordance with 48 CFR 970.7109. Numerous purchases are subject to particular restrictions as specified in the clause. <i>Certain flow down requirements are also specified.</i>

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	DEAR 970.5245-1 Property (DEC 2000)	Yes – Property Management System for approval by the CO	Property	CO approval of documented system	✓	Note: For a definition of “Managerial Personnel,” see clause H.13. This clause spells out the detailed property management requirements of the contract. All property used in performance of this contract is Government Property, shall be inventoried and marked as such, shall be used solely for performance of this contract, and shall be generally managed in accordance with the Federal Property Management Regulations (41 CFR Chapter 101) and the Department of Energy Property Management Regulations (41 CFR Chapter 109). The contractor shall manage high-risk property and classified material in an appropriate fashion. The contractor is generally not responsible for the risk of loss of government property. The contractor shall establish, administer, and properly maintain an approved property management system of accounting for and control, utilization, maintenance, repair, protection, preservation, and disposition of government property in its possession under the contract. Approval of the system is to be obtained from the Contracting Officer. The contractor is responsible for having conducted a baseline inventory with the predecessor contractor; but see MOD 3, Clause H.6. <i>This clause is a required flow down in cost reimbursable subcontracts.</i>
I.3	FAR 52.208-8 Required Sources for Helium and Helium Usage Data (APR 2002)	None			✓	His clause defines terms and specifies that any “Major Helium Requirement” must be procured from a federal helium supplier approved by the Bureau of Land Management. Notification of the Contracting Officer is required within 10 days after receipt of a helium delivery. <i>The clause is required to be inserted into any subcontract that involves a Major Helium Requirement.</i>
I.4	FAR 52.222-39 Notification of Employee Rights Concerning Payment of Union Dues or Fees (DEC 2004)	None			✓	This clause requires the Contractor to obtain and post, in conspicuous places, a notice informing employees of their rights concerning union membership and payment of union dues and fees. The content of the posting is specified in the clause. <i>This clause is required to be inserted in subcontracts that are expected to exceed the simplified acquisition threshold.</i>
I.5	FAR 52.223-7 Notice of Radioactive Materials (JAN 1997)	None			✓	Advanced notification to the Contracting Officer is required prior to delivery of any radioactive material that requires licensing under the Atomic Energy Act of 1954, or other radioactive material with specific activity above specified levels. Specific marking of containers is required. <i>The clause is to be inserted in all subcontracts for radioactive materials that meet the specified criteria.</i>
I.6	FAR 52.223-9 Estimate of Percentage of Recovered Material Content for EPA Designated Products (AUG 2000)	Yes – Report at contract end				At the end of the contract, the Contractor is required to estimate the percentage of the total recovered material used in contract performance, including, if applicable, the percentage of postconsumer material content. “Recovered material” and “Postconsumer material” are defined in the clause.
I.7	FAR 52.223-11 Ozone Depleting Substances (MAY 2001)	None				The clause requires that products which contain or are manufactured with ozone-depleting substances be labeled in the manner and to the extent required by 42 U.S.C. 7671j (b), (c), and (d) and 40 CFR Part 82, Subpart E.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
I.8	FAR 52.225-9 Buy American Act Construction Materials (JAN 2005)	None			✓	In compliance with the Buy American Act (41 U.S.C. 10a – 10d), this clause requires the Contractor to provide ONLY domestic construction material mined, produced, or manufactured in the United States in performing the contract. The clause proscribes a process for requesting waivers. <i>This clause applies to subcontractors who supply construction material.</i>
I.9	FAR 52.247.67 Submission of Transportation Documents for Audit (FEB 2006)	None			✓	This clause requires that transportation documents with freight shipment charges that exceed \$100 be submitted to the Contracting Officer for pre-payment audit. Bills of lading with freight charges less than \$100 are to be retained and made available for on-site audit. <i>This audit requirement also applies to first tier cost reimbursement subcontractors.</i>
I.10	FAR 52.252-4 Alterations in Contract (APR1984)	None				Clause used to introduce alterations that are not covered by “deviations” but are necessary changes to contract terms.
	FAR 52.202-1 Definitions (JUL 2004) as Modified by DEAR 952.202-1 (MAR 2002)	None				Provides contract specific definitions for terms used in the FAR and DEAR clauses of the contract such as “Head of Agency,” “DOE,” “FERC,” “NNSA” and “Senior Procurement Executive.”
	FAR 52.229-8 Taxes – Foreign Cost Reimbursement Contracts (MAR 1990)	None				This alteration fills in blank spaces in the referenced clause with the phrase, “* To be specified in applicable Task Assignments.”
	FAR 52.229-10 State of New Mexico Gross Receipts Tax and Compensating Tax (OCT 1988)	None				This alteration fills in blank spaces in the referenced clause paragraphs (c), (f) and (g) with “U. S. Department of Energy.”
	DEAR 952.215-70 Key Personnel (DEC 2000)	Yes – Changes for approval	GM via Contracts	CO approval of changes		This alteration fills in the location of the Key Personnel list as (see Section J Appendix entitled “Key Personnel”).
	DEAR 970.5203-1 Management Controls (DEC 2000) Revised to: DEAR 970.5203-1 Management Controls (DEC 2000) (DEVIATION)	Yes - Annual report				The alteration adds the following to subparagraph (a)(4) of the referenced clause: ”Annually, or at other intervals directed by the contracting officer, the contractor shall supply to the contracting officer copies of the reports reflecting the status of recommendations that result from audits of business, financial, or management controls performed by its internal audit activity and any other audit activity.” In compliance with DOE Policy Flash 2006-23, paragraph (a)(1) is modified by adding “...including consideration of outsourcing functions;...”

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	DEAR 970.5215-4 Cost Reduction (DEC 2000) Revised to: DEAR 970.5215-4 Shared Savings (JAN 2005)					Shared Savings is an NNSA clause allowed under a deviation from the DOE Cost Reduction clause. The altered clause provides a mechanism for the submission of cost reduction proposals, their evaluation, and the potential for the contractor to share in any cost savings occasioned thereby. There is an affirmative duty on the contractor to submit cost reduction proposals. <i>This clause MAY be flowed down to subcontractors so long as DOE's net saving is not affected.</i>
	DEAR 970.5227-2 Rights in Data – Technology Transfer (DEC 2000) Revised to: DEAR 970.5227-2 Rights in Data – Technology Transfer (DEC 2000) (ALTERNATE I) (DEC 2000) (DEVIATION)	None				This clause applies to data and copyrightable works created by B&W Pantex employees. The altered clause provides for treatment of Open Source Software at subparagraph (f) of the clause.
	DEAR 970.5227-3 Technology Transfer Mission (AUG 2002) Revised to: DEAR 970.5227-3 Technology Transfer Mission (AUG 2002) (DEVIATION)	None				The primary change accommodated by the alteration is the use of “Pantex Plant” instead of “Laboratory” and “NNSA” or “DOE/NNSA” instead of “DOE.”
	DEAR 970.5227-12 Patent Rights Management and Operating Contracts, for Profit Contractor, Advanced Class Waiver (AUG 2002) ALTERNATE I Revised to: DEAR 970.5227-12 Patent Rights Management and Operating Contracts, for Profit Contractor, Advance Class Waiver (AUG 2002) ALTERNATE I (DEVIATION)	None				The deviation makes many changes that substitutes DOE/NNSA for DOE. In addition: Paragraph (a)(9) that was inserted in the clause by ALTERNATE I is incorporated. Paragraph (b)(10) that was inserted in the clause by ALTERNATE I is modified and covered in paragraph (b)(2). The blank at paragraph (b)(6) dealing with Treaties and International Agreements has been filled in to specify Section J, Appendix entitled “All In Force Bilateral Agreements.” At this time that Appendix does not exist in the contract. Publication, at paragraph (t) has been significantly modified to describe a procedure for release of information and satisfaction of requirements to NNSA Patent Counsel.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
	DEAR 970.5232-3 Accounts, Records, and Inspection (DEC 2000) Revised to: DEAR 970.5232-3 Accounts, Records, and Inspection (DEC 2000) (DEVIATION)	Yes - Annual Audit Program	Internal Audit	CO approval		The deviation removes the internal audit paragraph incorporated by Alternate II in favor of a more extensive provision that requires: (1) Internal Audit Implementation Design (2) Annual Audit Report (3) Annual Audit Plan, and (4) A provision that (1), (2) and (3) will be satisfactory to the Contracting Officer. The deviation also incorporates paragraph (j), which allows the Contracting Officer to restrict the use of the Statement of Costs Incurred and Claimed or the Special Financial Institution Account if conditions cause the lack of confidence in the Contractor’s management controls, or the Contractor’s management systems that validate the costs incurred and claimed.
	DEAR 970.5244-1 Contractor Purchasing System (DEC 2000) (DEVIATION)	Yes – Approved System	Procurement and Legal	CO approval of documented system	As specified in the clause	The basic clause is incorporated in section I.2. This deviation “Removes and Reserves” subparagraph (n) dealing with the deleted Make or Buy program and adds subparagraph (y) “Legal Services.”
I.11	FAR 52.252-6 Authorized Deviations in Clauses (APR 1984)	None				The use in this contract of any FAR clause with an authorized deviation is indicated by the addition of “(DEVIATION)” after the date of the clause.
I.12	DEAR 952.250-70 Nuclear Hazards Indemnity Agreement (OCT 2005)	None			✓	This is an update of the June 1996 version of the clause in the original contract. The clause (also know as the Price-Anderson indemnity clause) provides indemnification (financial protection) to the Contractor and its subcontractors against public liability for extraordinary nuclear occurrence as defined in subsection 170d. of the Atomic Energy Act of 1954, as amended. Ref. 10 CFR part 840. Both civil and criminal penalties can accrue to individuals for failure to comply with DOE nuclear-safety related rules, regulations, or orders. <i>This clause shall be inserted in any subcontract, which may involve the risk of public liability as defined in the Act.</i>

SECTION J: APPENDICES

A	Personnel Appendix	Yes – Changes via RA	HR and Contracts	CO approval		Advance understanding of allowable personnel costs and related expenses. Key points of this document include: leave policies, pay policies, benefit plans, dress code, service credits, labor relations, training, educational assistance, relocation, EAP, and miscellaneous HR programs.
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APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
B	Special Financial Institution Account Agreement					Financial Institution Agreement for the "Special Bank Account Agreement for Use with the Payments Cleared Financial Agreement" for financial services uses a funding method utilized by the Federal government for financing contracts, whereby the contractor issues checks for contract costs. When the financial institution clears checks, the institution draws on Treasury's account represented by an account identification number at the Federal Reserve Bank or Branch.
C	Small Business Subcontracting Plan	Yes – Updates and annual goals	Procurement			The original plan is included here. By MOD 32 the contract language was changed that had required an annual modification to incorporate the updated annual plan into the contract. Annual plan updates are still required and are applicable to the contract, but are not formally amended into the contract.
D	Key Personnel	Yes – As necessary	GM and Contracts	CO approval of changes		This listing is periodically updated as personnel change. No change to Key Personnel can occur without Prior CO approval.
E	List of Applicable Directives	Yes – Impact analysis	Quality with support from SME's			This Appendix references the DOE Directives applicable to this contract. This listing is updated periodically after the contractor is provided an opportunity to perform an impact analysis on any changes.
F	Sensitive Foreign Nations Control / RESERVED					Removed by MOD 32 and marked "RESERVED" This attachment detailed the process and procedures used for contacts with persons from specified foreign nations. Advanced approvals are required in this detailed procedure.
G	Performance Guarantee Agreements					This appendix contains the performance guarantees provided by BWX Technologies, Inc. , Honeywell International, Inc., and subsequently Bechtel National, Inc. to induce DOE to award a contract to the new B&W Pantex LLC entity. It places each parent company in the position of holding joint and several liability for the full performance of the contract.
H	Guidance for Preparation of Diversity Plan					This appendix provides the guidance necessary for the preparation of the required Diversity Plan and its annual updates.
I	Transition and Transfer Understanding and Direction					This appendix documents the direction provided to B&W Pantex by DOE in B&W Pantex's assumption of responsibility under the contract from Mason & Hanger Corporation. It covers Records, Access, Accountable Classified Matter, Nuclear Materials, Payroll Services, Travel Costs, Financial Matters, Transfer of Litigation and Claims, Defined Benefit Plans, Personal Property, Real Property, and a final section dealing with the acceptance of property inventories as final. Incorporated by MOD 3. Ref. Clause H.51. Clarifying language pertaining to Litigation and Claims added by MOD 32.

APPENDIX 2

CONTRACT CLAUSE SUMMARY MATRIX

B&W PANTEX, LLC - Contract Number DE-AC04-00AL66620

Clause No.	Title	Deliverable	Responsible Organization	Action Required	Flow-down	Comments
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SECTION K – REPRESENTATIONS AND CERTIFICATIONS

NOTE: The Representations and Certifications from the original proposal have been incorporated by reference into this contract by clause H.1.