Section B

Supplies or Services and Prices

Table of Contents

Section		Page
B.1	Occupational Medical Services	B-2
B.2	DEAR 970.5232-4 Obligation of Funds (Dec 2000)	B-2
B.3	Estimated Cost and Maximum Award Fee	B-4
B.4	Option to Extend the Term of the Contract	B-4

B.1 Occupational Medical Services

a. This is a performance-based, cost reimbursement service contract for the rendering of Occupational Medical Services for the U. S. Department of Energy's Hanford Site. The Contractor shall furnish all personnel, facilities, equipment, material, supplies, and services (except as expressly set forth in this contract as furnished by the Government) and otherwise do all things necessary for, or incident to, performing in an efficient and effective manner all work set forth in Section C, *Statement of Work*. The scope of work under this contract is comprehensive in that the Contractor is expected to perform all technical, operational and managerial functions necessary to provide the occupational medical services, in accordance with the terms of this contract.

b. The performance-based outcomes of this contract are broadly set out in the Section C Statement of Work and reflect the Department of Energy's minimum needs and expectations for contractor performance. More specific performance standards (i.e., performance expectations and measurement criteria) and the related incentives will be established annually (or at such other intervals as determined by the Contracting Officer) in the Performance Evaluation and Measurement Plan (PEMP) (see Section H.20). The contractor's performance relative to the PEMP will be considered as a factor in determining whether and to what extent option(s) will be exercised to extend the contract performance period. Contractor performance is also a factor that will directly affect the contractor's past performance report card.

B.2 DEAR 970.5232-4 Obligation of Funds (Dec 2000)

a. Obligation of funds. The amount presently obligated by the Government with respect to this contract is **$27,938,567.11.** Such amount may be increased unilaterally by DOE by written notice to the contractor and may be increased or decreased by written agreement of the parties (whether or not by formal modification of this contract). Estimated collections from others for work and services to be performed under this contract are not included in the amount presently obligated. Such collections, to the extent actually received by the contractor, 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. Nothing in this paragraph is to be construed as authorizing the contractor to exceed limitations stated in financial plans established by DOE and furnished to the contractor from time to time under this contract.

b. Limitation on payment by the Government. Except as otherwise provided in this contract and except for costs which may be incurred by the contractor pursuant to the Termination clause of this contract or costs of claims allowable under the contract occurring after completion or termination and not released by the contractor at the time of financial settlement of the contract in accordance with the clause entitled "Payments and Advances," payment by the Government under this contract on account of allowable costs shall not, in the aggregate, exceed the amount obligated with respect to this contract, less the contractor's fee and any negotiated fixed amount. Unless expressly negated in this contract, payment on account of those costs excepted in the preceding sentence which are in excess of the amount obligated with respect to this contract shall be subject to the availability of:

1. Collections accruing to the contractor in connection with the work under this contract and 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

2. other funds which DOE may legally use for such purpose, provided DOE will use its best efforts to obtain the appropriation of funds for this purpose if not otherwise available.

c. Notices-Contractor excused from further performance. The contractor shall notify DOE in writing whenever the unexpended balance of available funds (including collections available under paragraph (a) of this clause), plus the contractor's best estimate of collections to be received and available during the sixty (60) day period hereinafter specified, is in the contractor's best judgment sufficient to continue contract operations at the programmed rate for only sixty (60) days and to cover the contractor's unpaid fee and any negotiated fixed amounts, and outstanding encumbrances and liabilities on account of costs allowable under the contract at the end of such period. Whenever the unexpended balance of available funds (including collections available under paragraph (a) of this clause), less the amount of the contractor's fee then earned but not paid and any negotiated fixed amounts, is in the contractor's best judgment sufficient only to liquidate outstanding encumbrances and liabilities on account of costs allowable under this contract, the contractor shall immediately notify DOE and shall make no further encumbrances or expenditures (except to liquidate existing encumbrances and liabilities), and, unless the parties otherwise agree, the contractor shall be excused from further performance (except such performance as may become necessary in connection with termination by the Government) and the performance of all work hereunder will be deemed to have been terminated for the convenience of the Government in accordance with the provisions of the Termination clause of this contract.

d. Financial plans; cost and encumbrance limitations. In addition to the limitations provided for elsewhere in this contract, DOE may, through financial plans, such as Approved Funding Programs, or other directives issued to the contractor, establish controls on the costs to be incurred and encumbrances to be made in the performance of the contract work. Such plans and directives may be amended or supplemented from time to time by DOE. The contractor agrees

1. to comply with the specific limitations (ceilings) on costs and encumbrances set forth in such plans and directives,

2. to comply with other requirements of such plans and directives, and

3. to notify DOE promptly, in writing, whenever it has reason to believe that any limitation on costs and encumbrances will be exceeded or substantially underrun.

e. Government's right to terminate not affected. The giving of any notice under this clause shall not be construed to waive or impair any right of the Government to terminate the contract under the provisions of the Termination clause of this contract.

B.3 Estimated Cost and Maximum Award Fee

a. Pursuant to the FAR Clause 52.216-7, entitled "*Allowable Cost and Payment*," the total estimated cost of this contract is: (to be completed at award).

Table B-1
Estimated Cost and Maximum Award Fee (in thousands)

Fiscal Year	FY 2004	FY 2005	FY 2006	FY 2007*	FY 2008*	FY 2009*	FY 2010*	FY 2011*	FY 2012*	FY 2013*
Estimated Cost	$6,194	$8,376	$8,584	$8,797	$9,016	$9,241	$9,471	$9,708	$9,950	$10,199
Maximim Award Fee	$465	$628	$644	$660	$676	$693	$710	$728	$746	$765
Total Cost and Maximum Award Fee	$6,658	$9,004	$9,228	$9,457	$9,692	$9,934	$10,181	$10,436	$10,696	$10,964

* Option year

b. The performance fee for this contract shall be awarded upon the unilateral determination of the DOE's Fee Determination Official that an award fee has been earned. The unilateral decision is made solely at the discretion of the Government. This determination shall be based upon the Fee Determination Official's evaluation of the contractor's performance, as measured against the evaluation criteria set forth in the Performance Evaluation and Measurement Plans as described in Section H.20. Award Fee available for each period is as set forth in the Performance Evaluation and Measurement Plan.

c. If and when it becomes evident that the estimated scope of work under this contract will increase or decrease by fifteen percent (15%) or more, measured in terms of estimated cost, either party to this contract may request a renegotiation of the established fee pool amount(s).

d. The estimated cost for the Transition Period is $ NO COST . There will be no fee paid for this transition period.

B.4 Option to Extend the Term of the Contract

This contract may be extended at the unilateral option of the Government by written notice to the Contractor 60 days prior to the expiration date of this contact. Further, the Contractor agrees that the stated fees as set forth in Section B.3, *Estimated Cost and Maximum Award Fee*, above will apply to the Option Period(s). The Option Periods may be exercised at the sole discretion of the Contracting Officer and may be exercised unilaterally for any period(s). No single option period will be for a period of less than one year, nor will a single option period exceed five years.