

PART I

SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

TABLE OF CONTENTS

	PAGE NO.
B.1 - SERVICE BEING ACQUIRED	B-1
B.2 - OBLIGATION OF FUNDS AND FINANCIAL LIMITATIONS	B-1
B.3 - PERFORMANCE AND OTHER INCENTIVE FEES	B-1
B.4 - ALLOWABILITY OF SUBCONTRACTOR FEE	B-3
B.5 - PROVISIONAL PAYMENT OF PERFORMANCE FEE	B-3

PART I

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

B.1 - SERVICE BEING ACQUIRED

The Contractor shall provide the personnel, facilities, equipment, materials, supplies, and services, (except such facilities, equipment, materials, supplies and services as are furnished by the Government) necessary to perform the requirements and work set forth in this Contract, and shall perform such requirements and work in a quality, timely, and cost-effective manner.

B.2 - OBLIGATION OF FUNDS AND FINANCIAL LIMITATIONS

The amount presently obligated by the Government with respect to this contract is specified in Clause I.122 - DEAR 970.5232-4 - Obligation of Funds (DEC 2000). Other financial limitations are also specified in Clause I.122 - DEAR 970.5232-4 - Obligation of Funds (DEC 2000).

B.3 - PERFORMANCE AND OTHER INCENTIVE FEES

- (a) The transition activities shall be performed on a cost-reimbursement basis up to the amount specified in Clause H.30, Activities During Contract Transition, paragraph (d), and no fee shall be paid for these activities.
- (b) In implementation of Clause I.96, Total Available Fee: Base Fee Amount and Performance Fee Amount, the Parties have agreed that the maximum available performance fees that may be earned by the Contractor in accordance with the provisions of Appendix B, Performance Evaluation and Measurement Plan, for the performance of the work under this contract commencing January 1, 2007 are as follows:

	<u>Base Fee</u>	<u>Performance Fee</u>
January 1, 2007 through September 30, 2007	\$375,000	\$251,250
October 1, 2007 through September 30, 2008	500,000	335,000
October 1, 2008 through September 30, 2009	500,000	335,000
October 1, 2009 through September 30, 2010	500,000	335,000
October 1, 2010 through September 30, 2011	500,000	335,000
October 1, 2011 through December 31, 2011	125,000	83,750

- (c) If DOE determines that the Contractor has earned any Award Term after

December 31, 2011, in accordance with the provisions of Clause F.2 - Award Term Incentive, the Parties have agreed that the maximum available annual performance fee that may be earned by the Contractor shall be:

	<u>Base Fee</u>	<u>Performance Fee</u>
January 1, 2012 through September 30, 2012	\$375,000	\$251,250
October 1, 2012 through September 30, 2013	500,000	335,000
October 1, 2013 through September 30, 2014	500,000	335,000
October 1, 2014 through September 30, 2015	500,000	335,000
October 1, 2015 through September 30, 2016	500,000	335,000
October 1, 2016 through December 31, 2016	125,000	83,750

- (d) The maximum available annual performance fee that may be earned by the Contractor for any additional extensions of the period of performance beyond said five years shall be subject to negotiation between the Parties consistent with the Department of Energy Acquisition Regulation (DEAR) in effect at the time the fee is negotiated.
- (e) At the end of each fiscal year, there shall be no adjustment in the amount of the maximum available performance fee based on differences between any estimate of cost for performance of the work and the actual cost for performance of the work. Fee is subject to adjustment only –
- (1) under the provisions of Clause I.130, Changes; or other contract provisions; or
 - (2) for a +/- 10 percent change in the estimated fee base of \$23,600,000.
- (f) Any adjustment in the amount of the fee under the provisions of paragraph (e) for the fees specified in paragraph (b) and (c) above, or negotiation of fee under paragraph (d) above, shall take into consideration the ratio (see equation below) between the Contractor's fee specified in paragraph (b) above of the original contract and the maximum fees specified in Section L.9(c) of the Request for Proposal No. DE-AC02-06CH11358. The revised fee will be calculated in accordance with the fee policy then in effect, utilizing the adjusted fee base, while maintaining the ratio described above.

$$\frac{\text{Maximum Available Performance Fee for Applicable Year of Paragraph (b) or (c)}}{\$835,000} = \text{Ratio}$$

B.4 - ALLOWABILITY OF SUBCONTRACTOR FEE

If the Contractor is part of a consortium, joint venture, and/or other teaming arrangement, the team shall share in this Contract fee structure and separate additional subcontractor fee for teaming partners shall not be considered an allowable cost under the contract. If a subcontractor, supplier, or lower-tier subcontractor is a wholly owned, majority owned, or affiliate of any team member, any fee or profit earned by such entity shall not be considered an allowable cost under this contract unless otherwise approved by the Contracting Officer.

B.5 - PROVISIONAL PAYMENT OF PERFORMANCE FEE

The Contractor may, subject to the approval of the Contracting Officer, be paid provisional performance fee payments consistent with the provisions of the clause in Section I entitled, "Payments and Advances." The Contractor shall promptly refund to the Government any amount of provisional performance fee paid that exceeds the amount of performance fee earned.