

PART I

SECTION H

SPECIAL CONTRACT REQUIREMENTS

TABLE OF CONTENTS

CLAUSE NO.	TITLE OF CLAUSE	PAGE NO.
H.1	LABORATORY FACILITIES	H-1
H.2	LONG-RANGE PLANNING, PROGRAM DEVELOPMENT AND BUDGETARY ADMINISTRATION	H-5
H.3	WORK AUTHORIZATION	H-6
H.4	DEFENSE AND INDEMNIFICATION OF EMPLOYEES	H-8
H.5	ADVANCE UNDERSTANDINGS REGARDING ADDITIONAL ITEMS OF ALLOWABLE AND UNALLOWABLE COSTS AND OTHER MATTERS	H-9
H.6	FACILITIES CAPITAL COST OF MONEY	H-10
H.7	ADMINISTRATION OF SUBCONTRACTS	H-11
H.8	PRIVACY ACT RECORDS	H-12
H.9	ADDITIONAL DEFINITIONS	H-12
H.10	SERVICE CONTRACT ACT OF 1965 (41 U.S.C. 35)	H-14

CLAUSE NO.	TITLE OF CLAUSE	PAGE NO.
H.11	WALSH-HEALY PUBLIC CONTRACTS ACT	H-14
H.12	STANDARDS OF CONTRACTOR PERFORMANCE EVALUATION	H-14
H.13	CAP ON LIABILITY	H-17
H.14	INTELLECTUAL AND SCIENTIFIC FREEDOM	H-17
H.15	NOTICE REGARDING THE PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS - SENSE OF CONGRESS	H-18
H.16	APPLICATION OF DOE CONTRACTOR REQUIREMENTS DOCUMENTS	H-18
H.17	EXTERNAL REGULATION	H-20
H.18	CONTRACTOR CORPORATE STRUCTURE AND PERFORMANCE GUARANTEE	H-20
H.18A	RESPONSIBLE CORPORATE OFFICIAL	H-21
H.19	WORKFORCE TRANSITION, CONTRACTOR COMPENSATION, BENEFITS AND PENSION	H-21
H.20	CONTRACTOR ACCEPTANCE OF NOTICES OF VIOLATIONS OR ALLEGED VIOLATIONS, FINES, AND PENALTIES	H-28
H.21	ALLOCATION OF RESPONSIBILITIES FOR CONTRACTOR ENVIRONMENTAL COMPLIANCE ACTIVITIES	H-29
H.22	WORKERS' COMPENSATION	H-30
H.23	ADDITIONAL LABOR REQUIREMENTS	H-30

CLAUSE NO.	TITLE OF CLAUSE	PAGE NO.
H.24	OPEN COMPETITION AND LABOR RELATIONS UNDER MANAGEMENT AND OPERATING AND OTHER MAJOR FACILITIES CONTRACTS	H-31
H.25	PERFORMANCE BASED MANAGEMENT AND OVERSIGHT	H-32
H.26	LOBBYING RESTRICTION (ENERGY AND WATER ACT, 2006)	H-32
H.27	ELECTRONIC SUBCONTRACTING REPORTING SYSTEM	H-32
H.28	INITIAL IMPLEMENTATION OF DOE DIRECTIVES AND WORK SMART STANDARDS	H-33
H.29	DISPOSAL OF REAL PROPERTY	H-33
H.30	ACTIVITIES DURING CONTRACT TRANSITION	H-33
H.31	SPECIAL FINANCIAL INSTITUTION ACCOUNT AGREEMENT	H-37
H.32	AGREEMENTS AND COMMITMENTS	H-37
H.33	COMPLIANCE WITH INTERNET PROTOCOL VERSION 6 (IPv6) IN ACQUIRING INFORMATION TECHNOLOGY	H-37
H.34	MODIFICATION AUTHORITY	H-38
H.35	CARE OF LABORATORY ANIMALS	H-38
H.36	PROTECTION OF HUMAN SUBJECTS	H-39
H.37	FEE	H-39

SPECIAL CONTRACT REQUIREMENTS

CLAUSE H.1 - LABORATORY FACILITIES

- (a) Laboratory Facilities. DOE agrees to furnish and make available to the Contractor, for its use in performing the work under this contract, the Laboratory facilities designated as follows:
- (1) The Government-owned or leased land, buildings, utilities, equipment and other facilities situated at the AMES Laboratory Site at AMES, Iowa; and Government-owned or leased facilities at such other locations as may be approved by DOE for use under this contract.
 - (2) Subject to DOE approval, other facilities may be used in the performance of the work under this contract. ISU agrees to provide necessary space in ISU-owned buildings in connection with work under this contract. Such space in ISU-owned building space shall be provided under reasonable terms and conditions to be negotiated on a federal fiscal year basis as a space rental rate (in lieu of rental for such space and occupancy) between the Parties in an amount not to exceed the rates it charges to other self-sustaining departments of ISU.
 - (i) The space rental rate discussed above shall include physical plant services normally provided by ISU with respect to the use and occupancy of said space. Said rate includes (i) utilities, (ii) renovations and alterations, and (iii) maintenance of said space and the equipment and facilities therein and appurtenances thereof in good repair to adequately provide for the health and safety of Laboratory employees and other individuals.
 - (ii) Space area shall be computed as the actual net area used directly, in connection with the work under the contract. Space shall be measured in the clear, excluding space occupied by walls and partitions. Only space used for a specific and direct purpose in connection with the work under the contract shall be included in the actual net area computation, thereby excluding from the computation certain available space used for corridors, washrooms, building equipment areas and similar areas except when such space is for specific and exclusive use in connection with work under the contract. In those instances where space will be occupied for use by ISU in carrying on its own activities as well as in connection with the work under the contract, the space used in connection with the work under the contract shall be prorated on the basis of estimated time usage for work under the contract.

- (iii) Prior to each fiscal year during the term of this contract, the Contractor shall submit to DOE for its approval a proposal of the estimated total square feet of ISU-owned space which the Contractor contemplates will be used in carrying on the work under the contract during the ensuing fiscal year. Provisional reimbursement, based upon the agreed upon space rental rate, shall be made at the end of each month. Following the close of the fiscal year, ISU shall submit its request for reimbursement in accordance with sub-section iv. below, and prompt adjustment shall be made for any difference between the amount paid to ISU on a provisional basis and the actual amount due.
 - (iv) Claims for reimbursement under this section will be presented promptly at the close of the fiscal year and shall be itemized to show actual space used by room or other identifiable location, net useable area of room, percentage of ISU work use and time, actual net area used for the contract work, the use of the space, and the name of the Group Leader directing the particular phase of the work under the contract in each specific location. In addition, the Laboratory Director shall certify (i) to the accuracy of the prorated distribution of space, (ii) that the space for which payment is requested under this section was required for performance of the work under contract, and (iii) that such space was actually used directly in connection with the work under contract. ISU and the Contractor shall maintain adequate records to support any requests submitted for payment under this section.
- (3) DOE agrees to use its best efforts to provide ISU with access to space and specialized facilities at AMES Laboratory, to the extent consistent with DOE programs and policies under reasonable terms and conditions to be negotiated by the Parties.
- (4) In the event that a subsequent contract is competitively awarded to a new Contractor for the management and operation of the AMES Laboratory, ISU will use its best efforts to continue to provide necessary space described in section 2 above during the term of the successor contract. Such space shall be provided under reasonable terms and conditions negotiated by the Parties. Likewise, DOE agrees to use its best efforts to provide ISU with access to space and specialized facilities at AMES Laboratory, to the extent consistent with DOE programs and policies and under reasonable terms and conditions to be negotiated by the Parties.
- (5) ISU and DOE have developed mutually satisfactory agreements for the lease or the use and occupancy of real property in connection with the work under this contract. ISU agrees to continue to furnish and make available, for use in performance of this contract, certain ISU-owned land,

buildings, utilities, equipment, and other facilities situated at the ISU AMES, Iowa campus and environs. DOE reserves the right to make part of the above-mentioned Government-leased land or Government-owned facilities available to other Government agencies or other users on the condition that the responsibilities and undertakings of the Contractor will not be unreasonably interfered with. Before exercising its right to make any part of the land or facilities available to another agency or user, DOE will confer with the Contractor.

- (6) Upon receipt of written notice by DOE that any Government-owned building is no longer required by the Government, ISU shall maintain same in a standby status, as directed by DOE, through the Contractor, until such time as said Government-owned building is purchased by ISU, leased, or sold to a third party, or removed by the Government, or until such time as ISU is notified in writing by DOE that such maintenance in a standby status is no longer required. ISU shall be reimbursed through this contract for all direct costs incurred under this section for providing this service, subject to the availability of funds for that purpose. Said maintenance by ISU shall be subject to availability of appropriations.
 - (7) Upon receipt of written notice from DOE that any Government-owned building is no longer required by the Government, ISU shall have, for a period of not less than one hundred and eighty calendar days from receipt thereof, the exclusive option to purchase all the right, title and interest in and to said building for such reasonable amount as may be mutually agreed upon by the Government and ISU. In the event ISU elects to exercise said option, it has agreed to serve written notice of this intent upon DOE within the 180-day period, or such other time as may be mutually agreed upon. At that point, the Government and ISU will proceed to conclude negotiations with reasonable promptness. In the event ISU fails to exercise its option as discussed herein, the Government may dispose of the building by sale, lease, removal, or otherwise; provided, however, that the sale or lease of the building by the Government to a third party is subject to approval of ISU insofar as intended use of the building by the prospective purchaser or lessee is concerned.
- (b) Access to DOE Leased Facilities. The Parties understand that the AMES facilities are sited on ISU and are subject to certain constraints arising out of the fact that ISU owns the land and surrounding area(s).
- (1) The DOE facilities sited on ISU property are subject to one or another of various leases, a utility easement, and other agreements. (See Section J., Attachment J.5., Appendix E; and, Contract No. W-7405-ENG-82, Attachment J.12, Appendix L1 and L.2.). The Government-owned buildings on ISU-owned property are covered by Land Lease Agreements Nos. DE-RL02-76CH00144 (Maintenance Buildings), DE-RL02-

76CH00145 (Metals Development Building), DE-RL02-76CH00146 (Harley Wilhelm Hall) and DE-RL02-76CH00148 (Spedding Hall and Technical Administrative Services Facility). The water line easement to the maintenance buildings is covered by Easement No. DE-RL02-76CH00149. During the term of this contract, as it may be extended, or any other period during which any Government-owned building is being used by the Government or by others under arrangement with the Government, these leases and utility easement shall be read and applied as if ISU was the Contractor under this contract.

- (2) If DOE and the Contractor should agree on the construction with funds provided by DOE and on property owned by ISU of any permanent building or buildings for use in performing work under this contract, ISU will grant to the Government a ninety-nine (99) year lease or leases on the property on which the building or buildings will be situated together with reasonable surrounding area, such lease or leases to be covered by separate agreement between ISU and the Government, and to be subject to the approval of the Executive Council of the State of Iowa. The Government and its agents and representatives, and such others as DOE may approve shall have the right of free ingress and egress to and from all parts of leased property for the duration of the lease thereto.
- (3) Upon expiration of the term of this contract, as same may have been extended, or upon prior termination, the Government may without additional charge, continue to have necessary access to and continued use of any Government-owned building for the performance of work by Government employees or by others; provided, however, that said building will not be put to use by the Government or by others authorized by the Government which creates or constitutes a nuisance or prejudices the operation of state educational facilities adjacent thereto.

(c) Utilities and Other Services.

During the term of this contract, as it may be extended, or any other period during which any Government-owned building is being used by the Government or by others under arrangement with the Government, ISU, subject to the approval of DOE, will make available all necessary utilities for the proper operations of said Government-owned buildings at AMES and will maintain, or arrange to maintain, said utilities (including extensions from ISU-owned utility distribution facilities that are connected to the Government-owned building), the Government-owned buildings and the equipment and facilities therein and appurtenances thereof, and the leased property in good repair and in safe condition, as directed by DOE. For the purpose of this clause, all extensions, which are or have been financed by Government funds and whether or not situated on property leased from ISU, from ISU-owned or other utility distribution

facilities that are connected to any Government-owned building shall be considered part of the Government-owned building.

(d) Disposition of Property Altered or Constructed on Premises Not Covered by Long-Term Lease Arrangements.

Effective on July 1, 1953, it is understood and agreed that prior to any construction, improvement or alteration of any structure or other improvement on ISU property which is not covered by a long-term lease, pursuant to section (b)1 above and which is financed in whole or in part by Government funds under this contract, the Government and ISU shall agree in writing as to the approximate allocation of costs as between the Government and ISU and the method of disposition of such construction, improvement or alteration. The plans for any construction, improvement or alteration under this section shall be purely utilitarian and without unnecessary refinements. Except as otherwise may be provided in such agreements, it is understood and agreed that DOE shall be under no obligation to restore the premises affected by any such construction, improvement or alteration made to or upon such property of ISU in the course of work under the contract. Such agreements shall be executed by representatives of the Parties authorized to sign such an agreement. The requirements of this section apply to work to be performed by the Contractor as well as that to be performed by third parties.

CLAUSE H.2 - LONG-RANGE PLANNING, PROGRAM DEVELOPMENT AND BUDGETARY ADMINISTRATION

- (a) Basic Considerations. Throughout the process of planning, and budget development and approval, the Parties recognize the desirability for close consultation, for advising each other of plans or developments on which subsequent action will be required, and for attempting to reach mutual understanding in advance of the time that action needs to be taken.
- (b) Institutional/Business planning. It is the intent of the Parties to develop an Institutional/Business Plan covering a five-year period, which will be updated at least annually. Development of the Institutional/Business Plan is a component of the strategic planning process by which the Parties, through mutual consultation, reach agreement on the general types and levels of activity which will be conducted at the Laboratory for the period covered by the plan. The Institutional/Business Plan approved by the DOE Site Office Manager provides guidance to the Contractor for long-range planning of Laboratory programs, site and facility development, and for budget preparation. It also serves as a baseline for placement of work at the Laboratory.
- (c) DOE approval. DOE approval of the program proposals and budget estimates

will be reflected in work authorizations and financial plans developed and issued to the Contractor.

CLAUSE H.3 - WORK AUTHORIZATION

- (a) Work programs shall be developed by the Contractor and approved by DOE in accordance with applicable DOE directives, and shall constitute work to be performed under this Contract during the pertinent periods involved. Such work programs may include program and project performance objectives and milestones. The Contractor shall consult with DOE, as necessary, during the process of developing work programs. Subject to the other provisions of this contract, changes in the agreed work program, not constituting major changes, may be made by the Contractor when it appears to the Contractor, to be in the best interest of the scientific and technical objectives of the agreed work program to do so. It is understood that the nature of the research and development work under this Contract is of a specialized character not readily reducible to production schedules. In view of these circumstances, it is agreed that the research and development work is performed on a best effort basis.
- (b) Due to the critical character of the work from the standpoint of national significance, it is understood by the Parties hereto that very close collaboration will be required between the Contractor and DOE with respect to direction, emphasis, trends and adequacy of the total program.
- (c)
 - (1) The annual work program and budget are principal devices used by DOE in program development, integration, execution, and cost estimating. To make the work program and budget most effective in assuring comprehensive coverage of DOE missions, it is the responsibility of DOE to keep the operators of DOE's laboratories continually advised of DOE's overall program goals, scientific and technological problems, and its current long range objectives. In light of such information, the Contractor will propose possible new objectives and present preliminary work programs in the area of its competence which, from its point of view, will either strengthen the overall DOE program or provide additional support in areas which, in the Contractor's judgment, are being inadequately exploited, or initiate new areas of investigation which appear of potential importance.
 - (2) It is the responsibility of DOE to formulate overall program budgets, taking into consideration the proposals submitted by the Contractor, consistent with funds appropriated by the Congress and all its other program needs.
 - (3) The Contractor shall prepare a final work program and budget consistent with DOE's overall program budget. Upon DOE approval, it is the Contractor's responsibility to conduct its work program within limits

established by these approvals unless and until they are modified by DOE.

- (d) In accordance with the basic considerations stated in paragraph (c) above, the Contractor and DOE will utilize the Program Budget procedures on a Government fiscal year basis for the establishment of the Laboratory Program Budget. Procedures for the presentation of work programs and cost estimates shall be jointly developed. In order to meet the requirements of Government budgetary practice, the Parties agree:
- (1) As early as possible in each calendar year, DOE shall supply the Contractor with the dollar amounts for the Laboratory contained in the President's Budget, with Program assumptions and guidance which the Contractor will be expected to consider in the development of its program and budget, and with all changes to existing budget and accounting policies and procedures to be used in the current budget preparation.
 - (2) Prior to April 1 (or such other date as may be agreed upon) the Contractor shall submit to DOE for approval a comprehensive work program for the next two fiscal years, together with a description of the current work program, and the Contractor shall submit a budget estimate for the next two fiscal years, together with a revised budget estimate for the current fiscal year.
 - (3) As soon as possible after October 1 of each year, DOE shall issue Work Authorizations and an Approved Funding Program to the Contractor for the current fiscal year.
- (e) (1) DOE approved work programs, program performance expectations and milestones as appropriate, and budget estimates shall be reflected in Work Authorizations/Annual Program Letters/Activity Data Sheets/Program Baseline Summaries and Approved Funding Programs. These documents will be issued to the Contractor as soon as possible after funds become available. If, in preparing Work Authorizations/Annual Program Letters/Activity Data Sheets/Program Baseline Summaries and Approved Funding Programs, it is determined that changes are needed in the work program and budget estimates submitted by the Contractor, DOE and the Contractor shall agree upon the changes in the work before final issuance of these documents, provided, however, that nothing herein shall preclude DOE from directing a change in the work pursuant to the clause of the Contract entitled "Changes".
- (2) The Work Authorizations/Annual Program Letters, and with respect to work funded by the Office of Environmental Management, Program Baseline Summaries and Approved Funding Programs, specify the funds available for work under the Contract for the fiscal year and, in addition, may establish limitations on costs to be incurred for individual portions of

the work. The Contractor shall comply with such limitations and shall promptly notify the Contracting Officer, in writing, whenever it becomes apparent that there is likely to be an overrun with respect to any specific limitation in the Work Authorization/Annual Program Letters, and with respect to the work funded by the Office of Environmental Management, Program Baseline Summaries, and Approved Funding Programs. Funds made available for work under the contract, and set forth in Approved Funding Programs or other funding documents, shall not be reduced except by written agreement of the Parties.

- (3) Additional programs and projects to be conducted at the Laboratory within the scope of the Contract may be established by agreement between the DOE and the Contractor.
- (f) A Contract modification shall be issued to the Contractor on or before September 30 of each year (or such other date as may be agreed upon) to provide additional funds, and further Contract modifications may be issued or entered into from time to time to provide appropriate modifications in the total amount of funds made available under the Contract. DOE agrees to use its best efforts to provide stable funding in support of the Contract work and it is DOE's intention that there shall be so provided at all times sufficient funds to support the work program at the level authorized by DOE.
- (g) During the course of the work, DOE shall review the work program and its costs based upon information submitted by the Contractor and may, after consultation with the Contractor, revise the Work Authorizations and Approved Funding Programs established by DOE under paragraph (e) above. The Contractor shall make any necessary revisions to the documents cited in this clause consistent with DOE direction.
- (h) It is the intent of the Contractor and DOE to agree from time to time upon long-term work programs covering certain portions of the work to be performed under this contract.
- (i) The Contractor shall maintain current cost information adequate to reflect the cost of performing the work under this Contract at all times while the work is in progress, and shall prepare and furnish to the Government such written estimates of cost and information in support thereof as the Contracting Officer may request.

CLAUSE H.4 - DEFENSE AND INDEMNIFICATION OF EMPLOYEES

- (a) The Parties recognize that, under applicable State law, the Contractor could be required to defend and indemnify its officers and employees from and against civil actions and other claims which arise out of the performance of work under

this Contract. Except for defense costs made unallowable by Section I clause entitled Payments and Advances, or the Major Fraud Act (41 U.S.C. §256(k)), the costs and expenses, including judgments, resulting from the defense and indemnification of employees from and against such civil actions and claims shall be allowable costs under this contract if incurred pursuant to the terms of Section I clause entitled Insurance—Litigation and Claims.

- (b) Costs and expenses, including judgments, resulting from the defense and indemnification of employees from civil fraud actions filed in federal court by the Government will be unallowable where the employee pleads nolo contendere or the action results in a judgment against the defendant.
- (c) Where in accordance with applicable State law, the Contractor determines it must defend an employee in a criminal action, DOE will consider in good faith, on a case-by-case basis, whether the Contractor has such an obligation. If DOE concurs, the costs and expenses, including judgments, resulting from the defense and indemnification of employees shall be allowable.
- (d) The Contractor shall immediately furnish the Contracting Officer written notice of any such claim or civil action filed against any employee of the Contractor arising out of the work under this contract together with copies of all pleadings filed. The Contractor shall furnish to the Contracting Officer a written determination by the Contractor's counsel that the defense or indemnity of the employee is required by the provisions of applicable State law, that the employee was acting within the course and scope of employment at the time of the acts or omissions which gave rise to the claim or civil action, and that any exclusions set forth under applicable State law for fraud, corruption, malice, willful misconduct, or lack of good faith on the part of the employee does not apply. A copy of any letter asserting a reservation of rights under applicable State law with respect to the defense or indemnification of such employee shall also be provided to the Contracting Officer. The costs associated with the settlement of any such claim or civil action shall not be treated as an allowable cost unless approved in writing by the Contracting Officer.

CLAUSE H.5 - ADVANCE UNDERSTANDINGS REGARDING ADDITIONAL ITEMS OF ALLOWABLE AND UNALLOWABLE COSTS AND OTHER MATTERS

Allowable costs under this Contract shall be determined according to the requirements of DEAR 970.5232-2, Payments and Advances. For purposes of effective Contract implementation, certain items of cost are being specifically identified below as allowable and/or unallowable under this Contract to the extent indicated:

I. ITEMS OF ALLOWABLE COSTS:

- (a) Cost for the defense and indemnification of employees in accordance with the provisions of Clause H.4.
- (b) Rentals and leases of land, buildings, and equipment owned by third parties, allowances in lieu of rental, charges associated therewith and costs of alteration, remodeling and restorations where such items are used in the performance of the contract, except that such rentals and leases directly chargeable to the contract shall be subject to such approval by the Contracting Officer as set forth in Part III, Attachment J.7, Appendix G.
- (c) Notwithstanding the provisions of FAR cost principle 31.205-44 (d), stipends and payments made to reimburse travel or other expenses of researchers and students who are not employed under this contract but are participating in research, educational or training activities under this contract to the extent such costs are incurred in connection with fellowship, international agreements, or other research, educational or training programs approved by the Contracting Officer.
- (d) Notwithstanding the provisions of FAR cost principle 31.205-44 (d), payments to educational institutions for tuition and fees, or institutional allowances, in connection with fellowship or other research, educational or training programs for researchers and students who are not employed under this contract.
- (e) Costs incurred or expenditures made by the Contractor, as directed, approved or ratified by the Contracting Officer and not unallowable under any other provisions of this contract.

II. ITEMS OF UNALLOWABLE COSTS:

- (a) Premium Pay for wearing radiation-measuring devices for Laboratory and all-tier cost-type subcontract employees.
- (b) Home office expenses, whether direct or indirect, relating to activities of the Contractor, except as otherwise specifically agreed to in writing by the Contracting Officer.

CLAUSE H.6 – FACILITIES CAPITAL COST OF MONEY

The request for proposal for this contract did not require a cost proposal in which facilities capital cost of money would apply. Therefore, the Clause I.17, FAR 52.215-17, Waiver of Facilities Capital Cost of Money is included in the contract. However, if during the performance of the contract the Contractor elects to claim facilities capital cost of money as an allowable cost, the Contractor shall submit, for approval of the Contracting

Officer, a proposal for each specific project, including Form CASB-CMF which shows the calculation of the proposed amount (see FAR 31.205-10).

CLAUSE H.7 - ADMINISTRATION OF SUBCONTRACTS

- (a) 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 DOE.
- (b) The DOE reserves the right to direct the Contractor to assign to the DOE, or another Contractor, any subcontract awarded under this contract.
- (c) The DOE reserves the right to identify specific work activities in Section C "Description/Specifications/Work Statement" to be removed (de-scoped) from the contract in order to contract directly for the specific work activities. The Department will work with the Contractor to identify the areas of work that can be performed by small businesses in order to maximize direct federal contracts with small businesses. The Contractor agrees to facilitate these actions. This facilitation will include identifying direct contracting opportunities valued at \$5 million or above for small businesses for work presently performed under subcontracts, as well as work performed by Contractor employees. The Contractor shall notify the DOE one-year in advance of the expiration of any of its subcontracts valued at \$5 million or above, or if applicable, one-year prior to the exercise of an option and/or the option notification requirement, if any, contained in the subcontracts. The DOE will review this information and the requirements of the Contractor to determine the appropriateness for small business opportunities. This review may result in the DOE electing to enter in contracts directly with small businesses for these areas of work. The Contracting Officer will give notice to the Contractor not less than 120 calendar days prior to the date for exercising the option and/or the expiration of the subcontract and/or prior to entering into contract for work being performed by Contractor employees. Following award of these direct federal contracts, DOE may assign administration of these contracts to the Contractor. The Contractor agrees to accept assignments from the DOE for the administration of these contracts. The parameters of the Contractor's responsibilities for the small business contracts and/or changes, if any, to this contract will be incorporated via a modification to the contract. The Contractor will accept management and administration responsibilities, if so determined.
- (d) To the extent that DOE removes (de-scopes) work from this contract, any such removed or withdrawn work shall be treated as a change in accordance with the clause of this contract entitled, "Changes". A "material change" for the purpose of this clause is defined as cumulative changes during a fiscal year that result in a plus or minus 10% change to the fee base contained in Part 1, Clause B.3 (e)(2). To the extent that DOE assigns the administration of a contract to the

Contractor, or removes (de-scopes) work, the Parties reserve the right to negotiate an equitable adjustment in the Contractor's annual available performance fee. The negotiation of fee will be in accordance with the contract clause entitled, "Total Available Base Fee Amount and Performance Fee Award". The Parties will also negotiate appropriate adjustments to the Contractor's Subcontracting Plan or any other applicable contract terms and conditions impacted by such withdrawal or addition of work scope to recognize the changes to the Contractor's subcontracting base and goals.

CLAUSE H.8 - PRIVACY ACT RECORDS

In accordance with the Privacy Act of 1974, 5 U.S.C. 552a (Public Law 93-579) and implementing DOE Regulations (10 CFR 1008), the Contractor shall maintain the following "Systems of Records" on individuals in order to accomplish the United States Department of Energy functions:

Personnel Medical Records (DOE-33) (excepting Contractor employees)

Personnel Radiation Exposure Records (DOE-35) respecting Contractor Employees, DOE Employees, and Visitors to the Contract site.

Employee and Visitor Access Control Records (DOE-51)

Access Control Records of International Visits, Assignments, and Employment at DOE Facilities and Contractor Sites (DOE-52)

The parenthetical Department of Energy number designations for each system of records refers to the official "System of Records" number published by the United States Department of Energy in the Federal Register pursuant to the Privacy Act.

If DOE requires the Contractor to design, develop, or maintain additional systems of Government-owned records on individuals to accomplish an agency function in accordance with the Privacy Act of 1974 and 10 CFR 1008, the Contracting Officer, or designee, shall so notify the Contractor, in writing, and such Privacy Act system shall be deemed added to the above list whether incorporated by formal contract modification or not. The Parties shall mutually agree to a schedule for implementation of the Privacy Act with respect to each such system.

CLAUSE H.9 - ADDITIONAL DEFINITIONS

- (a) "CH" means the DOE Office of Science, Chicago Office.
- (b) "Contractor" means the Offeror as specified in Block 15A of Standard Form 33 for Contract No. DE-AC02-07CH11358.

- (c) The term “DOE” means the Department of Energy, “FERC” means the Federal Energy Regulatory Commission, and “NNSA” means the National Nuclear Security Administration.
- (d) The term "DOE Directive" means DOE Policies, Orders, Notices, Manuals, Regulations, Technical Standards and related documents, and Guides, including for purposes of this contract those portions of DOE's Accounting and Procedures Handbook applicable to integrated Contractors, issued by DOE. The term does not include temporary written instructions by the Contracting Officer for the purpose of addressing short-term or urgent DOE concerns relating to health, safety, or the environment.
- (e) “Head of Agency” means: (i) The Secretary; (ii) Deputy Secretary; (iii) Under Secretaries of the Department of Energy and (iv) the Chairman, Federal Energy Regulatory Commission.
- (f) "Laboratory" means the AMES Laboratory (AMES) consisting of all Government-owned property, facilities, and structures, as well as Government-leased land and other items of property as the Parties may mutually agree, in writing, from the time to time (hereinafter referred to as the “Laboratory Site”) at AMES, Iowa.
- (g) The term "someone acting as the Laboratory Director" means the person appointed as Laboratory Director; Deputy Laboratory Director(s) acting in the absence of the Laboratory Director; or a person specified, in writing, to have authority to act in the absence of the Laboratory Director and Deputy Laboratory Director(s).
- (h) With respect to Clauses H.13, I.113, and I.132, the term “non-profit organization” means –
 - (1) a university or other institution of higher education,
 - (2) an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 as amended and exempt from taxation under section 501(a) and the Internal Revenue Code,
 - (3) any nonprofit scientific or educational organization qualified as a nonprofit by the laws of the State of its organization or incorporation, or
 - (4) a combination of qualifying entities organized for a nonprofit purpose (e.g., partnership, joint venture or limited liability company) each member of which meets the requirements of (1), (2), or (3) above.
- (i) The term “Senior Procurement Executive” means, for DOE:

Department of Energy – Director, Office of Procurement and Assistance Management, DOE;

National Nuclear Security Administration – Administrator for Nuclear Security, NNSA; and

Federal Energy Regulatory Commission – Chairman, FERC.

CLAUSE H.10 - SERVICE CONTRACT ACT OF 1965 (41 U.S.C. 351)

The Service Contract Act of 1965 is not applicable to this contract. However, in accordance with Clause I.131 – DEAR 970.5244-1 – CONTRACTOR PURCHASING SYSTEM (DEC 2000) (includes modifications in final rule dated 1/18/01) (Deviation), subcontracts awarded by the Contractor are subject to the Act to the same extent and under the same conditions as contracts awarded by DOE. The Contractor and the Contracting Officer shall develop a procedure whereby DOE will determine if the Service Contract Act is applicable to particular subcontracts. In cases determined to be covered by the Service Contract Act, the Contractor shall prepare SF-98 and 98A “Notice of Intention to Make a Service Contract” and forward it to the Contracting Officer or his designee to obtain a wage determination.

CLAUSE H.11 - WALSH-HEALY PUBLIC CONTRACTS ACT

Except as otherwise may be approved, in writing, by the Contracting Officer, the Contractor agrees to insert the following provision in noncommercial Purchase Orders and subcontracts under this contract. "If this contract is for the manufacture or furnishing of materials, supplies, articles, or equipment in an amount which exceeds or may exceed \$10,000.00 and is otherwise subject to the Walsh-Healy Public Contracts Act, as amended (41 U.S.C. 35), there are hereby incorporated by reference all representations and stipulations required by said Act and regulations issued thereunder by the Secretary of Labor, such representations and stipulations being subject to all applicable rulings and interpretations of the Secretary of Labor which are now or may hereafter be in effect."

CLAUSE H.12 - STANDARDS OF CONTRACTOR PERFORMANCE EVALUATION

- (a) Use of objective standards of performance, self assessment and performance evaluation:
 - (1) The Parties agree that the Contractor will utilize a comprehensive performance-based management approach for overall Laboratory management. The performance-based management approach will include the use of performance goals, objectives, measures, and targets,

agreed to in advance of each performance evaluation period, as standards against which the Contractor's overall performance of the scientific and technical mission obligations under this Contract will be assessed. The performance criteria will be limited in number and focus on results to drive improved performance and increased effective and efficient management of the Laboratory.

- (2) The Parties agree to utilize the process described within Part III, Section J, Appendix B - "Performance Evaluation and Measurement Plan" (PEMP) to evaluate the performance of the Laboratory. The Parties further agree that the evaluation process described in Appendix B will be reviewed annually and modified, if necessary, by agreement of the Parties. If agreement of the Parties cannot be reached, the Contracting Officer has the unilateral right to establish the evaluation process.
- (3) The Parties agree that the Contractor will conduct an ongoing self-assessment process as the principal means of determining its compliance with the Contract Statement of Work and performance indicators identified within Part III, Section J, Appendix B. To assist the DOE in accomplishing the appropriate level of oversight, the Contractor shall work in partnership and cooperation with DOE and other external organization, as appropriate, in the self-assessment process. This work includes, but is not limited to, the development and execution of self-assessments and the utilization of the results for continuous improvement.
- (4) The Contractor shall provide periodic updates, as requested by the DOE, on the performance against the Appendix B. The Contractor shall provide a formal status briefing at mid-year and year-end, and a formal self-evaluation report to the DOE at year-end. Specific due dates and formats for the above-mentioned briefings and reports shall be agreed to by the Laboratory Director and the DOE AMES Site Office Manager. In addition, the year-end report must provide:
 - (i) an overall summary of performance for the performance period;
 - (ii) performance ratings for each PEMP element and the Laboratory overall; and
 - (iii) a summary of key strengths and opportunities for improvement.
- (5) DOE, as a part of its responsibility for oversight, evaluation, and information exchange, shall provide an annual programmatic appraisal and other appraisals, and reviews of the Contractor's performance of authorized work in accordance with the terms and conditions of this Contract. The Office of Science, through the DOE AMES Site Office Manager, has the lead responsibility for oversight of the programs and

activities conducted by the Contractor.

- (6) The Contracting Officer shall annually provide a written assessment of the Laboratory's performance to the Contractor, which shall be based upon the process described in Appendix B. The Parties acknowledge that the performance levels achieved against the specific performance goals, objectives, measures, and targets shall be the primary, but not sole, criteria for determining the Contractor's final performance evaluation and rating. The Contractor's self-assessment results, to include results of any third party reviews which may have been conducted during the evaluation period, will be considered at all levels to assess and evaluate the Contractor's performance. The Contracting Officer may also consider other relevant information not specifically measured by the objectives and measures established within Appendix B that is deemed to have an impact (either positive or negative) on the Contractor's performance. Other relevant information that may be used by the Contracting Officer may include, but is not limited to, information gained from peer reviews, operational awareness, outside agency reviews (i.e., Office of Inspector General (OIG), Government Accountability Office (GAO), Defense Contract Audit Agency (DCAA), etc.) conducted throughout the year, annual reviews (if needed), and DOE "for cause" reviews. Contractor success in meeting or exceeding performance expectations in a particular management or operations functional area may be rewarded with less frequent – or no – review of the functional area. Conversely, marginal performance or "for cause" situations may result in more frequent reviews.
- (b) Standards of performance measure review:
- (1) The Parties agree to review the PEMP elements (goals, objectives, measures, and targets, and expected levels of performance) contained in Appendix B annually and to modify them upon the agreement of the Parties; provided, however, that if the Parties cannot reach agreement on all the goals, objectives, measures, and targets, for the next period, the Contracting Officer shall have the unilateral right to establish reasonable new goals, objectives, measures, and targets and/or to modify and/or delete existing goals, objectives, measures, and targets. It is expected that the goals, objectives, measures, and targets will be modified by the Contractor and the DOE as new areas of emphasis or priorities emerge which the Parties may agree warrant recognition in the performance-based integrated management approach.
 - (2) Failure to include a goal, objective, measure, or target in the contract Appendix B does not eliminate the Contractor's obligation to comply with all applicable terms and conditions as set forth elsewhere within the contract.

- (3) In the event the Contracting Officer decides to exercise the rights set forth in paragraphs (a)(6) or (b)(1) above, he/she will notify the Contractor, in writing, of the intended decision ten days prior to issuance.

CLAUSE H.13 - CAP ON LIABILITY

- (a) The Parties have agreed that the Contractor's liability, for certain obligations it has assumed under this contract, shall be limited as set forth in paragraph (b) below. These limitations or caps shall only apply to obligations the Contractor has assumed pursuant to the following clauses:
 - (1) The clause titled "Property", paragraph (f)(1)(i)(C);
 - (2) The clause titled "Insurance--Litigation and Claims", (h), with respect to prudent business judgment only; and
 - (3) The clause titled "Insurance--Litigation and Claims", (j)(2), except for punitive damages resulting from the willful misconduct or lack of good faith on the part of the Contractor's managerial personnel as defined in the clause titled, Property.
- (b) The Contractor shall be liable each fiscal year for an amount not-to-exceed 1.25 times the maximum performance fee available for that fiscal year. The annual cap which will apply shall be based on the fiscal year in which the Contractor's act or failure to act was the proximate cause of the liability assumed by the Contractor. In the event the Contractor's act or failure to act overlaps more than one fiscal year, the limitation will be the annual limitation for the last fiscal year in which the Contractor's act or failure to act occurred. If the Contractor's cumulative obligations for a fiscal year equal the amount of the annual limitation of liability, the Contractor shall have no further responsibility for the costs of the liabilities it has assumed for that fiscal year pursuant to (a)(1) through (3) above.

CLAUSE H.14 - INTELLECTUAL AND SCIENTIFIC FREEDOM

- (a) The Parties recognize the importance of fostering an atmosphere at the Laboratory conducive to scientific inquiry and the development of new knowledge and creative and innovative ideas related to important national interests.
- (b) The Parties further recognize that the free exchange of ideas among scientists and engineers at the Laboratory and colleagues at universities, colleges, and other laboratories or scientific facilities is vital to the success of the scientific, engineering, and technical work performed by Laboratory personnel.
- (c) In order to further the goals of the Laboratory and the national interest, it is

agreed by the Parties that the scientific and engineering personnel at the Laboratory shall be accorded the rights of publication or other dissemination of research, and participation in open debate and in scientific, educational, or professional meetings or conferences, subject to the limitations included in technology transfer agreements and such other limitations as may be required by the terms of this Contract, including, but not limited to the clause of this Contract entitled, "Security." Nothing in this clause is intended to alter the obligations of the Parties to protect classified or unclassified controlled nuclear information as provided by law.

- (d) Nothing in the Section I clause entitled "Public Affairs" or the Section H clause respecting "Lobbying Restriction" are intended to limit the rights of the Contractor or its employees to publicize and to accurately state the results of its scientific research.

CLAUSE H.15 - NOTICE REGARDING THE PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS - SENSE OF CONGRESS

It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this award should be American-made.

CLAUSE H.16 - APPLICATION OF DOE CONTRACTOR REQUIREMENTS DOCUMENTS

- (a) Performance. The Contractor will perform the work of this Contract in accordance with each of the Contractor Requirements Documents (CRDs) appended to this contract as "Appendix I, List B" until such time as the Contracting Officer approves the substitution of an alternative procedure, standard, system of oversight, or assessment mechanism resulting from the process described below.
- (b) Laws and Regulations Excepted. The process described in this clause shall not affect the application of otherwise applicable laws and regulations of the United States, including regulations of the Department of Energy.
- (c) Deviation Processes in Existing Orders. This clause does not preclude the use of deviation processes provided for in existing DOE directives.
- (d) Proposal of Alternative. The Laboratory Director may, at any time during performance of this contract, propose an alternative procedure, standard, system of oversight, or assessment mechanism to the requirements in a listed CRD by submitting to the Contracting Officer a signed proposal describing the nature and scope of the alternative procedure, standard, system of oversight, or assessment

mechanism (alternative), the anticipated benefits, including any cost benefits, to be realized by the Contractor in performance under the contract, and a schedule for implementation of the alternate. In addition, the Contractor shall include an assurance signed by the Laboratory Director that the revised alternative is an adequate and efficient means to meet the objectives underlying the CRD. Upon request, the Contractor shall promptly provide the Contracting Officer any additional information that will aid in evaluating the Contractor's proposal.

- (e) Action of the Contracting Officer. The Contracting Officer shall within sixty (60) days:
- (1) deny application of the proposed alternative;
 - (2) approve the proposed alternative, with conditions or revisions;
 - (3) approve the proposed alternative; or
 - (4) provide a date by which a decision will be made (not to exceed an additional 60 days).
- (f) Implementation and Evaluation of Performance. Upon approval in accordance with (e)(2) or (e)(3) above, the Contractor shall implement the alternative. In the case of a conditional approval under (e)(2) above, the Contractor shall provide the Contracting Officer with an assurance statement, signed by the Laboratory Director, that the revised alternative is an adequate and efficient means to meet the objectives underlying the CRD. Additionally, the statement shall describe any changes to the schedule for implementation. The Contractor shall then implement the revised alternative. DOE will evaluate performance of the approved alternative from the date scheduled by the Contractor for implementation.
- (g) Application of Additional or Modified CRDs. During performance of the contract, the Contracting Officer may notify the Contractor that he or she intends to unilaterally add CRDs not then listed in Appendix I or modifications to listed CRDs. Upon receipt of that notice, the Contractor, within thirty (30) calendar days, may, in accordance with paragraph (d) of this clause, propose an alternative procedure, standard, system of oversight, or assessment mechanism. The resolution of such a proposal shall be in accordance with the process set out in paragraphs (e) and (f) of this clause. If an alternative proposal is not submitted by the Contractor within the thirty (30) calendar day period, or, if made, is denied by the Contracting Officer under paragraph (e), the Contracting Officer may unilaterally add the CRD or modification to Appendix I. The Contractor and the Contracting Officer shall identify and, if appropriate, agree to any changes to other contract terms and conditions, including cost and schedule, resulting from the addition of the CRD or modification.

- (h) Deficiency and Remedial Action. If, during performance of this contract, the Contracting Officer determines that an alternative procedure, standard, system of oversight, or assessment mechanism adopted through the operation of this clause is not satisfactory, the Contracting Officer may, in his or her sole discretion, determine that corrective action is necessary and require the Contractor to prepare a corrective action plan for the Contracting Officer's approval. If the Contracting Officer is not satisfied with the corrective action taken, the Contracting Officer may direct corrective action to remedy the deficiency, including, if appropriate, the reinstatement of the CRD.

CLAUSE H.17 - EXTERNAL REGULATION

The Parties commit to full cooperation with regard to complying with any statutory mandate regarding external regulation of Laboratory facilities, whether by the Nuclear Regulatory Commission, the Occupational Safety and Health Administration, the Environmental Protection Agency, and/or State and local entities with regulatory oversight authority, and including but not limited to the conduct of pilot programs simulating external regulation, and the application for materials, facilities, or other licenses by or on behalf of the DOE.

CLAUSE H.18 – CONTRACTOR CORPORATE STRUCTURE AND PERFORMANCE GUARANTEE

- (a) Since AMES is a Federally Funded Research and Development Center (FFRDC), Federal Acquisition Regulation (FAR) 35.017 requires the Contractor to manage and operate AMES as an autonomous organization or as an identifiable separate operating unit of the parent organization. While the Contractor must satisfy the FAR 35.017 requirement, the Contractor is not required to form a separate corporate entity to do so.
- (b) If, however, the Contractor forms a separate corporate entity from its parent organization(s) to perform the work under this Contract, the separate corporate entity must be set up solely to perform this Contract and shall be totally responsible for all Contract activities.
- (1) The Contractor's parent organization(s) or all member organizations, shall guarantee the Contractor's performance as evidenced by the Performance Guarantee(s) incorporated in the contract in Section J, Attachment J.12, Appendix L. If the Contractor is a joint venture, limited liability company, or other similar entity where more than one organization is involved, the parent or all member organizations shall assume joint and several liability for the performance of the contract.
- (2) In the event any of the signatories to the performance guarantee enters

into proceedings related to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to the Contracting Officer.

CLAUSE H.18A – RESPONSIBLE CORPORATE OFFICIAL

The Government may contact as necessary, the Chairman of the Parent Organization(s)' Board of Directors, Trustees or any other Management Board regarding Contractor performance issues.

For each such official, the Contractor shall provide the following information:

Name: Gregory L. Geoffroy
Position: President
Organization: Iowa State University of Science and Technology
Address: 1750 Beardshear Hall, Ames, Iowa 50011-2038
Phone Number: 515-294-2042

Should a responsible corporate official change during the period of the contract, the Contractor shall promptly notify the Government, in writing, of the change in the individual(s) to contact.

CLAUSE H.19 - WORKFORCE TRANSITION, CONTRACTOR COMPENSATION, BENEFITS AND PENSION

(a) Employee Retention:

- (1) Subject to the availability of funds, the Contractor shall offer employment to all transitioning employees in "Continuous", and "Term" appointments, defined in Section L, Appendix 7, who are in good standing as of the date of contract award, except as set forth in (i) and (ii), below. Nothing in this paragraph shall preclude the Contractor from separating employees when in its judgment it is appropriate to do so based on the employee's performance or conduct.
 - (i) It is the Contractor's prerogative to establish its own management structure, therefore, the Contractor is not required to offer employment to those employees permanently assigned to the positions reflected on the AMES Organization Chart attached to Section L as Appendix 8. The Contractor may offer employment to said employees, in either their current positions or other positions, at the Contractor's sole discretion.

- (ii) For those positions listed on the AMES Organization Chart attached to Section L as Appendix 8 any changes in job positions or classifications shall be accompanied by a commensurate alteration in compensation.

(b) Employee Pay and Benefits:

- (1) Incumbent employees are the employees who are on the regular payroll(s) of the incumbent contractor(s) at the time that the responsibility for contract performance is assumed by the successor contractor.
- (2) Non-incumbent employees are new hires, i.e., employees hired by the contractor after the contractor assumes responsibility for contract performance
- (3) Except as provided in (a)(1) above, the contractor shall provide equivalent pay and comparable benefits to incumbent employees for at least the first year of the contract. Thereafter, benefits shall be altered, as necessary, to achieve conformance with DOE policy. Incumbent employees shall remain in their existing pension plans pursuant to pension plan eligibility requirements and applicable law. The contractor shall carry over the length of service credit and leave balances accrued as of the date of the contractor's assumption of contract performance. Comparability of the total benefit package shall be determined by the contracting officer in his/her sole discretion.
- (4) The contractor shall become plan sponsor of pension and post-retirement benefit (PRB) plans, as applicable, for those individuals who retired from employment at AMES with the predecessor contractor prior to contract award. The Contractor shall provide benefits comparable to those provided by the predecessor contractor for at least the first year of the contract. Thereafter, benefits shall be altered, as necessary, to achieve conformance with DOE policy. Unless required by Federal or State law, advance funding of PRBs, other than pensions, is not allowable.
- (5) All new (non-incumbent) employees shall receive an overall benefit package that provides for market-based retirement and medical benefit plans that are competitive with the industry from which the contractor recruits its employees. Contractors shall develop and implement welfare benefit programs that meet the test of allowability established by FAR 31.205-6 as supplemented by DEAR 970.3102-05-6.
- (6) Cost reimbursement for pension and other benefit programs sponsored by the contractor will be based on Contracting Officer approval of contractor actions pursuant to an approved "Employee Benefits Value Study" and an Employee Benefits Cost Survey Comparison." No presumption of

allowability will exist when the Contractor implements a new benefit plan or makes changes to existing benefit plans until the Contracting Officer makes a determination of cost allowability for reimbursement for new or changed benefit plans.

- (7) The Contractor shall submit within 30 days of Contract award, 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.
- (8) 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," as applied to the DOE-approved standards in Section J, Appendix A. The Contractor's compensation system and methods shall be in accordance with FAR 31.205-6 and DEAR 970.3102-05-6, fully documented, consistently applied, and acceptable to DOE.

Until DOE has certified the Contractor's compensation system, the Contractor shall submit the following to the Contracting Officer for a determination of cost allowability for reimbursement 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 Compensation System.
- (ii) Any proposed major compensation program design changes prior to implementation.
- (iii) 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).

Upon certification of the Contractor's Compensation System, Contracting Officer approval of individual compensation actions will be required only for the Laboratory Director, Deputy Director(s), if any, and those other

first-tier reports to the aforementioned positions, as identified by the Contracting Officer.

- (9) Severance pay benefits are not payable to an employee under this contract if the employee:
- (i) Voluntarily separates, resigns or retires from employment,
 - (ii) Is offered employment with a successor/replacement Contractor,
 - (iii) Is offered employment with a parent or affiliated company, or
 - (iv) Is discharged for cause.

Service Credit for purposes of determining severance pay does not include any period of prior service at a DOE facility for which severance pay has been previously paid.

- (10) The Contractor shall provide the Contracting Officer with the following reports with respect to salary and benefits:
- (i) 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.
 - (ii) At the time of contract award and upon any change thereafter, a list of the top five most highly compensated executives and their salaries.
 - (iii) Annual Report of Contractor Expenditures for Employee Supplemental Compensation through the Department Workforce Information System (WFIS), compensation and benefits module.
 - (iv) A Self-Assessment of the total compensation program, to include an evaluation of total benefits using the relative Benefit Value measure every two years, and an annual Per Capita Cost Comparison.
- (11) DOE will conduct periodic appraisals of Contractor performance with respect to compensation system implementation. Such appraisals when approved by the Contracting Officer, will be conducted by either DOE validation of Contractor self-assessments of compensation system performance, or third party expert review.

- (c) Pension and Other Benefit Programs: Unless stated otherwise, or as directed by

the Contracting Officer, within 30 days of award or extension, and prior to implementation of any benefit change, the Contractor shall submit (1) and (2) below:

- (1) An Employee Benefits Value Study (ben-val) Measure, every two years, which 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 study does 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 for nationally recognized and Contracting Officer approved survey sources and,
- (2) An Employee Benefits Cost Comparison Analysis, annually, that analyzes the Contractor's employee benefits cost on a per capita basis per full time equivalent employee and compares it with the cost reported by the U.S. Chamber of Commerce Annual Employee Benefits Cost Survey or other Contracting Officer approved broad based national survey.

This information shall be submitted to the Contracting Officer in advance for approval of application of the changes under the contract and for a determination as to whether the costs incurred are consistent with the Contractor's documented program plan and are deemed allowable pursuant to FAR 31.205-6 as supplemented by DEAR 970.3102-05-6.

- (3) When net benefit value and/or per capita cost of the total benefits package exceed the comparator group by more than 5 percent, submit a corrective action plan, when requested by the Contracting Officer.
 - (4) As required by the Contracting Officer, submit an analysis of the specific plan costs that are above the per capita cost range and a corrective action plan to achieve conformance with a Contracting Officer directed per capita cost range.
 - (5) Implement corrective action plans determined to be reimbursable by the Contracting Officer to align employee benefit programs with the net benefit value and per capita cost range within 2 years.
 - (6) Submit the Report on Contractor Expenditures for Supplementary Compensation for the previous calendar year via the DOE Workforce Information System (WFIS) Compensation and Benefits Module no later than March 15 of the current calendar year.
- (d) Pension plans: The Contractor shall establish or maintain a separate, market-based, pension plan(s), distinct from any corporate or other pension plan,

meeting the requirements of the Internal Revenue Code (IRC) and Employee Retirement Income Security Act (ERISA), that recognizes service credit earned at AMES. (If this contract is awarded to the incumbent contractor, employees currently participating in the Iowa Public Employee's Retirement System (IPERS) will retain membership in IPERS and new employees may exercise rights under Iowa State law to choose membership in IPERS.)

- (1) Contractor policies, practices, and procedures used in the administration of pension plans shall be consistent with law and regulation.
- (2) Each pension plan shall cover only Contractor employees working for AMES and shall stand alone as a separate pension plan distinct from a Contractor's corporate or other pension plan.
- (3) 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 months of the last day of the current pension plan year.
 - (i) Copies of IRS forms 5500 with schedules;
 - (ii) Copies of all forms in the 5300 series that document the establishment, amendment, termination, spin-off, or merger of a plan.
- (4) The Contractor shall submit the information required under (i) and (ii), below, as applicable, prior to the adoption of any changes to the pension plan, 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 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, an analysis of the impact of any proposed changes on actuarial accrued liabilities and an analysis of relative benefit value must be provided; 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 DOE 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.

- (5) At contract expiration or termination as a part of the transition to another entity awarded the management and operating contract, the Contractor shall transfer sponsorship of the site-specific pension plan(s) covering employees at AMES, as directed by DOE.
 - (6) Pension Plan Terminations. The Contractor shall not terminate any pension plan (commingled or site-specific) without at least 60 days notice to and the approval of the Contracting Officer prior to the scheduled date of plan termination.
 - (7) Post-Contract Responsibilities for Benefits Other than Pensions if this contract expires or terminates with a follow-on contract. The Contractor shall transfer sponsorship of the post-retirement benefit plan(s) (retiree medical and life insurance) covering employees at AMES, as directed by DOE.
 - (8) Post-Contract Responsibilities for Pension and Benefit Plans if this contract expires or terminates without a follow-on contract. Notwithstanding any other obligations and requirements concerning expiration or termination under any other clause of this contract, including but not limited to Clause I.65 Termination FAR 52.249-6, the following actions shall occur:
 - (i) The Contractor shall continue as plan sponsor of all existing and follow-on pension and welfare benefit plans covering site personnel with responsibility for management and administration of the plans, as directed by DOE, at DOE's sole discretion.
 - (ii) During the final 12 months of this contract, if the parties have not reached agreement on these matters, the Contracting Officer shall provide written direction regarding the provision of post-contract pension and welfare benefits.
 - (iii) Notwithstanding termination for convenience or default, the contract may be extended as appropriate for purposes deemed necessary by the Contracting Officer, including, but not limited to, obligating funds to pay the Contractor for costs incurred for the Contractor's existing and, if applicable, follow-on, site pension and welfare benefit plans. Such costs shall continue to be allowable in accordance with applicable laws and regulations.
- (e) Labor Relations:
- (1) 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.

- (2) 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 thereto. 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 site-specific pension or other benefit plans.
 - (3) 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.
 - (4) The Contractor will notify the Contracting Officer or designee in a timely fashion of all labor relations issues and matters of local interests including organizing initiatives, unfair labor practice, work stoppages, picketing, labor arbitrations, and settlement agreements and will furnish such additional information as may be required from time to time by the Contracting Officer.
- (f) This Clause H.19 and Appendix A are adopted for the exclusive benefit and convenience of the parties hereto; nothing contained herein shall be construed as 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.

CLAUSE H.20 - CONTRACTOR ACCEPTANCE OF NOTICES OF VIOLATIONS OR ALLEGED VIOLATIONS, FINES, AND PENALTIES

- (a) The Contractor shall accept, in its own name, service of notices of violations or alleged violations (NOVs/NOAVs) issued by Federal or State regulators to the Contractor resulting from the Contractor's performance of work under this contract, without regard to liability. The allowability of the costs associated with fines and penalties shall be subject to the other provisions of this contract.
- (b) The Contractor shall notify DOE promptly when it receives service from the regulators of NOVs/NOAVs and fines and penalties.

CLAUSE H.21 - ALLOCATION OF RESPONSIBILITIES FOR CONTRACTOR ENVIRONMENTAL COMPLIANCE ACTIVITIES

- (a) The Parties commit to full cooperation with regard to acquiring any necessary permits or licenses required by environmental, safety and health (ES&H) laws, codes, ordinances, and regulations of the United States, states or territories, municipalities or other political subdivisions, and which are applicable to the performance of work under this contract. It is recognized that certain ES&H permits will be obtained jointly as co-permittees, and other permits will be obtained by either party as the sole permittee. The Contractor, unless otherwise directed by the Contracting Officer, shall procure all necessary non-ES&H permits or licenses.

- (b) This clause allocates the responsibilities of DOE and the Contractor, referred to collectively as the "Parties", for implementing the environmental requirements at facilities within the scope of the contract. In this Clause, the term "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, compliance agreements, permits, and licenses.

- (c)
 - (i) Liability and responsibility for civil fines or penalties arising from or related to violations of environmental requirements shall be borne by the party causing the violation irrespective of the fact that the cognizant regulatory authority may assess any such fine or penalty upon either party or both Parties without regard to the allocation of responsibility or liability under this contract. This contractual allocation of liability for any such fine or penalty is effective regardless of which party signs permit applications, manifests, reports, or other required documents, is a permittee, or is the named subject of an enforcement action or assessment of a fine or penalty. The allowability of the costs associated with fines and penalties assessed against the Contractor shall be subject to the other provisions of this contract.

 - (ii) In the event that the Contractor is deemed to be the primary party causing the violation, and the costs of fines and penalties proposed by the regulatory agency to be assessed against the Government (or the Government and Contractor jointly) are determined by the Government to be presumptively unallowable if allocated against the Contractor, then the Contractor shall be afforded the opportunity to participate in negotiations to settle or mitigate the penalties with the regulatory authority. If the Contractor is the sole party of the enforcement action, the Contractor shall take the lead role in the negotiations and the Government shall participate and have final authority to approve or reject any settlement involving costs charged to the contract.

- (d) DOE agrees that if bonds, insurance, or administrative fees are required as a condition for permits obtained by the Contractor under this contract, and the Contractor has been directed by the Contracting Officer to obtain such permits after the Contractor has notified the Contracting Officer of the costs of complying with such conditions, such costs shall be allowable. In the event such costs are determined by DOE to be excessive or unreasonable, DOE shall provide the regulatory agency with the acceptable form of financial responsibility. Under no circumstances shall the Contractor be required to provide any corporate resources or corporate guarantees to satisfy such regulatory requirements.

CLAUSE H.22 - WORKERS' COMPENSATION

- (a) The Contractor will maintain workers compensation insurance coverage pursuant to the requirements of FAR 28.307-2, FAR 28.308 and DEAR 970.2803-1. The insurance program must be approved by the Contracting Officer and cover all eligible employees of the Contractor and comply with applicable Federal and State workers' compensation and occupational disease statutes.
- (b) The Contractor shall obtain a service-type insurance policy that endorses the Department of Energy Incurred Loss Retrospective Rating Insurance Plan unless a different arrangement is approved by the Contracting Officer.
- (c) The Contractor shall submit to the Contracting Officer an annual evaluation and analysis of workers' compensation cost as a percent of payroll in comparison with the percentage of payroll cost reported by a nationally recognized Cost of Risk Survey that has been pre-approved by the Contracting Officer. The Contractor's self evaluation shall discuss:
 - (1) periodic audits of claims servicing units; and,
 - (2) the reasonableness of insurance reserves and methods and assumptions used to closeout claims or losses to present value.
- (d) The Contractor shall provide the Contracting Officer with an experience report and copy of account statements including deposits, earnings, payments, losses, and administrative fees by the Contractor's financial institution, on no less than an annual basis.
- (e) The Contractor will obtain approval from the Contracting Officer before making any significant change to its workers compensation coverage and will furnish reports as may be required from time to time by the Contracting Officer.

CLAUSE H.23 - ADDITIONAL LABOR REQUIREMENTS

The Contractor shall conduct payroll and job-site audits and conduct investigations of complaints as authorized by DOE on all Davis Bacon activity, including any subcontracts, as may be necessary to determine compliance with the Davis-Bacon Act. Where violations are found, the Contractor shall report them to the DOE Contracting Officer. The Contracting Officer may require that the Contractor assist in the determination of the amount of restitution and withholding of funds from a subcontractor so that sufficient funds are withheld to provide restitution for back wages due for workers inappropriately classified and paid, fringe benefits owed, overtime payments due, and liquidated damages assessed.

The Contractor shall notify the Contracting Officer of any complaints and significant labor standards violations whether caused by the Contractor or subcontractors. The Contractor shall assist DOE and or/the Department of Labor in the investigation of any alleged violations or disputes involving labor standards. The Contractor shall furnish a Davis-Bacon Semi-Annual Enforcement Report to DOE by April 21 and October 21 each year.

CLAUSE H.24 - OPEN COMPETITION AND LABOR RELATIONS UNDER MANAGEMENT AND OPERATING AND OTHER MAJOR FACILITIES CONTRACTS

“Labor organization,” as used in this clause, shall have the same meaning it has in 42 U.S.C. 2000e(d).

- (a) Unless acting in the capacity of a constructor on a particular project, the Contractor shall not-
 - (1) Require bidders, offerors, other contractors, or subcontractors to enter into or adhere to nor prohibit those parties from entering into or adhering to agreements with one or more labor organizations, i.e., project labor agreements, that apply to construction project(s) relating to this contract; or,
 - (2) Otherwise discriminate against bidders, offerors, Contractors, or subcontractors for refusing to become or to remain signatories or to otherwise adhere to project labor agreements for construction project(s) relating to this contract.

- (b) When the Contractor is acting in the capacity of a constructor, i.e., performing a substantial portion of the construction with its own forces, it may use its discretion to require bidders, offerors, other contractors, or subcontractors to enter into a project labor agreement that the Contractor has negotiated for that individual project.

- (c) Nothing in this clause shall limit the right of bidders, offerors, other contractors, or subcontractors to voluntarily enter into project labor agreements.

CLAUSE H.25 - PERFORMANCE BASED MANAGEMENT AND OVERSIGHT

- (a) Performance-based management shall be the key enabling mechanism for establishing the DOE-Contractor expectations on oversight and accountability. DOE expectations (outside of individual program performance and requirements of laws and regulations) and performance targets shall be established through the Performance Evaluation and Measurement Plan (PEMP) pursuant to the clause entitled "Standards of Contractor Performance Evaluation". This PEMP shall establish the expected strategic results in the areas of mission accomplishment, stewardship and operational excellence. Mission performance goals shall be established by agreement with each major customer of the Laboratory, and customer evaluation will be the primary means of evaluating mission performance. Stewardship and operational goals shall be established by agreement with DOE. Contractor self-assessment, third party certification, and Contractor and DOE independent oversight, as appropriate, shall be the primary means for assessing stewardship and operational performance. Routine DOE oversight of Contractor performance will be conducted at the systems level.
- (b) The performance-based management system shall be the primary vehicle for addressing issues associated with performance expectations. In the event of a substantive performance shortfall in any area, the appropriate improvement expectations and targets will be incorporated into the PEMP and tracked through self-assessment and independent oversight, as appropriate.
- (c) Compliance with applicable Federal, State and local laws and regulations, and permits and licenses, shall be primarily determined by the cognizant regulatory agency and DOE will primarily rely upon the determination of the external regulators in assessing Contract compliance. DOE oversight will be achieved through periodic assessments at the management system level, including review of Contractor self-assessments and assessments by independent third parties.

CLAUSE H.26 - 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 to communicate to Members of Congress as described in 18 U.S.C. 1913. This restriction is in addition to those prescribed elsewhere in statute and regulation.

CLAUSE H.27 - ELECTRONIC SUBCONTRACTING REPORTING SYSTEM

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 FAR 52.219-9(j) 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 (1) submit the Individual Subcontracting Reports and Summary Subcontracting Reports under the eSRS and (2) 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.

CLAUSE H.28 – INITIAL IMPLEMENTATION OF DOE DIRECTIVES AND WORK SMART STANDARDS

- (a) The Contractor will perform the work of this Contract in accordance with each of the Contractor Requirements Documents (CRDs) appended to this Contract as "Appendix I". However, for those Directives (CRDs) that the Contractor is not in compliance with as of the effective date of this contract, for a period of 60 days after the contract award date (unless otherwise extended by the contracting officer), the Contractor shall operate AMES under the existing applicable DOE Directive (CRD) or existing applicable Work Smart Standard (WSS) in place at the expiration of contract No. W-7405-ENG-82. During this 60 day period (unless otherwise extended by the contracting officer), the Contractor and the DOE Ames Site Office will review the WSS and the Appendix I CRDs and the Contractor may propose an alternative procedure(s) in accordance with Clause H.16 – Application of DOE Contractor Requirements Documents.
- (b) Except as provided in paragraph (a), the contractor shall comply with the CRDs contained in Appendix I.

CLAUSE H.29 - DISPOSAL OF REAL PROPERTY

Disposal of any permanent or temporary interest in real property shall require the prior approval of the Contracting Officer.

CLAUSE H.30 – ACTIVITIES DURING CONTRACT TRANSITION

- (a) The Contractor will commence Transition Activities as soon as possible after the award of the contract and complete the following activities (to the extent identified in the Contractor's proposal) within thirty (30) days or less, after contract award,

except as otherwise authorized by the Contracting Officer. After completion of these activities and such other Transition Activities as may be authorized by the Contracting Officer, the Contractor shall advise the Contracting Officer in writing that such Transition Activities are complete. The Contractor shall assume full responsibility for the Laboratory in accordance with the requirements set forth in this Contract as of 12:01 A.M. January 1, 2007.

- (1) Scientific Research. Complete the activities that will allow the Contractor to assume control of AMES's scientific programs and facilities.
- (2) Management Systems. Analyze and initiate enhancements, if needed, to the existing management systems (e.g., ISM and ISSM Finance, Property, Procurement, Information Management, Life Cycle Asset Management, Human Resources) to assure system adequacy.
- (3) Assignment of Existing Agreements. Initiate and complete the planning to assume the responsibility for existing regulatory (e.g., environmental permits) and commercial agreements (e.g., subcontracts, purchase orders, leases, etc.) to be assigned to the Contractor by the Iowa State University, or otherwise taken over by Contractor. Initiate the assumption of said responsibility with the objective of being eighty-five percent (85%) complete by the end of the transition period.
- (4) Joint Reconciliation Property Inventory. Initiate and complete the planning for a joint reconciliation property inventory with Iowa State University, see Clauses I.132(i)(2)(ii) or I.133(i)(2)(ii), in accordance with overall guidance provided by the Contracting Officer.
- (5) Litigation Management. Contractor shall consult with the Iowa State University and DOE to determine whether Contractor should assume some level of management of any litigation resulting from laboratory operations predating the effective date of this contract. The decision should be based on consideration of cost efficiency, named parties, relevance of retrospective insurance, and DOE litigation management guidelines.
- (6) Human Resources
 - (a) The Contractor will transition the workforce without break in service as operations cease under Contract W-7405-ENG-82.
 - (b) The Contractor will conduct work force planning, documented in the form of a plan, to be submitted to the Contracting Officer for review and approval at the end of the Transition Period. The Plan will identify the status of critical-skills and the strategy for the

recruitment and/or retention of those skills, and specifically address the issues set forth below.

- (i) If the Contractor intends to utilize “Joint Appointees” with Iowa State University and/or any other educational institutions; how said “Joint Appointees” will be utilized; terms to be utilized; and a description of the reimbursement process to be negotiated with the Iowa State University and/or other educational institutions.
 - (ii) Incentive compensation strategy for “Key Personnel,” other management personnel, and other employees, as appropriate, that meets the criteria of the DOE Acquisition Guide, Chapter 70.5, which can be located on the internet at <http://rfpAMES.sc.doe.gov/>.
 - (iii) The terms and conditions of employment that will be applicable to the bargaining unit workforce, demonstrating consistency with the respective collective bargaining agreements previously providing coverage.
 - (iv) The following will be specifically addressed under the *Human Resources Compensation Plan*, required to be submitted within 30 days of Contract award, pursuant to H.19(b)(7):
 - (A) The framework for the pension and health/welfare benefits applicable to the transferring workforce, with an assessment of the benefit value relative to those provided by the Iowa State University for AMES employees.
 - (B) A framework of the total compensation package applicable to new hires under the contract.
 - (C) Strategy for meeting the requirements identified in Clause H.19(d), specifically addressing the transition of those with membership in the Iowa Public Employees Retirement System (IPERS).
- (b) Except as provided in paragraph (c) below, or as otherwise specifically agreed to by the Contractor and the Contracting Officer, all of the provisions of this contract shall apply to the Contractor's performance of Transition Activities.
- (c) The following contract articles or portions thereof as noted below do not apply to the Contractor's Transition Activities:

- (1) Clause C.4 - Statement of Work;
 - (2) Clause F.1 - Period of Performance, except that pertaining to the Transition Period;
 - (3) Clause H.1 - Laboratory Facilities;
 - (4) Clause H.2 - Long-Range Planning, Program Development and Budgetary Administration;
 - (5) Clause H.35 - Care of Laboratory Animals;
 - (6) Clause H.36 - Protection of Human Subjects;
 - (7) Clause H.12 - Standards of Contractor Performance Evaluation;
 - (8) Clause H.13 - Cap on Liability;
 - (9) Clause H.20 - Contractor Acceptance of Notices of Violations or Alleged Violations, Fines, and Penalties;
 - (10) Clause H.21 - Allocation of Responsibilities for Contractor Environmental Compliance Activities;
 - (11) Clause I.11 - Required Sources for Helium and Helium Usage Data;
 - (12) Clause I.96 - Total Available Fee: Base Fee Amount and Performance Fee Amount;
 - (13) Clause I.97 - Conditional Payment of Fee, Profit, and Other Incentives – Facility Management Contracts;
 - (14) Clause I.98 - Work For Others Program (Non-DOE Funded Work);
 - (15) Clause I.118 - Preexisting Conditions;
 - (16) Clause I.124 - Work for Others Funding Authorization; and
 - (17) Appendix B - Performance Evaluation and Measurement Plan.
- (d) Contractor agrees to perform the activities set forth in paragraph (a) above, including relocation of Contractor’s “Key Personnel,” as described in its Cost Proposal, at an allowable cost not to exceed \$72,505.00. In the event the actual cost of said activities exceeds such amount, including any costs for relocation of Contractor’s “Key Personnel” incurred after the conclusion of the transition

period, Contractor agrees that it will be solely responsible for costs greater than said amount.

CLAUSE H.31 – SPECIAL FINANCIAL INSTITUTION ACCOUNT AGREEMENT

- (a) DOE shall make arrangements to execute a new Special Financial Institution Account Agreement with Bankers Trust Company, N.A. of Des Moines, Iowa which will be effective through January 31, 2007 and will be provided to the Contractor for its execution. Upon execution by the Contractor, said agreement shall supersede the existing Appendix C attached to this contract and shall be substituted therefore without any further action of the parties.
- (b) Contractor agrees to procure, in accordance with DOE requirements, a Special Financial Institution Account Agreement in sufficient time to have said Agreement in place and effective as of February 1, 2007.

CLAUSE H.32 – AGREEMENTS AND COMMITMENTS

- (a) The resources proposed by the Contractor and accepted by the Government are incorporated into the contract as set forth below:

See Section J, List of Documents, Exhibits and Other Attachments.

The Contractor shall provide the above described resources in the amount, manner, and schedule as specified below:

See Section J, List of Documents, Exhibits and Other Attachments.

If the Contractor fails to provide any or all of these resources or to make progress toward providing these resources, the Government may exercise any of its rights and remedies under the contract, including those contained in the provision of the Section I clause entitled, "Conditional Payment of Fee, Profit, and Other Incentives – Facility Management Contracts, Alternate I."

- (b) Any costs incurred by the Contractor in providing any of these resources are expressly unallowable under the contract.

CLAUSE H.33 – COMPLIANCE WITH INTERNET PROTOCOL VERSION 6 (IPv6) IN ACQUIRING INFORMATION TECHNOLOGY

This contract involves the acquisition of Information Technology (IT) that uses Internet Protocol (IP) technology. The Contractor agrees that: (1) all deliverables that involve IT that uses IP (products, services, software, etc.) will comply with IPv6 standards and

interoperate with both IPv6 and IPv4 systems and products; and (2) it has IPv6 technical support for development and implementation and fielded product management available. If the Contractor plans to offer a deliverable that involves IT that is not initially compliant, the Contractor agrees to: (1) obtain the Contracting Officer's approval before starting work on the deliverable; (2) provide a migration path and firm commitment to upgrade to IPv6 for all application and product features by June 2008; and (3) have IPv6 technical support for development and implementation and fielded product management available.

Should the Contractor find that the statement of work or specifications of this contract do not conform to the IPv6 standard, it must notify the Contracting Officer of such nonconformance and act in accordance with instructions of the Contracting Officer.

CLAUSE H.34 – MODIFICATION AUTHORITY

Notwithstanding any of the other clauses of this contract, the Contracting Officer shall be the only individual authorized to:

- (a) Accept nonconforming work,
- (b) Waive any requirement of this contract, or
- (c) Modify any term or condition of this contract.

CLAUSE H.35 – CARE OF LABORATORY ANIMALS

- (a) Before undertaking performance of any contract involving the use of laboratory animals, the Contractor shall register with the Secretary of Agriculture of the United States in accordance with Section 6, Public Law 89-544, Laboratory Animal Welfare Act, August 24, 1966, as amended. The Contractor shall furnish evidence of such registration to the Contracting Officer.
- (b) The Contractor shall acquire animals used in research and development programs from a dealer licensed by the Secretary of Agriculture, or from exempted sources in accordance with the Public Laws enumerated in paragraph (a) above.
- (c) In the case of any animals used or intended for use in the performance of this contract, the Contractor shall comply with USDA regulations governing animal care and usage, as well as all other relevant local, State, and Federal regulations concerning animal care and usage. In addition, the Contractor will ensure that research will be conducted in a facility that either: (i) has a current National Institutes of Health (NIH) assurance number for animal care and usage, or (ii) is currently accredited for animal care and usage by an appropriate organization such as the Associated for Assessment and Accreditation of Laboratory Animal Care (AAALAC) International, or (iii) has a DOE Assurance Plan Number.

CLAUSE H.36 – PROTECTION OF HUMAN SUBJECTS

Before undertaking the performance of any research involving the use of human subjects, the provisions of 10 CFR 745, Protection of Human Subjects, must be complied with. This requirement applies to research undertaken with DOE support, work for others, and collaborations with other institutions.

CLAUSE H.37 - FEE

This contract includes both a base fee amount and a performance fee amount. The base fee amount encompasses the costs that, under preceding M&O contracts for the operation of Ames Laboratory, were considered allowable costs based upon the Iowa State University Facilities and Administrative cost rate that is part of the University's approved HHS F&A Cost Rate Following OMB Circular A-21. The components of the base fee under this current contract are as follows:

COMPONENTS OF THE BASE FEE

- Payroll processing
- Tax reporting
- Cash disbursement processing
- Internal audit advisory services
- Human resources classification and compensation plans
- Human resources applicant tracking and hiring system
- Human resources employee relations and problem resolution
- Negotiation and administration of employee benefit plans
- Employee visa administration
- Equal opportunity and diversity monitoring
- Labor law compliance monitoring
- Administrative policy development and monitoring
- Executive leadership and institutional oversight
- Research compliance services
- Promotion and tenure oversight
- Access to Ethicspoint compliance hotline
- Risk management services
- Environmental Health & Safety advisory services
- Information Technology advisory services
- Facilities Planning & Management advisory services
- Police services
- Access to the Parks Library
- Access to university Learning & Development opportunities for staff
- Access to programs at the Women's Center

- Access to university service providers at university on-campus rates
- Access to reduced staff rates for the recreation center, performing arts and athletics tickets

AMES and its staff will be able to access these programs and services on the same basis as other University departments and staff. Since the costs for these services and programs, listed as components of the base fee, are encompassed by and paid as base fee, they will not be otherwise charged to the contract as either a direct or indirect cost. No additional home office or corporate oversight expenses will be charged.