

HANFORD MISSION SUPPORT CONTRACT



SECTION J-8

ADVANCE UNDERSTANDING ON COSTS

CHANGE HISTORY

Version	Date	Change Author	Change Summary
3.0	May 24, 2012	Ricky Churchman	Updated to incorporate Extended Assignments
2.3	April 20, 2010	Ricky Churchman	Updated to incorporate DOE comments
2.2	February 23, 2010	Ricky Churchman	Updated to incorporate DOE comments
2.1	November 6, 2009	Ricky Churchman	Updated to incorporate DOE comments
2.0	August 18, 2009	Robert Robertson	Added reference column to table.
1.0	July 23, 2009	Robert Robertson	Formal baseline version
0.1	July 21, 2009	Robert Robertson	Initial draft

1.0 INTRODUCTION

The Mission Support Alliance, LLC (MSA) will engage its initial members of the MSA LLC (Lockheed Martin Integrated Technology, LLC; Jacobs Engineering Group, Inc., and Wackenhut Services, Inc.), and various subcontractors in performance of the Mission Support Contract (MSC) mission.

In accordance with Section H.14 entitled, Advanced Understanding on Costs, this attachment sets forth the basis for determining the allowability of costs associated with expenditures that have cost implications under the Contract, that are not identified in other documents requiring the review and approval of the contracting officer. Unless a date is provided within an item of cost identified below, all items within this table are considered to be applicable for the three contract periods defined in Section F, Period of Performance. This will be a living document that will be changed according to contract or regulatory changes or interpretations throughout the period of performance, as necessary, by the Contracting Officer.

2.0 PURPOSE

To set forth in accordance with Section H.14 of the U.S. Department of Energy Contract DE-AC06-09RL14728 an ADVANCE UNDERSTANDING ON COST.

Areas of Cost -Description	Allowable Y/N		Reference			
			MSC	FAR	CAS	DEAR
Purchasing from Contractor-affiliated sources	Y	Support to and from Corporate Affiliates: The contractor may provide intermittent support to and receive intermittent support from corporate affiliates on a full cost recovery basis without fee subject to the conditions specified elsewhere in the contract in clause B.11, Allowability of Subcontractor Fee, and H.39, Parent Organization Support Plan.	—	31.205-26	—	970.4402-3
Limited Personal Use of Government Office Equipment Including Information Technology	Y	Non-interfering use (i.e. use outside the employees regular schedule) of government property (such as computers, telephones, copiers, fax machines or other office equipment) or commercially leased facilities necessary for use in any allowable activity such as from employees use in performing work related educational activities is allowable. DOE Order 203.1	—	—	—	—
Employee Annual Safety Recognition	Y	An amount of no more than \$35 per person per year (includes staff-augmentation subcontractor employees that are a part of the contractor's integrated project team) is considered reasonable to recognize and foster a safety culture. Costs incurred for safety recognition are also subject to receipt and Contracting Officer approval of an Annual Safety Recognition Plan and subject to the cost principles and limitations on allowability set forth in the Federal Acquisition Regulation (FAR) (e.g. entertainment costs, costs of alcoholic beverages, etc.).	—	31.205-6(f)	—	—
Beryllium Testing/Travel and Assistance	Y	Costs associated with testing expenses, such as travel for the individual being tested and the individual required to provide travel assistance, will be allowable to the extent the costs are in accordance with approved travel policies and Federal Travel Regulations (FTR). However, if an employee has an accepted workers' compensation claim for the injury/illness, then all associated costs must be completely and accurately reported through the workers' compensation claim by means of DOE RL's Third Party Administrator contractor.	—	31.205-6	—	—

Areas of Cost -Description	Allowable Y/N		Reference			
			MSC	FAR	CAS	DEAR
Hiring/Signing Bonuses	Y	Beginning in the base period, hiring/signing bonuses not to exceed \$200,000 total payments in any government fiscal year beginning 10/1, associating with recruiting management and certain technical personnel are allowable.	—	31.205-6	—	—
Employee Service Recognition and Employee Morale, Health and Wellness	Y	MSA has established an amount not to exceed \$50 per person per year (includes staff-augmentation subcontractor employees that are a part of the contractor's integrated project team). This amount is considered reasonable for employee service recognition and employee morale, health and wellness. However, costs incurred for employee service recognition and employee morale, health and wellness are subject to receipt and Contracting Officer approval of an Annual Employee Service Recognition and Employee Morale, Health and Wellness Plan and subject to the cost principles and limitations on allowability set forth in the FAR (e.g. entertainment costs, costs of alcoholic beverages, etc.).	—	31.205-13	—	—
Public Relations and Advertising Cost	Y	Allowability is limited to public relations costs related to the MSC contract, community relations, and general public information, in accordance with FAR 31.205-1 paragraph (e)(2).	—	31.205-1	—	—
Business Cards	Y	Allowability is limited to supervisors and above except for Procurement personnel having routine contact with offsite vendors and Human Resource/ Communication personnel having routine contact with offsite personnel relative to training, recruiting, or compliance activities.	—	31.201-3	—	—

Areas of Cost -Description	Allowable Y/N		Reference			
			MSC	FAR	CAS	DEAR
Community Services Activities	Y	In accordance with FAR 31.205-1 paragraph (e)(3), cost of participation in company sponsored community services (e.g., blood bank drives, charity drives, savings bond drives) is allowable. Anticipated costs are limited to participation and use of Government equipment and facilities on a non-interfering basis.	—	31.205-1	—	—
Domestic Personnel Extended Assignments	Y	As of June 1, 2012, for personnel on extended travel more than 30 days, reimbursement of lodging/other subsidies will be limited to actual expenses, and together with other subsidies, the total will not exceed 55% of the Federal Per Diem rate; MSA will not reimburse costs associated with salary premiums, per diem, or lodging/other subsidies for employees on domestic extended personnel assignments after 3 years.	MSC- RD- 10956	31-205-35, 31-205-46		DOE M 552.1-1A
Material Cost Associated with Worker Safety	Y	<ul style="list-style-type: none"> • Winter protective clothing such as coats, jackets, vests, hoods, sweatshirts, long underwear, stocking caps, and coveralls is an allowable expense for field workers. • Bottled water and electrolyte solutions or supplements are allowable expenses for workers performing duties in adverse conditions. • Bottled water where potable water is not available is an allowable expense. • Personnel Protective Equipment (PPE) such as safety shoes including orthotics, safety glasses, gloves, ear protection, etc., as delineated in the contractor's PPE procedure is allowable. • Water sediment filter systems to filter potable water where it is not practicable to replace aging infrastructure is allowable. 	—	31.205-26	—	—

Areas of Cost -Description	Allowable Y/N		Reference			
			MSC	FAR	CAS	DEAR
Insurance and Indemnification	Y	Insurance required by contract is allowable. If commercial insurance will be used, Contractor will provide analysis of commercial versus the Departments' Retrospective Insurance Program in accordance with DOE Acquisition Guide, Chapter 70.28, Contractor Insurance, by June 30 of each year of contract performance.	I.133	31.205-19	—	952.231-71
Travel and Relocation	Y	Travel and relocation shall be in accordance with the MSA travel and relocation policies subject to the allowability provision of the MSC and the FTR. The travel cost of individuals on temporary assignment returning home every 4 weeks is allowable.	—	31.205-35, 31.205-46	—	970.3102-05-46
Signage	Y	Signage cost incurred as a result of the change in contractors shall be an allowable cost. This cost is recognized as ordinary and necessary for the conduct of Contractor's business.	—	31.201-3	—	—

- CAS = Cost Accounting Standard.
- DEAR = Department of Energy Acquisition Regulation.
- DOE = U.S. Department of Energy.
- FAR = Federal Acquisition Regulation.
- MSC = Mission Support Contract.
- NTE = not to exceed.
- ODC = other direct costs.
- POSP = Parent Organization Support Plan.