

ATTACHMENT J.8

ADVANCE UNDERSTANDING OF COSTS

In accordance with the Section H Clause entitled, Advance Understanding of Costs, this attachment sets forth the basis for determining the allowability of costs associated with expenditures that have cost implications under the Contract, that are not identified in other documents requiring the review and approval of the contracting officer. Unless a date is provided within an item of cost identified below, all items within this table are considered to be applicable for the three contract periods defined in Clause F.1, Period of Performance.

This Advance Understanding of Costs shall not:

- Make an otherwise unallowable cost allowable,
- Change the Contract Price identified in Table B.4-1, Contract Cost and Contract Fee, or
- Change any Contract Period as defined in Clause F.1, Period of Performance.

Items may be added or modified throughout the period of performance, as necessary, by the Contracting Officer.

TYPE OF COST	CLARIFICATION
DEAR 970.4402-3, Purchasing from contractor-affiliated sources, FAR Subpart 31.205-26, Material Costs	Support to and from Corporate Affiliates: The Contractor may provide intermittent support to and receive intermittent support from corporate affiliates on a full cost recovery basis without fee subject to the conditions specified elsewhere in the contract in clause B.10, Allowability of Subcontractor Fee, and Clause H.39, Parent Organization Support Plan
DOE Order 203.1 - Limited Personal Use of Government Office Equipment Including Information Technology	Non interfering use (i.e., use outside the employees regular schedule) of government property (such as computers, telephones, copiers, fax machines or other office equipment) or commercially leased facilities necessary for use in any allowable activity such as for employees use in performing work related educational activities.
FAR Subpart 31.205-1, Public relations and advertising costs	Stakeholder Information: Media designed for DOE's Plateau Remediation Contract efforts and for performance of contract including implementation of a Community Relations Program and public information releases in accordance with paragraph (e)(2) are allowable costs under this contract.

TYPE OF COST	CLARIFICATION
	<p>Business Cards : Allowable, limited to supervisors and above, except for Procurement personnel having routine contact with offsite vendors and Human Resources/Communications personnel having routine contact with offsite personnel relative to training, recruiting, or compliance activities.</p> <p>Community Service Activities: In accordance with paragraph (e)(2), costs of participation in company sponsored community service activities (e.g., Blood Bank Drives, Charity Drives, Salvation Army Adopt-A-Family, Savings Bond Drives, etc.) are allowable. The anticipated costs are limited to participation and use of government equipment on a non-interfering basis.</p>
<p>FAR Subpart 31.205-6, Compensation for personal services</p>	<p>Beryllium Testing/Travel and Assistance: Costs associated with testing expenses, such as travel for both the individual being tested and the individual required to provide travel assistance, will be allowable to the extent the costs are in accordance with approved Travel Policies and Federal Travel Regulations (FTR).</p> <p>Executive Incentive Compensation: Per CHPRC Letter 0800023, incentive compensation for executives will not be submitted to the government for reimbursement under the contract.</p> <p>Hiring/Signing Bonuses: Beginning in the Base Period, hiring/Signing bonuses, not to exceed \$200,000 total payments in any government fiscal year beginning 10/1, associated with recruiting management and certain technical personnel are allowable.</p> <p>Annual Safety Recognition Budget: \$35 per person (includes staff-augmentation subcontractor employees that are part of the contractor's integrated project team) contract allowable budget to recognize and foster a safety culture. This amount is in addition to cost identified in Employee Morale Funds identified below. Within funds budgeted for this purpose, the contractor may pay reasonable gratuities (tips) to service providers according to local custom.</p>
<p>FAR Subpart 31.205-13, Employee morale, health, welfare, food service, and dormitory costs and credits</p>	<p>Annual Employee Morale Fund: Costs incurred for such program will be allowable in an amount not to exceed fifty dollars (\$50.00) per employee per year (includes staff-augmentation subcontractor employees that are part of the contractor's integrated project team). Within funds budgeted for this purpose, the contractor may pay reasonable gratuities (tips) to service providers according to local custom.</p>

TYPE OF COST	CLARIFICATION
FAR Subpart 31.205-19, Insurance and indemnification	Insurance Costs: Insurance as required by contract is allowable. If commercial insurance will be used, Contractor will provide analysis of commercial versus the Department's Retrospective Insurance Program in accordance with DOE Acquisition Guide, Chapter 70.28, Contractor Insurance, by June 30 of each year of contract performance.
FAR Subpart 31.205-26, Material costs	<p>Material Costs associated with worker safety:</p> <ul style="list-style-type: none"> • Winter clothing such as coats, jackets, vests, hoods, sweatshirts, long underwear, stocking caps, bibs, and coveralls; is an allowable expense for field workers. • Bottled water and electrolyte solutions or supplements are allowable expenses for workers performing duties in adverse conditions • Bottled water is an allowable expense wherever potable water is not available • Personnel Protective Equipment (PPE) such as safety shoes including orthotics, safety glasses, gloves, ear protection, etc., as delineated in the Contractors' PPE Procedure is allowable. <p>Material Costs associated with aging water systems: Water sediment filter systems are allowable to filter potable water where it is not practicable to replace aging infrastructure.</p>
FAR Subpart 31.205-35, Relocation costs	Relocation Costs: Relocation costs are associated with long term employees and as such, are operational allowable costs.
FAR Subpart 31.205-46, Travel costs	Temporary Assignment: Cost associated with temporary employees working during the transition period (beginning July 14, 2008, through September 30, 2008) may be covered as temporary duty. The costs associated with an individual returning home every four weeks, is allowable.

TYPE OF COST	CLARIFICATION
FAR Subpart 31.205-46, Travel costs	<p>Extended Personnel Assignments:</p> <ul style="list-style-type: none">• After 30 days, DOE's reimbursement of lodging/other subsidies will be limited by, and consistent with, the Federal Travel Regulations, DOE's Travel manual DOE M 552.1-1A (or current version), and any DOE or NNSA supplementary policies. Lodging will be limited to actual expenses, and together with other subsidies, the total will be limited to 55% of the Federal per diem rate; and• DOE will not reimburse costs associated with salary premiums, per diem, or lodging/other subsidies for contractor employees on domestic extended personnel assignments after 3 years.