

ATTACHMENT J-8

ADVANCE UNDERSTANDING OF COSTS

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| Type of Costs | Allowability | Clarification |
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| Employment Conditions | Yes | Allowable costs for WRPS project-specific travel and relocation shall be in accordance with the Washington River Protection Solutions, LLC (WRPS) U.S. Employment Conditions policy dated July 1, 2008, subject to the required test of allowability under the Federal Acquisition Regulation, Part 31.205-35, Relocation, and Part 31.205-46, Travel costs. |
| Transition salary changes | Yes | Cost for WRPS project-specific employee permanent assignment salary change, effective with date of assignment change will be accrued during transition, and payable upon population of WRPS LLC, shall be an allowable cost and charged to the allocable period-transition, in accordance with this contract, and the FAR 31.205-6, Compensation for personal services. |
| Provisional Billing Rates | Yes | For any provisional billing rates under this contract, the billing rates may be prospectively or retroactively revised by mutual agreement of the Contracting Officer and the Contractor at either party's request to prevent substantial over or under liquidation. In the event there is an inability to reach an agreement, the specific circumstances will be governed in accordance with FAR 42.704, Billing rates, and FAR 42.705, Final indirect cost rates. |
| Multi-Employer Pension Plan | Yes | <p>Multi-Employer Pension Plan (MEPP)</p> <p>a. The costs and expenses of the CONTRACTOR'S participation in the Multi-Employer Pension Plan (MEPP) are allowable contract costs to the same extent as those costs would otherwise be considered allowable under Contract No. DE-AC27-08-RV14800.</p> <p>b. In the event that the CONTRACTOR withdraws from the MEPP, in accordance with the terms of the MEPP, the CONTRACTOR's withdrawal liability will be calculated at that time based upon the current requirements under ERISA and other pension legislation. The Contractor's withdrawal liability, if any, shall be an allowable cost of the Contract subject to availability of funds under the</p> |

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| | | <p>contract.</p> <p>c. In the event that the CONTRACTOR becomes the last sponsoring employer of the MEPP, the Parties shall modify this agreement to address appropriate termination provisions and funding requirements.</p> <p>This Advance Understanding shall be revised from time to time to incorporate any changes in those policies, practices, and procedures to the cost and expenses related to the MEPP</p> |
| Business Cards | Yes | <p>FAR 31.201-3 Determining reasonableness. Allowable limited to: first-line supervisor level and above, Procurement personnel having routine contact with offsite vendors, and Human Resources personnel having routine contact with offsite personnel relative to training, recruiting, or compliance activities to the extent that they are used to support the TOC mission and are directly allocable to this contract. This cost is recognized as ordinary and necessary for the conduct of the Contractor's business.</p> |
| Commercial Records | Yes | <p>Ownership and protection of commercial (company-owned) records in relation to the Government's normal "Access to and Ownership of Records" clause. Reference DEAR 970.407-1-2 and 970.5204.3, Access to ownership of records.</p> |
| Community Service Activities | Yes | <p>Such as Blood Bank Drives, Charity Drives, Salvation Army Adopt-A-Family, Savings Bond Drives, etc. The anticipated costs are limited to reasonable time of loaned staff, and associated ODCs, participants, and non-interfering use of government equipment and in accordance with FAR 31.205-1, Public relations and advertising costs.</p> |
| Corporate Affiliates, Support To | Yes | <p>Providing intermittent support to corporate affiliates on a full cost recovery basis in accordance with 48 CFR Chapter 99, Cost Accounting Standards, FAR 31.205-26 Material Costs, and without the use of a formal Work for Others agreement and without Fee.</p> |
| Corporate Affiliates, Support From | Yes | <p>Intermittent support from corporate affiliates on a full cost recovery basis in accordance with 48 CFR Chapter 99, Cost Accounting Standards and FAR 31.205-26 Material Costs.</p> |

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| Employee/Labor Relations Costs | Yes | Such as costs incurred in maintaining satisfactory relations between the contractor and its employees, including costs of shop stewards, labor management committees, employee publications, and other related activities in accordance with FAR 31.205-21, Labor relations costs. |
| Trade, business, technical and professional activity costs. | Yes | Costs allowable under FAR 31.205-43, Trade, business, technical, and professional activity costs shall be allowable under this contract. |
| Special Events including support to Diversity Activities | Yes | Activities necessary to support DOE's Hanford Strategic Plan and its policy for diversity, educational and other socioeconomic programs such as the following programs and events; Jr. Achievement, Cooperation Education programs, National Black History Month, Veteran Appreciation, etc. Special Events such as these shall be considered allowable if reasonable and in compliance with in DEAR 970.5226-3, Community Commitment, FAR 31.205-1, Public Relations and Advertising Cost, FAR 31.205-14 Entertainment Costs, and FAR 31.205-51 Costs of Alcoholic Beverages. |
| Stakeholder Information | Yes | Motion pictures, videotapes, brochures, handouts, magazines and other media designed for DOE's Tank Operations Contract efforts and for performance of contract including implementation of a Community Relations Program and Public Information Releases in accordance with FAR 31.205-1, Public relations and advertising costs. Unallowable media are those designed to be promotional of the contractor and the use of its name. |
| Transition Temporary Assignment | Yes | During the transition ending September 30, 2008, the costs for temporary housing is acceptable if the costs are within the per diem rates in accordance with FAR 31.205.46, Travel. Costs will be reimbursed under business travel rules. |
| Energy Solutions seconded employees | Yes | ES seconded employees not hired until January 2009 will be billed at the ES E&T provisional billing rate. FAR 42.704 |
| Vacation transfer | Yes | WRPS employee's vacation accrual from the parent employers will be transferred in accordance with the practice of the PHMC/MSC payroll provider. |

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| WRPS Signage | Yes | Signage cost incurred as a result of the change in contractors shall be an allowable cost under FAR 31.201-3 Determining reasonableness. This cost is recognized as ordinary and necessary for the conduct of the Contractor's business. |
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