AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE

PAGE 1 OF 2 PAGES

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
0370	See Block 16C		

6. ISSUED BY CODE 00603	7. ADMINISTERED BY (If other than Item 6) CODE 00603
Office of River Protection U.S. Department of Energy Office of River Protection P.O. Box 450 Richland WA 99352	Office of River Protection U.S. Department of Energy Office of River Protection P.O. Box 450 MS: H6-60 Richland WA 99352

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)	(x)	
WASHINGTON RIVER PROTECTION SOLUTIONS LLC Attn: BRIAN THOMAS C/O URS ENERGY & CONSTRUCTION, INC. PO BOX 73 / 720 PARK BLVD BOISE ID 837290073		9A. AMENDMENT OF SOLICITATION NO.
		9B. DATED (SEE ITEM 11)
	X	10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC27-08RV14800
CODE 806500521 FACILITY CODE		10B. DATED (SEE ITEM 13) 05/29/2008

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)
N/A

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: FAR 52.243-2 Changes-Cost Reimbursement (AUG 1987)
	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.)

The purpose of this modification is to make various changes to contract section H-2, titled Employee Compensation: Pay and Benefits (see attached section H in its entirety). These changes will be at no additional cost to the Government.

All other Terms and Conditions remain unchanged.

Continued ...

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)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)	
Katie Downing, Contracts Mgr.		David R. Garcia	
15B. CONTRACTOR/OFFEROR KD (Signature of person authorized to sign)	15C. DATE SIGNED 2/25/16	16B. UNITED STATES OF AMERICA DGarcia (Signature of Contracting Officer)	16C. DATE SIGNED 2/25/16

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Previous edition unusable

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

CONTINUATION SHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED DE-AC27-08RV14800/0370	PAGE 2 OF 2

NAME OF OFFEROR OR CONTRACTOR
WASHINGTON RIVER PROTECTION SOLUTIONS LLC

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Payment: OR for ORP U.S. Department of Energy Oak Ridge Financial Service Center P.O. Box 4307 Oak Ridge TN 37831 Period of Performance: 06/20/2008 to 09/30/2016				

Replacement Pages

(Total: 23 including this Cover Page)

- Section H, Special Contract Requirements, pages H-I thru H-19

PART I – THE SCHEDULE

SECTION H

SPECIAL CONTRACT REQUIREMENTS

TABLE OF CONTENTS

H.1 WORKFORCE TRANSITION

(a) 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 (6) months after Contract award, the Contractor shall give a first preference in hiring for vacancies in non-managerial positions under this Contract to Incumbent Employees (as defined in paragraph (b) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*) who meet the qualifications for a particular position. This hiring preference takes priority over the hiring preference provided in the Section I Clause entitled, *DEAR 952.226-74, Displaced Employee Hiring Preference*. The hiring preference does not apply to the Contractor's hiring of management staff (i.e., first line supervisors and above).

(b) Employee Pay

The Contractor shall provide equivalent pay to employees receiving a hiring preference as compared to pay provided by the predecessor contractor for substantially equivalent duties and responsibilities for at least the first year of the term of the Contract.

H.2 EMPLOYEE COMPENSATION: PAY AND BENEFITS

(a) Background on Benefit Plans

(1) The Hanford Site Pension Plan (HSPP) is a multi-employer pension plan which includes three (3) separate benefit structures under the Plan: two (2) for bargaining unit employees and one (1) for non-bargaining unit employees (exempt and nonexempt). The HSPP covers eligible employees of certain U.S. Department of Energy (DOE) Hanford prime contractors and subcontractors. The HSPP is managed and administered by committees composed of representatives from each of the sponsoring employers.

(2) The Hanford Site Savings Plans (HSSPs) cover eligible employees of certain DOE Hanford prime contractors and subcontractors. The HSSPs includes three (3) separate plans: two (2) plans for bargaining unit employees and one (1) plan for non-bargaining unit employees (exempt and nonexempt). The HSSPs are managed and administered by committees composed of representatives from each of the sponsoring employers.

(3) The Hanford Employee Welfare Trust (HEWT) is a multiple employer welfare arrangement (MEWA). Health and welfare benefits are administered under the HEWT which contains provisions for a wide range of medical and insurance benefits for eligible Hanford workers of certain DOE Hanford prime contractors and subcontractors and their beneficiaries. The HEWT is managed and administered by the HEWT Committee, which is composed of representatives from each sponsoring employer.

(4) The Contractor is required in paragraph (l) to offer a market-based package of retirement and medical benefits to Non-Incumbent Employees (as defined in paragraph (c)). These benefit plans are referred to herein as "Market-Based Plans."

(5) CH2M HILL Hanford Group, Inc. (CH2M HILL), under Contract No. DE-AC27-99RL14047, has assumed responsibility for sponsorship, management, and administration of certain pension and welfare benefit plans previously maintained by the Kaiser-Hill Company, L.L.C., for operations at Rocky Flats under Contract No. DE-AC27-99RL14047. The Rocky Flats plans are: the *Rocky Flats Multiple Employer Pension Plan*, *Kaiser-Hill Retirement Plan for Hourly Plant Protection Employees*, *Rocky Flats Employee Welfare Trust,* and *Rocky Flats Workers' Compensation Insurance Plans.*

It is anticipated that CH2M HILL Hanford Group, Inc. (CH2M HILL), under Contract No. DE-AC27-99RL14047, will assume responsibility for sponsorship, management, and administration of certain pension and other benefit plans that currently are maintained by CH2M Hill Mound, Inc., under the Miamisburg Closure Project, Contract No. DE-AC24-03OH20152.

These plans from other DOE closure sites are identified as "Legacy Plans."

(6) The HSPP, HSSP and HEWT are collectively referred to herein as the "Plans" for purposes of the Section H Clauses entitled, Employee Compensation: Pay and Benefits, Post-Contract Responsibilities for Pension and Other Benefit Plans, and Incumbent Employees, Benefit Plans, and Approval for Subcontractors to participate in the Plans.

(b) Incumbent Employees for the purposes of this Contract

Based on prior employment and the terms of the HSPP, Incumbent Employees are those employees eligible to participate, or to return to and participate, in the HSPP and accrue Benefit Service as defined in the HSPP.

(c) Non-Incumbent Employees

If an employee does not meet the definition of an Incumbent Employee with respect to the HSPP, as described in paragraph (b), the employee will be considered a Non-Incumbent Employee for the purposes of this Contract.

(d) Human Resources Compensation Plan

The Contractor shall submit within 30 days of Contract award a *Human Resources Compensation Plan* demonstrating how the Contractor will comply with the requirements of this Contract. The *Human Resources Compensation Plan* shall describe the Contractor's policies regarding compensation, pensions and other benefits, and how these policies will support at reasonable cost the effective recruitment and retention of a highly skilled, motivated, and experienced workforce.

(e) Total Compensation System

The Contractor shall develop, implement and maintain formal policies, practices and procedures to be used in the administration of its compensation system consistent with FAR 31.205-6 and DEAR 970.3102-05-6, *Compensation for Personal Services*. DOE-approved standards (e.g., set forth in an advance understanding or appendix), if any, shall be applied to the Total Compensation System. The Contractor's Total Compensation System shall be fully documented, consistently applied, and acceptable to the Contracting Officer. Costs incurred in implementing the Total Compensation System shall be consistent with the Contractor's documented *Human Resources Compensation Plan* as approved by the Contracting Officer.

(f) Reports and Information

The Contractor shall provide the Contracting Officer with the following reports and information with respect to pay and benefits provided under this Contract:

(1) 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.

(2) A list of the top five (5) most highly compensated executives as defined in FAR 31.205-6(p)(4)(ii) and their total cash compensation at the time of Contract award, and at the time of any subsequent change to their total cash compensation. This should be the same information provided to the System for Award Management (SAM) per FAR 52.204-10.

(3) An Annual Compensation and Benefits Report no later than March 1st of each year.

(g) Cash Compensation

(1) The Contractor shall establish pay programs for employees.

(2) The Contractor shall submit the following information to the Contracting Officer for determination of cost allowability for reimbursement for cash compensation under the Contract:

(i) Any proposed major compensation program design changes prior to implementation.

(ii) 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.

(iii) 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:

1. 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 one (1) percent in total.
2. 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.
3. Salary structure adjustments do not exceed the mean WorldatWork structure adjustments projected for the CIP year and communicated through the annual Department CIP guidance.
4. 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.

(iv) If a Contractor does not meet the criteria included in (iii) 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:

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

(2) Information regarding surveys used for comparison.

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

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

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

(6) Analysis to support special adjustments.

(7) Funding requests for each pay structure to include breakouts of merit, promotions, variable pay, special adjustments, and structure movement. (a) The proposed plan totals shall be expressed as a percentage of the payroll for the end of the previous CIP year. (b) 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. (c) 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. (d) 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).

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

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

(v) After receiving DOE CIP approval or if criteria in (g)(2)(iii) 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.

(vi) Individual compensation actions for the top Contractor official (e.g., laboratory director/plant manager or equivalent) and Key Personnel not included in the CIP. For those Key Personnel included in the CIP, DOE will approve salaries upon the initial contract award and when Key Personnel are replaced during the life of the contract. DOE will have access to all individual salary reimbursements. This access is provided for transparency; DOE will not approve individual salary actions (except as previously stated).

The Contracting Officer's approval of individual compensation actions will be required only for the top Contractor official (e.g., laboratory director/plant manager or equivalent) and Key Personnel as stated in (g)(2)(vi) above. The base salary reimbursement level for the top Contractor official establishes the maximum allowable base salary reimbursement under the contract. Unusual circumstances may require a deviation for an individual on a case-by-case basis. Any such deviations must be approved by the Contracting Officer.

(3) Subject to the Hanford Site Severance Pay Plans, severance pay is not payable to an employee under this Contract if the employee:

(i) Voluntarily separates, resigns or retires from employment,

(ii) Is offered comparable employment with a successor/replacement Contractor,

(iii) Is offered comparable employment with a parent or affiliated company, or

(iv) Is discharged for cause.

(4) Service credit for purposes of determining severance pay does not include any period of prior service for which severance pay has been previously paid through a DOE cost reimbursement contract.

(h) Pension and Other Benefit Programs

(1) The Contractor shall become a sponsor of the pension and other benefit plans identified in paragraph (a), and shall be responsible for the management and administration of the Market-Based Plans and Legacy Plans identified in paragraphs (a)(4) and (5).

(2) The Legacy Plans shall be managed and administered separately from the HSPP, HSSP, HEWT, and Market-Based Plans in a manner so as to preserve the Legacy Plans' separate and distinct identities.

(3) 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 paragraph (a) or underlying trust documents thereto shall result in allowable costs under this Contract.

(4) 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.

(5) Cost reimbursement for pension and other benefit plans identified in paragraph (a) 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.

(6) 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 (a). 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 (a). 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.

(7) 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 .

(8) 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.

(9) 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.

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

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

(12) 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.

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

(14) 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.

(15) 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.

(16) 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.

(17) 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 (i)(8) below for Pension Management Plan requirements.

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

(19) 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 (h)(4) 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.

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

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

(2) Employees working for the Contractor shall only accrue credit for service under this Contract after the date of Contract award.

(3) 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.

(4) 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:

(i) 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.

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

(iii) 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.

(5) 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.

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

(A) a copy of the current plan document (as conformed to show all prior plan amendments), with the proposed new amendment indicated in redline/strikeout;
(B) an analysis of the impact of any proposed changes on actuarial accrued liabilities and costs;
(C) 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;
(D) the Summary Plan Description; and,
(E) any such additional information as requested by the Contracting Officer.

(6) 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.

(7) 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.

(8) 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 will be available to participate in a conference call to discuss the Contractor's PMP submission and any other current plan issues or concerns. 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:

(aa) The type of benefit restriction that will take place,
(bb) 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
(cc) 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:

(aa) Strategy for achieving and maintaining fully-funded status of the plan(s)
(bb) Investment policy statement for the plan, with any recent updates
(cc) 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
(dd) Comparison of budget projections submitted to the Department to actual contributions

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

(ff) 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.

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

(1) 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.

(2) 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.

(10) 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:

(1) No further benefits for service shall accrue.

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

(3) 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.

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

(5) 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.

(11) Terminating Plans

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

(2) 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.

(3) 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.

(4) 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.

(5) 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.

(6) 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.

(7) 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.

(j) <u>Benefits for Incumbent Employees under the HSPP and HSSP</u>

(1) <u>HSPP</u>

(i) The Contractor shall allow individuals who are Incumbent Employees to accrue credit under the HSPP for service under this Contract. The Contractor shall timely supply the Plan Administrator(s) with the information required by the Administrator(s) necessary to effectively administer the Plan(s). Contributions to the HSPP as determined by the Plan Administrator 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 when or if this Contract expires or terminates, the Contractor shall continue as a plan sponsor of the HSPP pursuant to the Section H Clause entitled, *Post-Contract Responsibilities for Pension and Other Benefit Plans*.

(ii) 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 and supply the Administrator with all the information necessary to maintain the Federal tax qualifications of all Contractor and Hanford Site pension plans.

(2) HSSP

Contributions to the HSSP shall be allowable costs under this Contract, subject to compliance with other provisions of this Contract and terms of the Plans, as amended.

(k) Benefits for Incumbent Employees under the HEWT

(1) The Contractor shall be a sponsor of the HEWT. Individuals who are Incumbent Employees for purposes of the HEWT shall be eligible to participate in the HEWT and receive medical and other benefits under the HEWT consistent with the terms of that HEWT, as amended. The Contractor shall recognize service credited under the HEWT toward the service period required for benefits relating to vacation, sick leave, health insurance, severance, layoff, recall, and other benefits.

(2) The Contractor shall in a timely manner supply the HEWT Administrator with the information required by the Administrator necessary to effectively administer the HEWT. The Contractor shall coordinate with the HEWT Administrator to ensure that DOE receives copies of all annual reports, actuarial reports, and submissions of FAS 106 data, and other reports as required by the Contracting Officer, of the Contractor's benefit obligations for those employees participating in the HEWT under this Contract. Contributions to the HEWT as determined by the HEWT Administrator shall be allowable costs under this Contract, subject to compliance with other provisions of this Contract.

(l) Pension and Other Benefits for Non-Incumbent Employees

(1) The Contractor shall offer a market-based package of retirement and medical benefits competitive for the industry to individuals who are not Incumbent Employees. If the Contractor meets all applicable legal and tax requirements, 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 covering the Contractor's employees.

(2) The Contractor shall ensure that DOE receives copies of all annual reports, actuarial reports, applicable FAS data, and other reports as required by the Contracting Officer for eligible employees with respect to this Contract.

(3) Any benefit programs established and/or maintained by the Contractor, for which DOE reimburses costs, shall meet the tests of allowability and reasonableness established by FAR 31.205-6 and DEAR 970.3102-05-6.

(m) Sponsorship, Management and Administration of Rocky Flats and Mound Pension and Post Retirement Benefit (PRB) and Other Plans

(1) On 9-20-2006, the CH2M Hill Hanford Group, Inc., and DOE executed Modification M126 to their Contract, which sets forth the terms and conditions under which DOE authorized CH2M Hill Hanford Group, Inc., to support the transfer of, and accept sponsorship and responsibility for, the management and

administration of the Rocky Flats pension and PRB plans described below from Kaiser-Hill Company, L.L.C.

(2) Based upon the desire of CH2M Hill Mound, Inc. ("Mound") to transfer sponsorship, management and administration of certain pension and PRB plans from Mound pursuant to contract DE-AC24-03OH20152 to CH2M Hill Hanford Group, Inc., through Modification M141 the Department of Energy further authorized CH2M Hill Hanford Group, Inc. to support the transfer of, and accept sponsorship and responsibility for, the management and administration of the Mound pension and PRB plans described below.

(3) Upon transfer of sponsorship, management and administration responsibilities, the Contractor shall manage and administer the Rocky Flats and Mound Pension and PRB Plans in accordance with all applicable laws, regulations, DOE Directives and in accordance with the provisions and requirements of this Contract.

(4) The Rocky Flats benefits transferred to CH2M Hill Hanford Group, Inc., pursuant to Modification 126 and therefore transferred to the TOC are as follows:

(a) Rocky Flats Employee Welfare Trust. Benefits covered under this multiple employer welfare agreement include:

Medical Plans Insured and Self Insured	Basic and Sup Life Insurance	Vision Coverage	COBRA Medical Coverage	COBRA Dental Coverage	Displaced Worker Medical
Salaried retirees and eligible dependents	Salaried retirees	Retired SPO hourly employees	Terminated Salaried and eligible dependents	Retired and Terminated Salaried employees and eligible dependents	Laid-off Salaried employees not eligible to retire
United Steelworkers of America (USWA) hourly retirees and eligible dependents	Retired USWA hourly employees		Terminated USWA hourly employees and eligible dependents	Retired and Terminated USWA employees and eligible dependents	Laid-off USWA hourly employees not eligible to retire
Salaried participants on Long Term Disability	Retired SPO hourly employees		Terminated SPO hourly employees and eligible dependents	Retired and Terminated SPO hourly employees and eligible dependents	Laid-off SPO hourly employees not eligible to retire
	Salaried participants on Long Term Disability				

(b) Rocky Flats Multiple Employer Pension Plan. This master plan covers two separate defined benefit plans for salaried retirees and USWA retirees.

(c) Kaiser-Hill Retirement Plan for Hourly Plant Protection Employees. This defined benefit plan covers SPO retirees.

(5) The Mound benefits transferred to CH2M Hill Hanford Group, Inc., pursuant to Modification 141 and therefore transferred to the TOC are as follows:

Benefit Plan	CH2M Hill Mound, Inc. Employees' Pension Plan (defined benefit)	CH2M Hill Mound, Inc. Retiree Health Plan (self insured)	CH2M Hill Mound, Inc. Salaried Health Plan (self insured)	Retiree Life Insurance	Salaried Employees' Disability Plan (pre 10/01/97) (self Insured)	Hourly Employees' Disability Plan (self insured)	Salaried Health, Cobra & Displaced Worker Health Coverage	Hourly COBRA & Displaced Worker Health Coverage	Hourly COBRA & Displaced Health Coverage
Plan ID	PIN: 002	SPD 502	SPD 513	SPD 501	SPD 504	SPD 505	SPD 513	SPD 502	SPD 512
Eligible Employees	All vested and retired hourly and salaried employees employed 10/01/88 or later	All hourly T&PD & retirees; salaried T&PD & retirees 10/01/97 and prior	Salaried retirees after 10/01/97	Hourly T&PD & retirees; Salaried retirees; Salaried T&PD 10/01/97 and prior	Salaried approved T&PD 10/01/97 and prior	Hourly Approved T&PD	Participants whose coverage terminates	Participants whose coverage terminates	Participants whose coverage terminates
Current TPA	Wells Fargo, Trustee	Mutual of Omaha Group GMSI-2D15	United Healthcare Group 703733	Standard Insurance Company	ABS Payroll pays benefit; Standard Insurance Company determines continued eligibility; CH2M Benefits administers	ABS Payroll pays benefit; Standard Insurance Company determines continued eligibility; CH2M Benefits administers	Harrington Benefit Services	Mutual of Omaha	United Healthcare Group 703733

(6) The plans show in sections (4) and (5) above have been updated by the Sponsor. The current names of the plans are as follows:

- Rocky Flats Retirement Plan replaces Rocky Flats Multiple Employer Pension Plan
- Rocky Flats Retirement Plan for Hourly Plant Protection Employees replaces Kaiser-Hill Retirement Plan
- Mound Employees' Pension Plan replaces CH2M Hill Mound, Inc. Employees' Pension Plan

(7) ADMINISTRATION OF ROCKY FLATS WORKERS' COMPENSATION INSURANCE PLANS The Contractor is responsible for (1) the administration, management and settlement of open claims, and (2) claims for incurred but not reported (IBNR) losses at the time of the transfer, under the terms and conditions of the insurance policies and risk financing arrangements listed as follows:

(a) Government Ratings Plans (GRP)

Contractor	Carrier	Policy Number	Policy Term
Dow Chemical	St. Paul Travelers	20431940	2/26/51-6/30/75
Rockwell International	St. Paul Travelers	133T8519	7/1/75-12/31/89
EG&G	Liberty Mutual	WC2-611-004234-01-93	1/1/90-1/1/94
JA Jones	St. Paul Travelers	199T0407	10/1/87-7/31/95
Swinerton & Walberg	St. Paul Travelers	143T9109	11/30/75-11/30/87
Wackenhut Services	Wausau	311-0-91482	8/1/90-8/1/94

(b) Contractor Controlled Insurance Program (CCIP)

Contractor	Carrier	Policy Number	Policy Term
Kaiser-Hill	AIG	WC8426100	7/1/95-7/1/96
Kaiser-Hill	AIG	WC8430734	7/1/96-7/1/97
Kaiser-Hill	Reliance National In Liquidation	NWA1351551	7/1/97-10/1/00
Kaiser-Hill	Pinnacol Assurance	4034000	10/1/00-12/31/05

Upon transfer of management and administration responsibilities, the Contractor shall manage and administer the Rocky Flats' Workers' Compensation Insurance Plans in accordance with all applicable laws, regulations, DOE Directives and in accordance with the provisions and requirements of this Contract.

These plans shall be managed and administered separately from the workers' compensation process identified in Section H.12, Workers Compensation, so as to preserve the plans' separate and distinct legal identities.

(n) <u>Rocky Flats and Mound Pension and PRB Plans Reporting Deliverables</u>

The Contractor shall ensure that DOE receives copies of all annual reports, actuarial reports, FAS 87 and FAS 106 data and other reports as required by the Contracting

Officer. The following Rocky Flats and Mound Pension and PRB Plans deliverables will be provided to the DOE Office of River Protection (ORP) Contracting Officer:

Item	Frequency	Electronic Copies	Paper Copies	Recipient
Investment Performance Review	Quarterly	1	1	CO
Investment Committee Meeting Minutes	Quarterly	1	1	CO
Cost Management/Status Report	Quarterly	1	1	CO
Investment Performance Self-Assessment	Annually	1	1	CO
ERISA Filings – Form 5500s and attachments	Annually	1	1	CO
FAS 87/106 Reports and Updates	Annually	1	1	CFO&CO
Pension and PRB Budget Data	Annually	1	1	CFO&CO
Actuarial Valuation Reports	Annually	1	1	CO
Funding Notices	Annually	1	1	CO

(o) Rocky Flats' Workers' Compensation Insurance Plans Reporting Deliverables

The Contractor shall provide the following Rocky Flats' Workers' Compensation Insurance Plans reporting deliverables to the DOE Office of River Protection (ORP) Contracting Officer (CO) and any other reports as required by the Contracting Officer:

Item	Frequency	Copies	Recipient
Insurance Company's Annual Premium Adjustment for the Government Rating Plan	Annual	3	CO
Claims Reserve Status Report for CCIP	Annual	3	CO
Review of cost containment strategies and results	Annual	3	CO

H.3 POST-CONTRACT RESPONSIBILITIES FOR PENSION AND OTHER BENEFIT PLANS

(a) If this Contract expires or terminates and the U.S. Department of Energy (DOE) has awarded a contract under which the new contractor becomes a sponsor of the Hanford Site Pension Plan (HSPP), Hanford Site Savings Plan (HSSP), Hanford Employee Welfare Trust (HEWT), Market-Based Plans and Legacy Plans as defined in paragraph (a) of the Section H Clause entitled, *Employee Compensation: Pay and Benefits*, of this Contract, and becomes responsible for management, and administration of the Market-Based Plans and Legacy Plans, the Contractor shall cooperate and transfer to the new contractor its responsibility for sponsorship, management and administration of the plans as appropriate and consistent with direction from the Contracting Officer.