AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE

PAGE 1 OF PAGES 14

2. AMENDMENT/MODIFICATION NO. 0683

3. EFFECTIVE DATE See Block 16C

4. REQUISITION/PURCHASE REQ. NO.

5. PROJECT NO. (If applicable)

6. ISSUED BY CODE 00601

Richland Operations Office
U.S. Department of Energy
P.O. Box 550, MSIN A7-80
Richland WA 99352

7. ADMINISTERED BY (If other than Item 6) CODE 00601

Richland Operations Office
U.S. Department of Energy
P.O. Box 550, MSIN A7-80
Richland WA 99352

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)

WASHINGTON CLOSURE HANFORD LLC
Attn: Scott M. Sax
Washington Closure Hanford
2620 Fermi Avenue
Richland WA 99354

CODE 167280762 FACILITY CODE

(x) 9A. AMENDMENT OF SOLICITATION NO.

9B. DATED (SEE ITEM 11)

x 10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC06-05RL14655

10B. DATED (SEE ITEM 13) 03/23/2005

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended. ☐ is not extended.
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)
See Schedule

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE	
	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Clause I.70, FAR 52.243-2 - Changes - Cost Reimbursement (8/87)-Alt I (Apr 1984)
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☐ is not ☒ is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

A. In accordance with the authority referenced in Block 13C and mutual agreement of the parties, the purpose of this modification is to revise Contract Clause H.2, "Pay and Benefits".

Contract revisions are detailed beginning on Page 2 of this modification.
Period of Performance: 03/23/2005 to 09/30/2016

Except as provided herein, all terms and conditions of the document referenced in Item 9 A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) S.M. Sax President

16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Jenise C. Connerly

15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)

15C. DATE SIGNED 3/1/16

16B. UNITED STATES OF AMERICA (Signature of Contracting Officer)

16C. DATE SIGNED 3-2-16

NSN 7540-01-152-8070
Previous edition unusable

STANDARD FORM 30 (REV. 10-83)
Prescribed by GSA
FAR (48 CFR) 53.243

SF30 BLOCK 14 CONTINUATION:

B. Clause H.2, Pay and Benefits, is hereby modified within the contract Section H, as identified in the Acquisition Letter 2016-01 issued January 15, 2016. The following shows the updated Clause H.2:

H.2 PAY AND BENEFITS

(a) Employees Covered by the Hanford Site Stabilization Agreement (HSSA). For those employees performing work subject to the Davis-Bacon Act, the Contractor shall comply with all requirements of the HSSA for pension and other benefits in the classifications set forth in the HSSA for work performed at the Hanford Site.

(b) Incumbent Contractors for the purposes of this clause shall mean Hanford Site Prime Contractors and their subcontractors participating in the Hanford Site Pension Plan (HSPP), The Hanford Site Savings Plan, and the Hanford Employee Welfare Trust (HEWT), at the time of Contract award.

(c) Incumbent Employees for the purposes of this clause employees who are: 1) employed by the Incumbent Contractors at Contract award and subsequently employed by the Contractor or the Contractor's proposed preselected subcontractors under this Contract by the close of Contract Transition, or 2) employed by the Incumbent Contractors at Contract award and subsequent to the close of Contract Transition are employed under this Contract through an involuntary transfer of employment. Involuntary transfer of employment is defined for the purposes of this clause as: (i) employment under this Contract as a result of a DOE directed transfer of function, (ii) employment under this Contract as a result of interim recognition of an existing collective bargaining agreement in place at the time of contract award covering incumbent employees, or (iii) specific conditions approved in advance on a case-by-case basis by the Contracting Officer. Except for the specific cases described in this section, employees will be considered as non-incumbent employees for the purposes of this clause. Incumbent employees, as defined above, may move from one company to another company within the Contractor Team Arrangement and maintain their incumbency status.

(d) Employee Pay and Benefits

(1) Compensation, Pension, and Benefits. 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 encourage highly skilled, motivated, and experienced workers to accept and retain employment.

(2) Pay

(i) Incumbent employees shall be paid base salary/pay rates that are at least equivalent to the base salary/pay rates being paid to the employees by the incumbent Contractors at the time the Contractor offers them employment, if the positions for which they are hired

entail duties and responsibilities substantially equivalent to their positions with the Incumbent Contractors.

(ii) If the base salary/pay rate that an employee is being paid by an incumbent Contractor at the time the Contractor offers the employee employment falls above the new maximum base salary/pay rate for the employee's position, the following shall apply:

(A) The employee shall continue to receive the same salary/pay rate that was paid by the incumbent Contractor.

(B) The employee shall receive no base salary/pay adjustments until such time as the top of the Contractor's pay rate range exceeds the employee's base salary/pay rate.

(C) After the top of the Contractor's rate range exceeds the employee's base salary/pay rate, the employee shall be eligible for increases consistent with the Contractor's salary/pay policies.

(iii) The Contractor shall submit any proposed major compensation program design changes to the Contracting Officer for determination of cost allowability prior to implementation.

(iv) Variable pay programs/incentives. If not already authorized under an Advance Agreement, a justification shall be provided with proposed costs and impacts to budget, if any.

(v) In the absence of Departmental policy, as communicated by the Contracting Officer, or other written instruction to the contrary (e.g., Secretarial pay freeze) a Contractor that meets the criteria, as set forth below, is not required to submit a Compensation Increase Plan (CIP) request to the Contracting Officer for an advance determination of cost allowability for a Merit Increase fund or Promotion/Adjustment fund:

a. The Merit Increase fund does not exceed the mean percent increase included in the annual Departmental guidance providing the WorldatWork Salary Budget Survey's salary increase projected for the CIP year. The Promotion/Adjustment fund does not exceed (0.80) percent in total.
b. The budget used for both Merit Increase funds and Promotion/Adjustment funds shall be based on the payroll for the end of the previous CIP year.
c. Salary structure adjustments do not exceed the mean WorldatWork structure adjustments projected for the CIP year and communicated through the annual Department CIP guidance.
d. Please note: No later than the first day of the CIP cycle, Contractors must provide notification to the Contracting Officer of planned increases and position to market data by mutually agreed-upon employment categories. No presumption of allowability will exist for employee job classes that exceed market position.

(vi) If a Contractor does not meet the criteria included in (v) above, a CIP must be submitted to the Contracting Officer for an advance determination of cost allowability. The CIP should include the

following components and data:

(A) Comparison of average pay to market average pay.

(B) Information regarding surveys used for comparison.

(C) Aging factors used for escalating survey data and supporting information.

(D) Projection of escalation in the market and supporting information.

(E) Information to support proposed structure adjustments, if any.

(F) Analysis to support special adjustments.

(G) Funding requests for each pay structure to include breakouts of merit, promotions, variable pay, special adjustments, and structure movement. (1) The proposed plan totals shall be expressed as a percentage of the payroll for the end of the previous CIP year. (2) All pay actions granted under the compensation increase plan are fully charged when they occur regardless of time of year in which the action transpires and whether the employee terminates before year end. (3) Specific payroll groups (e.g., exempt, nonexempt) for which CIP amounts are intended shall be defined by mutual agreement between the Contractor and the Contracting Officer. (4) The Contracting Officer may adjust the CIP amount after approval based on major changes in factors that significantly affect the plan amount (for example, in the event of a major reduction in force or significant ramp-up).

(H) A discussion of the impact of budget and business constraints on the CIP amount.

(I) Comparison of pay to relevant factors other than market average pay.

(vii) After receiving DOE CIP approval or if criteria in (d)(2)(v) was met, Contractors may make minor shifts of up to 10% of approved CIP funds by employment category (e.g., Scientist/Engineer, Admin, Exempt, Non-Exempt) without obtaining DOE approval.

(3) Reports and Information

(i) An *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; and planned distribution of funds for the following year.

(ii) An Annual Compensation and Benefits Report through iBenefits, or its successor system no later than March 1 of each year.

(4) Unless otherwise required by applicable law or approved by the Contracting Officer, no implementation of a benefit program and no amendment to any of the plans identified in this contract or underlying trust documents thereto shall result in allowable costs under this Contract.

(5) No presumption of allowability will exist when the Contractor implements a new benefit plan, or makes changes to existing benefit plans, identified in paragraph (a) above, that increase costs or are contrary to Departmental policy, as communicated by the Contracting Officer, or other written

instruction or until the Contracting Officer makes a determination of cost allowability for reimbursement for new or changed benefit plans. Changes shall be in accordance with and pursuant to the terms and conditions of the contract. Advance notification, rather than approval, is required for changes that do not increase costs and are not contrary to Departmental policy, as communicated by the Contracting Officer, or other written instruction.

(6) Cost reimbursement for pension and other benefit plans identified in this contract sponsored by the Contractor will be based on the Contracting Officer's approval of Contractor actions pursuant to an approved Ben-Val and an Employee Benefits Cost Study as described below.

(7) Unless otherwise stated, or as directed by the Contracting Officer, the Contractor shall submit the studies required in (i) and (ii) below. The studies shall be used by the Contractor in calculating the cost of benefits under existing benefit plans. An Employee Benefits Value (Ben-Val) Study Method using no less than 15 comparator organizations and an Employee Benefits Cost Survey Comparison method shall be used in this evaluation to establish an appropriate comparison method. In addition, the Contractor shall submit updated studies to the Contracting Officer for approval prior to the adoption of any change to a pension or other benefit plan which increases costs.

(i) Separate Ben-Val studies are required every two years for all plans identified in paragraph H.2(b). A Ben-Val 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 the Contracting Officer approved comparator companies. To the extent that the value studies do 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 derived from nationally recognized and Contracting Officer approved survey sources; and

(ii) Separate Employee Benefits Cost Study comparisons are annually required for all plans identified in paragraph H.2(b). An Employee Benefits Cost Study is a study which analyzes the Contractor's employee benefits cost on a per capita per full time equivalent employee basis and as a percent of payroll and compares them with the costs reported by the U.S. Department of Labor's Bureau of Labor Statistics or other Contracting Officer approved, broad based, national survey.

(8) When net benefit value exceeds the comparator group by more than five (5) percent (%), the Contractor shall submit a corrective action plan to the Contracting Officer for approval, unless waived in writing by the Contracting Officer.

(9) When the average total benefit per capita cost or total benefit cost as a percent of payroll exceeds the comparator group by more than 5 %, and if required by the Contracting Officer, the Contractor shall submit an analysis of the specific plan costs that are above the per capita cost range or total benefit cost as a percent of payroll and a corrective action plan to achieve

conformance with a Contracting Officer directed per capita cost range or total benefit cost as a percent of payroll, unless waived in writing by the Contracting Officer.

(10) Within two (2) years of approval of the Contractor's corrective action plan by the Contracting Officer, the Contractor shall implement corrective action plans to align employee benefit programs with the benefit value and per capita cost range or percent of payroll as approved by the Contracting Officer.

(11) The Contractor may not terminate any benefit plan during the term of the Contract without prior approval of the Contracting Officer in writing.

(12) Cost reimbursement for Post Retirement Benefits (PRBs) is contingent on the specific terms of the plans identified in this contract, as amended. Unless required by Federal or State law, advance funding of PRBs is not allowable.

(13) All costs of administration shall be costs of each plan individually and allocated to participating plan sponsors. Costs of administration shall be directly billed to the plans and not charged by indirect allocation.

(14) The Contractor shall maintain a sufficient number of trained and qualified personnel to perform all of the functions of the plans.

(15) The Contractor shall render all ordinary and normal administrative services and functions which may be reasonably required. The Contractor shall annually provide an itemization of costs incurred for plan administration for each plan to the Contracting Officer within 60 days of the end of each plan year.

(16) The Contractor shall manage Plan assets in a prudent manner. The Contractor shall develop and submit to the Contracting Officer an Investment Policy Statement for each plan that clearly defines investment return objectives and risk tolerances, and shall perform annual pension plan Investment Performance Self-Assessments. The Contractor performance self-assessments shall address investment objectives, development of the plans to achieve investment objectives, execution of the plans, performance monitoring, and appropriate corrective action planning and execution. The Contractor shall provide the Contracting Officer with a copy of each plan's Investment Performance Self-Assessment.

(17) The Contractor shall comply with the Investment Policy Statements developed for the plans. Should the Contractor incur higher costs because the Contractor fails to comply with all or part of the established Investment Policy Statements provided to DOE, the additional costs incurred are unallowable.

(18) Each Contractor sponsoring a defined benefit pension plan and/or postretirement benefit plan will participate in the annual plan management process which includes written responses to a questionnaire regarding plan management, providing forecasted estimates of future reimbursements in connection with the plan(s) and participating in a conference call to discuss the Contractor submission [see (d)(21)(vii) below for Pension Management Plan requirements].

(19) Each Contractor will respond to quarterly data calls issued through iBenefits, or its successor system.

(20) Contractors shall submit new benefit plans and changes to plan design or funding methodology with justification to the Contracting Officer for approval, as applicable (see (d)(5) above). The justification must:

(i) demonstrate the effect of the plan changes on the contract net benefit value or per capita benefit costs,
(ii) provide the dollar estimate of savings or costs, and
(iii) provide the basis of determining the estimated savings or cost.

(21) Establishment and Maintenance of Pension Plans for which DOE Reimburses Costs

(i) The Contractor shall comply with the requirements of ERISA if applicable to the pension plan and any other applicable laws.

(ii) Any pension plan maintained by the Contractor, for which DOE reimburses costs, shall be maintained as a separate pension plan distinct from any other pension plan which provides credit for current service not previously paid through a DOE cost reimbursement contract.

(iii) The following reports shall be submitted to DOE as soon as possible after the last day of the plan year by the Contractor responsible for each designated pension plan funded by DOE but no later than the dates specified below:

(A) Actuarial Valuation Reports. The annual actuarial valuation report for each DOE-reimbursed pension plan and when a pension plan is commingled, the Contractor shall submit separate reports for DOE's portion and the plan total by the due date for filing IRS Form 5500.

(B) Forms 5500. Copies of IRS Forms 5500 with Schedules for each DOE-funded pension plan, no later than that submitted to the IRS.

(C) Forms 5300. Copies of all forms in the 5300 series submitted to the IRS that document the establishment, amendment, termination, spin-off, or merger of a plan submitted to the IRS.

(iv) At least sixty (60) days prior to the adoption of any changes to a pension plan, the Contractor shall submit the information required below, to the Contracting Officer. The Contracting Officer must approve plan changes that increase costs as part of a determination as to whether the costs are deemed allowable pursuant to FAR 31.205-6, as supplemented by DEAR 970.3102-05-6.

(A) For proposed changes to pension plans and pension plan funding, the Contractor shall provide the following to the Contracting Officer:

(1) a copy of the current plan document (as conformed to show all prior plan amendments), with the proposed new amendment indicated in redline/strikeout,
(2) an analysis of the impact of any proposed changes on actuarial accrued liabilities and costs,
(3) except in circumstances where the Contracting Officer indicates that it is unnecessary, a legal explanation of the proposed changes from the counsel used by the plan for purposes of compliance with all legal requirements applicable to private sector defined benefit pension plans,
(4) the Summary Plan Description, and
(5) any such additional information as requested by the Contracting Officer.

(v) The Contractor shall not terminate any pension plan without at least 60 days notice to and the approval of the Contracting Officer prior to the scheduled date of plan termination.

(vi) Each Contractor defined benefit and defined contribution pension plan shall be subjected to a limited-scope audit annually that satisfies the requirements of ERISA section 103, except that every third year the Contractor must conduct a full-scope audit of defined benefit plan(s) satisfying ERISA section 103. Alternatively, the Contractor may conduct a full-scope audit satisfying ERISA section 103 annually. In all cases, the Contractor must submit the audit results to the Contracting Officer. In years in which a limited scope audit is conducted, the Contractor must provide the Contracting Officer with a copy of the qualified trustee or custodian's certification regarding the investment information that provides the basis for the plan sponsor to satisfy reporting requirements under ERISA section 104.

While there is no requirement to submit a full scope audit for defined contribution plans, Contractors are responsible for maintaining adequate controls for ensuring that defined contribution plan assets are correctly recorded and allocated to plan participants.

(vii)

The Pension Management Plan (PMP) shall include a discussion of the Contractor's plans for management and administration of all pension plans consistent with the terms of the Contract. The PMP shall be submitted in the iBenefits system, or its successor system no later than January 31st of each applicable year. A full description of the necessary reporting will be provided in the annual management plan data request. Within sixty (60) days after the date of the submission, appropriate Contractor representatives shall be available to participate in a conference call to discuss the Contractor's PMP submission and any other current plan issues or concerns.

(A) The annual revision of the PMP shall include:

(1) The Contractor's best projection of the contributions which it will be legally obligated to make to the pension plan(s), beginning with the required contributions for the coming fiscal year, based on the latest actuarial valuation, and continuing for the following four years. This estimate will be based upon compliance with all applicable legal requirements relating to the determination of contributions and upon the assumptions set out in the plan document(s).

(2) If the actuarial valuation submitted pursuant to the annual PMP update indicates that the sponsor of the pension plan must impose pension plan benefit restrictions, the Contractor shall provide the following information:

(i) The type of benefit restriction that will take place;
(ii) The number of Contractor employees that potentially could be impacted and the nature of the restriction (e.g., financial impact) by imposition of the required benefit restriction; and
(iii) The amount of money that would need to be contributed to the pension plan to avoid legally required benefit restrictions.

(3) A detailed discussion of how the Contractor intends to manage the pension plan(s) to maximize the contribution predictability (i.e. forecasting accuracy) and contain current and future costs, to include rationale for selection of all plan assumptions that determine the required contributions and which impact the level and predictability of required contributions. The Contractor is required to annually establish a long term (e.g. five year) plan that outlines the projected retirement plan costs, and any planned action steps to be taken to better manage predictability. The Contractor must also share the following information with the Department during the meeting:

(i) Strategy for achieving and maintaining fully-funded status of the plan(s);
(ii) Investment policy statement for the plan, with any recent updates;
(iii) Results of recent asset liability studies (required to be performed every 3 years or after a significant event) including rationale for maintaining current asset allocation strategy;

(iv) Comparison of budget projections submitted to the Department to actual contributions;

(v) Any recent reports, findings, or recommendations provided by plan's investment consultant;

(vi) Actuarial experience studies to set the plan's actuarial assumptions (required to be performed every 3-5 years)

(4) An assessment to evaluate the effectiveness of the Contractor's pension plan(s) investment management/results. The assessment shall include at a minimum: a review and analysis of pension plan investment objectives; the strategies employed to achieve those objectives; the methods used to monitor execution of those strategies and the achievement of the investment objectives; and a comparative analysis of the objectives and performance of other comparable pension plans. The Contractor shall also identify its plans, if any, for revising any aspect of its pension plan management based on the results of the review.

(viii) Reimbursement of Contractors for Contributions to Defined Benefit Pension Plans

(A) Contractors that sponsor single employer or multiple employer defined benefit pension plans will be reimbursed for the annual required minimum contributions under the Employee Retirement Income Security Act (ERISA), as amended by the Pension Protection Act (PPA) of 2006 and any other subsequent amendments. Reimbursement above the annual minimum required contribution will require prior approval of the Contracting Officer. Minimum required contribution amounts will take into consideration all pre-funding balances and funding standard carryover balances. Early in the fiscal year but no later than the end of November, the Contractor requesting above the minimum may submit/update a business case for funding above the minimum if preliminary approval is needed prior to the Pension Management Plan process. The business case shall include a projection of the annual minimum required contribution and the proposed contribution above the minimum. The submission of the business case will provide the opportunity for the Department to provide preliminary approval, within 30 days after Contractor submission, pending receipt of final estimates, generally after January 1st of the calendar year. Final approval of funding will be communicated by the Contracting Officer when discount rates are finalized and it is known whether there are any budget issues with the proposed contribution amount.

(B) Contractors that sponsor multi-employer DB pension plans will be reimbursed for pension contributions in the amounts necessary to ensure that the plans are funded to meet the

annual minimum requirement under ERISA, as amended by the PPA. However, reimbursement for pension contributions above the annual minimum contribution required under ERISA, as amended by the PPA, will require prior approval of the Contracting Officer and will be considered on a case by case basis. Reimbursement amounts will take into consideration all pre-funding balances and funding standard carryover balances. Early in the fiscal year but no later than the end of November, the Contractor requesting above the minimum may submit/update a business case for funding above the minimum if preliminary approval is needed prior to the Pension Management Plan process. The business case shall include a projection of the annual minimum required contribution and the proposed contribution above the minimum. The submission of the business case will provide the opportunity for the Department to provide preliminary approval, within 30 days after Contractor submission, pending receipt of final estimates, generally after January 1st of the calendar year. Final approval of funding will be communicated by the Contracting Officer when discount rates are finalized and it is known whether there are any budget issues with the proposed contribution amount.

(ix) Terminating Operations

When operations at a designated DOE facility are terminated and no further work is to occur under the prime contract, the following apply:

(A) No further benefits for service shall accrue.

(B) The Contractor shall provide a determination statement in its settlement proposal, defining and identifying all liabilities and assets attributable to the DOE contract.

(C) The Contractor shall base its pension liabilities attributable to DOE contract work on the market value of annuities or lump sum payments or dispose of such liabilities through a competitive purchase of annuities or lump sum payouts.

(D) Assets shall be determined using the “accrual-basis market value” on the date of termination of operations.

(E) DOE and the Contractor(s) shall establish an effective date for spinoff or plan termination. On the same day as the Contractor notifies the IRS of the spinoff or plan termination, all plan assets assigned to a spun-off or terminating plan shall be placed in a low-risk liability matching portfolio until the successor trustee, or an insurance company, is able to assume stewardship of those assets.

(x) Terminating Plans

(A) DOE Contractors shall not terminate any pension plan (Commingled or site specific) without requesting

Departmental approval at least 60 days prior to the scheduled date of plan termination.

(B) To the extent possible, the Contractor shall satisfy plan liabilities to plan participants by the purchase of annuities through competitive bidding on the open annuity market or lump sum payouts. The Contractor shall apply the assumptions and procedures of the Pension Benefit Guaranty Corporation.

(C) Funds to be paid or transferred to any party as a result of settlements relating to pension plan termination or reassignment shall accrue interest from the effective date of termination or reassignment until the date of payment or transfer.

(D) If ERISA or IRC rules prevent a full transfer of excess DOE reimbursed assets from the terminated plan, the Contractor shall pay any deficiency directly to DOE according to a schedule of payments to be negotiated by the parties.

(E) On or before the same day as the Contractor notifies the IRS of the spinoff or plan termination, all plan assets assigned to a spun-off or terminating plan shall be placed in a low-risk liability matching portfolio until the successor trustee, or an insurance company, is able to assume stewardship of those assets.

(F) DOE liability to a Commingled pension plan shall not exceed that portion which corresponds to DOE contract service. The DOE shall have no other liability to the plan, to the plan sponsor, or to the plan participants.

(G) After all liabilities of the plan are satisfied, the Contractor shall return to DOE an amount equaling the asset reversion from the plan termination and any earnings which accrue on that amount because of a delay in the payment to DOE. Such amount and such earnings shall be subject to DOE audit. To effect the purposes of this paragraph, DOE and the Contractor may stipulate to a schedule of payments.

(22) Pension and Benefits

(i) Pension Benefits for Incumbent Employees

(A) The Contractor shall become a sponsor of the site pension plans currently sponsored by the Incumbent Contractors.

(B) The Contractor shall allow incumbent employees to continue to accrue credit under the HSPP and participate or continue to participate in the HSSP for service under this contract. Incumbent employees shall retain credit for their prior Hanford service without the Contract transition constituting a break in service. The Contractor shall timely supply the HSPP Administrator with the information required by the

Administrator necessary to effectively administer the Plan. Contributions to the HSPP and HSSP as determined by the Plan Administrator(s) shall be allowable costs under this contract, subject to compliance with other provisions of this Contract and terms of the Plans, as amended. At Contract completion, the Contractor shall fully fund its withdrawal liability under the HSPP; provided, however, that if this Contract expires or terminates, the Contractor shall continue as a plan sponsor of the HSPP pursuant to paragraph (e) below as directed by DOE.

(C) The Contractor shall coordinate with the HSPP Administrator to ensure DOE receives an annual reporting and accounting of the Contractor's pension obligations, pursuant to Financial Accounting Standard (FAS) 87, for those employees participating in the HSPP under this contract. The Contractor shall coordinate with the HSPP Administrator and supply the Administrator with all the information necessary to maintain the Federal tax qualification of all Contractor and Hanford Site pension plans.

(ii) Non-Pension Benefits for Incumbent Employees

(A) The Contractor shall become a sponsor of the Hanford Employee Welfare Trust (HEWT) Plan. Incumbent employees shall be eligible to continue participation in the HEWT Plan and receive medical and other benefits under the HEWT Plan consistent with the terms of that Plan as amended from time to time. The Contractor shall credit the length of service credited by the incumbent Contractor of incumbent employees toward the service period required for benefits relating to vacation, sick leave, health insurance, severance, layoff, recall, and other benefits.

(B) The Contractor shall timely supply the HEWT Administrator with the information required by the Administrator necessary to effectively administer the Plan. Contributions into the HEWT Plan as determined by the Administrator will qualify as allowable costs under this Contract.

(C) The Contractor shall coordinate with the HEWT Plan administrator or to ensure DOE receives an annual reporting and accounting of the Contractor's benefit obligations for those employees participating in the HEWT Plan under this Contract.

(iii) Pension and Benefits for Non-Incumbent Employees

(A) The Contractor shall offer a market-based retirement and medical benefit package competitive for the industry for non-incumbent employees. If the Contractor meets all applicable legal and tax requirement, the Contractor may establish a separate line of business pursuant to Internal Revenue Code (IRC) §410 and §414 for the purpose of maintaining the

Federal tax qualification of pension plans covering the Contractor's employees.

(B) The Contractor shall develop and implement welfare benefit programs that meet the tests of allowability and reasonableness established by Federal Acquisition Regulation 31.205-6.

(e) 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 the Section I clause entitled FAR 52.249-6 Termination (Cost Reimbursement), the following actions shall occur:

(1) The Contractor shall continue as a plan sponsor of the existing pension plan and any welfare benefit plans covering those vested employees (identified during the transition period).

(2) (Reserved)

(3) DOE and the Contractor shall meet to determine the ultimate disposition of all pension, post-retirement welfare, and post-employment plans.

(4) During the final 18 months of this Contract, the Contracting Officer shall provide written direction to the Contractor regarding all post-contract pension and welfare benefit plans.

(5) Pension plan contributions, plan asset management costs, and plan administration costs will continue to be allowable and fully reimbursed under this Contract, on a funding basis acceptable to DOE, unless other arrangements have been approved by the Contracting Officer.

(END OF CLAUSE H.2)

C. Contractor Statement of Release: The Contractor hereby releases the Government from any and all liability under this contract for equitable adjustments attributable to this modification which revises the "Special Contract Requirements," incorporated into the contract as Section H.

D. Contract Section H has been revised in accordance with paragraph B above. A revised conformed Contract Section H is included with this modification.

There are no other changes to the terms and conditions of the contract.

End of Modification No. 683

PART I - THE SCHEDULE

SECTION H

SPECIAL CONTRACT REQUIREMENTS

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SECTION H

SPECIAL CONTRACT REQUIREMENTS

H.1 INCUMBENT EMPLOYEES HIRING PREFERENCES

The Contractor shall use the transition period to make hiring decisions and to establish the management structures necessary to conduct an employee relations program. In establishing an initial workforce, and through the first six months after Contract award, the Contractor shall give a first preference in hiring for vacancies in non-managerial positions under this Contract to qualified employees employed by the Incumbent Contractors (see definition in Clause H.2 below). This hiring preference takes priority over the hiring preference provided in the Section I clause entitled *DEAR 952.226-74 Displaced Employee Hiring Preference*. It does not apply to the Contractor's hiring of management staff (i.e., first line supervisors and above).

H.2 PAY AND BENEFITS

(a) Employees Covered by the Hanford Site Stabilization Agreement (HSSA). For those employees performing work subject to the Davis-Bacon Act, the Contractor shall comply with all requirements of the HSSA for pension and other benefits in the classifications set forth in the HSSA for work performed at the Hanford Site.

(b) Incumbent Contractors for the purposes of this clause shall mean Hanford Site Prime Contractors and their subcontractors participating in the Hanford Site Pension Plan (HSPP), The Hanford Site Savings Plan, and the Hanford Employee Welfare Trust (HEWT), at the time of Contract award.

(c) Incumbent Employees for the purposes of this clause employees who are: 1) employed by the Incumbent Contractors at Contract award and subsequently employed by the Contractor or the Contractor's proposed preselected subcontractors under this Contract by the close of Contract Transition, or 2) employed by the Incumbent Contractors at Contract award and subsequent to the close of Contract Transition are employed under this Contract through an involuntary transfer of employment. Involuntary transfer of employment is defined for the purposes of this clause as: (i) employment under this Contract as a result of a DOE directed transfer of function, (ii) employment under this Contract as a result of interim recognition of an existing collective bargaining agreement in place at the time of contract award covering incumbent employees, or (iii) specific conditions approved in advance on a case-by-case basis by the Contracting Officer. Except for the specific cases described in this section, employees will be considered as non-incumbent employees for the purposes of this clause. Incumbent employees, as defined above, may move from one company to another company within the Contractor Team Arrangement and maintain their incumbency status.

(d) Employee Pay and Benefits

(1) Compensation, Pension, and Benefits. 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 encourage highly skilled, motivated, and experienced workers to accept and retain employment.

(2) Pay

(i) Incumbent employees shall be paid base salary/pay rates that are at least equivalent to the base salary/pay rates being paid to the employees by the incumbent Contractors at the time the Contractor offers them employment, if the positions for which they are hired entail duties and responsibilities substantially equivalent to their positions with the Incumbent Contractors.

(ii) If the base salary/pay rate that an employee is being paid by an incumbent Contractor at the time the Contractor offers the employee employment falls above the new maximum base salary/pay rate for the employee's position, the following shall apply:

(A) The employee shall continue to receive the same salary/pay rate that was paid by the incumbent Contractor.

(B) The employee shall receive no base salary/pay adjustments until such time as the top of the Contractor's pay rate range exceeds the employee's base salary/pay rate.

(C) After the top of the Contractor's rate range exceeds the employee's base salary/pay rate, the employee shall be eligible for increases consistent with the Contractor's salary/pay policies.

(iii) The Contractor shall submit any proposed major compensation program design changes to the Contracting Officer for determination of cost allowability prior to implementation.

(iv) Variable pay programs/incentives. If not already authorized under an Advance Agreement, a justification shall be provided with proposed costs and impacts to budget, if any.

(v) In the absence of Departmental policy, as communicated by the Contracting Officer, or other written instruction to the contrary (e.g., Secretarial pay freeze) a Contractor that meets the criteria, as set forth below, is not required to submit a Compensation Increase Plan (CIP) request to the Contracting Officer for an advance determination of cost allowability for a Merit Increase fund or Promotion/Adjustment fund:

a. The Merit Increase fund does not exceed the mean percent increase included in the annual Departmental guidance providing the WorldatWork Salary Budget Survey's salary increase projected for the CIP year. The Promotion/Adjustment fund does not exceed (0.80) percent in total.
b. The budget used for both Merit Increase funds and Promotion/Adjustment funds shall be based on the payroll for the end of the previous CIP year.
c. Salary structure adjustments do not exceed the mean WorldatWork structure adjustments projected for the CIP year and communicated through the annual Department CIP guidance.
d. Please note: No later than the first day of the CIP cycle, Contractors must provide notification to the Contracting Officer of planned increases and position to market data by mutually agreed-upon employment categories. No presumption of allowability will exist for employee job classes that exceed market position.

(vi) If a Contractor does not meet the criteria included in (v) above, a CIP must be submitted to the Contracting Officer for an advance determination of cost allowability. The CIP should include the following components and data:

(A) Comparison of average pay to market average pay.

(B) Information regarding surveys used for comparison.
(C) Aging factors used for escalating survey data and supporting information.
(D) Projection of escalation in the market and supporting information.
(E) Information to support proposed structure adjustments, if any.
(F) Analysis to support special adjustments.
(G) Funding requests for each pay structure to include breakouts of merit, promotions, variable pay, special adjustments, and structure movement. (1) The proposed plan totals shall be expressed as a percentage of the payroll for the end of the previous CIP year. (2) All pay actions granted under the compensation increase plan are fully charged when they occur regardless of time of year in which the action transpires and whether the employee terminates before year end. (3) Specific payroll groups (e.g., exempt, nonexempt) for which CIP amounts are intended shall be defined by mutual agreement between the Contractor and the Contracting Officer. (4) The Contracting Officer may adjust the CIP amount after approval based on major changes in factors that significantly affect the plan amount (for example, in the event of a major reduction in force or significant ramp-up).
(H) A discussion of the impact of budget and business constraints on the CIP amount.
(I) Comparison of pay to relevant factors other than market average pay.

(vii) After receiving DOE CIP approval or if criteria in (d)(2)(v) was met, Contractors may make minor shifts of up to 10% of approved CIP funds by employment category (e.g., Scientist/Engineer, Admin, Exempt, Non-Exempt) without obtaining DOE approval.

(3) Reports and Information

(i) An *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; and planned distribution of funds for the following year.

(ii) An Annual Compensation and Benefits Report through iBenefits, or its successor system no later than March 1 of each year.

(4) Unless otherwise required by applicable law or approved by the Contracting Officer, no implementation of a benefit program and no amendment to any of the plans identified in this contract or underlying trust documents thereto shall result in allowable costs under this Contract.

(5) No presumption of allowability will exist when the Contractor implements a new benefit plan, or makes changes to existing benefit plans, identified in paragraph (a) above, that increase costs or are contrary to Departmental policy, as communicated by the Contracting Officer, or other written instruction or until the Contracting Officer makes a determination of cost allowability for reimbursement for new or changed benefit plans. Changes shall be in accordance with and pursuant to the terms and conditions of the contract. Advance notification, rather than approval, is required for changes that do not increase costs and are not contrary to Departmental policy, as communicated by the Contracting Officer, or other written instruction.

(6) Cost reimbursement for pension and other benefit plans identified in this contract sponsored by the Contractor will be based on the Contracting Officer's approval of Contractor actions pursuant to an approved Ben-Val and an Employee Benefits Cost Study as described below.

(7) Unless otherwise stated, or as directed by the Contracting Officer, the Contractor shall submit the studies required in (i) and (ii) below. The studies shall be used by the Contractor in calculating the cost of benefits under existing benefit plans. An Employee Benefits Value (Ben-Val) Study Method using no less than 15 comparator organizations and an Employee Benefits Cost Survey Comparison method shall be used in this evaluation to establish an appropriate comparison method. In addition, the Contractor shall submit updated studies to the Contracting Officer for approval prior to the adoption of any change to a pension or other benefit plan which increases costs.

(i) Separate Ben-Val studies are required every two years for all plans identified in paragraph H.2(b). A Ben-Val 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 the Contracting Officer approved comparator companies. To the extent that the value studies do 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 derived from nationally recognized and Contracting Officer approved survey sources; and

(ii) Separate Employee Benefits Cost Study comparisons are annually required for all plans identified in paragraph H.2(b). An Employee Benefits Cost Study is a study which analyzes the Contractor's employee benefits cost on a per capita per full time equivalent employee basis and as a percent of payroll and compares them with the costs reported by the U.S. Department of Labor's Bureau of Labor Statistics or other Contracting Officer approved, broad based, national survey.

(8) When net benefit value exceeds the comparator group by more than five (5) percent (%), the Contractor shall submit a corrective action plan to the Contracting Officer for approval, unless waived in writing by the Contracting Officer.

(9) When the average total benefit per capita cost or total benefit cost as a percent of payroll exceeds the comparator group by more than 5 %, and if required by the Contracting Officer, the Contractor shall submit an analysis of the specific plan costs that are above the per capita cost range or total benefit cost as a percent of payroll and a corrective action plan to achieve conformance with a Contracting Officer directed per capita cost range or total benefit cost as a percent of payroll, unless waived in writing by the Contracting Officer.

(10) Within two (2) years of approval of the Contractor's corrective action plan by the Contracting Officer, the Contractor shall implement corrective action plans to align employee benefit programs with the benefit value and per capita cost range or percent of payroll as approved by the Contracting Officer.

(11) The Contractor may not terminate any benefit plan during the term of the Contract without prior approval of the Contracting Officer in writing.

(12) Cost reimbursement for Post Retirement Benefits (PRBs) is contingent on the specific terms of the plans identified in this contract, as amended. Unless required by Federal or State law, advance funding of PRBs is not allowable.

(13) All costs of administration shall be costs of each plan individually and allocated to participating plan sponsors. Costs of administration shall be directly billed to the plans and not charged by indirect allocation.

(14) The Contractor shall maintain a sufficient number of trained and qualified personnel to perform all of the functions of the plans.

(15) The Contractor shall render all ordinary and normal administrative services and functions which may be reasonably required. The Contractor shall annually provide an itemization of costs incurred for plan administration for each plan to the Contracting Officer within 60 days of the end of each plan year.

(16) The Contractor shall manage Plan assets in a prudent manner. The Contractor shall develop and submit to the Contracting Officer an Investment Policy Statement for each plan that clearly defines investment return objectives and risk tolerances, and shall perform annual pension plan Investment Performance Self-Assessments. The Contractor performance self-assessments shall address investment objectives, development of the plans to achieve investment objectives, execution of the plans, performance monitoring, and appropriate corrective action planning and execution. The Contractor shall provide the Contracting Officer with a copy of each plan's Investment Performance Self-Assessment.

(17) The Contractor shall comply with the Investment Policy Statements developed for the plans. Should the Contractor incur higher costs because the Contractor fails to comply with all or part of the established Investment Policy Statements provided to DOE, the additional costs incurred are unallowable.

(18) Each Contractor sponsoring a defined benefit pension plan and/or postretirement benefit plan will participate in the annual plan management process which includes written responses to a questionnaire regarding plan management, providing forecasted estimates of future reimbursements in connection with the plan(s) and participating in a conference call to discuss the Contractor submission [see (d)(21)(vii) below for Pension Management Plan requirements].

(19) Each Contractor will respond to quarterly data calls issued through iBenefits, or its successor system.

(20) Contractors shall submit new benefit plans and changes to plan design or funding methodology with justification to the Contracting Officer for approval, as applicable (see (d)(5) above). The justification must:

(i) demonstrate the effect of the plan changes on the contract net benefit value or per capita benefit costs,
(ii) provide the dollar estimate of savings or costs, and
(iii) provide the basis of determining the estimated savings or cost.

(21) <u>Establishment and Maintenance of Pension Plans for which DOE Reimburses Costs</u>

(i) The Contractor shall comply with the requirements of ERISA if applicable to the pension plan and any other applicable laws.

(ii) Any pension plan maintained by the Contractor, for which DOE reimburses costs, shall be maintained as a separate pension plan distinct from any other pension plan which provides credit for current service not previously paid through a DOE cost reimbursement contract.

(iii) The following reports shall be submitted to DOE as soon as possible after the last day of the plan year by the Contractor responsible for each designated pension plan funded by DOE but no later than the dates specified below:

(A) Actuarial Valuation Reports. The annual actuarial valuation report for each DOE-reimbursed pension plan and when a pension plan is commingled, the Contractor shall submit separate reports for DOE's portion and the plan total by the due date for filing IRS Form 5500.

(B) Forms 5500. Copies of IRS Forms 5500 with Schedules for each DOE-funded pension plan, no later than that submitted to the IRS.

(C) Forms 5300. Copies of all forms in the 5300 series submitted to the IRS that document the establishment, amendment, termination, spin-off, or merger of a plan submitted to the IRS.

(iv) At least sixty (60) days prior to the adoption of any changes to a pension plan, the Contractor shall submit the information required below, to the Contracting Officer. The Contracting Officer must approve plan changes that increase costs as part of a determination as to whether the costs are deemed allowable pursuant to FAR 31.205-6, as supplemented by DEAR 970.3102-05-6.

(A) For proposed changes to pension plans and pension plan funding, the Contractor shall provide the following to the Contracting Officer:

(1) a copy of the current plan document (as conformed to show all prior plan amendments), with the proposed new amendment indicated in redline/strikeout,
(2) an analysis of the impact of any proposed changes on actuarial accrued liabilities and costs,
(3) except in circumstances where the Contracting Officer indicates that it is unnecessary, a legal explanation of the proposed changes from the counsel used by the plan for purposes of compliance with all legal requirements applicable to private sector defined benefit pension plans,
(4) the Summary Plan Description, and
(5) any such additional information as requested by the Contracting Officer.

(v) The Contractor shall not terminate any pension plan without at least 60 days notice to and the approval of the Contracting Officer prior to the scheduled date of plan termination.

(vi) Each Contractor defined benefit and defined contribution pension plan shall be subjected to a limited-scope audit annually that satisfies the requirements of ERISA section 103, except that every third year the Contractor must conduct a full-scope audit of defined benefit plan(s) satisfying ERISA section 103. Alternatively, the Contractor may conduct a full-scope audit satisfying ERISA section 103 annually. In all cases, the Contractor must submit the audit results to the Contracting Officer. In years in which a limited scope audit is conducted, the Contractor must provide the Contracting Officer with a copy of the qualified trustee or custodian's certification regarding the investment information that provides the basis for the plan sponsor to satisfy reporting requirements under ERISA section 104.

While there is no requirement to submit a full scope audit for defined contribution plans, Contractors are responsible for maintaining adequate controls for ensuring that defined contribution plan assets are correctly recorded and allocated to plan participants.

(vii)

The Pension Management Plan (PMP) shall include a discussion of the Contractor's plans for management and administration of all pension plans consistent with the terms of the Contract. The PMP shall be submitted in the iBenefits system, or its successor system no later than January 31st of each applicable year. A full description of the necessary reporting will be provided in the annual management plan data request. Within sixty (60) days after the date of the submission, appropriate Contractor representatives shall be available to participate in a conference call to discuss the Contractor's PMP submission and any other current plan issues or concerns.

(A) The annual revision of the PMP shall include:

(1) The Contractor's best projection of the contributions which it will be legally obligated to make to the pension plan(s), beginning with the required contributions for the coming fiscal year, based on the latest actuarial valuation, and continuing for the following four years. This estimate will be based upon compliance with all applicable legal requirements relating to the determination of contributions and upon the assumptions set out in the plan document(s).

(2) If the actuarial valuation submitted pursuant to the annual PMP update indicates that the sponsor of the pension plan must impose pension plan benefit restrictions, the Contractor shall provide the following information:

(i) The type of benefit restriction that will take place;

(ii) The number of Contractor employees that potentially could be impacted and the nature of the restriction (e.g., financial impact) by imposition of the required benefit restriction; and

(iii) The amount of money that would need to be contributed to the pension plan to avoid legally required benefit restrictions.

(3) A detailed discussion of how the Contractor intends to manage the pension plan(s) to maximize the contribution predictability (i.e. forecasting accuracy) and contain current and future costs, to include rationale for selection of all plan assumptions that determine the required contributions and which impact the level and predictability of required contributions. The Contractor is required to annually establish a long term (e.g. five year) plan that outlines the projected retirement plan costs, and any planned action steps to be taken to better manage predictability. The Contractor must also share the following information with the Department during the meeting:

(i) Strategy for achieving and maintaining fully-funded status of the plan(s);
(ii) Investment policy statement for the plan, with any recent updates;
(iii) Results of recent asset liability studies (required to be performed every 3 years or after a significant event) including rationale for maintaining current asset allocation strategy;
(iv) Comparison of budget projections submitted to the Department to actual contributions;
(v) Any recent reports, findings, or recommendations provided by plan's investment consultant;
(vi) Actuarial experience studies to set the plan's actuarial assumptions (required to be performed every 3-5 years)

(4) An assessment to evaluate the effectiveness of the Contractor's pension plan(s) investment management/results. The assessment shall include at a minimum: a review and analysis of pension plan investment objectives; the strategies employed to achieve those objectives; the methods used to monitor execution of those strategies and the achievement of the investment objectives; and a comparative analysis of the objectives and performance of other comparable pension plans. The Contractor shall also identify its plans, if any, for revising any aspect of its pension plan management based on the results of the review.

(viii) <u>Reimbursement of Contractors for Contributions to Defined Benefit Pension Plans</u>

(A) Contractors that sponsor single employer or multiple employer defined benefit pension plans will be reimbursed for the annual required minimum contributions under the Employee Retirement Income Security Act (ERISA), as amended by the Pension Protection Act (PPA) of 2006 and any other subsequent

amendments. Reimbursement above the annual minimum required contribution will require prior approval of the Contracting Officer. Minimum required contribution amounts will take into consideration all pre-funding balances and funding standard carryover balances. Early in the fiscal year but no later than the end of November, the Contractor requesting above the minimum may submit/update a business case for funding above the minimum if preliminary approval is needed prior to the Pension Management Plan process. The business case shall include a projection of the annual minimum required contribution and the proposed contribution above the minimum. The submission of the business case will provide the opportunity for the Department to provide preliminary approval, within 30 days after Contractor submission, pending receipt of final estimates, generally after January 1st of the calendar year. Final approval of funding will be communicated by the Contracting Officer when discount rates are finalized and it is known whether there are any budget issues with the proposed contribution amount.

(B) Contractors that sponsor multi-employer DB pension plans will be reimbursed for pension contributions in the amounts necessary to ensure that the plans are funded to meet the annual minimum requirement under ERISA, as amended by the PPA. However, reimbursement for pension contributions above the annual minimum contribution required under ERISA, as amended by the PPA, will require prior approval of the Contracting Officer and will be considered on a case by case basis. Reimbursement amounts will take into consideration all pre-funding balances and funding standard carryover balances. Early in the fiscal year but no later than the end of November, the Contractor requesting above the minimum may submit/update a business case for funding above the minimum if preliminary approval is needed prior to the Pension Management Plan process. The business case shall include a projection of the annual minimum required contribution and the proposed contribution above the minimum. The submission of the business case will provide the opportunity for the Department to provide preliminary approval, within 30 days after Contractor submission, pending receipt of final estimates, generally after January 1st of the calendar year. Final approval of funding will be communicated by the Contracting Officer when discount rates are finalized and it is known whether there are any budget issues with the proposed contribution amount.

(ix) Terminating Operations

When operations at a designated DOE facility are terminated and no further work is to occur under the prime contract, the following apply:

(A) No further benefits for service shall accrue.

(B) The Contractor shall provide a determination statement in its settlement proposal, defining and identifying all liabilities and assets attributable to the DOE contract.

(C) The Contractor shall base its pension liabilities attributable to DOE contract work on the market value of annuities or lump sum payments or dispose of such liabilities through a competitive purchase of annuities or lump sum payouts.

(D) Assets shall be determined using the "accrual-basis market value" on the date of termination of operations.

(E) DOE and the Contractor(s) shall establish an effective date for spinoff or plan termination. On the same day as the Contractor notifies the IRS of the spinoff or plan termination, all plan assets assigned to a spun-off or terminating plan shall be placed in a low-risk liability matching portfolio until the successor trustee, or an insurance company, is able to assume stewardship of those assets.

(x) Terminating Plans

(A) DOE Contractors shall not terminate any pension plan (Commingled or site specific) without requesting Departmental approval at least 60 days prior to the scheduled date of plan termination.

(B) To the extent possible, the Contractor shall satisfy plan liabilities to plan participants by the purchase of annuities through competitive bidding on the open annuity market or lump sum payouts. The Contractor shall apply the assumptions and procedures of the Pension Benefit Guaranty Corporation.

(C) Funds to be paid or transferred to any party as a result of settlements relating to pension plan termination or reassignment shall accrue interest from the effective date of termination or reassignment until the date of payment or transfer.

(D) If ERISA or IRC rules prevent a full transfer of excess DOE reimbursed assets from the terminated plan, the Contractor shall pay any deficiency directly to DOE according to a schedule of payments to be negotiated by the parties.

(E) On or before the same day as the Contractor notifies the IRS of the spinoff or plan termination, all plan assets assigned to a spun-off or terminating plan shall be placed in a low-risk liability matching portfolio until the successor trustee, or an insurance company, is able to assume stewardship of those assets.

(F) DOE liability to a Commingled pension plan shall not exceed that portion which corresponds to DOE contract service. The DOE shall have no other liability to the plan, to the plan sponsor, or to the plan participants.

(G) After all liabilities of the plan are satisfied, the Contractor shall return to DOE an amount equaling the asset reversion from the plan termination and any earnings which accrue on that amount because of a delay in the payment to DOE. Such amount and such earnings shall be subject to DOE audit. To effect the

purposes of this paragraph, DOE and the Contractor may stipulate to a schedule of payments.

(22) Pension and Benefits

(i) Pension Benefits for Incumbent Employees

(A) The Contractor shall become a sponsor of the site pension plans currently sponsored by the Incumbent Contractors.

(B) The Contractor shall allow incumbent employees to continue to accrue credit under the HSPP and participate or continue to participate in the HSSP for service under this contract. Incumbent employees shall retain credit for their prior Hanford service without the Contract transition constituting a break in service. The Contractor shall timely supply the HSPP Administrator with the information required by the Administrator necessary to effectively administer the Plan. Contributions to the HSPP and HSSP as determined by the Plan Administrator(s) shall be allowable costs under this contract, subject to compliance with other provisions of this Contract and terms of the Plans, as amended. At Contract completion, the Contractor shall fully fund its withdrawal liability under the HSPP; provided, however, that if this Contract expires or terminates, the Contractor shall continue as a plan sponsor of the HSPP pursuant to paragraph (e) below as directed by DOE.

(C) The Contractor shall coordinate with the HSPP Administrator to ensure DOE receives an annual reporting and accounting of the Contractor's pension obligations, pursuant to Financial Accounting Standard (FAS) 87, for those employees participating in the HSPP under this contract. The Contractor shall coordinate with the HSPP Administrator and supply the Administrator with all the information necessary to maintain the Federal tax qualification of all Contractor and Hanford Site pension plans.

(ii) Non-Pension Benefits for Incumbent Employees

(A) The Contractor shall become a sponsor of the Hanford Employee Welfare Trust (HEWT) Plan. Incumbent employees shall be eligible to continue participation in the HEWT Plan and receive medical and other benefits under the HEWT Plan consistent with the terms of that Plan as amended from time to time. The Contractor shall credit the length of service credited by the incumbent Contractor of incumbent employees toward the service period required for benefits relating to vacation, sick leave, health insurance, severance, layoff, recall, and other benefits.

(B) The Contractor shall timely supply the HEWT Administrator with the information required by the Administrator necessary to effectively administer the Plan. Contributions into the HEWT Plan as determined by the Administrator will qualify as allowable costs under this Contract.

(C) The Contractor shall coordinate with the HEWT Plan administrator or to ensure DOE receives an annual reporting and accounting of the Contractor's benefit obligations for those employees participating in the HEWT Plan under this Contract.

(iii) Pension and Benefits for Non-Incumbent Employees

(A) The Contractor shall offer a market-based retirement and medical benefit package competitive for the industry for non-incumbent employees. If the Contractor meets all applicable legal and tax requirement, the Contractor may establish a separate line of business pursuant to Internal Revenue Code (IRC) §410 and §414 for the purpose of maintaining the Federal tax qualification of pension plans covering the Contractor's employees.

(B) The Contractor shall develop and implement welfare benefit programs that meet the tests of allowability and reasonableness established by Federal Acquisition Regulation 31.205-6.

(e) 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 the Section I clause entitled FAR 52.249-6 Termination (Cost Reimbursement), the following actions shall occur:

(1) The Contractor shall continue as a plan sponsor of the existing pension plan and any welfare benefit plans covering those vested employees (identified during the transition period).

(2) (Reserved)

(3) DOE and the Contractor shall meet to determine the ultimate disposition of all pension, post-retirement welfare, and post-employment plans.

(4) During the final 18 months of this Contract, the Contracting Officer shall provide written direction to the Contractor regarding all post-contract pension and welfare benefit plans.

(5) Pension plan contributions, plan asset management costs, and plan administration costs will continue to be allowable and fully reimbursed under this Contract, on a funding basis acceptable to DOE, unless other arrangements have been approved by the Contracting Officer.

H.3 LABOR RELATIONS

(a) The Contractor shall respect the right of employees to self-organization 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, or to refrain from any or all of these activities. The Contractor shall develop and implement labor relations policies that will promote orderly collective bargaining relationships, equitable resolution of disputes, efficiency and economy in operations, and the judicious expenditure of public funds.

(b) Consistent with applicable labor laws and regulations, the Contractor shall recognize and bargain in good faith with the collective bargaining representative of employees

performing work that has historically and traditionally been performed by Hanford Atomic Metal Trades Council (HAMTC) members. The Contractor shall provide the Contracting Officer with a copy of the collective bargaining agreement within 30 to 60 days after formal ratification.

(c) The Contractor shall consult with the Contracting Officer prior to and during the course of negotiations with labor unions, and during the term of resultant contracts, on economic issues and other matters that have a potentially significant impact on work rules, make-or-buy decisions, or other matters that may cause a significant deviation from past customs or practices.

(d) The Contractor shall promptly advise the Contracting Officer of, and provide all appropriate documentation regarding any labor relations developments at the prime or subcontract level that involve or appear likely to involve:

(1) Possible strike situations affecting the facility;

(2) Referral to the Energy Labor-Management Relations Panel;

(3) The National Labor Relations Board at any level;

(4) Recourse to procedures under the Labor-Management Act of 1947 as amended, or any other Federal or state labor law; and

(5) Any grievance that may reasonably be assumed to be arbitrated under a Collective Bargaining Agreement.

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

H.4 WORKFORCE RESTRUCTURING

(a) When the Contractor determines that a reduction of force is necessary, the Contractor shall notify the Contracting Officer and seek approval, if required under applicable DOE guidance. The Contractor shall provide such information as directed by the Contracting Officer to enable compliance with Section 3161 of the National Defense Authorization Act for Fiscal Year 1993 and any other DOE guidance pertaining to employees who may be eligible for provisions of the Act.

(b) The Contractor shall comply with the Hanford Site Workforce Restructuring Plan, as amended from time to time and shall supply workforce restructuring related information and reports as needed by DOE. The Contractor shall extend displaced employee hiring preference in accordance with the Section I clause entitled *DEAR 952.226-74 Displaced Employee Hiring Preference* of this contract.

(c) Contractors must provide actual and projected workforce reductions on an annual basis no later than March 15th of each year. The collection of Contractor workforce reduction data will be administered through the iBenefits system (https://ibenefits.energy.gov) for the collection of the following:

(1) Actual number of voluntary/involuntary separations for the prior Fiscal Year (FY); and

(2) Actual and projected number of voluntary/involuntary separations for the current FY. Please include any actual separations that have already occurred in the current fiscal year.

H.5 DETERMINATION OF APPROPRIATE LABOR STANDARDS

(a) DOE shall determine the appropriate labor standards that apply to work activities in accordance with the Davis-Bacon Act or other applicable labor law. When requested, the Contractor shall provide the Contracting Officer the information necessary for DOE to render a determination on contracts in excess of $2,000 for construction, alternation, or repair, including painting and decorating, of public buildings and public works that involve the employment of laborers and mechanics.

(b) Once a determination is made, the Contractor is responsible for compliance with the determination and incorporation of applicable labor standard requirements into subcontracts.

H.6 WORKERS' COMPENSATION

Pursuant to State of Washington Revised Code (RCW) Title 51, the DOE Richland Operations Office (RL) is a group self-insurer for purposes of workers' compensation coverage. The coverage afforded by the workers' compensation statutes shall, for performance of work under this Contract at the Hanford Site, be subject to the following:

(a) Under the terms of a Memorandum of Understanding with the Washington State Department of Labor and Industries (L&I), DOE has agreed to perform all functions required by self-insurers in the State of Washington. The Contractor is not required to pay for Workers' Compensation coverage or benefits except as otherwise provided below or as directed by the Contracting Officer.

(b) The Contractor shall submit to DOE (or other party as designated by DOE), for transmittal to the L&I, such payroll records as are required by Workers' Compensation laws of the State of Washington.

(c) The Contractor shall submit to DOE (or other party as designated by DOE), for transmittal to DOE, the accident reports provided for by RCW Title 51, Section 51.28.010, or any other documentation requested by DOE or the L&I pursuant to the Workers' Compensation laws of the State of Washington.

(d) The Contractor shall take such action, and only such action, as DOE requests in connection with any accident reports, including assistance in the investigation and disposition of any claim thereunder and, subject to the direction and control of DOE, the conduct of litigation in the Contractor's own name in connection therewith.

(e) Under RCW Title 51.32.073, DOE is the self-insurer and is responsible for making quarterly payments to the L&I. In support of this arrangement, the Contractor is responsible for withholding appropriate employee contributions and forwarding on a timely basis these contributions plus the employer-matching amount to DOE.

(f) The workers' compensation program shall operate in partnership with Contractor employee benefits, risk management, and environmental, safety, and health management programs. The Contractor shall cooperate with DOE for the management and administration of the DOE-RL self-insurance program that provides workers' compensation benefit coverage to Contractor employees under this Contract.

(g) The Contractor will assume responsibility for predecessor contractor self-insurance workers' compensation claims. The Contractor shall maintain and retain a claim file for information and reporting needs.

(h) The Contractor must certify to the accuracy of the payroll record used by DOE in establishing the self-insurance claims reserves, and cooperate with any state audit.

(i) Workers compensation loss income benefit payments, when supplemented by other programs (such as salary continuation, short-term disability) are to be administered so that total benefit payments from all sources shall not exceed 100 percent of the employee's net pay.

(j) The Contractor shall submit to the Contracting Officer, a yearly evaluation and analysis of workers' compensation cost as a percent of payroll compared with the percentage of payroll cost reported by a nationally recognized Cost of Risk Survey that has been pre-approved by DOE (once DOE has provided the Contractor with the necessary data to perform the analysis required in this paragraph).

(k) The Contractor shall provide statutory workers' compensation coverage for staff members performing work under this Contract outside of the State of Washington and not otherwise covered by the State of Washington workers' compensation laws.

(l) Subcontractors performing work under this Contract on behalf of the Contractor are not covered by the provision of the Agreement referenced in (a)(1) of this clause. The Contractor shall flow-down to its subcontractors the requirement to provide statutory workers' compensation coverage for the subcontractor's employees. The Contractor shall have no responsibility for subcontractor workers' compensation when it includes this requirement in the subcontract.

(m) The term Contractor is defined as a Contractor Team Arrangement, consisting of the companies WCH proposed in response to the River Corridor Closure solicitation including ESHI and ILSI subcontractors. All companies included in the contractor team arrangement proposed will be covered by DOE's self-insurance certification under Washington State Department of Labor and Industries for worker's compensation.

H.7 IMPLEMENTATION OF THE HANFORD SITE STABILIZATION AGREEMENT

(a) The Site Stabilization Agreement for all construction work for DOE at the Hanford Site (hereinafter referred to as "Site Stabilization Agreement"), which is referenced in this clause, consists of a Basic Agreement dated September 10, 1984, plus an appendix, both of which may be periodically amended. The Site Stabilization Agreement is hereby incorporated into this Contract by reference. The Contractor is responsible for obtaining the most current text from DOE.

(b) This clause applies to employees performing work, under contracts (or subcontracts thereunder) administered by DOE-RL which are subject to the Davis-Bacon Act, in the classifications set forth in the Site Stabilization Agreement for work performed at the Hanford Site.

(c) Contractors and subcontractors at all tiers who are parties to an agreement(s) for construction work with a Local Union having jurisdiction over DOE-RL construction work performed at the Hanford Site, or who are parties to a national labor agreement for such construction work, shall become signatory to the Site Stabilization Agreement and shall abide by all of its provisions, including its Appendix A. Subcontractors at all tiers who have subcontracts with a signatory Contractor or subcontractor shall become signatory to the Site Stabilization Agreement and shall abide by all of its provisions, including its Appendix A.

(d) Contractors and subcontractors at all tiers who are not signatory to the Site Stabilization Agreement and who are not required under Paragraph C above to become signatory to the Agreement, shall pay not less and no more than the wages, fringe benefits, and other employee compensation set forth in Appendix A thereto and shall adhere, except as otherwise directed by the Contracting Officer, to the following provisions of the Agreement:

(1) Article VII Employment, Section 2 only;

(2) Article XII Non-Signatory Contractor Requirements;

(3) Article XIII Hours of Work, Shifts, and Overtime;

(4) Article XIV Holidays;

(5) Article XV Wage Scales and Fringe Benefits, Sections 1 and 2 only;

(6) Article XVII Payment of Wages-Checking In and Out, Section 3 only;

(7) Article XX General Working Conditions; and

(8) Article XXI Safety and Health.

(e) The Contractor agrees to make no contributions in connection with this Contract to Industry Promotion Funds, or similar funds, except with the prior approval of the Contracting Officer.

(f) The obligation of the Contractor and its subcontractors to pay fringe benefits shall be discharged by making payments required by this Contract in accordance with the provisions of the amendments to the Davis-Bacon Act contained in the Act of July 2, 1964 (Public Law 88-349-78 Stat. 238-239), and the Department of Labor regulations in implementation thereof (29 CFR, Parts 1, 5).

(g) The Contracting Officer may, from time to time, direct the Contractor to pay amounts for wages, fringe benefits, and other employee compensation if the Site Stabilization Agreement, including its Appendix A, may be modified by the involved parties.

(h)

(1) In the event of failure to comply with Paragraphs (c) (d) (e) (f) and (g) above, or failure to perform any of the obligations imposed upon the Contractor and its subcontractors hereunder, the Contracting Officer may withhold any payments due to the Contractor and may terminate the Contract for default.

(2) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies of the Government provided by law or under this Contract.

(i) The requirements of this clause are in addition to, and shall not relieve the Contractor of, any obligation imposed by other clauses of this Contract, including those entitled "Davis-Bacon Act," "Contract Work Hours and Safety Standards Act - Overtime Compensation," "Payrolls and Basic Records," "Compliance with Copeland Act Requirements," "Withholding of Funds," and "Contract Termination - Debarment."

(j) The Contractor agrees to maintain its bid or proposal records showing rates and amounts used for computing wages and other compensation, and its payroll and personnel records during the course of work subject to this clause, and to preserve such records for a period of three years thereafter, for all employees performing such work. Such records will contain the name and address of each such employee, his correct classification, rate of pay, daily and weekly number of hours worked, and dates and hours of the day within which work was performed, deductions made, and amounts for wages and other compensation covered by Paragraphs (c) (d) (e) (f) and (g) hereof. The Contractor agrees to make these records available for inspection by the Contracting Officer and will permit him/her to interview employees during working hours on the job.

(k) The Contractor agrees to insert the provisions of this clause including this Paragraph (k) in all subcontracts for the performance of work subject to the Davis-Bacon Act.

A copy of the Hanford Site Stabilization Agreement is located at:

http://www.hanford.gov

The Department of Labor wage determinations for the Davis-Bacon Act and Service Contract Act are in Contract Section J, Attachment J-9.

H.8 RADIOLOGICAL DOSIMETRY SERVICES AND RECORDS, AND OCCUPATIONAL MEDICAL SERVICES AND RECORDS

(a) The Contractor shall obtain radiological dosimetry services and occupational medical services as a mandatory Hanford Site Service for all Contractor and subcontractor employees performing hazardous work that may expose workers to chemical, physical (including radiological), biological, and/or similar hazards. The Contractor shall identify required radiological dosimetry and occupational medical services as required by Section C.4, *Government-Furnished Services and Information (GFS/I)*.

(b) Radiological dosimetry services are a mandatory Hanford Site Service under this Contract and are provided by Mission Support Alliance, LLC (MSA). Radiological dosimetry services include: external dosimetry; in vivo measurement services; in vitro measurement services; and radiological records services. The Section I clause entitled *Access to and Ownership of Records* is implemented as follows with respect to radiological records: All radiological exposure records generated during the performance of Hanford-related activities will be maintained by MSA and are the property of DOE.

(c) Occupational medical services are a mandatory Hanford Site Service under this Contract and are provided by the Hanford Site Occupational Medical Contractor (HSOMC). The Section I clause entitled *Access to and Ownership of Records* is implemented as follows with respect to occupational medical records: All occupational medical records generated during the performance of Hanford-related activities will be maintained by the Hanford Site occupational medical services provider and are the property of DOE.

H.9 STOP-WORK AND SHUTDOWN AUTHORIZATION

(a) Definitions:

Imminent Danger: Any condition or practice such that a hazard exists that could reasonably be expected to cause death, serious physical harm, or other serious hazard to employees, unless immediate actions are taken to mitigate the effects of the hazard and/or remove employees from the hazard.

Adversely Affects Safe Operation of Facility or Serious Facility Damage: A condition, situation, or activity that if not terminated or mitigated could reasonably be expected to result in: nuclear criticality; facility fire/explosion; major facility or equipment damage or loss; or, a facility evacuation response.

Stop Work Criteria:

(1) Conditions exist that pose an imminent danger to the health and safety of workers or the public; or

(2) Conditions exist, that if allowed to continue, could adversely affect the safe operation of, or could cause serious damage to, the facility; or

(3) Conditions exist, that if allowed to continue, could result in the release from the facility to the environment of radiological or chemical effluents that exceed applicable regulatory requirements or approvals.

(b) DOE Stop Work Order.

In accordance with Section I, *Contract Clause*, I.143, DEAR 970.5223-1 *Integration of Environment, Safety, and Health into Work Planning and Execution,* the DOE Contracting Officer has the ability to issue a DOE Stop Work Order stopping work in whole or in part if:

(1) The contractor fails to provide resolution of any noncompliance with applicable requirements and Safety Management System or if,

(2) At any time the contractor's acts or failure to act causes substantial harm or an imminent danger to the environment or health and safety of employees or the public.

In addition, a DOE Stop Work Order can be initiated if the Stop Work Criteria as defined in Section H.9 (a) is met dependent on the severity and extent of the condition.

The DOE Stop Work Order shall be executed in accordance with Section F, *Deliverables or Performance*, F.3 FAR 52.242-15, STOP-WORK ORDER.

(c) DOE Stop Work Action.

DOE personnel provide safety oversight of contractor operations and have the authority to initiate a DOE Stop Work Action if the Stop Work Criteria as defined in Section H.9(a) is met. DOE personnel have the authority to shutdown an entire facility, activity, or job. Following a DOE Stop Work Action the contractor shall:

(1) immediately stop the identified activity or activities (up to and including entire plant shutdown);

(2) place the area, activity, facility, etc. into a safe condition;

(3) determine actions necessary to address the unsafe condition;

(4) provide proposed corrective actions to the DOE initiator of the DOE Stop Work Action;

(5) prior to restarting work, inform the DOE initiator that the corrective actions allowing for restart have been completed;

(6) restart work only after the unsafe condition is mitigated and the DOE has given verbal direction to allow restart; and

(7) if requested, provide DOE a Corrective Action Plan subsequent to the resumption of work in accordance with contractual requirements.

(d) Contractor Stop Work Action

(1) The contractor shall establish a stop work process/procedure that:

(i) Meets the requirement of 10 CFR 851.20, *Management responsibilities and worker rights and responsibilities*

(ii) At a minimum uses the Stop Work Criteria defined in Section H.9 (a) for when a Contractor Stop Work Action is required; and

(iii) Meets the tenets of the "Stop Work Policy."

(2) Upon initiating a Contractor Stop Work Action the contractor shall:

(i) immediately stop the identified activity or activities (up to and including entire plant shutdown);

(ii) place the area, activity, facility, etc. into a safe condition;

(iii) notify the DOE Facility Representative if the Contractor's Stop Work Action meets the Stop Work Criteria defined in Section H.9 (a), or notification of facility management is required for the issue;

(iv) determine actions necessary to address the unsafe condition;

(v) restart work only after the unsafe condition is mitigated.

(e) Stop Work Policy.

The following represent the site's Stop Work Policy:

Stop Work Responsibility: Every Hanford site employee, regardless of employer, has the responsibility and authority to stop work IMMEDIATELY, without fear of reprisal, when the employee is convinced:

(1) Conditions exist that pose a danger to the health and safety of workers or the public; or

(2) Conditions exist, that if allowed to continue, could adversely affect the safe operation of, or could cause serious damage to, a facility; or

(3) Conditions exist, that if allowed to continue, could result in the release from the facility to the environment of radiological or chemical effluents that exceed applicable regulatory requirements or approvals.

Reporting Unsafe Conditions: Employees are expected to report any activity or condition which he/she believes is unsafe. Notification should be made to the affected worker(s) and then to the supervisor or designee at the location where the activity or condition exists. Following notification, resolution of the issue resides with the responsible supervisor.

Right to a Safe Workplace: Any employee who reasonably believes that an activity or condition is unsafe is expected to stop or refuse work without fear of reprisal by management or coworkers and is entitled to have the safety concern addressed prior to participating in the work.

Stop Work Resolution: If you have a "stop work" issue that has not been resolved through established channels, immediately contact your employer's Safety Representative or your Union Safety Representative. Alternatively, you may contact the employer's Employee Concerns Program or the DOE Employee Concerns Program.

H.10 CONTRACTOR ACCEPTANCE OF NOTICES OF VIOLATION OR ALLEGED VIOLATIONS, FINES, AND PENALTIES

(a) The Contractor shall accept, in its own name, service of notices of violation (NOV) or alleged violations (NOAV) 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.

H.11 ALLOCATION OF RESPONSIBILITIES FOR CONTRACTOR ENVIRONMENTAL COMPLIANCE ACTIVITIES

(a) 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, or compliance agreements including the *Hanford Federal Facility Agreement and Consent Order*, consent orders, permits, and licenses.

(b) 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.

(c) Regardless of which party to this Contract is named subject of an enforcement action for noncompliance with environmental requirements by the cognizant regulatory authority, provisions of this Contract related to allowable costs will govern liability for payment of any fine or penalty. If the named subject of an enforcement action or assessment of a fine or penalty is DOE and the fine or penalty would not otherwise be reimbursable under the allowable cost provisions of this Contract if the Contractor was the named subject of the enforcement action, the Contractor will either pay the fine or penalty or reimburse DOE (if DOE pays the fine or penalty).

H.12 ENVIRONMENTAL RESPONSIBILITY

(a) Tri-Party Agreement.

The DOE, the U.S. Environmental Protection Agency Region 10 (EPA), and the Washington State Department of Ecology (Ecology) have entered into the Hanford Federal Facility Agreement and Consent Order (referred to as the Tri-Party Agreement [TPA]) to ensure compliance with the Resource Conservation and Recovery Act and the Comprehensive Environmental Response, Compensation, and Liability Act, as amended. The TPA sets forth certain requirements and milestones for cleanup activities at the

Hanford Site. The Contractor agrees to plan and perform the work under this Contract in accordance with the TPA and achievement of current and future milestones in the TPA.

(b) Environmental Permits.

This clause addresses the following permit scenarios where: the Contractor is the sole permittee; the Contractor and DOE are joint permittees; and multiple Contractors are permittees.

(1) Contractor as Sole Permittee. To the extent permitted by law and subject to other applicable provisions of the contract that impose responsibilities on DOE, and provisions of law that impose responsibilities on DOE or third parties, the Contractor shall be responsible for obtaining in its own name, shall sign, and shall be solely responsible for compliance with all permits, authorizations and approvals from Federal, State, and local regulatory agencies which are necessary for the performance of the work required of the Contractor under this Contract. Under this permit scenario, that Contractor shall make no commitments or set precedents that are detrimental to DOE or other Contractors. The Contractor shall coordinate its permitting activities with DOE, and with other Hanford Site Contractors which may be affected by the permit or precedent established therein, prior to taking the permit action.

(2) Contractor and DOE as Joint Permittees. Where determined appropriate by DOE, required by law, or required by applicable regulatory agencies, DOE shall sign permits as owner or as owner/operator with the Contractor as operator or co-operator, respectively. DOE will co-sign Hazardous Waste permit applications as owner/operator where required by applicable law. In this scenario, the Contractor must coordinate its actions with DOE. DOE is responsible for timely notification to the Contractor of any issues or changes in the regulatory environment that impact or may impact Contractor implementation of any permit requirement. The Contractor is responsible for timely notification to DOE of any issues or changes in the regulatory environment that impact or may impact Contractor implementation of any permit requirement. Notification need not be in writing.

(3) Multiple Contractors as Permittees. Where determined appropriate by DOE, in situations where multiple Contractors are operators or co-operators of operations requiring environmental permits, DOE may sign such permits as owner or co-operator and affected Contractors shall sign as operators, or co-operators. In this scenario, the Contractor must coordinate as appropriate with DOE and other Contractors affected by the permit.

(c) Financial Responsibility.

DOE agrees that if bonds, insurance, or administrative fees are required as a condition for permits obtained by Contractor under this Contract, 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 an acceptable form of financial responsibility. Under no circumstances shall the Contractor or its parent be required to provide any corporate resources or corporate guarantees to satisfy such regulatory requirements.

H.13 SELF-PERFORMED WORK

(a) Unless otherwise approved in advance by the Contracting Officer, the percentage of work which may be self-performed by the large business(es) of the Contractor team arrangement (as described in FAR 9.601), shall be limited collectively to not more than 40% of the contract value (defined as the sum of Target Cost plus Target Fee). This limitation does not apply to any small business member of the Contractor team arrangement. Unless otherwise approved in advance by the Contracting Officer, the remainder of the work to subcontractors outside of the Contractor team arrangement shall be performed through competitive procurements with an emphasis on fixed-price subcontracts.

(b) At least 30% of the total contract value shall be performed by small business. Small business members of the Contractor team arrangement, as well as subcontractors selected after Contract award, count toward fulfillment of this requirement and other small business goals in this Contract.

(c) The Contractor shall manage the team arrangement and the performance of work under this Contract to eliminate wherever possible, and mitigate where necessary, any potential conflicts of interest between the self-performed work by the Contractor team arrangement and the subcontracted work outside the Contractor team arrangement.

(d) Reporting requirements to confirm compliance with these thresholds and limitations are described in Contract Section C.5.4 *Project Performance Information and Measurement*, Deliverable C.5.4.2 *Monthly Performance Report*.

H.14 EMERGENCY CLAUSE

(a) The RL Manager or designee shall have sole discretion to determine when an emergency situation exists at the Hanford Site, except for River Protection Project facilities, affecting site personnel, the public health, safety, the environment, or security. The Manager, Office of River Protection (ORP), or designee has the discretion to determine whether an emergency situation exists under the Waste Treatment and Immobilization Plant contract and other ORP contract areas of work that might affect RL workers. In the event that either the RL or ORP Manager or designee determines such an emergency exists, the RL Manager or designee will have the authority to direct any and all activities of the Contractor and subcontractors necessary to resolve the emergency situation. The RL Manager or designee may direct the activities of the Contractor and subcontractors throughout the duration of the emergency.

(b) The Contractor shall include this clause in all subcontracts at any tier for work performed at the Hanford Site.

H.14A EMERGENCY PROCEDURES

This clause supplements Attachment J-2, List B, with regard to "DOE-RL Emergency Plan Implementing Procedure", DOE-0223, by clarifying the process for implementation of proposed changes listed in Section 3.20, Subsection 5.0 of this document. DOE-0223 is managed by the RL Security and Emergency Services organization. When updates to the Procedure need to be made, the Emergency Preparedness points of contact from each represented company are provided drafts for review and are required to consult with the appropriate contractor staff in their respective organization to determine impacts to contractual requirements (e,g., work scope, cost, and schedule). If there are impacts, the contractor will immediately contact the RL Contracting Officer for direction.

H.15 ADVANCE UNDERSTANDING ON COSTS

The DOE and the Contractor will, within 60 days after Contract award, reach advance understandings regarding certain costs under this Contract. Such advance understandings enable both DOE and the Contractor to determine the allocability, allowability, and reasonableness of such costs prior to their incurrence, thereby avoiding subsequent disallowances and disputes, and facilitating prudent expenditure of public funds. It is expected that costs covered by such advance understandings will include employee travel and relocation, corporate home office, employee compensation and benefits, and facilities capital costs of money. Generally, DOE expects the incurrence of costs to be consistent with the Contractor's corporate-wide policies consistently and uniformly applied throughout its domestic operations subject to the specific limitations, conditions, and exclusions of subpart 31.2 of FAR as supplemented by Department of Energy Acquisition Regulation (DEAR) 931.2. Advance understandings will be appended to the Contract in Section J, Attachment J-6, *Advance Agreements, Personnel, and Related Costs*.

H.16 PAYMENTS AND ADVANCES

(a) Payment of Fee Amounts. Fee payments will be made by direct payment as determined by the Contracting Officer. The Contracting Officer may offset against any such fee payment the amounts owed to the Government by the Contractor, including any amounts owed for disallowed costs under this Contract. No fee payments may be withdrawn against the payments cleared financing arrangement without prior written approval of the Contracting Officer.

(b) Payments on Account of Allowable Costs. The Contracting Officer and the Contractor shall agree as to the extent to which payment for allowable costs or payments for other items specifically approved in writing by the Contracting Officer (e.g., negotiated fixed amounts) shall be made from advances of Government funds. When pension contributions are paid by the Contractor to the retirement fund less frequently than quarterly, accrued costs therefore shall be excluded from costs for payment purposes until such costs are paid. If pension contributions are paid on a quarterly or more frequent basis, accrual therefore may be included in costs for payment purposes, provided that they are paid to the fund within 30 days after the close of the period covered. If payments are not made to the fund within such 30-day period, pension contribution costs shall be excluded from cost for payment purposes until payment has been made.

(c) Special Financial Institution Account Use. All advances of Government funds shall be withdrawn pursuant to a payments cleared financing arrangement prescribed by DOE in favor of the financial institution or, at the option of the Government, shall be made by direct payment or other payment mechanism to the Contractor, and shall be deposited only in the special financial institution account referred to in the Special Financial Institution Account Agreement, which is incorporated into this Contract in Section J,

Attachment J-7. No part of the funds in the special financial institution account shall be commingled with any funds of the Contractor or used for a purpose other than that of making payments for costs allowable and, if applicable, fees earned under this Contract, negotiated fixed amounts, or payments for other items specifically approved in writing by the Contracting Officer. If the Contracting Officer determines the balance of such special financial institution account exceeds the Contractor's current needs, the Contractor shall promptly make such disposition of the excess as the Contracting Officer may direct.

(d) Title to Funds Advanced. Title to the unexpended balance of any funds advanced and of any special financial institution account established pursuant to this clause shall remain in the Government and be superior to any claim or lien of the financial institution of deposit or others. It is understood that an advance to the Contractor hereunder is not a loan to the Contractor, and will not require the payment of interest by the Contractor, and that the Contractor acquires no right, title or interest in or to such advance other than the right to make expenditures therefrom, as provided in this clause.

(e) Financial Settlement. The Government will promptly pay to the Contractor the unpaid balance of allowable costs (or other items specifically approved in writing by the Contracting Officer) and fee upon termination of the work, expiration of the term of the Contract, or completion of the work and its acceptance by the Government after:

(1) Compliance by the Contractor with DOE's patent clearance requirements, and

(2) The furnishing by the Contractor of:

(i) An assignment of the Contractor's rights to any refunds, rebates, allowances, accounts receivable, collections accruing to the Contractor in connection with the work under this Contract, or other credits applicable to allowable costs under the Contract;

(ii) A closing financial statement;

(iii) The accounting for Government-owned property required by the Section I clause entitled *Property*; and

(iv) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this Contract subject only to the following exceptions:

(A) Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible to exact statement by the Contractor;

(B) Claims, together with reasonable expenses incidental thereto, based upon liabilities of the Contractor to third parties arising out of the performance of this Contract; provided that such claims are not known to the Contractor on the date of the execution of the release; and provided further that the Contractor gives notice of such claims in writing to the Contracting Officer promptly, but not more than one (1) year after the Contractor's right of action first accrues. In addition, the Contractor shall provide prompt notice to the Contracting Officer of all potential claims under this clause, whether in litigation or not (see also Section I clause entitled DEAR 952.231-71 *Insurance-Litigation and Claims*);

(C) Claims for reimbursement of costs (other than expenses of the Contractor by reason of any indemnification of the Government against patent liability), including reasonable expenses incidental

thereto, incurred by the Contractor under the provisions of this Contract relating to patents; and

(D) Claims recognizable under the clause entitled, *Nuclear Hazards Indemnity Agreement*.

(3) In arriving at the amount due the Contractor under this clause, there shall be deducted:

(i) Any claim which the Government may have against the Contractor in connection with this Contract;

(ii) Deductions due under the terms of this Contract, and not otherwise recovered by or credited to the Government. The unliquidated balance of the special financial institution account may be applied to the amount due and any balance shall be returned to the Government forthwith;

(iii) Claims. Claims for credit against funds advanced for payment shall be accompanied by such supporting documents and justification as the Contracting Officer shall prescribe;

(iv) Discounts. The Contractor shall take and afford the Government the advantage of all known and available cash and trade discounts, rebates, allowances, credits, salvage, and commissions unless the Contracting Officer finds that action is not in the best interest of the Government;

(v) Collections. All collections accruing to the Contractor in connection with the work under this Contract, except for the Contractor's fee and royalties or other income accruing to the Contractor from technology transfer activities in accordance with this Contract, shall be Government property and shall be processed and accounted for in accordance with applicable requirements imposed by the Contracting Officer pursuant to the laws, regulations, and DOE directives clause of this Contract and, to the extent consistent with those requirements, shall be deposited in the special financial institution account or otherwise made available for payment of allowable costs under this Contract, unless otherwise directed by the Contracting Officer;

(vi) Direct Payment of Charges. The Government reserves the right, upon ten days written notice from the Contracting Officer to the Contractor, to pay directly to the persons concerned, all amounts due which otherwise would be allowable under this Contract. Any payment so made shall discharge the Government of all liability to the Contractor therefore; and

(vii) Determining Allowable Costs. The Contracting Officer shall determine allowable costs in accordance with the Federal Acquisition Regulation Subpart 31.2 and the Department of Energy Acquisition Regulation Subpart 931.2 in effect on the date of this Contract and other provisions of this Contract.

H.17 FINANCIAL MANAGEMENT SYSTEM REQUIREMENTS

(a) The Contractor shall operate and maintain a financial management system that:

(1) Conforms with Generally Accepted Accounting Principles, Federal Financial Accounting Standards, and Cost Accounting Standards, except as modified by DOE requirements;

(2) Provides accurate, reliable, and auditable financial and statistical data on a timely basis;

(3) Ensures accountability for all assets;

(4) Supports financial planning and budget formulation, validation, execution, and the recasting or changing of DOE funding or task codes such as Budget and Reporting Classification (BRC) Numbers, Program Task Numbers, and local projects/tasks;

(5) Maintains proper funding authorization;

(6) Provides sufficient management controls per the Section I clause entitled *DEAR 970.5203-1 Management Controls*, and internal controls;

(7) Integrates and reports the financial information for subcontractors; and

(8) Provides all other necessary financial reports, which shall include accumulating and reporting indirect and support costs by function. The Contractor may be requested, periodically, to provide detail cost element information at the institutional level using standard definitions and applications.

(b) The Contractor shall provide monthly electronic invoices (or data supporting payments cleared financing arrangement drawdowns), and cost accrual and accrual reversal records to the Contracting Officer. Within the electronic invoice submission, the Contractor shall provide all invoice data elements required to:

(1) Determine that all costs invoiced by the Contractor were necessary and reasonable per the terms and conditions of the Contract. This includes, but is not limited to: invoice number, billing period, Work Breakdown Structure number, purchase order number and line item, quantity/hours, description of goods or services provided, cost type, cost categories, unit price, amount, and adders.

(2) Properly record all Contract costs and payments in the DOE accounting system. This includes, but is not limited to: Reporting Entity, Financial Plan, Local Organization, Fund-Code, Control Program Number (i.e., Budget and Reporting Numbers), Program Task Number, Project Baseline Summaries (PBS) numbers, the fiscal year the funds were provided, the project/task number, Object Class, sub-object classes, Other Party Identifiers, and Budget Reference Numbers for plant and equipment line item number (if applicable).

Upon request, the Contractor shall also provide written documentation to support the electronic invoices to the Contracting Officer or his designate.

(c) Centralized Business Management System (BMS) services are available from the assigned provider on a cost reimbursable basis. If a determination is made that said services will not be used, the Contracting Officer shall be notified within 60 days after Contract award. DOE reserves the right to direct utilization of Central BMS services at any time.

(d) The Contractor shall submit a plan for Contracting Officer approval of any substantive change to the financial management system or subsystems at least 60 days in advance of implementation. This plan must identify the cost and schedule for changing from the existing financial systems, and provide a comparison of the capabilities of the new system(s) to the existing system(s). Any new system modifications are subject to review and audit.

H.18 INVOICED AMOUNTS

In addition to the information required by other sections of this Contract, the Contractor shall provide incurred cost data coded in a DOE defined format via computer. This incurred cost data must be fully edited against DOE codes such as BCR codes. The Contractor shall deliver the fully edited incurred cost data to DOE on the same day the payment is requested unless directed otherwise by DOE.

H.19 ALTERNATIVE DISPUTE RESOLUTION (ADR)

(a) The DOE and the Contractor both recognize that methods for fair and efficient resolution of significant disputes are essential to the successful and timely achievement of critical milestones and completion of all Contract requirements. Accordingly, the parties agree to jointly select a "standing neutral." The standing neutral will be available to help resolve disputes as they arise. Such standing neutral can be an individual, a board comprised of three independent experts, or a company with specific expertise in the Contract area. If a standing neutral cannot be agreed upon, the DOE Office of Dispute Resolution will make a selection. Specific joint ADR processes shall be developed.

(a) The parties agree the following provision may be invoked for significant disputes upon mutual agreement of the DOE and the Contractor:

(1) DOE and the Contractor shall use their best efforts to informally resolve any dispute, claim, question, or disagreement by consulting and negotiating with each other in good faith, recognizing their mutual interests, and attempting to reach a just and equitable solution satisfactory to both parties. If any agreement cannot be reached through informal negotiations within 30 days after the start of negotiations, then such disagreement shall be referred to the standing neutral, pursuant to the jointly-developed ADR procedures.

(2) The standing neutral will not render a decision, but will assist the parties in reaching a mutually satisfactory agreement. In the event the parties are unable after 30 days to reach such an agreement, either party may request, and the standing neutral will render, a non-binding advisory opinion. Such opinion shall not be admissible in evidence in any subsequent proceedings.

(c) If one party to this Contract requests the use of the process set forth in Paragraphs b(1) and b(2) of this clause and the other party disagrees, the party disagreeing must express its position in writing to the other party. On any such occasion, if the party requesting the above process wishes to file a claim under the Section I clause entitled *Disputes*, it must do so within 30 days of receipt of the written position from the other party.

H.20 LITIGATION MANAGEMENT PLAN

(a) The Contractor shall maintain a legal function to support litigation, arbitration, environmental issues, procurement, employment, labor, and the Price-Anderson Amendments Act. The Contractor shall provide sound litigation management practices. Within 60 days of contract award, the contractor shall provide a Litigation Management Plan (Deliverable H.20 as shown in Section C Statement of Work) compliant with 10 CFR § 719.

(b) As required by the Contracting Officer, the Contractor shall provide support to the Government on regulatory matters, third-party claims, and threatened or actual litigation. Support includes, but is not necessarily limited to: case preparation, document retrieval, review and reproduction, witness preparation, expert witness testimony, and assistance with discovery or other information requests responsive to any legal proceeding.

H.21 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 Government reserves the right to direct the Contractor to assign to the Government or another Contractor any subcontract awarded under this Contract.

(c) The Contractor agrees to accept transfer of existing subcontracts as determined necessary by DOE for continuity of operations. The Contractor shall attempt to negotiate changes to the assigned subcontracts incorporating mandatory flow-down provisions at no cost. If the subcontractor refuses to accept the changes or requests price adjustments, the Contractor will notify the Contracting Officer in writing.

H.22 DISPOSITION OF INTELLECTUAL PROPERTY – FAILURE TO COMPLETE CONTRACT PERFORMANCE

The following provisions shall apply in the event the Contractor does not complete Contract performance for any reason:

(a) Regarding technical data and other intellectual property, DOE may take possession of all technical data, including limited rights data and data obtained from subcontractors, licensors, and licensees, necessary to complete the project, as well as the designs, operation manuals, flowcharts, software, information, etc., necessary for performance of the work, in conformance with the purpose of this Contract. Proprietary data will be protected in accordance with the limited rights data provisions of the Rights in Data-Facilities clause.

(b) The Contractor agrees to and does hereby grant to the Government an irrevocable, non-exclusive, paid-up license in and to any inventions or discoveries regardless of when conceived or actually reduced to practice by the Contractor, and any other intellectual property, including technical data, which are owned or controlled by the Contractor, at any time through completion of this Contract and which are incorporated or embodied in the construction of the facilities or which are utilized in the operation or remediation of the facilities or which cover articles, materials or products manufactured at a facility: (1) to practice or to have practiced by or for the Government at the facility; and (2) to transfer such license with the transfer of that facility. The acceptance or exercise by the Government of the aforesaid rights and license shall not prevent the Government at anytime from contesting the enforceability, validity or scope of, or title to, any rights or patents or other intellectual property herein licensed.

(c) In addition, the Contractor will take all necessary steps to assign permits, authorizations, leases, and any licenses in any third party intellectual property for operations,

(d) Remediation and closure of the facilities to DOE or such other third party as DOE may designate.

H.23 PRIVACY ACT SYSTEMS OF RECORDS

(a) The Contractor shall design, develop, or adopt the following systems of records on individuals to accomplish an agency function pursuant to the contract clause entitled "Privacy Act."

System No.	Title
DOE-5	Personnel Records of Former Contractor Employees
DOE-11	Emergency Locator Records

DOE-13	Payroll & Locator Records
DOE-14	Report of Compensation
DOE-15	Payroll & Pay-Related Data for Employees of Terminated Contractors
DOE-23	Richland Property System
DOE-28	General Training Records
DOE-31	Firearms Qualifications Requirements
DOE-32	Gov't Motor Vehicle Operator Records
DOE-33	Personnel Medical Records
DOE-35	Personnel Radiation Exposure Records
DOE-40	Contractor Employees Insurance Claims
DOE-43	Personnel Security File
DOE-47	Security Investigations
DOE-51	Employee and Visitor Access Control Records
DOE-53	Access Authorization for ADP Equipment
DOE-58	General Correspondence Files

(b) The above list shall be revised from time to time by mutual agreement between the Contractor and the Contracting Officer as necessary to keep it current. A formal modification to the contract is not required to incorporate these revisions; but the revisions become effective upon mutual agreement of the parties. The mutually agreed upon revisions shall have the same effect as if actually listed above for the purpose of satisfying the listing requirement contained in paragraph (a)(1) of the contract clause entitled "Privacy Act." The revisions will be formally incorporated per the next annual contract update modification, unless added sooner by the Contracting Officer.

H.24 OTHER GOVERNMENT CONTRACTORS

The Government may undertake or award other contracts for additional work or services. The Contractor agrees to fully cooperate with such other Contractors and Government employees and carefully integrate its own work to such other work as may be directed by the Contracting Officer. The Contractor shall not commit or permit any act which will interfere with the performance of work by any other Contractor or by Government employees. If DOE determines that the Contractor's activities may interfere with another DOE Contractor, the Contracting Officer shall so notify the Contractor and the Contractor shall comply with any instructions the Contracting Officer may provide.

H.25 KEY PERSONNEL

(a) Key Personnel are considered to be essential to the work being performed on this Contract. Prior to diverting to other positions or substituting any of the specified Key individuals, or proposing them as a Key Person under another Contract, the Contractor shall notify the Contracting Officer in writing at least thirty (30) days in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the work being performed under this Contract. No diversion or substitution shall be made by the Contractor without the written consent of the Contracting Officer, provided that the Contracting Officer may ratify in writing such diversion or substitution and such ratification shall constitute the consent of the Contracting Officer required by this clause. Unless approved in writing by the Contracting Officer, no Key Personnel position will remain unfilled by a permanent replacement for more than 60 days. The Key Personnel list shall be amended during the course of the Contract to add or delete Key Personnel as appropriate and approved by the Contracting Officer.

(b) Anytime the overall RCC Project Manager is replaced or removed for any reason under the Contractor's control within two (2) years of being placed in the position, Earned and Interim Fee will be reduced by $1,000,000. In addition, each time any of the other Key Personnel proposed (except the Transition Manager) are replaced or removed for any

reason under the Contractor's control within two (2) years of being placed in the position, Earned and Interim Fee will be reduced by $500,000 for each removed or replaced individual.

(c) The Contractor may request, in writing, that the Contracting Officer waive all or part of a reduction, if special circumstances exist. The Contracting Officer shall have sole unilateral discretion to waive or not waive all or part of a reduction.

The following is a list of Key Personnel for this Contract:

Name	Position
Scott M. Sax	Project Manager
Megan Proctor	Environmental, Safety, Quality, and Health (ESQH) and Closure Manager
Robert D. Cantwell	Field Remediation/D4/Reactor ISS Closure Manager
Jeffrey F. Armatrout	Waste Operations Manager
Gordon L. Dover	Project Integration Manager
Daniel L. Plung	Project Services Manager

H.26 RESPONSIBLE CORPORATE OFFICIAL

The Contractor shall provide a Guarantee of performance from its parent company in the form set forth in Section J, Attachment J-3. If the Contractor is a joint venture, newly-formed Limited Liability Company (LLC), or other similar entity where more than one company is involved in a business relationship created for the purpose of this procurement, the parent companies of all the entities forming the new entity shall all provide Guarantees, which Guarantees shall provide for joint and severable liability for the performance of the Contractor. In the event any of the signatories to the Guarantee of performance enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to the Contracting Officer. Notwithstanding the provisions of this clause, the Government may contact, as necessary, the single responsible corporate official identified below, who is at a level above the Contractor and who is accountable for the performance of the Contractor, regarding Contractor performance issues.

Name:	Leo Sain
Position:	Executive Vice President
Company/Organization:	URS Nuclear & Environment
Address:	106 Newberry St. SW, Aiken, SC 29801
Phone:	865-425-7222
Facsimile:	803-502-9795
Email:	Leo.Sain@urs-gmos.com

Should the responsible corporate official change during the period of the Contract, the Contractor shall promptly notify the Contracting Officer in writing of the change in the individual to contact.

H.27 MENTOR-PROTÉGÉ PROGRAM

(a) Both the DOE and the Small Business Administration (SBA) have established Mentor-Protégé Programs to encourage Federal prime contractors to assist small businesses, firms certified under Section 8(a) of the Small Business Act by the SBA, other small disadvantaged businesses, women-owned small businesses, Historically Black Colleges and Universities and Minority Institutions, other minority institutions of higher learning, and small business concerns owned and controlled by service disabled veterans in enhancing their business abilities. Within 90 days of contract award and continuing

throughout the Contract period of performance, the Contractor shall mentor at least one active Protégé company through the DOE and/or SBA Mentor-Protégé Programs. Mentor and Protégé firms will develop and submit "lessons learned" evaluations to DOE at the conclusion of the contract.

(b) DOE Mentor-Protégé Agreements shall be in accordance with Department of Energy Regulation (DEAR) 919.70.

(c) SBA Mentor-Protégé Agreements shall be in accordance with applicable SBA regulations.

H.28 SMALL BUSINESS SUBCONTRACTING FEE REDUCTION

The Small Business Subcontracting Plan, incorporated into this Contract as Section J, Attachment J-4, contains percentage goals for awarding of subcontracts to small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns. The Contractor also agrees, as a part of this Contract, to have in place, with one or more small businesses, a Mentor-Protégé program. The Contractor's performance in meeting these goals, and supporting protégé(s) in a Mentor-Protégé agreement(s), will be evaluated at the following milestones:

- End of Third Year of Contract Performance;
- End of Sixth Year of Contract Performance; and
- End of Contract.

If, at each one of these milestones, the Contractor has not met any or all of these subcontracting goals for that milestone period, or has failed to support a protégé during that period, the Contracting Officer may reduce the final fee amount by an amount up to $3 Million for each milestone up to a total reduction of otherwise earned fee for the contract in the amount of $9 Million. The reduction amount shall be at the unilateral discretion of the Contracting Officer. The dollar amount of each such reduction shall be a permanent reduction in the total fee paid under this contract. For the first two milestone periods, if it has been determined that the Contractor has failed to meet such goals, or failed to have a Mentor-Protégé Program, upon establishment of an appropriate fee reduction amount for that period, the ensuing provisional fee payments shall be reduced proportionally during the next milestone period until the full milestone reduction amount has been achieved. At contract completion, the total amount of fee reduction for failure to meet its subcontracting goals shall be offset by any amount of liquidated damages assessed in accordance with FAR 52.219 16, Liquidated Damages – Subcontracting Plan. Any reduction for failure to meet the Mentor-Protégé Program shall be in addition to any liquidated damages under FAR 52.219-16. For the purpose of implementing this clause, the percentage goals initially established in the Contractor's Small Business Subcontracting Plan will remain in effect for the duration of the contract period.

H.29 LOBBYING RESTRICTION (ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 2003)

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 communication to Members of Congress as described in 18 USC 1913. This restriction is in addition to those prescribed elsewhere in statute and regulation.

H.30 NOTICE REGARDING THE PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS – SENSE OF CONGRESS

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

H.31 NATIONAL NUCLEAR SECURITY ADMINISTRATION (NNSA)/ENVIRONMENTAL MANAGEMENT (EM) STRATEGIC SOURCING PARTNERSHIP

The contractor shall participate, on a graded approach as approved by the Government, in the NNSA/EM Strategic Sourcing Partnership. Under this partnership, EM contractors shall work with the NNSA/EM Supply Chain Management Center (SCMC) to yield an enterprise-wide, synergistic strategic sourcing solution that leverages NNSA and EM purchasing power to gain pricing, processing, and reporting efficiencies to reduce costs overall for the Government.

H.32 SPECIAL VOLUNTARY RETIREMENT PROGRAM (SVRP) PAYMENT AUTHORIZATION

The Contractor, Washington Closure Hanford, LLC (WCH), is authorized to reimburse, as an allowable cost, monthly payments associated with the 1996 Special Voluntary Retirement Program (SVRP) for Mr. Theodore A. Curran and Mr. Kenneth R. Porter. The monthly payments will be equal to the enhancement portion of the SVRP. As of February 1, 1997, these amounts are $523.66 for Mr. Curran and $752.98 for Mr. Porter. The exact amounts are to be determined by the Plan Administrator based on the actual retirement date and the joint and survivor annuity option as selected by the individuals. Each monthly payment will continue until: (1) the month immediately preceding the month each individual receives his first payment of an enhanced benefit from the Hanford Pension Plan; or (2) the month of his death or his spouse's death, whichever is later. The Contractor shall make such payments, as allowable costs, for the terms of the contract only. Any costs related to these payments, such as administration, employer taxes, etc., are also considered allowable. The Department of Energy (DOE) will incorporate provisions in successor contracts for continuation of said payments as allowable costs. In the event there is no successor contractor, DOE will make such payments directly to the above individuals based on the conditions herein.

Payment of the above amounts may be found to be included as part of the Hanford Pension Plan, should the Internal Revenue Service (IRS) rule that such payments are qualified under the Hanford Pension Plan. A ruling by the IRS qualifying such payment under the Hanford Pension Plan will negate the monthly payments by WCH, successor contractors or the DOE.

SVRP Payments are excluded from both the target cost and target fee amounts and will be reimbursed on a cost, no fee basis. In addition, such costs will be excluded from all Cost Performance Incentive Fee payments and calculations under Section B and elsewhere in this contract. The contractor understands, however, that the pension cost for SVRP Payments will not be separately funded and is included in the funding amounts shown in the Funding Profile, Section J, Attachment J-11, entitled *RCC Funding Profile*.

H.33 OTHER CONTRACTORS

The Contractor may, from time to time, provide products and/or services to and receive products and/or services from other Hanford Prime Contractors by Memoranda of Agreement (MOA). An MOA is used to establish a solid framework for providing work between Prime Contractors, to clarify the responsibilities and processes, and to create consistency among the Parties. The MOA will include standard definitions, work request elements, generalized decision analysis, and a rigorous dispute resolution process. The use of an MOA, and/or the use of any term contained within, does not create a subcontractor or supplier relationship.

Products and/or services provided to other Prime Contractors shall have no impact on contractual target cost or fee and shall not relieve the Contractor of any performance requirement of this contract.

Those products and/or services that the Prime Contractor chooses to use or those DOE directs the Prime Contractor to use for performance of this Contract, shall be costed and reimbursed

under the terms of this Contract in accordance with Attachment J-13, Hanford Site Services.

When products and/or services between Prime Contractors are offered and accepted, DOE does not expect the requesting Prime Contractor to review or otherwise validate top-level crosscutting quality control, health, safety and/or environmental protection requirements mandated by the performing Contractor's prime contract. The requesting prime contractor may assume that such contract requirements, e.g., Integrated Safety Management System, Quality Program/Plan are acceptable to DOE.

The Prime Contractor requesting products and/or services, however, is responsible for oversight of requirements related to the specific work task(s) to ensure that the performing Prime Contractor delivers a product or service that will meet the requirements of the requesting Prime Contractor. When ordering products and/or services from a Prime Contractor source, the requesting Prime Contractor can use and rely on existing information from DOE or the performing Prime Contractor to develop and implement oversight protocols, using a graded approach, that are appropriate to the relevant task. The performing Prime Contractor will be expected by DOE and the requesting Prime Contractor to provide products and/or services in a manner that is consistent with the requirements of the performing Prime Contractor's prime contract, including quality assurance, health and safety and environmental compliance requirements, and the task instructions provided by the requesting Prime Contractor. Potential conflicts, questions, and/or issues that may be unclear or otherwise confusing should be discussed and resolved by both parties in advance.

The requesting Prime Contractor is obligated to provide sufficient specifications, requirements, hazard information and unique quality, technical, safety and environmental requirements for the work to be performed. The performing Prime Contractor is expected to seek clarification of requirements that conflict with, or are greater than, its own baseline requirements.

The requesting Prime Contractor will notify the performing Prime Contractor of issues regarding the products and/or services provided by the performing Prime Contractor, including issues relative to delivery of specific products and/or services or the quality of the specific products and/or services provided. The Prime Contractors should work together to resolve these issues promptly. DOE should be promptly notified if the issue remains unresolved. For outstanding issue resolution, DOE senior management should involve the contractor principals, or designees, to quickly provide resolution.

The performing Prime Contractor should operate in accordance with the requirements of its prime contract, including but not limited to, requirements associated with environmental compliance, safety, health, and quality, in executing the specific activities identified by the requesting Prime Contractor as well as meeting any specific requirements identified and required by the requesting Prime Contractor. If meeting the requested requirements would be inconsistent with the performing Prime Contractor's prime contact with DOE, then the conflict should be brought to the attention of DOE and resolution developed prior to performance of the work.

H.34 EXCLUSIVE BENEFIT OF CONTRACTING PARTIES

This Contract and each and every term of this Contract is intended for the exclusive benefit of the Parties, and not for the benefit of any third party. Nothing contained in this Contract shall be construed to grant, vest, or create any right of action in any party not a party to this contract.

H.35 SPECIAL PROVISIONS RELATING TO WORK FUNDED UNDER AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (APR 2009)

Preamble:

Work performed under this contract will be funded, in whole or in part, with funds appropriated by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, (Recovery Act or Act). The

Recovery Act's purposes are to stimulate the economy and to create and retain jobs. The Act gives preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds made available by it for activities that can be initiated not later than June 17, 2009.

Contractors should begin planning activities for their first tier subcontractors, including obtaining a DUNS number (or updating the existing DUNS record), and registering with the Central Contractor Registration (CCR).

Be advised that Recovery Act funds can be used in conjunction with other funding as necessary to complete projects, but tracking and reporting must be separate to meet the reporting requirements of the Recovery Act and related Guidance. For projects funded by sources other than the Recovery Act, Contractors should plan to keep separate records for Recovery Act funds and to ensure those records comply with the requirements of the Act.

The Government has not fully developed the implementing instructions of the Recovery Act, particularly concerning the how and where for the new reporting requirements. The Contractor will be provided these details as they become available. The Contractor must comply with all requirements of the Act. If the contractor believes there is any inconsistency between Recovery Act requirements and current contract requirements, the issues will be referred to the Contracting Officer for reconciliation.

Be advised that special provisions may apply to projects funded by the Act relating to:

• Reporting, tracking and segregation of incurred costs;

• Reporting on job creation and preservation;

• Publication of information on the Internet;

• Protecting whistleblowers; and

• Requiring prompt referral of evidence of a false claim to the Inspector General.

Definitions:

For purposes of this clause, "Covered Funds" means funds expended or obligated from appropriations under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5. Covered Funds will have special accounting codes and will be identified as Recovery Act funds in the contract and/or modification using Recovery Act funds. Covered Funds must be reimbursed by September 30, 2015.

Non-Federal employer means any employer with respect to Covered Funds – the contractor or subcontractor, as the case may be, if the contractor or subcontractor is an employer; and any professional membership organization, certification of other professional body, any agent or licensee of the Federal government, or any person acting directly or indirectly in the interest of an employer receiving Covered Funds; or with respect to Covered Funds received by a State or local government, the State or local government receiving the funds and any contractor or subcontractor receiving the funds and any contractor or subcontractor of the State or local government; and does not mean any department, agency, or other entity of the federal government.

(a) Flow Down Provision

This clause must be included in every first-tier subcontract.

(b) Segregation and Payment of Costs

Contractor must segregate the obligations and expenditures related to funding under the Recovery Act. Financial and accounting systems should be revised as necessary to

segregate, track and maintain these funds apart and separate from other revenue streams. No part of the funds from the Recovery Act shall be commingled with any other funds or used for a purpose other than that of making payments for costs allowable for Recovery Act projects. Where Recovery Act funds are authorized to be used in conjunction with other funding to complete projects, tracking and reporting must be separate from the original funding source to meet the reporting requirements of the Recovery Act and OMB Guidance.

Invoices must clearly indicate the portion of the requested payment that is for work funded by the Recovery Act.

(c) Prohibition on Use of Funds

None of the funds provided under this agreement derived from the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, may be for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

(d) Wage Rates

All laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan numbered 14 of 1950 (64 Stat. 1267, 5 U.S.C. App.) and section 3145 of title 40 United States Code. See http://www.dol.gov/esa/whd/contracts/dbra.htm.

(e) Publication

Information about this agreement will be published on the Internet and linked to the website www.recovery.gov, maintained by the Accountability and Transparency Board (the Board). The Board may exclude posting contractual or other information on the website on a case-by-case basis when necessary to protect national security or to protect information that is not subject to disclosure under sections 552 and 552a of title 5, United States Code.

(f) Registration requirements

Contractor shall ensure that all first-tier subcontractors have a DUNS number and are registered in the Central Contractor Registration (CCR) no later than the date the first report is due under the Section I. clause entitled “52.204-11 American Recovery and Reinvestment Act – Reporting Requirements (MAR 2009).

(g) Utilization of Small Business

Contractor shall to the maximum extent practicable give a preference to small business in the award of subcontracts for projects funded by Recovery Act dollars.

H.36 MODIFICATION DEFINITIZATION

(a) The Contractor agrees to begin promptly negotiating with the Contracting Officer the terms of a definitive modification for the Recovery Act work directed under this modification. The Contractor agrees to submit a technical, cost, and fee proposal in accordance with the instructions contained in section 9 of Modification A099.

(b) The schedule for definitizing this modification is as follows:

Action	Date *

Contractor submits technical, cost, and fee Proposal	60 days
Commence negotiations	140 days
Mutual agreement on definitization of Recovery Act work	160 days
Contractor submits certificate of current cost or pricing data	160 days
Execute definitization contract modification	180 days

*Date is specified as the number of calendar days after this modification is signed by both parties.

(c) If agreement on a definitive modification is not reached by the target date in paragraph (b) of this section, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the head of the contracting activity, determine a reasonable price or fee in accordance with Subpart 15.4 and Part 31 of the FAR, subject to Contractor appeal as provided in the Disputes clause. In any event, the Contractor shall proceed with completion of the contract, subject only to the clause in section I, entitled "Limitation of Government Liability," added by this modification.

(1) After the Contracting Officer's determination of price or fee, the contract shall be governed by—

(i) All clauses required by the FAR on the date of execution of this modification for either fixed-price or cost-reimbursement contracts, as determined by the Contracting Officer under this paragraph (c);

(ii) All clauses required by law as of the date of the Contracting Officer's determination; and

(iii) Any other clauses, terms, and conditions mutually agreed upon.

(2) To the extent consistent with paragraph (c)(1) of this section, all clauses, terms, and conditions included in this modification shall continue in effect.

H.37 BASELINE AND REPORTING REQUIREMENTS FOR WORK PERFORMED UNDER THE RECOVERY ACT

This clause defines the unique requirements for the contractor's project management baseline and associated reporting requirements to address the modified contract performance requirements as implemented in Section C, Statement of Work, to be performed and funded under the provisions of the American Recovery and Reinvestment Act of 2009 (Recovery Act).

Baseline Requirements

(a) For purposes of this clause the "pre-definitized period" is defined as that timeframe from the date of execution of Modification No. A099 directing the contractor to begin the Recovery Act work until the work is definitized in accordance with the clause in Section H entitled "Modification Definitization." All requirements for plans and deliverables during the pre-definitized period shall be based on the definitization time period estimated in the "Modification Definitization" clause.

(b) During the pre-definitized period, the contractor shall develop and deliver to the Contracting Officer the following:

(1) Within 30 days after execution of Modification No. A099, the contractor shall provide a work plan for performance of that portion of the work specified in Section C, Statement of Work, expected to be performed during the 180-day period after execution of Modification No. A099. This plan shall include the following:

(i) Product-oriented Work Breakdown Structure (WBS) and WBS dictionary in alignment with the statement of work, as modified for the Recovery Act work, to include performance of Recovery Act work totally within distinctly defined, separately tracked and uniquely managed WBS elements;

(ii) Monthly spend plan consistent with the statement of work, completely segregating the non-Recovery Act work from the Recovery Act funded portions of the statement of work;

(iii) Crosswalk of statement of work WBS elements and associated planned milestones, metrics, and estimated costs (at the 50% confidence level), between the current base project Near-Term Baseline (NTB) and the Recovery Act work;

(iv) Milestone list including, but not limited to, major hiring actions that create newly "created" or "retained" jobs by the contractor or first tier subcontractors in accordance with the clause in Section I, entitled "American Recovery and Reinvestment Act – Reporting Requirements," key starts and completions, enforceable regulatory dates, approval of key regulatory decisions, project critical decisions, delivery of critical Government Furnished Services and Items; and

(v) Planned quarterly summary of jobs "created" or "retained" by the contractor and first tier subcontractors as defined in the Section I clause entitled "American Recovery and Reinvestment Act – Reporting Requirements."

(2) Within 120 days after execution of Modification No. A099, the contractor shall propose a Performance Baseline for the complete work specified in Section C, Statement of Work. This baseline shall use control accounts that will be made up of work subactivities delineated in Section J-1 of the RCCC. The WBS elements at the lowest level (Level 7) should roll up to each higher level of the WBS structure and clearly identify the entire work to be performed. The WBS shall clearly distinguish all non-Recovery Act work from all Recovery Act work. The proposed Performance Baseline shall include the following:

(i) The contractor shall propose a performance baseline that consists of the sum of the Performance Measurement Baseline, Management Reserve, and fee that represents a high confidence level (a 50% confidence level) for the work to be performed, including the pre-definitized period and the post-definitized period. This performance measurement baseline shall be based upon the work and schedule included in Modification No. A099 and the contractor's cost proposal. An integrated baseline with a month-by-month Budgeted Cost of Work Scheduled (BCWS) must be developed for the complete Recovery Act work. This will be the original baseline for Recovery Act work and shall include all of the work by WBS (Level 7), including both the pre- and post-definitized periods, and the contractor's defined management reserve. The sum of estimated cost for the pre-definitized period, estimated cost for the post-definitized period shall equal the contractor's proposed estimated cost for the Recovery Act work. This performance baseline is subject to independent project review and certification before approval by the government.

(ii) A network logic schedule utilizing Primavera will be developed at the activity level for each control account which includes milestones. The schedule must be resource loaded and coded to allow summarization of lower level activities through the control account for the complete Recovery Act work.

(iii) The contractor's proposed Performance Baseline shall also include the planned quarterly summary of jobs "created" or "retained" by the contractor and first tier subcontractors as defined in the Section I clause entitled "American Recovery and Reinvestment Act – Reporting Requirements."

Deliverables supporting the Recovery Act performance baseline shall include all deliverables required under existing contract requirements, those Recovery Act deliverable and reporting requirements specified in the Section I clause entitled "American Recovery and Reinvestment Act – Reporting Requirements." For all common deliverables, the data shall be clearly segregated and distinguished between non-Recovery Act work and Recovery Act work, as well as summing to complete contract totals.

These documents shall be submitted to the Contracting Officer to support DOE review and baseline approval. The Contracting Officer may identify other documents as needed to support project reviews and audits.

(3) The contractor shall support an Independent Project Review (IPR) and/or an External Independent Review (EIR) and resolution of IPR or EIR corrective actions for the Performance Baseline submitted, if required.

(c) During the pre-definitized period, the contractor shall establish the Earned Value (EV) forecast based on the budgeted cost of work scheduled (BCWS) and the budgeted cost for work performed (BCWP) portrayed on a monthly basis utilizing measurable units associated with each activity in the schedule (e.g., square foot reduction, number of TRU shipments, foot print reduction, etc.), as appropriate, that will allow the reporting of the contractor's progress in accordance with the reporting requirements specified in the clause in Section I clause entitled "American Recovery and Reinvestment Act – Reporting Requirements." The associated actual cost of work performed (ACWP)/actual cost (AC), cost and schedule variances and performance indices, and variance analyses shall be reported monthly. Performance against the Recovery Act performance baseline shall be tracked separately from other work under the contract funded by other appropriations.

(d) Upon negotiation of the definitive modification to the contract, the performance baseline documentation submitted in accordance with paragraph b.2 above shall be revised by the contractor to reconcile cost estimates and WBS elements, if necessary, consistent with the definitive modification.

Reporting Requirements

(e) Within 30 days of definitization of the Recovery Act work or as specified within the reporting requirement, the contractor shall begin reporting against the established performance baseline in accordance with the reporting requirements specified under existing contract requirements, those reporting requirements specified in the section I Clause entitled "American Recovery and Reinvestment Act – Reporting Requirements," *and those Recovery Act-unique deliverables listed below*. Performance against the Recovery Act work shall be tracked and reported separately from other work under the contract funded by other appropriations.

(f) These reports shall be provided to the Contracting Officer on a monthly basis.

(1) Contract Performance Report (Refer to OMB No. 0704-0188 or DD FORM 2734/1, MAR 05): Format 1 - Work Breakdown Structure, Format 3 - Baseline, and Format 5 - Explanations and Problem Analyses.

(2) A Milestone report from Primavera reflecting status of all milestones being reported with columns for the scope, original planned date, current planned date, and the actual date the milestone was completed.

(3) A funds management report by Budgeting & Reporting (B&R) codes that identifies the amount of funds obligated to the contract and the amount of funds obligated to the contractor, and committed and expended by the contractor.

(g) The Contractor will provide a weekly report for each Recovery Act subproject by close of business each Tuesday, beginning on the first Tuesday following execution of Modification 126. The Recovery Act Weekly Report will include the following items:

(1) Accomplishments: The first section of the report documents accomplishments from the past week. This section will be organized by the five major project areas and include 100-300 word narratives of significant accomplishments for each project during the preceding week. Example topics of significant accomplishments include, but are not limited to: job fairs, hiring actions, training/mentoring actions, on-going field work, completed field work, contracting actions, safety accomplishments, hazard reduction, and cost savings (e.g., building going to cold, dark and dry saves $X in S&M costs, etc.). When introduced, topics should be updated as required over time, so that a reader is not left with unresolved or uncompleted work /issue perceptions. The audience of this narrative is a member of the public interested in ARRA activities who is familiar with the Hanford Mission.

The Contractor shall submit approximately 3 photos of a particular activity in each subproject, provided there is field activity, along with caption information for each photo series. Significant field accomplishments should be noted. Photos must meet the following requirements:

- Can be released to the public,
- Directly relates to the narratives described above,
- Shows activity, employees, and is composed in a professional manner,
- Are embedded in the weekly report below the associated narrative and are at least 5” by 7” on the printed page, and;
- Are also provided along with the weekly report as a separate file for each photo with 300 dpi resolution and JPEG (at least 5x7 in.) file format.

The photos, when assembled over time, should represent the breadth of the subproject. Additionally, if “before” or “during” photos are submitted, “after” photos should also be submitted in a timely manner upon work completion.

For a minimum of one of the subprojects, provided there is field activity, submit a video that meets the following requirements:

- Is provided with an associated narrative along with the weekly report,
- Can be released to the public,
- Shows activity, employees, and is composed in a professional manner,

- Is edited to show highlights of the activity and is 1-3 minutes in length,
- Includes a full-screen title graphic at the beginning and end of the video that uses general terms for the title (e.g., Plutonium Finishing Plant D&D, Installation of Groundwater Treatment System), and
- Is provided in two formats: DV-Cam tape and a DVD with two electronic files: a MPEG-2 electronic file, 720x480, highest quality setting (for archiving and further editing); and a WMV electronic file, 320x240, multi-bit rate (for posting to the web).

(2) Significant Upcoming Events: The second section of the weekly report will consist of significant events expected in the next week. The description of the upcoming significant event will normally be less than approximately 50 words, with the audience be DOE-RL Assistant Managers and the DOE-RL Field Office manager. It is anticipated that the "Significant Upcoming Events "section of the weekly report will normally be approximately ¼ - ½ page long.

(h) The Contractor shall provide an estimated date on which it is projected to reach the expenditure and/or obligation ceiling specified within the Section I Clause entitled, FAR 42.216-24, Limitation of Government Liability. The Contractor shall update its estimate within 30 calendar days of any modification to the limitation.

(i) The Contractor shall notify the Contracting Officer in writing whenever it has reason to believe that Recovery Act expenditures and/or obligations it expects to incur under this contract, when added to all costs previously incurred, will exceed:

(1) 75 percent in the next 60 days, and
(2) 90 percent in the next 30 days

of the total amount specified in the Section I Clause entitled, FAR 52.216-24, Limitation of Government Liability.

H.38 PROJECT MANAGEMENT CONTROLS

(a) Project Control System

(1) Definition
The contractor shall support the establishment and maintenance of the Department of Energy Environmental Management Project Management Information System (EM PMIS) from which comprehensive, project-wide performance reports are generated. In addition, the contractor shall provide all necessary technical information and support to enable DOE to proceed with the Critical Decision process and enable DOE to meet the data requirements of the Integrated Planning, Accountability and Budgeting System.

(2) Acronyms
The following is a listing of acronyms and their meaning as used in this work statement:

ACWP	Actual Cost of Work Performed
ANSI	American National Standards Institute
BCWS	Budgeted Cost of Work Scheduled
BCWP	Budgeted Cost of Work Performed
CPR	Contractor Performance Report
EDI	Electronic Data Interchange
EIA	Electronic Industry Association
EM	Environmental Management

ETC	Estimate to Complete
EV	Earned Value
IPABS	Integrated Planning, Accountability and Budgeting System
MR	Management Reserve
OBS	Organizational Breakdown Structure
PMIS	Project Management Information System
RDT&E	Research, Development, Testing and Evaluation
WBS	Work Breakdown Structure

(3) Data Requirements

In support of EM PMIS implementation and maintenance, the contractor shall provide the following data elements on a monthly basis.

ANSI/EIA-748 Earned Value Metrics
Earned Value Time-Phased Incremental Cost and Quantity Data
Management Reserve Data
Schedule Data
Variance Analysis Data
Risk Data

The required data elements shall be reported as provided by and consistent with the terms of the contract. In the absence of contractually specific reporting requirements, the contractor shall report the required data by the 15th business day following the report month (i.e., June data shall be reported by the 15th business day of July). Specific reporting requirements and formats follow. The contractor shall submit information for all data elements, as listed in the tables below.

ANSI/EIA-748 Earned Value Metrics

The contractor shall report monthly cost and schedule metrics by Work Breakdown Structure (WBS) and Organizational Breakdown Structure (OBS) against the approved Project Management Baseline. The reporting data elements are:

- Monthly BCWS, BCWP, ACWP, Cost and Schedule Variance
- Cumulative-to-Date BCWS, BCWP, ACWP, Cost and Schedule Variance
- Cost Budget at Complete
- Cost Estimate to Complete
- Reprogramming Adjustment – Cost Variance
- Reprogramming Adjustment – Budget

The reporting format is noted in Tables 3.6.1, 3.6.2 and 3.6.3, below.

Earned Value Time-Phased Incremental Cost and Quantity Data

The contractor shall report incremental cost and schedule performance data on a monthly basis by the lowest level of the WBS and OBS. The reporting data elements are:

- BCWS for the project duration
- BCWP from the project start through the current month
- ACWP from the project start through the current month
- ETC from the current month through the end of the project

The reporting format is noted in Table 3.1, below.

Management Reserve Data

The contractor shall report Management Reserve by WBS and OBS using the data elements *Transaction Date*, *Credit*, *Debit* and *Account Balance*. The reporting format is noted in Table 3.2, below.

Schedule Data
The contractor shall report Schedule data by WBS and OBS; the following data elements shall be reported:

- Type of Activity
- Early/Late Start
- Early/Late Finish
- Start and Finish constraints
- Durations
- Critical Path
- Total and Fee Float
- % Complete

The reporting format is noted in Tables 3.3.1 and 3.3.2, below.

Variance Analysis Data:
The contractor shall report variances by WBS and OBS that exceed 10%. The following data elements shall be reported:

- Monthly Cost and Schedule Variances and Performance Indices
- Cumulative-to-Date Cost and Schedule Variances and Performance Indices
- Variance at Completion
- Estimate at Completion and the Method of Calculation
- Narrative

The reporting format is noted in Tables 3.4.1 and 3.4.2, below.

Risk Data:
The contractor shall report risk information by WBS and OBS by a minimum set of data elements that include, but not limited to the following:

- Type of Risk
- Probability of Occurrence
- Quantification of Risk
- Mitigation
- Status

The reporting format and current list of reportable fields is noted in Table 3.5, below.

EM PMIS REPORTING FORMAT TABLES

Table 3.1

Earned Value Time Phased Table **Earned Value Time-phased Incremental Data for Each Period by WBS and OBS**				
Field Name	**Field Type**	**Length**	**Description**	**Reqd.**
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		End Date of Current Reporting Period	*
WBSNUM	VARCHAR	35	WBS Element or ID	
OBSNUM	VARCHAR	50	OBS Element or ID	
ActNam	VARCHAR	16	Activity Name	
Resnam	VARCHAR	20	Resource Name	
Period	DATETIME		End Date of Period where Each cost is Time Phased	*
WBSDesc	VARCHAR	255	WBS Description	
OBSDesc	VARCHAR	255	OBS Description	
CINCBCWS	NUMERIC	16	Cost Incremental Planned Value/BCWS	*
CINCBCWP	NUMERIC	16	Cost Incremental Planned Value/BCWP	*

CINCAWWP	NUMERIC	16	Cost Incremental Planned Value/ACWP	*
CINCETC	NUMERIC	16	Cost Incremental ETC-Future from Status Date	*
QINCBCWS	NUMERIC	16	Quantity Incremental Planned Value/BCWS	
QINCBCWP	NUMERIC	16	Quantity Incremental Planned Value/BCWP	
QINCACWP	NUMERIC	16	Quantity Incremental Planned Value/ACWP	
QINCETC	NUMERIC	16	Quantity Incremental ETC-Future from Status Date	

Table 3.2

Earned Value Management Reserve Log Table Management Reserve Log				
Field Name	**Field Type**	**Length**	**Description**	**Reqd.**
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		End Date of Current Reporting Period	*
LogDate	DATETIME		Date of MR Change	*
WBSNUM	VARCHAR	35	WBS Element or ID	
OBSNUM	VARCHAR	50	OBS Element or ID	
ActNam	VARCHAR	16	Activity MR was applied to	
ResNam	VARCHAR	20	Resource MR was applied to	
CCREDIT	NUMERIC	16	Amount of Credit to MR	*
CBEBIT	NUMERIC	16	Amount of Debit to MR	*
CBALANCE	NUMERIC	16	Balance of MR after change	*
Narrative	TEXT		Text Description of MR change	
Document	OBJECT		Document Attachment	

Table 3.3.1

Schedule Activity Table Activity Schedule Date				
Field Name	**Field Type**	**Length**	**Description**	**Reqd.**
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		Status Date	*
ActNam	VARCHAR	16	Activity Name or Code or ID	*
ActDesc	VARCHAR	255	Activity Description	
WBSNUM	VARCHAR	35	WBS Element	
OBSNUM	VARCHAR	50	OBS Element	
ActType	VARCHAR	1	Activity Type (A=Activity, S=Summary, M=Milestone, H=Hammock	*
CURStrCon	VARCHAR	3	Current Start Constraint	
CURStrConDate	DATETIME		Current Start Constraint Date	
CURFinCon	VARCHAR	3	Current Finish Constraint	
CURFinConDate	DATETIME		Current Finish Constraint Date	
CURESDate	DATETIME		Current Early Start Date	
CUREFDate	DATETIME		Current Early Finish Date	
CURLSDate	DATETIME		Current Late Start Date	
CURLFDate	DATETIME		Current Late Finish Date	
CUR FreeFit	INT	4	Current Free Float (Days)	
CURTtlFit	INT	4	Current Total Float (Days)	

CURCrit	BOOLEAN	1	Current Critical Path	
CUROrgDur	INT	4	Current Original Duration (Days)	
CURRemDur	INT	4	Current Remaining Duration (Days)	
CURPctCmp	NUMERIC	16	Current Percent Complete	
BASStrCon	VARCHAR	3	Baseline Start Constraint	
BASStrConDate	DATETIME		Baseline Start Constraint Date	
BASFinCon	VARCHAR	3	Baseline Finish Constraint	
BASFinConDate	DATETIME		Baseline Finish Constraint Date	
BASESDate	DATETIME		Baseline Early Start Date	

Table 3.3.1 (Continued)

Schedule Activity Table Activity Schedule Date				
Field Name	**Field Type**	**Length**	**Description**	**Reqd.**
BASEFDate	DATETIME		Baseline Early Finish Date	
BASLSDate	DATETIME		Baseline Late Start Date	
BASLFDate	DATETIME		Baseline Late Finish Date	
BASFreeFlt	INT	4	Baseline Free Float (Days)	
BASTtlFit	INT	4	Baseline Total Float (Days)	
BASCrit	BOOLEAN	1	Baseline Critical Path	
BASOrgDur	INT	4	Baseline Original Duration (Days)	
BASRemDur	INT	4	Baseline Remaining Duration (Days)	
BASPctCmp	NUMERIC	16	Baseline Percent	

Table 3.3.2

Schedule Relationship Table Activity Relationship Data				
Field Name	**Field Type**	**Length**	**Description**	**Reqd.**
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		Status Date	*
ActNam	VARCHAR	16	Predecessor Activity Name or Code	*
ActNamRel	VARCHAR	16	Successor Activity Name or Code	*
CURRelType	VARCHAR	2	Current Relationship Type: FS = Finish to Start SS = Start to Start FF = Finish to Finish SF = Start to Finish HS = Hammock to Start HF = Hammock to Finish	*
CURLag	INT	4	Current Lag	*
BASRelType	VARCHAR	2	Baseline Relationship Type: FS = Finish to Start SS = Start to Start FF = Finish to Finish SF = Start to Finish HS = Hammock to Start HF = Hammock to Finish	*
BASLag	INT	4	Baseline Lag (Pos.)/Lead (Neg.)	*

Table 3.4.1

Earned Value Variance WBS Table Variance Analysis Data by WBS				
Field Name	**Field Type**	**Length**	**Description**	**Reqd.**
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		End Date of Current Reporting Period	*
WBSNUM	VARCHAR	35	WBS Element or ID	*
CINCSV	NUMERIC	16	Incremental Schedule Variance	
CINCCV	NUMERIC	16	Incremental Cost Variance	
CINCSPI	NUMERIC	16	Incremental Schedule Performance Index	
CINCCPI	NUMERIC	16	Incremental Cost Performance Index	
CCUMSV	NUMERIC	16	Cumulative Schedule Variance	
CCUMCV	NUMERIC	16	Cumulative Cost Variance	
CCUMSPI	NUMERIC	16	Cumulative Schedule Performance Index	
CCUMCPI	NUMERIC	16	Cumulative Cost Performance Index	
CVAC	NUMERIC	16	Variance at Complete	
CEIAC1	NUMERIC	16	Independent Estimate at Complete 1	
IEACIMeth	VARCHAR	50	Method of Calculation for IEAC 1	
CEIAC2	NUMERIC	16	Independent Estimate at Complete 2	
IEAC2Meth	VARCHAR	50	Method of Calculation for IEAC 2	
CIEAC3	NUMERIC	16	Independent Estimate at Complete 3	
IEAC3Meth	VARCHAR	50	Method of Calculation for IEAC 3	
CIEAC4	NUMERIC	16	Independent Estimate at Complete 4	
IEAC4Meth	VARCHAR	50	Method of Calculation for IEAC 4	
CIEAC5	NUMERIC	16	Independent Estimate at Complete 5	
IEAC5Meth	VARCHAR	50	Method of Calculation for IEAC 5	
Narrative	TEXT		Text of Variance Analysis	
Document	OBJECT		Document Attachment - Optional	

Table 3.4.2

Earned Value Variance WBS Table Variance Analysis Data by OBS				
Field Name	**Field Type**	**Length**	**Description**	**Reqd.**
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		End Date of Current Reporting Period	*
OBSNUM	VARCHAR	50	OBS Element or ID	*
CINCSV	NUMERIC	16	Incremental Schedule Variance	
CINCCV	NUMERIC	16	Incremental Cost Variance	
CINCSPI	NUMERIC	16	Incremental Schedule Performance Index	
CINCCPI	NUMERIC	16	Incremental Cost Performance Index	
CCUMSV	NUMERIC	16	Cumulative Schedule Variance	
CCUMCV	NUMERIC	16	Cumulative Cost Variance	
CCUMSPI	NUMERIC	16	Cumulative Schedule Performance Index	
CCUMCPI	NUMERIC	16	Cumulative Cost Performance Index	
CVAC	NUMERIC	16	Variance at Complete	
CEIAC1	NUMERIC	16	Independent Estimate at Complete 1	
IEACIMeth	VARCHAR	50	Method of Calculation for IEAC 1	
CEIAC2	NUMERIC	16	Independent Estimate at Complete 2	
IEAC2Meth	VARCHAR	50	Method of Calculation for IEAC 2	
CIEAC3	NUMERIC	16	Independent Estimate at Complete 3	
IEAC3Meth	VARCHAR	50	Method of Calculation for IEAC 3	
CIEAC4	NUMERIC	16	Independent Estimate at Complete 4	
IEAC4Meth	VARCHAR	50	Method of Calculation for IEAC 4	
CIEAC5	NUMERIC	16	Independent Estimate at Complete 5	
IEAC5Meth	VARCHAR	50	Method of Calculation for IEAC 5	
Narrative	TEXT		Text of Variance Analysis	
Document	OBJECT		Document Attachment - Optional	

Table 3.5

Risk Log Table Risk Log Data				
Field Name	**Field Type**	**Length**	**Description**	**Reqd.**
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		End Date of Current Reporting Period	*
WBSNUM	VARCHAR	35	WBS Element or ID	
OBSNUM	VARCHAR	50	OBS Element or ID	
RiskCode	VARCHAR	50	Identifier Code for Risk Item	*
RiskType	VARCHAR	20	Type of Risk	*
Title	VARCHAR	255	Title of Risk Item	*
RiskDate	DATEIME		The date the risk was identified in the risk management system	*
RemainAmt	VARCHAR	3	Will the remaining amount be adequate for project closeout?	
Mitigation	TEXT		Risk Mitigation Plan	
Probability	NUMERIC	16	Risk Probability	
Consequence	TEXT		Risk Impact/Consequence	
Quantity	NUMERIC	16	Quantification of Risk	
UnitofMeasure	VARCHAR	50	Unit of Measure for Quantity	
Closed	BOOLEAN	1	Risk Item Open (No) or Closed (Yes)	*
Status	TEXT		Risk Status	
Narrative	TEXT		Text Description of Risk	
Document	OBJECT		Document Attachment - Optional	

Table 3.6.1

Earned Value Contractor Performance Reporting Header Table Contract and Project CPR Header Information				
Field Name	**Field Type**	**Length**	**Description**	**Req.**
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		End Date of Current Reporting Period	*
ProjDsc	VARCHAR	255	Project Description	
ConNum	VARCHAR	50	Contract Number	
ConTyp	VARCHAR	4	Contract Types: CPAF – Cost Plus Award Fee CPFF – Cost Plus Fixed Fee CPIF – Cost Plus Incentive Fee CPP – Cost Plus Percentage CPE – Cost Plus Expenses FPE – Fixed Price Escalation FPI – Fixed Price Incentive FFP – Firm Fixed Price T&M – Time and Materials	
ProgType	VARCHAR	50	Program Type (RDT&E, Production, RDT&E and Production, Advanced Design, Demonstration Validation, Full Scale Development, etc)	

Table 3.6.1 (Continued)

Earned Value Contractor Performance Reporting Header Table Contract and Project CPR Header Information				
Field Name	**Field Type**	**Length**	**Description**	**Req.**
Security	VARCHAR	50	Security Classification (Competition Sensitive, Unclassified, Confidential, Secret, Top Secret)	
QCON	INT	4	Quantity Contracted (For Production Contracts)	
ShrNum	INT	4	Share Number	
ShrQut	INT	4	Share Quotient	
TrgtPct	NUMERIC	16	Target Fee/Percent	
Factor	INT	4	Factor for costs (100, 1000, 1000000, etc) - Applies to all tables	
CNEGCST	NUMERIC	16	Negotiated Cost	
CAUWCST	NUMERIC	16	Authorized Un-priced Work	
CTGTPRC	NUMERIC	16	Target Price	
CESTPRC	NUMERIC	16	Estimated Price	
CCONCEIL	NUMERIC	16	Contract Ceiling	
CESTCEIL	NUMERIC	16	Estimated Contract Ceiling	
CTGTCST	NUMERIC	16	Original Target Cost	
CNEGCHG	NUMERIC	16	Negotiated Contract Changes	
CCONBGT	NUMERIC	16	Contract Budget Base	
CTOTBGT	NUMERIC	16	Total Allocated Budget	
CESTEACBEST	NUMERIC	16	EAC Best Case Estimate	
CESTEACWRST	NUMERIC	16	EAC Worst Case Estimate	
CESTEACLIKE	NUMERIC	16	EAC Most Likely Estimate	
ConStrDate	DATETIME		Contract Start Date	
EstCmpDate	DATETIME		Estimated Completion Date	
ConDefDate	DATETIME		Contract Definitization Date	
LstDelDate	DATETIME		Last Item Delivery Date	
ConCmpDate	DATETIME		Contract Completion Date	
MR	NUMERIC	16	Original Management Reserve	
MRLRE	NUMERIC	16	Current Management Reserve	
UB	NUMERIC	16	Original Undistributed Budget	
UBLRE	NUMERIC	16	Current Undistributed Budget	

Table 3.6.2

Earned Value Contractor Performance Reporting Format Table 1 Cumulative and Incremental Data By WBS				
Field Name	**Field Type**	**Length**	**Description**	**Req.**
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		End Date of Current Reporting Period	*
WBSNUM	VARCHAR	35	WBS Element or ID	*
WBSDesc	VARCHAR	255	WBS Description	
WBSParent	VARCHAR	35	Parent WBS Element - Leave Blank for top level WBS (there should be only one top level WBS)	
WBSLevel	INT	4	Level in WBS Structure	*
CINCBCWS	NUMERIC	16	Cost Incremental Planned Value/BCWS (current period)	*
CINCBCWP	NUMERIC	16	Cost Incremental Earned Value/BCWP (current period)	*
CINCACWP	NUMERIC	16	Cost Incremental Actual Value/ACWP (current period)	*
CCUMBCWS	NUMERIC	16	Cost Cumulative Planned Value/BCWS (to date)	*
CCUMBCWP	NUMERIC	16	Cost Cumulative Earned Value/BCWP (to date)	*
CCUMACWP	NUMERIC	16	Cost Cumulative Actual Value/ACWP (to date)	*
CBAC	NUMERIC	16	Cost Budget At Complete	*
CEAC	NUMERIC	16	Cost Estimate At Complete	*
CETC	NUMERIC	16	Cost Estimate To Complete	*
CRPGVAR	NUMERIC	16	Cost Reprogramming Adjustment To Variance	
CRPGBCWS	NUMERIC	16	Cost Reprogramming Adjustment To Budget	
QINCBCWS	NUMERIC	16	Quantity Incremental Planned Value/BCWS (current period)	
QINCBCWP	NUMERIC	16	Quantity Incremental Earned Value/BCWP (current period)	
QINCACWP	NUMERIC	16	Quantity Incremental Actual Value/ACWP (current period)	
QCUMBCWS	NUMERIC	16	Quantity Cumulative Planned Value/BCWS (to date)	
QCUMBCWP	NUMERIC	16	Quantity Cumulative Earned Value/BCWP (to date)	
QCUMACWP	NUMERIC	16	Quantity Cumulative Actual Value/ACWP (to date)	
QBAC	NUMERIC	16	Quantity Budget At Complete	

Table 3.6.2 (Continued)

Earned Value Contractor Performance Reporting Format Table 1 Cumulative and Incremental Data By WBS				
Field Name	**Field Type**	**Length**	**Description**	**Req.**
QEAC	NUMERIC	16	Quantity Estimate At Complete	
QETC	NUMERIC	16	Quantity Estimate To Complete	
QRPGVAR	NUMERIC	16	Quantity Reprogramming Adjustment To Variance	
QRPGBCWS	NUMERIC	16	Quantity Reprogramming Adjustment To Budget	

Table 3.6.3

Earned Value Contractor Performance Reporting Format Table 2 Cumulative and Incremental Data By OBS				
Field Name	**Field Type**	**Length**	**Description**	**Req.**
ProjectName	VARCHAR	50	Project Identification Code	*
StatusDate	DATETIME		End Date of Current Reporting Period	*
OBSNUM	VARCHAR	50	OBS Element or ID	*
OBSDesc	VARCHAR	255	OBS Description	
OBSParent	VARCHAR	50	Parent OBS Element - Leave Blank for top level OBS (there should be only one top level OBS)	
OBSLevel	INT	4	Level in OBS Structure	*
CINCBCWS	NUMERIC	16	Cost Incremental Planned Value/BCWS (current period)	*
CINCBCWP	NUMERIC	16	Cost Incremental Earned Value/BCWP (current period)	*
CINCACWP	NUMERIC	16	Cost Incremental Actual Value/ACWP (current period)	*
CCUMBCWS	NUMERIC	16	Cost Cumulative Planned Value/BCWS (to date)	*
CCUMBCWP	NUMERIC	16	Cost Cumulative Earned Value/BCWP (to date)	*
CCUMACWP	NUMERIC	16	Cost Cumulative Actual Value/ACWP (to date)	*
CBAC	NUMERIC	16	Cost Budget At Complete	*
CEAC	NUMERIC	16	Cost Estimate At Complete	*
CETC	NUMERIC	16	Cost Estimate To Complete	*
CRPGVAR	NUMERIC	16	Cost Reprogramming Adjustment To Variance	
CRPGBCWS	NUMERIC	16	Cost Reprogramming Adjustment To Budget	
QINCBCWS	NUMERIC	16	Quantity Incremental Planned Value/BCWS (current period)	

Table 3.6.3 (Continued)

Earned Value Contractor Performance Reporting Format Table 2 Cumulative and Incremental Data By OBS				
Field Name	**Field Type**	**Length**	**Description**	**Req.**
QINCBCWP	NUMERIC	16	Quantity Incremental Earned Value/BCWP (current period)	
QINCACWP	NUMERIC	16	Quantity Incremental Actual Value/ACWP (current period)	
QCUMBCWS	NUMERIC	16	Quantity Cumulative Planned Value/BCWS (to date)	
QCUMBCWP	NUMERIC	16	Quantity Cumulative Earned Value/BCWP (to date)	
QCUMACWP	NUMERIC	16	Quantity Cumulative Actual Value/ACWP (to date)	
QBAC	NUMERIC	16	Quantity Budget At Complete	
QEAC	NUMERIC	16	Quantity Estimate At Complete	
QETC	NUMERIC	16	Quantity Estimate To Complete	
QRPGVAR	NUMERIC	16	Quantity Reprogramming Adjustment To Variance	
QRPGBCWS	NUMERIC	16	Quantity Reprogramming Adjustment To Budget	

H.39 RESERVED

H.40 RISK MANAGEMENT AND INSURANCE PROGRAMS

(a) Basic Requirements

(1) Maintain commercial insurance or a self-insured program, (i.e., any insurance policy or coverage that protects the contractor from the risk of legal liability for adverse actions associated with its operation, including malpractice, injury, or negligence) as required by the terms of the contract. Types of insurance include automobile, general liability, and other third party liability insurance. Other forms of coverage must be justified as necessary in the operation of the Department facility and/or the performance of the contract, and approved by the DOE.

(2) Contractors shall not purchase insurance to cover public liability for nuclear incidents without DOE authorization (See DEAR 950.5070, Indemnification and DEAR 950.70, Nuclear Indemnification of DOE Contractors).

(3) Demonstrate that insurance programs and costs comply with the cost limitations and exclusions at FAR 28.307, Insurance Under Cost Reimbursement Contracts; and FAR 31.205-19, DEAR 931.205-19, and DEAR 970.3102-05-19, Insurance and Indemnification.

(4) Demonstrate that the insurance program is being conducted in the government's best interest and at reasonable cost.

(5) The contractor shall submit copies of all insurance policies or insurance arrangements to the contracting officer no later than 30 days after the purchase date.

(6) When purchasing commercial insurance, the contractor shall use a competitive process to ensure costs are reasonable.

(7) Ensure self-insurance programs include the following elements:

(i) Compliance with criteria set forth in FAR 28.308, Self-Insurance. Approval of self-insurance is predicated upon submission of verifiable proof that the self-insurance charge does not exceed the cost of purchased insurance. This includes hybrid plans (i.e., commercially purchased insurance with self-insured retention (SIR) such as large deductible, matching deductible, retrospective rating cash flow plans, and other plans where insurance reserves are under the control of the insured). The SIR components of such plans are self-insurance and are subject to the approval and submission requirements of FAR 28.308, as applicable.

(ii) Demonstration of full compliance with applicable state and federal regulations and related professional administration necessary for participation in alternative insurance programs.

(iii) Safeguards to ensure third party claims and claims settlements are processed in accordance with approved procedures.

(iv) Accounting of self-insurance charges.

(v) Accrual of self-insurance reserve. The Contracting Officer's approval is required and predicated upon the following:

(A) The claims reserve shall be held in a special fund or interest bearing account.

(B) Submission of a formal written statement to the Contracting Officer stating that use of the reserve is exclusively for the payment of insurance claims and losses, and that DOE shall receive its equitable share of any excess funds or reserve.

(C) Annual accounting and justification as to the reasonableness of the claims reserve submitted for Contracting Officer's review.

(D) Claim reserves, not payable within the year the loss occurred, are discounted to present value based on the prevailing Treasury rate.

(8) Separately identify and account for interest cost on a Letter of Credit used to guarantee self-insured retention, as an unallowable cost and omitted from charges to the DOE contract.

(9) Comply with the Contracting Officer's written direction for ensuring the continuation of insurance coverage and settlement of incurred and/or open claims and payments of premiums owed or owing to the insurer for prior DOE contractors.

(b) Plan Experience Reporting.

The Contractor shall:

(1) Provide the Contracting Officer with annual experience reports for each type of insurance (e.g., automobile and general liability), listing the following for each category:

(i) The amount paid for each claim.

(ii) The amount reserved for each claim.

(iii) The direct expenses related to each claim.

(iv) A summary for the year showing total number of claims.

(v) A total amount for claims paid.

(vi) A total amount reserved for claims.

(vii) The total amount of direct expenses.

(2) Provide the Contracting Officer with an annual report of insurance costs and/or self-insurance charges. When applicable, separately identify total policy expenses (e.g., commissions, premiums, and costs for claims servicing) and major claims during the year, including those expected to become major claims (e.g., those claims valued at $100,000 or greater).

(3) Provide additional claim financial experience data as may be requested on a case-by-case basis.

(c) Terminating Operations.

The Contractor shall:

(1) Ensure protection of the government's interest through proper recording of cancellation credits due to policy terminations and/or experience rating.

(2) Identify and provide continuing insurance policy administration and management requirements to a successor, other DOE contractor, or as specified by the Contracting Officer.

(3) Reach agreement with DOE on the handling and settlement of self insurance claims incurred but not reported at the time of contract termination; otherwise, the Contractor Shall Retain This Liability.

(d) Successor Contractor or Insurance Policy Cancellation

The Contractor shall:

(1) Obtain the written approval of the Contracting Officer for any change in program direction; and

(2) Ensure insurance coverage replacement is maintained as required and/or approved by the Contracting Officer.

H.41 CONFERENCE MANAGEMENT POLICIES AND PROCEDURES

The Contractor agrees that:

(a) The contractor shall ensure that contractor-sponsored conferences reflect the DOE/NNSA's commitment to fiscal responsibility, appropriate stewardship of taxpayer funds and support the mission of DOE/NNSA as well as other sponsors of work. In addition, the contractor will ensure conferences do not include any activities that create the appearance of taxpayer funds being used in a questionable manner.

(b) For the purposes of this clause, “conference” is defined in Attachment 2 to the Deputy Secretary’s memorandum of August 17, 2015 entitled “Updated Guidance on Conference-Related Activities and Spending.”

(c) Contractor-sponsored conferences include those events that meet the conference definition and either or both of the following:

(1) The contractor provides funding to plan, promote, or implement an event, except in instances where a contractor:

(i) covers participation costs in a conference for specified individuals (e.g. students, retirees, speakers, etc.) in a total amount not to exceed $10,000 (by individual contractor for a specific conference) or

(ii) purchases goods or services from the conference planners (e.g., attendee registration fees, renting booth space).

(2) The contractor authorizes use of its official seal, or other seals/logos/ trademarks to promote a conference. Exceptions include non-M&O contractors who use their seal to promote a conference that is unrelated to their DOE contract(s) (e.g., if a DOE IT contractor were to host a general conference on cyber security).

(d) Attending a conference, giving a speech or serving as an honorary chairperson does not connote sponsorship.

(e) The contactor will provide information on conferences they plan to sponsor with expected costs exceeding $100,000 in the Department's Conference Management Tool, including:
(1) Conference title, description, and date
(2) Location and venue
(3) Description of any unusual expenses (e.g., promotional items)
(4) Description of contracting procedures used (e.g., competition for space/support)
(5) Costs for space, food/beverages, audio visual, travel/per diem, registration costs, recovered costs (e.g., through exhibit fees)
(6) Number of attendees

(f) The contractor will not expend funds on the proposed contractor-sponsored conferences with expenditures estimated to exceed $100,000 until notified of approval by the contracting officer.

(g) For DOE-sponsored conferences, the contractor will not expend funds on the proposed conference until notified by the contracting officer.

(1) DOE-sponsored conferences include events that meet the definition of a conference and where the Department provides funding to plan, promote, or implement the conference and/or authorizes use of the official DOE seal, or other seals/logos/ trademarks to promote a conference. Exceptions include instances where DOE:

(i) covers participation costs in a conference for specified individuals (e.g. students, retirees, speakers, etc.) in a total amount not to exceed $10,000 (by individual contractor for a specific conference) or

(ii) purchases goods or services from the conference planners (e.g., attendee registration fees; renting booth space); or provide funding to the conference planners through Federal grants.

(2) Attending a conference, giving a speech, or serving as an honorary chairperson does not connote sponsorship.

(3) The contractor will provide cost and attendance information on their participation in all DOE-sponsored conference in the DOE Conference Management Tool.

(h) For *non-contractor sponsored conferences,* the contractor shall develop and implement a process to ensure costs related to conferences are allowable, allocable, reasonable, and further the mission of DOE/NNSA. This process must at a minimum:

(1) Track all conference expenses.
(2) Require the Laboratory Director (or equivalent) or Chief Operating Officer approve a single conference with net costs to the contractor of $100,000 or greater.

(i) Contractors are not required to enter information on non-sponsored conferences in DOE'S Conference Management Tool.

(j) Once funds have been expended on a non-sponsored conference, contractors may not authorize the use of their trademarks/logos for the conference, provide the conference planners with more than $10,000 for specified individuals to participate in the conference, or provide any other sponsorship funding for the conference. If a contractor does so, its expenditures for the conference may be deemed unallowable.

H.42 LOBBYING RESTRICTION

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.

H.43 PROHIBITION ON FUNDING FOR CERTAIN NONDISCLOSURE AGREEMENTS

The Contractor agrees that:

(a) No cost associated with implementation or enforcement of nondisclosure policies, forms or agreements shall be allowable under this contract if such policies, forms or agreements do not contain the following provisions: ‘‘These provisions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by existing statute or Executive order relating to:

(1) classified information
(2) communications to Congress
(3) the reporting to an Inspector General of a violation of any law, rule, or regulation, or mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety
(4) any other whistleblower protection.

The definitions, requirements, obligations, rights, sanctions, and liabilities created by controlling Executive orders and statutory provisions are incorporated into this agreement and are controlling.''

(b) The limitation above shall not contravene requirements applicable to Standard Form 312, Form 4414, or any other form issued by a Federal department or agency governing the nondisclosure of classified information.

(c) Notwithstanding the provisions of paragraph (a), a nondisclosure or confidentiality policy form or agreement that is to be executed by a person connected with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in the course of such activity unless specifically authorized to do so by the United States Government. Such nondisclosure or confidentiality forms shall also make it clear that they do not bar disclosures to Congress, or to an authorized official of an executive agency or the Department of Justice, that are essential to reporting a substantial violation of law.