

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE

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1 1

2. AMENDMENT/MODIFICATION NO. 108		3. EFFECTIVE DATE See Block 16C		4. REQUISITION/PURCHASE REQ. NO. 10EM002700		5. PROJECT NO. (If applicable)	
6. ISSUED BY Richland Operations Office U.S. Department of Energy Richland Operations Office P.O. Box 550, MSIN A7-80 Richland WA 99352		CODE 00601		7. ADMINISTERED BY (If other than Item 6) Richland Operations Office U.S. Department of Energy Richland Operations Office P.O. Box 550, MSIN A7-80 Richland WA 99352		CODE 00601	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) CH2M HILL PLATEAU REMEDIATION COMPANY Attn: Reese Bang 2420 Stevens Center Place Richland wa 99354-1659				(x) 9A. AMENDMENT OF SOLICITATION NO.			
CODE 805603128				FACILITY CODE			
				(x) 9B. DATED (SEE ITEM 11)			
				10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC06-08RL14788			
				10B. DATED (SEE ITEM 13) 06/19/2008			

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers  is extended,  is not extended.  
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: I. 102-FAR 52.243-2-Changes-Cost Reimbursement (8/87)-Alt II (4/84), Alt III (4/84), and Alt IV (4/84)
	D. OTHER (Specify type of modification and authority)

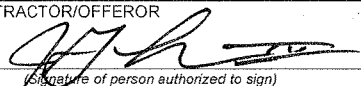

E. IMPORTANT: Contractor  is not,  is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

This modification definitizes change orders and settles requests for equitable adjustment funded in whole or in part by the American Recovery and Reinvestment Act (ARRA) as identified in Attachment 1, Paragraph 7.

Period of Performance: 06/19/2008 to 09/30/2013

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) John G. Lethen III, Pres. + CEO.		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Jenise C. Connerly	
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)		16B. UNITED STATES OF AMERICA  (Signature of Contracting Officer)	
15C. DATE SIGNED 7/2/2010		16C. DATE SIGNED 7/2/2010	

The following changes are hereby made to the contract:

- Section B, Clause B.4, "Contract Cost and Contract Fee," is modified, as shown in redline/strikeout text, to remove subparagraph (j), and to revise Table B.4-1, "Contract Cost and Contract Fee," to complete the definitization of Recovery Act funded work activities as follows:

FROM:

Table B.4-1, Contract Cost and Contract Fee							
Contract Period	Element	FY 2008					
Transition Period	Estimated Contract Cost	\$3,307,735					
Base Period		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Total Base Period
<i>CLIN 1</i>	Estimated Contract Cost	\$267,280,010	\$116,297,802	\$129,064,646	\$198,376,827	\$210,473,625	\$921,492,910
<i>CLIN 2</i>	Estimated Contract Cost	\$72,771,915	\$33,770,155	\$40,952,223	\$74,478,178	\$45,968,785	\$267,941,257
<i>CLIN 3</i>	Estimated Contract Cost	\$108,666,998	74,508,000	\$92,759,462	\$114,826,736	\$124,089,976	\$514,851,171
<i>CLIN 4</i>	Estimated Contract Cost	0	0	0	0	0	0
<i>CLIN 5</i>	Estimated Contract Cost	\$80,569,453	\$22,104,608	\$22,408,682	\$25,181,921	\$32,959,743	\$183,224,407
<i>Total Base Period</i>	Estimated Contract Cost	\$529,288,376	\$246,680,566	\$285,185,013	\$412,863,662	\$413,492,128	\$1,887,509,745
	Available Fee	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	88,707,398
	Contract Price	\$529,288,376	\$246,680,566	\$285,185,013	\$412,863,662	\$413,492,128	\$1,976,217,143
<i>CLIN 6</i>	Estimated Contract Cost	\$119,300,026	\$414,477,933	\$275,438,304	\$0	\$0	\$809,216,263
<i>Total Recovery Act</i>	Estimated Contract Cost	\$119,300,026	\$414,477,933	\$275,438,304	\$0	\$0	\$809,216,263
	Available Fee	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	50,021,223
	Contract Price	\$119,300,026	\$414,477,933	\$275,438,304	\$0	\$0	\$859,237,485
<i>Total Base Period including Recovery Act</i>	Estimated Contract Cost	\$648,588,402	\$661,158,499	\$560,623,317	\$412,863,662	\$413,492,128	\$2,696,726,008
	Available Fee	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	138,728,621
	Contract Price	\$648,588,402	\$661,158,499	\$560,623,317	\$412,863,662	\$413,492,128	\$2,835,454,629
Option Period		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Total Option Period
<i>CLIN 1</i>	Estimated Contract Cost	\$210,638,448	\$209,815,961	\$214,636,167	\$202,607,346	\$188,025,249	\$1,025,723,171
<i>CLIN 2</i>	Estimated Contract Cost	\$30,327,871	\$20,503,281	\$16,375,678	0	0	\$67,206,829
<i>CLIN 3</i>	Estimated Contract Cost	\$115,189,611	\$78,631,576	\$66,842,193	\$73,168,001	\$70,086,247	\$403,917,628
<i>CLIN 4</i>	Estimated Contract Cost	\$87,134,720	\$95,285,349	\$80,910,734	\$12,258,731	\$50,170,453	\$325,759,986
<i>CLIN 5</i>	Estimated Contract Cost	\$81,434,209	\$15,636,617	\$3,637,967	\$2,370,220	\$6,392	\$103,085,405
<i>Total Option Period</i>	Estimated Contract Cost	\$524,724,858	\$419,872,783	\$382,402,738	\$290,404,298	\$308,288,341	\$1,925,693,019
	Available Fee	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	\$85,973,525
	Contract Price	\$524,724,858	\$419,872,783	\$382,402,738	\$290,404,298	\$308,288,341	\$2,011,666,544

<b>Total: Transition, Base &amp; Option Periods</b>	<b>Total Contract Cost</b>	\$4,622,419,027
	<b>Total Available Fee</b>	\$224,702,145
	<b>Total Contract Price</b>	\$4,847,121,172

Amounts are rounded to whole dollars. Individual rows may not add precisely due to rounding.

Additional Recovery Act funded activities that require definitization, in accordance with the Section H Clause entitled, *Modification Definitization*, are included in paragraph (d) of the Section B Clause entitled, *Item(s) Being Acquired*. The overall price ceiling for these undefinitized activities shall not exceed \$500M, and the price of work performed on these activities, together with other Recovery Act activities, shall not exceed the limitations set forth in the Section I Clause entitled, *FAR 52.216-24 Limitation of Government Liability*.

TO:

Table B.4-1, Contract Cost and Contract Fee							
Contract Period	Element	FY 2008					
Transition Period	Estimated Contract Cost	\$3,307,735					
Base Period		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Total Base Period
<i>CLIN 1</i>	<b>Estimated Contract Cost</b>	<del>\$264,976,347</del> <del>\$267,280,010</del>	<del>\$105,340,610</del> <del>\$116,297,802</del>	<del>\$116,052,197</del> <del>\$129,064,646</del>	\$198,376,827	\$210,473,625	<del>\$895,219,606</del> <del>\$921,492,910</del>
<i>CLIN 2</i>	<b>Estimated Contract Cost</b>	<del>\$73,497,143</del> <del>\$72,771,915</del>	<del>\$33,769,845</del> <del>\$33,770,155</del>	\$40,952,223	\$74,478,178	\$45,968,785	<del>\$268,666,174</del> <del>\$267,941,257</del>
<i>CLIN 3</i>	<b>Estimated Contract Cost</b>	<del>\$99,980,354</del> <del>\$108,666,998</del>	<del>51,490,961.74</del> <del>,508,000</del>	<del>\$74,412,516</del> <del>\$92,759,462</del>	<del>\$151,969,818</del> <del>\$114,826,736</del>	<del>\$144,242,720</del> <del>\$124,089,976</del>	<del>\$522,096,369</del> <del>\$514,851,171</del>
<i>CLIN 4</i>	<b>Estimated Contract Cost</b>	\$0	\$0	\$0	\$0	\$0	\$0
<i>CLIN 5</i>	<b>Estimated Contract Cost</b>	\$80,569,453	\$22,104,608	\$22,408,682	<del>\$25,311,766</del> <del>\$25,181,921</del>	<del>\$32,975,302</del> <del>\$32,959,743</del>	<del>\$183,369,811</del> <del>\$183,224,407</del>
<b>Total Base Period</b>	<b>Estimated Contract Cost</b>	<del>\$519,023,298</del> <del>\$529,288,376</del>	<del>\$212,706,023</del> <del>\$246,680,566</del>	<del>\$253,825,618</del> <del>\$285,185,013</del>	<del>\$450,136,590</del> <del>\$412,863,662</del>	<del>\$433,660,432</del> <del>\$413,492,128</del>	<del>\$1,869,351,960</del> <del>\$1,887,509,745</del>
	<b>Available Fee</b>	TBD by DOE	TBD by DOE	TBD by DOE	TBD by DOE	TBD by DOE	<del>89,119,733</del> <del>88,707,398</del>
	<b>Contract Price</b>	<del>\$519,023,298</del> <del>\$529,288,376</del>	<del>\$212,706,023</del> <del>\$246,680,566</del>	<del>\$253,825,618</del> <del>\$285,185,013</del>	<del>\$450,136,590</del> <del>\$412,863,662</del>	<del>\$433,660,432</del> <del>\$413,492,128</del>	<del>\$1,958,471,693</del> <del>\$1,976,217,143</del>
<i>CLIN 6</i>	<b>Estimated Contract Cost</b>	<del>\$150,399,465</del> <del>\$119,300,026</del>	<del>\$562,400,036</del> <del>\$414,477,933</del>	<del>\$483,002,210</del> <del>\$275,438,304</del>	\$0	\$0	<del>\$1,195,801,711</del> <del>\$809,216,263</del>
<b>Total Recovery Act</b>	<b>Estimated Contract Cost</b>	<del>\$150,399,465</del> <del>\$119,300,026</del>	<del>\$562,400,036</del> <del>\$414,477,933</del>	<del>\$483,002,210</del> <del>\$275,438,304</del>	\$0	\$0	<del>\$1,195,801,711</del> <del>\$809,216,263</del>
	<b>Available Fee</b>	TBD by DOE	TBD by DOE	TBD by DOE	TBD by DOE	TBD by DOE	<del>68,782,457</del> <del>50,021,223</del>
	<b>Contract Price</b>	<del>\$150,399,465</del> <del>\$119,300,026</del>	<del>\$562,400,036</del> <del>\$414,477,933</del>	<del>\$483,002,210</del> <del>\$275,438,304</del>	\$0	\$0	<del>\$1,264,584,168</del> <del>\$859,237,485</del>
<b>Total Base Period including Recovery Act</b>	<b>Estimated Contract Cost</b>	<del>\$669,422,764</del> <del>\$648,588,402</del>	<del>\$775,106,059</del> <del>\$661,158,499</del>	<del>\$736,827,828</del> <del>\$560,623,317</del>	<del>\$450,136,590</del> <del>\$412,863,662</del>	<del>\$433,660,432</del> <del>\$413,492,128</del>	<del>\$3,065,153,672</del> <del>\$2,696,726,008</del>
	<b>Available Fee</b>	TBD by DOE	TBD by DOE	TBD by DOE	TBD by DOE	TBD by DOE	<del>157,902,190</del> <del>138,728,621</del>
	<b>Contract Price</b>	<del>\$669,422,764</del> <del>\$648,588,402</del>	<del>\$775,106,059</del> <del>\$661,158,499</del>	<del>\$736,827,828</del> <del>\$560,623,317</del>	<del>\$450,136,590</del> <del>\$412,863,662</del>	<del>\$433,660,432</del> <del>\$413,492,128</del>	<del>\$3,223,055,862</del> <del>\$2,835,454,629</del>
<b>Option Period</b>		<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>Total Option Period</b>
<i>CLIN 1</i>	<b>Estimated Contract Cost</b>	\$210,638,448	\$209,815,961	\$214,636,167	\$202,607,346	\$188,025,249	\$1,025,723,171

<b>CLIN 2</b>	<b>Estimated Contract Cost</b>	\$30,327,871	\$20,503,281	\$16,375,678	\$0	\$0	\$67,206,829
<b>CLIN 3</b>	<b>Estimated Contract Cost</b>	<del>\$123,556,341</del> \$115,189,611	<del>\$81,429,705</del> \$78,631,576	<del>\$72,328,664</del> \$66,842,193	<del>\$78,698,079</del> \$73,168,001	<del>\$71,498,580</del> \$70,086,247	<del>\$427,511,369</del> \$403,917,628
<b>CLIN 4</b>	<b>Estimated Contract Cost</b>	\$87,134,720	\$95,285,349	\$80,910,734	\$12,258,731	\$50,170,453	\$325,759,986
<b>CLIN 5</b>	<b>Estimated Contract Cost</b>	\$81,434,209	\$15,636,617	\$3,637,967	\$2,370,220	\$6,392	\$103,085,405
<b>Total Option Period</b>	<b>Estimated Contract Cost</b>	<del>\$533,091,589</del> \$524,724,858	<del>\$422,670,913</del> \$419,872,783	<del>\$387,889,209</del> \$382,402,738	<del>\$295,934,376</del> \$290,404,298	<del>\$309,700,674</del> \$308,288,341	<del>\$1,949,286,760</del> \$1,925,693,019
	<b>Available Fee</b>	TBD by DOE	TBD by DOE	TBD by DOE	TBD by DOE	TBD by DOE	<del>\$87,416,697</del> \$85,973,525
	<b>Contract Price</b>	<del>\$533,091,589</del> \$524,724,858	<del>\$422,670,913</del> \$419,872,783	<del>\$387,889,209</del> \$382,402,738	<del>\$295,934,376</del> \$290,404,298	<del>\$309,700,674</del> \$308,288,341	<del>\$2,036,703,457</del> \$2,011,666,544
<b>Total: Transition, Base &amp; Option Periods</b>	<b>Total Contract Cost</b>	\$5,014,440,432 \$4,622,419,027					
	<b>Total Available Fee</b>	\$245,318,887 \$224,702,145					
	<b>Total Contract Price</b>	\$5,259,759,319 \$4,847,121,172					

Amounts are rounded to whole dollars. Individual rows may not add precisely due to rounding.

~~Additional Recovery Act funded activities that require definitization, in accordance with the Section H Clause entitled, *Modification Definitization*, are included in paragraph (d) of the Section B Clause entitled, *Item(s) Being Acquired*. The Contractor is not authorized to incur \$31,895,842.28, from the Recovery Act obligations, as set forth in B.3, *Obligation and Availability of Funds*, and included in the CLIN 6 *Estimated Contract Cost* prior to receipt of approval from the Contracting Officer.~~

~~The overall price ceiling for these undefinitized activities shall not exceed \$500M, and the price of work performed on these activities, together with other Recovery Act activities, shall not exceed the limitations set forth in the Section I Clause entitled, *FAR 52.216-24 Limitation of Government Liability*.~~

Contract Section B has been revised in its entirety; a copy is provided as Attachment 2.

3. Section H, Clause H.46, *Modification Definitization*, is removed and reserved. Contract Section H has been revised in its entirety; a copy is provided as Attachment 3.

4. This modification changes the limits within Clause I.24-A, FAR 52.216-24 *Limitation of Government Liability*, as follows:

**I.24-A 52.216-24 LIMITATION OF GOVERNMENT LIABILITY (APR 1984)**

**FROM:**

- (a) In performing this contract, the Contractor is not authorized to make expenditures or incur obligations exceeding \$727,264,000.00 subject to the following Recovery Act project apportionments:
- WBS 011, Nuclear Material Stabilization and Disposition PFP: \$158,461,000.00
  - WBS 013, Solid Waste Stabilization and Disposition: \$150,000,000.00
  - WBS 030, Soil and Groundwater Remediation, Groundwater/Vadose Zone: \$100,000,000.00
  - WBS 040, Nuclear Facility D&D - Remainder of Hanford: \$185,570,000.00

- WBS 041, Nuclear Facility D&D – River Corridor: \$133,233,000.00.
- (b) The maximum amount for which the Government shall be liable if this contract is terminated is \$727,264,000.00 subject to the project apportionment shown above.

**TO:**

**I.24-A 52.216-24 LIMITATION OF GOVERNMENT LIABILITY (APR 1984)**

- (a) In performing this contract, the Contractor is not authorized to make expenditures or incur obligations exceeding ~~\$727,264,000.00~~ \$834,762,000.00 subject to the following Recovery Act project apportionments:
- WBS 011, Nuclear Material Stabilization and Disposition PFP: \$158,461,000.00
  - WBS 013, Solid Waste Stabilization and Disposition: ~~\$150,000,000.00~~ \$180,870,000.00
  - WBS 030, Soil and Groundwater Remediation, Groundwater/Vadose Zone: ~~\$100,000,000.00~~ \$176,628,000.00
  - WBS 040, Nuclear Facility D&D - Remainder of Hanford: \$185,570,000.00
  - WBS 041, Nuclear Facility D&D – River Corridor: \$133,233,000.00.
- (b) The maximum amount for which the Government shall be liable if this contract is terminated is ~~\$727,264,000.00~~ \$834,762,000.00 subject to the project apportionment shown above.

**Replacement Page I-15 is provided with this modification as Attachment 4.**

**5. Section J, Attachment J.11, Supplemental Work Description Tables, “Contract Line Item Number (CLIN) Assignment against Contract Structure,” will be revised to include the work activities associated with the above change to contract price in a future modification.**

**6. The following list provides Change Order definitions for changes not previously defined by Modifications and a revision to a previously issued Change Order description:**

Change Order No. 30 is defined as changes necessary to incorporate the Record of Decision (ROD) for the ZP-1 Operable Unit signed on September 30, 2008. The disposition of the existing facility(ies) and operations and maintenance of the new facility are assigned to Change Order No. 72.

Change Order No. 35 is defined as the HEPA filter replacements required for the Plutonium Finishing Plant. This Change Order addresses Potential Issue 92 submitted in the Contractor’s *Statement of Material Differences* (Deliverable C.2.1-2).

Change Order No. 37 is defined as the remediation of TRU waste boxes found after contract transition to be in a condition unsuitable for storage.

Change Order No. 39, incorporated into the contract by modification 061, is revised to define the remediation method for the waste sites added by the change. The remediation method for waste site 100-K-57 is “Remove, Treat, and Dispose.” The remediation method for waste site 100-K-63 is “Confirmatory Sampling, No Action.”

Change Order No. 55 is defined as change necessary to incorporate the increase in remediation activities in the B/C Control Area to address differing site conditions.

Change Order No. 57 is defined as change necessary to incorporate revised TPA milestones M-016-110-T01 and M-016-110-T04 for the 100-HR-3 Operable Unit Existing Facility. The change necessary to incorporate these milestones for the DX Operable Unit is assigned to Change Order No. 58.

Change Order No. 58 is defined as the change necessary to incorporate revised TPA milestones M-016-110-T01 and M-016-110-T04 for the DX Operable Unit. The change necessary to incorporate these milestones for the 100-HR-3 Operable Unit is assigned to Change Order No. 57.

Change Order No. 61 is defined as incorporation of new work at the K West Fuel Storage Basin to include removal of contaminated debris. This Change Order addresses Potential Issue 63 submitted in the Contractor's *Statement of Material Differences* (Deliverable C.2.1-2).

Change Order No. 63 is defined as the remediation of new waste sites 100-K-101 and 100-K-102. The remediation method for these waste sites is "Remove, Treat, and Dispose."

**7. By signature on this modification, the Contractor agrees to the following statement of release:**

**CONTRACTOR'S STATEMENT OF RELEASE:**

In consideration of the modification(s) agreed to herein as complete equitable adjustments for the Contractor's below-listed proposals for adjustment listed below, and the associated claim for adjustment in Contract Risk for funding variance greater than 10%, in accordance with Clause B.5, Changes to Contract Cost and Contract Fee, the Contractor hereby releases the Government from any and all liability under this Contract for further equitable adjustments attributable to such facts or circumstances giving rise to the below-listed proposals for adjustment;

- REA 013.021, Rev. 1, Plutonium 238 Disposition, in response to Change Order No. 14, as incorporated into the Contract by Modification 034;
- REA 013.028, Waste Isolation Plan (WIPP) Characterization and Shipment, in response to Change Order No. 25, as incorporated into the Contract by Modification 068;
- REA 013.030, Government Furnished Services and Information Request for High Energy Real Time Radiography (RTR) Equipment for Transuranic Waste Certification, in response to Change Order No. 29, as incorporated into the Contract by Modification 087;
- REA 030.004A, 200 West P&T Construction (200-ZP-1) Operable Unit Groundwater Treatment System Design and Construction), and REA 030.024, Rev. 1, 200-ZP-1 Operable Unit Well Drilling, as addressed by Change Order No. 30, and incorporated into the Contract by this Modification;
- REA 011.004, Unanticipated Modifications Required Due to Physical Plan Conditions (at the Plutonium Finishing Plant (PFP)), as addressed by Change Order No. 35, and incorporated into the Contract by this Modification;
- REA 013.022, Waste Retrieval Long-Term Box Storage, as addressed by Change

- Order No. 37, and incorporated into the Contract by this Modification;
- REA 041.008, 100K-57/100-63 Waste Site Remediation, in response to Change Order No. 39, as incorporated into the Contract by Modification 061, and as revised in this modification;
  - REA 000.010, Reporting Requirements for Work Performed Under the American Recovery and Reinvestment Act (ARRA), in response to Change Order No. 44, as incorporated into the Contract by Modification 047;
  - REA 040.018, North Slope Footprint Reduction in response to Change Order No. 45, as incorporated into the Contract by Modification 087;
  - REA 013.014A, Rev. 1, Environment Restoration Disposal Facility (ERDF) Additional Capability;
  - REA 040.023, Outer Zone Waste Sites Remediation, as addressed by Change Order No. 55, and incorporated into the Contract by this Modification;
  - REA 030.011, Groundwater/Engineering, Procurement and Construction (EPC), Construction Complex (Trailers);
  - REA 030.001, 100-HR-3 Existing Facilities Operations and Maintenance, as addressed by Change Order No. 57, and incorporated into the Contract by this Modification;
  - REA030.018, Rev. 1, DX Pump and Treat Construction, Operations and Maintenance, as addressed by Change Order No. 58, and incorporated into the Contract by this Modification;
  - REA 013.012, CH TRU Waste Retrieval;
  - REA 011.003, Rev. 1, Plutonium Finishing Plant Glove Box/Hood Disposition;
  - REA 041.003, Rev. 1, K West Deactivation, as addressed by Change Order No. 61, and incorporated into the Contract by this Modification;
  - REA 000.005, Support Trailers;
  - REA 041.010, 100-K-101 and 100-K-102 Waste Site Remediation, as addressed by Change Order No. 63, and incorporated into the Contract by this Modification;

The Contractor agrees that there will be no additional REAs submitted associated with the above listed Change Orders, Modifications, or work being performed with ARRA funds.

Exceptions: This release does not include the following exceptions:

- Additional adjustments that may result from internal or external audit of the above-listed proposals and other changes, as stipulated in the Reopener Clause, below, are not subject to this release.
- Conditions that are discovered by the Contractor subsequent to submittal of the above-listed REAs and that constitute a Differing Site Condition pursuant to FAR 52.236-2, "Differing Site Conditions," or a "Change" pursuant to FAR 52.243-2, "Changes—Cost-Reimbursement," are not subject to this release.

Reopener Clause: This modification is subject to reopening pending resolution of internal and external audits of the above-listed proposals for adjustment. At the time of Contract definitization, internal and external audit of the above-listed proposals for adjustment has not been completed. Therefore, the parties agree that the negotiated price is subject to adjustment based on the results of subsequent audit reports and resolution of audit findings. Should there be no agreement on the amount of the price adjustment, then the Contracting Officer may make a unilateral determination and modify the Contract accordingly. Failure to agree with such

change and the resulting contract price shall be resolved in accordance with the Disputes Clause of this Contract.

END OF MODIFICATION



**PART I – THE SCHEDULE**

**SECTION B**

**SUPPLIES OR SERVICES AND PRICES/COSTS**

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## B.1 TYPE OF CONTRACT

This is a performance-based Cost-Plus-Award Fee Contract to continue the environmental clean-up of select portions of the U.S. Department of Energy (DOE) Hanford Site. The Contractor has the responsibility for determining the specific methods and approaches for accomplishing the identified work. This Contract applies performance-based contracting approaches and expects the Contractor to implement techniques that emphasize safe, efficient, and measurable results.

## B.2 ITEM(S) BEING ACQUIRED

- (a) The Contractor shall, in accordance with the terms of this Contract, provide the personnel, materials, supplies, and services and do all things necessary for, or incident to, providing its best efforts to perform all requirements of this Contract.
- (b) The Contract consists of six (6) Contract Line Items authorized in accordance with the Section B Clause entitled, *DOE Authorization of Work*:
  - (1) *Contract Line Item Number (CLIN) 1*:
    - (i) Waste Treatment and Disposal. Perform activities necessary for safe and secure underwater storage of cesium and strontium capsules, and storage of spent nuclear fuel (SNF); liquid waste storage and treatment; waste storage and disposal; and overall facility operations;
    - (ii) Groundwater/Vadose Zone Project. Perform groundwater and ecological sampling and monitoring, well installation, well maintenance, borehole logging;
    - (iii) Facility and Waste Site Minimum-safe/Surveillance and Maintenance (S&M). Perform activities necessary for Hanford Site structures and waste sites identified in the Section J Attachment entitled, *Supplemental Work Description Tables*; and
    - (iv) Fast Flux Test Facility (FFTF). Maintain FFTF in a safe and compliant manner and perform near-term shutdown activities.
  - (2) *CLIN 2*:

Plutonium Finishing Plant (PFP) Closure. Provide safe and compliant storage of special nuclear material (SNM) at PFP until it has been removed from the PFP complex; operate and maintain the PFP facilities and associated waste sites, structures, operating systems and equipment, and monitoring systems in a safe, compliant, and energy-efficient manner within the authorization envelope; maintain radiological control and access control to ensure personnel safety; remove SNM from PFP and transport to an assigned location; demolish PFP complex facilities to slab-on-grade condition; and prepare, package, and disposition waste streams, as required.

- (3) *CLIN 3:*
- (i) Waste Treatment and Disposal. Perform low level waste (LLW) and mixed low level waste (MLLW) treatment, transuranic (TRU) waste certification support, waste retrieval, and *Hanford Federal Facility Agreement and Consent Order* (also known as the Tri-Party Agreement (TPA)) Milestone M-91 upgrades to T Plant;
  - (ii) Groundwater, Soil, and Facility Regulatory/Other Decision Documents. Characterize assigned waste sites and facilities, complete analysis of remediation options, and prepare required regulatory and other decision documents necessary to implement remedial actions;
  - (iii) Groundwater/Vadose Zone Project. Perform on-going and new remedy operations, and well decommissioning;
  - (iv) Operate the Environmental Restoration Disposal Facility (ERDF);
  - (v) Geographical Zone Remediation. Remediate and close U Plant and Non-Radioactive Dangerous Waste Landfill (NRDWL)/BC Control geographical zones; and
  - (vi) 618-10 and 618-11 Burial Grounds. Initiate and complete field remediation and other waste disposition activities for the 618-10 and 618-11 burial grounds, in the event that these activities are not completed under the River Corridor Closure Contract.
- (4) *CLIN 4:*
- (i) Remediate and close other specified geographical zones;
  - (ii) Transfer cesium and strontium capsules from Waste Encapsulation and Storage Facility (WESF) to dry storage;
  - (iii) Design the Fuel Preparation Facility; and
  - (iv) Design and construct alternate transuranic package transporter (TRUPACT) loadout capability.
- (5) *CLIN 5:*
- 100 K Area. Maintain the 100K Area in a safe and compliant manner; dewater K East Basin; demolish K East Basin and superstructure; complete procurement, construction, and acceptance testing of the K Basin Sludge Treatment System; treat the balance of K Basin sludge, demolish K West basin and superstructure, place K East and K West reactors in an interim safe storage (ISS) configuration, and remediate and close the remainder of the 100K Area.
- (c) The Section J Attachment entitled, *Supplemental Work Description Tables*, provides additional definition of the workscope in each CLIN.

(d) CLIN 6:

The contractor shall, in accordance with the terms of this contract, provide the personnel, materials, supplies, and services and do all things necessary for, or incident to, providing its best efforts to perform the Recovery Act work. The work, as identified by activities to be performed under the following WBS elements, is assigned to CLIN 6, as shown in Table B.4-1, *Contract Cost and Contract Fee*:

- (1) WBS 011, Nuclear Material Stabilization and Disposition PFP:
  - (i) Disposition process equipment, glove boxes, and laboratory hoods from 234-5Z facility,
  - (ii) Disposition low-level and TRU waste, and
  - (iii) Prepare ancillary facilities for demolition.
- (2) WBS 013, Solid Waste Stabilization and Disposition:
  - (i) Continue retrieving and re-packaging contact handled Transuranic (TRU) waste,
  - (ii) Initiate retrieval and disposition of remote-handled TRU waste (including large package waste),
  - (iii) Continue building backlog of waste for shipments to the Waste Isolation Pilot Plant, and begin shipping in March 2010,
  - (iv) Support installation and utilization by the Central Characterization Project of a High Energy Real Time Radiography unit at the Hanford site,
  - (v) Continue treatment of current backlog of legacy mixed, low-level waste,
  - (vi) Complete activities required to support disposition and deliver plutonium 238 drums to shipper,
  - (vii) Prepare and submit analysis/recommendations for wastes with uncertain disposition path including strontium and cesium capsules; initiate disposition of these wastes as directed by DOE, and
  - (viii) Support increased disposal capabilities at the Environmental Restoration Disposal Facility and Integrated Disposal Facility.
- (2) WBS 030, Soil and Groundwater Remediation, Groundwater/Vadose Zone:
  - (i) Accelerate construction of the pump and treat facility, expand current pump and treat operations, and install additional wells in the 100 D/H Areas,
  - (ii) Accelerate construction of the pump and treat system for groundwater contaminants in both 200 West Area operable units,

- (iii) Accelerate completion of remedial investigations, treatability tests, cleanup decisions, and groundwater well decommissioning in the Central Plateau Area, and
  - (iv) Continue groundwater remediation and well drilling to support overall reduction of active clean-up of the Hanford Site
- (3) WBS 040, Nuclear Facility D&D - Remainder of Hanford:
- (i) 200 North Area:
    - (A) Demolish spent fuel transfer storage facilities,
    - (B) Remediate waste sites, and
    - (C) Dispose of locomotive and rail cars.
  - (ii) Complete cleanup of B/C Control Area,
  - (iii) Initiate remediation of other waste sites in the Central Plateau,
  - (iv) U Plant Zone:
    - (A) Demolish 5 remaining ancillary facilities,
    - (B) Disposition Cell 30 tank contents, and
    - (C) Clear canyon deck and grout-fill cells.
  - (v) Complete demolition of up to 15 facilities in the Central Plateau Inner Zone,
  - (vi) Prepare and submit an evaluation of utilization of a landfill for non-hazardous waste debris,
  - (vii) Complete demolition of DOE facilities and clean-up debris areas on the Arid Lands Ecology Reserve, and
  - (viii) Complete remediation activities for North Slope and prepare applicable closure documentation for ALE and North Slope.
- (4) WBS 041, Nuclear Facility D&D – River Corridor, 100 K Area:
- (i) Remediate waste sites along the river in the 100 K Area,
  - (ii) Accelerate D&D of 100 K ancillary facilities,
  - (iii) Accelerate 100 K waste site remediation,

- (iv) Complete Reactor disposition study/engineering, and
- (v) Accelerate ISS of both reactors 105KE and 105KW and initiate preparations for 105KE disposition.

Performance parameters and metrics and the crosswalk of these work activities to the applicable subsection of Section C, Statement of Work, is provided in the Section J Attachment entitled, *Supplemental Work Description Tables*.

### **B.3 OBLIGATION AND AVAILABILITY OF FUNDS**

- (a) Obligation of Funds. Pursuant to the Section I Clause entitled, *FAR 52.232-22, Limitation of Funds*, total funds in the amount of \$924,639,840.07 have been allotted for obligation and are available for payment of services provided from the effective date of this Contract through August 31, 2010.

Pursuant to the clause in Section I, entitled "Limitation of Funds," total funds in the amount of \$1,264,584,168.34 are obligated herein and made available for payment of allowable costs and fee earned related only to the Recovery Act work from the effective date of modification A037 through the period of performance for the Recovery Act work, contained in Section F.

- (b) Availability of Funds. Except as may be specifically provided in the Section I Clause entitled, *DEAR 952.250-70, Nuclear Hazards Indemnity Agreement*, the duties and obligations of DOE hereunder calling for the expenditure of appropriated funds shall be subject to the availability of funds appropriated by the U.S. Congress that DOE may legally spend for such purposes.

### **B.4 CONTRACT COST AND CONTRACT FEE**

This Section establishes the estimated Total Contract Cost and Contract Fee. Within Table B.4-1:

- (a) *Contract Period* is defined as the *Transition Period, Base Period, and Option Period* (if exercised) described in the Section F Clause entitled, *Period of Performance*.
- (b) Estimated *Contract Cost* is defined as all costs initially proposed by the Contractor.
- (c) *Available Fee* is defined as the maximum amount of fee that may be earned under the Contract by Contract period.
- (d) *Contract Price* in Table B.4-1 is the sum of Estimated *Contract Cost* and *Available Fee*, in each year of Contract performance.
- (e) *Total Contract Cost* is defined as the cumulative Estimated *Contract Cost* for all Contract periods.
- (f) *Total Available Fee* is defined as the cumulative *Available Fee* for all Contract periods.

- (g) *Total Contract Price* is defined as the sum of *Total Contract Cost* and *Total Available Fee*.
- (h) *Contract Line Item Number (CLIN)* references a specific category of work as defined in the Section C, *Statement of Work*. Proposed costs shall be appropriately categorized into the individual CLINs in Table B.4-1.
- (i) *Estimated Contract Cost, Contract Price, and Available Fee* by Fiscal Year and by CLIN will be adjusted annually by the Contracting Officer upon approval of the *Performance Measurement Baseline*, and whenever changes affecting the table are made under the Section I Clause entitled, *Changes – Cost Reimbursement*.



Table B.4-1, Contract Cost and Contract Fee							
Contract Period	Element	FY 2008					
Transition Period	Estimated Contract Cost	\$3,307,735					
Base Period		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Total Base Period
<i>CLIN 1</i>	Estimated Contract Cost	\$264,976,347	\$105,340,610	\$116,052,197	\$198,376,827	\$210,473,625	\$895,219,606
<i>CLIN 2</i>	Estimated Contract Cost	\$73,497,143	\$33,769,845	\$40,952,223	\$74,478,178	\$45,968,785	\$268,666,174
<i>CLIN 3</i>	Estimated Contract Cost	\$99,980,354	51,490,961	\$74,412,516	\$151,969,818	\$144,242,720	\$522,096,369
<i>CLIN 4</i>	Estimated Contract Cost	\$0	\$0	\$0	\$0	\$0	\$0
<i>CLIN 5</i>	Estimated Contract Cost	\$80,569,453	\$22,104,608	\$22,408,682	\$25,311,766	\$32,975,302	\$183,369,811
<b>Total Base Period</b>	Estimated Contract Cost	\$519,023,298	\$212,706,023	\$253,825,618	\$450,136,590	\$433,660,432	\$1,869,351,960
	Available Fee	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	89,119,733
	Contract Price	\$519,023,298	\$212,706,023	\$253,825,618	\$450,136,590	\$433,660,432	\$1,958,471,693
<i>CLIN 6</i>	Estimated Contract Cost	\$150,399,465	\$562,400,036	\$483,002,210	\$0	\$0	\$1,195,801,711
<b>Total Recovery Act</b>	Estimated Contract Cost	\$150,399,465	\$562,400,036	\$483,002,210	\$0	\$0	\$1,195,801,711
	Available Fee	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	68,782,457
	Contract Price	\$150,399,465	\$562,400,036	\$483,002,210	\$0	\$0	\$1,264,584,168
<b>Total Base Period including Recovery Act</b>	Estimated Contract Cost	\$669,422,764	\$775,106,059	\$736,827,828	\$450,136,590	\$433,660,432	\$3,065,153,672
	Available Fee	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	157,902,190
	Contract Price	\$669,422,764	\$775,106,059	\$736,827,828	\$450,136,590	\$433,660,432	\$3,223,055,862
Option Period		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Total Option Period
<i>CLIN 1</i>	Estimated Contract Cost	\$210,638,448	\$209,815,961	\$214,636,167	\$202,607,346	\$188,025,249	\$1,025,723,171
<i>CLIN 2</i>	Estimated Contract Cost	\$30,327,871	\$20,503,281	\$16,375,678	\$0	\$0	\$67,206,829
<i>CLIN 3</i>	Estimated Contract Cost	\$123,556,341	\$81,429,705	\$72,328,664	\$78,698,079	\$71,498,580	\$427,511,369
<i>CLIN 4</i>	Estimated Contract Cost	\$87,134,720	\$95,285,349	\$80,910,734	\$12,258,731	\$50,170,453	\$325,759,986
<i>CLIN 5</i>	Estimated Contract Cost	\$81,434,209	\$15,636,617	\$3,637,967	\$2,370,220	\$6,392	\$103,085,405
<b>Total Option Period</b>	Estimated Contract Cost	\$533,091,589	\$422,670,913	\$387,889,209	\$295,934,376	\$309,700,674	\$1,949,286,760
	Available Fee	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	<i>TBD by DOE</i>	\$87,416,697
	Contract Price	\$533,091,589	\$422,670,913	\$387,889,209	\$295,934,376	\$309,700,674	\$2,036,703,457
<b>Total: Transition, Base &amp; Option Periods</b>	Total Contract Cost	\$5,014,440,432					
	Total Available Fee	\$245,318,887					
	Total Contract Price	\$5,259,759,319					

Amounts are rounded to whole dollars. Individual rows may not add precisely due to rounding.

The Contractor is not authorized to incur \$31,895,842.28, from the Recovery Act obligations, as set forth in B.3, *Obligation and Availability of Funds*, and included in the *CLIN 6 Estimated Contract Cost* prior to receipt of approval from the Contracting Officer.

## B.5 CHANGES TO CONTRACT COST AND CONTRACT FEE

### (a) Funding.

- (1) DOE intends to obligate funding to the Contract in accordance with the *Contract Price* shown by fiscal year in Table B.4-1, *Contract Cost and Contract Fee*. The Contractor shall not be entitled to an equitable adjustment to *Available Fee* if the obligated funding by fiscal year is within 10% of the amount shown in Table B.4-1.
- (2) If DOE does not obligate funding within the parameters detailed in paragraph (a)(1) above, the Contracting Officer may initiate a change or consider a request for an equitable adjustment to the *Contract Price*, and/or Schedule in accordance with the Section I Clause entitled, *FAR 52.243-2, Changes – Cost Reimbursement, Alternates II, III, and IV*.

### (b) Performance Risk.

- (1) Changes to *Total Available Fee* will accurately reflect the corresponding changes to the Contract with respect to performance risk as determined by DEAR 915.404-4-70, *DOE Structured Profit and Fee System*, and implementation by the profit-analysis factors defined in FAR 15.404-4, *Profit*. Accordingly, changes to the Contract resulting in an increase or decrease to the Contractor's performance risk as defined in FAR 15.404-4(d)(1), shall cause a proportionate increase or decrease to the *Total Available Fee*.
- (2) If performance risk changes, the Contracting Officer may initiate a change or consider a request for equitable adjustment to *Contract Price* and/or Schedule in accordance with the Section I Clause entitled, *FAR 52.243-2, Changes – Cost Reimbursement, Alternates II, III, and IV*.

## B.6 BASIS FOR TOTAL AVAILABLE FEE

The cost basis for *Total Available Fee* shall be the *Total Contract Cost*, excluding:

- (a) Pass-through funding provided to other contractors for Hanford Site services identified in the Section J Attachment entitled, *Hanford Site Services and Interface Requirements Matrix*;
- (b) Costs associated with Work-for-Others performed under the Section I Clause entitled, *DEAR 970.5217-1, Work-for-Others Program*; and
- (c) Costs associated with sponsorship, management, administration and/or contributions for any defined benefit pension plan.

Employee benefit plan costs shall be included in the *Contract Price* by fiscal year and by Contract period shown in Table B.4-1, *Contract Cost and Contract Fee*.

## B.7 FEE STRUCTURE

- (a) The Contracting Officer reserves the unilateral discretion to determine the amount of the *Available Fee* for the *Base Period* and *Option Period* (if exercised), for each fiscal year as described in this Clause; and as adjusted in the Section B Clause entitled, *Changes to Contract Cost and Contract Fee*. The Contractor will have the opportunity to earn 100% of the *Available Fee* within a Contract period for work authorized in accordance with the Section B Clause entitled, *DOE Authorization of Work* and as adjusted in the Section B Clause entitled, *Changes to Contract Cost and Contract Fee*.
- (b) The *Available Fee* shown in Table B.4-1, *Contract Cost and Contract Fee*, can be earned through objective fee components and/or subjective fee components. The performance measures for these components and *Available Fee* for the period allocated to the fiscal year are provided in the Section J Attachment entitled, *Performance Evaluation and Measurement Plan* (PEMP). The PEMP may contain annual and multi-year performance measures.
- (1) *Available Fee* for the period allocated to annual performance measures may only be earned in that fiscal year. *Allocated Available Fee* for the fiscal year not earned in the fiscal year for an annual performance measure is unavailable and not payable to the Contractor. The Contractor forfeits any rights to unearned fee. The Contracting Officer reserves the unilateral discretion to determine how any unearned fee will be utilized.
  - (2) *Available Fee* for the period allocated to fiscal years for multi-year performance measures may be earned incrementally or upon final fee determination. *Allocated Available Fee* not earned for a multi-year performance measure is unavailable and not payable to the Contractor. The Contractor forfeits any rights to unearned fee. The Contracting Officer reserves the unilateral discretion to determine how any unearned fee will be utilized.
  - (3) *Provisional Fee* is defined as *Available Fee* that is paid contingently during an annual performance period. *Provisional Fee* may become earned fee upon the final fee determination.
  - (4) *Incremental Fee* is defined as *Available Fee* that the Contractor may earn by achieving a specific, fee-bearing, performance measure event.
  - (5) Individual performance measures may require the Contractor to exceed approved baseline performance to earn 100% of the fee allocated to that performance measure.
- (c) The Contracting Officer will prepare and issue performance measures prior to the start of each fiscal year. The Contracting Officer may provide draft performance measures for Contractor review and input; however, the Contracting Officer reserves the unilateral discretion to issue the performance measures without Contractor review.

## B.8 FEE DETERMINATION AND PAYMENT

- (a) Fee earned under this Contract will be paid in accordance with the specific criteria defined in the PEMP and the Clauses in Section B. Monthly provisional payments of fee may be authorized by the Contracting Officer and will be made in accordance with paragraph (b) of this Clause.
- (b) For annual performance measures that do not have specific, incremental, fee-bearing performance measure events, the Contractor may request Contracting Officer approval to execute a monthly draw of *Provisional Fee* payments from the Special Financial Institution Account. The Contractor may request a monthly *Provisional Fee* payment of up to 7.5% of fee allocated to such performance measures, subject to a maximum payment of 80% of fee allocated to such performance measures, and also subject to withholding by DOE as described in paragraphs (e) and (f) of this Clause.
- (c) The Contractor shall request Contracting Officer acceptance of a specific, incremental, fee-bearing performance measure event. Following Contracting Officer acceptance of a specific, incremental, fee-bearing performance measure event, the Contractor may request Contracting Officer approval to execute a draw of *Incremental Fee* from the Special Financial Institution Account, subject to withholding by the Contracting Officer as described in paragraphs (e) and (f) of this Clause and the Section B Clause entitled, *Fee Reductions*.
- (d) At the end of each year of Contract performance, the Fee Determining Official will make a final *Fee Determination* using the PEMP described in the Section B Clause entitled, *Fee Structure*. In the event that fee overpayment results from the *Provisional Fee* payments provided for in this Clause, the Contractor shall reimburse the unearned fee overpayment within 30 days of notification, to the Contracting Officer payable with interest in accordance with the Section I Clause entitled, *FAR 52.232-17, Interest*.
- (e) Withholding of *Incremental* and *Provisional Fee* Payments for adverse Contract Performance.
  - (1) Withholding of *Incremental* and *Provisional Fee* Payments. If the Contractor demonstrates adverse performance, the Contracting Officer reserves the unilateral discretion to withhold *Incremental* and *Provisional Fee* Payments. Withheld Fee Payments are not subject to interest for the amount(s) of the withheld fee payment(s) under 5 CFR 1315, *Prompt Payment*.
  - (2) Release of Withheld *Incremental* and *Provisional Fee* Payments. The Contracting Officer may release withheld *Incremental* and *Provisional Fee* Payments and resume making *Incremental* and *Provisional Fee* Payments when the Contractor demonstrates sustained recovery in performance.

- (f) Withholding of *Incremental* and *Provisional Fee* Payments for bankruptcy or other issues with guarantor company(ies)<sup>1</sup>.
- (1) Withholding of *Incremental* and *Provisional Fee*. In order to assure the Contractor's ability to repay any *Incremental* and *Provisional Fee* Payments that are determined to be in excess of the total fee earned, the Contracting Officer reserves the unilateral discretion to discontinue *Incremental* and *Provisional Fee* payments, in the event that a guarantor company files bankruptcy, is acquired by other owners, or impacted by other events that arise with the Contractor's guarantor company(ies) that can jeopardize DOE's ability to recover excess *Incremental Payment* and *Provisional Fee* Payments. Withheld Fee Payments are not subject to interest for the amount(s) of the withheld fee payment(s) under 5 CFR 1315, *Prompt Payment*.
  - (2) Release of Withheld *Incremental* and *Provisional Fee* Payments. Following receipt of evidence that bankruptcy or other issues do not affect the ability of the Contractor to continue to perform the obligations under the Contract, the Contracting Officer may release all *Incremental* and *Provisional Fee* Payments and resume making *Incremental* and *Provisional Fee* Payments.

## B.9 FEE REDUCTIONS

- (a) All earned fee in each year of Contract performance is subject to reductions imposed by the terms and conditions of this Contract, including, but not limited to:
- (1) Section B Clause entitled, *Fee Determination and Payment*;
  - (2) Section B Clause entitled, *Small Business Subcontracting Fee Reduction*;
  - (3) Section B Clause entitled, *DEAR 970.5215-3, Conditional Payment of Fee, Profit, and Other Incentives – Facility Management Contracts (Alternate II) [DEVIATION]*;
  - (4) Section B Clause entitled, *Conditional Payment of Fee (CPOF) DOE Richland Operations Office Site-Specific Performance Criteria/Requirements*;
  - (5) Section E Clause entitled, *FAR 52.246-3, Inspection of Supplies – Cost Reimbursement*;
  - (6) Section E Clause entitled, *FAR 52.246-5, Inspection of Services – Cost Reimbursement*;
  - (7) Section H Clause entitled, *Key Personnel*;
  - (8) Section I Clause entitled, *FAR 52.203-10, Price or Fee Adjustment for Illegal or Improper Activity*;
  - (9) Section I Clause entitled, *FAR 52.215-11, Price Reduction for Defective Cost or Pricing Data – Modifications*;

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<sup>1</sup> Guarantor Company(ies) is defined as the company(ies) executing the performance guarantee (s) in Section H Clause entitled, *Performance Guarantee Agreement*.

- (10) Section I Clause entitled, *FAR 52.215-13, Subcontractor Cost or Pricing Data – Modifications; and*
- (11) Section I Clause entitled, *FAR 52.243-2, Changes – Cost Reimbursement.*
- (b) The maximum fee reduction in any one (1) year of Contract performance is the allocated *Available Fee*, as defined in the Section J Attachment entitled, *Performance Evaluation and Measurement Plan*, that can be earned in the year the event occurred.

#### **B.10 SMALL BUSINESS SUBCONTRACTING FEE REDUCTION**

- (a) For the purpose of implementing this Clause, the percentage goals established in the Section J Attachment entitled, *Small Business Subcontracting Plan*, will remain in effect for the duration of the Contract, except as modified in accordance with the Section B Clause entitled, *Changes to Contract Cost and Contract Fee*. The Contractor shall submit annual updates to the narrative elements of the *Small Business Subcontracting Plan* by December 31 of each year.
- (b) The Contractor's performance in meeting small business performance percentage goals in accordance with the Section H Clause entitled, *Self-Performed Work*, providing meaningful involvement for small businesses, and entering into the required Mentor-Protégé Agreement(s), will be evaluated after the:
  - (1) Three year period concluding at the end of the 3<sup>rd</sup> year of Contract performance;
  - (2) Two year period concluding at the end of the 5<sup>th</sup> year of Contract performance; and, if the *Option Period* is exercised;
  - (3) If the *Option Period* is exercised – two year period concluding at the end of the 7th year of Contract performance; and
  - (4) At the end of the Contract period of performance.
- (c) The Contracting Officer will consider the Contractor's performance in meeting small business percentage goals and entering into the required Mentor-Protégé Agreement(s) when making a decision on the *Option Period* authorization.
- (d) If the Contractor has not met any or all of the subcontracting goals, has failed to provide meaningful involvement for small business, and/or has failed to enter into the required Mentor-Protégé Agreement(s) during the above specified periods, the Contracting Officer may reduce the earned fee by an amount up to 10% of total earned fee in each period of the four (4) multi-year periods described above.
- (e) At Contract completion, the total amount of fee reduction for failure to meet its subcontracting goals shall be offset by any amount of liquidated damages assessed in accordance with the Section I Clause entitled, *FAR 52.219-16, Liquidated Damages – Subcontracting Plan*. The fee reduction amount will be a unilateral determination by the Contracting Officer and a permanent reduction in the earned fee under this Contract.

- (f) Any reduction for failure to meet the requirements of the Section H Clause entitled, *Mentor-Protégé Program*, shall be in addition to any liquidated damages assessed in accordance with the Section I Clause entitled, *FAR 52.219-16, Liquidated Damages – Subcontracting Plan*. The fee reduction amount will be a unilateral determination by the Contracting Officer and a permanent reduction in the earned fee under this Contract.

#### **B.11 ALLOWABILITY OF SUBCONTRACTOR FEE**

- (a) If the Contractor is part of a teaming arrangement as described in FAR Subpart 9.6, *Contractor Team Arrangements*, the team shall share in the *Total Available Fee* as shown in Table B.4-1. Separate additional subcontractor fee is not an allowable cost under this Contract for individual team members, or for a subcontractor, supplier, or lower-tier subcontractor that is a wholly-owned, majority-owned, or affiliate of any team member.
- (b) The subcontractor fee restriction in paragraph (a) does not apply to members of the Contractor's team that are: (1) small business(es); (2) Protégé firms as part of an approved Mentor-Protégé relationship under the Section H Clause entitled, *Mentor-Protégé Program*; (3) subcontractors under a competitively awarded firm-fixed price or firm-fixed unit price subcontract; or (4) commercial items as defined in FAR Subpart 2.1, *Definitions of Words and Terms*.

#### **B.12 DEAR 970.5215-3, CONDITIONAL PAYMENT OF FEE, PROFIT, AND OTHER INCENTIVES – FACILITY MANAGEMENT CONTRACTS (ALTERNATE II) (JAN 2004) [DEVIATION]**

- (a) General.
- (1) The payment of earned fee, fixed fee, profit, or share of cost savings under this Contract is dependent upon:
- (i) The Contractor's or contractor employees' compliance with the terms and conditions of this Contract relating to environment, safety, health and quality (ESH&Q), which includes worker safety and health, including performance under an approved Integrated Safety Management System (ISMS); and
  - (ii) The Contractor's or contractor employees' compliance with the terms and conditions of this Contract relating to the safeguarding of Restricted Data and other classified information.
- (2) The ESH&Q performance requirements of this Contract are set forth in its ESH&Q terms and conditions, including the DOE-approved Contractor ISMS or similar document. Financial incentives for timely mission accomplishment or cost effectiveness shall never compromise or impede full and effective implementation of the ISMS and full ESH&Q compliance.
- (3) The performance requirements of this Contract relating to the safeguarding of Restricted Data and other classified information are set forth in the Section I

Clause entitled, *FAR 52.239-1, Privacy or Security Safeguards (AUG 1996)*, and *DEAR 970.5204-2, Laws, Regulations, and DOE Directives*, as well as in other terms and conditions.

- (4) If the Contractor does not meet the performance requirements of this Contract relating to ESH&Q or to the safeguarding of Restricted Data and other classified information during any performance evaluation period established under the Contract, otherwise earned fee, fixed fee, profit or share of cost savings may be unilaterally reduced by DOE.
- (b) Reduction Amount.
- (1) The amount of earned fee, fixed fee, profit, or share of cost savings that may be unilaterally reduced will be determined by the severity of the performance failure pursuant to the degrees specified in paragraphs (c) and (d) of this Clause.
  - (2) If a reduction of earned fee, fixed fee, profit, or share of cost savings is warranted, unless mitigating factors apply, such reduction shall not be less than 26% nor greater than 100% of the amount of earned fee, fixed fee, profit, or the Contractor's share of cost savings for a first degree performance failure, not less than 11% nor greater than 25% for a second degree performance failure, and up to 10% for a third degree performance failure.
  - (3) In determining the amount of the reduction and the applicability of mitigating factors, DOE will consider the Contractor's overall performance in meeting the ESH&Q or security requirements of the Contract. Such consideration will include performance against any site specific performance criteria/requirements that provide additional definition, guidance for the amount of reduction, or guidance for the applicability of mitigating factors. In all cases, DOE will consider mitigating factors that may warrant a reduction below the applicable range (see *48 CFR 970.1504-1-2*). The mitigating factors include, but are not limited to, the following ((v), (vi), (vii) and (viii) apply to ESH&Q only).
    - (i) Degree of control the Contractor had over the event or incident.
    - (ii) Efforts the Contractor had made to anticipate and mitigate the possibility of the event in advance.
    - (iii) Contractor self-identification and response to the event to mitigate impacts and recurrence.
    - (iv) General status (trend and absolute performance) of: ESH&Q and compliance in related areas; or of safeguarding Restricted Data and other classified information and compliance in related areas.
    - (v) Contractor demonstration to the Contracting Officer's satisfaction that the principles of industrial ESH&Q standards are routinely practiced (e.g., Voluntary Protection Program, ISO [International Organization for Standardization] 14000, *Environmental Management System Standards*).



- (vi) Event caused by "Good Samaritan" act by the Contractor (e.g., off-site emergency response).
  - (vii) Contractor demonstration that a performance measurement system is routinely used to improve and maintain ESH&Q performance (including effective resource allocation) and to support DOE corporate decision-making (e.g., policy, ESH&Q programs).
  - (viii) Contractor demonstration that an Operating Experience and Feedback Program is functioning that demonstrably affects continuous improvement in ESH&Q by use of lessons-learned and best practices inter- and intra-DOE sites.
- (4)
- (i) The amount of fee, fixed fee, profit, or share of cost savings that is otherwise earned by a Contractor during an evaluation period may be reduced in accordance with this Clause if it is determined that a performance failure warranting a reduction under this Clause occurs within the evaluation period.
  - (ii) The amount of reduction under this Clause, in combination with any reduction made under any other clause in the Contract, shall not exceed the amount of fee, fixed fee, profit, or the Contractor's share of cost savings that is otherwise earned during the evaluation period.
  - (iii) For the purposes of this clause, earned fee, fixed fee, profit, or share of cost savings for the evaluation period shall mean the amount determined by DOE or fee determination official as otherwise payable based on the Contractor's performance during the evaluation period. Where the Contract provides for financial incentives that extend beyond a single evaluation period, this amount shall also include: any provisional amounts determined otherwise payable in the evaluation period; and, if provisional payments are not provided for, the allocable amount of any incentive determined otherwise payable at the conclusion of a subsequent evaluation period. The allocable amount shall be the total amount of the earned incentive divided by the number of evaluation periods over which it was earned.
  - (iv) The Government will effect the reduction as soon as practicable after the end of the evaluation period in which the performance failure occurs. If the Government is not aware of the failure, it will effect the reduction as soon as practical after becoming aware. For any portion of the reduction requiring an allocation the Government will effect the reduction at the end of the evaluation period in which it determines the total amount earned under the incentive. If at any time a reduction causes the sum of the payments the Contractor has received for fee, fixed fee, profit, or share of cost savings to exceed the sum of fee, fixed fee, profit, or share of cost savings the Contractor has earned (provisionally or otherwise), the Contractor shall immediately return the excess to the Government. (What the Contractor "has earned" reflects any reduction made under this or any other Clause of the Contract.)

- (v) At the end of the Contract:
  - (A) The Government will pay the Contractor the amount by which the sum of fee, fixed fee, profit, or share of cost savings the Contractor has earned exceeds the sum of the payments the Contractor has received; or
  - (B) The Contractor shall return to the Government the amount by which the sum of the payments the Contractor has received exceeds the sum of fee, fixed fee, profit, or share of cost savings the Contractor has earned. (What the Contractor "has earned" reflects any reduction made under this or any other Clause of the Contract.)
- (c) Environment, Safety, Health and Quality (ESH&Q). Performance failures occur if the Contractor does not comply with the Contract ESH&Q terms and conditions, including the DOE-approved Contractor ISMS. The degrees of performance failure under which reductions of earned or fixed fee, profit, or share of cost savings will be determined are:
  - (1) First Degree: Performance failures that are most adverse to ESH&Q. Failure to develop and obtain required DOE approval of an ISMS is considered first degree. The Government will perform necessary review of the ISMS in a timely manner and will not unreasonably withhold approval of the Contractor's ISMS. The following performance failures or performance failures of similar import will be considered first degree.
    - (i) Type A accident (defined in DOE Order 225.1A, *Accident Investigations*); and
    - (ii) Two (2) Second Degree performance failures during an evaluation period.
  - (2) Second Degree: Performance failures that are significantly adverse to ESH&Q. They include failures to comply with an approved ISMS that result in an actual injury, exposure, or exceedence that occurred or nearly occurred but had minor practical long-term health consequences. They also include breakdowns of the Safety Management System. The following performance failures or performance failures of similar import will be considered second degree:
    - (i) Type B accident (defined in DOE Order 225.1A).
    - (ii) Non-compliance with an approved ISMS that results in a near miss of a Type A or B accident. A near miss is a situation in which an inappropriate action occurs, or a necessary action is omitted, but does not result in an adverse effect.
    - (iii) Failure to mitigate or notify DOE of an imminent danger situation after discovery, where such notification is a requirement of the Contract.
  - (3) Third Degree: Performance failures that reflect a lack of focus on improving ESH&Q. They include failures to comply with an approved ISMS that result in

potential breakdown of the System. The following performance failures or performance failures of similar import will be considered third degree:

- (i) Failure to implement effective corrective actions to address deficiencies/non-compliances documented through: external (e.g., Federal) oversight and/or reported per ~~DOE Order 232.1A~~ [DOE Manual 232.1A, *Occurrence Reporting and Processing of Operations Information*] requirements; or internal oversight of ~~DOE Order 440.1A~~ [10 CFR 830, 10 CFR 835, 10 CFR 850, and 10 CFR 851] requirements.
  - (ii) Multiple similar non-compliances identified by external (e.g., Federal) oversight that in aggregate indicate a significant programmatic breakdown.
  - (iii) Non-compliances that either have, or may have, significant negative impacts to the worker, the public, or the environment or that indicate a significant programmatic breakdown.
  - (iv) Failure to notify DOE upon discovery of events or conditions where notification is required by the terms and conditions of the Contract.
- (d) Safeguarding Restricted Data and Other Classified Information. Performance failures occur if the Contractor does not comply with the terms and conditions of this Contract relating to the safeguarding of Restricted Data and other classified information. The degrees of performance failure under which reductions of fee, profit, or share of cost savings will be determined are as follows:
- (1) First Degree: Performance failures that have been determined, in accordance with applicable law, DOE regulation, or directive, to have resulted in, or that can reasonably be expected to result in, exceptionally grave damage to the national security. The following are examples of performance failures or performance failures of similar import that will be considered first degree:
    - (i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating a risk of, loss, compromise, or unauthorized disclosure of Top Secret Restricted Data or other information classified as Top Secret, or any classification level of information in a Special Access Program (SAP), information identified as sensitive compartmented information (SCI), or high risk nuclear weapons-related data.
    - (ii) Contractor actions that result in a breakdown of the safeguards and security management system that can reasonably be expected to result in the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data, or other information classified as Top Secret, any classification level of information in a SAP, information identified as SCI, or high risk nuclear weapons-related data.
    - (iii) Failure to promptly report the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data, or other information classified

- as Top Secret, any classification level of information in a SAP, information identified as SCI, or high risk nuclear weapons-related data.
- (iv) Failure to timely implement corrective actions stemming from the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data or other information classified as Top Secret, any classification level of information in a SAP, information identified as SCI, or high risk nuclear weapons-related data.
- (2) Second Degree: Performance failures that have been determined, in accordance with applicable law, DOE regulation, or directive, to have actually resulted in, or that can reasonably be expected to result in, serious damage to the national security. The following are examples of performance failures or performance failures of similar import that will be considered second degree:
- (i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating risk of, loss, compromise, or unauthorized disclosure of Secret Restricted Data or other information classified as Secret.
  - (ii) Contractor actions that result in a breakdown of the safeguards and security management system that can reasonably be expected to result in the loss, compromise, or unauthorized disclosure of Secret Restricted Data, or other information classified as Secret.
  - (iii) Failure to promptly report the loss, compromise, or unauthorized disclosure of Restricted Data or other classified information regardless of classification (except for information covered by paragraph (d)(1)(iii) of this Clause).
  - (iv) Failure to timely implement corrective actions stemming from the loss, compromise, or unauthorized disclosure of Secret Restricted Data or other classified information classified as Secret.
- (3) Third Degree: Performance failures that have been determined, in accordance with applicable law, regulation, or DOE directive, to have actually resulted in, or that can reasonably be expected to result in, undue risk to the common defense and security. In addition, this category includes performance failures that result from a lack of Contractor management and/or employee attention to the proper safeguarding of Restricted Data and other classified information. These performance failures may be indicators of future, more severe performance failures and/or conditions, and if identified and corrected early would prevent serious incidents. The following are examples of performance failures or performance failures of similar import that will be considered third degree:
- (i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating risk of, loss, compromise, or unauthorized disclosure of Restricted Data or other information classified as Confidential.

- (ii) Failure to promptly report alleged or suspected violations of laws, regulations, or directives pertaining to the safeguarding of Restricted Data or other classified information.
  - (iv) Failure to identify or timely execute corrective actions to mitigate or eliminate identified vulnerabilities and reduce residual risk relating to the protection of Restricted Data or other classified information in accordance with the Contractor's Safeguards and Security Plan or other security plan, as applicable.
  - (iv) Contractor actions that result in performance failures which unto themselves pose minor risk, but when viewed in the aggregate indicate degradation in the integrity of the Contractor's safeguards and security management system relating to the protection of Restricted Data and other classified information.
- (e) Minimum requirements for specified level of performance.
  - (1) At a minimum the Contractor must perform the following:
    - (i) The requirements with specific incentives which do not require the achievement of cost efficiencies in order to be performed at the level of performance set forth in Section C, *Statement of Work*, work authorization directive(s), or similar document unless an otherwise minimum level of performance has been established in the specific incentive;
    - (ii) All of the performance requirements directly related to requirements specifically incentivized which do not require the achievement of cost efficiencies in order to be performed at a level of performance such that the overall performance of these related requirements is at an acceptable level; and
    - (iii) All other requirements at a level of performance such that the total performance of the Contract is not jeopardized.
  - (2) The evaluation of the Contractor's achievement of the level of performance shall be unilaterally determined by the Government. To the extent that the Contractor fails to achieve the minimum performance levels specified in Section C, *Statement of Work*, work authorization directive(s), or similar document, during the performance evaluation period, the DOE Operations/Field Office Manager, or designee, may reduce any otherwise earned fee, fixed fee, profit, or shared net savings for the performance evaluation period. Such reduction shall not result in the total of earned fee, fixed fee, profit, or shared net savings being less than 25% of the total available fee amount. Such 25% shall include base fee, if any.
- (f) Minimum requirements for cost performance.
  - (1) Requirements incentivized by other than cost incentives must be performed within their specified cost constraint and must not adversely impact the costs of performing unrelated activities.

- (2) The performance of requirements with a specific cost incentive must not adversely impact the costs of performing unrelated requirements.
- (3) The Contractor's performance within the stipulated cost performance levels for the performance evaluation period shall be determined by the Government. To the extent the Contractor fails to achieve the stipulated cost performance levels, the DOE Operations/Field Office Manager, or designee, may reduce in whole or in part any otherwise earned fee, fixed fee, profit, or shared net savings for the performance evaluation period. Such reduction shall not result in the total of earned fee, fixed fee, profit or shared net savings being less than 25% of the total available fee amount. Such 25% shall include base fee, if any.

### **B.13 CONDITIONAL PAYMENT OF FEE (CPOF) DOE RICHLAND OPERATIONS OFFICE SITE-SPECIFIC PERFORMANCE CRITERIA/REQUIREMENTS**

This Clause supplements Section B Clause entitled, *DEAR 970.5215-3, Conditional Payment of Fee, Profit, and Other Incentives – Facility Management Contracts (Alternate II) [Deviation]* by establishing Site specific Environment, Safety, Health, and Quality (ESH&Q), and security performance criteria/requirements. Performance failures relating to the performance criteria set forth in this Clause will be processed in accordance with DEAR 970.5215-3. Site-specific performance criteria/requirements for ESH&Q, and Safeguards and Security are as follows:

- (a) Environment, Safety, Health, and Quality
  - (1) First Degree: Performance failures relating to the criteria set forth in this Clause will be processed in accordance with DEAR 970.5215-3, Alternate II [Deviation].
  - (2) Second Degree: Performance failures relating to the criteria set forth in this Clause will be processed in accordance with DEAR 970.5215-3, Alternate II [Deviation].
  - (3) Third Degree: Performance failures that reflect a lack of focus on ESH&Q or failures to comply with an approved ISMS that may result in a negative impact to the public, worker, or environment. The following performance failures, or events of similar import, are examples of performance failures that are considered third degree:
    - (i) Multiple similar non-compliances identified by external oversight (e.g., Federal) that in the aggregate indicate a significant programmatic breakdown.
    - (ii) Non-compliances or adverse performance trends that either have or may have negative impact to the public, worker, or environment or that indicate a programmatic breakdown.
    - (iii) Failure to notify the Contracting Officer upon discovery of events or conditions where notification is required by the terms and conditions of the Contract.
    - (iv) Failure to report required data accurately and in a timely manner.

- (v) Failure to implement continuous improvement in ESH&Q performance through effective utilization of ISMS processes, including timely submittal of meaningful performance objectives, measurements and commitments.
- (b) Safeguards and Security
- (1) First Degree: Performance failures that have been determined, in accordance with applicable law, regulation, or DOE directive, to have resulted in, or that can reasonably be expected to result in, exceptionally grave damage to the national security. The following are examples of performance failures or performance failures of similar import that will be considered first degree:
    - (i) Theft, loss or diversion of category I or II special nuclear material (SNM); adversarial attacks or acts of sabotage that result in significant consequences to the safety or security of personnel, facilities, or the public due to a failure or inadequacy of performance by the Contractor.
    - (ii) Receipt of an overall rating of Unsatisfactory on any DOE Safeguards and Security survey, audit, and/or inspection.
    - (iii) Failure to implement corrective action(s) in response to any first degree performance failure.
  - (2) Second Degree: Performance failures that have been determined, in accordance with applicable law, regulation, or DOE directive, to have actually resulted in, or that can reasonably be expected to result in, serious damage to the national security. The following are examples of performance failures or performance failures of similar import that will be considered second degree:
    - (i) Theft, loss or diversion of Category III SNM that is due to a failure or inadequacy of performance by the Contractor.
    - (ii) Inventory differences of Category I/II/III SNM beyond alarm limits where there is no evidence that the difference is created by loss, theft, or diversion.
    - (iii) Any amount of SNM found in a dangerous/hazardous or unapproved storage environment, or unapproved mode of transportation/transfer.
    - (iv) Failure to implement corrective action(s) in response occurrence of any second degree performance failure.
  - (3) Third Degree: Performance failures that have been determined, in accordance with applicable law, regulation, or DOE directive, to have actually resulted in, or that can reasonably be expected to result in, undue risk to the common defense and security, and/or jeopardizes protection of the facility or Site security interests. The following are examples of performance failures or performance failures of similar import that will be considered third degree:

- (i) Loss, theft, diversion, or unauthorized disclosure of information classified as Confidential.
- (ii) Negligent weapons and firearms-related incidents involving protective force operations/personnel (e.g., unauthorized weapons discharge, personal wounding).
- (iii) Evidence that SNM data has been manipulated or falsified.
- (iv) Inventory differences of Category IV SNM beyond alarm limits where there is no evidence that the difference is created by loss, theft, or diversion.
- (v) Loss, theft, or diversion of Category IV quantities of SNM that is due to a failure or inadequacy of performance by the contractor.
- (vi) Five (5) or more incidents that involve a potential compromise of classified information and/or unsecured classified repository, in any three (3) -month period, of any type.
- (vii) Receipt of any topical area rating of Unsatisfactory on any DOE Safeguards and Security survey, audit, and/or inspection.
- (viii) Failure to implement corrective action(s) in response to any third degree performance failure.
- (ix) Non-compliant or adverse cyber security performance that indicates serious cyber security program degradation (e.g., negative mission impacts or compromise of sensitive information [Sensitive Unclassified Information, Personally Identifiable Information, Unclassified Controlled Nuclear Information], etc.).

#### **B.14 DOE AUTHORIZATION OF WORK**

DOE will authorize work as follows:

- (a) The Contractor is authorized to conduct work in accordance with the approved *Performance Measurement Baseline*, and subject to the limitations of the Section B Clause entitled, *Obligation and Availability of Funds*.
- (b) Prior to the completion of the *Transition Period*, DOE will provide workscope direction that will be in effect from the initiation of the *Base Period* until DOE approval of the Contractor's initial *Performance Measurement Baseline* submittal.
- (c) DOE reserves the unilateral discretion to modify the PEMP to allocate fee to the associated work.
- (d) If the Contracting Officer does not authorize the Contractor to proceed with a work activity, the Contractor shall not be entitled to allowable costs, opportunity to earn fee,



partial termination costs, and any other similar items for that activity, and shall not be entitled to an equitable adjustment to fee for any other Contract requirement.

**PART I – THE SCHEDULE**

**SECTION H**

**SPECIAL CONTRACT REQUIREMENTS**

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## H.1 WORKFORCE TRANSITION

### (a) Incumbent Employees Hiring Preferences

The Contractor shall use the Transition Period to make hiring decisions and to establish the management structures necessary to conduct an employee relations program. In establishing an initial workforce, and through the first six (6) months after Contract award, the Contractor shall give a first preference in hiring for vacancies in non-managerial positions under this Contract to Incumbent Employees (as defined in paragraph (b) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*) who meet the qualifications for a particular position. This hiring preference takes priority over the hiring preference provided in the Section I Clause entitled, *DEAR 952.226-74, Displaced Employee Hiring Preference*. The hiring preference does not apply to the Contractor's hiring of management staff (i.e., first line supervisors and above).

### (b) Employee Pay

The Contractor shall provide equivalent pay to employees receiving a hiring preference as compared to pay provided by the predecessor contractor for substantially equivalent duties and responsibilities for at least the first year of the term of the Contract.

## H.2 EMPLOYEE COMPENSATION: PAY AND BENEFITS

### (a) Background on Benefit Plans

- (1) The Hanford Site Pension Plan (HSPP) is a multi-employer pension plan which includes three (3) separate benefit structures under the Plan: two (2) for bargaining unit employees and one (1) for non-bargaining unit employees (exempt and nonexempt). The HSPP covers eligible employees of certain U.S. Department of Energy (DOE) Hanford prime contractors and subcontractors. The HSPP is managed and administered by committees composed of representatives from each of the sponsoring employers.
- (2) The Hanford Site Savings Plans (HSSPs) cover eligible employees of certain DOE Hanford prime contractors and subcontractors. The HSSPs includes three (3) separate plans: two (2) plans for bargaining unit employees and one (1) plan for non-bargaining unit employees (exempt and nonexempt). The HSSPs are managed and administered by committees composed of representatives from each of the sponsoring employers.
- (3) The Hanford Employee Welfare Trust (HEWT) is a multiple employer welfare arrangement (MEWA). Health and welfare benefits are administered under the HEWT which contains provisions for a wide range of medical and insurance benefits for eligible Hanford workers of certain DOE Hanford prime contractors and subcontractors and their beneficiaries. The HEWT is managed and administered by the HEWT Committee, which is composed of representatives from each sponsoring employer.

(4) The Contractor is required in paragraph (m) to offer a market-based package of retirement and medical benefits to Non-Incumbent Employees (as defined in paragraph (c)). These benefit plans are referred to herein as "Market-Based Plans."

(b) Incumbent Employees for the purposes of this Contract are employees who:

(1) Based on prior employment and under the terms of the HSPP, HSSP, and HEWT (the "Plans" for purposes of the Section H Clauses entitled, *Employee Compensation: Pay and Benefits, Post-Contract Responsibilities for Pension and Other Benefit Plans, and Incumbent Employees, Benefit Plans, and Approval for Subcontractors to Participate in the Plans*):

(i) As of the date of award of this Contract, were eligible to participate, or to return to and participate, in the HSPP and accrue Benefit Service as defined in the HSPP, and/or,

(ii) Are eligible to participate with respect to the HSSP or HEWT; and

(2) Are employed by the Contractor or by a subcontractor identified in the agreement as provided in the Section H Clause entitled, *Incumbent Employees, Benefit Plans, and Approval for Subcontractors to Participate in the Plans*, and eligible to participate in the Plan(s) under the terms of the Plan(s).

(c) Non-Incumbent Employees

If an employee does not meet the definition of an Incumbent Employee with respect to the HSPP, HSSP, or HEWT, as described in paragraph (b), the employee will be considered a Non-Incumbent Employee as to that Plan(s) for the purposes of this Contract.

(d) Human Resources Compensation Plan

The Contractor shall submit within 30 days of the date of the contract Notice to Proceed a *Human Resources Compensation Plan* demonstrating how the Contractor will comply with the requirements of this Contract. The *Human Resources Compensation Plan* shall describe the Contractor's policies regarding compensation, pensions and other benefits, and how these policies will support at reasonable cost the effective recruitment and retention of a highly skilled, motivated, and experienced workforce.

(e) Total Compensation System

The Contractor shall develop, implement and maintain formal policies, practices and procedures to be used in the administration of its compensation system including a compensation system *Self-Assessment Plan* consistent with FAR 31.205-6 and DEAR 970.3102-05-6, *Compensation for Personal Services* ("Total Compensation System"). DOE-approved standards (e.g., set forth in an advance understanding or appendix), if any, shall be applied to the Total Compensation System. The Contractor's Total Compensation System shall meet the tests of allowability established by and in accordance with FAR 31.205-6 and DEAR 970.3102-05-6, be fully documented,

consistently applied, and acceptable to the Contracting Officer. Costs incurred in implementing the Total Compensation System shall be consistent with the Contractor's documented *Human Resources Compensation Plan* as approved by the Contracting Officer.

(f) Appraisals of Contractor Performance

DOE will conduct periodic appraisals of Contractor performance with respect to Total Compensation System implementation. Such appraisals will be conducted through either DOE validation of the Contractor's performance self-assessment of its Total Compensation System or third party expert review.

(g) Reports and Information

The Contractor shall provide the Contracting Officer with the following reports and information with respect to pay and benefits provided under this Contract:

- (1) *An Annual Contractor Salary-Wage Increase Expenditure Report* to include, at a minimum, breakouts for merit, promotion, variable pay, special adjustments, and structure movements for each pay structure showing actual against approved amounts.
- (2) A list of the top five (5) most highly compensated executives as defined in FAR 31.205-6(p)(2)(ii) and their total cash compensation at the time of Contract award, and at the time of any subsequent change to their total cash compensation.
- (3) *An Annual Report of Contractor Expenditures for Employee Supplemental Compensation* through the DOE Workforce Information System (WFIS), compensation and benefits module no later than March 1 of each year.
- (4) A performance self-assessment of the Total Compensation System implementation and results to include an evaluation of total benefits using the Employee Benefits Value Study (Ben-Val) and the Employee Benefits Cost Study as described in paragraph (i).

(h) Cash Compensation

- (1) The Contractor shall establish pay programs for employees.
- (2) The Contractor shall submit the following information to the Contracting Officer for determination of cost allowability for reimbursement for cash compensation under the Contract:
  - (i) Any additional compensation system self-assessment data requested by the Contracting Officer that may be needed to validate and approve the Total Compensation System.
  - (ii) Any proposed major compensation program design changes prior to implementation.

- (iii) *An Annual Compensation Increase Plan (CIP).*
- (iv) Individual compensation actions for the Key Personnel, including initial and proposed changes to base salary and or payments under an *Executive Incentive Compensation Plan.*
- (v) Any proposed establishment of an incentive compensation plan (variable pay plan/pay-at-risk).

Contracting Officer approval of individual compensation actions will be required only for the top five (5) most highly compensated employees, or others as identified by the Contracting Officer.

- (3) Subject to the Hanford Site Severance Pay Plans, severance pay is not payable to an employee under this Contract if the employee:
  - (i) Voluntarily separates, resigns or retires from employment,
  - (ii) Is offered comparable employment with a successor/replacement contractor,
  - (iii) Is offered comparable employment with a parent or affiliated company, or
  - (iv) Is discharged for cause.
- (4) Service credit for purposes of determining severance pay does not include any period of prior service for which severance pay has been previously paid through a DOE cost reimbursement contract.

(i) Pension and Other Benefit Programs

- (1) The Contractor shall become a sponsor of the pension and other benefit plans identified in paragraph (a), and shall be responsible for the management and administration of the Market-Based Plans identified in paragraphs (a)(4).
- (2) Unless otherwise required by applicable law or approved by the Contracting Officer, no implementation of a benefit program and no amendment to any of the plans identified in paragraph (a) or underlying trust documents thereto shall result in allowable costs under this Contract.
- (3) No presumption of allowability will exist when the Contractor implements a new benefit plan or makes changes to existing benefit plans identified in paragraph (a) until the Contracting Officer makes a determination of cost allowability for reimbursement for new or changed benefit plans.
- (4) Cost reimbursement for pension and other benefit plans identified in paragraph (a) sponsored by the Contractor will be based on the Contracting Officer's approval of Contractor actions pursuant to an approved Ben-Val and an Employee Benefits Cost Study as described below.



- (5) Unless otherwise stated, or as directed by the Contracting Officer, the Contractor shall submit the studies required in (i) and (ii) below. The studies shall be used by the Contractor as part of its performance self assessment described in paragraph (g)(4) and in calculating the cost of benefits under existing benefit plans. In addition, the Contractor shall submit updated studies to the Contracting Officer for approval prior to the adoption of any change to a pension or other benefit plan.
  - (i) Separate Ben-Val studies are required every two years for all plans identified in paragraph (a). A Ben-Val is an actuarial study of the relative value (RV) of the benefits programs offered by the Contractor measured against the RV of benefit programs offered by comparator companies approved by the Contracting Officer. To the extent that the value studies do not address post retirement benefits other than pensions, the Contractor shall provide a separate cost and plan design data comparison for the post retirement benefits other than pensions using external benchmarks derived from nationally recognized and Contracting Officer approved survey sources; and,
  - (ii) Separate Employee Benefits Cost Study comparisons are annually required for all plans identified in paragraph (a). An Employee Benefits Cost Study is a study which analyzes the Contractor's employee benefits cost on a per capita per full time equivalent employee basis and as a percent of payroll and compares them with the costs reported by the U.S. Chamber of Commerce Annual Employee Benefits Cost Survey or other Contracting Officer approved, broad based, national survey.
- (6) When net benefit value exceeds the comparator group by more than five (5) percent (%), the Contractor shall submit a corrective action plan to the Contracting Officer.
- (7) When the average total benefit per capita cost or total benefit cost as a percent of payroll exceeds the comparator group by more than 5 %, and if required by the Contracting Officer, the Contractor shall submit an analysis of the specific plan costs that are above the per capita cost range or total benefit cost as a percent of payroll and a corrective action plan to achieve conformance with a Contracting Officer directed per capita cost range or total benefit cost as a percent of payroll.
- (8) Within two (2) years of approval of the Contractor's corrective action plan by the Contracting Officer, the Contractor shall implement corrective action plans to align employee benefit programs with the benefit value and per capita cost range as approved by the Contracting Officer.
- (9) The Contractor shall submit a separate Report of Contractor Expenditures for Supplementary Compensation for the previous calendar year for each of the plans identified in paragraph (a) via the DOE WFIS Compensation and Benefits Module no later than March 1 of the current calendar year.
- (10) The Contractor may not terminate any benefit plan during the term of the Contract without prior approval of the Contracting Officer in writing.

- (11) Cost reimbursement for Post Retirement Benefits (PRBs) is contingent on the specific terms of the plans identified in paragraph (a), as amended. Unless required by Federal or State law, advance funding of PRBs is not allowable.
  - (12) All costs of administration shall be costs of each plan individually and allocated to participating plan sponsors. Costs of administration shall be directly billed to the plans and not charged by indirect allocation.
  - (13) The Contractor shall maintain a sufficient number of trained and qualified personnel to perform all of the functions of the plans.
  - (14) The Contractor shall render all ordinary and normal administrative services and functions which may be reasonably required. The Contractor shall annually provide an itemization of costs incurred for plan administration for each plan to the Contracting Officer within 60 days of the end of each plan year.
  - (15) The Contractor shall manage Plan assets in a prudent manner. The Contractor shall develop and submit to the Contracting Officer an Investment Policy Statement for each plan that clearly defines investment return objectives and risk tolerances, and shall perform annual pension plan Investment Performance Self-Assessments. The Contractor performance self-assessments shall address investment objectives, development of the plans to achieve investment objectives, execution of the plans, performance monitoring, and appropriate corrective action planning and execution. The Contractor shall provide the Contracting Officer with a copy of each plan's Investment Performance Self-Assessment.
  - (16) The Contractor shall comply with the Investment Policy Statements developed for the plans. Should the Contractor incur higher costs because the Contractor fails to comply with all or part of the established Investment Policy Statements provided to DOE, the additional costs incurred are unallowable.
- (j) Establishment and Maintenance of Pension Plans for which DOE Reimburses Costs
- (1) For cost allocability and reimbursement purposes, any defined benefit (DB) or defined contribution (DC) pension plans established and/or implemented, shall be maintained consistent with the requirements of the Internal Revenue Code and *Employee Retirement Income Security Act*.
  - (2) Contractor policies, practices, and procedures used in the administration of pension plans shall be consistent with law and regulation.
  - (3) Employees working for the Contractor shall only accrue credit for service under this Contract after the date of Contract award.
  - (4) Any pension plan maintained by the Contractor, for which DOE reimburses costs, shall be maintained as a separate pension plan distinct from any other pension plan which provides credit for current service not previously paid through a DOE cost reimbursement contract.

- (5) For each pension plan or portion of a pension plan for which DOE reimburses costs, the Contractor shall provide the Contracting Officer with the following within nine (9) months of the last day of the current pension plan year:
  - (i) Copies of IRS 5500 forms, with schedules; and
  - (ii) Copies of all forms in the 5300 series that document the establishment, amendment, termination, spin-off, or merger of a plan.
- (6) Prior to the adoption of any changes to a pension plan, the Contractor shall submit the information required below, as applicable, to the Contracting Officer for approval or disapproval and a determination as to whether the costs to be incurred are consistent with the Contractor's documented *Human Resources Compensation Plan* and are deemed allowable pursuant to FAR 31.205-6, as supplemented by DEAR 970.3102-05-6.
  - (i) For proposed changes to pension plans and pension plan funding, the Contractor shall provide an analysis of the impact of any proposed changes on actuarial accrued liabilities and an analysis of relative benefit value; and,
  - (ii) The Contractor shall obtain the advance written approval of the Contracting Officer for any non-statutory pension plan changes that may increase costs or liabilities, and any proposed special programs (including, but not limited to, plan-loan features, employee contribution refunds, or ancillary benefits) and shall provide the Contracting Officer with an analysis of the impact of special programs on the actuarial accrued liabilities of the pension plan, and on relative benefit value, if applicable.
- (7) The Contractor shall not terminate any pension plan without at least 60 days notice to and the approval of the Contracting Officer prior to the scheduled date of plan termination.
- (k) Benefits for Incumbent Employees under the HSPP and HSSP
  - (1) The Contractor shall allow individuals who are Incumbent Employees to continue to accrue credit under the HSPP and to participate in the HSSP for service under this Contract. The Contractor shall timely supply the Plan Administrator(s) with the information required by the Administrator(s) necessary to effectively administer the Plan(s). Contributions to the HSPP and HSSP as determined by the Plan Administrator(s) shall be allowable costs under this Contract, subject to compliance with other provisions of this Contract and terms of the Plans, as amended. At Contract completion, the Contractor shall fully fund its withdrawal liability under the HSPP; provided, however, that when or if this Contract expires or terminates, the Contractor shall continue as a plan sponsor of the HSPP pursuant to the Section H Clause entitled, *Post-Contract Responsibilities for Pension and Other Benefit Plans*.
  - (2) The Contractor shall coordinate with the HSPP Administrator to ensure DOE receives an annual reporting and accounting of the Contractor's pension obligations, pursuant to Financial Accounting Standard (FAS) 87, for those

employees participating in the HSPP and supply the Administrator with all the information necessary to maintain the Federal tax qualifications of all Contractor and Hanford Site pension plans.

(l) Benefits for Incumbent Employees under the HEWT

- (1) The Contractor shall be a sponsor of the HEWT. Individuals who are Incumbent Employees for purposes of the HEWT shall be eligible to participate in the HEWT and receive medical and other benefits under the HEWT consistent with the terms of that HEWT, as amended. The Contractor shall recognize service credited under the HEWT toward the service period required for benefits relating to vacation, sick leave, health insurance, severance, layoff, recall, and other benefits.
- (2) The Contractor shall in a timely manner supply the HEWT Administrator with the information required by the Administrator necessary to effectively administer the HEWT. The Contractor shall coordinate with the HEWT Administrator to ensure that DOE receives copies of all annual reports, actuarial reports, and submissions of FAS 106 data, and other reports as required by the Contracting Officer, of the Contractor's benefit obligations for those employees participating in the HEWT under this Contract. Contributions to the HEWT as determined by the HEWT Administrator shall be allowable costs under this Contract, subject to compliance with other provisions of this Contract.

(m) Pension and Other Benefits for Non-Incumbent Employees

- (1) The Contractor shall offer a market-based package of retirement and medical benefits competitive for the industry to individuals who are not Incumbent Employees. If the Contractor meets all applicable legal and tax requirements, the Contractor may establish a separate line of business pursuant to Internal Revenue Code (IRC) 410 and 414 for the purpose of maintaining the Federal tax qualification of pension covering the Contractor's employees.
- (2) The Contractor shall ensure that DOE receives copies of all annual reports, actuarial reports, applicable FAS data, and other reports as required by the Contracting Officer for eligible employees with respect to this Contract.
- (3) Any benefit programs established and/or maintained by the Contractor, for which DOE reimburses costs, shall meet the tests of allowability and reasonableness established by FAR 31.205-6 and DEAR 970.3102-05-6.

**H.3 POST-CONTRACT RESPONSIBILITIES FOR PENSION AND OTHER BENEFIT PLANS**

- (a) If this Contract expires or terminates and the U.S. Department of Energy (DOE) has awarded a contract under which the new contractor becomes a sponsor of the Hanford Site Pension Plan (HSPP), Hanford Site Savings Plan (HSSP), Hanford Employee Welfare Trust (HEWT), and Market-Based Plans as defined in paragraph (a) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, of this contract, and becomes responsible for management, and administration of the Market-Based

Plans, the Contractor shall cooperate and transfer to the new contractor its responsibility for sponsorship, management and administration of the plans as appropriate and consistent with direction from the Contracting Officer.

- (b) If this Contract expires or terminates without a contract with a new contractor under which the new contractor becomes a sponsor of the HSPP, HSSP, HEWT, and Market-Based Plans as defined in paragraph (a) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, of this Contract and becomes responsible for management and administration of the Market-Based Plans, or if the Contracting Officer determines that the scope of work under the Contract has been completed (any one such event may be deemed by the Contracting Officer to be "Contract Completion" for purposes of this clause), whichever is earlier, and notwithstanding any other obligations and requirements concerning expiration or termination under any other clause of this Contract, the following actions shall occur regarding the Contractor's obligations regarding all of the plans as defined in paragraph (a) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, of this Contract at the time of Contract Completion:
- (1) Subject to subparagraph (2) below, and notwithstanding any legal obligations independent of the Contract the Contractor may have regarding responsibilities for sponsorship, management, and administration of the plans as defined in paragraph (a) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, of this Contract, the Contractor shall remain the sponsor of the plans as defined in paragraph (a) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, of this Contract, in accordance with applicable legal requirements.
  - (2) The parties shall exercise their best efforts to reach agreement on the Contractor's responsibilities for sponsorship, management and administration of the plans as defined in paragraph (a) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, of this Contract prior to or at the time of Contract Completion. However, if the parties have not reached agreement on the Contractor's responsibilities for sponsorship, management and administration of the plans as defined in paragraph (a) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, of this Contract prior to or at the time of Contract Completion, unless and until such agreement is reached, the Contractor shall comply with written direction from the Contracting Officer regarding the Contractor's responsibilities for continued provision of pension and other benefits under the plans as defined in paragraph (a) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, of this Contract, including but not limited to continued sponsorship of the plans as defined in paragraph (a) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, of this Contract, in accordance with applicable legal requirements. To the extent that the Contractor incurs costs in implementing direction from the Contracting Officer, the Contractor's costs will be reimbursed pursuant to applicable Contract provisions.

#### **H.4 NO THIRD PARTY BENEFICIARIES**

This Contract is for the exclusive benefit and convenience of the parties hereto. Nothing contained herein shall be construed as granting, vesting, creating or conferring any right of

action or any other right or benefit upon past, present or future employees of the Contractor, or upon any other third party. This provision is not intended to limit or impair the rights which any person may have under applicable Federal statutes.

## **H.5 OVERTIME CONTROL PLAN**

Notwithstanding any other provision in this Contract, if the aggregate overtime premium pay as a percent (%) of base salary exceeds 2 % for non-represented employees or 10% for represented employees, the Contractor shall submit to the Contracting Officer separate annual *Overtime Control Plans* in accordance with the Section I Clause entitled, *FAR 52.222-2, Payment for Overtime Premiums*.

## **H.6 LABOR RELATIONS**

- (a) The Contractor shall respect the right of employees to organize and to form, join, or assist labor organizations, to bargain collectively through their chosen labor representatives, to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and to refrain from any or all of these activities.
- (b) The Contractor shall meet with the Contracting Officer or designee(s) for the purpose of reviewing the Contractor's bargaining objectives prior to negotiations of any collective bargaining agreement or revision there to and shall consult with and obtain the approval of the Contracting Officer regarding appropriate economic bargaining parameters, including those for pension and medical benefit costs, prior to the Contractor entering into the collective bargaining process. During the collective bargaining process, the Contractor shall notify the Contracting Officer before submitting or agreeing to any collective bargaining proposal which can be calculated to affect allowable costs under this Contract or which could involve other items of special interest to the Government. During the collective bargaining process, the Contractor shall obtain the approval of the Contracting Officer before proposing or agreeing to changes in any pension or other benefit plans.
- (c) The Contractor will seek to maintain harmonious bargaining relationships that reflect a judicious expenditure of public funds, equitable resolution of disputes and effective and efficient bargaining relationships consistent with the requirements of FAR Subpart 22.1 and DEAR Subpart 970.2201 and all applicable Federal and state labor relations laws.
- (d) The Contractor will notify the Contracting Officer or designee in a timely fashion of all labor relations issues and matters of local interest including organizing initiatives, unfair labor practice, work stoppages, picketing, labor arbitrations, and settlement agreements and will furnish such additional information as may be required by the Contracting Officer.

## **H.7 COLLECTIVE BARGAINING AGREEMENTS**

The Contractor shall use its best efforts to ensure that collective bargaining agreements negotiated under this Contract contain provisions designed to assure continuity of services. All

such agreements entered into during the Contract period of performance should provide that grievances and disputes involving the interpretation or application of the agreement will be settled without resorting to strike, lockout, or other interruption of normal operations. For this purpose, each collective bargaining agreement should provide an effective grievance procedure with arbitration as its final step, unless the parties mutually agree upon some other method of assuring continuity of operations. As part of such agreements, management and labor should agree to cooperate fully with the Federal Mediation and Conciliation Service. The Contractor shall include the substance of this Clause in any subcontracts for protective services or other services performed on the U.S. Department of Energy (DOE)-owned site which will affect the continuity of operation of the facility.

#### **H.8 INCUMBENT EMPLOYEES, BENEFIT PLANS, AND APPROVAL FOR SUBCONTRACTORS TO PARTICIPATE IN THE PLANS**

- (a) DOE and the Contractor shall agree to those subcontractors that will be subject to the requirements to provide pension and other benefits for Incumbent Employees as defined in paragraph (b)(2) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*. The Contractor shall submit its proposed agreement to DOE no later than thirty days prior to the close of the Transition Period, as defined in the Section F Clause entitled, *Period of Performance*.
- (b) The Contractor shall flow down to all subcontractors that are subject to the agreement in paragraph (a) of this Clause the requirements of paragraphs (g)(3) and (4), (i), (j), (k), and (l) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, and paragraphs (a) and (b) of the Section H clause entitled, *Post-Contract Responsibilities for Pension and Other Benefit Plans*.
- (c) For the purpose of determining allowability of costs, the Contractor shall not take any action that would result in the change of status of an Incumbent Employee with respect to Plans identified in paragraphs (a) and (b) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, without the prior written approval of the Contracting Officer.
- (d) Subject to other subcontract review and approval requirements in this Contract, this Clause does not limit the Contractor's ability to utilize subcontractors as necessary to perform Contract requirements.

#### **H.9 DETERMINATION OF APPROPRIATE LABOR STANDARDS**

- (a) The U.S. Department of Energy (DOE) will determine the appropriate labor standards that apply to work activities in accordance with the *Davis-Bacon Act* or other applicable labor law. When requested by DOE, the Contractor shall provide the Contracting Officer the information in the form and timeframe required by DOE, as may be necessary for DOE to render a determination on Contracts in excess of \$2,000 for construction, alteration, or repair, including painting and decorating, of public buildings and public works that involve the employment of laborers and mechanics.

- (b) Once a determination is made, the Contractor is responsible for compliance with the determination and incorporation of applicable labor standard requirements into subcontracts.

#### **H.10 IMPLEMENTATION OF THE HANFORD SITE STABILIZATION AGREEMENT**

- (a) The Hanford Site Stabilization Agreement (HSSA) for all construction work for the U. S. Department of Energy (DOE) at the Hanford Site, which is referenced in this Clause, consists of a Basic Agreement dated September 10, 1984, plus Appendix A, both of which may be periodically amended. The HSSA is hereby incorporated into this Contract by reference. The Contractor is responsible for obtaining the most current text from DOE.
- (b) This Clause applies to employees performing work under Contracts (or subcontracts) administered by DOE which are subject to the *Davis-Bacon Act*, in the classifications set forth in the HSSA for work performed at the Hanford Site.
- (c) Contractors and subcontractors at all tiers who are parties to an agreement(s) for construction work with a Local Union having jurisdiction over DOE construction work performed at the Hanford Site, or who are parties to a national labor agreement for such construction work, shall become signatory to the HSSA and shall abide by all of its provisions, including its Appendix A. Subcontractors at all tiers who have subcontracts with a signatory Contractor or subcontractor shall become signatory to the HSSA and shall abide by all of its provisions, including its Appendix A.
- (d) Contractors and subcontractors at all tiers who are not signatory to the HSSA and who are not required under paragraph (c) above to become signatory to the HSSA, shall pay not less and no more than the wages, fringe benefits, and other employee compensation set forth in Appendix A thereto and shall adhere, except as otherwise directed by the Contracting Officer, to the following provisions of the Agreement:
  - (1) Article VII Employment (Section 2 only);
  - (2) Article XII Non-Signatory Contractor Requirements;
  - (3) Article XIII Hours of Work, Shifts, and Overtime;
  - (4) Article XIV Holidays;
  - (5) Article XV Wage Scales and Fringe Benefits (Sections 1 and 2 only);
  - (6) Article XVII Payment of Wages-Checking In and Out (Section 3 only);
  - (7) Article XX General Working Conditions; and
  - (8) Article XXI Safety and Health.
- (e) The Contractor agrees to make no contributions in connection with this Contract to Industry Promotion Funds, or similar funds, except with the prior approval of the Contracting Officer.
- (f) The obligation of the Contractor and its subcontractors to pay fringe benefits shall be discharged by making payments required by this Contract in accordance with the provisions of the amendments to the *Davis-Bacon Act* contained in the Act of July 2, 1964 (Public Law 88-349-78 Statutes 238-239), and U.S. Department of Labor regulations in implementation thereof (Code of Federal Regulations Title 29 Parts 1 and 5).



- (g) The Contracting Officer may direct the Contractor to pay amounts for wages, fringe benefits, and other employee compensation if the HSSA, including its Appendix A, is modified by the involved parties.
- (h) In the event of failure to comply with paragraphs (c) (d) (e) (f) and (g), or failure to perform any of the obligations imposed upon the Contractor and its subcontractors hereunder, the Contracting Officer may withhold any payments due to the Contractor and may terminate the Contract for default.
- (i) The rights and remedies of the Government provided in this Clause shall not be exclusive and are in addition to any other rights and remedies of the Government provided by law or under this Contract.
- (j) The requirements of this Clause are in addition to, and shall not relieve the Contractor of, any obligation imposed by other Clauses of this Contract, including Section I Clauses entitled, *FAR 52.222-4, Contract Work Hours and Safety Standards Act—Overtime Compensation, FAR 52.222-6, Davis-Bacon Act, FAR 52.222-7, Withholding of Funds, FAR 52.222-8, Payrolls and Basic Records, FAR 52.222-10, Compliance with Copeland Act Requirements, and FAR 52.222-12, Contract Termination – Debarment.*
- (k) The Contractor agrees to maintain its bid or proposal records showing rates and amounts used for computing wages and other compensation, and its payroll and personnel records during the course of work subject to this Clause, and to preserve such records for a period of three (3) years thereafter, for all employees performing such work. Such records will contain the name and address of each such employee, his/her correct classification, rate of pay, daily and weekly number of hours worked, and dates and hours of the day within which work was performed, deductions made, and amounts for wages and other compensation covered by paragraphs (c) (d) (e) (f) and (g) hereof. The Contractor agrees to make these records available for inspection by the Contracting Officer and will permit him/her to interview employees during working hours on the job.
- (l) The Contractor agrees to insert the provisions of this Clause including this paragraph (k) in all subcontracts for the performance of work subject to the *Davis-Bacon Act*.

A copy of the *Hanford Site Stabilization Agreement* is located at:

<http://www.hanford.gov>

The U.S. Department of Labor wage determinations for the *Davis-Bacon Act* and *Service Contract Act* are located at:

<http://www.wdol.gov>

## H.11 WORKFORCE RESTRUCTURING

Notwithstanding any other provision in this Contract, when the Contractor determines that a reduction of force is necessary, the Contractor shall notify the Contracting Officer in writing and seek U.S. Department of Energy (DOE) approval. The Contractor shall take no further action until receiving approval and direction by the Contracting Officer. The Contractor shall provide information as directed by the Contracting Officer related to workforce

restructuring activities and to enable compliance with Section 3161 of the *National Defense Authorization Act for Fiscal Year 1993* and any other DOE guidance pertaining to employees who may be eligible for provisions of the Act. The Contractor shall comply with the *Hanford Site Workforce Restructuring Plan*, as amended, and shall supply workforce restructuring related information and reports as needed by DOE. The Contractor shall extend displaced employee hiring preference in accordance with the Section I Clause entitled, *DEAR 952.226-74, Displaced Employee Hiring Preference*.

## H.12 WORKERS' COMPENSATION

The Hanford Workers' Compensation Program is an administrative function that provides for the support of the Hanford Site Workers' Compensation Program under U.S. Department of Energy (DOE) State of Washington Self-Insurance. Pursuant to State of Washington Revised Code (RCW) Title 51, DOE is a group self-insurer for purposes of workers' compensation coverage. Notwithstanding any other provision in this Contract, the coverage afforded by the workers' compensation statutes shall, for performance of work under this Contract at the Hanford Site, be subject to the following:

- (a) Under the terms of a Memorandum of Understanding with the Washington State Department of Labor and Industries (L&I), DOE has agreed to perform all functions required by self-insurers in the State of Washington.
- (b) The Contractor shall take such action, and only such action, as DOE requests in connection with any accident reports, including assistance in the investigation and disposition of any claims thereunder and, subject to the direction and control of DOE, the conduct of litigation in the Contractor's own name in connection therewith.
- (c) Under RCW Title 51.32.073, DOE is the self-insurer and is responsible for making quarterly payments to the L&I. In support of this arrangement, the Contractor shall be responsible for withholding appropriate employee contributions and forwarding these contributions on a timely basis, plus the employer-matching amount to DOE.
- (d) The workers' compensation program shall operate in partnership with Contractor employee benefits, risk management, and environmental, safety, and health management programs. The Contractor shall cooperate with DOE for the management and administration of the DOE-RL self-insurance program.
- (e) The Contractor shall be responsible for all predecessor Contractor claims that fall under DOE's self-insurance. The Contractor shall maintain and retain all claim data for information and reporting needs.
- (f) The Contractor shall certify as to the accuracy of the payroll record used by DOE in establishing the self-insurance claims reserves and cooperate with any state audit.
- (g) The Contractor shall provide statutory workers' compensation coverage for staff members performing work under this Contract outside of the State of Washington and not otherwise covered by the State of Washington workers' compensation laws.

- (h) Time-loss compensation shall be paid to injured workers in accordance with the RCW § 51.08.178 and other applicable requirements. Compensation paid to workers in excess of the amounts required by statute are unallowable costs under this contract.
- (i) Upon request, the Contractor shall submit to DOE, or other party as designated by DOE, payroll records as required by Washington State Workers' Compensation laws.
- (j) Upon request, the Contractor shall submit to DOE, or other party as designated by DOE, the accident reports required by RCW Title 51, Section 51.28.010, or any other documentation requested by DOE pursuant to the Washington State Workers' Compensation laws.
- (k) Upon request, the Contractor shall submit to the Contracting Officer an evaluation and analysis of workers' compensation cost as a percent of payroll compared with the percentage of payroll cost reported by a nationally recognized Cost of Risk Survey that has been pre-approved by DOE.
- (l) The Contractor shall ensure all employees receive training and have a clear understanding of the workers' compensation process.
- (m) The Contractor shall develop and maintain a web site with Workers Compensation information and ensure that the web site is made available to employees within 45 days of the close of Transition.
- (n) The Contractor shall provide additional training to claimants on the workers' compensation process when a claim is filed. This training shall include but is not limited to information regarding company contacts, approvals needed for appointments, time off, documentation requirements, etc.
- (o) The Contractor shall submit ad hoc reports and other information as required by DOE.
- (p) The Contractor shall provide briefings to DOE as requested.
- (q) For purposes of workers' compensation, all entities included in the Contractor team arrangement, as defined below, shall be covered by DOE's self-insurance certification under Washington State Department of Labor and Industries for workers' compensation:
  - (1) Contractor team arrangement means an arrangement in which –
    - (i) Two or more companies form a partnership or joint venture to act as a potential prime Contractor; or
    - (ii) A potential prime Contractor agrees with one or more other companies to have them act as its subcontractors under a specified Government contract or acquisition program.
  - (2) Any changes to the Contractor team arrangement for purposes of workers' compensation coverage shall be subject to the prior approval of the Contracting Officer.

- (r) Subcontractors not meeting the Contractor teaming arrangement definition performing work under this Contract on behalf of the Contractor are not covered by the provision of the Memorandum of Understanding referenced above.
- (s) The Contractor shall flow-down to its subcontractors the requirements to provide statutory workers compensation coverage for the subcontractors' employees. The Contractor shall have no responsibility for subcontractor workers' compensation when it includes this requirement in the sub-contract(s).

### **H.13 ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION PROGRAM ACT (EEOICPA)**

The Contractor shall provide support of the EEOICPA established under Title XXXVI of the *National Defense Authorization Act of 2001* (Public Law 106-398). The Contractor shall provide records in accordance with the Section I Clause entitled, *DEAR 970.5204-3, Access to and Ownership of Records* in support of EEOICPA claims and the claim process under the EEOICPA.

The Contractor shall:

- (a) Verify employment and provide other records which contain pertinent information for compensation under the EEOICPA. The Contractor shall provide this support for itself and any named subcontractors' employees.
- (b) Provide reports as directed by the U.S. Department of Energy (DOE), such as costs associated with EEOICPA.
- (c) Provide an EEOICPA point-of-contact; this employee shall attend meetings, as requested by the U.S. Department of Energy Richland Operations Office (DOE-RL).
- (d) Locate, retrieve and provide a minimum of two (2) copies of any personnel and other program records as requested.
- (e) Perform records research needed to complete the Department of Labor (DOL) claims or to locate records needed to complete the claims.
- (f) Perform/coordinate records declassification activities required for the processing of claims forms.
- (g) Keep *Federal Compensation Program Act* (FCPA) information current on EEOICPA claims activities.
- (h) Ensure costs information is input to the FCPA electronic reporting system by the 10th of each month.
- (i) Ensure all EEOICPA claims received are completed and returned to DOE-RL within 45 calendar days of the date entered in the FCPA electronic reporting system.

The FCPA electronic reporting system will be provided to the Contractor.

#### H.14 ADVANCE UNDERSTANDING ON COSTS

The U.S. Department of Energy (DOE) and the Contractor will, within 60 days after Contract award, reach advance understandings regarding certain costs under this Contract. Such advance understandings enable both DOE and the Contractor to determine the allocability, allowability, and reasonableness of such costs prior to their incurrence, thereby avoiding subsequent disallowances and disputes, and facilitating prudent expenditure of public funds. It is expected that costs covered by such advance understandings will include employee travel and relocation, and employee compensation and benefits. Generally, DOE expects the incurrence of costs to be consistent with the Contractor's corporate-wide policies consistently and uniformly applied throughout its domestic operations subject to the specific limitations, conditions, and exclusions of FAR Subpart 31.2, *Contracts with Commercial Organizations*, as supplemented by DEAR 931.2, *Contracts with Commercial Organizations*. Advance understandings will be appended to the Contract in the Section J Attachment entitled, *Advance Understanding of Costs*.

#### H.15 KEY PERSONNEL

(a) Introduction.

Key Personnel are considered essential to the success of all work being performed under this Contract. This Clause provides specific requirements for the Key Personnel Team, requirements for changes to Key Personnel, reductions in Contract fee for changes to Key Personnel, and identification of all Key Personnel for this Contract.

(b) Key Personnel Team Requirements.

All Key Persons under this Contract are collectively referred to as the Key Personnel Team. The Contracting Officer and designated Contracting Officer's Representative(s) shall have direct access to the Key Personnel. In addition to the definition contained in the Section I Clause entitled, *DEAR 952.231-71, Insurance – Litigation and Claims*, Key Person(s) are considered managerial personnel.

(c) Definitions

- (1) For the purposes of this Clause, *Changes to Key Personnel* is defined as: (i) any change to the position assignment of a current Key Person under the Contract, except for a person who acts for short periods of time, in the place of a Key Person during his or her absence, the total time of which shall not exceed 30 working days during any given year; (ii) utilizing the services of a new substitute Key Person for assignment to the Contract; or (iii) assigning a current Key Person for work outside the Contract.
- (2) For the purposes of this Clause, *Beyond the Contractor's Control* is defined as an event for which the Contractor lacked legal authority or ability to prevent *Changes to Key Personnel*.

(d) Requirements for Changes to Key Personnel

- (1) The Contractor shall notify the Contracting Officer and request approval in writing at least 60 days in advance of any changes to Key Personnel.
- (2) The Contractor shall not make a change in Key Personnel without prior written approval of the Contracting Officer.
- (3) No Key Person position shall remain vacant for a period more than 30 days following Contracting Officer approval of a change in Key Personnel.
- (4) Approval of changes to Key Personnel is at the unilateral discretion of the Contracting Officer.

(e) Contract Fee Reductions for Changes to Key Personnel

- (1) Notwithstanding approval by the Contracting Officer, any time the Project Manager (the initial Project Manager or any substitution approved by the Contracting Officer) is changed for any reason within two (2) years of being placed in the position, *Available Fee* described in Section B, *Supplies or Services and Prices/Costs*, will be permanently reduced by \$500,000 for each and every occurrence of a change to the Project Manager. A change to the Project Manager beyond the Contractor's control shall not result in a permanent reduction of fee under this paragraph.
- (2) Notwithstanding approval by the Contracting Officer, any time a Key Person other than the Project Manager (any initial Key Person or any substitution approved by the Contracting Officer) is changed for any reason within two (2) years of being placed in the position, *Available Fee* described in Section B, *Supplies or Services and Prices/Costs*, will be permanently reduced by \$100,000 for each and every occurrence of a change to the Key Person. A change to a Key Person other than the Project Manager beyond the Contractor's control shall not result in a permanent reduction of fee under this subsection.
- (3) The Contractor may request in writing that the Contracting Officer consider waiving all or part of a reduction in Contract fee. Such written request shall include the factual basis for the request. The Contracting Officer shall have unilateral discretion to make the determination to waive or not waive all or part of a reduction in Contract fee.

(f) Key Personnel for this Contract

The list of Key Personnel for this Contract will be amended during the course of the Contract to add or delete Key Personnel as approved by the Contracting Officer. The following is the current list of Key Personnel for this Contract:

Name	Position
John Greenwood Lehew, III	PRC Project Manager
Victor C. Pizzuto	PRC Chief Operating Officer
Patrice McEahern	Director of Safety, Health, Security and Quality
David Del Vecchio	Project Manager of PFP Closure Project
Moses Jaraysi	Director of Environmental Program and Regulatory Management
Dyan Foss	Project Manager for Soil and Groundwater Remediation Project
Kent Dorr	Project Manager for Engineering, Procurement, and Construction Management
L. Ty Blackford	Project Manager for Waste and Fuels Management Project
Kurt Kehler	Project Manager for 100K Area Project and Balance of Site Decommissioning and Infrastructure Project

**H.16 RADIOLOGICAL SITE SERVICES AND RECORDS, AND OCCUPATIONAL MEDICINE SERVICES AND RECORDS**

- (a) The Contractor shall obtain Radiological Site Services (RSS) and occupational medicine services for all Contractor and subcontractor employees performing hazardous work that may expose workers to chemical, physical (including radiological), biological, and/or similar hazards. The Contractor shall identify required RSS and occupational medicine services as required by Section C, *Statement of Work, Government-Furnished Services and Information (GFS/I)*.
- (b) RSS are obtained as specified in Contract Section J Attachment entitled, *Hanford Site Services and Interface Requirements Matrix*. RSS includes external dosimetry, internal dosimetry services, radiological instrumentation program, and radiological records services. The Section I Clauses entitled, DEAR 952.223-75, *Preservation of Individual Occupational Radiation Exposure Records* and DEAR 970.5204-3, *Access to and Ownership of Records* are implemented as follows with respect to radiological records: All radiological exposure records generated during the performance of Hanford-related activities will be maintained by the designated provider of this service listed in the Section J Attachment entitled, *Hanford Site Services and Interface Requirements Matrix* and are the property of the U.S. Department of Energy (DOE).
- (c) Occupational medicine services are provided under this Contract by the Hanford Site occupational medicine services contractor as specified in Contract Section J Attachment entitled, *Hanford Site Services and Interface Requirements Matrix*. The Section I Clause entitled, DEAR 970.5204-3, *Access to and Ownership of Records* is implemented as follows with respect to occupational medicine records: All occupational medicine records generated during the performance of Hanford-related activities will be maintained by the Hanford Site occupational medicine services provider and are the property of DOE.

## H.17 STOP-WORK AND SHUTDOWN AUTHORIZATION

(a) Definitions:

**Imminent Danger:** Any condition or practice such that a hazard exists that could reasonably be expected to cause death, serious physical harm, or other serious hazard to employees, unless immediate actions are taken to mitigate the effects of the hazard and/or remove employees from the hazard.

**Adversely Affects Safe Operation of Facility or Serious Facility Damage:** A condition, situation, or activity that if not terminated or mitigated could reasonably be expected to result in: nuclear criticality; facility fire/explosion; major facility or equipment damage or loss; or, a facility evacuation response.

Stop Work Criteria:

- (1) Conditions exist that pose an imminent danger to the health and safety of workers or the public; or
- (2) Conditions exist, that if allowed to continue, could adversely affect the safe operation of, or could cause serious damage to, the facility; or
- (3) Conditions exist, that if allowed to continue, could result in the release from the facility to the environment of radiological or chemical effluents that exceed applicable regulatory requirements or approvals.

(b) DOE Stop Work Order.

In accordance with Section I, *Contract Clause*, I.143, DEAR 970.5223-1 *Integration of Environment, Safety, and Health into Work Planning and Execution* the DOE Contracting Officer has the ability to issue a DOE Stop Work Order stopping work in whole or in part if:

- (1) the contractor fails to provide resolution of any noncompliance with applicable requirements and Safety Management System or if,
- (2) at any time the contractor's acts or failure to act causes substantial harm or an imminent danger to the environment or health and safety of employees or the public.

In addition, a DOE Stop Work Order can be initiated if the Stop Work Criteria as defined in Section H.17 (a) is met dependent on the severity and extent of the condition.

The DOE Stop Work Order shall be executed in accordance with Section F, *Deliverables or Performance*, F.3 FAR 52.242-15, STOP-WORK ORDER

(c) DOE Stop Work Action.

DOE personnel provide safety oversight of contractor operations and have the authority to initiate a DOE Stop Work Action if the Stop Work Criteria as defined in Section H.17



(a) is met. DOE personnel have the authority to shutdown an entire facility, activity, or job. Following a DOE Stop Work Action the contractor shall:

- (1) Immediately stop the identified activity or activities (up to and including entire plant shutdown);
- (2) Place the area, activity, facility, etc. into a safe condition;
- (3) Determine actions necessary to address the unsafe condition;
- (4) Provide proposed corrective actions to the DOE initiator of the DOE Stop Work Action;
- (5) Prior to restarting work, inform the DOE initiator that the corrective actions allowing for restart have been completed;
- (6) Restart work only after the unsafe condition is mitigated and the DOE has given verbal direction to allow restart; and
- (7) If requested, provide DOE a Corrective Action Plan subsequent to the resumption of work in accordance with contractual requirements.

(d) Contractor Stop Work Action

- (1) The contractor shall establish a stop work process/procedure that:
  - (i) Meets the requirement of 10 CFR 851.20, *Management responsibilities and worker rights and responsibilities*
  - (ii) At a minimum uses the Stop Work Criteria defined in Section H.17 (a) for when a Contractor Stop Work Action is required; and
  - (iii) Meets the tenets of the "Stop Work Policy."
- (2) Upon initiating a Contractor Stop Work Action the contractor shall:
  - (i) Immediately stop the identified activity or activities (up to and including entire plant shutdown);
  - (ii) Place the area, activity, facility, etc. into a safe condition;
  - (iii) Notify the DOE Facility Representative if the Contractor's Stop Work Action meets the Stop Work Criteria defined in Section H.17 (a), or notification of facility management is required for the issue;
  - (iv) Determine actions necessary to address the unsafe condition;
  - (v) Restart work only after the unsafe condition is mitigated.

(e) Stop Work Policy.

The following represent the site's Stop Work Policy:

*Stop Work Responsibility:* Every Hanford site employee, regardless of employer, has the responsibility and authority to stop work IMMEDIATELY, without fear of reprisal, when the employee is convinced:

- (1) Conditions exist that pose a danger to the health and safety of workers or the public; or
- (2) Conditions exist, that if allowed to continue, could adversely affect the safe operation of, or could cause serious damage to, a facility; or
- (3) Conditions exist, that if allowed to continue, could result in the release from the facility to the environment of radiological or chemical effluents that exceed applicable regulatory requirements or approvals.

*Reporting Unsafe Conditions:* Employees are expected to report any activity or condition which he/she believes is unsafe. Notification should be made to the affected worker(s) and then to the supervisor or designee at the location where the activity or condition exists. Following notification, resolution of the issue resides with the responsible supervisor.

*Right to a Safe Workplace:* Any employee who reasonably believes that an activity or condition is unsafe is expected to stop or refuse work without fear of reprisal by management or coworkers and is entitled to have the safety concern addressed prior to participating in the work.

*Stop Work Resolution:* If you have a "stop work" issue that has not been resolved through established channels, immediately contact your employer's Safety Representative or your Union Safety Representative. Alternatively, you may contact the employer's Employee Concerns Program or the DOE Employee Concerns Program.

**H.18 ALLOCATION OF RESPONSIBILITY AND LIABILITY FOR CONTRACTOR AND U.S. DEPARTMENT OF ENERGY (DOE) ENVIRONMENTAL COMPLIANCE ACTIVITIES**

(a) In this Clause:

- (1) "Environmental" requirements means requirements imposed by applicable Federal, state, and local environmental laws and regulations, including, without limitation, statutes, ordinances, regulations, court orders, consent decrees, administrative orders, or compliance agreements including the *Hanford Federal Facility Agreement and Consent Order*, consent orders, permits, and licenses; and
- (2) "Party" means either the Contractor or DOE.

- (b) Responsibility and liability for fines or penalties arising from or related to violations of environmental requirements shall be borne by the party causing the violation regardless of which party:
  - (1) The cognizant regulatory authority fines or penalizes;
  - (2) Signs permit applications (including situations where DOE signs defective or non-conforming permit applications or other environmental submittals prepared by or under the direction of the Contractor), manifests, reports, or other required documents;
  - (3) Is a permittee; or
  - (4) Is the named subject of an enforcement action or assessment of a fine or penalty.
- (c) Consequently, if the Contractor causes a violation:
  - (1) All fines and penalties arising from or related to violations of environmental requirements are unallowable costs. If DOE pays a fine or penalty for a violation that the Contractor caused, the amount of the fine or penalty shall be due from the Contractor, and DOE may immediately offset that amount against payments to which the Contractor is otherwise entitled for allowable costs and fee, or any other funds otherwise owed by the Government to the Contractor; and
  - (2) In accordance with subsection (e) of the Section I Clause entitled, *DEAR 952.231-71, Insurance-Litigation and Claims*, costs of challenging or defending actions brought against the Contractor for violations of environmental requirements are specifically disallowed. However, if the Contracting Officer provides prior written authorization to challenge or defend against the action, the Contractor shall proceed in accordance with *DEAR 952.231-71, Insurance-Litigation and Claims*. If the Contractor proceeds with the action without the prior written authorization of the Contracting Officer, the costs of the challenge or defense may be allowable if there is no settlement, conviction, or finding of liability.

## H.19 ENVIRONMENTAL RESPONSIBILITY

- (a) General. The Contractor is required to comply with all environmental laws, regulations, and procedures applicable to the work being performed under this Contract. This includes, but is not limited to, compliance with applicable Federal, State and local laws and regulations, interagency agreements such as the *Hanford Federal Facility Agreement and Consent Decree* [also known as the Tri-Party Agreement (TPA)], consent orders, consent decrees, and settlement agreements between the U. S. Department of Energy (DOE) and Federal and state regulatory agencies. For the purposes of this Contract, the TPA constitutes a requirement pursuant to which the Contractor agrees to plan and perform the Contract work.

- (b) Environmental Permits. This Clause addresses three permit scenarios, where the Contractor is the sole permittee; where the Contractor and DOE are joint permittees; and where multiple Contractors are permittees.
- (1) Contractor as Sole Permittee. To the extent permitted by law and subject to other applicable provisions of the Contract that impose responsibilities on DOE, and provisions of law that impose responsibilities on DOE or third parties, the Contractor shall be responsible for obtaining in its own name, shall sign, and shall be solely responsible for compliance with all permits, authorizations and approvals from Federal, State, and local regulatory agencies which are necessary for the performance of the work required of the Contractor under this Contract. Under this permit scenario, that Contractor shall make no commitments or set precedents that are detrimental to DOE or other contractors. The Contractor shall coordinate its permitting activities with DOE, and with other Hanford Site contractors which may be affected by the permit or precedent established therein, prior to taking the permit action.
  - (2) DOE as Permittee, or Contractor and DOE as Joint Permittees. Where appropriate, required by law, or required by applicable regulatory agencies, DOE will sign permits as permittee, or as owner or as owner/operator with the Contractor as operator or co-operator, respectively. DOE will co-sign hazardous waste permit applications as owner/operator where required by applicable law. In this scenario, the Contractor shall coordinate its actions with DOE. DOE is responsible for timely notification to the Contractor of any issues or changes in the regulatory environment that impact or may impact Contractor implementation of any permit requirement. The Contractor shall be responsible for timely notification to DOE of any issues or changes in the regulatory environment that impact or may impact Contractor implementation of any permit requirement. Notification need not be in writing.
  - (3) Multiple Contractors as Permittees. Where appropriate, in situations where multiple contractors are operators or co-operators of operations requiring environmental permits, DOE will sign such permits as owner or co-operator and affected contractors shall sign as operators, or co-operators. In this scenario, the Contractor shall coordinate as appropriate with DOE and other contractors affected by the permit.
- (c) Permit Applications. The Contractor shall provide to DOE for review and comment in draft form any permit applications and other regulatory materials necessary to be submitted to regulatory agencies for the purposes of obtaining a permit. In the event that the permit application is required to be co-signed, submitted by DOE, or is related to a permit in which DOE is a permittee, the Contractor shall provide the application for review and comment. Whenever reasonably possible all such materials shall be provided to DOE initially not later than 90 days prior to the date they are to be submitted to the regulatory agency. The Contractor shall normally provide final regulatory documents to DOE at least 30 days prior to the date of submittal to the regulatory agencies for DOE's final review and signature or concurrence which shall be performed by DOE in a prompt manner. Special circumstances may require permits to be submitted in a shorter time frame. The Contractor may submit for DOE's consideration, requests for alternate review, comment, or signature, schedules for environmental permit applications or other regulatory materials covered by this Clause. Any such requests shall be submitted 30 days before such material would ordinarily be required

to be provided to DOE. Any such schedule revision shall be effective only upon approval from the Contracting Officer.

- (d) Financial Responsibility. DOE agrees that if bonds, insurance, or administrative fees are required as a condition for permits obtained by the Contractor under this Contract, such costs shall be allowable. In the event such costs are determined by DOE to be excessive or unreasonable, DOE will provide the regulatory agency with an acceptable form of financial responsibility. Under no circumstances shall the Contractor or its parent be required to provide any corporate resources or corporate guarantees to satisfy such regulatory requirements.
- (e) Copies, Technical Information. The Contractor shall provide DOE copies of all environmental permits, authorizations, and regulatory approvals issued to the Contractor by the regulatory agencies. DOE will, upon request, make available to the Contractor access to copies of all environmental permits, authorizations, and approvals issued by the regulatory agencies to DOE that the Contractor may need to comply with applicable law. The Contractor and DOE will provide to each other copies of all documentation, such as, letters, reports, or other such materials transmitted either to or from regulatory agencies relating to the Contract work. The Contractor and DOE shall maintain all necessary technical information required to support applications for revision of DOE or other Hanford Site Contractor environmental permits when such applications or revisions are related to the Contractor's operations. Upon request, the Contractor or DOE shall provide to the other access to all necessary and available technical information required to support applications for or revisions to permits or permit applications. The Contractor shall provide to DOE a certification statement relating to such technical information in the form required by the following paragraph.
- (f) Certifications. The Contractor shall provide a written certification statement attesting that information DOE is requested to sign was prepared in accordance with applicable requirements. The Contractor shall include the following certification statement in the submittal of such materials to DOE:

*I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.*

The certification statement shall be signed by the individual authorized to sign such certification statements submitted to Federal or state regulatory agencies under the applicable regulatory program.

- (g) Fines, Penalties, Allowable Costs. The Contractor shall accept, in its own name, service of proposed notices, or notices of, correction, penalty, fine, violation, administrative orders, citation, or notice of alleged violations, (e.g., Notice of Correction [NOC], Notice of Penalty [NOP], Notice of Fine [NOF], Preliminary Notice of Violation [PNOV], Notice of Violation [NOV], and Notice of Alleged Violation [NOAV]) and any similar type notices issued by

Federal or State regulators to the Contractor resulting from or relating to Contractor's performance of work under this Contract, without regard to liability. The Contractor shall immediately notify DOE of such receipt and shall provide copies or originals of such documents as soon as possible thereafter.

- (h) Negotiations. DOE may in its discretion choose to be in charge of, and direct, all negotiations with regulatory agencies regarding permits, fines, penalties, and any other proposed notice, notice, administrative order, and any similar type of notice as described in paragraph (g) above. As directed or required by DOE, the Contractor shall participate in negotiations with regulatory agencies; however, the Contractor shall not make any commitments or offers to regulators purporting to bind or binding the Government in any form or fashion, including monetary obligations, without receiving written authorization or concurrence from the Contracting Officer or his/her authorized representative prior to making such offers/commitments. Failure to obtain such advance written approval may result in otherwise allowable costs being declared unallowable and/or the Contractor being liable for any excess costs to the Government associated with or resulting from such offers/commitments.
- (i) Termination, Expiration, Permit Transfer. In the event of expiration or termination of this Contract, DOE may require the Contractor to take all necessary steps to transfer on an allowable cost basis some or all environmental permits held by the Contractor. DOE will assume responsibility for such permits, with the approval of the regulating agency, and the Contractor shall be relieved of all liability and responsibility to the extent that such liability and responsibility results from the acts or omissions of a successor Contractor, DOE, or their agents, representatives, or assigns. The Contractor shall remain liable for all unresolved costs, claims, demands, fines and penalties, including reasonable legal costs, arising prior to the date such permits are transferred to another party. The Contractor shall not be liable for any such claims occurring after formal transfer unless said claims result from the Contractor's action or inaction that occurred prior to transfer.
- (j) Miscellaneous. The Contractor shall accept assignment or transfer of permits pertaining to matters under this Contract currently held by DOE and its existing Contractor. The Contractor may submit for DOE's consideration, requests for alternate review, comment, or signature schedules for environmental permit applications or other regulatory materials covered by this Clause. Any such schedule revision shall be effective only upon written approval from the Contracting Officer.

## **H.20 SELF-PERFORMED WORK**

- (a) Unless otherwise approved in advance by the Contracting Officer, the percentage of work which may be self-performed by the large business(es) of the Contractor team arrangement (as described in *FAR 9.6, Contracting Team Arrangements*), shall be limited collectively to not more than 65 percent (%) of the *Total Contract Price*. This limitation does not apply to any small business member of the Contractor team arrangement. Unless otherwise approved in advance by the Contracting Officer, work to subcontractors outside of the Contractor team arrangement shall be performed through competitive procurements with an emphasis on fixed-price subcontracts.
- (b) At least 17 % of the *Total Contract Price* shall be performed by small business. Small business members of the Contractor team arrangement, and subcontractors selected

after Contract award, count toward fulfillment of this requirement and other small business goals in this Contract.

- (c) Reporting requirements to confirm compliance with these thresholds and limitations are described in Section C, *Statement of Work*.

## **H.21 EMERGENCY CLAUSE**

- (a) The U.S. Department of Energy (DOE) Richland Operations Office (DOE-RL) Manager and/or the DOE Office of River Protection (DOE-ORP) Manager or designee shall have sole discretion to determine when an emergency situation exists at the Hanford Site. In the event that either the DOE-RL or DOE-ORP Manager or designee determines such an emergency exists, the applicable DOE Manager or designee will have the authority to direct any and all activities of the Contractor and subcontractors necessary to resolve the emergency situation. The applicable DOE Manager or designee may direct the activities of the Contractor and subcontractors throughout the duration of the emergency.
- (b) During declared security events, DOE-RL may assume direct command and control of the Hanford Patrol. The Chief of the Hanford Patrol shall report directly to the DOE-RL Director of Security and Emergency Services (SES) once DOE-RL has assumed command.
- (c) The Contractor shall include this Clause in all subcontracts at any tier for work performed at the Hanford Site.

## **H.22 FINANCIAL MANAGEMENT SYSTEM REQUIREMENTS**

- (a) The Contractor shall operate and maintain a financial management system that:
  - (1) Conforms with Generally Accepted Accounting Principles, Federal Financial Accounting Standards, Cost Accounting Standards, and U.S. Department of Energy (DOE) requirements;
  - (2) Provides accurate, reliable, and auditable financial and statistical data on a timely basis;
  - (3) Ensures accountability for all assets;
  - (4) Supports financial planning and budget formulation, validation, execution, and the recasting or changing of DOE funding or task codes such as budget and reporting classification (BRC) numbers, program task numbers, and local projects/tasks;
  - (5) Restricts the movement of funds between project baseline summaries (PBSs) consistent with Congressional appropriation language;
  - (6) Notifies DOE as soon as possible when potential reprogramming actions are required (e.g., movement of funds between PBSs);

- (7) Integrates and reports the financial information for subcontractors; and
  - (8) Provides all other necessary financial reports, which shall include accumulating and reporting indirect and support costs by function. The Contractor may be requested, periodically, to provide detail cost element information at the institutional level using standard definitions and applications.
- (b) The Contractor shall provide monthly electronic files data supporting payments cleared financing arrangement draw downs, and cost accrual and accrual reversal records to the Contracting Officer. Within the electronic submission, the Contractor shall provide data elements required to:
- (1) Determine that all costs drawn down by the Contractor were necessary and reasonable per the terms and conditions of the Contract. This includes, but is not limited to: invoice number, billing period, work breakdown structure number, purchase order number and line item, quantity/hours, description of goods or services provided, cost type, cost categories, unit price, amount, and adders.
  - (2) Properly record all Contract costs and property in the DOE accounting system (Standard Accounting and Reporting System [STARS]). This includes, but is not limited to: reporting entity, financial plan, local organization, fund-code, control program number (i.e., budget and reporting numbers), program task number, PBS numbers, the fiscal year the funds were provided, the project/task number, object class, sub-object classes, other party identifiers, and budget reference numbers for plant and equipment line item number (if applicable).

Upon request, the Contractor shall also provide written documentation to support the electronic invoices to the Contracting Officer or his/her designee.

- (c) The Contractor shall submit a plan for Contracting Officer approval of any substantive change to the financial management system or subsystems at least 60 days in advance of implementation. This plan must identify the cost and schedule for changing from the existing financial systems, and provide a comparison of the capabilities of the new system(s) to the existing system(s). Any new system modifications are subject to review and audit.
- (d) The Contractor shall provide reports at DOE direction. Some examples of such reports are:
- (1) Annual Estimated Property Valuation Report;
  - (2) Monthly Contract Funds Status Report;
  - (3) Monthly Depreciation Changes;
  - (4) Quarterly Erroneous Payment Report;
  - (5) Monthly Standard Accounting and Reporting System;
  - (6) Year-End Requirements and FY20XX Planning Requirements;
  - (7) Semi-Annual Travel Target Report; or



- (8) Quarterly International Transactions Report.

## H.23 PAYMENTS AND ADVANCES

- (a) Payment of Provisional and Incremental Fee. *Provisional and Incremental Fee* are payable following the Government's determination of *Available Fee* in accordance with the Section B Clause entitled, *Fee Structure*. *Provisional Fee* and earned *Incremental Fee* shall be made by direct payment or withdrawn from funds advanced or available under this Contract, as determined by the Contracting Officer, in accordance with the Section B Clause entitled, *Fee Determination and Payment*. The Contracting Officer may offset against any such fee payment the amounts owed to the Government by the Contractor, including any amounts owed for disallowed costs under this Contract. No *Provisional or Incremental Fee* may be withdrawn against the payments cleared financing arrangement without the prior written approval of the Contracting Officer.
- (b) Payments on Account of Allowable Costs. The Contracting Officer and the Contractor shall agree as to the extent to which payment for allowable costs or payments for other items specifically approved in writing by the Contracting Officer (for example, negotiated fixed amounts) shall be made from advances of Government funds. When pension contributions are paid by the Contractor to the retirement fund less frequently than quarterly, accrued costs therefore shall be excluded from costs for payment purposes until such costs are paid. If pension contributions are paid on a quarterly or more frequent basis, accrual therefore may be included in costs for payment purposes, provided that they are paid to the fund within 30 days after the close of the period covered. If payments are not made to the fund within such 30-day period, pension contribution costs shall be excluded from cost for payment purposes until payment has been made.
- (c) Special Financial Institution Account Use. All advances of Government funds shall be withdrawn pursuant to a payments cleared financing arrangement prescribed by DOE in favor of the financial institution or, at the option of the Government, shall be made by direct payment or other payment mechanism to the contractor, and shall be deposited only in the special financial institution account referred to in the Special Financial Institution Account Agreement, which is incorporated into this Contract. No part of the funds in the Special Financial Institution Account shall be commingled with any funds of the Contractor or used for a purpose other than that of making payments for costs allowable and, if applicable, fees earned under this Contract, negotiated fixed amounts, or payments for other items specifically approved in writing by the Contracting Officer. If the Contracting Officer determines that the balance of such Special Financial Institution Account exceeds the Contractor's current needs, the Contractor shall promptly make such disposition of the excess as the Contracting Officer may direct.
- (d) Title to Funds Advanced. Title to the unexpended balance of any funds advanced and of any Special Financial Institution Account established pursuant to this Clause shall remain in the Government and be superior to any claim or lien of the financial institution of deposit or others. It is understood that an advance to the Contractor hereunder is not a loan to the Contractor, and will not require the payment of interest by the Contractor, and that the Contractor acquires no right, title or interest in or to such advance other than the right to make expenditures therefrom, as provided in this Clause.

- (e) Financial Settlement. The Government shall promptly pay to the Contractor the unpaid balance of allowable costs (or other items specifically approved in writing by the Contracting Officer) and fee upon termination of the work, expiration of the term of the Contract, or completion of the work and its acceptance by the Government after:
- (1) Compliance by the Contractor with DOE patent clearance requirements, and
  - (2) The furnishing by the Contractor of:
    - (i) An assignment of the Contractor's rights to any refunds, rebates, allowances, accounts receivable, collections accruing to the Contractor in connection with the work under this Contract, or other credits applicable to allowable costs under the Contract;
    - (ii) A closing financial statement;
    - (iii) The accounting for Government-owned property required by the Section I Clause entitled, *FAR 52.245-5, Government Property (Cost-Reimbursement, Time-and-Material, or Labor-Hour Contracts)*; and
    - (iv) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract subject only to the following exceptions:
      - (A) Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible to exact statement by the Contractor;
      - (B) Claims, together with reasonable expenses incidental thereto, based upon liabilities of the Contractor to third parties arising out of the performance of this Contract; provided that such claims are not known to the Contractor on the date of the execution of the release; and provided further that the Contractor gives notice of such claims in writing to the contracting officer promptly, but not more than one (1) year after the Contractor's right of action first accrues. In addition, the Contractor shall provide prompt notice to the Contracting Officer of all potential claims under this Clause, whether in litigation or not (see also Section I Clause entitled, *DEAR 952.231-71, Insurance – Litigation and Claims*);
      - (C) Claims for reimbursement of costs (other than expenses of the Contractor by reason of any indemnification of the Government against patent liability), including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of this contract relating to patents; and
      - (D) Claims recognizable under the Section I Clause entitled, *DEAR 952.250-70, Nuclear Hazards Indemnity Agreement*.

- (3) In arriving at the amount due the Contractor under this Clause, there shall be deducted,
  - (i) Any claim which the Government may have against the Contractor in connection with this Contract, and
  - (ii) Deductions due under the terms of this Contract and not otherwise recovered by or credited to the Government. The unliquidated balance of the Special Financial Institution Account may be applied to the amount due and any balance shall be returned to the Government forthwith.
- (f) Claims. Claims for credit against funds advanced for payment shall be accompanied by such supporting documents and justification as the Contracting Officer shall prescribe.
- (g) Discounts. The Contractor shall take and afford the Government the advantage of all known and available cash and trade discounts, rebates, allowances, credits, salvage, and commissions unless the Contracting Officer finds that action is not in the best interest of the Government.
- (h) Collections. All collections accruing to the Contractor in connection with the work under this Contract, except for the Contractor's fee and royalties or other income accruing to the Contractor from technology transfer activities in accordance with this Contract, shall be Government property and shall be processed and accounted for in accordance with applicable requirements imposed by the Contracting Officer pursuant to Section I Clause entitled, *DEAR 970.5204-2, Laws, Regulations, and DOE Directives* and, to the extent consistent with those requirements, shall be deposited in the Special Financial Institution Account or otherwise made available for payment of allowable costs under this contract, unless otherwise directed by the Contracting Officer.
- (i) Direct Payment of Charges. The Government reserves the right, upon ten (10) days of written notice from the Contracting Officer to the Contractor, to pay directly to the persons concerned, all amounts due which otherwise would be allowable under this Contract. Any payment so made shall discharge the Government of all liability to the Contractor.
- (j) Determining Allowable Costs. The Contracting Officer shall determine allowable costs in accordance with the Federal Acquisition Regulation Subpart 31.2 and the Department of Energy Acquisition Regulation Part 931, *Contract Cost Principles and Procedures* in effect on the date of this Contract and other provisions of this Contract.
- (k) Certification and Penalties. The Contractor shall prepare and submit a "Final Indirect Rate Proposal" in accordance with Section I Clause entitled, *FAR 52.216-7, Allowable Cost and Payment/DEAR 952.216-7, Allowable Cost and Payment; Alternate II*, for the total of net expenditures incurred for the period covered by the Cost Statement. It is anticipated that this will be an annual submission unless otherwise agreed to by the Contracting Officer. The Contractor shall certify the Cost Statement subject to the penalty provisions for unallowable costs as stated in sections 306(b) and (i) of the *Federal Property and Administrative Services Act of 1949 (41 U.S.C. 256)*, as amended.

## H.24 ALTERNATIVE DISPUTE RESOLUTION (ADR)

- (a) The U. S. Department of Energy (DOE) and the Contractor both recognize that methods for fair and efficient resolution of significant disputes are essential to the successful and timely achievement of critical milestones and completion of all Contract requirements. Accordingly, the parties agree to jointly select a “standing neutral.” The standing neutral will be available to help resolve disputes as they arise. Such standing neutral can be an individual, a board comprised of three independent experts, or a company with specific expertise in the Contract area. If a standing neutral cannot be agreed upon, the DOE Office of Dispute Resolution will make a selection. Specific joint ADR processes shall be developed.
- (b) The parties agree the following provision may be invoked for significant disputes upon mutual agreement of the DOE and the Contractor:
- (1) DOE and the Contractor shall use their best efforts to informally resolve any dispute, claim, question, or disagreement by consulting and negotiating with each other in good faith, recognizing their mutual interests, and attempting to reach a just and equitable solution satisfactory to both parties. If any agreement cannot be reached through informal negotiations within 30 days after the start of negotiations, then such disagreement shall be referred to the standing neutral, pursuant to the jointly-developed ADR procedures.
  - (2) The standing neutral will not render a decision, but will assist the parties in reaching a mutually satisfactory agreement. In the event the parties are unable after 30 days to reach such an agreement, either party may request, and the standing neutral will render, a non-binding advisory opinion. Such opinion shall not be admissible in evidence in any subsequent proceedings.
  - (3) If one party to this Contract requests the use of the process set forth in Paragraphs b(1) and b(2) of this Clause and the other party disagrees, the party disagreeing must express its position in writing to the other party. On any such occasion, if the party requesting the above process wishes to file a claim under the Section I Clause entitled, *FAR 52.233-1 Disputes*, it must do so within 30 days of receipt of the written position from the other party.

## H.25 LITIGATION SUPPORT

- (a) The Contractor shall maintain a legal function to support litigation, arbitration, environmental, procurement, employment, labor, and the *Price-Anderson Amendments Act* areas of law. The Contractor shall provide sound litigation management practices. Within 60 days of Contract award, the Contractor shall provide a *Litigation Management Plan* compliant with Code of Federal Regulations Title 10 Subpart 719, *Contractor Legal Management Requirements*.
- (b) As required by the Contracting Officer, the Contractor shall provide support to the Government on regulatory matters, third-party claims, and threatened or actual litigation. Support includes, but is not necessarily limited to: case preparation, document retrieval, review and reproduction, witness preparation, expert witness testimony, and assistance with discovery or other information requests responsive to any legal proceeding.

## H.26 ASSIGNMENT AND ADMINISTRATION OF SUBCONTRACTS

- (a) Assignment of Subcontracts. The Government reserves the right to direct the Contractor to assign to the Government or another Contractor any subcontract awarded under this Contract, including lower-tier subcontracts. This Clause is required as a flow-down Clause in all subcontracts.
- (b) Assignment of DOE Prime Contracts. During the period of performance of this Contract it may become necessary for the U.S. Department of Energy (DOE) to transfer and assign (and Contractor agrees to accept) existing or future DOE prime contracts supporting site work to this Contract. The transfer of these prime contracts will be for administration purposes and in effect the transferred contracts will become subcontracts to this Contract. Any recommendations and/or suggestions on individual transfers shall be submitted in writing to the Contracting Officer prior to the transfer or assignment.
- (c) Administration of Subcontracts. The administration of all subcontracts entered into and/or managed by the Contractor, including responsibility for payment hereunder, shall remain with the Contractor unless assigned at the direction of the DOE.
- (d) Transfer of Subcontracts. The Contractor agrees to accept transfer of existing subcontracts as determined necessary by DOE for continuity of operations. The Contractor shall attempt to negotiate changes to the assigned subcontracts incorporating mandatory flow-down provisions at no cost. If the subcontractor refuses to accept the changes or requests price adjustments, the Contractor will notify the Contracting Officer in writing.

## H.27 DISPOSITION OF INTELLECTUAL PROPERTY – FAILURE TO COMPLETE CONTRACT PERFORMANCE

The following provisions shall apply in the event the Contractor does not complete Contract performance for any reason:

- (a) Regarding technical data and other intellectual property, the U.S. Department of Energy (DOE) may take possession of all technical data, including limited rights data and data obtained from subcontractors, licensors, and licensees, necessary to complete the project, as well as the designs, operation manuals, flowcharts, software, information, etc., necessary for performance of the work, in conformance with the purpose of this Contract. Proprietary data will be protected in accordance with the limited rights data provisions of the Section I Clause entitled *DEAR 970.5227-1 Rights in Data-Facilities*. The Contractor shall ensure that its subcontractors and licensors make similar rights available to DOE and its contractors.
- (b) The Contractor agrees to and does hereby grant to the Government an irrevocable, non-exclusive, paid-up license in and to any inventions or discoveries regardless of when conceived or actually reduced to practice by the Contractor, and any other intellectual property, including technical data, which are owned or controlled by the Contractor, at any time through completion of this Contract and which are incorporated or embodied in the construction of the facilities or which are utilized in the operation or remediation of the facilities or which cover articles, materials or products manufactured at a facility: (1) to

practice or to have practiced by or for the Government at the facility; and (2) to transfer such license with the transfer of that facility. The acceptance or exercise by the Government of the aforesaid rights and license shall not prevent the Government at anytime from contesting the enforceability, validity or scope of, or title to, any rights or patents or other intellectual property herein licensed.

- (c) In addition, the Contractor will take all necessary steps to assign permits, authorizations, leases, and any licenses in any third party intellectual property for operations, remediation and closure of the facilities to DOE or such other third party as DOE may designate.

## H.28 PRIVACY ACT SYSTEMS OF RECORDS

- (a) The Contractor shall design, develop, or adopt the following systems of records on individuals to accomplish an agency function pursuant to the Section I Clause entitled, *FAR 52.224-2, Privacy Act*.

<u>System No.</u>	<u>Title</u>
DOE-5	Personnel Records of Former Contractor Employees
DOE-11	Emergency Locator Records
DOE-13	Payroll & Locator Records
DOE-14	Report of Compensation
DOE-15	Payroll & Pay-Related Data for Employees of Terminated Contractors
DOE-23	Richland Property System
DOE-28	General Training Records
DOE-33	Personnel Medical Records
DOE-35	Personnel Radiation Exposure Records
DOE-40	Contractor Employees Insurance Claims
DOE-51	Employee and Visitor Access Control Records
DOE-53	Access Authorization for ADP Equipment
DOE-58	General Correspondence Files

- (b) The above list shall be revised by mutual agreement between the Contractor and the Contracting Officer as necessary to keep it current. A formal modification to the Contract is not required to incorporate these revisions; but the revisions become effective upon mutual agreement of the parties. The mutually agreed upon revisions shall have the same effect as if actually listed above for the purpose of satisfying the listing requirement contained in paragraph (a)(1) of the Section I Clause entitled, *FAR 52.224-2, Privacy Act*. The revisions will be formally incorporated per the next annual Contract update modification, unless added sooner by the Contracting Officer.

## H.29 RESPONSIBLE CORPORATE OFFICIAL

The Contractor has provided a Guarantee of performance from its parent company in the form set forth in Section J Attachment entitled, *Performance Guarantee Agreement*. If the Contractor is a joint venture, newly-formed Limited Liability Company (LLC), or other similar entity where more than one company is involved in a business relationship created for the purpose of this procurement, the parent companies of all the entities forming the new entity shall all provide Guarantees, which Guarantees shall provide for joint and severable liability for the performance of the Contractor. DOE may contact, as necessary, the single responsible corporate official

identified below, who is at an organizational level above the Contractor and who is accountable for the performance of the Contractor.

Name: Mark S. Spears  
Position: President, Nuclear Business Group  
Company/Organization: CH2M Hill  
Address: 9191 S. Jamaica Street, Englewood, CO 80112  
Phone: 720-286-1537  
Facsimile: 720-286-9501  
Email: Mark.Spears@ch2m.com

The Contractor shall notify the Contracting Officer in writing within 30 days of any change to the Responsible Corporate Official.

### **H.30 MENTOR-PROTÉGÉ PROGRAM**

- (a) Both the U.S. Department of Energy (DOE) and the Small Business Administration (SBA) have established Mentor-Protégé Programs to encourage Federal prime Contractors to assist small businesses, firms certified under Section 8(a) of the *Small Business Act* by the 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 its business abilities. Within 90 days of Contract award and continuing throughout the Contract period of performance, the Contractor shall mentor at least one active Protégé company through the DOE and/or SBA Mentor-Protégé Programs. Mentor and Protégé firms will develop and submit "lessons learned" evaluations to DOE at the conclusion of the Contract.
- (b) DOE Mentor-Protégé Agreements shall be in accordance with DEAR Subpart 919.70, *The Department of Energy Mentor-Protégé Program*.
- (c) SBA Mentor-Protégé Agreements shall be in accordance with applicable SBA regulations.

### **H.31 LOBBYING RESTRICTION (ENERGY AND WATER ACT 2006)**

The Contractor agrees that none of the funds obligated on this award shall be expended, directly or indirectly, to influence Congressional action on any legislation or appropriation matters pending before Congress, other than communication to Members of Congress as described in United States Code Title 18 Part 1913, *Lobbying with Appropriated Moneys*. This restriction is in addition to those prescribed elsewhere in statute and regulation.

### **H.32 COUNTERINTELLIGENCE (CI) SITE SPECIFIC REQUIREMENTS**

Pursuant to Executive Order 12333, *United States Intelligence Activities* and DOE procedures for intelligence activities, it is DOE policy to protect programs, resources, facilities, and personnel from intelligence collection by or on behalf of international terrorists, foreign powers,

or entities and related threats through implementation of an effective, efficient Counterintelligence (CI) Program. DOE Order 475.1, *Counterintelligence Program*, reflects the current CI Program scope and requirements. These requirements are set forth locally in the Site CI Support Plan (SCSP). The local CI Program is managed and administered by the DOE Office of Intelligence and Counterintelligence, Directorate of Counterintelligence, Richland Regional Office (RLR-OCI) with the assistance of DOE organizations and contractors as identified in the SCSP. The Contractor agrees to fulfill the requirements of the SCSP.

### **H.33 SEPARATE CORPORATE ENTITY**

The prime contractor under this Contract shall be a separate corporate entity established solely to perform Plateau Remediation Contract activities. The separate corporate entity may be a partnership or joint venture as described in FAR Subpart 9.601(1), *Contractor Team Arrangements, Definition*. Requirements for access to Key Personnel under this separate corporate entity are described in the Section H Clause, entitled, *Key Personnel*.

### **H.34 PERFORMANCE GUARANTEE AGREEMENT**

The Contractor or the Contractor's parent organization(s) has (have) provided a Performance *Guarantee Agreement* in a manner and form acceptable to the Contracting Officer assuring the performance, duties, and responsibilities of the Contractor, including repayment of unearned provisional fee, will be satisfactorily fulfilled. The *Performance Guarantee Agreement*, August 17, 2007, is incorporated herein by reference and included as Contract Section J Attachment, entitled, *Performance Guarantee Agreement*.

### **H.35 WITHDRAWAL OF WORK**

- (a) The Government may, at its option and during the performance of this Contract unilaterally have any of the work contemplated by Section C, *Statement of Work*, of this Contract performed by either another Contractor or to have the work performed by Government employees.
- (b) Work may be withdrawn:
  - (1) In order for the Government to conduct pilot programs;
  - (2) If the Contractor's estimated cost of the work is considered unreasonable;
  - (3) For less than satisfactory performance by the Contractor; or
  - (4) For any other reason deemed by the Contracting Officer to be in the best interests of the Government.
- (c) If the withdrawn work has been authorized under the Performance Measurement Baseline for the current year, the work shall be terminated in accordance with the procedures in the Section I Clause entitled, *FAR 52.249-6, Termination (Cost-Reimbursement)*.



- (d) If any work is withdrawn by the Contracting Officer, the Contractor agrees to fully cooperate with the new performing entity and to provide whatever support is required.

### H.36 USE OF DOE FACILITIES

The Contractor may conduct programs of local community assistance to mitigate adverse impacts of closure or reconfiguration of U.S. Department of Energy (DOE) facilities. Such programs may provide for the lease or transfer of DOE property at less than fair market value in accordance with the *Hall Amendment* (Public Law 103-160, Sections 3154 and 3155). The Contracting Officer must approve, in writing, prior to any lease or transfer of DOE property under this program. Any lease or transfer of property under this program must also be approved and executed (issued) by the DOE Realty or Personal Property Officer, as appropriate.

### H.37 INFORMATION

- (a) Management of Information Resources. The Contractor shall design and implement Information Resources Management (IRM) capabilities as required to execute this Contract in accordance with the Office of Management and Budget (OMB) Circular A-130, *Management of Federal Information Resources*.

- (b) Release of Information.

The Contractor shall provide timely, accurate, and complete responses to information requested by DOE to comply with *Freedom of Information Act* and *Privacy Act* requirements.

- (c) Unclassified, Controlled, Nuclear Information (UCNI). Documents originated by the Contractor or furnished by the Government to the Contractor, in connection with this Contract, may contain Unclassified, Controlled, Nuclear Information as determined pursuant to Section 148 of the *Atomic Energy Act of 1954*, as amended. The Contractor shall be responsible for protecting such information from unauthorized dissemination in accordance with DOE regulations and directives and Section I Clauses entitled, *DEAR 952.204-2, Security Requirements* and *DEAR 952.204-70, Classification/Declassification*.

- (d) Confidentiality of Information. To the extent that the work under this Contract requires that the Contractor be given access to confidential or proprietary business, technical, or financial information belonging to the Government or other companies, the Contractor shall, after receipt thereof, treat such information as confidential and agrees not to appropriate such information to its own use or to disclose such information to third parties unless specifically authorized by the Contracting Officer in writing. The foregoing obligations, however, shall not apply to:

- (1) Information which, at the time of receipt by the Contractor, is in the public domain;
- (2) Information which is published after receipt thereof by the Contractor or otherwise becomes part of the public domain through no fault of the Contractor;

- (3) Information which the Contractor can demonstrate was in its possession at the time of receipt thereof and was not acquired directly or indirectly from the Government or other companies;
- (4) Information which the Contractor can demonstrate was received by it from a third party that did not require the Contractor to hold it in confidence.

The Contractor shall obtain the written agreement, in a form satisfactory to the Contracting Officer, of each employee permitted access to such information, whereby the employee agrees that he/she will not discuss, divulge or disclose any such information or data to any person or entity except those persons within the Contractor's organization directly concerned with the performance of the Contract.

The Contractor agrees, if requested by the Government, to sign an agreement identical, in all material respects, to the provisions of this subparagraph (d), with each company supplying information to the Contractor under this Contract, and to supply a copy of such agreement to the Contracting Officer. Upon request from the Contracting Officer, the Contractor shall supply the Government with reports itemizing information received as confidential or proprietary and setting forth the company or companies from which the Contractor received such information.

The Contractor agrees that upon request by DOE, it will execute a DOE-approved agreement with any party whose facilities or proprietary data it is given access to or is furnished, restricting use and disclosure of the data or the information obtained from the facilities. Upon request by DOE, such an agreement shall also be signed by Contractor personnel.

- (e) The Government reserves the right to require the Contractor to include this Clause or a modified version of this Clause in any subcontract as directed in writing by the Contracting Officer.

### **H.38 PARENT ORGANIZATION SUPPORT**

- (a) For on-site work, U.S. Department of Energy (DOE) fee generally provides adequate compensation for parent organization expenses incurred in the general management of this Contract. The general construct of this Contract results in minimal parent organization investment (in terms of its own resources, such as labor, material, overhead, etc.) in the Contract work. The Contract is largely financed by DOE advance payments, and DOE provides government-owned facilities, property, and other needed resources.

Accordingly, allocations of parent organization expenses are unallowable for the prime contractor, major subcontractors, and/or teaming partners, unless authorized by the Contracting Officer in accordance with this Clause.

- (b) The Contractor may propose, or DOE may require, parent organization support to:
  - (1) Monitor safety and performance in the execution of Contract requirements;

- (2) Ensure achievement of Contract environmental clean-up and closure commitments;
  - (3) Sustain excellence of Contract Key Personnel;
  - (4) Ensure effective internal processes and controls for disciplined Contract execution;
  - (5) Assess Contract performance and apply parent organization problem-solving resources on problem areas; and
  - (6) Provide other parent organization capabilities to facilitate Contract performance.
- (c) The Contracting Officer may, at its unilateral discretion, authorize parent organization support, and the corresponding indirect or direct costs, if a direct-benefiting relationship to DOE is demonstrated. All parent organization support shall be authorized in advance by the Contracting Officer.
- (d) If parent organization support is proposed by the Contractor or required by DOE, the Contractor shall submit for DOE review and approval, an annual *Parent Organization Support Plan* (POSP). The Contractor shall submit its initial POSP 60 days prior to: (1) the end of the Contract *Transition Period*; or (2) the commencement date of parent organization support proposed by the Contractor or required by the Government. Any subsequent POSP shall be submitted 90 days prior to the start of each year of Contract performance.

### **H.39 RESERVED**

### **H.40 ELECTRONIC SUBCONTRACTING REPORTING SYSTEM (eSRS)**

The requirement for the submittal of paper versions of the Standard Form (SF) 294, *Subcontracting Reports for Individual Contracts*, and SF 295, *Summary Subcontract Reports*, as provided in Section I Clause entitled, FAR 52.219-9, *Small Business Subcontracting Plan -- Alternate II* is hereby deleted and is replaced with the electronic submittal of data under the Electronic Subcontract Reporting System (eSRS).

The Offeror's *Subcontracting Plan* shall include assurances that the Offeror will:

- (a) Submit the Individual Subcontracting Reports and Summary Subcontracting Reports under the eSRS, and
- (b) Ensure that its subcontractors agree to submit Individual Subcontracting Reports and Summary Subcontracting Reports at all tiers, in eSRS.

The Contractor or subcontractor shall provide such information that will allow applicable lower tier subcontractors to fully comply with the statutory requirements of FAR 19.702, *The Small Business Subcontracting Program, Statutory Requirements*.

#### H.41 HANFORD SITE RECREATION POLICY

The Contractor shall comply with the Hanford Site Recreation Policy. The Contractor shall flow-down applicable requirements of this Clause to any subcontractors.

#### H.42 HANFORD SITE SERVICES AND INTERFACE REQUIREMENTS MATRIX

(a) Definition

The Contractor may provide services to or receive services from other Hanford Site U.S. Department of Energy (DOE) prime contractors in performance of the scope of this Contract. The purpose of the Section J Attachment entitled, *Hanford Site Services and Interface Requirements Matrix* (Matrix) is to identify the service provider and the associated, general interface obligations. The Matrix is not an all-inclusive listing of services that may be required or provided, however all services provided to another contractor shall fall within the scope of the provider's contract.

(b) Categories of Services

Services are identified in each Contract (see Section J Attachment entitled, *Hanford Site Services and Interface Requirements Matrix*) as either "Mandatory," or "Optional" for use by Hanford Site customers, including DOE and/or Site contractors and their subcontractors.

(1) "Mandatory" services are provided by the identified service provider to all users at the start of contract performance. If, for any reason, a service provider of a mandatory service cannot provide the required service to meet the requesting contractors' needs, the requesting contractor must obtain Contracting Officer approval, prior to obtaining the services from any other source.

(2) "Optional" services are services that have been historically discretionary and are considered non-compulsory at the time of Contract award.

(c) Interfaces

All "Information" interfaces (see Section J Attachment entitled, *Hanford Site Services and Interface Requirements Matrix*) are Mandatory.

(d) Requirement to Establish Controls

As set forth in the Section C, *Statement of Work* section entitled, *Interface Management*, the Plateau Remediation Contractor (PRC) shall provide input to the Mission Support Contractor (MSC) to facilitate MSC's development and maintenance of the *Hanford Site Interface Management Plan*. As part of this Plan, the Contractors shall include controlling agreements (e.g., Memoranda of Agreement) establishing effective control of interfaces and terms for the provision of services. At a minimum, controlling agreements shall define:

(1) The interface and/or the services work request elements, and service levels (quantity and delivery rates);

- (2) If applicable, the method and timing for charging costs associated with the service and the payment methods; and target performance measures for meeting required service levels;
- (3) Decision process and a rigorous dispute resolution process; and
- (4) Clear delineation of roles, responsibilities, accountabilities, and authorities.

(e) Controls

When services between prime contractors are offered and accepted, DOE does not expect the requesting prime contractor to review or otherwise validate top-level cross-cutting quality control, health, safety and/or environmental protection requirements mandated by the performing contractor's contract. The requesting prime contractor may assume that such contract requirements, e.g., Integrated Safety Management System, Quality Program/Plan are acceptable to DOE. The performing contractor shall be expected by DOE and the requesting Contractor to provide products or services in a manner that is consistent with the requirements of the performing prime contractor's contract, including quality assurance, health and safety and environmental compliance requirements, and the task instructions provided by the requesting contractor.

(f) Right of Access

Hanford Site Contractors shall, with coordination and adequate preparation, allow service-providing Contractors access to facilities to perform the service.

(g) Nuclear Safety

The Contractor shall coordinate with other contractors to establish a protocol for performing work within a nuclear facility that the Contractor is responsible for, or to perform work that affects the safety basis of a nuclear facility that the Contractor is responsible for. The Contractor shall provide all facility safety authorization basis and nuclear safety requirements that the other contractor will be responsible to comply with. The Contractor retains full responsibility for all workscope within the facilities assigned to the Contractor under this Contract.

(h) Updates to the Matrix

In cooperation with MSC and TOC, the PRC shall provide input to MSC for the annual update of the Matrix through the annual *Infrastructure and Services Alignment Plan* (ISAP) revision and Matrix update process as described in Section C Clause entitled, *Interface Management*.

If any Hanford Site contractor believes it is in DOE's best interest to change a "Mandatory" service to "Optional" so that it may be self-performed by the requestor or procured from a different source, the Contractor shall propose this change through the annual ISAP revision and Matrix update process. A written justification shall be provided showing how the change is in the best interest of the Government and include the impacts to users and the provider. If, at the unilateral discretion of the Contracting Officer, the decision is made to implement the proposed change, the change will not take affect until the Contractor receives Contracting Officer direction to implement the change. Contracting Officer rejection or delay of a proposed change shall not be the basis for a Request for Equitable Adjustment (REA) or subject to the Section I Clause entitled, *FAR 52.233-1, Disputes*.

(i) Payment of Services

Fee-for-Service providers shall provide to DOE and make available to the user an adequate basis for liquidation of the charge for usage-based, "Mandatory" services. Service rates will be developed based upon customer-projected usage.

(j) Responsibility for Delivery of Service

Contractors retain the responsibility to reach agreement on interfaces and for the appropriate delivery of services. The Government makes no guarantees or warranties regarding the delivery of services, and services between contractors shall not constitute government-furnished services or government-furnished information in accordance with Section C Clause entitled, *Government-Furnished Services and Information (GFS/I)*. The Government shall not be held responsible for the delivery or non-delivery of services between Hanford Site contractors. Contractors shall attempt to resolve any disputes regarding service interfaces and the provision of services among themselves. If contractors are unable to achieve a timely resolution of issues between themselves regarding interfaces or the appropriate delivery of services, contractors may seek direction from the Contracting Officer. To the extent contractors attempt to litigate disputes between themselves regarding interfaces or the appropriate delivery of services, all costs associated with such litigation shall be unallowable under this Contract.

#### **H.43 RESERVED**

#### **H.44 TRANSFORMATIONAL ENERGY ACTION MANAGEMENT (TEAM) INITIATIVE**

In support of the goals of the Department of Energy's Transformational Energy Action Management (TEAM) initiative, and the goals and objectives contained in Executive Order 13423, Strengthening Federal Environmental, Energy, and Transportation Management, the Contractor shall provide full and open access to the maximum extent practicable to DOE contracted Energy Service Companies (ESCOs) under Energy Savings Performance Contracts (ESPCs), facilitate on-site assessments of opportunities to improve the Site's energy efficiency, water reduction and renewable energy improvements, and shall provide assistance in reviewing ESCO recommendations. The Contractor shall define requirements necessary to be placed in ESPCs and participate in the creation of ESPCs. The Contractor shall ensure ESCO personnel are granted access pursuant to contractual requirements; monitor ESCO activities to ensure

that site safety and security requirements are adhered to; promptly provide information requested by ESCO personnel to assist them in developing viable recommendations; and, assist in the monitoring and execution of ESPC projects. When an ESCO is working in facilities under the control of the contractor, the ESCO shall work under the facility contractor's work control and safety program.

#### **H.45 SPECIAL PROVISIONS RELATING TO WORK FUNDED UNDER AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (FEB 2009)**

##### Preamble:

Work performed under this contract will be funded, in whole or in part, with funds appropriated by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, (Recovery Act or Act). The Recovery Act's purposes are to stimulate the economy and to create and retain jobs. The Act gives preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds made available by it for activities that can be initiated not later than June 17, 2009.

Contractors should begin planning activities for their first tier subcontractors, including obtaining a DUNS number (or updating the existing DUNS record), and registering with the Central Contractor Registration (CCR).

Be advised that Recovery Act funds can be used in conjunction with other funding as necessary to complete projects, but tracking and reporting must be separate to meet the reporting requirements of the Recovery Act and related Guidance. For projects funded by sources other than the Recovery Act, Contractors should plan to keep separate records for Recovery Act funds and to ensure those records comply with the requirements of the Act.

The Government has not fully developed the implementing instructions of the Recovery Act, particularly concerning the how and where for the new reporting requirements. The Contractor will be provided these details as they become available. The Contractor must comply with all requirements of the Act. If the contractor believes there is any inconsistency between Recovery Act requirements and current contract requirements, the issues will be referred to the Contracting Officer for reconciliation.

Be advised that special provisions may apply to projects funded by the Act relating to:

- Reporting, tracking and segregation of incurred costs;
- Reporting on job creation and preservation;
- Publication of information on the Internet;
- Protecting whistleblowers; and
- Requiring prompt referral of evidence of a false claim to the Inspector General.

##### Definitions:

For purposes of this clause, "Covered Funds" means funds expended or obligated from appropriations under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5. Covered Funds will have special accounting codes and will be identified as Recovery Act funds in the contract and/or modification using Recovery Act funds. Covered Funds must be reimbursed by September 30, 2015.

Non-Federal employer means any employer with respect to Covered Funds – the contractor or subcontractor, as the case may be, if the contractor or subcontractor is an employer; and any professional membership organization, certification of other professional body, any agent or licensee of the Federal government, or any person acting directly or indirectly in the interest of an employer receiving Covered Funds; or with respect to Covered Funds received by a State or local government, the State or local government receiving the funds and any contractor or subcontractor receiving the funds and any contractor or subcontractor of the State or local government; and does not mean any department, agency, or other entity of the federal government.

(a) Flow Down Provision

This clause must be included in every first-tier subcontract.

(b) Segregation and Payment of Costs

Contractor must segregate the obligations and expenditures related to funding under the Recovery Act. Financial and accounting systems should be revised as necessary to segregate, track and maintain these funds apart and separate from other revenue streams. No part of the funds from the Recovery Act shall be commingled with any other funds or used for a purpose other than that of making payments for costs allowable for Recovery Act projects. Where Recovery Act funds are authorized to be used in conjunction with other funding to complete projects, tracking and reporting must be separate from the original funding source to meet the reporting requirements of the Recovery Act and OMB Guidance. In accordance with clause G.1, Contract Administration, paragraph (d), draw downs on the Special Financial Institution Account shall clearly indicate work funded by the Recovery Act.

(c) Prohibition on Use of Funds

None of the funds provided under this agreement derived from the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, may be for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

(d) Wage Rates

All laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan numbered 14 of 1950 (64 Stat. 1267, 5 U.S.C. App.) and section 3145 of title 40 United States Code. See <http://www.dol.gov/esa/whd/contracts/dbra.htm>.

(e) Publication

Information about this agreement will be published on the Internet and linked to the website [www.recovery.gov](http://www.recovery.gov), maintained by the Accountability and Transparency Board (the Board). The Board may exclude posting contractual or other information on the



website on a case-by-case basis when necessary to protect national security or to protect information that is not subject to disclosure under sections 552 and 552a of title 5, United States Code.

(f) Registration requirements

Contractor shall ensure that all first-tier subcontractors, as required in accordance with the Section I clause entitled FAR 52.204-11, American Recovery and Reinvestment Act – Reporting Requirements (MAR 2009), have a DUNS number and are registered in the Central Contractor Registration (CCR) no later than the date the first report is due under the clause.

(g) Utilization of Small Business

Contractor shall to the maximum extent practicable give a preference to small business in the award of subcontracts for projects funded by Recovery Act dollars.

#### **H.46 RESERVED**

#### **H.47 BASELINE AND REPORTING REQUIREMENTS FOR WORK PERFORMED UNDER THE RECOVERY ACT**

This clause defines the unique requirements for the contractor's project management baseline and associated reporting requirements to address the modified contract performance requirements as implemented in Section B to be performed and funded under the provisions of the American Recovery and Reinvestment Act of 2009 (Recovery Act).

##### Baseline Requirements

- (a) For purposes of this clause the "pre-definitized period" is defined as that timeframe from the date of execution of modification number A037 directing the contractor to begin the Recovery Act work until the work is definitized in accordance with the clause in Section H entitled "Modification Definitization." All requirements for plans and deliverables during the pre-definitized period shall be based on the definitization time period estimated in the "Modification Definitization" clause.
- (b) During the pre-definitized period, the contractor shall develop and deliver to the Contracting Officer the following:
  - (1) Within 30 days after execution of modification no. A037, the contractor shall provide a work plan for performance of that portion of the work specified in Section B expected to be performed during the 180-day period after execution of modification no. A037. This plan shall include the following:
    - (i) Product-oriented Work Breakdown Structure (WBS) and WBS dictionary in alignment with the statement of work, as modified for the Recovery Act work, to include performance of Recovery Act work totally within distinctly defined, separately tracked and uniquely managed WBS elements;

- (ii) Monthly spend plan consistent with the statement of work, completely segregating the non-Recovery Act work from the Recovery Act funded portions of the statement of work;
  - (iii) Crosswalk of statement of work WBS elements and associated planned milestones, metrics, and estimated costs (at least at a 50% confidence level), at the Activity Building Block (ABB) level, between the current base program/project Near-Term Baseline (NTB) and/or Out-year Planning Estimate Range (OPER) and the Recovery Act work;
  - (iv) Milestone list including, but not limited to, major hiring actions that create newly “created” or “retained” jobs by the contractor or first tier subcontractors in accordance with the clause in Section I, entitled “American Recovery and Reinvestment Act – Reporting Requirements,” key starts and completions, enforceable regulatory dates, approval of key regulatory decisions, project critical decisions, delivery of critical Government Furnished Services and Items; and
  - (v) Planned quarterly summary of jobs “created” or “retained” by the contractor and first tier subcontractors as defined in the Section I clause entitled “American Recovery and Reinvestment Act – Reporting Requirements.”
- (2) The contractor shall propose a Performance Baseline for the complete work specified in Section B in accordance with the requirements for submittal Deliverable C.3.1.2.2-1, Initial PRC Baseline. This baseline shall use control accounts that will be made up of work packages. The WBS elements at the lowest level should roll up within the WBS structure and clearly identify the entire work to be performed. The WBS shall clearly distinguish all non-Recovery Act work from all Recovery Act work. The proposed Performance Baseline shall include the following:
- (i) The contractor shall propose a performance baseline, that consists of the sum of the Performance Measurement Baseline, Management Reserve, and fee that represents a high confidence level (at least a 50% confidence level), for the work to be performed, including the pre-definitized period and the post-definitized period. The Performance Measurement Baseline shall be based upon the work and schedule included in modification no. A037 and the contractor’s cost proposal. A month-by-month baseline or budgeted cost of work scheduled (BCWS)/planned value (PV) must be developed for the complete Recovery Act work. This will be the original baseline for Recovery Act work and shall include all of the work by WBS, including both the pre- and post- definitized periods. The sum of estimated cost for the pre-definitized period, estimated cost for the post-definitized period shall equal the contractor’s proposed estimated cost for the Recovery Act work. This performance baseline is subject to independent project review and certification before approval by the government.
  - (ii) A network logic schedule utilizing Primavera will be developed at the activity level for each control account which includes milestones. The

schedule must be resource loaded and coded to allow summarization of lower level activities through the control account for the complete Recovery Act work.

- (iii) The Contractor's proposed Performance Measurement Baseline shall also include the planned quarterly summary of jobs "created" or "retained" by the contractor and first tier subcontractors as defined in the Section I clause entitled "American Recovery and Reinvestment Act – Reporting Requirements."

Deliverables supporting the Recovery Act performance baseline shall include all deliverables required under existing contract requirements, those Recovery Act deliverable and reporting requirements specified in the section I clause entitled "American Recovery and Reinvestment Act – Reporting Requirements." For all common deliverables, the data shall be clearly segregated and distinguished between non-Recovery Act work and Recovery Act work, as well as summing to complete contract totals.

These documents shall be submitted to the Contracting Officer to support DOE review and baseline approval. The Contracting Officer may identify other documents as needed to support project reviews and audits.

- (3) The contractor shall support resolution of IPR or External Independent Review (EIR) corrective actions for the performance baseline submitted.
- (c) During the pre-definitized period, the contractor shall determine the budgeted cost of work scheduled (BCWS)/earned value (EV) for budgeted cost for work performed (BCWP)/planned value (PV) on a monthly basis utilizing measurable units associated with each activity in the schedule (e.g., square foot reduction, number of TRU shipments, foot print reduction, etc.), as appropriate, that will allow the reporting of the contractor's progress in accordance with the reporting requirements specified in the clause in Section H entitled "Special provisions relating to work funded under American Recovery and Reinvestment Act." The associated actual cost of work performed (ACWP)/actual cost (AC), cost and schedule variances and performance indices, and variance analyses shall be reported monthly. Performance against the Recovery Act performance baseline shall be tracked separately from other work under the contract funded by other appropriations.
- (d) Upon negotiation of the definitive modification to the contract, the performance baseline documentation submitted in accordance with paragraph b.2 above shall be revised by the contractor to reconcile cost estimates and WBS elements, if necessary, consistent with the definitive modification.

#### Reporting Requirements

- (e) Within 30 days of definitization of the Recovery Act work or as specified within the reporting requirement, the contractor shall begin reporting against the established performance baseline in accordance with the reporting requirements specified under existing contract requirements, those reporting requirements specified in the section I Clause entitled "American Recovery and Reinvestment Act – Reporting Requirements," and those Recovery Act-unique deliverables listed below. Performance against the

Recovery Act work shall be tracked and reported separately from other work under the contract funded by other appropriations.

- (f) These reports shall be provided to the Contracting Officer on a monthly basis.
- (1) Contract Performance Report (Refer to OMB No. 0704-0188 or DD FORM 2734/1, MAR 05): Format 1 - Work Breakdown Structure, Format 3 - Baseline, and Format 5 - Explanations and Problem Analyses.
  - (2) A Milestone report from Primavera reflecting status of all milestones being reported with columns for the scope, original planned date, current planned date, and the actual date the milestone was completed.
  - (3) A funds management report by Budgeting & Reporting (B&R) codes that identifies the amount of funds obligated to the contract and the amount of funds obligated to the contractor, and committed and expended by the contractor.
- (g) The Contractor will provide a weekly report for each Recovery Act subproject by close of business each Tuesday, beginning on the first Tuesday following execution of Modification M047. The Recovery Act Weekly Report will include the following items:
- (1) Accomplishments: The first section of the report documents accomplishments from the past week. This section will be organized by the five major project areas and include 100-300 word narratives of significant accomplishments for each project during the preceding week. Example topics of significant accomplishments include, but are not limited to: job fairs, hiring actions, training/mentoring actions, on-going field work, completed field work, contracting actions, safety accomplishments, hazard reduction, and cost savings (e.g., building going to cold, dark and dry saves \$X in S&M costs, etc.) When introduced, topics should be updated as required over time, so that a reader is not left with unresolved or uncompleted work /issue perceptions. The audience of this narrative is a member of the public interested in ARRA activities who is familiar with the Hanford Mission.

The Contractor shall submit approximately 3 photos of a particular activity in each subproject, provided there is field activity, along with caption information for each photo series. Significant field accomplishments should be noted. Photos must meet the following requirements:

- Can be released to the public,
- Directly relates to the narratives described above,
- Shows activity, employees, and is composed in a professional manner,
- Are embedded in the weekly report below the associated narrative and are at least 5" by 7" on the printed page, and
- Are also provided along with the weekly report as a separate file for each photo with 300 dpi resolution and JPEG (at least 5x7 in.) file format

The photos, when assembled over time, should represent the breadth of the subproject. Additionally, if “before” or “during” photos are submitted, “after” photos should also be submitted in a timely manner upon work completion.

For a minimum of one of the subprojects, provided there is field activity, submit a video that meets the following requirements:

- Is provided with an associated narrative along with the weekly report,
  - Can be released to the public,
  - Shows activity, employees, and is composed in a professional manner,
  - Is edited to show highlights of the activity and is 1-3 minutes in length,
  - Includes a full-screen title graphic at the beginning and end of the video that uses general terms for the title (e.g., Plutonium Finishing Plant D&D, Installation of Groundwater Treatment System), and
  - Is provided in two formats: DV-Cam tape and a DVD with two electronic files: a MPEG-2 electronic file, 720x480, highest quality setting (for archiving and further editing); and a WMV electronic file, 320x240, multi-bit rate (for posting to the web)
- (2) Significant Upcoming Events: The second section of the weekly report will consist of significant events expected in the next week. The description of the upcoming significant event will normally be less than approximately 50 words, with the audience be DOE-RL Assistant Managers and the DOE-RL Field Office manager. It is anticipated that the “Significant Upcoming Events” section of the weekly report will normally be approximately ¼ - ½ page long.
- (h) The Contractor shall provide an estimated date on which it is projected to reach the expenditure and/or obligation ceiling specified within the Section I Clause entitled, FAR 42.216-24, Limitation of Government Liability. The Contractor shall update its estimate within 30 calendar days of any modification to the limitation.
- (i) The Contractor shall notify the Contracting Officer in writing whenever it has reason to believe that Recovery Act expenditures and/or obligations it expects to incur under this contract, when added to all costs previously incurred, will exceed:
- (1) 75 percent in the next 60 days, and
  - (2) 90 percent in the next 30 days
- of the total amount specified in the Section I Clause entitled, FAR 52.216-24, Limitation of Government Liability.

#### **H.48 EMERGENCY PROCEDURES**

This Clause supplements the “DOE-RL Emergency Plan Implementing Procedure,” DOE-0223, by clarifying the process for implementation of proposed changes listed in Section 3.20, Subsection 5.0 of this document. DOE-0223 is managed by the RL Security and Emergency Services organization. When updates to the Procedure need to be made, the Emergency

Preparedness points of contact from each represented company are provided drafts for review and are required to consult with the appropriate contractor staff in their respective organization to determine impacts to contractual requirements (e.g., work scope, cost, schedule). If there are impacts, the Contractor will immediately contact the RL Contracting Officer for direction.

#### **H.49 PROJECT MANAGEMENT CONTROLS**

(a) Project Control System

(1) Definition

The contractor shall support the establishment and maintenance of the Department of Energy Environmental Management Project Management Information System (EM PMIS) from which comprehensive, project-wide performance reports are generated. In addition, the contractor shall provide all necessary technical information and support to enable DOE to proceed with the Critical Decision process and enable DOE to meet the data requirements of the Integrated Planning, Accountability and Budgeting System.

(2) Acronyms

The following is a listing of acronyms and their meaning as used in this clause:

ACWP	Actual Cost of Work Performed
ANSI	American National Standards Institute
BCWS	Budgeted Cost of Work Scheduled
BCWP	Budgeted Cost of Work Performed
CPR	Contractor Performance Report
EDI	Electronic Data Interchange
EIA	Electronic Industry Association
EM	Environmental Management
ETC	Estimate to Complete
EV	Earned Value
IPABS	Integrated Planning, Accountability and Budgeting System
MR	Management Reserve
OBS	Organizational Breakdown Structure
PMIS	Project Management Information System
RDT&E	Research, Development, Testing and Evaluation
WBS	Work Breakdown Structure

(3) Data Requirements

In support of EM PMIS implementation and maintenance, the contractor shall provide the following data elements on a monthly basis:

- ANSI/EIA-748 Earned Value Metrics
- Earned Value Time-Phased Incremental Cost and Quantity Data
- Management Reserve Data
- Schedule Data
- Variance Analysis Data

- Risk Data

The required data elements shall be reported as provided by and consistent with the terms of the contract. In the absence of contractually specific reporting requirements, the contractor shall report the required data by the 15<sup>th</sup> business day following the report month (i.e., June data shall be reported by the 15<sup>th</sup> business day of July). Specific reporting requirements and formats follow. The contractor shall submit information for all data elements, as listed in the tables below.

#### ANSI/EIA-748 Earned Value Metrics

The contractor shall report monthly cost and schedule metrics by Work Breakdown Structure (WBS) and Organizational Breakdown Structure (OBS) against the approved Project Management Baseline. The reporting data elements are:

- Monthly BCWS, BCWP, ACWP, Cost and Schedule Variance
- Cumulative-to-Date BCWS, BCWP, ACWP, Cost and Schedule Variance
- Cost Budget at Complete
- Cost Estimate to Complete
- Reprogramming Adjustment – Cost Variance
- Reprogramming Adjustment – Budget

The reporting format is noted in Tables 3.6.1, 3.6.2, and 3.6.3, below.

#### Earned Value Time-Phased Incremental Cost and Quantity Data

The contractor shall report incremental cost and schedule performance data on a monthly basis by the lowest level of the WBS and OBS. The reporting data elements are:

- BCWS for the project duration
- BCWP from the project start through the current month
- ACWP from the project start through the current month
- ETC from the current month through the end of the project

The reporting format is noted in Table 3.1, below.

#### Management Reserve Data

The contractor shall report Management Reserve by WBS and OBS using the data elements *Transaction Date*, *Credit*, *Debit* and *Account Balance*. The reporting format is noted in Table 3.2, below.

#### Schedule Data

The contractor shall report Schedule data by WBS and OBS; the following data elements shall be reported:

- Type of Activity
- Early/Late Start
- Early/Late Finish
- Start and Finish constraints
- Durations
- Critical Path
- Total and Free Float
- % Complete
- 

The reporting format is noted in Tables 3.3.1 and 3.3.2, below.

Variance Analysis Data

The contractor shall report variances by WBS and OBS that exceed 10%. The following data elements shall be reported:

- Monthly Cost and Schedule Variances and Performance Indices
- Cumulative-to-Date Cost and Schedule Variances and Performance Indices
- Variance at Completion
- Estimate at Completion and the Method of Calculation
- Narrative

The reporting format is noted in Tables 3.4.1 and 3.4.2, below.

Risk Data

The contractor shall report risk information by WBS and OBS by a minimum set of data elements that include, but not limited to the following:

- Type of Risk
- Probability of Occurrence
- Quantification of Risk
- Mitigation
- Status

The reporting format and current list of reportable fields is noted in Table 3.5 below.

**EM PMIS REPORTING FORMAT TABLES**

**Table 3.1**

<b>Earned Value Time Phased Table</b>				
<b>Earned Value Time-phased Incremental Data for Each Period by WBS and OBS</b>				
<b>Field Name</b>	<b>Field Type</b>	<b>Length</b>	<b>Description</b>	<b>Reqd.</b>
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		End Date of Current Reporting Period	*



<b>Earned Value Time Phased Table</b>				
<b>Earned Value Time-phased Incremental Data for Each Period by WBS and OBS</b>				
<b>Field Name</b>	<b>Field Type</b>	<b>Length</b>	<b>Description</b>	<b>Reqd.</b>
WBSNUM	VARCHAR	35	WBS Element or ID	
OBSNUM	VARCHAR	50	OBS Element or ID	
ActNam	VARCHAR	16	Activity Name	
Resnam	VARCHAR	20	Resource Name	
Period	DATETIME		End Date of Period where Each cost is Time Phased	*
WBSDesc	VARCHAR	255	WBS Description	
OBSDesc	VARCHAR	255	OBS Description	
CINBCWWS	NUMERIC	16	Cost Incremental Planned Value/BCWS	*
CINBCWCP	NUMERIC	16	Cost Incremental Planned Value/BCWP	*
CINCAWWP	NUMERIC	16	Cost Incremental Planned Value/ACWP	*
CINCETC	NUMERIC	16	Cost Incremental ETC-Future from Status Date	*
QINBCWWS	NUMERIC	16	Quantity Incremental Planned Value/BCWS	
QINBCWCP	NUMERIC	16	Quantity Incremental Planned Value/BCWP	
QINCACWP	NUMERIC	16	Quantity Incremental Planned Value/ACWP	
QINCETC	NUMERIC	16	Quantity Incremental ETC-Future from Status Date	

**Table 3.2**

<b>Earned Value Management Reserve Log Table</b>				
<b>Management Reserve Log</b>				
<b>Field Name</b>	<b>Field Type</b>	<b>Length</b>	<b>Description</b>	<b>Reqd.</b>
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		End Date of Current Reporting Period	*
LogDate	DATETIME		Date of MR Change	*
WBSNUM	VARCHAR	35	WBS Element or ID	
OBSNUM	VARCHAR	50	OBS Element or ID	
ActNam	VARCHAR	16	Activity MR was applied to	
ResNam	VARCHAR	20	Resource MR was applied to	
CCREDIT	NUMERIC	16	Amount of Credit to MR	*
CBEBIT	NUMERIC	16	Amount of Debit to MR	*
CBALANCE	NUMERIC	16	Balance of MR after change	*
Narrative	TEXT		Text Description of MR change	
Document	OBJECT		Document Attachment	

**Table 3.3.1**

<b>Schedule Activity Table</b>				
<b>Activity Schedule Date</b>				
<b>Field Name</b>	<b>Field Type</b>	<b>Length</b>	<b>Description</b>	<b>Reqd.</b>
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		Status Date	*
ActNam	VARCHAR	16	Activity Name or Code or ID	*
ActDesc	VARCHAR	255	Activity Description	
WBSNUM	VARCHAR	35	WBS Element	
OBSNUM	VARCHAR	50	OBS Element	
ActType	VARCHAR	1	Activity Type (A=Activity, S=Summary, M=Milestone, H=Hammock)	*
CURStrCon	VARCHAR	3	Current Start Constraint	
CURStrConDate	DATETIME		Current Start Constraint Date	
CURFinCon	VARCHAR	3	Current Finish Constraint	
CURFinConDate	DATETIME		Current Finish Constraint Date	
CURESDate	DATETIME		Current Early Start Date	
CUREFDate	DATETIME		Current Early Finish Date	
CURLSDate	DATETIME		Current Late Start Date	
CURLFDate	DATETIME		Current Late Finish Date	
CUR FreeFit	INT	4	Current Free Float (Days)	
CURTotFit	INT	4	Current Total Float (Days)	
CURCrit	BOOLEAN	1	Current Critical Path	
CUROrgDur	INT	4	Current Original Duration (Days)	
CURRemDur	INT	4	Current Remaining Duration (Days)	
CURPctCmp	NUMERIC	16	Current Percent Complet	
BASStrCon	VARCHAR	3	Baseline Start Constraint	
BASStrConDate	DATETIME		Baseline Start Constraint Date	
BASFinCon	VARCHAR	3	Baseline Finish Constraint	
BASFinConDate	DATETIME		Baseline Finish Constraint Date	
BASESDate	DATETIME		Baseline Early Start Date	
BASEFDate	DATETIME		Baseline Early Finish Date	
BASLSDate	DATETIME		Baseline Late Start Date	
BASLFDate	DATETIME		Baseline Late Finish Date	
BASFreeFlt	INT	4	Baseline Free Float (Days)	
BASTotFit	INT	4	Baseline Total Float (Days)	
BASCrit	BOOLEAN	1	Baseline Critical Path	
BASOrgDur	INT	4	Baseline Original Duration (Days)	
BASRemDur	INT	4	Baseline Remaining Duration (Days)	
BASPctCmp	NUMERIC	16	Baseline Percent	

**Table 3.3.2**

<b>Schedule Relationship Table Activity Relationship Data</b>				
<b>Field Name</b>	<b>Field Type</b>	<b>Length</b>	<b>Description</b>	<b>Reqd.</b>
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		Status Date	*
ActNam	VARCHAR	16	Predecessor Activity Name or Code	*
ActNamRel	VARCHAR	16	Successor Activity Name or Code	*
CURRelType	VARCHAR	2	Current Relationship Type: FS = Finish to Start SS = Start to Start FF = Finish to Finish SF = Start to Finish HS = Hammock to Start HF = Hammock to Finish	*
CURLag	INT	4	Current Lag	*
BASRelType	VARCHAR	2	Baseline Relationship Type: FS = Finish to Start SS = Start to Start FF = Finish to Finish SF = Start to Finish HS = Hammock to Start HF = Hammock to Finish	*
BASLag	INT	4	Baseline Lag (Pos.)/Lead (Neg.)	*

**Table 3.4.1**

<b>Earned Value Variance WBS Table Variance Analysis Data by WBS</b>				
<b>Field Name</b>	<b>Field Type</b>	<b>Length</b>	<b>Description</b>	<b>Reqd.</b>
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		End Date of Current Reporting Period	*
WBSNUM	VARCHAR	35	WBS Element or ID	*
CINCSV	NUMERIC	16	Incremental Schedule Variance	
CINCCV	NUMERIC	16	Incremental Cost Variance	
CINCSPi	NUMERIC	16	Incremental Schedule Performance Index	
CINCCPI	NUMERIC	16	Incremental Cost Performance Index	
CCUMSV	NUMERIC	16	Cumulative Schedule Variance	
CCUMCV	NUMERIC	16	Cumulative Cost Variance	
CCUMSPi	NUMERIC	16	Cumulative Schedule Performance Index	
CCUMCPI	NUMERIC	16	Cumulative Cost Performance Index	

Earned Value Variance WBS Table Variance Analysis Data by WBS				
Field Name	Field Type	Length	Description	Reqd.
CVAC	NUMERIC	16	Variance at Complete	
CEIAC1	NUMERIC	16	Independent Estimate at Complete 1	
IEACIMeth	VARCHAR	50	Method of Calculation for IEAC 1	
CEIAC2	NUMERIC	16	Independent Estimate at Complete 2	
IEAC2Meth	VARCHAR	50	Method of Calculation for IEAC 2	
CIEAC3	NUMERIC	16	Independent Estimate at Complete 3	
IEAC3Meth	VARCHAR	50	Method of Calculation for IEAC 3	
CIEAC4	NUMERIC	16	Independent Estimate at Complete 4	
IEAC4Meth	VARCHAR	50	Method of Calculation for IEAC 4	
CIEAC5	NUMERIC	16	Independent Estimate at Complete 5	
IEAC5Meth	VARCHAR	50	Method of Calculation for IEAC 5	
Narrative	TEXT		Text of Variance Analysis	
Document	OBJECT		Document Attachment - Optional	

**Table 3.4.2**

Earned Value Variance WBS Table Variance Analysis Data by OBS				
Field Name	Field Type	Length	Description	Reqd.
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		End Date of Current Reporting Period	*
OBSNUM	VARCHAR	50	OBS Element or ID	*
CINCSV	NUMERIC	16	Incremental Schedule Variance	
CINCCV	NUMERIC	16	Incremental Cost Variance	
CINCSPi	NUMERIC	16	Incremental Schedule Performance Index	
CINCCPI	NUMERIC	16	Incremental Cost Performance Index	
CCUMSV	NUMERIC	16	Cumulative Schedule Variance	
CCUMCV	NUMERIC	16	Cumulative Cost Variance	
CCUMSPi	NUMERIC	16	Cumulative Schedule Performance Index	
CCUMCPI	NUMERIC	16	Cumulative Cost Performance Index	
CVAC	NUMERIC	16	Variance at Complete	
CEIAC1	NUMERIC	16	Independent Estimate at Complete 1	
IEACIMeth	VARCHAR	50	Method of Calculation for IEAC 1	
CEIAC2	NUMERIC	16	Independent Estimate at	

Earned Value Variance WBS Table Variance Analysis Data by OBS				
Field Name	Field Type	Length	Description	Reqd.
			Complete 2	
IEAC2Meth	VARCHAR	50	Method of Calculation for IEAC 2	
CIEAC3	NUMERIC	16	Independent Estimate at Complete 3	
IEAC3Meth	VARCHAR	50	Method of Calculation for IEAC 3	
CIEAC4	NUMERIC	16	Independent Estimate at Complete 4	
IEAC4Meth	VARCHAR	50	Method of Calculation for IEAC 4	
CIEAC5	NUMERIC	16	Independent Estimate at Complete 5	
IEAC5Meth	VARCHAR	50	Method of Calculation for IEAC 5	
Narrative	TEXT		Text of Variance Analysis	
Document	OBJECT		Document Attachment - Optional	

**Table 3.5**

Risk Log Table Risk Log Data				
Field Name	Field Type	Length	Description	Reqd.
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		End Date of Current Reporting Period	*
WBSNUM	VARCHAR	35	WBS Element or ID	
OBSNUM	VARCHAR	50	OBS Element or ID	
RiskCode	VARCHAR	50	Identifier Code for Risk Item	*
RiskType	VARCHAR	20	Type of Risk	*
Title	VARCHAR	255	Title of Risk Item	*
RiskDate	DATEIME		The date the risk was identified in the risk management system	*
RemainAmt	VARCHAR	3	Will the remaining amount be adequate for project closeout?	
Mitigation	TEXT		Risk Mitigation Plan	
Probability	NUMERIC	16	Risk Probability	
Consequence	TEXT		Risk Impact/Consequence	
Quantity	NUMERIC	16	Quantification of Risk	
UnitofMeasure	VARCHAR	50	Unit of Measure for Quantity	
Closed	BOOLEAN	1	Risk Item Open (No) or Closed (Yes)	*
Status	TEXT		Risk Status	
Narrative	TEXT		Text Description of Risk	
Document	OBJECT		Document Attachment - Optional	

**Table 3.6.1**

<b>Earned Value Contractor Performance Reporting Header Table Contract and Project CPR Header Information</b>				
<b>Field Name</b>	<b>Field Type</b>	<b>Length</b>	<b>Description</b>	<b>Req.</b>
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		End Date of Current Reporting Period	*
ProjDsc	VARCHAR	255	Project Description	
ConNum	VARCHAR	50	Contract Number	
ConTyp	VARCHAR	4	Contract Types: CPAF – Cost Plus Award Fee CPFF – Cost Plus Fixed Fee CPIF – Cost Plus Incentive Fee CPP – Cost Plus Percentage CPE – Cost Plus Expenses FPE – Fixed Price Escalation FPI – Fixed Price Incentive FFP – Firm Fixed Price T&M – Time and Materials	
ProgType	VARCHAR	50	Program Type (RDT&E, Production, RDT&E and Production, Advanced Design, Demonstration Validation, Full Scale Development, etc)	
Security	VARCHAR	50	Security Classification (Competition Sensitive, Unclassified, Confidential, Secret, Top Secret)	
QCON	INT	4	Quantity Contracted (For Production Contracts)	
ShrNum	INT	4	Share Number	
ShrQut	INT	4	Share Quotient	
TrgtPct	NUMERIC	16	Target Fee/Percent	
Factor	INT	4	Factor for costs (100, 1000, 1000000, etc) - Applies to all tables	
CNEGCST	NUMERIC	16	Negotiated Cost	
CAUWCST	NUMERIC	16	Authorized Un-priced Work	
CTGTPRC	NUMERIC	16	Target Price	
CESTPRC	NUMERIC	16	Estimated Price	
CCONCEIL	NUMERIC	16	Contract Ceiling	
CESTCEIL	NUMERIC	16	Estimated Contract Ceiling	
CTGT CST	NUMERIC	16	Original Target Cost	
CNEGCHG	NUMERIC	16	Negotiated Contract Changes	
CCONBGT	NUMERIC	16	Contract Budget Base	
CTOTBGT	NUMERIC	16	Total Allocated Budget	
CESTEACBEST	NUMERIC	16	EAC Best Case Estimate	

<b>Earned Value Contractor Performance Reporting Header Table Contract and Project CPR Header Information</b>				
<b>Field Name</b>	<b>Field Type</b>	<b>Length</b>	<b>Description</b>	<b>Req.</b>
CESTEACWRST	NUMERIC	16	EAC Worst Case Estimate	
CESTEACLIE	NUMERIC	16	EAC Most Likely Estimate	
ConStrDate	DATETIME		Contract Start Date	
EstCmpDate	DATETIME		Estimated Completion Date	
ConDefDate	DATETIME		Contract Definitization Date	
LstDelDate	DATETIME		Last Item Delivery Date	
ConCmpDate	DATETIME		Contract Completion Date	
MR	NUMERIC	16	Original Management Reserve	
MRLRE	NUMERIC	16	Current Management Reserve	
UB	NUMERIC	16	Original Undistributed Budget	
UBLRE	NUMERIC	16	Current Undistributed Budget	

**Table 3.6.2**

<b>Earned Value Contractor Performance Reporting Format Table 1 Cumulative and Incremental Data By WBS</b>				
<b>Field Name</b>	<b>Field Type</b>	<b>Length</b>	<b>Description</b>	<b>Req.</b>
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		End Date of Current Reporting Period	*
WBSNUM	VARCHAR	35	WBS Element or ID	*
WBSDesc	VARCHAR	255	WBS Description	
WBSParent	VARCHAR	35	Parent WBS Element - Leave Blank for top level WBS (there should be only one top level WBS)	
WBSLevel	INT	4	Level in WBS Structure	*
CINBCWS	NUMERIC	16	Cost Incremental Planned Value/BCWS (current period)	*
CINBCWP	NUMERIC	16	Cost Incremental Earned Value/BCWP (current period)	*
CINACWP	NUMERIC	16	Cost Incremental Actual Value/ACWP (current period)	*
CCUMBCWS	NUMERIC	16	Cost Cumulative Planned Value/BCWS (to date)	*
CCUMBCWP	NUMERIC	16	Cost Cumulative Earned Value/BCWP (to date)	*
CCUMACWP	NUMERIC	16	Cost Cumulative Actual Value/ACWP (to date)	*
CBAC	NUMERIC	16	Cost Budget At Complete	*
CEAC	NUMERIC	16	Cost Estimate At Complete	*
CETC	NUMERIC	16	Cost Estimate To Complete	*
CRPGVAR	NUMERIC	16	Cost Reprogramming	

Earned Value Contractor Performance Reporting Format Table 1 Cumulative and Incremental Data By WBS				
Field Name	Field Type	Length	Description	Req.
			Adjustment To Variance	
CRPGBCWS	NUMERIC	16	Cost Reprogramming Adjustment To Budget	
QINBCWWS	NUMERIC	16	Quantity Incremental Planned Value/BCWS (current period)	
QINBCWCP	NUMERIC	16	Quantity Incremental Earned Value/BCWP (current period)	
QINACWCP	NUMERIC	16	Quantity Incremental Actual Value/ACWP (current period)	
QCUMBCWWS	NUMERIC	16	Quantity Cumulative Planned Value/BCWS (to date)	
QCUMBCWCP	NUMERIC	16	Quantity Cumulative Earned Value/BCWP (to date)	
QCUMACWCP	NUMERIC	16	Quantity Cumulative Actual Value/ACWP (to date)	
QBAC	NUMERIC	16	Quantity Budget At Complete	
QEAC	NUMERIC	16	Quantity Estimate At Complete	
QETC	NUMERIC	16	Quantity Estimate To Complete	
QRPVVAR	NUMERIC	16	Quantity Reprogramming Adjustment To Variance	
QRPVBCWWS	NUMERIC	16	Quantity Reprogramming Adjustment To Budget	

Table 3.6.3

Earned Value Contractor Performance Reporting Format Table 2 Cumulative and Incremental Data By OBS				
Field Name	Field Type	Length	Description	Req.
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		End Date of Current Reporting Period	*
OBSNUM	VARCHAR	50	OBS Element or ID	*
OBSDesc	VARCHAR	255	OBS Description	
OBSParent	VARCHAR	50	Parent OBS Element - Leave Blank for top level OBS (there should be only one top level OBS)	
OBSLevel	INT	4	Level in OBS Structure	*
CINBCWWS	NUMERIC	16	Cost Incremental Planned Value/BCWS (current period)	*
CINBCWCP	NUMERIC	16	Cost Incremental Earned Value/BCWP (current period)	*
CINACWCP	NUMERIC	16	Cost Incremental Actual Value/ACWP (current period)	*
CCUMBCWWS	NUMERIC	16	Cost Cumulative Planned	*



<b>Earned Value Contractor Performance Reporting Format Table 2                  Cumulative and Incremental Data By OBS</b>				
<b>Field Name</b>	<b>Field Type</b>	<b>Length</b>	<b>Description</b>	<b>Req.</b>
			Value/BCWS (to date)	
CCUMBCWP	NUMERIC	16	Cost Cumulative Earned Value/BCWP (to date)	*
CCUMACWP	NUMERIC	16	Cost Cumulative Actual Value/ACWP (to date)	*
CBAC	NUMERIC	16	Cost Budget At Complete	*
CEAC	NUMERIC	16	Cost Estimate At Complete	*
CETC	NUMERIC	16	Cost Estimate To Complete	*
CRPGVAR	NUMERIC	16	Cost Reprogramming Adjustment To Variance	
CRPGBCWS	NUMERIC	16	Cost Reprogramming Adjustment To Budget	
QINBCWS	NUMERIC	16	Quantity Incremental Planned Value/BCWS (current period)	
QINBCWP	NUMERIC	16	Quantity Incremental Earned Value/BCWP (current period)	
QINACWP	NUMERIC	16	Quantity Incremental Actual Value/ACWP (current period)	
QCUMBCWS	NUMERIC	16	Quantity Cumulative Planned Value/BCWS (to date)	
QCUMBCWP	NUMERIC	16	Quantity Cumulative Earned Value/BCWP (to date)	
QCUMACWP	NUMERIC	16	Quantity Cumulative Actual Value/ACWP (to date)	
QBAC	NUMERIC	16	Quantity Budget At Complete	
QEAC	NUMERIC	16	Quantity Estimate At Complete	
QETC	NUMERIC	16	Quantity Estimate To Complete	
QRPVAR	NUMERIC	16	Quantity Reprogramming Adjustment To Variance	
QRPBCWS	NUMERIC	16	Quantity Reprogramming Adjustment To Budget	

- (c) The Contractor shall include the substance of this clause in all subcontracts under this Contract that meet the applicability requirement of FAR 15.408(k).

**I.24-A 52.216-24 LIMITATION OF GOVERNMENT LIABILITY (APR 1984)**

- (a) In performing this contract, the Contractor is not authorized to make expenditures or incur obligations exceeding \$834,762,000.00 subject to the following Recovery Act project apportionments:
- WBS 011, Nuclear Material Stabilization and Disposition PFP: \$158,461,000.00
  - WBS 013, Solid Waste Stabilization and Disposition: \$180,870,000.00
  - WBS 030, Soil and Groundwater Remediation, Groundwater/Vadose Zone: \$176,628,000.00
  - WBS 040, Nuclear Facility D&D - Remainder of Hanford: \$185,570,000.00
  - WBS 041, Nuclear Facility D&D – River Corridor: \$133,233,000.00.
- (b) The maximum amount for which the Government shall be liable if this contract is terminated is \$834,762,000.00 subject to the project apportionment shown above.

**I.56 FAR 52.222-39, NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES (DEC 2004)**

- (a) *Definition.* As used in this clause—"United States" means the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.
- (b) Except as provided in paragraph (e) of this clause, during the term of this contract, the Contractor shall post a notice, in the form of a poster, informing employees of their rights concerning union membership and payment of union dues and fees, in conspicuous places in and about all its plants and offices, including all places where notices to employees are customarily posted. The notice shall include the following information (except that the information pertaining to National Labor Relations Board shall not be included in notices posted in the plants or offices of carriers subject to the Railway Labor Act, as amended (45 U.S.C. 151-188)).

Notice to Employees

Under Federal law, employees cannot be required to join a union or maintain membership in a union in order to retain their jobs. Under certain conditions, the law permits a union and an employer to enter into a union-security agreement requiring employees to pay uniform periodic dues and initiation fees. However, employees who are not union members can object to the use of their payments for certain purposes and can only be required to pay their share of union costs relating to collective bargaining, contract administration, and grievance adjustment.